

well aware that those letters were simply in the light of discussions upon the subject, and were never intended to contain, as in fact they do not contain, any agreement whatever on the part of this Company, as to the quantity of freight that we were to take to Portland. Mr. Stevenson is not the officer of this Company who enters into engagements of the nature to which you refer, and of which you are perfectly cognizant, because subsequently to the date of the letters which you quote, members of your firm have been in telegraphic and personal communication with myself, upon the very subject which you say was settled by the letters which you have quoted; and I need hardly remind you that all important arrangements between our two Companies, are always arranged between your firm and myself, as representing this Company, the details, of course, being carried out subsequently by the proper officers of this Company.

This in itself disposes entirely of the greater part of your letter; but I must again remind you that long after the correspondence from which you have quoted, your Mr. Allan entered into both personal and telegraphic communication with me, upon the very subject of the capacity which your vessels would have from Portland.

At Mr. Allan's request, I saw him, I think on the 2nd or 3rd of December, about three weeks after the correspondence with Mr. Stevenson, and again the following day in your own office, when the whole question of the quantity of freight that was then accumulating at Portland, and the capacity of your steamers to carry freight from that port, was fully discussed between us. I told Mr. Allan then, that finding freight was going down so rapidly to Portland, I had stopped a week before the shipment of further freights from Chicago, and that all that would come forward after that, would be the completion of the lots which had been contracted for. I also stated to him that I should require to stop the issue of further bills of lading from places in Canada, until I saw some better chance than appeared then to exist to get freight forwarded from Portland.

Your Mr. Allan and myself discussed for some considerable time the capacity of your steamers, and calculated, after looking over the various ships comprising your fleet, the quantity of freight that two steamers a week would enable you to send forward. If I remember rightly, that figure was 300 car loads a week.

Mr. Allan promised, and as he subsequently informed me, carried out his promise, to communicate with his friends in Glasgow, with a view to getting two steamers a week put on, so as to carry off the freights that we were able to take for you to Portland.

I offered at those interviews to make an arrangement, both for the present winter and for future winters, to enter into obligations to load two steamers regularly every week at Portland, and to enter into arrangements