

wards of £700 stg., the freight earnings of any two of our Mail Steamers which have sailed from Portland this season.

In reference to your statement regarding the question of rates and proportions, we regret being obliged to take exception to the construction you have placed on our conversation on that point. Our Mr. Allan did not express himself as satisfied either as regards the one or the other. On the contrary, you were informed that entirely new arrangements would require to be entered into before opening of another season of St. Lawrence navigation; and it was this very declaration on the part of Mr. Allan, coupled with an expression of disappointment, that Mr. Stevenson had not ere that time, as promised, placed us in possession of minimum rail rates, to enable us to prepare tariffs as the basis of a new agreement, which brought about the conversation in regard to running semi-weekly steamers next winter, to which allusion has already been made.

As regards the alleged expression of desire on our part, in former seasons, to secure a proportion of the through freight from Chicago, we may be permitted to state that it was never our wish to compete for this traffic, excepting when the offerings from Canada were too small to secure full cargoes for our steamers. It is unreasonable to suppose we would be anxious for business from the Western States, when cargo from Canada has always proved more remunerative to our Company.

The point in your letter which next comes under our notice is certainly not the least remarkable of your statements. You write that if you are not entirely misinformed, and further that you "know what you say is correct," that our Company is now, and has been carrying from Chicago to Liverpool, through Baltimore, provisions and other property, at through rates which do not materially vary from those your Company carries at, in connection with our ships from Portland. When we read this paragraph in your letter, we were of the opinion that not one single ounce of Chicago through cargo had been carried by the steamers of our Baltimore Line this season, and on reference to the freight lists of the steamers which had cleared up till that time, we found our impression was correct. We at once telegraphed our agents to ascertain whether the *Canadian*, then loading at Baltimore, had any freight from Chicago, and if so, to learn what were the through rates, and the divisions between the inland and ocean carriers. Our agents replied: "First Chicago through goods, this season, go per *Canadian*. Provisions, ocean sixty cents, land fifty cents, gold." This rate of \$1.10 per 100 lbs., Chicago to Liverpool, is \$5 20 better than the rate at which the bulk of the provisions for shipment via Portland has been contracted for by your Company; and the proportion accruing to the steamers is 55s. 3d. stg. per ton, Baltimore to Liverpool, against 24s. 10d. to 27s. 8d. stg. per ton, Portland to Liverpool; or, in other words, the