The final instalment of the indemnity having been paid, orders for the evacuation of the Chumbi Valley were

issued on January 27, 1908.

Thus we deliberately abandoned the sole guarantee for the fulfilment of the Treaty. For years prior to the conclusion of the Lhasa Treaty we had had practical experience that Chinese engagements regarding Tibet were useless. Since the signature of the Lhasa Treaty we had three years' evidence that the Chinese were trying to evade its execution. Its provisions had not been fulfilled, and have not yet been carried out, six years after it was signed. Extreme moderation had been shown; concession after concession had been made. With a broad-mindedness in which some might suspect indifference we had given way point after point. In spite of all this, the Chinese were not observing the Treaty. And yet we gave up the one and only material guarantee for its fulfilment.

Now, at least, when we had withdrawn from Chumbi, and when we had been complacent in so many respects, we might fairly have expected that a change of tone would have come over Chinese policy. But, as we have on many other occasions experienced, the Chinese are not always most reasonable when we are most accommodating. And from the time we evacuated the Chumbi Valley they commenced a great forward movement in Tibet, which has resulted in the practical extinction of the Tibetan Government, and necessitated our despatching a much larger number of troops than we had in Chumbi to Gnatong, an inhospitable spot over 12,000 feet above sea-level, where they still have a 15,000-feet pass between them and Chumbi, and can, in consequence, exert only one-quarter of the moral effect they had in Chumbi itself.

But before this movement actually commenced, the Chinese had concluded some Trade Regulations with us; again at the instance of the Chinese Government, who seem to have a shrewd suspicion that these various agreements bind us to a far greater extent than they confer benefit on us.