

There was no common meeting place at which these nations could iron out their problems and settle them by free discussions. What happened? Suddenly one nation attacked another and within a few days the most devastating war in world history to that time had commenced. Again, in 1939, history was repeated: the world once again was plunged into an equally or even more devastating war than that of 1914-1918.

Honourable senators, far be it from me to say that neither of these wars would have taken place if there had been an organization such as the European Common Market, but I will say that it is far less likely there will be a war in the future if the European nations meet in session regularly, say every month or so, and discuss their mutual problems. No one nation or group of nations can absolutely guarantee the peace of the world, but the prospects for peace will be much greater, in my opinion, with the European community of nations than without it.

Now, honourable senators, I want to give one more reason why I favour Britain's joining of the Common Market. There is one very powerful nation which strongly opposes it: that is the Soviet Union. Mr. Khrushchev has made it clear over the past few years that, as one of the aims of his country, he is intent on economic penetration in terms of cutting out traditional markets of the free world. Honourable senators will recall his memorable phrase some years ago when he said that he intended to bury us; he meant to "bury us" commercially. It is elementary that the formation and support of the Common Market would certainly not assist him in that process. Consequently, I would say that if Mr. Khrushchev is against the Common Market there is every reason why we should be for it, and why Canada should do all in her power to help Britain enter it and make it a stronger force than ever.

Let me now say a few words about our own country, Canada. It seems to me that during the last few months the Government has been talking too much about other countries and not giving enough attention to what Canada must do to help herself. In spite of our \$11 billion value in trade and the huge sums that Canada in the last few years has been piling up, there has been, and I am afraid there continues to be, a decline on the part of Canada. In other words, we are on the downgrade in regard to our economy, especially in the commercial world. For some reason other countries have lost confidence in Canada or, should I say, have lost confidence in those who are administering Canada's affairs. It may be because over the last five years we have been piling up deficit after

deficit, amounting to something like \$3 billion, and the \$2 billion by which the former Government had reduced the national debt has been wiped out. It may be that this confidence was lost because at certain periods during the last two or three years as much as nine per cent of our employable population was out of work.

Then, again, it may not be on account of these deficits and unemployment, but rather because of the failure of the Government to take adequate steps to meet these problems. In spite of the protests which were made about these growing deficits—and who does not remember the repeated warnings in this house of the honourable Senator from Churchill (Hon. Mr. Crerar)—this Government has allowed deficit after deficit to be piled up.

Furthermore, in spite of warnings given in the Senate and in the other house about the unemployment situation into which Canada was drifting for years, what was done about it? It was laughed off and we were merely described as doomsters and gloomsters. That was the situation for three years: the unemployment figures rose and nothing was done.

Honourable senators, whatever the cause, we are today faced with the unfortunate situation that we have lost a great deal of the confidence of those, both at home and abroad, who in the past have done so much to assist us in extending and developing our economy.

Honourable senators, I do not think it is any use trying to delude ourselves into believing that this confidence has not been lost. Let me give you a few examples which prove that there is some loss, at least, of confidence by large trust investment companies who are not only diverting their trust funds to other countries but are actually selling the stocks which they have in Canadian companies. One of the largest trust investment companies which invests a great deal of money in Canada is the Scudder Fund of Canada, Ltd., a huge United States-owned company.

In the first quarter of this year that company sold all of the shares it had in nine Canadian companies; it bought no Canadian shares whatever, but rather sought investment outside the country. I ask you, honourable senators, if this company had any confidence in Canada and its administration do you think it would have taken that attitude?

Honourable senators, I hold in my hand the report of the Loomis-Sayles Canadian and International Fund Ltd. This is one large trust investment company which, under its bylaws, was required to invest 60 per cent of its funds in Canadian securities, but in June of this year the bylaws were amended to require it to invest not more than 35 per cent