

THE HERALD

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So far as the published reports of the Imperial conference, just closed, indicate the cause of untariff preference within the Empire has received a setback from the position to which it had attained at the Colonial Conference of 1902. The resolutions of the conference of 1902 recognized that the principle of preferential trade between the United Kingdom and his Majesty's dominions beyond the seas would stimulate and facilitate mutual commercial interests; that as far as circumstances would permit the Colonies should give substantial preferential treatment to the products of the United Kingdom; that his Majesty's Government should be urged by the Colonial Prime Ministers, to grant in the United Kingdom preferential treatment to the products and manufactures of the Colonies; that the Prime Ministers assembled at the conference of 1902 should undertake to submit to their respective Governments at the earliest opportunity the principle of the resolution adopted at the conference and do what was possible to give effect thereto. This is in brief the substance of the preferential resolution of the Conference. The Canadian Ministers at that conference expressed the hope that the Mother Country would at an early day apply the principle of mutual preference by some slight protection to the products of the colonies. The resolution of the conference of 1907 bearing on this matter is extremely vague. It simply enunciates the principle that the greater freedom and fuller development of the commercial intercourse within the Empire may best be attained by leaving each part of the Empire liberty of action in selecting the most suitable means for attaining them, having regard to its own special conditions and requirements. Mr Chamberlain was the dominant spirit of the conference of 1902; but in 1907 a free trade Government is in the saddle in Great Britain, and the preferential doctrines of the Chamberlain school do not find favor. Meantime Mr Balfour, Leader of the Opposition has at last come out strongly and unequivocally for a mutual tariff preference.

The matter of the Blairmore town site referred to in our Ottawa letter in this issue is a fair sample of the scandalous transactions to which the Laurier Government have recourse in order to enrich political favorites at the expense of honest settlers. It is plainly shown in this case that Lyon the honest settler and legitimate owner who had complied with the requirements of the law, was robbed of his property, which was turned over to McKenzie the Government protegee practically for nothing, in order to afford him an opportunity to make \$200,000. Judge Wetmore of the Northwest Supreme Court found so many false and misleading statements in the Government's connection with the affair that he deemed the Exchequer court the proper place to have the case settled. To have the matter tried in the Exchequer Court would not suit the Government or the Government's friends, so the Minister of the Interior induced the Justice department to interfere and have the crown withdraw its permission to be a party to an action. The consequence was that when the Exchequer Court met to give judgment it found it had no jurisdiction in the matter. This is but one of the numberless cases in which the Government have deprived honest settlers of their just rights, in order that an opportunity for amassing wealth may be afforded to favorites who have been found useful instru-

ments of the Liberal political propaganda. It is said that one of the things agreed upon at the Imperial Conference is a fast Atlantic service connected with a fast service across the continent and fast steamers on the Pacific, to be subsidized by the Imperial Government and the Governments of Canada, Australia, New Zealand etc. A four days Atlantic voyage is talked off. Sir Wilfrid Laurier is said to be a strong advocate of this new project. So far as the fast Atlantic service is concerned Sir Charles Tupper had all but completed arrangements therefor when he went out of power eleven years ago. The Laurier Government failed to take up the matter where Sir Charles left off and the project has been dormant ever since. If anything comes of the new arrangements now spoken of, Sir Wilfrid can claim no initiative in the matter. It would only be a revival of what his predecessor in office had advanced almost to completion eleven years ago.

Ottawa Weekly Letter.

Blairmore Town Site. Scandal Exposed Last Session.—How a Liberal Got a \$200,000 Property.

PERJURED AFFIDAVITS FIRST.

Then the Celebrated Nixon Assists.—Next Brother-in-law Turriff Gets in Quick Work.

COURT CONDEMNS THE FRAUD.

Judge Burbidge Prepared to Cancel the Patent.—But Minister Interferes and Obtains Judgment by Consent.—In Favor of the Patent Obtained by Lies and Perjuries and Party Influence.

LAURIER AND BOTH, HYMAN AND THE LONDON CONSPIRACY.—One Way to Produce a Bogus Surplus.

Ottawa, May 11, 1907. Mention has frequently been made in this correspondence to the Blairmore Town Site. The story of the transaction, which should be told in full, is a record of fraud and perjury perpetrated to gain a valuable property in the gift of the Government. The crimes were discovered and exposed, and yet as a result of these methods an estate valued at \$200,000 has come into the hands of an active Western politician through the favor and connivance of the Department of the Interior.

THE BARON OF BLAIRMORE

Mr Malcolm McKenzie, Barrister, Member of the Alberta Legislature, is the owner of the town site of Blairmore. This town has a population of about five hundred and is beautifully situated on the Eastern slope of the Rocky Mountains, where the Crown's Nest Pass on the C.P.R. line broadens out on an elevated plateau. It is near the well known mining town of Frank. Mr McKenzie, who was the Government candidate at the last Dominion election, received his patent for the 160 acres of land comprising the Blairmore Town site in July 1901, when the place had a population of two or three hundred people and had become extremely valuable. Mr McKenzie had himself valued the estate before that time at some \$50,000, and he paid the Government just \$480, or \$3 an acre for the property. This was the selling price for ordinary farm land at the time.

BASED ON FRAUD AND PERJURY.

Mr McKenzie obtained the grant by taking an assignment of the right of an Italian named Montalbeti who represented himself as the first squatter on the land. Montalbeti's claim, and his affidavits supporting it, had been prepared in Mr McKenzie's law office at McLeod forty-five miles away, and McKenzie obtained at the same time the right of the Italian without paying him any money for it. The Italian's claim was not a pure invention, supported by

a series of perjuries. This fraud was made known to the Government before the patent was issued. It was proved before a court of law, and in fact established by the confession of the Italian himself.

AN HONEST CLAIMANT.

Another man was in occupation of the ground before the Italian. His name was Lyon and he came from Ontario. He built on the premises the first structure intended to be permanent, went into business and kept a shop there, and made a claim as a squatter. He was truthful and his statements were never contradicted. As between him and the assignee of the Italian, Lyon undoubtedly had the better right, and if Lyon's claim as a squatter was not technically sufficient to entitle him to the splendid fortune contained in this land, the property should have remained with the people of Canada, who had the original right to the \$100,000 or \$200,000 profit out of it.

THE BUYING OF BLAIRMORE

The story of Blairmore begins in 1898, when Montalbeti came there as a C.P.R. section foreman and Lyon arrived as local agent for the Railway. The Italian put up a tent on the town site and lived there while the Company was building him a section house, and Lyon, with the assistance of the Railway Company, put up a log shanty on the town site. This also was a temporary affair. Both men afterwards had little gardens on the disputed territory. So far their claims were equal. But Lyon gave up his railway job and went into business and built a store on the town site. The first claim to the land was made by Lyon, who tried to obtain it as a homestead and was informed that it could not be homesteaded as it was an odd numbered section. His store was the first permanent building on the land.

THE CLAIMANTS.

In June 1901 Lyon Montalbeti applied for the right to purchase the land each claiming priority as a squatter. Montalbeti's claim was assigned to Mr McKenzie, and his promotion was thence forwarded in the hands of that politician. In his famous affidavits the Italian falsely stated that he had a garden on the land in 1898. He made a false statement about building a stable. He made a false statement that he kept a cow and other stock on the land in 1898. In fact all the statements on which Montalbeti supported his claim, or rather McKenzie's claim, were forgeries.

OUR OLD FRIEND NIXON.

The Government ordered homestead inspector Stewart to go to Blairmore and report on the claim of Lyon, Montalbeti and others. The property was then supposed to be worth about \$50,000. Before Stewart's report was received by the Department of Interior, the politicians got alarmed and had a more suitable commissioner sent. This was land agent Nixon, a strong party man, who afterwards had to give up his office as land agent on account of defalcations, and then was appointed to a better office. Nixon was a party associate and fellow-townsmen of McKenzie. They had done campaign work together. Nixon knew that McKenzie owned Montalbeti's claim. Nixon and McKenzie went up to Blairmore together and came back together. Nixon told McKenzie what report he was going to make before he sent it to Ottawa. Of course he reported in favor of McKenzie. Meantime the report of Mr Stewart had been received. He had found the Italian's claim unfounded.

TURRIFF FOLLOWS SUIT.

This was in June. In July, Land Commissioner Turriff now Member of Parliament, a gentleman who has been much connected with land deals in the west, and has become suddenly rich as have some of his relatives, took up the case at Ottawa. Of course he paid no attention to the petition for delay from Mr Lyon, who was forwarding evidence of the frauds. He decided in favor of Mr McKenzie with astonishing promptness. It is not often that a patent is issued in such a rush as this one.

WHILE MR SIFTON WAS AWAY.

Mr Sifton went away after this and while he was gone, Mr Lyon asked for the cancellation of the patent on the ground of fraud. Mr Fitzpatrick, Minister of Justice saw the statements in support of this demand and at once authorized a hearing by the Exchequer Court. The Judge of that Court commissioned Judge Wetmore of the Northwest to go to Blairmore and ascertain the facts. It did not take Judge Wetmore long to find out that the Montalbeti claim which the Government had

recognized, was fraudulent and utterly worthless. The Italian confessed to the falsehoods Judge Wetmore reported these facts. Acting upon them Judge Burbidge of the Exchequer Court was proceeding to judgment cancelling the patent. Then the beneficiaries of the fraud got in their work and the Minister of the Interior interposed. Mr Sifton stood by Turriff, Nixon, McKenzie and the perjured claim.

SIFTON REVERSES THE JUDGMENT.

Mr Sifton began to write letters to the Minister of Justice and had case stood over. He got a second delay. He consulted with Mr Turriff and suggested that the case be withdrawn. He wrote to the Dept. of Justice saying that the Interior department was not anxious to test the patent. Finally Mr Sifton asked the judge to dismiss the case.

He argued that the Crown was the only party now interested in cancelling the patent as Lyon was not legally a squatter. The Department did not desire it to be cancelled. Finally the Judge dismissed the case by request of the Crown which was the only party in the suit against McKenzie. The Government paid the whole costs, McKenzie obtained his \$200,000 worth of property for \$480, though according to Judge Wetmore there was no evidence that he ever paid the Italian a cent for it.

WHAT THE JUDGE SAID.

Judge Burbidge's judgment declares: "It is very plain that the Defendant Mr McKenzie obtained the land in question through fraud, but owing to the action of the Crown which I can hardly understand in withdrawing from the case, I am forced to find that Lyon has no legal right to cancel the patent of McKenzie. But had the Crown remained in the case I would find that McKenzie obtained the land by fraud and immediately cancel the patent. However I have no alternative in the matter but will dismiss the case with out costs."

INFLUENCE OF THE GRAFTER.

That was the way Mr McKenzie became rich. There is no doubt that the Government made itself a party to a gross fraud, both against Lyon whose claim was honest and better than McKenzie's and against the people of Canada. In the beginning the homestead inspector reported against McKenzie's claim. Judge Wetmore found it to be fraudulent. Judge Burbidge would have cancelled the patent had the Government allowed him to do so. Mr Fitzpatrick, now Chief Justice of Canada, in the absence of the head of the machine set in operation the legal process which would have redressed the wrong. But there has always been influence enough on the side of the grafters to prevail even against so strong a combination as this.

LAURIER AND BOTH.

It does not appear that Sir Wilfrid Laurier was a member of the Colonial Conference has advanced in the least degree any of the projects and policies which he professes to advocate in Canada. Representatives of Australia, New Zealand and Cape Colony came out strongly for preferential trade through out the Empire. But Sir Wilfrid's chief political ally in all matters of Imperial interest was Lord Balfour, of the Transvaal, late Commander of the Boer forces. It is said that this gentleman divided with Sir Wilfrid the honours of the occasion Sir Wilfrid once said that he would have shouldered his musket on the side of the Rebellion if he had been a dweller in the West, and as General Balfour was in arms against the British Government they naturally have some feelings in common. It is fair to General Balfour however, to say that he was not a British subject when he was fighting British and Canadian troops.

WHERE IS MR HYMAN?

The nominal Minister of Public Works is described as a nervous wreck. But he will soon have the editors of Government organs as such a nervous wreck as he is. After three alleged attempts Mr Hyman has been elected to Parliament, but the Government which was in a great hurry to call on the by-election in the middle of the winter, is now in no hurry at all. Mr Hyman a few months ago desired to be a candidate. He wrote to his friends in London to have every thing ready. Now there is a change of prospects and Mr Hyman, who once started for Canada, turned back at the frontier. Some say he is going to England, and one report had him already on the other side of the Atlantic. Some say he is off for Japan. Others insist that he is still in California. Meanwhile Mr Fisher has been setting for Mr Hyman as Minister of Public Works. Now he too has gone and the job is farmed out to Mr Aylesworth.

AFRAID OF THE TRIAL.

As the days draw near for the trial of the London Election Conspiracy there were evident signs of anxiety. The accused Liberal Government organizers have been trying to have the case removed from Toronto where the indictment was laid to the City of London. They appear to think that the public opinion in Toronto is rather hostile. Yet it is in Toronto that the chief organ of the Government is printed. There is another Government paper in the City. The judge who will probably try the case is an appointee of the Laurier Government. The prisoners will be defended by the ablest counsel that Liberal managers can procure. They should be content with Toronto. For the present how-

ever, there is a respite. The case has been postponed to autumn in order that "Hug-the-Messengers" Frasca may give evidence. This statement would well have been on hand now, as he has been removed from his law job, and has not begun his new duties. But Mr Preston was always exclusive.

FIELDING AGAINST FIELDING.

Mr Fielding, explaining the iron and steel bounties which he increased and continued, argued that the larger part of the \$3,000,000 in the last nine years came back to the treasury through customs and other taxes. He showed that the revenues greatly increased to the iron and steel tonnage and ports, and this increase he attributes to the growth of manufactures under bounty encouragement. It is a familiar protective argument but strongly condemns Mr Fielding's financial statements. Few people know that Mr Fielding's statements of current expenditure do not include bounty payments. Mr Fielding's defence of this appropriation is that the bounty is an extraordinary expenditure. So he charges it to Capital as though the Government were buying a railroad or some other asset while he admits that the late Government charged this expenditure as regular current outlay.

A BOGUS SURPLUS.

Now Mr Fielding contends that in getting back into the treasury through the customs and excise Departments about all he pays in bounties. He claims these proceeds as regular revenue, while refusing to charge the bounties as regular expenditure. It is a "heads I win, tails you lose" programme, and has added a bogus \$3,000,000 to the alleged surplus.

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