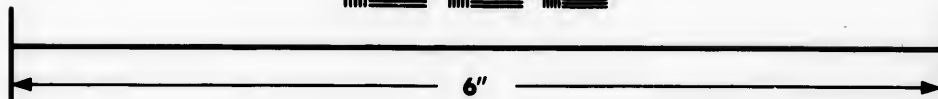
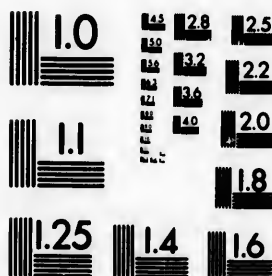


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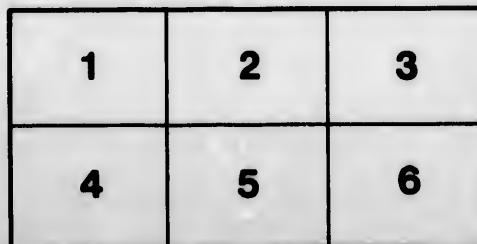
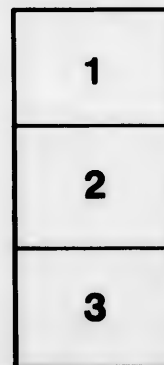
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NORTH SHORE RAILWAY.

VIEWS OF THE ENGINEER IN CHIEF

RESPECTING HIS POWERS, DUTIES AND RESPONSIBILITIES.

July 16th
~~JUNE 14th~~, 1874.

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NORTH SHORE RAILWAY.

VIEWS OF THE ENGINEER IN CHIEF

RESPECTING HIS POWERS, DUTIES AND RESPONSIBILITIES, AS CONNECTED WITH
THE CONTRACT OF APRIL 5TH, 1872, FOR THE CONSTRUCTION
AND EQUIPMENT OF THE RAILWAY.

A controversy having arisen between the Contractor, and the Chief Engineer of the North Shore Railway, in relation to the appointment and salaries of the Engineering Staff upon the road, in which the Contractor claims, that, inasmuch as he pays the expenses of Engineering, he has a right to make all the appointments, and to regulate the salaries of persons employed upon the Staff.

And inasmuch as the Contractor has refused to pay the rolls of the Engineering Staff for the month of June, 1874, assigning among other reasons therefor, that the salaries are not such as he had prescribed; and that the pay rolls contain the names of persons whom he did not employ, neither was he consulted, as to their being employed; and also that the form of the pay sheets had been changed from those originally in use.

And inasmuch as the Chief Engineer has respectfully referred the matter to the President of the Company for instructions relative to his powers, duties and responsibilities

under the contract; and the President has been pleased to request the Chief Engineer to submit his views upon the question in writing, for the information of the Board of Directors.

Therefore, the following hastily prepared views are most respectfully submitted for the consideration of the Board:

The contract provides that the contractor shall pay "all the expenses connected with engineering," &c. : and this is the only provision either in the contract or specifications, which seems to identify the contractor in any manner with the Engineer Department, except such as require him to obey the orders emanating from the Engineer Department, with reference to the proper execution of the work embraced in the contract. If the fact that the contractor pays "the expenses connected with engineering," gives him the right to appoint the different members of the Engineering Staff and to regulate their salaries, it would seem that he could also claim the same right with reference to the other officers of the Railway Company, under the clause in the contract, which provides that the contractor "shall place the Railway Company in funds to meet the ordinary expenses of said company, and of its Board of Directors."

The fact that the Chief Engineer receives his salary direct from the Contractor, has already been used to considerable effect in destroying the confidence of the public in the character of the road that is required to be constructed under the contract; and serious doubts have heretofore been expressed, even by members of the Board of Directors, (the names of some of whom are still quite fresh in my memory,) as to whether the specifications were sufficiently stringent in that respect, to secure a first-class railway, under the existing contract.

The first of these charges was referred to and answered at the close of my report, made to the President, and new Board of Directors, under date of May 28th, 1873, from which the following are extracts:

"I am fully aware that an impression prevails in the public mind that the profits that will accrue to the contractors, under their present contract for constructing the North Shore Railroad, are enormous, and quite out of proportion to the actual cost of the road, and the risks which they have assumed in connection with the undertaking. These impressions have been strengthened by recent publications in the newspapers of Montreal and Quebec, in which comparisons are drawn between the cost per mile of the North Shore Railroad, under the present contract; and the estimated cost of the Northern Colonization Railway, which it is proposed to construct between Montreal and Ottawa."

"The statements made in a previous part of this report, with reference to the profits of the contract, are believed to be a sufficient answer to the impressions first alluded to."

"The statements contained in the newspaper articles referred to, and which were extensively published during my recent absence in Europe, for the evident purpose of prejudicing the minds of the new members of the present Board of Directors against myself, as the Engineer of the Company, as well as against the contractors who have undertaken to build the road, seem to justify, if not demand, a more extended notice."

"I deem it exceedingly fortunate that, at this the first meeting of the present Board of Directors, I am permitted, as an act of justice to myself, and duty to the Board, to make such explanations with reference to the contract, and such a vindication of my own position in connection with it, as will, if believed by the Board, ex-

onerate me from the charges and insinuations contained in these articles."

"The statements referred to are substantially as follows :

" The cost of the North Shore Railway under the present contract will be \$6,842 per mile more than the estimated cost of the Montreal Northern Colonization Railway, while the road itself will be quite inferior as regards all the essential requisites of a first-class railway."

" After quoting several items of difference in the specifications or plan of construction for the respective roads, which are intended to show the superior character of the Northern Colonization road, the article contains the following extraordinary paragraph :

" There are other points where comparisons might be instituted, but enough has been advanced to show the necessity of a thorough revision of the contract entered into by the North Shore Company with the American Contractors, and also presided over by an American Engineer, who is in the interest of, and under the pay of the Contractors, at the expense of the Province."

The article closes with the following paragraph :

" Let the Government and new Board insist that the surveys, plans, estimates, &c., be revised by some eminent Canadian Engineer in whom the public have confidence, and we will secure actually a *first-class road*, and at a greatly reduced cost to the Company and country."

After instituting a comparison between the cost of the two roads, which showed a result decidedly in favor of the North Shore, the report continues as follows :

"With reference to the above direct charge of complicity or collusion *with the American Contractors at the expense of the Province,*" as well as of the Railway Company. I can only say that it has never been my practice to answer newspaper attacks made either upon my integrity or ability as a Civil Engineer."

"If a tolerably long and active life devoted entirely to the profession, upon some of the most important works of public improvement upon the American Continent, has not secured for me a reputation that is above and beyond any injury that can be effected by the publication of cowardly articles of this kind, it would certainly be useless for me to attempt to bolster it up by any other means, at this late day in my professional life."

The second of the charges above referred to, was answered in communications from this office under date of June 5th, and July 14th, 1873, respectively, the latter covering a correspondence with several eminent Canadian Engineers upon the subject, a printed copy of all which will be found in your office, from which the following are extracts:

"I am informed that at the meeting of the Board of Directors, held yesterday, it was intimated by some of the Directors, that the existing Contract does not provide for a first class railroad."

"So long as these charges were confined to newspaper articles, written by unknown and irresponsible parties, who admitted that they had not even seen the contract and specifications, I have not felt called upon to notice them, any farther than was done in my report of May 25, 1873. But inasmuch as the matter has now become a subject of serious discussion in the Board of Directors, several of whom are new members, it seems both just and proper that it should receive some attention at my hands."

“ With reference to the Specifications which are attached to, and form part of the contract, I have only to say that they were prepared by myself with great care as to all the details of the work; and that they embody all the important conditions and safeguards that are to be found in the Specifications under which the most expensive and important Railways in Canada and the United States have been constructed.”

“ They were revised and approved by a committee of the Board of Directors, on the 26th of February, 1872, at which time the Mayor of the City of Quebec went through them with me in great detail, and suggested some changes which were at once incorporated in the Specifications. The entire contract and specifications were afterwards approved by the Board of Directors; and, so far as I am aware, the provisions which they contain relative to the character of the work therein contemplated and fully provided for, has never been questioned until the present time.”

After analyzing the reports of the different Engineers who had expressed opinions upon the subject, the report of July 14, 1873, concludes as follows:

“ It will thus be seen, that of the four prominent and very justly distinguished Canadian Engineers, who have been kind enough to express an opinion upon the subject referred to them, two have given a somewhat qualified verdict against the specifications; and two have expressed an unqualified opinion in their favor.”

“ Assuming that equal weight should be attached to the opinion of each of these Gentlemen, the case must be regarded as about equally balanced, so far as their opinions are concerned. But if the opinion of Mr. Blackstone, together with that of the Chief-Engineer of the Company, are entitled to any weight in the matter, the scales would preponderate decidedly in favor of the specifications.”

"In whatever light the result of the discussion may be viewed, by the Board of Directors, I trust it will be conceded that the points at issue have been presented by the Chief-Engineer, in a fair and impartial manner; and with a sincere desire to arrive at a just and equitable solution."

"I can only remark, in conclusion, that, so long as the work remains in charge of the present Chief-Engineer, no pains or labor will be spared on his part, to produce a work that shall be creditable alike to the Company, the Contractors, and the Engineer; and one that shall fully meet the just expectations of the Government, the City of Quebec, and the people at large, all of whom have so great an interest in the speedy, and proper construction of the Road."

By referring to the letters of the different Engineers contained in the same pamphlet, it will be seen that Messrs. Shanly and Keefer, who approve of the specifications, do so mainly upon the ground that every open question is left to the decision of the Engineer; and that he thus becomes directly responsible to the Railway Company for the character of the work. Whereas, Messrs Fleming and Gzowski disapprove of the specifications, for the reason that they are too general; and that so much power is vested in the Engineer that, if he and the Contractor were in collusion, a very inferior road could be built under the specifications, and *vice-versa*. From all which it may very readily be inferred, what the opinion of any one, and probably all of the above named Engineers would have been, in case the contract and specifications had provided that the subordinate Engineers, who necessarily have the direct charge and supervision of the work, were to be appointed by, or at the dictation of the Contractor.

It seems to be a well established principle that power must be commensurate with responsibility. And also, that

the power of appointment necessarily carries with it the power of suspension or removal. If, therefore, the Chief Engineer is to be held responsible for the proper execution of a work, the important details of which must necessarily be performed under the immediate supervision of subordinate members of the Engineering Staff, it is difficult to see how, in justice either to the Railway Company, the Contractor, or to himself, he can discharge this responsibility effectually, without being allowed to exercise a corresponding control over the Engineering Department.

The following are some of the most important provisions of the contract, relating to the powers, duties and responsibilities of the Engineer-in-Chief :

The contract provides that monthly payments shall be made by the Railway Company to the Contractor, during the progress of the work, " which payments shall be based upon the estimate and certificate of the Engineer-in-Chief of the said Railway Company, of work done, materials and fixtures delivered and ready for delivery, and for payments made on account thereof."

It also provides that " The term *Engineer*, when used, either in the contract or specifications, will in all cases refer to the Engineer-in-Chief of the North Shore Railway, or to any subordinate Engineer, who, acting under instructions from the Engineer-in-Chief, may, for the time being, have the direct charge and supervision of the work particularly referred to."

It also provides that " The work will, in all cases, be under the direct charge and control of the Engineer ; and his orders must be complied with in every respect and under all circumstances. He will have power, and it will be his duty to reject or condemn, at any stage, or condition of the work, all workmanship or materials which, in his

opinion, may be imperfect or unsuitable; and the same must be immediately corrected or replaced to his entire satisfaction. He will also have power to discharge from the work any foreman, mechanic, or laborer, who may prove to be either incompetent, or disrespectful and riotous in his conduct; and the person so discharged shall not be employed thereafter upon any portion of the work."

An examination of the specifications will show further, that the term, "As the Engineer may direct," or its equivalent, enters into almost every provision under the different branches or headings of the specifications; so that there seems to be no escape, so far as the Engineer is concerned, from the obligations and responsibilities imposed upon him by the contract in its present form.

There can be no doubt that the contractor has a right to expect that Engineers will be employed upon the work, who are fully competent to perform the duties assigned to them; and also that reasonable and proper economy should be observed in all the departments of this important branch of the service. But I do not conceive that, either by virtue of his contract, or by virtue of the established usage upon the public works of this or any other country, the construction of which are provided for in the manner in which the construction and equipment of this road are provided for, under the existing contract, the contractor has any right whatever to exercise any control over the Engineering Department, or any member of the staff connected therewith.

It further seems to be a well established principle, that no organization can be effective unless it be controlled by one responsible head.

The moment the control is divided, the responsibilities must also necessarily become divided; and if the different

branches of control are antagonistic in their views and interests, the result will inevitably be, anarchy and confusion of the worst nature. The conclusion therefore seems to be inevitable, that the supreme control of the Engineer Department upon the road, should either be entirely in the hands of the Engineer-in-Chief, subject only to the superior authority of the President, and the Board of Directors of the Railway Company : or it must be entirely in the hands of the contractor, who will, as a matter of course, exercise this control in such a manner as will best promote his own interests and purposes : and the important question as to which of the above persons is to exercise this control, is the one now before the Board of Directors for its decision.

If the Engineer shall be sustained by the Board, in the views above expressed, he will very justly be held responsible by all parties interested, for the proper execution of the contract, in the manner fully understood and agreed upon by the parties who negotiated and entered into the original contract. The Chicago Contracting Company never questioned the right of the Engineer to appoint his staff, and to regulate their salaries, except on one occasion, in the spring of 1873, while I was in Europe. On this occasion the member of the company residing here, in conjunction with the cashier, issued an order reducing to half pay, the small nucleus of a staff which I had retained in the service in order to be enabled to resume work promptly upon the completion of our negotiations in Europe. But as soon as it became known to the two members of the Company who were with me in Europe, that such an order had been issued, they revoked the order immediately by cable.

If, on the other hand, the Board shall see fit to sustain the Contractor in the view which he entertains of his rights under the contract, it seems quite clear that the Engineer will be relieved from all responsibility connected

with the contract, with the exception, perhaps, of the proper location of the centre line of the road, and the furnishing of suitable plans for the mechanical structures upon the line. But as regards the proper construction of the roadway upon this centre line; and the proper carrying out of the details of the plans thus furnished, upon which alone may depend their success, or peculiar adaptability for the purposes indicated, the Engineer certainly could not justly be held responsible in any degree.

To illustrate this principle I will refer briefly to but a single instance of the many which must necessarily occur during the progress of the work.

The plans which I have designed for the sub-structure or foundations in deep water, required for the masonry in the bridges which are to span several of the large Rivers, which the line of Railway crosses, are peculiarly my own, and much cheaper than the ordinary stereotyped plans in use for such purposes. But in order to render them perfectly safe and permanent, the greatest care and attention must be exercised in carrying out every detail of the plan in the execution of the work. If the power to see that this is done, through the agency of Engineers and Inspectors of my own selection, and in whom I have the most entire confidence, is taken from me, I hold that I cannot justly be held responsible for the success of the plan. The failure to drive one single pile to the required depth, or to place one single bolt in the right position, might endanger the safety of the entire structure, which, although it might stand until after the Railway Company had accepted the road from the Contractor, would be liable to be undermined, and destroyed during the very next freshet that might occur.

It is well understood by Engineers, Contractors, and Railway men generally, that there is no class of work or

structures, which requires the exercise of such constant care and vigilance in its execution, as first-class railway work. Very much of this work is necessarily, like the instance above alluded to, *beneath the surface*, and therefore cannot be detected after the work is done, or even partially completed.

Therefore, to give the Contractor who executes this work, the control over the Engineers and Inspectors who have it in charge, which would necessarily be implied by the admission of his right to employ and discharge them, and to regulate their salaries at pleasure, would seem very much like employing an Architect to prepare the plans and detailed specifications of a house; and then to allow the Contractor or builder to employ his own supervising Architect or Inspector to see that these plans and specifications are properly carried out; or, it would be like a Marine Insurance Company, Lloyd's for instance, which guarantees a certain rate of insurance upon a vessel, provided it be constructed in a certain manner, and composed of a certain class of materials; and then accepting the certificate of an Inspector employed by the owner or builder, as to these particulars.

Having very frankly expressed the above views with reference to the true spirit and meaning of the contract, I deem it unnecessary to call the attention of the Board, at any considerable length, to the probable effect that would be produced in the minds of the Provincial Government, the City authorities of Quebec, and foreign capitalists, all of whom are expected to furnish, in certain specific proportions, the amount of money, or securities required to construct and equip a first-class Railway, under the stipulations and guarantees expressed and provided for in the contract and specifications, if it should now be conceded by the Company that the views entertained by the Contractor are in full accordance with the spirit and meaning of the con-

tract. And it must be equally unnecessary for me to attempt to show the probable, if not almost certain influence which such an understanding would have, not only upon the character of the work, as above alluded to, but upon every monthly or progress estimate that may be submitted to the Company by the Chief Engineer; as well as upon every important engineering question that may arise, during the construction of the road. All these matters will undoubtedly present themselves to the minds of the Directors, whenever the matter may be taken up for consideration and final action.

I deem it, however, to be a matter of especial duty, before leaving the subject, to endeavor to divest the minds of the Directors of any idea that this is a personal controversy between the Engineer and the Contractor.

If the views above expressed are at all in accordance with the true spirit and meaning of the contract, it must, I think, be admitted, that the issue is a direct one *between the Contractor and the contract* with the Railway Company, which he has undertaken to carry out.

The Engineer can have no personal interest in the decision of the question, any further than that, if his views are not sustained, he will be relieved from an immense amount of labour, trouble, and responsibility, for the reason, that the Contractor will have the entire control and responsibility of the work in all its varied branches and details; and it is not difficult to see, as I have no doubt he has come to see quite clearly, the very great advantages which he would gain by such a state of things.

These advantages, if computed in dollars and cents, would undoubtedly amount to a very large percentage. I would say, from ten to twenty per cent, or at least a-half million dollars upon the actual cost of the work; and it is

therefore to be expected that he will press his views upon the Company by every means at his command. If he can obtain this concession from the Company at the present time, I regard it as of much greater pecuniary value to him than the concessions which he is asking from the Government and City, with reference to the payment of their respective subsidies.

It will be observed, by referring to his letter of the 8th inst., a copy of which is in possession of the Company, that the Contractor does not complain that the Engineers now employed upon the line are incompetent; or that the rates of pay are above the standard of the country for similar services and responsibilities; but he complains that these Engineers have not been appointed either by him or with his approval; and that the rates of pay are not precisely such as he had dictated.

If any one of the Engineers now employed upon the staff had failed in the proper performance of his duties; or if the rates of pay had been higher than those paid upon other roads, for similar services, the Contractor has no reason to doubt that the matter, upon his representation, would have been promptly corrected by the Chief Engineer; and that, if the Engineer had failed to do so, an appeal to the President and Board of Directors, to whom the Engineer acknowledges his full accountability, would have received prompt attention.

The Contractor has, however, been furnished with the most incontestible evidence that the salaries named upon the pay rolls for the month of June upon this road, are a large percentage lower than upon any other similarly situated road in the country.

The evidence above referred to consists of letters from the Chief Engineers of the Intercolonial, and Montreal

Northern Colonization Railways; and shows that upon the Intercolonial Railway, the expenses of the Engineering staff employed during active construction, in the general office, amounted to \$516.66 per month; and that upon a district of 130 miles in length, the expenses of the field staff amounted to \$3,900 per month, or \$30 per mile.

Also, that upon the Northern Colonization Railway, under its present organization, the expenses of the Engineering staff employed in the general office, are \$475 per month; and that upon a line of 137 miles in length, the expenses of the field staff are \$3,700 per month, or \$27.15 per mile.

Whereas, upon this road under the present organization, the expenses of the staff employed in the general office are \$400 per month; and upon the main line of 160 miles, when fully organized, the expenses of the field staff will amount to \$3,500 per month, or \$21.87½ per mile.

The pay rolls for the month of May were made up of persons entirely of my own appointment, and the Contractor paid them without any hesitation. May it not well be asked, therefore, why he paid these rolls, if the appointments were improperly made? And having done so, is it quite consistent that he should refuse to pay the rolls for the month of June, which, with one or two exceptions, contain the same names that were upon the May rolls, but generally at reduced rates, simply because (to use his own language) he finds on the rolls the names of persons whom he did not employ, nor was he consulted as to their being employed?

Further than this, the only Resident Engineers, now in charge of construction, were appointed by me solely at the suggestion or dictation of the Contractor; and the Contractor has never presented me with the name of any person for appointment in the staff, who has not received the ap-

pointment at once, if there was a vacancy, even in preference to the numerous applications on file in my office, which are endorsed, and whose appointments are strongly urged by the different members of the Board of Directors.

I do not conceive, therefore, that the Contractor has any just ground of complaint, so far as regards the appointments already made; and if he can show that the salaries are higher than they should be, under all the circumstances, it is quite clear that he has an effectual remedy. But inasmuch as he does not seek this remedy, it has become quite clear, at least to my own mind, that he is aiming a deeper, and far more deadly blow at the vital principles which underlie the entire theory and spirit of the contract.

It may be proper to state in this place, some of the reasons which induced me to change the heading of the pay roll which is referred to by the Contractor, as among the prominent reasons for his not paying the June pay rolls.

When I prepared the original form for the Chicago Contracting Company, I was laboring under the impression that by using the term "Pay roll of Engineers and Assistants employed by the Chicago Contracting Company upon the North Shore Railway, &c.," the Railway Company would be protected from vexatious suits which might grow out of the employment of some of the Engineering staff; and that these suits would be instituted directly against the Contractors, whom, under the contract, I regarded would be the real defendants in such cases.

Finding however that, notwithstanding this precaution, several suits had been commenced directly against the Railway Company, on account of balances claimed by Engineers to be due for services rendered; and having been informed by the Company's Attorney that the Court would not grant an order of non-suit on account of the particular

heading of the pay roll, and therefore, if judgment was obtained against the Railway Company, they would be obliged to pay it, and charge the amount to the Contractors who had agreed to pay all the expenses of Engineering. &c., I thought it advisable, in the printing of some additional blanks which were required for my office, to leave out the name of the Contractor, as it appeared to be of no real significance; and I therefore changed the form so as to read as follows: "Pay roll of Persons employed in the Engineer Department of the North Shore Railway," without stating by whom, or by whose authority they were so employed, although I inserted over the column left for signatures, the following form of receipt: "Received payment in full from Hon. Thomas McGreevy, Contractor," which, as I supposed, would cover the whole ground, according to the terms of the contract.

This change in the heading of the pay-sheets was adopted before I became fully possessed of the present Contractor's views with reference to his rights under the contract to appoint the staff, and regulate their salaries; and it was therefore not regarded at the time, as of any special importance; but since the Contractor has asserted his supposed rights with so much earnestness and pertinacity, I have come to regard the change as quite possibly of the most vital importance to the Railway Company, as affecting the issue now pending between the Contractor and the Company respecting the relative powers and responsibilities of the Chief Engineer and the Contractor, under the existing contract.

If the terms "to employ" and "to appoint" are to be regarded as synonymous, as they certainly seem to be by the Contractor, the form which he so strenuously insists upon, when duly certified by the Resident Engineer, approved by the Chief Engineer, and signed by all the subordinate

members of the staff, becomes a full admission on the part of every one whose name is attached to the pay-sheet, that he receives his appointment, either directly or indirectly, from the Contractor ; and therefore, that the Contractor has a right to use or employ him as he pleases.

If, on the contrary, the same meaning cannot be made to attach to the two terms ; and if, by using the words " Employed by Hon. Thomas McGreevy," does not directly, or even remotely, imply that the Contractor has the right not only to appoint, but to make such use of the Engineering staff as he may deem proper, I shall make no further objection to the use of the original form, provided the Board of Directors, or the Executive Committee, instruct me to do so.

I know that the Chicago Contracting Company never attached the least importance to the form as originally prepared by me ; but inasmuch as the present Contractor seems to regard it as so particularly important to his own interests that the original form should be restored, I would respectfully advise that the most careful consideration should be given to the subject before acceding to his wishes, or rather peremptory demands.

Having thus, to the best of my ability and understanding, warned the Directors of the dangers that will inevitably result from an erroneous decision of the important matter now before them, I shall await the result with an entire consciousness of having at least endeavored to perform my duty to the Company in a matter which I conceive to be of far greater importance than any other which has come before the Board since I have had the honor of being connected with the Road.

I hope that it will not be inferred, from what I have said, that I have the least personal feeling in this matter ; or that my views are influenced by any feeling of hostility towards the Contractor.

On the contrary, I beg to assure the Directors that I feel the greatest desire to see the Contractor succeed fully in his great and responsible undertaking; and to that end, I am prepared, as I always have been, to render him all the assistance in my power, both in season and out of season, so far as I can do so consistently with the paramount duties which I owe to the Railway Company.

I trust that I may be permitted to say further, and in conclusion, that having, at the request of the Railway Company, cast my lot with the people of Canada; and more particularly with the good people of the Province and City of Quebec, in connection with the construction of the North Shore Railway; and having, during the past four years, severed all my business connections elsewhere; and devoted my entire time, and the best energies of my mind, to the resurrection of the enterprise from the oblivion in which it had been buried during the preceding fifteen or twenty years, and placing it upon at least an equal footing with other first-class enterprises of the kind in this or any other country; I shall continue, so long as I am privileged to enjoy the confidence of the Board of Directors, to labor incessantly for its successful accomplishment, even though it should be at the sacrifice of my own personal feelings and interests; and also of every other consideration, except my self-respect, and the good name and reputation which I trust have been secured to me, by a somewhat long and eventful professional life.

Respectfully submitted,

SILAS SEYMOUR,
Engineer-in-Chief.

To the
PRESIDENT AND DIRECTORS
of the North Shore Railway Company.

Quebec, June 14, 1874.

Silas Seymour

