

shall receive efficient protection for their persons and property. At Lang-jo and Ta-chun, between the frontier and Yatung, where rest-houses have been built by the Tibetan authorities, British subjects can break their journey in consideration of a daily rent.

III.—Import and export trade in the following Articles—
arms, ammuniton, military stores, salt, liquors, and intoxicating or narcotic drugs,
may at the option of either Government be entirely prohibited, or permitted only on such conditions as either Government on their own side may think fit to impose.

IV.—Goods, other than goods of the descriptions enumerated in Regulation III., entering Tibet from British India, across the Sikkim-Tibet frontier, or *vice versâ*, whatever their origin, shall be exempt from duty for a period of five years commencing from the date of the opening of Yatung to trade, but after the expiration of this term, if found desirable, a tariff may be mutually agreed upon and enforced.

Indian tea may be imported into Tibet at a rate of duty not exceeding that at which Chinese tea is imported into England, but trade in Indian tea shall not be engaged in during the five years for which other commodities are exempt.

V.—All goods on arrival at Yatung, whether from British India or from Tibet, must be reported at the Customs Station there for examination, and the report must give full particulars of the description, quantity, and value of the goods.

VI.—In the event of trade disputes arising between British and Chinese or Tibetan subjects in Tibet, they shall be enquired into and settled in personal conference by the Political Officer for Sikkim and the Chinese frontier officer. The object of personal conference being to ascertain facts and do justice, where there is a divergence of views the law of the country to which the defendant belongs shall guide.

VII.—Despatches from the Government of India to the Chinese Imperial Resident in Tibet shall be handed over by the Political Officer for Sikkim Communication.
to the Chinese frontier officer, who will forward them by special courier.

Despatches from the Chinese Imperial Resident in Tibet