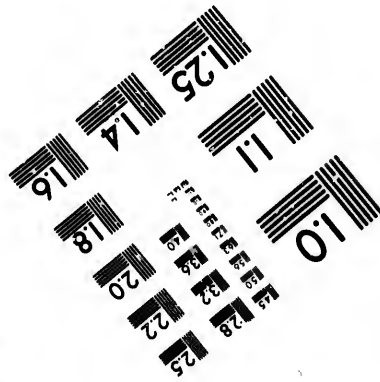
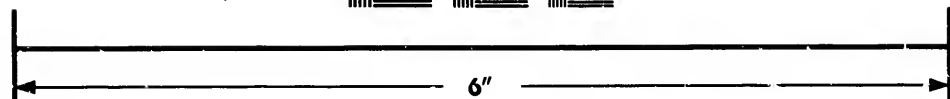
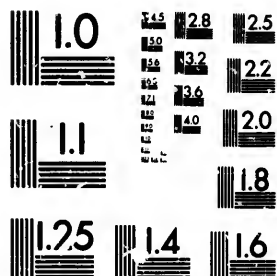


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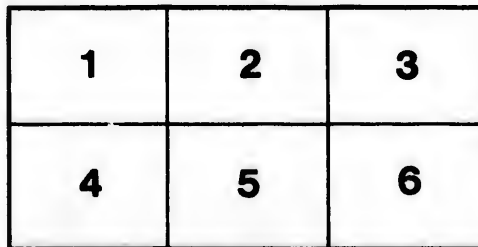
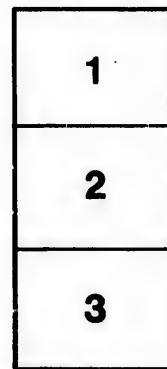
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North Shore Railway Company

STATEMENT

BY THE

PRESIDENT OF THE COMPANY

WITH REFERENCE

TO THE

CHIEF ENGINEER.

3RD APRIL, 1878.

North Shore Railway Company.

—:0:—

STATEMENT

BY THE

PRESIDENT OF THE COMPANY

WITH REFERENCE

TO THE

CHIEF ENGINEER.

—o:0:0:—

23rd APRIL, 1875.

—o:0:0:—

To A. THOMSON, Esq.,

Chairman

Of the Special Committee appointed by the Board of the
N. S. Ry. Co. on the 21st April, 1875.

Quebec, 23rd April, 1875.

SIR,

Your Committee having expressed a desire that I would reduce my statement to the narrowest possible limits with respect to the conduct of the Chief Engineer, I will therefore take up the point in which his integrity appears to be involved, and in which the Railway Company loses in reputation together with himself.

I will first observe that for a long period there was great intimacy and an apparent friendship existing between the Chief Engineer and the Chicago Contracting Firm until the sale of the contract (January 12, 1874,) to the Hon. Mr. McGreevy, of this City ; this is evidenced in Mr. Dunlap's letter, (January 16, 1874,) (one of the Firm,) to the Chief Engineer, on his leaving the Country.

At this point, the sale of the contract, the Chief Engineer took great offence, complaining bitterly of the manner in which he had been treated, both to the President and to others, and broke off all friendly relations with the whole of his American friends, not even acknowledging or replying to Mr. Dunlap's letter.—this is evidenced in a letter from the Chief Engineer to Mr. Dunlap, of a recent date, viz : 18th January, 1875.

In the month of June, the President went to England on his private affairs, and took no part in any business of the Railway, not even going to London.

During the summer the Chief Engineer commenced a course of conduct towards Mr. Prince, one of the American party which induced him to seek for defence in retaliation, this is described in letters from Mr. Prince to the President of a recent date, and which now form a portion of these papers.

In the month of September, 1874, the President returned to Canada and found a heavy pressure going on against the contractor, the Hon. Mr. McGreevy, which was partly conducted in the "Journal de Québec," and by the Engineers and the sub-contractors, he therefore decided to visit the works and invited the whole Board of Directors to accompany him. An inspection took place when the Pre-

sident in his report of the 8th October, 1874, found about as much fault with the Contractor as he did with the Engineers.

This inspection of the road by the President was at once attributed by the Chief Engineer to a dishonorable understanding between the President and Contractor, see pamphlet, page 45, dated 1st December, 1874, (but only submitted to the Board on the 10th April, 1875,)—whilst in reality the inspection was made from a sense of duty and to satisfy the President on the propriety of appending his name to a very large quantity of Railway Bonds which it was proposed to sell among his friends in England. On the 12th October, 1874, Mr. Keith, the managing partner of the late Chicago contracting firm, informed both the President and Vice-President, that the cause of all the present want of harmony in the Railway was owing to the disappointment of the Chief Engineer in having lost a share in the profits of the contract, by which he was to have received from them a percentage, and that this statement was susceptible of proof.

The President then made a very minute inspection of the road, reporting 20th October, 1874, "ignorance or neglect" in the Engineering Department. When it became more and more apparent to the President from the reports of the Government and Corporation (Quebec) Engineers, that there was something radically wrong in the Engineering Department, he called upon the Chief Engineer to explain and remove the unfavorable impression left on his mind, both by Mr. Keith's statement as well as by recent reports.

The Chief Engineer contented himself by a simple denial, but after some considerable delay he addressed a letter to

Mr. Dunlap, of which a copy was shown to the President who has never been able to understand why it is necessary to obtain the consent of the Chief Engineer of the North Shore Railway to an action in the United States to recover commissions on any contracts made by the Company. A copy of the letter in question is appended, and at this point the Chief Engineer let the matter drop. An answer was however sent to the President by Mr. Keith which is enclosed with these papers; there are also telegraphs and copies of letters all bearing upon the same subject, and all tending to show that the loose screw is to be looked for in the Engineer Department.

The President therefore has never lost sight of his duty and first impressions, and though volumes have been written, and side issues of every description raised by the Chief Engineer, and attempts made to envelope the whole subject with mystery and to gain time and cause delay, yet, the question of all others still remains: Can the Railway Company place confidence in the Integrity and Professional ability of the Chief Engineer.

The first point Integrity has only been met by the Chief Engineer by a simple denial, the President therefore hopes the Committee may be more successful than he has been, and that they will bear in mind, that Mr. Prince in self-defence was the first to obtain authority from the Chicago Firm to attack the Chief on the point of Integrity, that this attempt to drive Mr. Prince to extremities, was made by the Chief Engineer, when the President was in England, and that it was only when the President was getting drawn into the mêlée, that he received warning of the true character of the Chief Engineer, and ever since the President has insisted that Colonel Rhodes and General Seymour cannot hold their relative offices and work together.

With regard to the second count, viz:—the Professional ability of the Chief Engineer, the President understands it is not the intention of the Committee to inquire into, but to establish if the papers and documents now placed in their hands by the President are sufficient to justify them in participating in the responsibility the President has assumed in stating that he has no confidence whatever in the Chief Engineer.

W. RHODES,
President.

MR. GEO. L. DUNLAP TO GENL. SEYMOUR,
Montreal, January 16th. 1874.

DEAR GENERAL,

We find matters here quite satisfactory indeed, as you have often remarked, they cannot be in better shape. I wanted to advise with you yesterday upon a matter, but felt so perfectly assured in my own mind that the subject would have met with your complete approval, that I omitted to do so.

Both Mr. Smith and myself feel much better about the North Shore enterprise than ever before, since we think we can plainly see that the plans now about matured will result in the early completion of the road, and the government deserve commendation for their sagacious concessions.

Believing that all things will conspire for good, I am, my dear General,

Very truly,
(Signed,) GEO. L. DUNLAP.

GENL. SEYMOUR TO MR. GEO. L. DUNLAP,
NORTH SHORE RAILWAY,

Office of the Engineer in Chief,

Quebec, January 18th 1875.

DEAR MR. DUNLAP,

I beg to acknowledge the receipt of your favor of Jan. 16th, (one year ago,) from Montreal. stating that "we find matters here quite satisfactory, indeed as you have very often remarked, they cannot be in better shape."

After apologizing for not acknowledging this letter sooner, I desire to inform you that I have learned *authentically* that Mr. J. L. Keith stated to Col. Rhodes and Mr. Renaud, while on the steamboat between Quebec and Montreal, on or about the 12th Oct. last, "that there was an agreement between the Chicago Contracting Company and myself, by which I was to have an interest of five per cent in the contract for constructing this road, and that this could be proved at any time.

I find now that this statement has had, and is still having a very injurious effect upon me as it was evidently intended to do, and I therefore very naturally desire to protect myself so far as I can at this late day against this injury. In doing this I feel that I am justified in asking you and Judge Smith to aid me, and I would therefore ask you to inclose me a letter upon the subject to Col. Rhodes, stating the facts with reference to Mr. Keith's statement, which I can use at the proper time. You would also oblige me greatly by informing Mr. Keith if he is accessible to you, that I expect him either to make a full retraction of the statement at once, or to furnish the evidence of its truth, otherwise I shall feel compelled to resort to such

measures, as may be necessary to place myself right in the matter.

I would state further, that my cousin Mr. T. Seymour thinks he has a just claim against your party, for services as agent in procuring the contract. I did not consent that he should commence legal proceedings in the matter until after I was informed of Mr. Keith's statement above referred to, but I have since told him to do as he pleased.

I remain yours,

Very truly,

(Signed,)

S. SEYMOUR.

GEO. L. DUNLAP, Esq.,
Chicago, Ill.

Quebec, 31st March, 1875.

DEAR COLONEL,

It may not be amiss, while upon the subject of General Seymour's connection with the Chicago Contracting Company, to say that last August, finding that General Seymour was doing everything in his power, in an underhanded way, to injure my reputation and prospects in Quebec, and particularly with Hon. Mr. McGreevy, I wrote to Messrs. Smith and Dunlap, saying that I proposed to retaliate by making public the facts stated in Mr. Keith's letter, that I had Mr. Keith's permission so to do, and requesting theirs, and saying that unless I heard from them to the contrary within thirty days from the date of writing, I should take it for granted that I had such permission.

I waited thirty days and heard nothing from them, but finding that the statements made by General Seymour

were having, if anything, the contrary effect on Mr. McGreevy from what he intended, I withheld the information, not wishing to injure him.

I afterwards however received a letter from Mr. Dunlap, acknowledging receipt of mine, and saying "that, as I had said, that unless I had heard from them to the contrary within thirty days from the date of writing, I should take it for granted that I had such permission, he had thought it as well to make no reply until such time had expired," or words to that effect.

Respectfully yours,

(Signed,) J. T. PRINCE.

COL. W. RHODES,
President.

Quebec, 1st April, 1875.

DEAR COLONEL,

I found the letter from Mr Dunlap, to which I referred in mine of yesterday, and enclose you extract therefrom, by which you will see that my memory served me well.

I have other letters from Mr. Dunlap, expressing his opinion of the Engineer in Chief of your Railway.

I remain yours,

Very truly,

(Signed,) J. T. PRINCE.

COL. W. RHODES,
President.

EXTRACT.

Chicago, September 8th, 1874.

MY DEAR PRINCE,

I did not reply to your letter, because you said, in the absence of my reply, you would assume that Smith and I had no objection to your suggestion, as I purposely avoided a reply much preferring to give such a negative consent, than to do so otherwise.....

Yours truly,
(Signed,) GEO. L. DUNLAP.

NORTH SHORE RAILWAY OFFICE.

Quebec, 8th October, 1874.

GENTLEMEN,

I have the honor to report that on the 16th September, I proceeded to inspect the Railway works between this city and Three Rivers, accompanied by the Vice-President, several of the Directors and the Chief Engineer, I found the roadway in the hands of the Contractors, and work in progress on almost every portion of the line between this city and Three Rivers.

Some masonry is in hands and some preparations made for the construction of the bridges, but there are no works bearing a finished character except the fences, these I am sorry to say reflect very little credit on our own Engineering Department, whose business is to supervise and report specially upon the character and quality of work under construction, and reject such as is not in accordance with the contract. I therefore take the earliest opportunity of

expressing an opinion that in such a country, through which our railway passes, watered as it is by streams direct from the forest, there is enough good wood to furnish the road with the most durable materials, and that through the establishment of regular *chantiers*, such materials can be procured upon nearly as economical terms as the present erections which I do not consider to be durable.

I am sorry also to report that I did not find our engineering arrangements to be such as I expected, the officers appeared to me to be deficient in energy as well as in knowledge of what the country can afford in the construction of the railway. The contractor appeared to be quite anxious that we should see as much of the railway as possible, but the general impression made upon my mind is that there is a strong tendency there to economize in small matters, and that unless we improve our organization we shall not fully realize the public expectations, viz :—that the North Shore Railway will be a first class work.

In conclusion, I beg to state that I will take an early opportunity of visiting the whole line between Montreal and Quebec, and that I propose to walk over the road from Three Rivers to this city.

I have the honor to be,

Gentlemen,

Your obedt. Servt.,

(Signed.)

W. RHODES,

President.

Extract from Page 45 of a Pamphlet by General Seymour, entitled: "Remarks of the Engineer-in-Chief upon the charges made by the President," dated December 1st, 1874.

"I have only to remark in conclusion that, from the facts already developed, I am thoroughly convinced that there is a perfect understanding between the President and Contractor, as to the ultimate result which both have determined to accomplish, by means of the present controversy, to wit: the breaking down of the present Engineering organization upon the Road; although, as before stated, they are endeavoring to accomplish this result from directly opposite points of attack; and further, that when this result shall have been accomplished, they will unite in a recommendation to the Board for a reorganization of the Department, upon a basis that shall be more in accordance with the views of the President, and with the interests of the Contractor."

Quebec, 20th October, 1874.

SIR,

I have recently made an inspection of the line of Railway between this City and Three Rivers.

The points to which I would draw your attention are:

First.—I could gain no evidence of the Residences having been inspected at all, or at regular periods, by the officers at the head of those Departments, consequently there are many works neglected and others constructed in a manner which shows great ignorance or neglect in the persons connected with such works. You will oblige me

by reporting at what dates the whole of the Sections have been inspected by yourself, and whether the officers in charge of Residences visit their respective Sections, with the dates of their inspections.

Second.—All brush which has to be burnt ought to be cleared off and consumed this year, and the safest time will be after the commencement of the winter.

Third.—One description of fence only has been condemned, viz. : that with four rails. I shall be obliged to you to furnish me with the specifications you have furnished the Contractors for the Sleepers, Fences, Farm Crossings, Gates and Cattle Guards, specifying the material each County can afford.

I enclose you a copy of my field notes, taken as I walked over the Sections. The line, in many places, was, however, difficult to find, owing to the removal of the stakes in agricultural lands, to allow the mowing machines to work, and their not having been replaced by the Engineer afterwards. The section posts were generally removed and not replaced, consequently the numbers given by me of many of the Sections will be unreliable.

Your obedt. Servt.,

W. RHODES,
President.

TO GENL. SEYMOUR,
Engineer-in-Chief.

Chicago, January 24th, 1875.

J. T. PRINCE, Esq.,
Quebec.

MY DEAR SIR,

Seymour has written a letter to Mr. Dunlap, that for cool impudence beats anything I have seen. He commences by saying that I told Col. Rhodes and Mr. Renaud, that he had a contract with the Chicago contracting company, by which he was to have five per cent of their profits, and wishes Dunlap and Smith to write to Col. Rhodes, that it is false, and that unless I retract, he shall commence a suit against me; is n't that cool? after abusing Dunlap and Smith to the best of his ability, he asks them to write to Col. Rhodes that what I said was false what they know and he knows was the truth.

I did not say to Col. Rhodes there was a contract, for that would imply a written document, but I did say that there was an understanding or verbal agreement, in which Seymour was to have five per cent of the net profits of the Chicago Contracting Company.

We thought at that time we could make a million of dollars out of the contract. Seymour thought so too, and said, if he could get fifty thousand dollars out of it, it would be all the money he should ever want. Smith and Dunlap both recollect the conversation.....
.....you can say to Col. Rhodes, that what I told is perfectly true; I mean the way I state it in my letter.

Yours truly,
(Signed,) SAMUEL L. KEITH.

March 25th, 1875.

By Telegraph from Chicago, to
COL. WM. RHODES.

Statement made correct, can substantiate in court, will
write you, may use my letter to Prince.

SAMUEL L. KEITH.

COL. W. RHODES,
Quebec.

Chicago, March 26th, 1875.

MY DEAR COLONEL,

Your letter inclosed in one from Mr. Prince was received, I sent you a télégram yesterday, that the statement made to you was correct, and I could substantiate it in Court that you could, the letter sent Mr. Prince. I called on Mr. Dunlap this morning for a copy of a letter Seymour wrote to him and Smith, but unfortunately he could not find it, Mr. Smith took charge of the letter, thinking he might wish to use it in the suit Mark Seymour has brought against him in New York. Mr. Smith has been absent from home over a month, but will return soon as Dunlap received a telegram this morning from Washington on his way back. I will send a copy as soon as he returns.

I enquired of Mr. Dunlap if he recollected the exact arrangement he made with Seymour at the time he made the contract with the North Shore R. R. Co, he said he did, and repeated it exactly as I told you, that he thought our profits would be one million, and Seymour was to have five per cent on the net profits, no one of us, Symour as well, did not think we could make less than one million of

dollars, and he remarked at the same time it would give him fifty thousand dollars, and it was all the money he wanted.

I have not asked Dunlap to sign a paper with me stating these facts, as Seymour in his letter to Smith and Dunlap, says he will commence a suit against me for libel unless I retract, he will have a good time if he should have brass enough to undertake such a job. I have no fears, and if he thinks he can frighten me by threats of that kind he has made a mistake. Colonel, you have the facts, and you can use them as you think best.

I intended making a visit to Quebec this summer, I would like to join with you and Russell in a fishing excursion.

Give my kind regards to Mrs. Rhodes, and believe me.

Yours truly,

(Signed,) SAM. L. KEITH.

EXTRACT.

Chicago, April 7th, 1875.

J. T. PRINCE, ESQ.,
Quebec.

DEAR SIR,

.....
To-day Dunlap received a threatening letter from Seymour, saying he would follow him till death and all sort of things, and says he will pay particular attention to yourself and me. Dunlap will not answer the letter himself, but will have a man in his employ to write one at his dictation. I do not think Seymour will relish much, he tells Seymour

BALLOTTAGE
SANT-SU-PEE

he has taken no part in this business, but his abusive letter leaves him at liberty to tell the whole truth about the contract; he will do so, and as the threats in his letter defies and pities him. In conversation with Mr. Smith to-day, in regard to the arrangement made with Seymour, he not only confirms all I said, but more, for Seymour told him in what way he was going to use the fifty thousand dollars he expected to make, he told him he should use to build a house with a portion of it, and with the balance and what could make, he could live as well as he wanted to, both Smith and Dunlap recollect the arrangement well, and are ready to make oath of it.

I understand my position well before I wrote to Col. Rhodes, and can prove them easy in any court.....

Yours truly,

(Signed,) SAM. L. KEITH.

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