abroad; by our ministers getting out and selling grain to China, Poland, Czechoslovakia and other countries; by providing long needed credit facilities for exports. We now find a further expansion of these successful policies outlined in the present speech from the throne. We also saw the elimination of the premium on the Canadian dollar—a step which some people felt was in itself a solution to our trade problems—and we saw an improvement in the facilities of the industrial development bank in order that our businesses might expand more readily. The results obtained from these policies have shown clearly and conclusively that the policies of the government were correct and that the criticism and pessimism of the opposition was wrong and unjustified.

Closely related to the general field of trade is our relationship to the other members of the commonwealth not only with regard to trade specifically but in connection with other matters. It will be recalled that when this government took office our trading relationship with the commonwealth was not in a satisfactory condition. Shortly after taking office the Prime Minister was instrumental in bringing about a commonwealth trade and economic conference just as he had promised he would during the election campaign. Since that time our trade with commonwealth countries has increased by 19 per cent. It is little wonder, then, that the government should have expressed concern, just as other commonwealth governments have expressed their concern, when there arose the possibility of these gains being upset by the decision of the United Kingdom government to begin negotiations with a view to joining the European common market. Naturally, no one disputes the right of the United Kingdom to join or not to join the European common market. That is their decision and their decision alone. By the same token we have a responsibility to protect Canadian interests and safeguard the interest of the commonwealth. By expressing our views we have accomplished two things. First, Prime Minister Macmillan has stated that if the United Kingdom does enter the common market, commonwealth interests will be protected. Naturally, we rely on that statement. Second, the commonwealth governments by making their views known have brought clearly to the attention of the six nations of the common market the difficult problem with which the United Kingdom is faced and this will strengthen the ability of the United Kingdom government to protect commonwealth interests during the negotiations.

In the light of these facts I can only describe as fantastic the position taken by the Leader of the Opposition (Mr. Pearson)

that expressing our views was squealing before we were hurt. This is the same type of unjustified criticism used by the opposition in the field of general trade and will prove once again the policy of the government to be right and the pessimism of the opposition to be wrong.

Another closely related problem is that of domestic trade and the position of the proprietors of small businesses. In this field the government has been extremely active in assisting this part of our economy and has brought before parliament approximately fifty measures designed to stimulate business in Canada. Among them were the setting up of the small business branch of the Department of Trade and Commerce, the reduction in taxation and the making available of loans up to $25,000 on a long term basis, all of which had been needed for many years.

Once again we see the government not content with all that it had done. It has brought before this session of parliament, as foreshadowed in the speech from the throne, an extension of these measures which have already proven successful. I have the utmost confidence that these measures will prove to be just as effective as those already implemented.

Dominion-provincial relations is another of those fields which needed attention by the federal government. When the present government took office the financial arrangement was governed by the Federal-Provincial Tax-Sharing Arrangements Act of April 1, 1957. The provincial governments were not satisfied with this arrangement even though its terms were binding upon them until March 31, 1962.

The present administration called a conference to discuss the matter in November, 1957 and following that conference, although they were under no obligation to do so, they increased the provincial share of the yield from personal income tax from 10 per cent to 13 per cent. They also initiated the Atlantic provinces adjustment grants, providing a total of $100 million over a four year period, again without any obligation to do so but because it is the policy of this government to provide equality of opportunity to all Canadians.

In the over-all picture there are two types of grants which the federal government makes to each of the ten provinces. First are the unconditional payments such as statutory subsidies, tax abatements and things of that nature. In 1956-57 these amounted to $552.6 million dollars. In 1961-62 they are estimated at $876 million. Then there are conditional grants which include such matters as health, hospital insurance, welfare, vocational training, highways and transportation, resources development and many others. In 1956-57