

Hon. Mr. McMILLAN—And he did not?

Hon. Mr. CASGRAIN—No, but I will and use the hon. gentleman himself to prove my case. We were together at the annual meeting of the shareholders of the Montreal Cotton Company, and Mr. A. F. Galt, the president, a man in whom we have confidence, declared that last year was the most prosperous season the cotton industry had ever had. He said more, that the profits were so great that the shareholders might rejoice that they were going to get 9 per cent instead of 8 per cent dividends, and he made some remarks something like a finance minister would make on giving us the budget for the coming year, and that was to the effect that next year would be a still better year than the past one, so that far from having no cotton factory on a sound basis, I think my hon. friend will admit there is at least one.

Hon. Mr. McMILLAN—I should like to ask the hon. gentleman if the government of Canada did anything towards assisting that company to which he refers? On the contrary they reduced the duty from 23 per cent to 16½, and that has been the means of having three or four other companies pass the dividends this year.

Hon. Mr. CASGRAIN—The companies that passed their dividends have been badly managed. That is admitted by their own directors. If the government have reduced the duty, and the cotton industry is still more prosperous than ever, it would indicate that the Liberal policy is right.

The hon. gentleman from Marshfield has spoken against the preferential trade policy of the government.

Hon. Mr. FERGUSON—I never said a word against it.

Hon. Mr. CASGRAIN—If the hon. gentleman is in favour of it, I am satisfied; we are.

Hon. Mr. FERGUSON—I never said a word against the preferential tariff; on the contrary, I said I approved of it.

Hon. Mr. CASGRAIN—I understood that the hon. gentleman said we had made a blunder, but it was a lucky blunder.

Hon. Mr. FERGUSON—What I said was the present government was entitled to very little credit for it, even if it had done all the good my hon. friend said it did, because they had drifted into it by a blunder.

Hon. Mr. CASGRAIN—I am glad to hear my hon. friend say it is a good thing. We think so. There is another thing about that preferential tariff. The visit of Sir Wilfrid Laurier to London has been referred to over and over again, and the question has been asked what did he do? We had always been stigmatized as a disloyal party. We were not supposed to have anything to do with the flag. It was supposed to be monopolized by the Conservative party. What did the Liberal government do after having been eighteen years in opposition when they came to power? The first thing they did was not to show lip loyalty merely, but to be loyal in deed as well as in words, and Mr. Laurier went to England and said, out of the liberality of the Liberal party, he would give Britain preferential trade, and that preference would be 12½, 25 and even 33½ of the whole duty, so that to-day when you go to the custom house in Montreal you can enter for two dollars as much British goods as you could enter for three dollars under the old regime. As to getting a *quid pro quo*, if there is one thing I do not admire, it is when one is making a present that he should ask what he is going to get in exchange for it. England admits our goods freely without one cent of duty. What more could we expect? If, after this terrible war in South Africa, England should find it necessary to impose customs duties in order to raise a revenue, then we might ask for a preference when otherwise there would be a tax against our products, but there is none to-day. Under existing circumstances, we cannot ask England to impose a tax upon the bread of her wage-earners to help Canada. Her imports from Canada are small compared with her total imports—I do not believe more than 10 per cent of the whole—and shall we ask them to tax 90 per cent of their imports in order to help our 10 per cent? It is not a reasonable thing to ask.

As to the present prosperity of the country, the hon. gentleman from Monck admits that Canada is prosperous. He also admits that these are bountiful years, but the Conser-