

It was Prime Minister Menzies of Australia who said:

We were asked for our views, and those views were given calmly, quietly and without rancour in any way.

He was not referring merely to his own expression of views. At a subsequent interview he said:

What was I to do—give them a blank cheque?

I can just imagine what my honourable friends would have said if the Prime Minister of Canada had done that.

The communique that was issued—I have it here but I shall not take the time to read it—bears out the position the Prime Minister took. He was called to the conference to be told what had so far been accomplished at Brussels—unfortunately, very little had been accomplished at that date—and to present the views of Canada on that subject. He presented, as Mr. Macmillan said a few days ago, the doubts and the uncertainties that he had, and that we have, as to the outcome both politically and commercially.

I say, honourable senators, that the Prime Minister could have done nothing less than what he did. The suggestion has been made that he ganged up on the United Kingdom. No suggestion could be more unfounded. I have in my hands a clipping from the air mail edition of the *London Times* of yesterday. This is a report from the *Times* Common Market correspondent and is datelined Brussels, October 8. It is a report on Mr. Heath's first day at Brussels after he had made the circuit of the other members of the Six:

Replying for the Six, Mr. H. van Houten, the Dutch State Secretary for Foreign Affairs, who was in the chair, said that the Commonwealth conference official statement had been of great value in showing Britain's interest in Europe and that Commonwealth countries took a positive attitude to European development, though they clearly had anxieties.

This report then goes on to suggest that those fears are not too great.

I simply repeat that in my opinion there was no other stand which the Prime Minister could take. He would have been completely derelict in his duty had he gone to London and said: "Well, now, whatever you do is perfectly satisfactory to us". What he did was to make perfectly clear that the decision was for the United Kingdom. He also did what he had been asked to do, namely, to present our views upon how far the essential interests of the Commonwealth had been safeguarded,

because, after all, that was the basis upon which we were told negotiations were being undertaken.

However, enough of that. There are some suggestions that Canada has lost face in the eyes of the world, that people no longer have confidence in us. The honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) said:

... 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.

The honourable senator then made reference to certain investment trusts controlled in the United States which he asserts have recently shown their distrust of Canada by selling securities. I think a careful analysis of the purchases and sales by those trusts over a period of years—and all of those statements are available—would indicate that on occasion they have sold below the top of the market, and on occasion they have not bought at the bottom of the market. I do not propose to give any specific examples in that regard, although specific examples are available.

What the Scudder Fund does should not be taken in this chamber as any indication of the confidence that United States investors have in Canada. I think I can cite—and I propose to do so—a much better example.

At about the middle of September the Government of Canada sold long-term bonds to the value of \$250 million U.S. by private placement to seven insurance companies in the United States. This was not borrowing money from the International Monetary Fund or from the World Bank, or getting a standby from the Export-Import Bank. This was a sale to seasoned and sophisticated investors, and seven of them took Canadian bonds to the extent of \$250 million upon which the Canadian Government will pay five per cent interest. I interject that that is a rate of interest at which the Government of Canada cannot borrow in Canada. The cost to the Government is even lower than appears at first glance, because every time \$5 is paid out in interest on those bonds the Government of Canada withholds 75 cents under the 15 per cent withholding tax. In effect, the Canadian Government has gone to the New York market within the last month and borrowed \$250 million at a net cost of 4½ per cent.

Hon. Mr. Roebuck: Is that American money?

Hon. Mr. McCutcheon: American money.