

tion of the St. Lawrence river, all of which we enjoyed without consideration."

Fortunately the Provinces did not act in the same spirit. They thoroughly believed in the practical good sense of the United States people—especially with such a balance sheet to look back upon as the results of the Treaty of 1854 present. They assumed that there were matters existing in 1865-'66 to trouble the spirit of American statesmen for the moment, and they waited patiently for that sober second thought which was sure ere long to put all things right.

Immediately on the repeal of the Treaty, customs duties were imposed by the United States on nearly all the articles imported under it from the Provinces. The Canadian tariff was very little changed, and, as will be presently shown, a large preponderance of the exports from the United States into the Dominion are still admitted free of duty. The use of the Canadian canals was continued to American shipping and commerce on precisely the same terms as to those of Canada. The free navigation of the river St. Lawrence was still left open to American craft, and the shore fisheries of the St. Lawrence were thrown open from year to year to American fishermen, on payment of a small license fee.

EFFECT IN CANADA OF THE ABROGATION OF THE TREATY.

The industry of Canada had been largely directed to the supply of the American market with commodities for home consumption, as well as for foreign exportation, and the repeal in 1866 of the Reciprocity Treaty, under which so vast a trade had grown up, rendered imperatively necessary prompt measures to open new markets for the sale of Canadian produce. These measures were at once taken. Under the influence of the formal notice given by the United States in 1865, of their intention to terminate the Treaty, federation of the Provinces, then under discussion, was hurried on, and became a *fait accompli* within fifteen months after its repeal. The Intercolonial railway was at once under-