

of steamers we have a right to impose conditions. As a matter of fact, in the contract with the Furness Withy Company, there is a clause which enables the Government to fix a maximum rate—that is to say, we can say at the beginning of the year that so much shall be the highest rate charged. Now freight rates vary from day to day and from week to week. I have seen quotations from here—Mr. Andrews, I think it was, wrote me a letter, giving me the rates from Boston. I saw a statement in your paper for a period that it ran from 1s. 9d. to 2s. 6d. in Boston, showing that freight rates are not always the same there. These subsidies have been given to these steamers on your account and your representatives have asked for them—and it is a question I will have to leave to you to decide what you want in the matter. Now there is another matter which has been alluded to here to-day, and which comes more particularly under my own control; and that is the question of Cold Storage.

Cold Storage was not put in until late in the season. My impression is, the first steamer came to Halifax in the month of August with cold storage; but I am not absolutely certain about the date. I made the contract with the Furness Withy Line last June, and if I am not mistaken indeed, the vessel came out in August, and was ready to sail before the first of September. When I first encouraged this system of mechanical cold storage, I informed the Furness Withy people they would get the same terms or subsidy for putting in cold storage, as vessels going to Montreal and Quebec. I had a long correspondence with the Furness people, and they would not put in the cold storage at that time. They said I was not offering favorable enough terms, and they could not afford to do it. Last Spring the Furness Withy people having found out that the Montreal people had been doing a good business, came to me and asked me to give them the same terms, and made the arrangement I speak of before the close of last session in the month of June. By that contract five steamships were to give a weekly service from St. John and Halifax, to London, with 10,000 cubic feet capacity in each vessel. The terms of the bonus was that the Government should pay one half the cost of the installation—for a term of three years—during which time they were bound to maintain the installation and