

4. The British Government will be free for five years, from the 1st January next, being the 17th day of the 11th moon of the 2nd year of the reign of Kwang-Sü, to station officers at Tali Fu, or at some other suitable place in Yünnan, to observe the conditions of trade ; to the end that they may have information upon which to base the regulations of trade when these have to be discussed. For the consideration and adjustment of any matter affecting British officers or subjects, these officers will be free to address themselves to the authorities of the province. The opening of the trade may be proposed by the British Government, as it may find best, at any time within the term of five years, or upon expiry of the term of five years.

Passports having been obtained last year from a mission from India into Yünnan, it is open to the Viceroy of India to send Such mission at any time he may see fit.

5. The amount of indemnity to be paid on account of the families of the officers and others killed in Yünnan : on account of the expenses which the Yünnan case has occasioned ; and on account of claims of British merchants arising out of the action of officers of the Chinese Government upto the commencement of the present year. Sir Thomas Wade takes upon himself to fix at 200,000 taels, payable on demand.

6. When the case is closed an imperial letter will be written, expressing regret for what has occurred in Yünnan. The mission bearing the Imperial letter will proceed to England immediately. Sir Thomas Wade is to be informed of the constitution of this mission, for the information of his Government. The text of the Imperial letter is also to be communicated to Sir Thomas Wade by the Tsung-li-Yamen.

## SECTION II. — *Official Intercourse.*

Under this heading are included the conditions of intercourse between high officers in the capital and the provinces, and between consular officers and Chinese officials at the ports ; also the conduct of judicial proceedings in mixed cases.

1. In the Tsung-li-Yamen's memorial of the 28th september 1875,