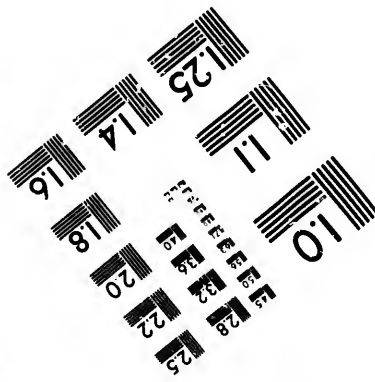
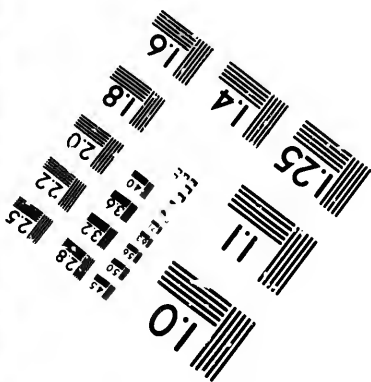
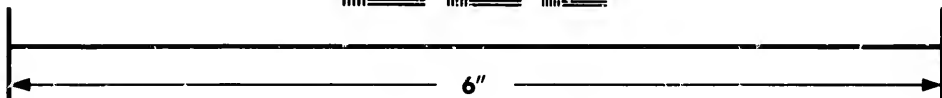
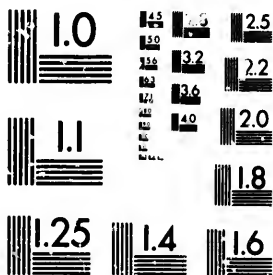


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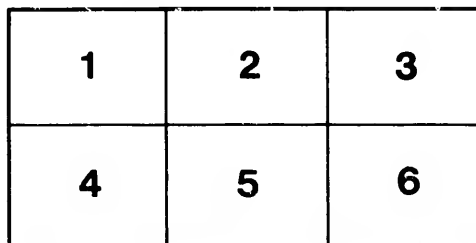
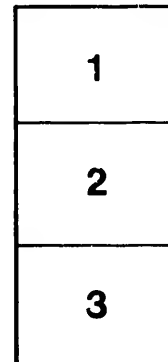
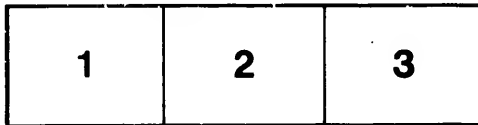
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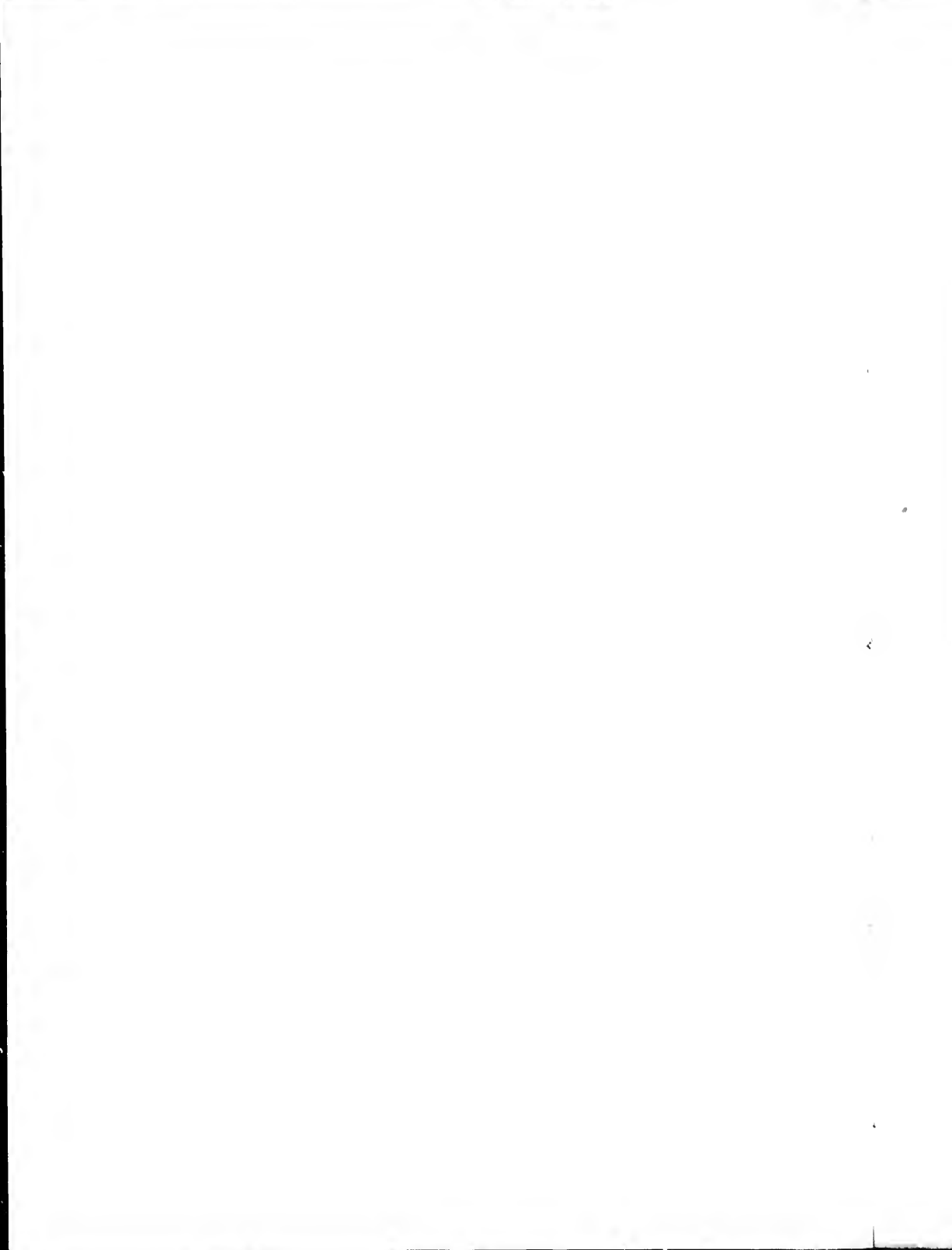
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THE HISTORY OF THE
LAKE SUPERIOR RING.

AN ACCOUNT OF THE RISE AND PROGRESS OF THE
YANKEE COMBINATION,

HEADED BY

HON. ALEXANDER MACKENZIE,

PREMIER OF CANADA.

AND

THE BROWNS,

FOR THE PURPOSE OF SELLING THEIR INTEREST AND POLITICAL POWER TO ENRICH
JAY COOKE & CO. AND OTHER

AMERICAN SPECULATORS,

CHANGING THE ROUTE OF THE CANADA PACIFIC RAILWAY, WITH A VIEW TO
BREAKING UP OUR GREAT DOMINION, AND SEVERING OUR CONNECTION
WITH THE BRITISH EMPIRE.

THOROUGH EXPOSE

OF MACKENZIE'S AND BROWN'S

TREACHERY TO THEIR COUNTRY.

THIS PAMPHLET IS STEREOTYPED, SO THAT GENERATIONS TO COME MAY LOOK BACK
WITH CONTEMPT UPON A GOVERNMENT THAT HAS UNITED WITH THE
REPUBLICANS OF THE UNITED STATES TO DESTROY
OUR PROSPEROUS COUNTRY.

PRICE—\$2 PER HUNDRED. \$15 PER THOUSAND.

Toronto:

PRINTED AT THE OFFICE OF THE LEADER AND PATRIOT, 68 KING STREET EAST.
JAMES BEATY, PROPRIETOR,

1874.

21

THE LAKE SUPERIOR RING.

PURITY in political men, like morality in individuals, is absolutely essential to the well-being of the body politic. Canadians have always prided themselves upon the superior morality which their public men have exhibited as compared with that of those in the United States. The late Parliamentary Opposition in the Dominion achieved a triumph over a statesman, who has had a long and honourable record, simply because he accepted an election subscription from a gentleman who happened to be one of a company which subsequently received a public contract. This fact indicates that Canada demands a very high standard of political morality in her representative men. On the strength of this victory, the winning party has assumed the title of "Party of Purity," with what propriety will subsequently appear. A "Queen's Evidence" is often the direct instrument of bringing a criminal to justice and we propose to show that the political Chief of the Party which arraigned Sir JOHN A. MACDONALD on a charge of unstatesmanlike conduct, is himself compromised by a far more serious crime against that purity of conduct which should actuate a public man.

Since the union of British Columbia with the Dominion of Canada in 1871, the location of the Pacific Railway has occupied a large share of attention from the public, the Government of the day and Parliament. In 1872, Parliament passed the Canadian Pacific Railway Act as the first step towards implementing the agreement with British Columbia, which provided that the Pacific seaboard should be brought into connection with the existing railway system of Canada. In consonance with the recommendations of the best men on the Pacific survey, it was enacted, that the Eastern portion of the road should extend from a point at or on Lake Nipissing. It so happens that this plan not only suits the physical difficul-

ties offered by the North-West to a railway, but it also dispenses even-handed justice to Toronto and Montreal, to Ontario and Quebec, furnishing an excellent *point d'appui* for the railway systems of both these provinces. It possesses the additional advantage of affording a secure and complete military highway of great strategic importance. But for the ALLAN Company relinquishing the charter, operations would already have been begun upon the road on this plan.

The events of the recent brief session of Parliament are still fresh in the memory of every one; the resignation of the MACDONALD Ministry, the accession to office of MACKENZIE and his party, and the prorogation of Parliament immediately after. The very unusual course of proroguing Parliament before the re-election of Ministers, and their furnishing it with no indication of policy, has caused that, during the present recess, the country is entirely at sea as to the views and intentions of the new Ministry. On one point, however, the Premier has committed himself, and that is, as regards the Government policy in reference to the Pacific Railway. His hustings speech at Sarnia contains the following specific statements on that point:—

One of the matters which will be brought up will be the Pacific Railway. You are aware that, during the discussion of the Bill, I objected to the provision to complete the railway within ten years. Nearly three years of that time have passed, and we are bound by the contract to finish it within seven years and three months. I have always thought that a speedy means of communication across the continent was necessary for the good of settlement, and for the purpose of opening up the districts where we have great riches undeveloped in the bosom of the earth. Without that communication their development cannot take place, and immigration cannot be expected. It will be the duty of the Administration, in the first place, to secure a means of communication to our navigable waters, from Lake Superior to Fort Garry and the Rocky Mountains, at the same time commencing at the Pacific Ocean, and constructing communication

by the Western slope. *In the meantime, communication will be afforded in conjunction with the American lines until we have means sufficient to accomplish the work.* If we once have these regions accessible—that is, British Columbia and the North-West Territory—we can then afford to spend money upon the construction of the other portions of the road which will be necessary to complete our great national highway across the continent; and I think, Sir, it will be the duty, as it will be the desire, of the Government to develop any plan by which these results are to be accomplished."

The more significant portions of the above quotation we have marked by italics, but it may be necessary to add a word or two of explanation. It will be seen that the MACKENZIE Administration has determined to construct the Pacific Railway from the shores of Lake Superior to Fort Garry and the Pacific. Note the argument used: the lands in that region cannot be expected to be settled, nor the mineral wealth of the district developed, without such a railway passing through it. Mr. MACKENZIE lays stress upon the development of that particular district of Ontario, but the route of the Pacific Railway, as determined upon by the MACDONALD Administration, was conceived on the more important basis of mutual advantage to the older and newer Provinces. However desirable it may be to settle and develop that section of country on the western shores of Lake Superior, a great national undertaking, like the Pacific Railway, must be planned with a view to its doing most good to the whole country, irrespective of its benefit or want of benefit to an insignificant portion of one Province. But the argument used by the Premier shows what was uppermost in his mind, and his private interests being centred in that district, nothing was more natural than that he should look at the matter with a distorted vision. For, about the same time as he must have been concocting his Pacific Railway policy, he, in conjunction with Messrs. GEORGE and J. GORDON BROWN, of the *Globe*, Col. SHAW, American Consul at Toronto, and two others, was also concocting a scheme by which he could turn his public policy to private

account, and make it enrich himself and these, his particular friends. A few days after his speech at Sarnia, the following notice appeared in the official *Gazette*:

NOTICE is hereby given, that after the expiration of one month from the first publication hereof in the *Ontario Gazette*, a petition will be made to His Excellency the Lieutenant-Governor of Ontario in Council, for a Charter of Incorporation by Letters Patent, under the Statute of Canada, passed in the 27th and 28th years of Her Majesty's Reign, Chapter 23, entitled, "An Act to authorize the granting of Charters of Incorporation to Manufacturing, Mining and other Companies."

The names in full of the applicants, their respective places of residence and additions, are as follows:—

The Honourable Alexander Mackenzie, of the Town of Sarnia, in the County of Lambton, Esquire; the Honourable George Brown, of the City of Toronto, in the County of York, Esquire; the Honourable Albert Duane Shaw, of the said City of Toronto, Esquire; William Barber, of the Village of Georgetown, in the County of Halton, Esquire; John Gordon Brown, of the said City of Toronto, Esquire; and Robert Barber, of the Township of Toronto, in the County of Peel, Esquire.

The proposed corporate name of the Company is the 4 A Silver Mining Company of Lake Superior.

The objects or purposes for which Incorporation is sought are: the exploration, purchase, development and sale of mineral and other lands on the shores and in the vicinity of Lake Superior, and mining for gold, silver, copper and other metals, ores and minerals, and the working, exploration and sale thereof.

The operations of the Company are to be carried on upon the said lands, and the Company will have an agency office, for the transaction of business, in the City of Toronto.

The nominal capital of the Company is \$2,500,000.

The number of shares is 100,000 of \$25 each.

The whole of the capital stock has been subscribed.

The amount to be paid in before the charter is granted is \$25,000.

SMITH & WOOD,
Solicitors for Applicants.

Dated at Toronto, }
28th Nov., 1873. }

Immediately below this is another notice of application for Letters Patent to incorporate 5 A Silver Mining Company of Lake Superior, a second company composed of the same men, with

the same capital, and the same object and purposes.

The composition of these companies is significant. They contain, first ALEXANDER MACKENZIE, the Premier of the Dominion. They contain next, the brothers BROWN, GEORGE and GORDON. Then there is the American Consul, COLONEL SHAW. These, with the two BARBERS, constitute the ring which is to float the two companies which have a united capital of \$5,000,000, and the object of which is, the purchase and sale of mineral and other lands on the shores, and in the vicinity of Lake Superior. MACKENZIE is a man almost destitute of capital, yet, it cannot be supposed that he gives no *quid pro quo* for his share in these ventures. As Premier of Canada, he has deliberately announced one of the chief objects of his policy to be, the alteration of the original Pacific Railway route, and his intention to have it terminate at the western end of Lake Superior. Here, surely, is a sufficient equivalent for any share he may be accorded in these two companies. By his public policy he raises the value of these lands and mines enormously, and who has a better right to share the plunder than the Hon. ALEXANDER? It is to be remembered that, politically, the present Premier of Canada has a lord and master in GEORGE BROWN, and he may have been impelled thus to shape his public policy to suit the private profit of his master and himself, for the man who made him can also unmake him.

Simultaneous with the announcement of the Lake Superior Ring in THE LEADER, the *Globe*, the organ of Mr. MACKENZIE's Government, and a newspaper under the absolute control of two out of the six partners of the Ring, has an article which, we will venture to say, would never have been penned had the *expose* been made one day sooner. It goes further than Mr. MACKENZIE did at Sarnia, for it advocates the total abandonment of the Nipissing portion of the Pacific Railway, and recommends, instead, the construction of a line along

the north shore of Lake Superior. It says:—

The question of communication with the Lake Superior region is one we have frequently discussed, and cannot overlook the importance of. It will be evident that the construction of the railway to Fort Garry and westward will make a railway to Sault Ste Marie more than ever necessary. An enormous traffic will soon accumulate, *viz* Thunder Bay and Duluth, and it should be just as much our object to attract it through Canada, as it is to bring in the same direction that portion which enters Ontario by the western peninsula. There are, no doubt, considerable difficulties in connecting the Sault by railroad with Thunder Bay, but they are not insuperable, and if they can be overcome, the advantage of a line parallel with the Lake Shore, and, at as short a distance inland as possible, over one carried northward far beyond all the present and prospective settlement, is too obvious to need demonstration. But this may be considered quite independently of the more easily accomplished railway to the Sault, by which the western and north-western traffic would either be carried southward to Toronto, and other Lake Ontario ports, or eastward to Montreal, and the eastern Provinces. All sectional objections would thus be avoided, and east and west would divide them, under the ordinary influences which control trade, the benefit accruing from the enterprise. In this connection we, of course, contemplate the steady progress of the Canada Central to French River, or a point at which it would unite with the more northerly extension. Of the practicability of a line to the Sault there can be no doubt, ultimately, it is likely it would become connected with American railways on the South Shore of Lake Superior, but this would render it none the less a necessary preliminary to the Canadian Lake Superior line, which would have an interest and importance, both local and national, of its own.

From the above extract it will be seen that the "enormous traffic" which is to accumulate at Thunder Bay is the great recommendation of this plausible arrangement in the eyes of the writer. Could cause and effect be more palpable? Six men join together to form two companies which, in point of fact, are but one huge and speculating organization. The Messrs. BARBER bring the nucleus of the land; the American Consul undertakes to get the shares floated; Mr. MACKENZIE makes the policy of the Government dovetail into the little scheme, and the

Brown Brothers lend the whole influence of their journal to make the Premier's policy go down with the country. It is a noticeable fact that no application was made for these Letters Patent until after MACKENZIE had succeeded to power.

Our case, as we have stated it, is based upon published facts, and furnishes a strong *prima facie* case against the purity, political integrity, and honour of that gentleman. The pure-spoken, the incorruptible, and unblemished leader of the "Party of Purity," before he has warmed in his seat as Premier of Canada, rushes into a speculation, which, by pursuing a particular line of policy as *First Minister*, will make ALEXANDER MACKENZIE a rich man for the rest of his days. We deduce from the facts stated—

1. That MACKENZIE has determined that the route of the Canada Pacific Railway shall not be as fixed by the last Parliament, but shall terminate at Thunder Bay, or its vicinity.

2. That he has suddenly, and since his accession to power, acquired an interest in two companies which possess large tracts of land in the district last named.

3. That GEORGE and GORDON BROWN, who have large interests in a great many more Lake Superior Companies besides 4 A and 5 A are his partners in these speculations.

4. That Col. SHAW, the American Consul at Toronto, is one of the prime movers in the affair, and represents the American element.

5. That the objects of this organization are "the exploration, purchase, development and sale of mineral and other lands on the shores and in the vicinity of Lake Superior."

6. That the value of these lands will be raised enormously by the proposed new location of the eastern part of the Pacific Railway.

A moment's reflection will enable any man of ordinary intelligence to comprehend the "job." Mr. MACKENZIE is not a man of capital, but he is supposed to have the location of the Pacific

Railway in his power. The Browns are prepared to give the advocacy of their paper in support of the new policy. The rest of the Ring consider that the success of this enormous speculation is ensured by the Premier and the Premier's master becoming personally interested in it. Thus is the prestige of the Canadian Government to be prostituted in the interests of land speculators, a leading partner of whom is the Prime Minister himself. There is a wide difference between a Premier accepting an election subscription for the benefit of a party, and a Premier upsetting the deliberate decision of Parliament in order to benefit his own pocket.

We know that the sale of "mineral and other lands," in the Thunder Bay region, is in the hands of Mr. MACKENZIE's friends, and that the friends and relatives of the Ontario Government have been largely dabbling in forfeited and other property in that district, which they have procured, in some instances, for a deposit of five cents per acre. Before the maps of the new townships were lodged in the Crown Lands Department, the nephews and nearer relatives of ARCHIBALD MCKELLAR had secured to them choice *morceaux* of these delectable lands situated around Thunder Bay. We know, too, that as soon as 4 A and 5 A Companies have received their Letters Patent, and as soon as there appears a reasonable probability of the new Pacific route being assented to by Parliament, a whole crowd of owners of land in the Lake Superior region will merge their lands with that of the Ring, and become shareholders of the combination. It may well be inferred that, if money be required to carry Government candidates, or buy up purchasable men to gain a servile majority in that Parliament which will be asked to assent to the Premier's scheme, it will be abundantly forthcoming. In fact, the prospective ramifications of this Ring, and the corrupt influence which it will wield, are enormous, and only require the manipulation of votes in

the House of Commons in order to create Tammany in Canada.

There have been numerous companies formed during the last few years, for the purpose of developing the mineral wealth around Lake Superior, but never one of the same nature as those which go to make the Lake Superior Ring. Like the "Heathen Chinese," this combination is "peculiar," and we will point out in what respect 4 A and 5 A Lake Superior Companies differ from all others of their kind. All other companies formed to develop the mineral wealth of the Lake Superior district are chartered simply for working and disposing of minerals, ores, and metals. Thus the "North Shore of Lake Superior Silver Mining Company," which is seeking incorporation by Act of Parliament, sets forth their objects as "the exploring, mining, smelting, manufacturing and selling gold, silver, and other ores, and metals," and also to hold lands for these purposes, "not at any time exceeding two thousand acres in superficies, with power to construct buildings," etc. In the case of the Lake Superior Ring there is no limitation whatever to the amount of land which they may hold, and the whole wording of their application shows that the actual manufacture of metals is not their real object.

The two companies of which MACKENZIE is the figure-head, seek a charter for "the exploration, purchase, development and sale of mineral and other lands on the shores and in the vicinity of Lake Superior." It is nothing that purposes such as the above are not contemplated by the statute under which incorporation is sought. The Ontario Government will strain a point in order to accommodate such special friends as GEORGE BROWN and ALEXANDER MACKENZIE. Should they succeed in getting Letters Patent, their purchases will, no doubt, be confined to such lands as are favourably located, and a favourable location means, on the route or in the neighbourhood of the Pacific Railway. That the real object of the combination is to speculate in land and not work

minerals is sufficiently clear from the fact that at least three members of the ring, namely, Messrs. GEORGE and GORDON BROWN and Col. SHAW are already involved in innumerable Lake Superior mining companies. This new speculation, therefore, must offer some very special advantages. The special advantages accruing to the Lake Superior ring are patent; the location of a railway of any sort increases the value of the lands through which it passes, and the location of a railway of the magnitude and importance of the Pacific one will give large returns for the \$5,000,000, all of which, we are told, "has already been subscribed." Another great advantage possessed by the ring is, that the man who now shapes the Government policy is a leading member of it, so that he will not only know what sections will be worth investing in, but he will also be able to determine what sections to benefit. The Lake Superior Ring is as fortunate in securing the co-operation of the Hon. Mr. MACKENZIE as if it had got the Bank of England to back it. Its two charters will cover the purchase and sale of wild lands anywhere in that region, and there is nothing to hinder it securing land at the most advantageous points, either at the terminus or along the route of the new Pacific Railway, for through MACKENZIE, it will have the earliest information as to the exact localities through which the new route is to pass.

The idea of a Premier putting himself in such a questionable position is beyond our comprehension except on the hypothesis that he has lost all sense of honour and propriety. Minister SCHENCK was disgraced because of his transactions with the Emma Mines while he was the representative of the United States in England. How much more disgraceful is it in the First Minister of a country engaging in private land speculations on the very spot of territory which the same First Minister proposes to make the site of a great national railway. Like CÆSAR's wife, the First Minister of the Crown ought

to be above suspicion, yet what shall we say of a Premier whose public policy is shaped to advantage his private lands? Had Mr. MACKENZIE been an ordinary speculator, watching the course of political events in order to take advantage of them for his own profit, he could not have done a more cunning thing than become a large stockholder in the Ring under present circumstances. But what is to be thought of a man who, as First Minister, forms a policy, and then, as a private individual, speculates on the strength of that policy? It is Tammany over again.

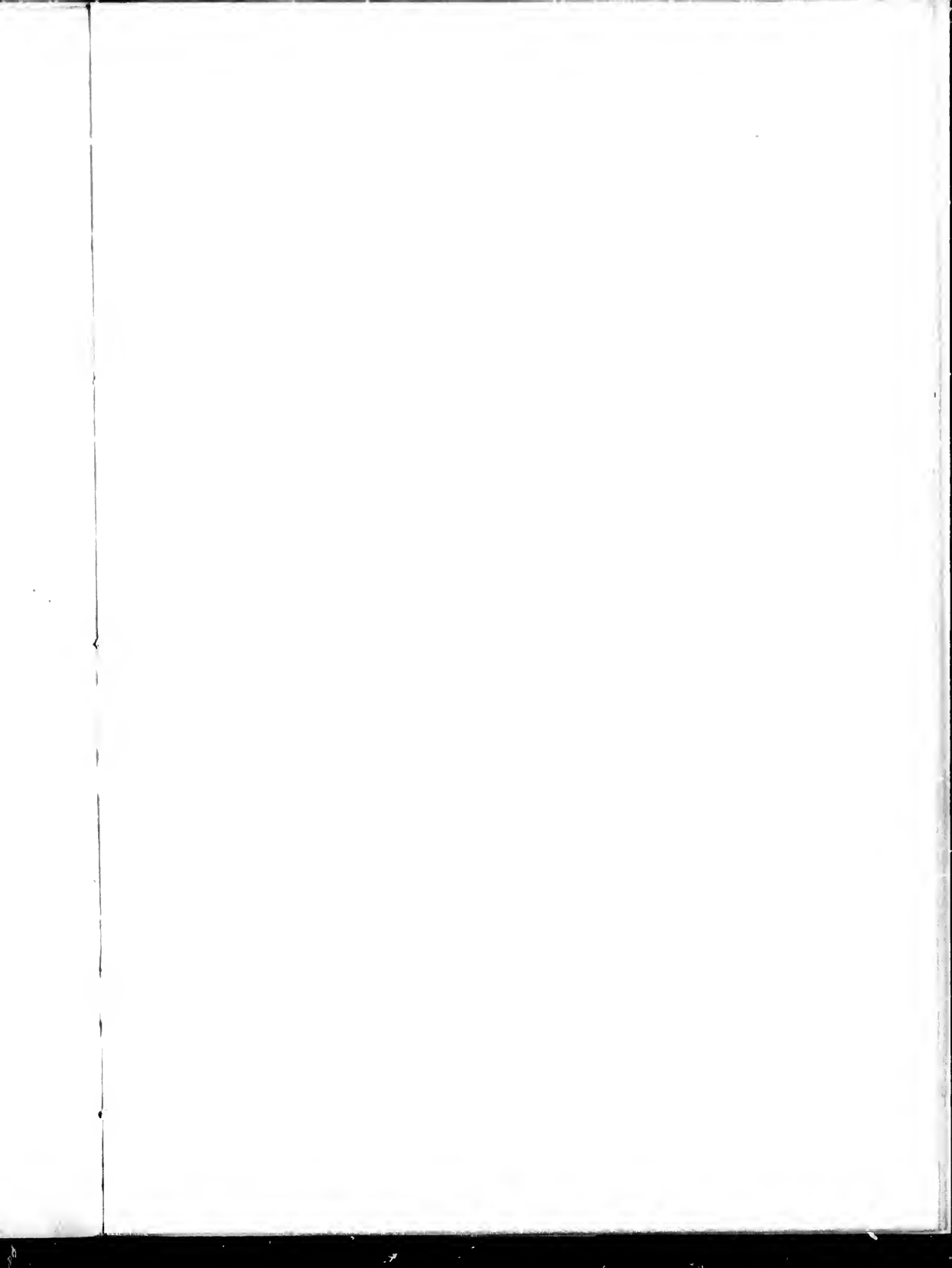
No one will pretend that safeguards against malfeasance of office are more needed in the case of a Mayor than in that of a First Minister of the Crown. The law as it stands, environs official positions with certain restrictions, and the good sense of every civilized community recognises the wisdom of such precautions. Thus, what the hon. Mr. MACKENZIE might do as a private individual, he may not do as a member of Parliament; as, for instance, accept a public contract. And what Mr. MACKENZIE, M. P., might do with perfect propriety, Premier MACKENZIE may not, as for instance, speculate in lands which he proposes to make the site of a public undertaking. We find that the *Globe* has committed itself to the same opinion, for the concern it has manifested on behalf of the integrity of a mere Prætorial officer, presupposes a like concern on behalf of the integrity of a Crown Minister.

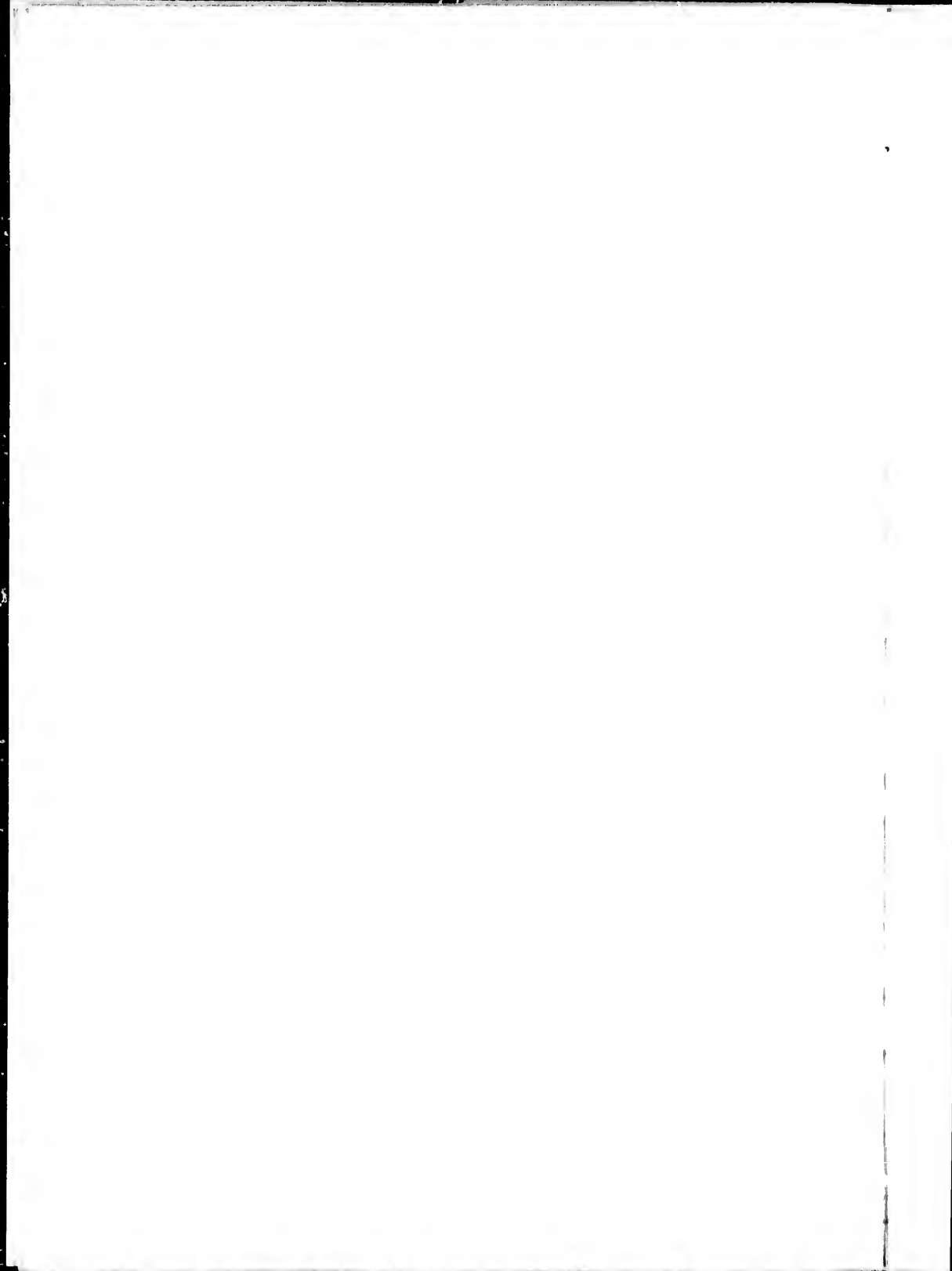
In a recent issue, while speaking of the candidature of Mr. MANNING for the mayoralty of Toronto, it said:—

Mr Manning cannot deny that he has had an interest in the undertakings of Ginty & Co, and that he has such an interest still, more or less directly. Such being the fact, undenied and undeniable, we say that it is exceedingly undesirable for any one in Mr Manning's past and present relationships with those contractors, to be placed in such a position that he will have to sit in judgment upon the granting or withholding contracts to these—his business partners, or the settlements of their accounts. *We should say the same thing of anyone in a like position.* The Commissioners ought not only to be without guilt, they ought to be beyond suspicion.

With reference to Mr. MANNING we have nothing at present to say, but, reasoning from the above sentiment, as we would from a given geometrical angle, we find an endorsement of our utterances in reference to the equivocal position of Mr. ALEXANDER MACKENZIE. That gentleman is "one in a like position," and we say, "a Premier ought not only to be without guilt, he ought to be beyond suspicion." It is indisputable that the Premier of Canada has applied, in conjunction with five others, for Letters Patent to incorporate two companies, having for their object, "the purchase and sale of mineral and other lands, on the shores, and in the vicinity, of Lake Superior." It is equally indisputable that Mr. MACKENZIE, in his capacity of Prime Minister, has declared his intention to upset the original route of the Pacific Railway, and bring it, instead of to Lake Nipissing, to Thunder Bay. It is equally certain that, if this policy be carried into effect, he and his fellow speculators will make enormous private gains out of his public policy. It is significant, as we have already said, that no application was made to incorporate this ring until MACKENZIE's accession to power. Surely, therefore, the *Globe* must agree with us that, if Mr. MANNING (supposing the charges against him to be as substantial as those we have advanced against the Premier,) is to be excluded from the Mayoralty on the grounds stated, Mr. MACKENZIE is equally unfit to hold the position he at present occupies. *Quod erat demonstrandum.*

The conduct of Mr. MACKENZIE, in turning his public position to his own private advantage, has a striking parallel in the annals of Canada. There is an instance in which a former Premier, within a few hours of his accession to that dignity, (and, as it proved, within a few hours of his abdication,) worked the oracle with a certain bank on the strength of his Premiership, and raised a loan of \$20,000 on behalf of the private firm of which he was the leading partner. We have not to draw upon the memory of "the oldest inhabitant" for this fact, which was notorious at the





time, and it is a somewhat singular circumstance that the man who could "do such a thing," was GEORGE BROWN, the patron of ALEXANDER MACKENZIE, and his partner in the Lake Superior Ring!

ALEXANDER MACKENZIE never made a greater mistake in his life than when he consented to have a finger in these Lake Superior land speculations. It may be that he was trapped into them by his political dictator, but on himself must fall the chief ignominy of the scandalous business. It is right and proper that we should be chary of thinking evil of our rulers, and suspecting sinister motives in every word or action of our political opponents. But, at the same time, it is the duty of Canadian publicists to see that a decently high standard of political morality obtains amongst our politicians. Our political opponents have been labouring hard during the past year to establish what they claim to be a proper standard of morals for public men, and the defeat of the MACDONALD Administration, because its chief accepted an election subscription from Sir HUGH ALLAN, may be reckoned a triumph to political morality. Yet, now that this standard has been obtained, why should it be lowered by the chief of the very party which lays claim to having raised it? The essence of the odium established against Sir JOHN A. MACDONALD was, that, having accepted a large election subscription from Sir HUGH ALLAN, it was not in human nature for him not to be influenced in favour of granting the Pacific Railway Charter to the Company of which Sir HUGH was a leading member. The essence of our charge against Mr. MACKENZIE is, that the private gain which

will accrue to him, by locating the Eastern terminus of the Pacific Railway at Thunder Bay, instead of at Lake Nipissing, has influenced his public policy. It must be clear to every one, who has taken cognizance of both matters, that *the interests of the Lake Superior Ring are far more intimately connected with the Pacific Railway policy of Mr. MACKENZIE, than the granting of the late charter was with the subscriptions given by Sir HUGH ALLAN towards the Election Fund.*

We have viewed Mr. MACKENZIE's conduct in this matter by the standard which the same gentleman and his friends applied to Sir JOHN A. MACDONALD. We have estimated it by the standard applied by MACKENZIE's organ to a candidate for the Mayoralty of Toronto. We have examined it in the light of political propriety, honesty, and good faith towards the country, and in each and all of them we have found Mr. MACKENZIE's conduct open to reprobation. Nor have we done with the matter yet. The Government, of which Mr. MACKENZIE is the head, has never yet stood face to face before Parliament. Even if there were not half a dozen complications, each of which is likely to shake the stability of the present Government, the disgrace which must attach to this conduct, on the part of the Premier, is sufficient of itself to depose him from the position he has already disgraced, by seeking to turn it to his private and pecuniary advantage. Whatever indiscretion may have been committed by Mr. MACKENZIE's predecessor, he certainly did not set him an example of this sort.

AMERICAN INTRIGUES.

We give below a remarkable letter from a correspondent, dated October 11th, respecting the operations and intrigues of the Northern Pacific Railway speculators, and which concern Canadians a great deal. Conjointly, there is a lucid description of the causes which led Mr. HUNTINGTON to bring the now famous charges known as the "Pacific Slander" against Sir JOHN A. MACDONALD's Government. For some time past we have been endeavouring to get hold of the motives that actuated

the Americans, and the supporters of the present Government, to bring forward the manufactured charges which were promulgated with such a flourish of trumpets in every direction. If the letter, which we give below does not effectually clear away the mists of that "conspiracy," organized against Sir JOHN A. MACDONALD's Government, it certainly does establish, beyond the possibility of a doubt, that the American game was well arranged, and that M. HUNTINGTON and the Toronto

organ of the Government, together with the *Herald* of Montreal, were subsidized or influenced from that source. Our correspondent's letter was written on the 11th of October, about a fortnight before the Parliament of Canada met at Ottawa, and therefore written in ignorance of subsequent events. Nevertheless, it is evident all through, that the scheme, so graphically described shows out the nature of the machinery which was put in operation to accomplish the defeat of Sir JOHN A. MACDONALD's Government.

CHICAGO, Oct 11th, 1873.

To the Editor of THE LEADER.

SIR—As per request I enclose you a brief history respecting the Pacific Railroads. A charter was granted by the Congress of the United States to one Perham, of Boston, Mass., some years since, to build the Northern Pacific Railroad, but Perham failed to raise the necessary funds, and nothing was done in the line of construction.

After the termination of the civil war the Munroe doctrine of the universal dominion of North America was somewhat revived. Russian America was purchased, and nothing remained to fence in and control the whole Pacific Coast but the western territories of British America, which must be got, and taken on settlement of the Alabama claims. Encouraged by the belief that the northwestern British fertile belt and low passes could be obtained in settlement of these claims, or by some other means connected with them, a party of New Englanders, headed by Smith, the President of the Vermont Central Railroad, and Judge Rice, the railroad king of Maine, conceived the plan of purchasing the old charter and of having it amended by Congress in such a manner as would enable them to run the road through this British territory, so soon as it became the property of the United States. The charter was purchased from Perham & Co; and amended by Act of Congress, (*see act.*) as desired. The necessary legislation and power being thus secured, the road was to be built in a north-westerly direction from the west end of Lake Superior to near Dinie's lake in north-eastern Dakota. Then to the British boundary near the Sorris, or Moose river; following the same north-westerly course to the Saskatchewan river. Then along the fertile belt, and low passes of British America to the Pacific ocean. The city of Duluth was laid out at the eastern terminus of the road at the west end of Lake Superior; intervening harbours and other expensive improvements and explorations were commenced in a north-

westerly direction from the new city, but the eastern portion of Minnesota proved impracticable and the road had to be built nearly due westerly from Duluth to near Otter-tail Lake, then the direct westerly line down the valley of the Ottertail River was abandoned, and a north-westerly course across the Leaf Hill to Detroit and Oak Lakes and Red River, to the north of Georgetown, thus returning to the Devil's Lake and Saskatchewan route, &c.

In the meantime, the assistance of the Hon W B Ogden, of Chicago, was secured. He became a member of the board of directors, and induced Jay Cooke, the eminent Pennsylvania banker, to become the company's fiscal agent. By this arrangement the company secured credit and means, which enabled the company to commence the construction of the road.

In the meantime, the company issued a prospectus of its road, accompanied by maps of the whole North-West country. Great stress was put on the fact that the whole business of the North-West would flow into the bosom of these roads, as no railroads could ever be built to the north of the North Pacific Railroad, and that the city of Duluth, its terminus, would become one of the greatest on the continent of America.

In 1870 a contract was let for the building of the road across the north part of Minnesota to the Red River of the North, upwards of 230 miles, which was to be completed to the Red River by the 1st of July, 1871. The work of construction was commenced and pushed rapidly during the fall and winter of 1871, up to the month of April, 1871, when the track had reached Crow Wing River, 20 miles west of the Mississippi River, and the grading was all but completed to Oak Lake, a point about 40 miles east of Red River.

Meanwhile the Alabama controversy was assuming a more amicable aspect. The British, instead of giving them the North-west country in payment of their claims, became earnest in the building of a Canada Pacific Railroad to the north of the Northern Pacific and Lake Superior. Thus the sale of the Northern Pacific Railroad bonds, which had been selling rapidly, was being effected principally in consequence of the aspect which matters had assumed in British matters since the prospectus was issued.

The Company was obliged to abandon its contemplated route through British Territory, and the contractor who had proposed to do the primary work to the west of Oak Lake, which could not be done in winter, was stopped in April, 1871, and was not allowed to commence work until after a new route was explored, and located directly north from Oak Lake to the Red River, 12 miles south of Georgetown, and then run to the Missouri river (leaving Devil's Lake, and the Moose river

the old route, from 140 to 160 miles to the north), which was late in July; when the contractors were put to work on the new location. The road was completed to Red River December 30, 1871, and the line reached the Missouri in May last. Nothing has been done on the east end since that time. The fears of a rival road to the north etc., has surely effected the sale of lands, hence the necessity of the Northern Pacific getting control of the management of the Canada Pacific; and hence the arrangement of private individuals in the interest of the Northern Pacific with Sir Hugh Allan—by which it was hoped to control the whole thing, so far as location and business was concerned, or other matters connected with the project, and thus bow its construction, unless it can be run to Sault Ste Marie, and then through Michigan and Wisconsin on the south side of Lake Superior to Duluth.

A railroad built through the dense forests from the Ottawa River to the Red River of the north on the north side of Lake Superior, would furnish Manitoba and the British North western Provinces with timber and the means of settlement at once, which would keep the Northern Pacific high dry lands in Dakota out of the market for years. The road built on the south side of Lake Superior would deprive the British of that advantage, and give the Northern Pacific lands the first settlements.

In order to pacify the half-breed settlers of Manitoba a railroad was partly built from the North Pacific Railroad near Morehead on the Red River to Pembina, at the British boundary, and from thence by the aid of a lock; but as the prospects of the British road to the north increased, the Pembina Railroad dwindled down and finally died out, and lost its land grant, after about 100 miles was laid. If the Canada Pacific was built from Ottawa on the south side of Lake Superior to Duluth, there is no doubt but the company and its connections, with the preparations and connections contemplated, could control the north-western business through to the Atlantic *via* the New England routes, as the majority of those leaving Duluth by the lakes would be billed to Ogdensburg, in the State of New York, to Rouse's Point *via* the Ogdensburg and Lake Champlain Railroad, which is leased by the Vermont Central Thence to Boston, Massachusetts, *via* the Vermont Central and its connections, as well as to Portland Maine, by a new railroad, now in course of construction, from Portland to Rouse's Point. The North Pacific managers, foreseeing that a railroad between the City of Ottawa, the capital of the Dominion; Egan on the south side of Lake Superior, would divert some business from the Canada Southern route to Ottawa, then to Montreal, and the Maritime Provinces—have, through

the aid of D. S. Macdonald, of Alexandria, Ontario, secured the means of tapping this at Ottawa City, by a railroad direct from Ottawa south-east, to near the head of the Beauharnois Canal, where the St Lawrence River can be bridged at a very narrow place in the Rapids. The Montrealers have been protesting against the construction of the bridge, but it is believed a little money properly applied, will remove this difficulty; from thence the line runs straight on a line to Rouse's Point and connects with the Vermont Central and with the new Portland Railroad. Unfortunately, after these comprehensive arrangements were matured and work commenced on the necessary connecting links the Dominion Government, headed by Sir John A Macdonald, refused to allow the arrangements between the friends of the Northern Pacific to take effect, or allow them to have anything whatever to do with the management of the Canada Pacific. In the meantime the sale of the company's bonds was falling off, but the prospects of the future were improving. The dissatisfied but scattered political elements of the Dominion were being combined against the Macdonald Government. The general elections of the Dominion would come off in the fall, when it was hoped a Ministry that would be favourable to the Allan arrangement, or, better still, opposed to the Canada Pacific Railroad, would be installed in office. The elections were the most exciting and closely contested that ever took place in Canada. Large sums of money were expended. Parliament met, each party claiming a majority, but a few votes proved the Macdonald Government very strong.

Previous to the meeting of Parliament, the Macdonald Government made arrangements for building the road on the north side of Lake Superior, with new parties (Allan being the only one of the old), all British subjects.

In the meantime, Allan had gone to Europe, to make financial arrangements for the construction of the road, which was to be completed in about eight years.

The case of the Northern Pacific was getting serious. Allan's success, and the building of the Canadian Pacific would all but ruin the Northern Pacific, on which nearly \$30,000,000 had been expended. Jay Cooke and associates were loaded down with bonds, and almost beyond the hope of relief; indeed, ruin was staring them in the face. Consequently, something had to be done at once to bar Allan's financial schemes in Europe. Therefore, the cry of fraud was concocted, generally now known as the Pacific Scandal. An unscrupulous agent was wanted, a member of Parliament who could make the charge of corruption against the Macdonald Government and Allan on the floor of the House of Parliament. One Hunt-

ington, of Waterloo, Province of Quebec, —who has been interested in the Chambly and Shefford and Canada and Vermont railroad, with Senator Fester, of the same place, and reported to be now connected with Senator Foster in contracts on the Rouse's Point and Portland railroad—had no scruples about making the charges in his place in Parliament, with a view of upsetting Allan's schemes; but our Canada friends improved on the original plan, and proposed to oust the obnoxious Macdonald Government on the charges. Accordingly the charges were made by Mr Huntington in such a manner as to become a vote of want of confidence in the Government. The resolution demanded a committee of investigation, which would not be needed provided the resolution passed, as then the Government would be in a minority, and would have to resign at once; but to the astonishment of the Premier and his colleagues the resolution was rejected by a large majority, and without reply, debate or comment. On the following day the Premier presented and passed a similar resolution, and carried it, and appointed a committee to investigate the Huntington charges. This course alarmed those who were in the secret, as they knew there was no foundation for the charges, and that they had no evidence which would sustain the charge, consequently every possible obstacle was put in the way, in hopes of avoiding the investigation. Nevertheless, the committee was appointed, but owing to some legal difficulties the investigation did not come off at the appointed time. This was just what was wanted. The hue and cry was raised, the Government is guilty, it dare not face the investigation. It had based the investigation on pretences which are false. The correspondence between Allan and McMullen was published all over the country, accompanied with the most damaging comments which could be devised. The former resolution was telegraphed all over Europe, followed by this letter and comments, and had the desired effect. They barred the money markets of the world against Allan; and thus the failure of Allan to proceed with the Canada Pacific may possibly lead to the overthrow of the Macdonald Ministry, and the enthronement of our friends in their places at the head of the Dominion Government. If once in power they can strengthen themselves, and retain office until the North Pacific gets out of trouble. This can be done by subsidizing small local railroads in the outlying prairies and making members of Parliament privately interested in them, on condition of gaining them their support in the House on all test votes. The general public can be amused and kept quiet for a considerable time, by long speculators, on the preparations, which are necessary, and which are being made, for the commencement of the works of the Canada Pacific.

Thus, after a while the out-laying provinces, disappointed in not getting the Pacific railroad, will probably become dissatisfied, secede from the Dominion and annex to the United States, where the Pacific roads are already built, in the hope that with the change of master, they will also get a Pacific railroad through the country in which they live.

The Eastern Provinces finding themselves without a Pacific railroad and deserted by the Western Provinces, and North-Western business transferred to the States, they will ultimately annex in the hope of realizing some of the advantages. Thus the Monroe doctrine, for which the late Secretary of State has done so much by the purchase of Russia America, may be accomplished without the use of a gun; excepting the parliamentary guns. While the management of the Northern Pacific is under the care of, men who can barr (as they have done), the financial arrangements of the Dominion Government in Europe, and whose plans and influence may yet oust the Government, the Northern Pacific has nothing to fear with the Macdonald Government ousted. The Canada Pacific will be squelched and will never be built by the Dominion. Meanwhile the Northern Pacific will be proceeded with vigorously, as well as the country roads referred to, from Ottawa City to Rouse's Point, &c., &c., which can be completed in a short time, when the business can be transferred to the New England seaboard, as already described. Take a good map of the North-West, and trace the lakes and rivers from Duluth to Ogdensburg, then the railroads to Rouse's Point and Boston, Mass., and the railroad for Rouse's Point to Portland, Maine, and the railroad from Ottawa to Coats, and thence to Rouse's Point, and you will see a panorama of the whole system and plan by which the whole traffic is to be drawn from the Canada Dominion, westward of Montreal.

HISTORICUS.

Is it possible, we ask, that Mr. MACKENZIE, the Premier of Canada, was ignorant of these scandalous intrigues of the American Ring controlling the Northern Pacific Railway? Or is it possible that the several Railway Companies working in concert through the agency of American Consuls, and such men as Messrs. HUNTINGTON and HOLTON, had paid agents going through Canada to corrupt the electors, in order to bring about the defeat of Sir JOHN A. MACDONALD's Railway Policy? Surely, Mr. MACKENZIE must have been aware of the movements going on, to circumvent the truly loyal policy of the late Govern-

ment, in excluding Americans and American influence from the Canadian Pacific Railway. When we read Mr. MACKENZIE'S speech, as published in the Government organ, in which he is reported to have declared that he was not aware of a single dollar of money to to have been expended improperly by his party, we hesitated whether to believe that assertion or not. But when we discovered, through the Ontario *Official Gazette*, that Mr. MACKENZIE, the Premier of Canada, was actually associated with GEORGE BROWN, and J. GORDON BROWN, his brother, with Mr. SHAW, the American Consul, in this city, and the Messrs. BARBER, manufacturers, we could hardly believe our eyes. Lastly, when we learned from the lips of Mr. MACKENZIE himself, the Premier of Canada, what was the intended Railway policy of the Government, and afterwards found the Government organ advocating that policy, it was more than charity or human nature would admit of, to believe in the purity or honesty of Mr MACKENZIE'S professions. Beyond all question of doubt Mr. MACKENZIE is implicated in this transaction, and must be one of the "Ring" of conspirators who are, and who have been, engaged in the unholy and treasonable scheming of the American railway conspirators, named in our correspondent's letter, to defeat the Canadian Pacific Scheme, and ultimately to bring about the separation of Canada from the British Empire, and finally annexation to the United States.

It is not possible for any of the gentlemen engaged in this railway crusade against the late Government to escape from the position which they are placed in. We are very sure when this conspiracy is understood by the people of Canada, they will make short work of Mr. MACKENZIE'S authority as Premier of the Government. How is it possible for such a man as Mr. BLAKE, with his blatant loyalty eternally on his lips to escape from the censure which his connection with Americans, and American agents, must

expose him? Mr. BLAKE, as much as Mr. MACKENZIE, must have been cognizant of the American intrigues, Mr. BLAKE, as well as Mr. MACKENZIE, must have been in Mr. HUNTINGTON'S confidence, and if so, in the light of these revelations, how is it possible for them to evade the charge which we fearlessly and confidently prefer against them in relation to this matter? One and all of these men are traitors, are disloyal to British connection, and the worst enemies of Canada. That Canadians, as a body, are loyal to British connection, and will not part with an atom of our rights as British subjects we know, therefore we are content to allow these enemies of Canada, these centing hypocrites to go on for a time, until their scheming is exposed in Parliament, when the people of Canada will be unquestionably aroused to the danger which they have been, and are exposing us to. There will be a terrible awakening some of these days and we doubt much if the country will escape without going through the baptism of civil strife, something like occurred in 1837-38.

These men will die hard. They have sacrificed virtue, morality, principle, truth, country, everything in fact, to get hold of the reins of Government, and now that they have succeeded by means of foreign gold and American influences, it is not an improbable nor an impossible supposition, that they will create rebellion rather than surrender the positions they occupy. The Government organ has boldly declared that the Governor-General is a useless appendage of our system of Government, and this declaration amounts, in effect, to a foreshadowing of the policy to be introduced by-and-by to bring about the separation of Canada from the Empire. If this be aimed at, and it is impossible to form any other opinion from recent events; it is inconceivable to suppose that the masses of the people will not resist such a movement if necessary, at the expense of their lives. Then a civil war must follow, and we have our fears that this

would be the alternative in the event of the present Government attempting to carry out the programme which they say guided them when in Opposition. The Premier is responsible for stating this fact, and when we refer back to take survey of that programme, means, if it means anything, precisely what we state. Let us ask Canadians whether they are prepared to play into the hands of the Americans or not, on the verge of completing the establishment of our country, in which are all the elements of wealth and future greatness? A country abounding with every description of agricultural, mineral and commercial facilities, superior in every respect to any part of the United States. Are the people of Canada prepared to give away those advantages in order to preserve for Americans the safety of Republican institutions in the United States? Americans begin to realize that they cannot remain very many years longer in the ascendancy on this continent, and even the Government of that country is secretly intriguing, through their paid agents, such as Consuls, &c., in promoting and inciting disaffection amongst Canadians to the Mother Coun-

try. The present Government are the tools used, in the present instance, to work out this design, and as sure as anything can be, unless an early and a determined stand is made to maintain our connection with the Empire, by resisting at the polls, in Parliament, and everywhere else, this scheming and treacherous conspiracy, nothing can prevent the decision of these issues, in the not very distant future, but the sacrifice of valuable lives, the destruction of our property, and the paralyzing, if not the ruin of our country in civil strife. What do all the violent harangues and disloyal utterances mean which we have heard, and which appear from day to day in the columns of the Government organ in this city, and in the columns of its kindred newspapers throughout the country?

Certainly they cannot mean anything if they do not mean this: Then we entreat the people, the loyal and patriotic, to bestir themselves in resisting everything that may tend to foster or encourage the sowing of this disloyal seed, which is sure to grow unless it is stamped out before it has obtained vitality and strength.

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