

of British Columbia have had from 1922 up to 1928 a legal man looking after their interests at Ottawa, and I understand that between \$100,000 and \$200,000 have been paid in the way of legal expenses in order to fight for the rights of our province. But up to the present time nothing has been done, and it is now up to the government—in fact, action is long overdue—to step in and correct this inequality of freight rates.

We have heard a great deal about the British preference. As Canadians we should and we must give preference to trade within the empire; but, as my leader has said, only up to the point where such preference does not interfere with our own Canadian industry. Further, this preference should be reciprocal. I have in mind an industry of this country that is suffering to-day because of the unfair British preference as well as the general tariff. I refer to the hop-growing industry, which owing to climatic conditions is confined to one part of Canada, the lower Fraser valley of British Columbia. The production of hops in this area under favourable conditions is about 2,000,000 pounds a year and gives employment to a large number of people. The Canadian tariff on hops is the lowest in the world, being 4 cents under the British preferential and 7 cents under the general tariff; while the British tariff against Canadian hops is 17½ cents, the American tariff is 24 cents and the Australian and New Zealand tariffs are also 24 cents a pound. I should like hon. members to bear in mind the fact that our British preferential tariff is only 4 cents while the British tariff against us is 17½ cents. Up to the time when the British tariff was imposed we enjoyed a considerable export business to the British isles. Since that time this industry has had to look to Canada as the market for its entire crop. The total consumption of hops in Canada is about 3,000,000 pounds a year, and if this industry was given a fair deal it could supply a large percentage of the Canadian requirements. No hop-growing country is able to grow hops in competition with all the other hop-growing countries of the world, because in most years one or more countries have large exportable surpluses, which are dumped upon such countries as do not adequately protect their hop growing industry.

This industry appealed to the Minister of Finance in 1925 for relief, but as the Liberal party at that time was a party of "low tariff," relief in the way of protection could not be given. A conference was arranged and an agreement entered into between the buyers and producers of this product whereby the former agreed to take the Canadian crop at a certain price during the years 1926-27-28.

The growers were unable to renew the arrangement and quite naturally again appealed to this government. I was in hopes, since our friends opposite had changed their policy from that of low tariff to one of protection, that this industry would have received some consideration. The condition of this industry to-day is very serious. One of the growers writing to me states:

The position in regard to hops is becoming daily worse; there are enormous hop surpluses now in every hop growing country, and I do not see where the next British Columbia hop crop can be marketed, even at a loss.

Another branch of the agricultural industry that should have received consideration at the hands of this government is the tobacco growing industry. This industry has spent considerable money in presenting its case to the tariff board, and it went to great trouble to place the whole matter before the government. According to our trade returns we imported from the United States last year about 18,000,000 pounds of unmanufactured tobacco, free of duty. Tobacco growing has become a very important industry in this country and should be encouraged. The acreage in my own district has more than doubled in one year. These growers have a great problem in marketing their product and are certainly entitled to relief either through the tariff or through the excise tax.

There is one resolution of the budget that will receive my support, namely, the one providing for "exemption from income taxes of cooperative associations." This is a matter that has been before the courts during the last few months, and I think in almost every case decisions have been rendered in favour of these associations, with perhaps one exception, the Fraser Valley Milk Producers' Association. I may say this is a bona fide cooperative association with a membership of 3,000 dairymen, selling milk and its products for its members and returning the proceeds after deduction of its actual expenses. It is a non-profit-making organization. The adoption of this resolution will clear the air and I trust provision will be made for the withdrawal of the demand by the Department of National Revenue on this particular association for this tax dating back to 1923.

In conclusion, Mr. Speaker, I must say that I am convinced, knowing well the policy of the Liberal party, that these matters of relief provided for in this budget are dictated by expediency rather than by conviction. Coming as they do on the eve of a general election, it must be quite apparent to the people of this country that the budget is purely and simply an election budget designed for the sole purpose of getting votes and securing another lease of power.