

Satow's, both very able and experienced diplomatists, was justified by the event. It was here that the Chinese began their series of efforts again to thrust themselves in between us and the Tibetans, and prevent that direct relationship between us which, through the futility of the Chinese themselves, we had been compelled at so much cost to establish. If we had stood firm at the start on this point, which was one on which we had a perfect right to stand fast, much future trouble might have been saved.

The Government of India concurred in this view, and thought that the annual payment by Tibetans in Tibet, even though China should provide the money, would be preferable from the point of view of local political effect, to payment of a lump sum by China direct. The course, therefore, which was preferred was, that a notification should first be made by them to the Tibetans under Article VI. of the Convention, to the effect that we desired payment at Gyantse of the first instalment; and that His Majesty's Minister at Peking should then inform the Chinese Government that His Majesty's Government could not recognize the right of intervention on their part, as they had not adhered to the Convention.

A notification was accordingly given to the Tibetan Government that Rs. 100,000, the first instalment of the indemnity, was due on January 1, 1906, and should be paid at Gyantse. They replied in January, 1906, that the revenue of Tibet was not great, and that the Chinese Resident had stated that the payment of the indemnity was to be the subject of discussion with China, in which Tang at Calcutta was to act. Thus, said the Government of India, as a result of the action of the Chinese, the Treaty had been broken by the Tibetans, for no payment of the indemnity had been made on the date fixed. They proposed, therefore, to inform the Tibetan Government that they held them responsible for the payment of the indemnity under the terms of the Treaty.

Mr. Morley, who had succeeded Mr. Brodrick, approved of the proposal, but added that this would not preclude our accepting payment eventually from the Chinese Government if agreement with them as to the