



Sentiment booster

In rolling back some measures, the government shows it listens to feedback

For an economy that is downbeat in growth and in sentiment, the comprehensive package of measures announced by Finance Minister Nirmala Sitharaman on Friday may just be the right boost. They address growth slowdown concerns; free up funds for investment and spending by banks, housing finance companies and MSMEs; and importantly, undo some controversial proposals, in the budget and outside it, which were affecting sentiment in the markets and the corporate sector. And, importantly, these have all been done without any significant financial burden on the government. Some of the measures promote the ease of doing business and even the ease of living for ordinary citizens. The auto sector's biggest demand – that of reduction in GST rate – may not have been conceded, but Ms. Sitharaman has given the sector enough to cheer about. The accelerated depreciation of 15% (in addition to the existing 15%) for all vehicles acquired till March 31, 2020 and the deferment of the proposed increase in registration fee for new vehicles to June 2020 are positive measures that will boost sentiment and, it is to be hoped, translate into demand. As the festive season sets in, banks will have more space to increase their lending consequent to the upfront funding of ₹70,000 crore (announced in the budget) that they will get from the government towards recapitalisation. This, together with the strong push for repo rate linked loan products, is likely to benefit consumers borrowing to buy new homes, vehicles and durables.

The rollback of the capital gains tax imposed in the budget on foreign portfolio investors, the withdrawal of angel tax on start-ups and the promise that non-compliance with corporate social responsibility (CSR) norms will be decriminalised show a government that is willing to listen to feedback from the ground. Much of the mayhem in the markets could have been avoided though if only the Finance Minister had acted earlier on the negative feedback to the FPI tax proposal. Some of the smaller steps can go a long way. Expediting delayed payments by government departments and public sector units is alone expected to release a massive ₹60,000 crore into the economy. The assurance that all pending GST refunds to MSMEs will be paid within 30 days and going forward such refunds will be made within 60 days is a great relief for the sector. This will ease the cash flows of MSMEs who often work with stretched finances. The most significant takeaway though from Ms. Sitharaman's announcements is the fact that the government is no longer scared of the *suit-boot ki sarkar* jibe. She declared upfront that the government respects "wealth creators" and the measures are aimed at helping them. Will these measures put GDP growth back on the rails? Will they restore the jobs lost in the last few months? The answers to these are in the hands of the wealth creators now. The government did what it could; it is now up to India Inc to take the ball and run.

Shallow draughts

India needs to remind President Trump of the real basis of its claim to J&K

In the run-up to the meeting between Prime Minister Narendra Modi and U.S. President Donald Trump, expected on the sidelines of the G7 summit, many in South Block would have hoped that the U.S. President would not make any of his characteristically controversial statements. The two leaders have a full bilateral agenda to discuss, including defence and strategic cooperation, and will need to resolve outstanding trade issues, as well as deal with possible U.S. sanctions on India for an upcoming purchase of the Russian S-400 anti missile systems and the future of Iran sanctions for oil purchases. It is clear that India's concerns over the U.S.-Taliban peace process will also be high on the agenda. However, Mr. Trump has made it clear, in at least three recent statements, that the situation in Jammu and Kashmir (J&K) and resultant tensions between India and Pakistan will claim much of the conversation. For starters, Mr. Trump has repeated, despite several rejections from India, that he would like to "mediate" between the two countries. He has also called the India-Pakistan conflict over Kashmir a 'religious problem'. While Mr. Trump is free to make assertions, his views on the Kashmir dispute betray an ignorance of the nature of the conflict and the situation on the ground.

Since 1947, the view on the Indian side has been that Partition was not on the basis of a religious divide, but an ideological one: the 'idea of Pakistan' vs. the 'idea of India'. Pakistan carved out of India because sections of Muslims believed that they could not live equitably with the majority Hindu community. India consisted of those who believed people of all religions could live together in a secular, pluralistic society; and it should be noted that more Muslims chose to live in India than in Pakistan. India's claim over J&K, a State that included Hindus, Muslims and Buddhists, stemmed from this very premise. The government has repeatedly stressed that its decision on J&K was mandated by a desire to provide better governance and development for the people there. Mr. Trump's assertion that the issue over Kashmir is a religious one unwittingly plays into the Pakistani narrative of a conflict that has defied such narrow definitions for more than 70 years. It is therefore necessary that the government firmly corrects Mr. Trump on the matter. While the government has decided wisely to ignore many of his quixotic comments, his assertion that Kashmir is essentially a communal problem is dangerous, and needs to be countered by New Delhi in the interest of bilateral relations, as well as the resolution of the problem itself.

An end to arms control consensus

An end to the New START in 2021 will leave the arsenals of the two major nuclear powers unencumbered by any pact



RAKESH SOOD

The countdown on the U.S.-Russia Intermediate Range Nuclear Forces (INF) Treaty began last October when President Donald Trump announced that the U.S. was considering a withdrawal. On August 2, the U.S. formally quit the pact. Concluded in 1987, the agreement had obliged the two countries to eliminate all ground-based missiles of ranges between 500 km and 5,500 km, an objective achieved by 1991.

At risk is the New START (Strategic Arms Reduction Treaty) signed in 2010 and due to lapse in February 2021. It has a provision for a five-year extension but Mr. Trump has already labelled it "a bad deal negotiated by the [Barack] Obama administration."

In May, Director of the Defence Intelligence Agency Lt. Gen. Robert Ashley declared that "Russia probably is not adhering to the nuclear testing moratorium in a manner consistent with the 'zero-yield' standard" imposed by the Comprehensive Test Ban Treaty (CTBT). The CTBT has not entered into force but the U.S. is a signatory and Russia has signed and ratified it. Many have interpreted Lt. Gen. Ashley's statement as preparing the ground for a resumption of nuclear explosives testing. Taken together, these ominous pointers indicate the beginning of a new nuclear arms race.

The decade of the 1980s saw heightened Cold War tensions. Soviet military intervention in Afghanistan in 1979 provided the U.S. an opportunity to fund a

(barely) covert jihad with the help of Pakistan. President Ronald Reagan called the USSR "an evil empire" and launched his space war initiative. Soviet deployments in Europe of SS-20 missiles were matched by the U.S. with Pershing II and cruise missiles.

Cold War talks

In 1985, the two countries entered into arms control negotiations on three tracks. The first dealt with strategic weapons with ranges of over 5,500 km, leading to the START agreement in 1991 that limited both sides to 1,600 strategic delivery vehicles and 6,000 warheads. A second track dealt with intermediate-range missiles, of particular concern to the Europeans, and this led to the INF Treaty in 1987. A third track, Nuclear and Space Talks, was intended to address Soviet concerns regarding the U.S.'s Strategic Defence Initiative (SDI) but this did not yield any concrete outcome.

The INF Treaty was hailed as a great disarmament pact even though no nuclear warheads were dismantled and similar range air-launched and sea-launched missiles were not constrained. Further, since it was a bilateral agreement, the treaty did not restrict other countries, but this hardly mattered as it was an age of bipolarity and the U.S.-USSR nuclear equation was the only one that counted. By 1991, the INF had been implemented. The USSR destroyed a total of 1,846 missiles and the U.S. did the same with 846 Pershing and cruise missiles. Associated production facilities were also closed down. In keeping with Reagan's dictum of 'trust but verify', the INF Treaty was the first pact to include intensive verification measures, including on-site inspections.

With the end of the Cold War and the break-up of the USSR in end-1991, the arms race was over. Former Soviet allies were now joining the North Atlantic Treaty Organization (NATO) and negotiating to become European Union (EU) members. The U.S. was investing in missile defence and conventional global precision strike capabilities to expand its technological lead. Importantly, some of these were blurring the nuclear-conventional divide.

U.S. withdrawal from ABM

In 2001, when the U.S. announced its unilateral withdrawal from the 1972 Anti Ballistic Missile Treaty (ABM Treaty), a keystone of bilateral nuclear arms control was removed.

The INF Treaty had been under threat for some time. The U.S. had started voicing concerns about the Novator 9M729 missile tests nearly a decade ago. As Russia began production, formal allegations of violation of the INF Treaty were raised by the Obama administration in 2014. Russia denied the allegations and blamed the U.S. for deploying missile defence interceptors in Poland and Romania, using dual-purpose launchers that could be quickly reconfigured to launch Tomahawk missiles.

Basically, Russia believes that nuclear stability began getting upset since the U.S.'s unilateral withdrawal from the ABM Treaty. As the U.S. used its technological lead to gain advantage, Russia became more dependent on its offensive nuclear arsenal and began its modernisation and diversification.

The U.S.'s 2017 National Security Strategy and the Nuclear Posture Review (NPR) the following year reflected harsher-than-before assessment of its security environment and sought a more expansive



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role for nuclear weapons, in a break from the policies that had been followed since the end of the Cold War. Russia was seen as a 'disruptive power' pushing for a re-ordering of security and economic structures in Europe and West Asia in its favour. China was identified for the first time as a strategic competitor that was seeking regional hegemony in the Indo-Pacific region in the near-term and "displacement of the U.S. to achieve global pre-eminence in the future".

With the geopolitical shift to the Indo-Pacific, the U.S. believes that the INF Treaty was putting it at a disadvantage compared to China which is rapidly modernising and currently has 95% of its ballistic and cruise missile inventory in the INF range. Against this political backdrop, the demise of the agreement was a foregone conclusion.

The 2011 New START was a successor to the START framework of 1991 and limited both sides to 700 strategic launchers and 1,550 operational warheads. It lapses in February 2021 unless extended for a five-year period. Mr. Trump has indicated that a decision on the agreement will be taken in January 2021, after the 2020 election. Given his dislike for it, if he is re-elected, it is clear that the New START will also meet the fate of the INF Treaty. This means that,

for the first time since 1972, when the Strategic Arms Limitation Act (SALT) I concluded, strategic arsenals from the U.S. and Russia will not be constrained by any arms control agreement.

Testing of low-yield weapons

The 2018 NPR envisaged development of new nuclear weapons, including low-yield weapons. The Nevada test site, which has been silent since 1992, is being readied to resume testing with a six-month notice. The U.S. Senate had rejected the CTBT in 1999 but as a signatory the U.S. has observed it. In addition to pointing the finger at Russian violations, Lt. Gen. Ashley declared that "China is possibly preparing to operate its test site year-round in a development that speaks directly to China's goals for its nuclear force". He suggested that China cannot achieve such progress "without activities inconsistent with the CTBT". Since the CTBT requires ratification by U.S., China, Iran, Israel and Egypt and adherence by India, Pakistan and North Korea, it is unlikely to ever enter into force. Resumption of testing by the U.S. would effectively ensure its demise.

A new nuclear arms race could just be the beginning. Unlike the bipolar equation of the Cold War, this time it will be complicated because of multiple countries being involved. Technological changes are bringing cyber and space domains into contention. All this raises the risks of escalation and could even strain the most important achievement of nuclear arms control – the taboo against the use of nuclear weapons that has stood since 1945.

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Letting the pearl on the Silk Road shine brighter

The Dunhuang city has been witness to multiple interactions and mutual learning between China and India



SUN WEIDONG

Recently, Chinese President Xi Jinping visited the Mogao Grottoes in Dunhuang city of China to inspect cultural relics protection and research work. Some Indian friends may have heard about Dunhuang, but not many know about its unique beauty, history and culture. Here I wish to share with you stories about the Dunhuang that I know.

Dunhuang is a land that has gone through vicissitudes of history with ancient legacies and magic beauty. Around 2,000 years ago, a Chinese geographer of the Eastern Han dynasty Ying Shao said: "Dun, means grand; Huang, means splendid." Therefore Dunhuang means the land of grand splendour. Historical changes over the millennium shaped the magnificent landscape of this frontier region west of China's Gansu province and left colourful and gorgeous cultural treasures.

The Mogao Grottoes, located in a desert oasis surrounded by water and mountain, have stood quietly for over 1,650 years and become the most abundant and exquisite Buddhist art relics in China and beyond. Mogao Grottoes are a treasure house of art, architecture, sculpture and painting with 735 grottoes, over 45,000 square meters of murals and 2,000 paint-

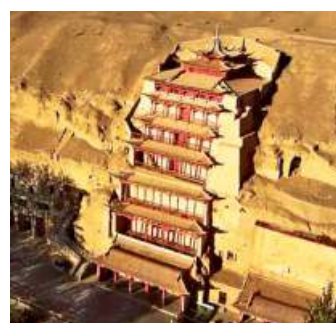
ed sculptures. These works of art are exquisitely crafted, with unique craftsmanship, vivid charm, and combination of form and spirit. Like an amazing and colourful movement, they tell a beautiful and touching legend of magic charm lasting thousand years.

Dunhuang is a witness to interactions and mutual learning between China and India, two ancient civilisations. The Mogao Grottoes in Dunhuang remind me of Ajanta Caves and Elora Caves in India, which I visited before. All being world-famous, the murals and Buddha figures in these caves tell the historical and cultural ties between Chinese and Indian civilisations, and witness the light of inter-civilisational exchanges and mutual learning.

Indian-style sculptures can be seen in the Mogao Grottoes built during the 4th to 6th centuries. The moves of the most commonly seen Apsara figure in Dunhuang murals are similar to those in Indian classical dances. Dunhuang also keeps many ancient Buddhist sutras written in Sanskrit and Patra-Leaf Scripture, a wealth of information for China-India cultural exchanges.

Convergence of cultures

Dunhuang is a classical example of convergence of Oriental and Western civilisations. President Xi Jinping said that Dunhuang is an important hub where Oriental culture met the Western culture in history, and different cultures met and mingled here, shaping the unique charm of Dunhuang culture.



The rich and colourful painted sculptures and murals in the Mogao Grottoes absorb the strength of ancient Eastern and Western art. The splendid Dunhuang culture is a fusion of the best of cultures of various nations. Ji Xianlin, a master scholar on culture in China, said that there are only four cultural systems in the world with long history, vast territory, self-contained system and far-reaching influence, i.e. Chinese, Indian, Greek and Islamic, and these four cultural systems converge in Dunhuang and Xinjiang of China.

Being an important hub city, Dunhuang is known as the "Pearl on the Silk Road". For thousands of years, envoys and officials, merchants and caravans, monks and scholars, capital and technology, integrated and communicated through this silk road, nourishing the development and prosperity of countries along the route.

China and India have also developed close economic, trade and cultural exchanges along the ancient Silk Road of both land and sea. China's paper making, silk, porcelain and tea were introduced

to India, while Indian singing and dancing, astronomy, architecture and spices were introduced to China, which became the historical witness of the mutual exchanges between the two sides. Zhang Qian was sent on a diplomatic mission to the Western Regions. Zheng He sailed to the Western Ocean seven times and visited India six times. Xuan Zang, Kumara-jiva, Bodhidharma and other great monks made the expeditions by crossing over mountains and sailing the deep sea. All of them left touching stories.

Road of friendship

The Silk Road is not only a road of trade, but also a road of friendship and mutual learning among civilisations. It will certainly further promote the deep inter-connectivity and cultural exchanges between countries along the route. The Silk Road spirit is about openness, exchanges and inclusiveness. It reveals the truth that there will be no progress without openness, no development without exchanges and no strength without inclusiveness. Facing challenges of today's world, we should draw wisdom from the history of the Silk Road, unleash strength from the win-win cooperation today, and create a bright future of common development.

Not long ago, Chinese State Councilor and Foreign Minister Wang Yi and Indian Minister of External Affairs Subrahmanyam Jaishankar co-chaired the second meeting of China-India High Level People-to-People (P2P) and Cultu-

ral Exchanges Mechanism in Beijing. The mechanism was set up under the joint initiative of President Xi Jinping and Prime Minister Narendra Modi.

Since the first meeting, bilateral people-to-people and cultural exchanges and cooperation have seen a fresh boom. At this meeting, China and India agree to host more colourful P2P and cultural events, work for new progress in P2P and cultural exchanges and consolidate the popular support for the sound development of China-India relations.

In the long course of history, China and India, two ancient oriental civilisations, have engaged in exchanges and mutual learning, created two vigorous and charming civilisations, and made great contributions to the development of human civilisation. In the new era, China and India should also adhere to inclusiveness and resolve differences through building common ground. We should transcend civilisation barriers through exchanges, rise above "civilisation conflicts" by mutual learning, and overcome the sense of superiority by promoting coexistence of civilisations. Let's polish the ancient "Pearl on the Silk Road" Dunhuang, paint a new picture of dialogue and harmony and write a new chapter of mutual respect and harmonious coexistence between Chinese and Indian civilisations.

Sun Weidong is the Chinese Ambassador to India

LETTERS TO THE EDITOR

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

In custody

The wheel of history has come full circle with the arrest of former Union Minister P. Chidambaram while the incumbent Home Minister is Amit Shah. What an irony of life it is that Mr. Chidambaram has to spend his time in CBI custody at the guest house he had himself once inaugurated (Front page, "Chidambaram in CBI custody," Aug. 23). While one is unsure of his "larger conspiracy" in the INX Media case, the haste and the unprecedented modus operandi adopted by the CBI is deplorable. However, if Mr. Chidambaram had not indulged in any money

laundering activities, he ought not to have knocked on the doors of the judiciary a number of times to extend his bail period. The bigger question here is: Was this arrest aimed at diverting the attention of the Indian public from bigger issues like the economic slowdown and the poor industrial growth? A. JAINULABDEEN, Chennai

The Congress Party has a knack of making logic stand on its head (News page, "It is murder of democracy and rule of law: Congress," Aug. 23). Its attitude towards the judiciary has always been ambivalent,

with responses ranging from gushing praise when courts pronounce verdicts that please the party to outrageous displeasure when judges apply the law as they are expected to do. Its accusation that Mr. Chidambaram's arrest is tantamount to the murder of democracy and rule of law stands out not merely because of its absurdity; one senses a veiled threat to the higher judiciary for not prioritising the hearing of Mr. Chidambaram's bail application. The implication seems to be that it doesn't matter if thousands of undertrial prisoners languish in jail just because they lack legal

support but the courts should show extraordinary deference to the bail pleas of a senior Congress leader. The Congress seems to suggest that its high-profile politicians are not on a par with the ordinary citizens of this country. The party needs to be reminded that intimidation of the judiciary, even if it is veiled in verbose and ambiguous language, is a challenge to the rule of law. V.N. MUKUNDARAJAN, Thiruvananthapuram

Fighting the IS

It is not new for the U.S. to create pandemonium in peaceful nations and ask other nations to deal with

the consequences (Front page, "Trump suggests India should fight Islamic State in Afghanistan," Aug. 22). The U.S. was partly responsible for the creation of the Taliban as it provided support to the *mujahideen*. Later, it invaded the same country, Afghanistan, which it once claimed to have liberated from Soviet Russia. And now it wants to leave the fate of the country

in a muddle by negotiating with the Taliban, the same force it fought for 18 years.

There is no gainsaying that it was the unnecessary meddling of the U.S. in West Asian nations which created the ultra-jihadist Islamic State.

SYED SULTAN MOHIDDIN, Kadapa, Andhra Pradesh

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CORRECTIONS & CLARIFICATIONS: The last paragraph of "The Battle of Adyar, a turning point in Indian history" (some editions, Aug. 23, 2019) erroneously said: "However, Madras was restored to the East India Company in 1949, following the Treaty of Aix-la-Chapelle..." Actually, according to the book, *The Anarchy: The East India Company, Corporate Violence, and the Pillage of an Empire*, it was in 1749 the news came from Europe.

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