

Customs duty, of the arrangements in regard to mining rights and concessions which appeared to be necessary, and of the boundary settlements on the Sikkim and Garhwal Frontiers which stood for decision. These questions must first be discussed by their Commissioner with the representatives of the Tibetan Government.

Summarized, the proposals of the Government of India were: the placing of a Resident at Lhasa, or, failing that, an agent at Gyantse, with the right to proceed to Lhasa; the formal recognition of exclusive political influence; the demand of an indemnity; the occupation of the Chumbi Valley as security; the establishment of trade-marts at Gyantse, Yatung, Shigatse, and Gartok; the settlement of the Sikkim and Garhwal boundaries, Customs duties, and trade regulations. The amount of the indemnity to be demanded was not mentioned in the despatch, but in a telegram to me, giving a summary, and which was also sent to the Secretary of State on June 26, it was suggested that it should be £100,000 for every month from the date of the attack on the Mission at Gyantse until one month after the signature of the Convention.

These proposals appeared to His Majesty's Government to be excessive, and after some telegraphic communication with the Government of India the Secretary of State telegraphed on July 26* the terms which might be named to the Tibetans, and which the Government embodied in a draft Convention which they afterwards sent to me.

Neither at Lhasa nor elsewhere was a Resident to be demanded. Provisions for the maintenance of our exclusive political influence in Tibet were to be made. An indemnity was to be asked, though the sum to be demanded was not to exceed an amount which it was believed would be within the power of the Tibetans to pay, by instalments, if necessary, spread over three years, but I was "to be guided by circumstances in the matter." Trade-marts were to be established at Gyantse and Gartok in addition to Yatung, and a British agent was to have right of access to the Gyantse mart; the Chumbi Valley was to be occupied as security for the indemnity and for the

* Blue-book, III., p. 42.