

any previous proposal, and that it did not substantially differ from the sum which we had been prepared to accept, viz., 600,000 dollars and a cession of their vessels and outfits by the owners.

With regard to the amount of the percentage to be paid annually by the United States out of their receipts from the seal-taking on the Pribyloff Islands, he added: "We considered that if the increase in the herd became very large owing to the cessation of pelagic sealing, the percentage to be paid should be proportionately increased. This was vehemently opposed by the United States' Commissioners. We ultimately made a modified proposal on a different basis. Taking, roughly, 20,000 as the number of seals which might be obtained on the islands even if pelagic sealing continued, we proposed that the percentage of the receipts to be handed over should only apply to the excess over 20,000 taken in each year, the effect of which would be to graduate the share of Canada, making it proportionately greater according as the growth of the herd became greater. This was assented to in principle by our American colleagues, but the percentage remains undetermined."

Claims for compensation in respect of the wrongful treatment of four British sealing-vessels.

Lord Herschell stated, in his despatch No. 1 of the 7th February, that no agreement had yet been come to respecting these claims. It was, however, hoped to obtain from the United States' Government a small sum, in addition to the 500,000 dollars named by Senator Fairbanks, for the settlement of the claims of the "Wanderer," "Favourite," and "Kate."

The case of the "Coquitlan" is more difficult. Lord Herschell had no doubt as to the justice of the claim, but there was not sufficient proof in support of the several items. The owners claimed 110,000 dollars, and refused to abate their demand. After going through the schedule with Sir Louis Davies, Lord Herschell reduced the total to something over 70,000 dollars. He subsequently said he would accept 50,000 dollars, but this last figure was not mentioned to the American Commissioners.

13. Provisions for the delimitation and establishment of the Alaska-Canadian boundary, by legal and scientific experts, if the Commission shall so decide, or otherwise.

Lord Herschell reported, in his despatch No. 9 of the 11th October, that after carefully investigating the question he had come to the conclusion that the British claim so to draw the boundary-line as to leave the greater part of the Lynn Canal, or at least the upper part of it, within the British possessions, was much stronger than it at first appeared. He thought that the argument which he had presented had made an impression upon the United States' Commissioners, and had shown that their title to the upper part of the canal and to the towns of Dyce and Skaguay was not so clear as they believed.

The draft Article handed to the American Commissioners on the 2nd February, 1899, is given as an inclosure in Lord Herschell's despatch No. 1 of the 7th February. He says in that despatch:—

"Our American colleagues, . . . whilst stating that it would be impossible for them to concede the sovereignty of any harbour on the Lynn Canal, suggested that they should, without parting with the sovereignty, grant the use of Pyramid Harbour and a strip of land behind it to the Canadian boundary, which should be exclusively under Canadian jurisdiction so long as the grant lasted. They handed to us a document, in which it was proposed that the grant should be only for a period of fifty years.

. . . . "We strongly objected to the limitation of the term, and insisted that the grant should continue as long as we maintained a custom-house and a sufficient force for the preservation of order. We handed them the inclosed draft, which modified their proposal in this respect. . . . They raised serious objection on account of the effect which, by reason of the navigation laws of the two countries, it would have upon the carrying trade if Pyramid Harbour were to be treated as a British port. British vessels would thus be enabled to convey goods from United States' ports to the Klondyke which they had never hitherto done, whilst United States' vessels would be precluded from carrying goods from Canadian ports to Pyramid Harbour.

"We have not seen our way to accede to their proposition that for the purpose of the navigation laws the new harbour should be treated as a United States' harbour, whilst they, down to the present time, insist on adhering to it; and compromise on the point, though perhaps not absolutely impossible, is difficult. We proposed

* See pp. 63, 82, 98, 123, 153, 164, 177, 187, and 200.

Lord Herschell,*
No. 4,
September 2,
No. 7,
September 30
(and Inclosure 3);
No. 9, October 11;
No. 15,
December 22, 1898
(and Inclosures
14 to 20): No. 1,
February 7 (and
Inclosure 1);
No. 2,
February 17 (and
Inclosures);
No. 3,
February 24, 1899
(and Inclosures 7
and 9).
Mr. Cartwright,
No. 4, March 3
(and Inclosures 1,
3, 4, 6, and 9);
No. 5, March 3,
1899 (and
Inclosures).