

as recognized in the Anglo-Russian arrangement regarding Tibet, and confirmed by the Peking Convention. The Indian Government greatly feared the reproduction in an aggravated form of the position of affairs before 1903 if Chinese contentions were admitted.

Mr. Morley proposed to Sir Edward Grey that a representation should be made to the Chinese Government of the serious consequences that would ensue if payment of a third instalment of the indemnity was not made in accordance with the Treaty; and the latter telegraphed to our Minister at Peking to inform the Chinese Government that the transfer of authority in the Chumbi Valley, much as it was desired by His Majesty's Government, would be unavoidably delayed unless payment was made in accordance with the provision of the Lhasa Convention. The result was that within a week a cheque, signed by Mr. Chang, was delivered by the Tsarong Sha-pé, who paid a formal visit to Sir Louis Dane, accompanied by two Tibetan officers.

The Chinese did not altogether gain their third point, but it is to be noted that the cheque was signed by Mr. Chang, and that the Tibetan official was not much more than a messenger carrying it over to the Foreign Office.

All these proceedings have an air of triviality, but that in Asiatic eyes they were of importance we may infer from the insistence of the Chinese. If they really were trivial they might have handed the money to the Tibetans, and saved themselves the worry with us.

Connected with this question of the payment of the indemnity was the question of the evacuation of the Chumbi Valley, to effect which was the most important object of Chinese policy. By the original Treaty we had the right to occupy it till seventy-five annual instalments of the indemnity had been paid, but by the declaration affixed to the ratification of the Treaty we undertook that the British occupation of the Chumbi Valley should cease after due payment of three annual instalments, provided that the trade-marts, as stipulated in Article II., should