

340. As the period of the natural existence of the treaty drew towards an end, considerable dissatisfaction began to be expressed in some parts of the United States, more particularly in the Eastern States, with reference to its working, the Americans claiming that the then present fiscal policy of the Province of Canada was contrary to the spirit of the treaty, and that the United States trade was consequently at a disadvantage. The Province of Nova Scotia, also, while anxious for an adjustment and continuance of the treaty, did not think that "fair consideration had been given to the interests of that Province, their inexhaustible fisheries, of priceless value, having been given away without the coasting trade and the right to register Colonial built shipping having been secured to them."* The Province of New Brunswick was also of the same opinion. It became evident that modifications would be necessary on both sides, if the treaty was to continue.

341. Desultory negotiations were carried on between the respective Governments with reference to adjustment of existing difficulties, but no decision was arrived at, and on 18th January, 1865, notice was given by the American to the Imperial Government of their intention to abrogate the treaty, on the ground "that it was no longer for the interest of the United States to continue the same in force."† Formal notice being officially given on the 17th March following, the Imperial Government thereupon instructed its representative at Washington to inform the United States Government of its "willingness to reconsider the treaty in conjunction with the Government of the United States, to negotiate for a renewal of it, or so to modify its terms as to render it, if possible, even more beneficial to both countries than it had hitherto been."‡ Negotiations were

Notice of
abrogation
by
United
States.

* Minute of Executive Council, Nova Scotia, 26th April, 1864.

† Notice of abrogation, 18th January, 1865.

‡ Despatch of Earl Russell to Sir F. Bruce, 24th March, 1865.