

to get us to accept payment in India instead of in Tibet. The Tibetan Sha-pé being in Calcutta at the time, we did not raise any difficulty about accepting payment of the first instalment there. But when the question of the payment of the second instalment arose, the Government of India pointed out that under the Treaty it should be paid at such place as the British Government might indicate, whether in Tibet or in the British districts of Darjiling or Jalpaiguri. Permission had been given to pay the first instalment at Calcutta, as the Tibetan Councillor happened to be there at the time, but the Government of India wished that the second instalment should be handed over by a Tibetan official to our Trade Agent at Gyantse. But the Secretary of State telegraphed that it would be in accordance with the present policy of His Majesty's Government to acquiesce in the wish of the Chinese Government, and payment by telegraphic transfer was agreed to. The third instalment was also received in Calcutta. So the Chinese obtained their second point also.

The third point which they tried to make in their policy of excluding the Tibetans, was to get us to receive the indemnity direct from them instead of from the Tibetans. They suggested that they should pay the second instalment "by telegraphic transfer without the intervention of the Tibetans." But the Government of India recommended that deviation from the procedure laid down in the Treaty should not be permitted, as their proposal seemed to them a further indication of the Chinese desire to exclude the Tibetans from relations with us.

His Majesty's Government, however, considered that the formality of payment through a Tibetan representative was "a comparatively immaterial point," and that if China was to make further pretensions we should not be prejudiced by the concession.

Later on, however, as the Chinese had been obstructive in other matters, and the second instalment had not yet been paid, both Mr. Morley and Sir Edward Grey adopted the proposal of the Government of India that payment to the Trade Agent through a Tibetan official at Gyantse should be required, and arrangements recently