

by continual protests against the alleged aggressions of Great Britain. In the case of the Alaskan Boundary, on the other hand, there was no discussion until comparatively recent years, and though both Her Majesty's Government and the Dominion Government were aware that the United States believed and claimed that the Treaty intended the boundary to go around the head of the Lynn Channel, and the Canadian Government had in 1888 suggested that a protest should be made against the United States claim, the language in which the protest was conveyed to that Government by Her Majesty's Minister was not sufficiently precise, and the claim was never formally and directly challenged in express terms. Moreover, the action of your Ministers in establishing their Customs station on the eastern side of the mountains bordering the channel without any formal notice to the United States that the headwaters of the Channel were claimed by the Dominion, would naturally be construed as an acquiescence in the United States claim. There was, again, in the case of the Venezuela boundary no question involved of a possible transfer of jurisdiction over organized towns or settlements of the size and population of Dyea and Skagway, and there does not appear to be any previous case of a boundary dispute in which the possession of towns or settlements of such importance was in question. This fact and the absence of any explicit statement of claim by Her Majesty's Government, at the time when those towns were being formed, to the territory upon which they are situated, render it improbable, that any Tribunal with the discretion allowed by Section C. of the rules applied in the Venezuela dispute would, even if satisfied that the territory in question belonged of right to Her Majesty, decree that it should be surrendered by the United States, and, if they were to do so it is unlikely, looking to the nature and extent of the interests involved, that those immediately concerned would submit peaceably to such an arrangement.

Looking, therefore, at the situation in all its aspects, Her Majesty's Government are convinced that even if the boundary question were submitted to arbitration on terms exactly similar to those of the Venezuela case that, United States possession of Dyea and Skagway would not be disturbed.

In these circumstances the only question really remaining to be decided, so far as the Lynn Canal region is concerned, is that of the valley of the Chilkat, along which, by the Dalton Trail and Pyramid Harbour, access can be gained to the interior, and the compensation, if any, to be given in the event of the British interpretation being accepted, for the occupation of the Taiya inlet by the United States; and Her Majesty's Government, as matters stand, entertain considerable doubt as to the expediency of continuing to press for arbitration on terms which would appear to raise doubt as to the position of Dyea and Skagway, seeing that the facts above mentioned appear to them already to have practically disposed of this question.

It is impossible to avoid the conviction that to do so would have the result of indefinitely postponing a settlement, and most probably of throwing away whatever chance there may be of securing Pyramid Harbour and the Chilkat Valley for Canada.

The provisional line agreed to places the whole of the shores of the Lynn Canal in the possession of the United States. Parts of the country along the Dalton Trail have already proved rich in placer gold, and with prospectors steadily at work throughout, further discoveries may be announced at any time, the result of which would be the formation of a United States settlement at Pyramid Harbour as large as at Skagway, which it would be equally impracticable to disturb. The whole of the rest of the lisière is also undefined, and so long as it remains so and the United States claim on the one hand the full breadth of ten marine leagues throughout its length, while Her Majesty's Government maintain that the boundary should be drawn along the mountain summits generally at less than half that difference from the coast, there will be within this disputed area ample opportunity for encroachment, and for a possible conflict of jurisdiction.

The claim the United States, moreover, to the islands commanding the entrance to Observatory Inlet, a claim which however unfounded it may be, is not likely to be withdrawn except on the result of arbitration, seriously affects the military security of the only practical route alternative to the Lynn Canal by which Canada can secure an all British communication with the Yukon Territories.

If therefore no settlement is reached not only will Canada lose any chance of securing a lodgment on the Lynn Canal affording access to the hinterland, but the value of the route by Observatory Inlet will be impaired, and the Dominion will remain exposed to the loss of what may be valuable territory all along the lisière, and to the risks of conflict of jurisdiction attending an unsettled boundary; risks which are much more probable now that the whole area is being actively explored for gold.

There is the further consideration, that until an arrangement has been reached in regard to the boundary, no settlement can be made of the numerous other questions at issue between the United States and Canada. In ordinary circumstances these questions do not, it is true give rise to any serious difficulty, but in times of popular excitement or in the event of any untoward circumstance leading to a temporary strain of the friendly relations now happily subsisting between this country and the United States, an incident might arise in connection with any of these outstanding