



Jay Sexton, "The Funded Loan and the Alabama Claims," *Diplomatic History*, Volume 27, Issue 4 (September 2003): 449-478.

Commentary by **Jay Sexton**, University of Cambridge
Published by H-Diplo on 30 September 2003

I would like to thank Stephen McCullough for his close reading of my article and his insightful comments.

The only response I have pertains to the relationship between territorial expansion (particularly the annexation of Canada) and the resolution of the Alabama claims. McCullough cites a letter from Secretary of the Treasury George Boutwell to President Grant that reveals that Boutwell was interested in freeing Canada from British control, presumably to pave the way for annexation to the US. This letter was written soon after the outbreak of the Franco-Prussian War (July 1870) and illustrates that Boutwell, like Secretary of State Hamilton Fish, viewed the unrest in Europe as a diplomatic opportunity to either expand the nation's borders or to corner Britain into making concessions in the Alabama negotiations.

I do not believe, however, that this is "at odds with [my] view of the moderating role Boutwell played within the Grant Administration." When it became clear to both Boutwell and Fish during 1870 that Canada could not be annexed without provoking Britain, both men backed away from their support for annexation/Canadian independence and persuaded Grant not to send an army to the north, as he brazenly threatened to do in a cabinet meeting. If anything, Boutwell's reversal of his position on Canada demonstrates the paramount importance of the Treasury's plans to issue low-interest bonds on the London market and, thus, the necessity to resolve differences with Britain. As McCullough aptly puts it, economic necessity trumped imperial dreams.

Jay Sexton
University of Cambridge

Copyright © 2003-2004 by H-Diplo, all rights reserved. H-Net permits the redistribution and reprinting of this work for nonprofit, educational purposes, with full and accurate attribution to the author, web location, date of publication, originating list, and H-Net: Humanities & Social Sciences Online. For other uses contact the H-Diplo Article Discussion Co-ordinator, George Fujii, gfuji@umail.ucsb.edu.
