

"We are sending down now more freight than your steamer can take away; but, of course, it must be quite understood that, as you decline to meet our wants, we are at liberty to make such arrangements as we please; and if, later in the season, your vessels fall short of freight, it will simply be your own fault and not ours."

The letter from which the above extracts are taken, incontrovertibly establishes the fact, that an understanding and agreement was had, not only with your Freight Manager, but with yourself, that we would not bring steamers to Portland other than those of the Mail Line, and that the tonnage by these vessels placed at the disposal of your Company, for traffic from all points West and from the Western States, was not to exceed eighty car-loads per week, the balance of the capacity of these steamers being reserved for the requirements of the trade from this city and from points on your road East of here; and that, as we declined to give you further accommodation, that you would take the necessary steps to obtain it in other quarters.

Having again established the fact, from a letter bearing your own signature, that an agreement as alleged in our notification and protest was entered into with your Company, four weeks before the date at which the first steamer sailed from Portland, limiting the tonnage at your disposal to eighty car-loads per week, we take up your statement that long after the correspondence from which we have quoted, Mr. Allan entered into both personal and telegraphic communication with you, upon the very subject of the capacity which our vessels would have from Portland; and your further remarks, conveying the impression that on the occasions of your personal interviews on the 3rd and 4th instants, it was under discussion to put on two steamers a week, so as to carry off the freight which you were able to take to Portland, and that our refusal to give you the extra vessels is the cause of the accumulation at Portland.

The *Scandinavian*, the first steamer of the season, sailed from Portland on Saturday, the 29th November. On that day our attention was first called to the fact that exporters in this city, with whom we had made freight contracts some two weeks previous, were unable to obtain cars for removal of their property, in consequence of the entire broad gauge rolling stock of your road being taken up, for the interchange of provisions and other goods from Western Canada and the Western States. With a view to obtain conveyance for the provisions and other cargo contracted for by us, and for which steamship capacity was reserved under the above agreement, and, if possible, to put a stop to further contracts in the West until our engagements were implemented, we, on the second instant, requested an interview, which, by your appointment, was had at our office on the morning of the following day.

It was then, for the first time, and from yourself, that we obtained