

Government should not have neglected the reference of the Fenian claims to the High Commission, and yet there were grave difficulties in the way of obtaining direct compensation from Great Britain for losses caused by neglect, on the part of the United States, of her international duties. The consent of the Canadian Parliament to the ratification of the treaty was necessary, and unless the Fenian claims were settled the Administration was not disposed to apply to Parliament for such consent. In my budget speech in 1872 I said, after some introductory remarks :—" I refer, of course, to the "Treaty of Washington, but especially to the arrangement made with " the Imperial Government for an Imperial Guarantee for a portion " of our anticipated loan. It is now apparent to the House and the " public that the Imperial and Canadian Governments were not for " many months in a state of accord on the subject of the Treaty of " Washington." The Canadian proposal was that, in consideration of the abandonment of the Fenian claims, the Imperial Government should guarantee a loan for the construction of the Pacific Railway, and that Canada should be relieved from the construction of fortifications for the protection of Montreal, to which she was pledged, and for which she was entitled to an Imperial guarantee. We were of opinion that it would be much more satisfactory to effect a large annual saving of interest during the currency of the loan than to have to present a bill for losses consequent on the Fenian raids, which would have led to much irritating discussion. We succeeded in obtaining the consent of the Imperial Government to our proposal, and I am convinced that the arrangement was the most satisfactory mode of settling a very complicated question. I fear, my Lord, Ladies and Gentlemen, that I must have exhausted your patience, but I have been anxious to obtain a calm consideration for views which I have long entertained, which I believe to be sound, and which will, I hope, contribute to remove the erroneous impressions that have prevailed as to the policy of the British Government during a period of rather more than a century. I shall now briefly recapitulate my points : I hold that Maine, representing Massachusetts, was bounded, prior to the revolution in 1774, when all the territories in North America were British, on the east by the St. Croix and on the north " by the narrow strip only from which the waters flow into the St. Lawrence." This is a British official description. I hold that it was not contemplated by the treaty of peace in 1783, when the independence of the United States was acknowledged, to deprive any one of those States of its recognized territory. I hold that the