In the summer of 1881 the danger of international railway connections [to U.S. roads] threatened at four points: Manitoba South Western, controlled by Dr. Schultz; Manitoba South Eastern, projected by Messrs. John Haggart and Peter MacLaren; a line to the Souris district of the Province, the charter hander being a Toronto solicitor named Boultbee; local roads of Quebec, the property of the Provincial Government but recently put on the market to reduce the debt of the Province. Northern Pacific road purchased a controlling interest in Schultz's road in 1881. When N.P. found it impossible to ain access to Manitoba via the Manitoba South Vestern, it turned to the South Eastern line Stephen wrote on October 10, 1881 to MacDonald that their intention was to build from Duluth to the boundary and to enter Winnipeg via the South-Eastern, there to connect with the Schultz line.

This was foiled by disallowance of the S.E.'s charter by the Federal Government [of Canada.]

Donal thesis