

of Tibet, or even in Tibet proper at all. It did not lie on the far side of the Himalayan watershed. It was Phari, at the head of the Chumbi Valley, on the southern side of the main Himalayan range. Yet to even this the Chinese and Tibetans would not agree, and eventually Yatung, at the extreme southern end of the Chumbi Valley and immediately on our border, was agreed upon.

Having made this concession, and having refrained from pressing for permission to allow British subjects to travel beyond this or to buy land and build houses there, we had hoped that the Chinese would meet our wishes in regard to the admission of tea. Speakers in Parliament scoffed at the idea of pressing tea upon the Chinese, but for the Bengal Government it is an important point. All along the low hills bordering Tibet there are numerous tea-plantations, affording both an outlet for British and Indian capital and employment for many thousands of Indian labourers. To a responsible local Government it is of importance to encourage and foster this industry. Now, just across the frontier are three millions of tea-drinkers. Tea is just the kind of light, portable commodity most suited for transit across mountains, and it was perfectly natural, reasonable, and right that the Bengal Government should press for its admission to Tibet, that the Tibetans might at least have the chance of buying it or not, as they pleased. But the Chinese, in spite of concessions in other matters by the Government of India, remained obstinate, and still remain obstinate, in regard to the admission of tea, and eventually only agreed to admit Indian tea into Tibet "at a rate of duty not exceeding that at which Chinese tea is imported into England," which, as the latter rate of duty is 6d. per pound, and the tea drunk in Tibet is very inferior, was in reality the imposition of an *ad valorem* duty of from 150 to 200 per cent., and was therefore a concession of not the slightest value.

On December 5, 1893, the Trade Regulations were signed at Darjiling. The trade-mart at Yatung was to