

**Notes, Memoranda and letters Exchanged and Agreements signed
between The Governments of India and China**

WHITE PAPER V

November 1960 – November 1961

*Reference on the Indian Mission in Lhasa and the Trade Agencies in Gartok,
Yatung and Gyantse*

**Note given by the Embassy of India in China to the Ministry of
Foreign Affairs, Peking, 26 November 1960**

The Embassy of India presents its compliments to the Ministry of Foreign Affairs of the Government of the People's Republic of China, and has the honour to refer to a most unpleasant and serious incident which took place on the special train on the return journey of the Diplomatic Corps from Shaosin to Peking. The members of the Diplomatic Corps entertained at Shaosin at 6 P.M. on Monday, November 21, 1960. At about 11.30 P.M. the Ambassador of India was asked to see the Acting Director of Protocol who was accompanying the diplomats. The Acting Director alleged that at 6.40 PM that evening the Ambassador's Private Secretary, Mr. Sundaram, had "misbehaved" towards a Chinese girl attendant in the corridors of the train and had tried to embrace her. He further alleged that the girl had freed herself from Mr. Sundaram and Mr. Sundaram had then run away from the scene of the alleged incident. The Acting Director stated that the personnel of the tram were indignant over what he called the "misbehaviour" of a member of the Indian Embassy' who was also concurrently the Ambassador's Private Secretary. The Acting Director wanted the

Ambassador to "educate" his Secretary and ensure that no repetition of the alleged incident would occur. The Ambassador expressed shocked surprise at the grave charge made against his Private Secretary Mr. Sundaram, and said that Mr. Sundaram was a happily married sober young man whose conduct had always been above reproach. The Ambassador added however that he would make enquiries.

Next morning (Tuesday November 22nd) the Ambassador spoke to Mr. Sundaram about the charge made against him. Mr. Sundaram was astonished and said that he had not been near a Chinese girl on the train, or at any time during the diplomatic trip. He added that the charge was fantastic and was a complete fabrication. He gave the Ambassador a detailed account of his movements on the previous evening and said that from 6.15 P.M. to 7.20 P.M., and consequently at the time of the alleged incident, he was sitting in another compartment along with six or seven others. At about 7.20 P.M. he left the compartment, along with the others, to take his dinner in the dining car. On checking all the facts given by Mr. Sundaram, the Ambassador was quite satisfied that the charge was completely false. The Ambassador then went to the Acting Director of Protocol at 10 A.M. and informed him of the result of his investigating. The Acting Director said that he regretted that Mr. Sundaram had flatly denied the charge and that the Ambassador "accepted the denial" and "repeated it" to him. The Acting Director again said that the leading man and the train personnel were indignant over the incident and wanted to know what action was being taken. He proposed that the alleged "victim" and Mr. Sundaram should be confronted with each other and their respective versions obtained. On this occasion the Acting Director added that there had been an eye-witness to the incident, although he had made no mention of any witness to the alleged incident when he had talked to the Ambassador the previous night. The Ambassador talked out that there were difficulties in

carrying out such an investigation on a running train carrying the entire Diplomatic Corps. He also added that he had no Chinese knowing person with him who could check on what was being said by the supposed 'victim' and eye-witness and who would also ensure that what Mr. Sundaram said was being properly interpreted. The Ambassador however said that he would think over the matter.

After dinner that evening, the Ambassador met the Acting Director again and told him that he could not accept an Investigation on a running train. He pointed out that joint investigations of such a nature could be carried out only under proper conditions, with both sides having full facilities for presenting their respective cases. The Ambassador added that if an investigation was insisted upon it could be carried out in Peking where each side would have the services of its own interpreters. The Acting Director regretted the Ambassador's decision not to agree to an immediate investigation and also regretted what he called the Ambassador's 'judgment' in accepting Mr. Sundaram's version. The Acting Director added that he would convey the Ambassador's decision to the train personnel whose indignation, he said, would thereby increase. He further stated that he would not be responsible for any unpleasant incident that might take place as a result of "their increased indignation". The Ambassador protested strongly against the Acting Director's attempt to intimidate him and reminded the Acting Director that he and members of his party were the guests of the Chinese Foreign Office.

Half an hour later, that is at 11.30 P.M., Mr. Kallukaren, the Indian Press Attache, who was sharing the compartment with Mr. Sundaram, rushed into the Ambassador's compartment and informed him that Mr. Sundaram had been dragged out of his compartment by members of the Protocol Department to the place of the alleged incident where a group of train personnel was demonstration; against him The Ambassador and his wife

went to the place where Mr. Sundaram was being heckled and shouted at, by a group of train personnel, with Foreign Office interpreters translating the abuses and repeatedly calling Mr. Sundaram "Rascal!, Rascal!" They were also shouting at him most violently: "Admit it! Admit it! Admit it!" One of them went so far as to shout, according to the Protocol interpreter himself, "What sort of an Indian Ambassador who will not take a responsible attitude!" The alleged "victim" and .eye-witness were there but the militant demonstration was entirely carried on by another girl and a man who were assisted by Protocol interpreters. Mr. Sundaram was completely hemmed in and subjected to abuse and humiliation, physically debarred from leaving the spot and practically imprisoned, since the Chinese party had taken care to lock the door in front of which he was standing. The demonstrators were adopting an increasingly threatening and violent attitude, when the Ambassador and his wife arrived on the spot. The latter reminded the demonstrators that the Ambassador and his party were the guests of the Chinese Government and that their behaviour was not in keeping with their position as hosts. They also reminded them that earlier on, the Ambassador had already told the Acting Director that he was agreeable to having an investigation held in Peking and that therefore this demonstration was completely unjustified. The staff of the Protocol Department, who were on the spot and in the vicinity, did nothing to pacify the demonstrators. On the other hand they encouraged them, repeating to the bystanders their version of the alleged "misbehavior". The Ambassador and his wife, however, were able to rescue Mr. Sundaram from the yelling and gesticulating crowd and take him to their compartment. There is no doubt that Mr. Sundaram would have been assaulted but for the Ambassador's intervention. As the Ambassador, his wife and Mr. Sundaram were walking; back to their compartment, the Acting Director and the Deputy Director of the Protocol Department, who had also been near the

scene throughout this unruly demonstration, were returning to their compartment just ahead of the Ambassador.

Though by then it was midnight, the Ambassador walked across to the bogey where the Vice-Minister of Foreign Affairs, His Excellency Mr. Lo Kwei-po, was seated with his staff, obviously getting a report of the demonstration. The Ambassador made a very strong protest against the unruly and unseemly demonstration which had just taken place and the insult deliberately offered to the Indian Embassy. The Ambassador reminded the Vice-Minister that he had already expressed his agreement to an investigation in Peking under proper conditions, and was therefore all the more shocked and surprised that the train personnel had taken the law into their own hands, and had been assisted in doing so by officials of the Foreign Office. The Ambassador said he refused to believe that the demonstration could not, have been controlled by the officials of the Foreign Office. The Vice-Minister said that he would not accept the Ambassador's protest and commended what the demonstrators had done, saying that "their action was right". He added that the demonstration was not an insult to the Indian Ambassador but a protest against the "misbehaviour" of Mr. Sundaram. He also said that in not having agreed to an immediate investigation on the running train, the Ambassador had shown an "unfriendly attitude".

The Ambassador repudiated what the Vice-Minister said and pointed out that joint investigations in such cases had to be carried out under proper conditions and that the Chinese proposal to render summary justice on the spot, by holding an immediate investigation, was neither fair nor acceptable to him.

The Government of India are shocked at this incident and have directed their Ambassador to lodge a strong protest against the violent demonstration of the train personnel, actively assisted by officials of the

Chinese Foreign Office, in dragging a member of the Indian Embassy out of his compartment on a running train and in subjecting him to violent threats, insults and humiliation in its corridors.. The Government of India are shocked that the train personnel were allowed to take the law into their own hands, in spite of the assurance given by the Ambassador of India, that he would agree to a joint investigation on returning to Peking. The Government of India strongly feel that the incident was especially deplorable, because of the presence, not only of senior officials of the Chinese Foreign Office on the train, but also of the Vice-Minister for Foreign Affairs, His Excellency Mr. Lo Kwei-po. The Ambassador of India and his party were guests of the Chinese Government and it is incredible to the Government of India, that the subordinate staff of the train could have been allowed to take the law into their own hands in thus insulting them. The Government of India strongly protest against the whole incident which was deliberately designed to insult the Indian Embassy and bring it into disrepute.

The Embassy of India avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the Government of the People's Republic of China the assurances of its highest consideration.

**Note given by the Ministry of Foreign Affairs, Peking, to the
Embassy of India in China, 10 December 1960**

The Ministry of Foreign Affairs of the People's Republic of China has read the note of the Ministry of External Affairs of India delivered to the Chinese Embassy in India on May 17, 1960 and has the honour to reply to this note as well as the memoranda of the Indian Embassy in China, dated August 25, 1959 and September 17, 1959, the note of the Ministry of External Affairs of India, dated October 26, 1959 and its informal note of April 25, 1960 as follows:

1. In the above-mentioned memoranda and notes, the Indian Government said that Indian traders allegedly encountered difficulties and restrictions in China's Tibet region, and claimed that certain proper measures and regulations of the Tibet region of China had altered or violated the so-called "customary practice" in trade between the Tibet region of China and India, and on this basis made a series of charges against and demands on the Chinese Government. Having made a serious check on all the cases mentioned in the above memoranda and notes, the Chinese Government deems it necessary to point out that the charges made by the Indian Government against the local authorities of the Tibet region of China are groundless, and the many demands made by the Indian Government are also unacceptable to the Chinese Government.

2. In the above-mentioned memoranda and notes, the Indian Government repeatedly objected to certain regulations and measures adopted by the local authorities of the Tibet region of China, charging that they had altered or violated the so-called "traditional pattern of trade" or "customary practice" in trade between the Tibet region of China and India. The Chinese

Government rejects this charge. What the Indian Government means by "customary practice" is mainly that Indian traders may make trade payments in Indian rupees, Tibetan coins or Chinese silver dollars. It must be pointed out that there are no provisions at all on trade payments in the Sino-Indian Agreement on Trade and Inter-course Between the Tibet Region of China and India of April 1954. Article II of the Agreement specifies the places where traders of both sides known to be customarily engaged in trade may trade. Article IV specifies the routes by which traders of both sides travel. Paragraphs 1, 2 and 3 of Article V provide that traders of both sides or inhabitants of the border districts of the two countries or porters and mule-team drivers who perform necessary transportation services need not hold passports issued by their own country in travelling across the border. Obviously, there are in the Agreement no provisions on matters concerning trade itself such as payment. Needless to point out, these matters should be dealt with in accordance with the regulations and measures in force of the local authorities of the Tibet region of China. In its note the Indian Government also referred to Paragraphs 1 and 4: of Article VII of the Sino-Indian Trade Agreement of October 14, 1954 as a "reason" for making demands on the Chinese Government. True, Paragraph 1 of Article VII stipulates: All commercial and non-commercial payments between the People's Republic of China and the Republic of India may be effected in Indian rupees; and Paragraph 4 stipulates: Payments for border trade between the People's Republic of China and the Republic of India, however, will be settled according to the customary practice. It must be pointed out that concerning trade between the Tibet region of China and India there is a specific provision in Article V of the Sino-Indian Trade Agreement, which stipulates that the above-mentioned trade will be conducted in accordance with the provisions of the Sino-Indian Agreement on Trade and Intercourse Between the Tibet Region of China and India of

April 1954. As pointed out above, there are no provisions at all on trade payments in this Agreement. It is, therefore groundless for the Indian Government in the abovementioned memoranda and notes to insist that Indian traders in the Tibet region of China effect trade payments in Indian rupees, Tibetan coins or Chinese silver dollars. And the Chinese Government cannot agree to this.

3. After the quelling of the rebellion and the carrying out of democratic reforms in the Tibet region of China, the local authorities of the Tibet region of China, in the light of specific conditions and actual needs, have introduced certain necessary financial and economic reforms, such as the exchange of the Tibetan currency into Jen Min Pi, with a view to stabilising finance and bringing about economic prosperity. This currency reform is purely a matter within the scope of China's sovereignty and no foreign country has any right to interfere with it. All foreign nationals and traders without exception are obliged to observe: the relevant laws and regulations of the country in which they reside. The Indian Government in its memorandum of August 25, 1959 went so far as to describe this currency reform which is purely a domestic measure of China's as "arbitrary measures". This shows that the Indian Government not only fails to understand correctly the great significance of the currency reform introduced by the local authorities of the Tibet region of China, but also tries deliberately to interfere in China's internal affairs. The Indian Government demands that Indian traders be permitted to take to India Tibetan coins and Chinese silver dollars, and further asks that no difficulties should be placed in the way of remittance of profits of the Indian traders from Tibet to India, or that it should be allowed "without any conditions". It must be pointed out that monetary measures are matters within the scope of a country's sovereignty. The Chinese Government cannot accept these

demands of the Indian Government. The regulation that Indian traders applying for foreign exchange must undertake to import goods of equivalent value has been in force for many years. Furthermore, this is also a matter of sovereign right exercised by a country in foreign exchange management in which no foreign country has the right to interfere.

4. The Indian Government, in the above-mentioned memoranda and notes, also mentioned other so-called "difficulties" encountered by Indian traders. These too are groundless. The Indian Government alleged that the commission of two per cent. had been doubled.

The Chinese Government has been satisfied that this is absolutely untrue. The local authorities of the Tibet region of China did suggest in the spring of 1959 that certain Indian traders in Western Tibet take back to India their unsold merchandise; this was done entirely out of consideration for protecting the security of the Indian traders' merchandise. However, the local authorities of the Tibet region of China indicated at the time that the Chinese side did not object to Indian traders leaving their merchandise in the locality, so long as the Indian traders themselves wished to do so. Regarding the export of sheep and goats to India, the local authorities of China's Tibet region, with a view to effecting economic prosperity and developing animal husbandry, have stipulated that, except for the necessary amount of meat sheep and goats, no sheep and goats are to be exported at will. This is not only a matter of China's internal affairs, but also a natural measure which should be understandable to the Indian Government. The Chinese Government wishes that the Indian Government would advise Indian traders to respect the regulations of the local authorities of China's Tibet region. It should also be mentioned here that the Indian Government's allegation in its note that the Tibet local authorities refused to accept goods shipped to Tibet by Indian Traders in

fulfilment of earlier contracts is untrue. Check-ups have revealed that trade organizations of the Tibet region have always faithfully observed contracts, while Indian traders, on the contrary, more than once violated provisions of contracts. Some Indian traders failed to deliver goods according to the time stipulated in the contracts; individual Indian traders even failed to deliver goods according to the specifications of the contract~, in an attempt to pass inferior goods as high quality goods for example, of the 180 woolen piece-goods which the trade organization of China's Tibet region ordered from the Indian-Sikkim Company, only one-third are conformable to the specifications. It was only in the se circumstances that the trade organization of China's Tibet region, in order to avoid losses, had to refuse to accept them.

5. The Chinese Government has all along taken a positive attitude towards the promotion of trade between the Tibet region of China and India. Even in the situation of armed rebellion in the Tibet region, in which trade between the Tibet region and India met with certain temporary and partial difficulties, the Tibet local authorities still made the greatest endeavour to provide Indian traders with the possibility of carrying on trade. A proof of this is the fact that the Tibet local authorities have never discontinued the export of the important commodity wool. Although the Indian Government expressed its desire to develop trade between China's Tibet region and India, yet, in the past period, there have occurred some adverse situations on the Indian side. On October 3 and 22, and November 1, 1959, the Indian Political Commissioner's Office in Sikkim issued successive orders prohibiting the export to the Tibet region of many kinds of goods such as kerosene and iron-made farm tools, and even food grain which the Tibetan border inhabitants used to exchange for. It is learnt that Indian traders have been obstructed again and again from taking orders placed by the

trade organization of China's Tibet region. The Chinese Government does not know the purposes of the Indian side in adopting these and similar measures, nor wishes to raise any demands concerning measures which are India's internal affairs. The Chinese Government hopes that the Indian Government will take practical measures in the interest of the development of trade between China's Tibet region and India.

The Ministry of Foreign Affairs of the People's Republic of China avails itself of this opportunity to renew to the Indian Embassy the assurances of its highest consideration.

**Note given by the Ministry of Foreign Affairs, Peking, to the
Embassy of India in China, 12 December 1960**

The Ministry of Foreign Affairs of the People's Republic of China presents its compliments to the Embassy of the Republic of India in China, and, with reference to the informal note delivered in Delhi by Foreign Secretary Dutt of the Indian Ministry of External Affairs to Assistant Minister Chia Kuan-hua of the Ministry of Foreign Affairs of the People's Republic of China on April 25, 1960, has the honour to reply as follows:

1. Regarding the question of accommodation for the Indian official organs in Tibet:

The local authorities of China's Tibet region have all along done their utmost to render assistance, in accordance with the 1954 Sino-Indian Agreement, to all the Indian official organs in the conclusion of leases and the construction of buildings. For example, regarding the question of the lease of the Indian Trade Agency in Gyantse, the Bureau of Foreign Affairs in Tibet has conducted several discussions with the Indian Consulate-General in Lhasa on the draft lease put forward by the Chinese side in June this year, and agreement has been reached on many questions in the draft lease. Now the local authorities of China's Tibet region are waiting for the final reply of the Indian Consulate-General. As regards the request of the Indian Trade Agency in Gyantse for renting three more rooms, energetic assistance has been rendered by the local authorities of Gyantse in the light of the local conditions.

Regarding the construction of the premises for the Indian Trade Agency in Gartok, the Tibet local authorities have, in the light of the present local conditions, agreed to assist the Indian Trade Agency in building some local-typed houses for temporary use.

Besides, the local authorities also rendered assistance to the Indian Consulate-General in Lhasa when the latter wanted to build more houses this year.

The Foreign Ministry believes that, in the future, reasonable requests of the Indian official organs in Tibet will continue to be fulfilled with the assistance of the local authorities. The Chinese Government hopes that the Indian Government will instruct its official organs in Tibet to adopt an attitude of co-operation similar to that of the Chinese local authorities.

2. Regarding the question of the functioning of the Indian Consulate-General and Trade Agencies in the Tibet region of China:

(1) It must be pointed out that the allegation made by the Indian Government in its note that "very strict restrictions have been imposed on the freedom of movement and functioning" of the Indian Consulate-General and Trade Agencies does not tally with the fact at all. This year, despite the very heavy transport duties of the communications departments, the local authorities of the Tibet region of China have provided members of the Indian official organs with the facility of vehicles needed for travel and transportation of supplies. In July this year, the local authorities asked the Indian Consulate-General in Lhasa and the Trade Agencies in Gyantse and Yatung respectively to submit their transportation plans month by month so as to include them in the monthly plan of the communications departments so long as possible.

(2) The local authorities of China's Tibet region have never imposed any restriction on the proper activities of the Indian official organs in Tibet. The Ministry of Foreign Affairs must seriously point out that certain members of the Indian Trade Agencies have repeatedly seized various opportunities to carry on activities wholly incompatible with their status. For

example, the officials of the Indian Trade Agency in Gyantse, during their visit to Pai Chu Monastery in Gyantse, distributed to the lamas donations wrapped in sheets of Indian newspapers carrying anti-Chinese statements and cartoons which slander the Chinese Government as committing aggression and dispatching spies to carry on activities in India, and sow discord in Sino-Soviet, Sino-Burmese and Sino-Nepalese relations. This was obviously an act which impairs friendship between China and India. It is regrettable that, without verifying the facts, the Indian Government should have charged the Chinese Government with failure to afford opportunities for Indian officials to move around to various places and make so-called "cultural contact" with local people; this is difficult to understand.

(3) The Chinese Government holds that whether the local people employed by the Indian organs are willing to continue their service is entirely upto themselves and they have all along enjoyed full freedom in this matter. The allegation in the Indian Government's note that "local posts" is without factual basis.

3. The question of pilgrims:

In the past several years, the Chinese Government has consistently, in accordance with the relevant provisions of the Sino-Indian Agreement and the notes exchanged, given various facilities to Indian pilgrims coming on pilgrimage to the Tibet region of China. For example: lodgings at 18 places have been cleared out by the monasteries around Kang Rimpoche (Kailas) and Mavam Tso (Manasarovar) to house the pilgrims; free medical treatment has been given to them and relief to individual poor pilgrims. After the rebellion launched by the Tibetan upper strata reactionaries, the Bureau of Foreign Affairs in Tibet informed the Indian Consulate General in Lhasa that it would be advisable for Indian pilgrims not to come for

pilgrimage in 1959. Last summer, when remnant bandits were still making harassment in parts of the Ari District of Tibet, the local authorities also advised Indian pilgrims not to come for pilgrimage for the time being. All this was done out of concern for the safety of the lives and properties of Indian pilgrims. The Ministry of Foreign Affairs believes that the pilgrimage by Indians to China's Tibet region will return to normal gradually.

4. As regards the questions concerning the Indian Trade Agent in Gartok having remained for a period in Pulan Dzong On his way to Gartok in 1959 and the arrest of some foreign criminals, who were involved in the rebellion, by the military authorities of the Tibet region in the course of quelling the rebellion in Tibet, the Ministry of Foreign Affairs already made explanations in its notes dated September 11, 1959 and February 27, 1960. The Chinese Government hopes that the Indian Government will take notice of the explanations set forth in the successive notes of the Chinese Government.

5. The Ministry of Foreign Affairs is much surprised at the hope expressed by the Indian Government in its note that the Chinese Government should "respect the sovereign rights of the Government of India over Minsar in Western Tibet". Minsar is China's territory, and is a part of the Ari District of China's Tibet region. Yet the Indian Government now hopes that the Chinese Government on Chinese territory, "respect" the "sovereign rights" of India. The Chinese Government cannot but firmly reject this.

6. As regards the question of China's boundaries with Bhutan and Sikkim, it was already clarified in Premier Chou En-lai's letter to His Excellency Prime Minister Nehru, dated September 8, 1959, and the note of the Chinese Foreign Ministry, dated December 26, 1959. Concerning the allegation in

the Indian Government's note that "China might take military steps to occupy" Sikkim and Bhutan, the Ministry of Foreign Affairs already reiterated the Chinese Government's solemn and just stand in its note of December 2.6, 1959, and pointed out that "All allegations that China wants to encroach on Bhutan and Sikkim, just like the allegations that China wants to commit aggression against India and other southwestern neighbouring countries, are sheer nonsense". Now the Indian Government still repeatedly resorts to these allegations, long refuted by the facts, that the Chinese Government wants to commit aggression against its neighbouring countries. The Chinese Government cannot but feel special regret at this.

The Ministry of Foreign Affairs avails itself of this opportunity to renew to the Indian Embassy the assurances of its highest consideration.

**Note given by the Ministry of Foreign Affairs, Peking, to the
Embassy of India in China, 31 December 1960**

The Ministry of Foreign Affairs of the People's Republic of China presents its compliments to the Embassy of India in China and, with reference to the note of the Embassy, dated November 26, 1960 has the honour to state as follows:

With regard to the insult offered by Mr. Sundaram, staff member of the Indian Embassy and private secretary to the Indian Ambassador, to a Chinese stewardess during the tour of the Diplomatic Corps, the Chinese Ministry of Foreign Affairs is surprised to note that His Excellency the Indian Ambassador, on the strength of Mr. Sundaram's disavowal, categorically denied the fact, although the Chinese Ministry of Foreign Affairs, out of goodwill, adopted a friendly attitude and well-intentionally informed His Excellency the Indian Ambassador of the truth of the fact in the hope that he would give appropriate criticism and education to his private secretary and guarantee that no similar incidents would recur in the future. In the Embassy's note of November 26, 1960, the Indian Government went so far as to describe this incident as one "deliberately designed to insult the Indian Embassy and bring it into disrepute". The Chinese Ministry of Foreign Affairs is astonished at this assertion by the Indian Government, which disregards the fact and falsely accuses the wronged party, and cannot but express the greatest regret at it.

The truth of the incident has been informed to His Excellency the Indian Ambassador by the Deputy Director of the Protocol Department of the Chinese Ministry of Foreign Affairs. At about 6: 40 F.M. 'on November 21, 1960, on board the train from Shaohsing to Hang chow, Mr. Sundaram, on his way from his carriage (No. 7) to carriage No. 9, forcibly embraced a

Chinese stewardess standing in front of the service room at one end of carriage No. 8. Mr. Sundaram denied being present at the scene at the time of the incident. But according to His Excellency the Indian Ambassador in his talk with the Deputy Director of the Protocol Department, Mr. Sundaram himself admitted that he was in carriage No. 7 when the train left Shaohsing at 6: 00 P.M. on November 21, and that later he went to carriage No. 9. The incident occurred that very evening after the train left Shaohsing at 6:00 P.M. and at the very place at one end of carriage No. 8. Moreover, it -was witnessed by a steward from the other end of the carriage (This was referred to when the Deputy Director of the Protocol Department first talked to His Excellency the Indian Ambassador). All this proves that the case is true.

The case could have been settled properly provided the Indian Embassy had respected the fact. On receiving the report from the head steward, the officials of the Chinese Ministry of Foreign Affairs, having regard for the public reputation of the Indian Embassy and being unwilling to see expansion of the case, tried hard at the time to persuade and restrain the train personnel and in a friendly manner informed His Excellency the Indian Ambassador of the truth of the fact in the hope that the Embassy would deal with the case properly on Its own. Contrary to the expectations of the Chinese Ministry of Foreign Affairs, His Excellency the Indian Ambassador showed a biased confidence in Mr. Sundaram's one-sided denial and rejected the fact; at the same time, on the pretexts that there was no Chinese speaking Indian present and that no investigation could be made on a running train, he rejected the reasonable demand of confronting the two parties concerned in the case so as to clarify right and wrong, thus adopting an attitude of mistrust to the goodwill of the Chinese)' side. Under such circumstances, it was only natural that the train personnel should feel disappointed and dissatisfied with His Excellency the Indian Ambassador's

failure to settle this incident fairly; it was also fully justified that they sent five representatives to lodge face to face protest with Mr. Sundaram. At the time Mr. Sundaram requested that he would ask Mr. Kallukaran, Press Attache of the Indian Embassy, to accompany him and the representatives of the train personnel agreed to this request. In response to the request of the representatives of the train personnel, Mr. Sundaram also agreed to go to the scene of the incident for checking. The note of the Embassy has gone so far as to assert that Mr. Sundaram was dragged by personnel of the Protocol Department from the compartment to the scene of the incident, that the officials of the Ministry of Foreign Affairs actively assisted the train personnel in insulting Mr. Sundaram that he was practically imprisoned, that the train personnel adopted an increasingly threatening and violent attitude, etc. Needless to point out, these assertions are entirely untrue, but purely fabrications and slanders. As a matter of fact, in the course when the representatives of the train personnel lodged their protest with Mr. Sundaram, no official of the Ministry of Foreign Affairs was present except the interpreter who was asked to go there to interpret. Although the representatives of the train personnel, including the stewardess subjected to insult, were extremely indignant at Mr. Sundaram's bad attitude of flatly denying the fact and even making false counter-charges, they still maintained proper manners towards Mr. Sundaram. The assertion in the Embassy's note that the Deputy Director of Protocol Department was in the vicinity of the scene during the whole process was also an arbitrary fabrication. The fact is that on his way to the scene of the incident on learning of the matter, he met the Indian Ambassador and his wife who were already returning from the scene.

The Chinese Ministry of Foreign Affairs wishes to point out that the occurrence and development of the case was entirely caused by the Indian Embassy. It cannot but be deeply regretted that the Indian Embassy not

only failed to make due response to the friendly attitude of the Chinese side, but, on the contrary, made charges which were totally in disregard of the facts and devoid of all justification. The Chinese Ministry of Foreign Affairs refuses to accept the entirely groundless protest of the Indian Government and hopes that the Indian Embassy will respect the facts and adopt a cooperative attitude, and that no similar incidents will recur in the future.

The Ministry avails itself of this opportunity to renew to the Embassy the assurances of its highest consideration.

**Note given by the Consulate General of India in Lhasa to the Bureau
of Foreign Affairs in Lhasa, 7 January 1961**

The Consulate General of India, Lhasa, presents its compliments to the Bureau of Foreign Affairs in Tibet Region of China and has the honour to refer to the latter's Note dated August 24, 1960, regarding employment of local staff members and servants of Chinese nationality by the Consulate General and the Indian Trade Agencies in Tibet.

2. The Consulate General of India, Lhasa, and the Indian Trade Agencies in Tibet will inform the Foreign Bureau and the Sub Offices of Foreign Affairs concerned of their requirements of Chinese nationals to serve as members of staff or domestic servants. The Consulate General and the Trade Agencies have also noted that the Foreign Bureau and the Sub Offices of Foreign Affairs concerned would like to be informed of any decrease or increase in their personnel and they are agreeable to supply such information at periodical intervals.

3. The Consulate General of India in Lhasa avails itself of this opportunity to renew to the Bureau of Foreign Affairs in Tibet Region of China the assurances of its highest consideration.

**Note given by the Embassy of India in China to the Ministry of
Foreign Affairs, Peking, 28 January 1961**

The Embassy of India in China presents its compliments to the Ministry of Foreign Affairs of the Government of the People's Republic of China and, with reference to the note of the Ministry of Foreign Affairs dated December 31, 1960, has the honour to state as follows:

The Government of India are shocked to find that in their note of December 31, 1960, the Chinese Ministry of Foreign Affairs persist in defending and commending the unwarranted action of the train personnel in taking the law into their own hands and organizing a violent demonstration, subjecting a member of the Indian Embassy to threats, insults and humiliation, and in completely distorting the facts relating to the deplorable incident on the special train carrying the Diplomatic Corps on November, 22, 1960..

The true facts were stated in their entirety in the note of the Embassy of India dated November 26, 1960. When the Acting Director of Protocol made the charge against Mr. Sundaram, the Ambassador of India made full enquiries. Although his enquiries established that Mr. Sundaram, was innocent, the Ambassador nevertheless expressed willingness to hold a joint investigation in Peking. What the Ambassador did not agree to was the Acting Director's insistent proposal to hold an enquiry on a running train without the members of the Indian Embassy party having a Chinese-knowing Indian interpreter with them. Any impartial observer would agree that an investigation of a charge of such a serious nature should be carried out only under proper conditions and with full facilities being made available for both sides. The Ambassador's decision was therefore in accord with accepted procedure. To describe it as "a failure to settle the incident fairly" is a distortion of the facts. To go further and assert, as the Chinese

Ministry's note does, that because the Ambassador declined an unreasonable demand, the train personnel were justified in taking the law into their own hands, is to find a pretext to defend the train personners reprehensible conduct.

It is a matter for deep regret that the facts of the incident, which were within the knowledge of the members of the Indian Embassy and many others, should have been distorted as they have been in the Chinese note in order to buttress up a case that does not exist. Soon after the train left Shaohsing Mr. Sundaram had, no doubt left his compartment and entered another compartment in carriage No. 9, but he had already done so by 6-15 p.m., from which time up to dinner at 7-20 p.m. and after dinner, he was continuously in carriage No. 9. Hence the relevant fact is not that he left his compartment that evening, but the time at which he left it; for long before 6-40 p.m., the time of the alleged incident, he was already in the company of several others in carriage No. 9, from where he did not move at all until 7-20 p.m. and then only in company with others. This fact is within the knowledge of all those in whose company he was from 6:15 p.m. onwards and proves that the charge against Mr. Sundaram is completely false.

Again the Chinese Ministry's note says that Mr. Sundaram "agreed to go to the scene of the incident for checking." This is entirely untrue. When Mr. Sundaram was confronted at the door of his compartment by a group of excited train personnel led by Mr. Shieh, the Foreign Office interpreter, he told Mr. Shieh and the demonstrators that he did not want to leave the compartment and say anything except in the presence of the Ambassador. But the demonstrators refused to allow him to get into touch with the Ambassador. It is wholly incorrect to say that Mr. Sundaram willingly accompanied the demonstrators to carriage No. 8. He was forced and elbowed out of his compartment into the corridor towards carriage No. 9 by

the demonstrators. Again, Mr. Sundaram's request in regard to Mr. Kallukaran was not that the latter should accompany him but that the latter should report the matter to the Ambassador. On this point also the Chinese note misstates the facts.

The note also gives a completely false description of the ugly demonstration. Mr. Sundaram was hemmed in by a gesticulating crowd of train personnel, who were adopting a threatening attitude, shouting abuses and insults and jabbing the air menacingly with their fingers.

The demonstrators were certainly more than five in number and nearer 12 or 15. It is completely false to say that the demonstrators adopted "proper manners" towards Mr. Sundaram; on the contrary, they were excited, unruly and most hostile. This fact can be vouched for by the onlookers of the scene who were mostly junior diplomats.

The attempt of the Chinese Ministry's note to minimise the nature of this preplanned and hostile demonstration is utterly out of keeping with the facts.

It is extremely surprising that the Chinese Ministry's note should deny the facts in regard to the active part played by the Chinese Foreign Office officials in the whole incident. Mr. Shi eh, the Foreign Office interpreter, took the demonstrators to Mr. Sundaram's compartment and insisted on his coming out, saying that the demonstrators wanted him. Again, at the scene of the demonstration Mr. Shieh was nearest to Mr. Sundaram, wholly identifying himself with the demonstrators and shouting in English the unseemly abuses and insults hurled at Mr. Sundaram. With the demonstrators was also Mr. Wang, another Foreign Office interpreter, and a few feet away was Miss Kuo, also a Foreign Office interpreter. Both Mr. Wang and Miss Kuo were loudly declaiming and broadcasting among the onlookers the false charges against Mr. Sundaram in an obviously concerted attempt to blacken his reputation. It is a matter for shocked

surprise that the Chinese Foreign Office should provide interpreters for hostile demonstrators against their guests.

The statement made in the Embassy's note of November 26, 1960, that the Acting Director of Protocol and the Deputy Director were near the scene of the incident is in accord with the facts. It is surprising that the Chinese note should attempt to maintain that the Deputy Director alone was on his way to the scene of the demonstration as if he had just learnt about it. When the Foreign Office officials must have been aware of it for quite a while, as is proved by the presence of Mr. Shieh with the demonstrators from the very beginning.

In the light of what has been stated above and in the Embassy's note of November 26, 1960, the statement made in the Chinese note that "the occurrence and development of the case was entirely caused by the Indian Embassy" is a complete perversion of the facts. The Government of India refuse to accept the wholly wrong version of the deplorable incident given in the Chinese note and the justification given therein for the demonstrators being allowed to take the law into their own hands. The Government of India strongly renew their protest against the violent demonstration of the train personnel actively assisted by the officials of the Chinese Foreign Office, and against the deliberate insult offered to the Indian Embassy.

The Embassy of India renews to the Ministry of Foreign Affairs of the Government of the People's Republic of China the assurances of its highest consideration.

**Note given by the Ministry of Foreign Affairs, Peking, to the
Embassy of India in China, 28 March 1961**

The Ministry of Foreign Affairs of the People's Republic of China presents its compliments to the Indian Embassy in China and, with reference to the notes delivered by the Indian Ministry of External Affairs to the Chinese Embassy in India on July 27 and November 9, 1960 respectively, has the honour to reply as follows:

1. The local authorities in China's Tibet, in accordance with the 1954 Sino-Indian Agreement, received in the same friendly way as in previous years the Indian Trade Agent in Gartok who came to western Tibet in August 1960. They not only provided him with facilities in transport, communications, security guards, etc., but also designated officials of the Bureau of Foreign Affairs to give him help in various ways when he entered and left China and, according to the local conditions rendered every assistance to him in his daily needs. For this the Trade Agent himself more than once expressed his gratitude to the local Government. It is regrettable, however, that the Indian Ministry of External Affairs in its note of November 9, 1960 to the Chinese Embassy in India should have disregarded the above mentioned facts and made utterly unreasonable charges and complaints against the Chinese side. This is what the Foreign Ministry cannot accept.

2. In its note of November 9, 1960, the Indian Ministry of External Affairs reiterated many things concerning trade between China's Tibet and India and the activities of Indian traders in the Tibet region of China which are inconsistent with the facts, and made unwarranted charges against the Chinese side. The Chinese side already made a detailed explanation of its

position on this question in the note delivered by the Foreign Ministry to the Indian Embassy in China on December 10, 1960, and no repetition will be made in the present note. However, the Foreign Ministry must sternly point out that the allegation made by the Indian Ministry of External Affairs in the above-mentioned note that Chinese traders "enjoy freedom of movement and customary trade in India," is inconsistent with the facts in recent years, many Chinese traders who went to India for normal trade and Chinese border inhabitants who carried on border trade were continuously subjected to unwarranted questioning and harassment by the Indian side. Regarding this question, the Chinese Foreign Ministry addressed a note to the Indian Embassy in China on September 11, 1959, drawing the attention of the Indian Government on it. Regrettably, however, after that such unfortunate incidents have still occurred one after another, and their nature has become more and more serious. For instance, since May 1960, there have occurred at the Indian checkpost at Chusul several cases of infringement on the human rights in which innocent Chinese traders were detained, beaten and interrogated. Therefore, the Foreign Ministry once again has to call the serious attention of the Indian Government to this question, and ask it to adopt effective measures to prevent the recurrence of such unfortunate incidents so that Chinese traders can go back and forth between the Tibet region of China and India normally.

3. The local authorities in China's Tibet have always, in accordance with the provisions of the 1954 Sino-Indian Agreement and the notes exchanged, given protection and facilities to Indian pilgrims coming on pilgrimage to western Tibet in China. As for pilgrims who break the law, however, they should be dealt with according to law by the Tibet region. Regarding the medicines carried by Swami Brahmachari Atma Chaitanya, a law-breaking Indian pilgrim, even the list of the above-mentioned medicines given in the

July 27, 1960 note of the Indian Ministry of External Affairs itself clearly includes many poisons. The Chinese Ministry of Foreign Affairs cannot but express its regret over the fact that the Indian Ministry of External Affairs should have repeatedly tried to defend the law-breaking pilgrims.

In conclusion, the Foreign Ministry reaffirms that the Chinese Government has consistently, in accordance with the Five Principles of Peaceful Coexistence, acted on the 1954 Sino-Indian Agreement on Trade and Intercourse Between the Tibet Region of China and India and the related notes exchanged. Despite certain temporary limitations in facilities and inconveniences faced by the Tibet region at present, the Chinese local authorities have still rendered necessary assistance to Indian officials, traders and pilgrims in their normal activities. The Foreign Ministry hopes that the Indian side will instruct its officials, traders and pilgrims in Tibet to take a co-operative attitude too in the interest of the consolidation and development of the friendship between the peoples of the two countries. The Foreign Ministry avails itself of this opportunity to renew to the Indian Embassy in China the assurances of its highest consideration.

Note given by the Consulate General of India in Lhasa to the Bureau of Foreign Affairs in Lhasa, 18 April 1961

The Consulate General of India in Lhasa presents compliments to the Bureau of Foreign Affairs in Tibet, Lhasa and has the honour to state that consequent upon the ban placed on the export of animals from the Ari District, many of the Indian traders visiting Ari District for trade were compelled to leave behind their animals such as yaks, sheep etc. with their trading parties in Ari district. As the animals left behind by the Indian traders are their own property, it is, therefore, requested that the authorities of the Ari District may kindly be requested to permit the Indian traders in question to take back their animal properties from Ari District during the forthcoming trading season, or in the alternative they may arrange for adequate compensation to be paid to the individual traders. This Consulate General would feel grateful if it could be informed of the assistance forthcoming in this respect at an early date so that the traders in question could be informed in time of the procedure to be adopted.

The Consulate General of India in Lhasa takes this opportunity to renew to the Bureau of Foreign Affairs in Tibet, Lhasa its assurances of highest consideration.

Note given by the Consulate General of India in Lhasa to the Bureau of Foreign Affairs in Tibet, Lhasa, 21 April 1961

The Consulate General of India in Lhasa presents compliments to the Bureau of Foreign Affairs in Tibet, Lhasa and has the honour to invite attention to the meeting of 15 April 1961, between Director YANG KUNG SU and Mr. P. N. KAUL, whereat Director YANG KUNG SU informed Mr. ~UL that the Indian pilgrims could visit Kailash and Mansrover during the forthcoming pilgrimage season but suggested that entry and exit be restricted through Lipulek Pass only. As per Director YANG's suggestion, action is being taken to inform the intending pilgrims to proceed to Kailash and Mansrover and return therefrom by the Lipulek Pass. It may, however, be observed that the proposed restriction is contrary to Article IV of the Sino-Indian agreement of 1954 which lays down that pilgrims may travel by routes and passes mentioned therein; there is a possibility that some stray pilgrims may go through passes other than the Lipulek Pass.

The Consulate General of India in Lhasa takes this opportunity to renew to the Bureau of Foreign Affairs its assurances of highest consideration.

**Note given by the Ministry of Foreign Affairs, Peking, to the
Embassy of India in China, 28 April 1961**

The Ministry of Foreign Affairs of the People's Republic of China presents its compliments to the Embassy of the Republic of India in China and, with reference to the Embassy's note dated January 28, 1961, has the honour to state as follows:

Regarding the question of Mr. Sundaram, private secretary to the Indian Ambassador, insulting a Chinese stewardess, the Ministry of Foreign Affairs, In Its reply note to the Embassy of December 31, 1960, has already given a detailed account of the whole truth of the facts and the fair and reasonable attitude adopted by the Chinese side. In its note, the Embassy, still disregarding the facts, has persisted in defending the conduct of Mr. Sundaram, and repeated the previous wholly unreasonable charges and utterly groundless protest against the Chinese side. The Foreign Ministry cannot but ex-press its extreme regret at this. It firmly rejects the unreasonable charges and groundless protest of the Indian Government. The Foreign Ministry avails itself of this opportunity to renew to the Indian Embassy in China the assurances of its highest consider

**Note given by the Bureau of Foreign Affairs in Tibet, Lhasa, to the
Consulate General of India in Lhasa, 16 May 1961.**

The Bureau of Foreign Affairs in Tibet region of China has received the letter 21st April 1961 from the Consulate General of India in Lhasa and, with regard to the question of pilgrimage by the Indian pilgrims to Ari District referred to in that letter, gives reply as follows:

The Bureau of Foreign Affairs wishes to reiterate that the local authorities of China's Tibet region have always done according to the relevant provisions of the 1954 Sino-Indian Agreement towards those pilgrims who come to Ari for pilgrimage. In view of the fact that at present there are still a very few scattered remnant rebel bandits in Ari District, the local authorities of China's Tibet region, in order to undertake the pilgrims' security, suggest that it would be advisable for them to come and leave through the Lipulek Pass which is also one of the passes as prescribed in the 1954 Sino-Indian Agreement, this is not only in conformity with the provisions of the 1954 Sino-Indian agreement, but also is entirely out of goodwill of local authorities concerned for the pilgrims. It is unacceptable that the Indian Consulate General in Lhasa has gone to the length of charging this goodwill suggestion as contravention of the Sino-Indian agreement; the Bureau of Foreign Affairs cannot but express its regret at this unreasonable complaint. The Bureau of Foreign Affairs avails itself of this opportunity to renew to the Consulate General of India in Lhasa the assurances of its highest consideration.

**Note given by the Consulate General of India in Lhasa to the Bureau
of Foreign Affairs in Lhasa, 5 June 1961**

The Consulate General of India in Lhasa presents compliments to the Bureau of Foreign Affairs in Tibet, Lhasa and has the honour to invite attention to its note of 18 April 1961 in which a request was made for permission to Indian traders visiting Ari District to recover their animal properties left behind because of the ban placed on taking of same out of Tibet Region of China.

As the traders have already started visiting the trade marts in Ari district it is, therefore, requested that an early assurance of assistance may kindly be intimated to this Consulate General.

The Consulate General of India in Lhasa takes this opportunity to renew to the Bureau of Foreign Affairs in Tibet, Lhasa its assurances of highest consideration.

**Note given by the Consulate General of India in Lhasa to the Bureau
of Foreign Affairs in Lhasa, 5 June 1961**

The Consulate General of India in Lhasa presents compliments to the Bureau of Foreign Affairs in Tibet, Lhasa and has the honour to invite attention to its note of 12 April 1961 requesting for assistance in recovering some moveable properties of Indian lamas left behind in Tibet Region of China. The Consulate General of India shall feel grateful for early assistance in the said matter.

The Consulate General of India takes this opportunity to renew to the Bureau of Foreign Affairs in Tibet, Lhasa its assurances of highest consideration.

**Note given by the Ministry of External Affairs, New Delhi, to the
Embassy of China in India, 15 July 1961**

The Ministry of External Affairs present their compliments to the Embassy of the People's Republic of China in New Delhi and with reference to the note of the Ministry of Foreign Affairs of the People's Republic of China dated the March 28, 1961, have the honour to state as follows:

The treatment meted out to Indian traders, pilgrims and members of the Indian Missions in Tibet leaves much to be desired. Indian traders are no longer allowed to barter their goods with the inhabitants of the Tibet region of China. The export of conventional merchandise has been either stopped or controlled by the local authorities. Again facilities to remit normal profits or capital assets in the event of the closure of their trade establishments in Tibet are delayed or not given to Indian traders. In some cases these facilities are offered on a conditional basis. In one way or another the assets of Indian traders in the Tibet Region have been blocked. Loans given by Indian petty and customary traders to inhabitants of Ari region of China's Tibet are yet to be recovered.

In contrast Chinese traders in India have freedom of trade in accordance with tradition and custom. They can barter their goods and carry on their avocations as in the past. The allegation of the Government of China that traders of the Tibet region were subjected to unwarranted questioning and harassment in India is not in accordance with facts. All courtesy is shown to Tibetan traders and their entry into India is allowed in strict accordance with the provisions of the 1954 Agreement.

In regard to Indian pilgrims, the Government of China had advised that they should not go to Kailash and Mansrovar. Such of them as were able to visit the holy places were not permitted to perform the Parikrama. This year

the Chinese authorities have allowed Indian pilgrims to enter and leave Tibet through Lipulekh Pass only. This is not in accordance with the 1954 Agreement.

The Indian Missions in Tibet region are facing many difficulties. They have been deprived of all social, cultural, and other normal contacts with the local inhabitants; their movements have been restricted and impediments continuously placed in the construction of buildings for Indian Trade Agencies. Thus, the provisions of the Sino-Indian Agreement of 1954 have been circumvented.

In regard to paragraph 2 of the Chinese note relating to the alleged harassment of Chinese traders by the Indian checkpost in May, 1960 near Chusul, the Ministry of External Affairs would point out that the Government of India do not maintain any army or police checkpost at Dingroze where the Chinese nationals are said to have been detained. Further, as far as the Government of India are aware, there is no such place called Zaha. Therefore, the allegations regarding Chinese nationals being detained and harassed at Dingroze checkpost are without any foundation. The Government of India are unable to accept these unfounded accusations. It may be of interest to the Chinese Government that to date, no trader from the Tibet region has found it necessary to lodge any complaint of harassment with the local authorities at Chusul in India.

The Ministry of External Affairs take this opportunity to renew to the Embassy of the People's Republic of China the assurances off their highest consideration.

**Note given by the Indian Trade Agency in Gartok to the Ari Region
Office of the Tibetan Bureau of Foreign Affairs, 21 July 1961**

Indian Trade Agency, Gartok presents its compliments to the Foreign Bureau of Ari Region in Tibet of the People's Republic of China and with reference to the discussions between the Foreign Bureau Chief and Indian Trade Agent at Gartok on 20th July, 1961 has the honour to forward herewith the plan of the portion of our Agency buildings to be constructed this year along with a list of our requirements of labour, materials etc. It will be highly appreciated if a favourable reply is given as early as possible to enable our Engineer to start construction, as the working season is very short in Western Tibet as also to enable the Trade Agent to return to Taklakot for starting tour of Trade Marts which is already getting late. Looking forward to your cooperation, this Agency avails this opportunity to renew to the Foreign Bureau the assurances of its highest consideration.

**Enclosure to the note dated 21 July 1961 of the Indian Trade
Agency, Gartok**

*List of requirements for the construction of office block of the Indian Trade
Agency Buildings at Gartok.*

1. Materials

(1) Sun dried bricks of size 1'5"x 0'8 ½ "x 0'3"	60000 No
(2) Wooden beams of size 0'7" x 0'4" x 15 ft.	7 No
(3) Wooden joists of size 0'4" X 0'4"	
(i) 5' long	40 No.
(ii) 5 ½ ' long	25 No.
(iii) 8' long	66 No.
(iv) 9' long	42 No.
(4) Wooden planks 1 ½ ' thick in rectangular pieces 3ft. long.	3000 sft
(5) Wooden planks 2" thick in rectangular pieces 3ft. long.	130 sft
(6) Doors 3' x 9' inclusive of glazed fanlight 3' X2'. The door portion (3' xi) to be single leaf with 1 ½ ' thick shutters having iron fittings. Door frames to be 4" X3"	6 No.
(7) Doors 3'x 7' fully panelled with thick shutters having iron fittings. Door frames to be 4" x 3".	6 No.
(8) Windows 3'6"X3'6" with double shutters. One shutter fully glazed opening out and the other fully panelled with 1 1/2" thick shutters opening in.	

Fittings to be of iron and frame to be 5" x 3".	7 No.
(9) Flat iron holdfasts 1'6"x 1 ½ x 1/8 "	112 No.
(10) Counter sunk bolts 4" long with nuts	112 No.
(11) Iron nails 4" long	15 No.
(12) Irons nails 3" long	15 No.

2. Labour

(1) Masons	6 No.
(2) Unskilled labourers	14 No.

3. Tools and plants

(1) Hand rammers	2 Nos
(2) Phaorahs for excavating earth	8 No.
(3) Pick axes	2 No.
(4) Brick axes	6 No.
(S) Spirit level	1 No.
(6) Plumb bolt	1 No.
(7) Trowels	6 No
(8) Wooden float	3 No
(9) Hammer	1 No
(10) Mortar pans	6 No
(11) Water buckets	3 No
(12) Mason's string	1 lb.
(13) Wooden ladders 12' long	2 No.

4- In case some articles mentioned in sub-heads 1 and 3 cannot be supplied at Gartok the same may have to be imported from India for which mechanical transport will be required from Taklakot to Gartok.

**Note given by the Ministry of External Affairs, New Delhi, to the
Embassy of China in India, 26 August 1961**

The Ministry of External Affairs of the Government of India present their compliments to the Embassy of the People's Republic of China in India and have the honour to bring to the Embassy's notice the uncooperative attitude of the local authorities of the Tibet region of China in facilitating the construction of the Indian Trade Agent building at Gartok. Paragraph 12 of the Notes exchanged between the representatives of the Government of India and China at the time of the conclusion of the Sino-Indian Agreement of 1954 provides that the three Trade Agencies of both the parties may function throughout the year. In paragraph 4 of the said Note, the Government of the People's Republic of China undertook to render all possible assistance for housing the Indian Trade Agency at Gartok. Accordingly, the Indian Trade Agent, Gartok, approached the authorities of Ari district of Tibet region of China for suitable accommodation to house the Trade Agency. In October, 1954, he was told that they would not be able to provide a house for the Trade Agency but would lease land for the purpose. In spite of the fact that this offer was accepted, it took more than three years to finalise the terms of the lease-deed for the land on which the building of the Indian Trade Agency, Gartok was to be constructed. The final draft of the lease-deed was handed over by the Indian Consul-General, Lhasa to the Chinese Foreign Bureau in January, 1958, but no acceptance was received from the Foreign Bureau till October, 1958, when the working season at Gartok was over. Owing to the demand of the local authorities that the Trade Agent should enter via Lipulekh Pass though he had by then actually reached the Niti Pass caused further delay in the conclusion of the leased which was actually signed in October, 1959, and thus making any construction impossible during that year.

2. During 1960, the Trade Agent, Gartok party which included engineering staff was stopped by the local authorities while they were on their way to Western Tibet. The Indian Consul-General, Lhasa was informed on the 29th June that the Trade Agent, Gartok and his party should not enter Tibet till the 15-20th July. As the season would have been far too advanced for any constructions, when the party would have reached Gartok, the Engineering Staff was withdrawn.

Early in 1961, the Consul-General, Lhasa, again broached the subject with the Foreign Bureau and he was told that the local authorities would assist in the construction of mud huts with sun-dried mud bricks. On 23rd May, 1961, a Memorandum was handed over to the Embassy in which it was stated that an Indian officer with technical experience would be deputed to Gartok in order to see that the construction is in accordance with our requirements. In the memorandum, the hope was expressed that the construction would be completed during this year. Accordingly, a Technical Officer accompanied the Trade Agent to Western Tibet. They reached Taklakot on the 2nd July, 1961. The Trade Agent requested the Foreign Bureau representative to arrange for transport for the Technical Officer to proceed to Sartok for construction work as soon as possible. He was informed, however, that the Foreign Bureau representative had no knowledge about the construction programme. The Trade Agent was also asked to consult the local authorities at Gartok about the construction. Thereupon, the Trade Agent and the Technical Officer left Taklakot for Gartok. On arrival there, the Trade Agent approached the Foreign Bureau on 20th July, 1961, for facilities in regard to construction of the Agency building. The Chief of the local Foreign Bureau told him that he should first supply a blue-print of the building plans and then he would be able to let him know the concrete assistance which could be extended. The plan and

the list of requirements were supplied to the Foreign Bureau immediately, but there was no response.

3. On July 26, 1961, the Chief of the Foreign Bureau informed the Trade Agent that he had not till then received any instructions in the matter and that he did not know how long these would take to reach.

Further, on August 13, 1961, the Technical Officer was informed that material, tools and plant, including moulds for making bricks and masons were not available and that the position regarding unskilled labour was under consideration.

4. In the meanwhile, the Foreign Bureau also demanded Rs. 7.112 as the price for the old stock of rubble and 11J685 mud bricks which have been lying on the site since 1956. According to the information available with the Government of India 37,800 bricks and some quantities of earth and gravel were collected by the Garpons on the site during 1956. They had demanded a sum of Rs. 11,029 for all this material. Since the Indian Trade Agent had, at no time, placed a firm order with the Garpons for this material, the Government of India naturally could not accept the responsibility for the payment. There upon, the local authorities removed a major portion of this material for their own use. In the circumstances, the demand for Rs. 7;112 for 11,000 bricks, half of them unserviceable, and some quantities of gravel and earth is very unreasonable, especially as the local authorities had themselves taken 26,115 bricks for Rs. 3,917 only. However, in spite of the fact that the price demanded is exorbitant, the Trade Agent has offered to pay in the hope that construction will begin immediately. The trade Agent has been informed now that instructions are being sought from the higher authorities.

5. The above facts will prove beyond any doubt that the local authorities of Ari region, by adopting dilatory tactics, are making impossible the construction of the Trade Agency building and thus preventing the Trade Agency from functioning in Gartok throughout the year. In contrast, the three Chinese Trade Agencies in India function all the year round. Consequently, the principle of reciprocity accepted in Article 1 of the 1954 Agreement has not been honoured fully. Even at this late stage, the Government of India urge the Government of China to instruct the local authorities concerned to render all possible assistance in the construction of a Trade Agency building during the current working season.

6. The Ministry of External Affairs take this opportunity to renew the Embassy of the People's Republic of China the assurances of their highest consideration.

**Note given by the Ministry of External Affairs, New Delhi, to the
Embassy of China in India, 31 August 1961**

Indian traders who went to Western Tibet sometimes stored their unsold goods with the Bhutanese Officer at Dharchin on the conclusion of the trading season. They did so in 1959. However, in October 1959, the Bhutanese Officer, Sonam Rajye left for India leaving his house in the charge of a watchman, and in his absence the Chinese local authorities sealed the house. When the Indian traders visited Western Tibet in 1960 and wanted to take delivery of the goods which they had left with the Bhutanese Officer, the Chinese local authorities refused to deliver the goods to them and insisted that the Bhutanese Officer should come there personally to hand over the goods. Our Trade Agent enquired whether the production of a letter of authority from the Bhutanese Officer would be acceptable but this apparently did not find favour with the local authorities. On this account the Indian traders concerned have been put to great hardship. According to our information, there are at least 23 Indian traders whose goods are lying sealed in that house and these goods are valued at about fifty thousand rupees.

The Government of India have received a number of representations from these traders requesting their intercession in the return of these goods. The traders have pointed out that these goods deposited by them with the Bhutanese Officer in 1959 were not returned to them by the watchman under instructions of the Chinese authorities.

Our Trade Agent at Gartok has been authorised by these traders to receive the goods on their behalf and the Bhutanese Officer has also signified his approval to the handing over of these goods to the traders concerned through the Trade Agent.

We have already drawn the attention of the Chinese Government. to this problem in the note sent to the Chinese Embassy on the 9th November, 1960, but the note remains unanswered. Our Trade Agent, Gartok again tried to discuss this question with the Chief of the Local Foreign Bureau on the 20th July, 1961 but the Chief evaded the question on the. ground that it was beyond his competence.

The Embassy would perhaps appreciate that the sufferers in this case are poor Indian traders who had in good faith left their unsold merchandise in the Bhutanese Officer's house. The Bhutanese Officer himself is willing to return these goods to their Indian owners. If there is any particular procedure which the Chinese authorities would wish to follow in this matter, this may be intimated to us soon particularly as further delay may mean deterioration of the goods. Government of India on their part are willing to take over the goods and arrange for their return to their owners, and have authorised their Trade Agent in this behalf. Early facilities in this regard by the: Chinese authorities would be greatly appreciated.

**Note given by the Ministry of External Affairs, New Delhi, to the
Embassy of China in India, 6 September 1961**

It is with regret that the Government of India are bringing the following facts of life at Gyantse to the notice of the Embassy of the People's Republic of China:

(i) On about the 28th July, 1961 two seasonal gardeners and a watchman were asked by the Area Leaders at Gyantse to stop working for the Indian Trade Agency. The three workers accordingly stopped working for the Agency from 1st August 1961.

(ii) Two local boys are working as domestic servants for some officials of the Indian Trade Agency at Gyantse. They are under pressure through their parents to give up working for Indian officials. If their help is withdrawn from the Indian officials, the latter will have to do their own cooking and washing. As it is the se officials live in Gyantse separated from their families who are unable to join them in Gyantse for want of accommodation.

(iii) Shri N. R. Sharma, a member of the engineering staff at Gyantse, took ill on 27th July, 1961, and his condition sharply deteriorated on the afternoon of 28th July. As the Indian Trade Agency at Gyantse is not entitled to approach the local doctor direct and has to do so through the local Foreign Bureau, an official of the Agency was urgently despatched to move the Foreign Bureau for a doctor. However, the English Interpreter of the Foreign Bureau through whom alone an approach can be made to the Foreign Bureau raised the issue that in order to see him, an official of the Indian Trade Agency must first write and ask for an appointment. As the

matter was urgent and could not wait for the correct performance of protocol requirements, the official of the Indian Trade Agency pressed the English Interpreter for help in obtaining the services of a doctor. Thus a precious hour was lost before a doctor could be obtained. The patient died. Upon his death the Indian Trade Agency asked for a death certificate which was refused on the ground that the local regulations did not permit the issue of a death certificate. The deceased was cremated on 29th July. His family was informed, and they were anxious to have his ashes for the performance of death rites which are held on the 13th day after death. In order to have the ashes sent in time for the death rites, arrangements were made to despatch an official of the Indian Trade Agency with the ashes to India. It was in these circumstances that a letter was addressed by the Trade Agency to the Foreign Bureau on 3rd August 1961 asking for travel permit and re-entry visa for Shri Bharadwaj who was due to leave for India on 5th August 1961 with the ashes. Till 0700 hours on 5th August nothing was heard from the Foreign Bureau. An urgent letter was therefor sent to the Foreign Bureau as a reminder. The person who took the letter to the Foreign Bureau was asked to go back because the Foreign Bureau was very busy.

On his return at about 1030 hours, on 5th August another letter was sent to the Foreign Bureau explaining the urgency of the request. The Foreign Bureau replied late that the matter was being reported and a further reply would be sent on 7th August. On 7th August the Foreign Bureau responded by inquiring whether Shri Bharadwaj was travelling alone or was being accompanied. Not until the evening of 7th August did the Foreign Bureau find it convenient to issue the necessary travel permit to Shri Bharadwaj, and the latter could therefore leave Gyantse only on 8th August. The result was that the ashes did not reach Delhi in time for the death rites on the 13th day after the death.

The attention of the Embassy is drawn to the Agreement between India and China on Trade and Intercourse between Tibet Region of China and India (1954), wherein the two Governments have agreed that "The Trade Agencies of both Parties shall be accorded the same status and same treatment".

Item (7) of the Notes exchanged between the two Governments April 29, 1954 contains the provision "The Trade Agents and traders of both countries may hire employees in the locality".

**Note given by the Ministry of External Affairs, New Delhi, to the
Embassy of China in India, 10 November 1961**

The Ministry of External Affairs present their compliments to the Embassy of the People's Republic of China in India and with reference to the Note of the Ministry of Foreign Affairs of the People's Republic of China dated the 12th December, 1960, have the honour to state as follows'

Accommodation

2. A few facts are mentioned below in regard to the construction of buildings for the Indian Trade Agencies at Gyantse and Gartok. These facts speak for themselves and are sufficient to belie the Chinese Governments' contention that they did their best to render 'energetic' assistance, in accordance with the 1954 Sino-Indian Agreement to the Indian Missions in Tibet.

Indian Trade Agency, Gartok

3. In its Note No. 7(16)/NEF /56-III, dated 26th August 1961 the Government of India has already drawn attention to the unhelpful and uncooperative attitude of the local authorities in Ari District of Tibet in providing suitable accommodation to the Indian Trade Agency, Gartok. Though negotiations in the matter were started as early as October, 1954, the Agency has still no building of its own. Nor has it been given any facility to rent accommodation in order to function at Gartok permanently as provided for in paragraph 12 of the Notes exchanged between the representatives of the Governments of India and China on the 29th April, 1954.

4. The Indian draft of the lease for land, on which the Indian Trade Agency is to be constructed was based on mutually agreed principles and was handed over by the Indian Consulate-General to the Foreign Bureau at Lhasa in January 1958 but final acceptance was not communicated by the Foreign Bureau till October 1958 making any construction impossible in that year: The construction was further rendered impossible during 1959 and 1960 as the Chinese local authorities first delayed the entry of the Trade Agent in Western Tibet and then declined to give him the necessary facilities to proceed with the construction. Government of India even accepted the Lhasa Foreign Bureau's suggestion that the construction programme of Indian Trade Agency, Gartok, be phased in parts. This year again an Indian Engineer was attached to the Trade Agent's party after full discussion with the Foreign Bureau, Lhasa and with knowledge of the Chinese Embassy here. At every stage Government of India fell in line with the wishes of the local authorities in Tibet but to no avail. The year 1961 has gone by without any progress being made which is entirely due to the unreasonable and obstructive attitude of the local authorities.

5. The Chinese note under reply has referred to their promise of assistance in building temporary local type houses. In fact when the Indian Consulate-General at Lhasa broached the matter with the Foreign Bureau in May this year the latter stated that even these temporary houses would have to be no more than mud huts because stones could not be made available. The offer to send stone masons from India was turned down. On 16th May, 1961, the Foreign Bureau offered to supply only sun-dried bricks. This was accepted along with the broad assurance that labour and other materials required for this primitive type of construction would be forthcoming. In the event when our Trade Agent reached Gartok on the 18th of July and approached the Foreign Bureau for the promised assistance, he was told

that he must first submit a blue print of the building plans before the nature of any concrete assistance to be provided could be made known to him. The plans were supplied on the same day but there was no response. On the 26th July, 1961, the Foreign Bureau instead of giving assistance, put forward ,another condition, namely that the Trade Agent should first arrange to pay Rs. 7,112 on account of an old stock of rubble and mud bricks lying on the site since 1958. Unless this payment was made, the Foreign Bureau warned, no assistance would be provided nor would construction of the huts be allowed to commence. The Trade Agent sought in vain to explain that the local Foreign Bureau had raised a new issue which had no relation to the assistance they were committed to provide for the construction work: The fact is that this old stock of rubble and brick was brought to the site by the then local Garpons without any order having been placed with them. The Chinese had themselves removed two-third of the total stock of bricks for Rs. 3,917 approximately leaving a third of mostly unserviceable bricks for compulsory sale to the Indian Trade Agency at a cost of Rs. 7,112. Rather than give the Chinese local authorities an excuse to justify their obstructive and delaying tactic the Indian Trade Agent offered immediate payment of the amount demanded by the Foreign Bureau. At this stage the Chinese authorities insisted that payment should be made at Gartok. This was made impracticable proposition, as the Trade Agent was on tour of the Trade marts, and was in no position to return to Gartok earlier than the end of September 1961. Although the payment for bricks was made early in October, there was no move on the part of the Foreign Bureau to extend assistance in the way of labour, material etc. for the start of construction. At the end of the trading season the Trade Agent left Gartok for Takalakot en route to India without being able to construct a single 'mud' hut.

6. Such are the facts. Had there been 'energetic' assistance from the Chinese local authorities as asserted in the Chinese note, there should have been a few mud-huts to show for it. Instead, nothing has been achieved except frustration. Government of India's patient and laborious efforts to put up some kind of shelter for their Trade Agent at Gartok have been 'energetically' and successfully defeated. It is apparent that the Chinese authorities were determined to make impossible for the Government of India to have buildings of their own at Gartok during the currency of the 1954 Agreement.

(b) Gyantse

7. At Gyantse it was the same story. Earlier notes state the position reached in the latter half of 1960 regarding the protracted negotiations for lease of land to the Trade Agency at Gyantse.

8. In November 1960 the Government of India had agreed to the new draft lease as proposed by the Chinese authorities. All that remained to be done was demarcation of the physical boundaries of the land for incorporation in the draft lease. The Chinese had earlier suggested that the Indian side should surrender some land along the river bank in exchange for land to the north and north-east of the Indian Trade Agency's existing site. The Government of India agreed to this.

9. On 22nd November 1960, the Consulate-General, Lhasa, was informed that instructions were being issued to Foreign Bureau, Gyantse to finalise the boundaries and sign the lease. However, on 9th December when the Indian Trade Agent approached the Foreign Bureau, Gyantse, he was told that the matter was still under examination. On January 5th, 1961, when approached again, the local Foreign Bureau informed the Indian Trade

Agent that they could not finalise the boundaries until the lease for the buildings rented by the Trade Agent at Gyantse was signed. The Trade Agent was taken by surprise. The two matters were wholly unrelated. The Foreign Bureau, Gyantse, however, insisted on compliance with this condition. Judging from subsequent delays, this was a further deliberate move to delay finalisation of the lease.

10. Urged on by the Indian Trade Agent, the local Foreign Bureau at last indicated the proposed boundaries to him in March, 1961, but to his great surprise the boundaries indicated differed from those agreed to earlier by him and the Foreign Bureau. Going back on the earlier understanding the Chinese side had now offered, instead of areas to the North and North-East of the site, areas to the South-East which were near the river bank and vulnerable to flood and erosion. The Foreign Bureau simultaneously raised another demand viz. removal of protective works which the Agency had per force to construct at considerable cost in order to prevent the continual erosion of the Agency lands—a danger greatly enhanced by the 'protective works' which the Chinese had themselves undertaken at another point on the river.

11. Thus, despite patient effort and a keen desire to accommodate the Chinese on every point, the Trade Agent found it impossible to sign the lease deed, much less to begin any construction work till the end of this year.

12. The Agency continues to be housed in rented accommodation insufficient for its needs. Repeated requests for additional rented accommodation have gone unheeded. Even the lease deed for the rented buildings in Gyantse could not be finalised because of diverse obstacles put

up by the local Foreign Bureau, which sought inter alia to impose a condition that the Lessee should be responsible for damage to trees even from natural causes.

13. The facts cited above in regard to Gyantse and Gartok leave no room for doubt that far from giving "energetic" assistance to the Trade Agencies in the matter of construction the Chinese side has used devious means to cause delays and make it impossible for the Government of India to have buildings of their own either at Gyantse Or at Gartok. The result is that only two of three Agencies stipulated for are able to function through the year in Tibet. Chinese Missions in India, by comparison, are very comfortably accommodated.

14. The Government of India are unable to accept any suggestion from the Chinese side that its officers in Tibet have shown an uncooperative attitude or indulged in improper activities. This is manifestly absurd because no one much less a foreigner can-afford to be uncooperative or act improperly on Chinese territory, where they must live under rigid controls. It is no surprise therefore that while the Chinese note speaks of improper activities and uncooperative attitude of Indian officials, no example is cited. The Government of India knows only too well how under - the most trying conditions its officers have endeavoured to establish rapport with the Chinese authorities in Tibet. If they have failed the blame lies on the other side. The local authorities in Tibet have for long shown a studied discourtesy in their dealings with the Indian Agencies. Appointments, on request, are unduly delayed. Local regulations are not communicated to the Missions even when requests for them are made. For instance in October 1961, Indian Trade Agency asked for a copy of the regulations governing trade at Yatung. The Foreign Bureau declined to meet this request on the

ground that the traders should themselves have asked for it. Apart from the discourtesy this attitude puts the Trade Agency in an invidious position since it is not in a position to comply or advise compliance with regulations which are not made known to it.

15. Indian Missions in Tibet have continued to suffer from restrictions, placed on their movements and contacts. They are restricted to the municipal limits of the station beyond which they cannot go without a permit from the local Foreign Bureau. Permits are all necessary if a car of one Mission has to go to another. They are stopped for meeting local visitors, or inviting local political or religious personalities except through the Foreign Bureau.

16. The Chinese side has often argued that there are no restrictions on the Indian Missions in Tibet. While all restrictions may not have been reduced to writing, they not only do exist but are rigidly enforced. These restrictions are part of the facts of life for India's Missions in Tibet. The Chinese side should know better the many direct and indirect restrictions imposed on Indian Missions in order to circumscribe their field of activity and render them completely immobile and helpless. Local people, for instance, are under pressure not to have any contacts with the Indian Missions. There is no written restriction in this regard but it is no less effective for that matter. In every way Indian Missions in Tibet are paralysed, rendered ineffective, immobilised and insulated from the life of the people.

17. Transport requirements of the Indian Missions are held up as a matter of deliberate policy. Reminders bring no response. In consequence rations and essential stores meant for staff members of the Indian Consulate

General, Lhasa, and the Trade Agency, Gyantse are held up at Yatung for long periods.

18. Furthermore, Indian Missions do not even have the option of choosing their local employees either for official or domestic work. The Chinese note dated the 24th August 1960 has decreed that recruitment of local people' shall be through the Foreign Bureau only.

At the same time the local employees are under pressure not to serve Indian Missions or Indian personnel.

19. The Note para. 2(ii) has revived an old charge against the Indian Trade Agent, Gyantse. Some traditional gifts were sent to the monastery in question wrapped in old news papers sheets.

Surely it is not being seriously suggested by the Chinese side that the Trade Agent used this silly means to carry out so-called anti-Chinese propaganda contained in these crumpled up newspaper sheets.

The next thing the Chinese side might suggest is that the Trade Agent used this underhand means to teach these Tibetan monks a foreign language viz English for it would be conceded that not one of the monks of this monastery had any knowledge of this language with which these sheets were printed. The Government of India cannot but treat this charge with the levity it deserves.

20. The traditional pilgrimage from Indian to Kailash and Mansarovar has continued to suffer from lack of rest-house, medical and other facilities. Nor is any protection given to the pilgrims. Though paragraph 10 of the Notes exchanged between the representatives of the two Governments in 1954 provides that the Government of China will as far as possible. construct rest houses for the use of the pilgrims along the route from Taklakot to Kailash

and Manosarovar, little has been done in the past seven years. One rest house only was constructed at Rakshastal, and even this is reported to be sodden and sloppy, and in a state of collapse. The 18 other places said to have been abandoned by the monasteries and reserved for the use of Indian pilgrims have little to recommend themselves for the tiny rooms in them are said to be full of grime and dirt, and there is no arrangement for cooking. Government of India's offer to supply timber for the construction of separate rest-houses for the pilgrims has not, of course, been accepted. Medical aid is not easily had and can be obtained only with the permission of the military authorities at Taklakot.

21. Minsar as the Chinese Government must be aware is a part of the State of Jammu and Kashmir and revenue was paid by that village to the State of Jammu and Kashmir until quite recently. There is a wealth of evidence in census reports and revenue records to prove Minsar's connection with Kashmir, and the Tibetan Government has always respected this fact. The Chinese Government's illegal occupation of Minsar and rejection of Government of India's sovereign rights over it constitute an entirely unjustifiable act of aggression. In this connection the attention of the Chinese Government, is drawn to the officials' Report on the Boundary Question where overwhelming evidence to prove that Minsar is a part of Jammu and Kashmir is marshalled.

22. Finally, the Government of India welcomes the assurance that its apprehensions regarding the aggressive intentions of China towards Bhutan and Sikkim which are bound 'to India by special treaty relations are "sheer nonsense".

The Ministry of External Affairs take this opportunity to renew to the Embassy of the People's Republic of China in India the assurances of their highest consideration.

**Note given by the Ministry of External Affairs, New Delhi, to the
Embassy of China in India, 16 November 1961**

The Ministry of External Affairs present their compliments to the Embassy of the People's Republic of China and with reference to the Note of the Ministry of Foreign Affairs of the People's Republic of China, dated 10th December, 1960 have the honour to state that, as explained earlier in the Ministry's Note of 10th May 1961, Indian traders, customary as well as petty, have continued to suffer from various restrictions and disabilities in Tibet.

2. The Government of India has no intention of interfering in the internal affairs of China but in regard to the measures taken by the Chinese authorities to devalue and demonetise Tibetan currency which adversely affected the interests of Indian traders in Tibet, there is a legitimate issue for discussion between the two Governments under the Sino-Indian Agreement of 1954 on Trade and Intercourse between Tibet Region of China and India. Necessary protection was not afforded by the Chinese to the property and financial interests of Indian traders whose accumulation of Tibetan currency from sales of Indian merchandise was considerably reduced by these monetary manipulations which the Chinese Note describes innocuously as 'currency reform'.

3. Regarding trade payments Art. VII of the Trade Agreement between the Republic of India and the People's Republic of China signed on 14th October 1954, as amended by the exchange of letters' of May 1957, provides as follows:

Para 1-All commercial and non-commercial payments between the People's Republic of China and the Republic of India may be effected in Indian rupees.

Para 4-Payments for border trade between the People's Republic of China and the Republic of India will be settled according to the customary practice.

4. The Chinese Note argues that the above provisions do not apply to trade in Tibet. Apart from the specific mention of "border trade between the People's Republic of China and the Republic of India" in the paragraph cited above, the letters exchanged between the Governments of India and China on 14th October 1954 which form part of the Trade Agreement of 1954 state inter alia that "both Governments desire to maintain and develop the existing customary trade between India and the Tibet Region of People's Republic of China". There is no doubt at all that the provisions of the Trade Agreement of 1954 were meant to apply to the Tibet region to give formal sanction to the existing customary practice in that region.

Nevertheless, in disregard of the Agreement, new restrictive' measures in the matter of trade payments were issued by the Chinese Government during the currency of the Agreement.

5. It has been customary for Indian border traders to barter goods direct with Tibetans without any official interference and to bring back Tibetan goods freely to India. Cash proceeds if any, of the trade was customarily brought back in bullion, silver dollars, coins and/or Indian currency. Thus Indian traders were able to return to India with their capital assets as well as normal profits whenever they wished to do so. At no time during the long course of this traditional border trade were Indian traders obliged to give an undertaking to bring back goods of equal value in return for

facilities for the transfer of their assets. Under the new restrictive and arbitrary measures introduced in Tibet in violating of the International engagements cited above, Indian traders are unable to repatriate their profits and assets from Tibet. Remittance facilities are not being granted and applications in this behalf are being held up, even when an Indian firm is winding up its business in Tibet.

To take a recent instance. M/s Tibet Motor & Cycle Co., an Indian firm at Yatung which served notice of its intention to close, has been given a bank draft for Yuans 5,220 only thereby compelling the firm to leave the balance of its assets amounting to Yuans 43,957.26 on deposit with a local bank.

One result of the restrictive trade and fiscal policy of the Chinese authorities in Tibet has been the sharp decline in the number of Indian shops at Yatung. Many were forced to withdraw because of the loss incurred as a result of the sudden devaluation of Tibet currency and the lack of facilities to repatriate trade assets. The Chinese authorities in Tibet have also interfered in the direct barter deals of petty border traders and have imposed various restrictions on normal exports of the conventional produce of Tibet to India. In other ways, too, the Chinese authorities have interfered with the customary practices of Indo-Tibetan trade.

Indian border traders customarily left their unsold merchandise and animals at the end of the trading season with their Tibetan friends and/or officials. Since 1959 the Chinese authorities asked Indian traders to take back their unsold merchandise with them to India. When the Chinese authorities were apprised of transport and other difficulties they allowed the Indian traders to keep their merchandise with local Tibetans but without any guarantee of safety. Some Indian traders kept their goods in the house of the Bhutanese officer at Tharchin. This house was later sealed by the local authorities and our traders were refused permission to reclaim their goods in the trading seasons of 1960 and 1961. Meantime the goods deteriorated but there was

no redress. Although this was a legitimate trade matter, the Foreign Bureau refused to discuss it with India's Trade Agent. An approach had to be made by the Government of India to the Chinese Embassy in New Delhi in the matter. At the close of the 1961 trading season when the passes were about to be snow-bound, 'the Chinese Embassy informed the Ministry, on 21st October 1961, that Indian traders could take back their goods left at Tharchin. This belated offer was of no practical help to the Indian traders concerned.

6. As the Chinese Government are no doubt aware border traders have been going across the Himalayan passes from time immemorial carrying their merchandise on the back of sheep and goats to the trade marts in Western Tibet or in search of Tibetan Dakpas (peasants) with whom they bartered goods. In this traditional trade and intercourse there has been a real problem regarding the safe storage of merchandise. To meet this necessary requirement of the trade, a provision was made in para 13 of the Notes Exchanged between the Governments of India and China on 29th April which reads:

"The traders of each country may rent buildings and godowns in accordance with local regulations in places under the jurisdiction of the other Party".

No such facility was in fact provided to the Indian traders by the Chinese authorities in Tibet. Again, as has been pointed out earlier. it is customary for Indian traders to use sheep and goats as pack animals to carry merchandise to Western Tibet, and to leave these animals with their Tibetan friends at the end of the trading season. The ban imposed on the return of these animals to India is tantamount to confiscation of animals owned by Indian traders. This ban is ultimately bound to affect the trade. At any rate, if the Indian owners cannot bring back their animals, they

should be allowed to sell them, or in the event of outright confiscation, they should be given fair compensation.

7. Furthermore, there are large amounts of unsettled trade claims and credits of Indian traders in Tibet. Facilities for the recovery of these loans have not been given by the Chinese local authorities. Some Tibetan debtors have moved away to Lhasa or Shigatse but Indian traders are not allowed to go to these places to contact their debtors. Even where Tibetan debtors are present in the locality, the Chinese authorities do not allow Indian traders to contact them. Some of these debtors are reported to be under Chinese detention but no access to them is permitted. Attention of the Government of China was drawn to this important question in the Government of India Note of 17th May 1960 but there has been no promise of relief.

8. From time to time the Chinese Government has asked the Government of India to 'advise Indian traders to respect the regulations of the local authorities of China's Tibet region. There is something mysterious about these local regulations, which are not published and communicated to the Indian Trade Missions in Tibet even when requests are made for them. In October 1961, the Indian Trade Agent, Yatung asked for a copy of the regulations governing trade at Yatung. The local Foreign Bureau declined to meet his request. Apart from the discourtesy this negative attitude puts the Trade Agency in an invidious position since it is not in a position to comply or advise compliance with regulations which are not made known to it. In fact there has been a bumper crop of new regulations since 1959. Again in the application of these regulations there has been wide or confusing variations. Whenever unfair and arbitrary action was taken by the local authorities against Indian traders and pilgrims. India's Trade Agents made

representations to the Foreign Bureaus. But the latter did not accept the complaints of India's Trade Agents in these matters describing, them as. 'consular business'.

9. It has been alleged that Indian traders sometimes failed to deliver goods within the period stipulated in the contracts, and sometimes they, failed to supply goods according to specifications. This is not surprising as some of these traders were compelled to enter into contracts which they were not in a position to fulfill. The Government of India are informed that Indian traders are being forced to sign contracts in return for remittance facilities. It is obvious that this practice violates the spirit of the April 1954 Agreement.

10. Regarding the reference to export control orders made in the Chinese Note, these are not unilateral but rather the result of the arbitrary stoppage of exports of conventional Tibetan produce like borax and animals, and restrictive exports of wool and Pashmina to India.

11. In every way, therefore, the Chinese authorities have sought to strangle the traditional trade and intercourse between India and Tibet and to undermine the foundations of the Sino-Indian Agreement of 1954. Violating the stipulations of the Sino-Indian Agreement of 1954 they have only recently refused permission to 15 Indian traders to trade at Yatung, which is a mart recognised, by Article II of the Agreement. These traders had entered Tibet with valid traders certificates issued by competent Indian authorities in terms of Art. V (i) of the Sino-Indian Agreement of 1954. Further, an Indian firm, M/s. Indarchand Nathmall, Yatung, which had been trading at Yatung for many years was stopped from carrying on its normal business after it had withdrawn its application for the closure of the

establishment. All this can hardly be said to be in consonance with the principles enunciated in the 1954 Agreement.

The Ministry of External Affairs take this opportunity to renew to the Embassy of the People's Republic of China the assurances of their highest consideration.