

and his eye on the next elections, proved disastrous to the negotiations.

This outcry against a settlement apparently so favourable to the United States was largely due to the effect which, by reason of the Navigation Laws, it would have had upon the carrying trade of the Pacific Coast. The bulk of supplies destined for the Yukon is shipped from Tacoma and Seattle, in Washington territory. Were Pyramid Harbour a British port, British vessels would be free to convey goods from United States ports to that point, while United States vessels would be precluded from carrying goods between Canadian ports and Pyramid Harbour. Here is one of the reasons which render the question of sovereignty so important in this controversy. Under the present laws British vessels may not carry goods from any American port to the Lynn Canal. It is true they can trade between British ports and the Lynn Canal, and a customs arrangement has recently been entered into between Canada and the United States, whereby goods arriving at Skagway may be bonded through to the Yukon district; but this bonding privilege is attended by restrictions more or less irksome, and is terminable at the pleasure of the American Government. Thus Canadian trade, flowing through American channels, is building up American towns in what Canada holds to be British territory. It is, perhaps, not surprising that Canadians should chafe under such a condition of affairs.

As regards the future of this question it is difficult to predicate anything. The United States, having secured under a *modus vivendi* possession of the heads of the Lynn Canal, are not likely to be in any hurry to disturb an arrangement so advantageous to them. On the other hand, various American industries are pressing for freer commercial relations with the Dominion, and Canada's refusal to treat on any of the remaining subjects of difference between the two countries until the question of the Alaska boundary is disposed of may lead to a revival of the International Commission.

The sinister influences which have hitherto stood in the way of an equitable settlement are at their minimum during the session of Congress immediately following a presidential election. Should Mr. McKinley be successful next November, it is possible that the new administration may feel itself strong enough to be able to prevail upon the Senate to sanction a treaty providing for a settlement of the question, either by compromise or by such a reference to arbitration as Canada can accept. Until then, at all events, matters must remain *in statu quo*.