

The Address—Mr. Harkness

doing. In my opinion neither country seemed to appreciate the extreme foolishness of weakening the bond which held the NATO countries together and which held the whole western world together. I think what is needed more than anything else at the present time is that the United States government and the Canadian government wake up to that situation and take steps which are likely to correct it, rather than ones which are going to make it worse as I think has been done to a large extent so far.

One of the basic facts we also have to keep in mind is that the strength of NATO depends upon the strength of the individual members of that alliance. The two most important members, from the point of view of size and numbers of people, after the United States, are Great Britain and France. If the western world is to remain sufficiently strong to counter the Russian threat and to maintain the peace, to maintain the western way of life, those two countries have to remain strong economically. They cannot remain strong economically if they are cut off from one of the sinews of their economic strength, the oil supply in the Middle East.

That oil supply has been threatened for months. Britain, France and all western European countries are completely dependent on that oil supply. Now for three weeks it has been not completely cut off but partially cut off. What has been the effect? Already in most of these countries gasoline rationing is in operation, or plans have been made to put it into operation rapidly. A slow-down of the whole economy has started. It is essential, as I say, that the economic strength of Britain, France and all western Europe be maintained if the western world is to maintain its strength. In order to maintain that oil supply there must be a guaranteed free passage through the Suez canal. We find Britain and France in a position where they were threatened, both as to the source of the oil and as to the means of getting it through the Suez canal and into their countries. Under those circumstances, of course, they followed the first law of any nation, the law of self-preservation.

It seems to me that the United States has not, up to this time, realized that. Apparently the Canadian government has not realized it. The fact that that is the situation, and a considerable number of people, newspaper com-

mentators on foreign affairs in the United States, have recognized it, as is apparent by the articles that have appeared in newspapers and magazines in the United States for some time past. The last article I read which demonstrated that fact was in yesterday morning's *Gazette* by the Alsop brothers. I will quote only a few short paragraphs from it. It starts this way:

The central point that has virtually escaped notice in the present crisis is that the several strains already felt by the western alliance are downright trifling, are really nothing, compared to the strains that lie ahead.

That is what I particularly fear in the present situation. There have been considerable strains. The Secretary of State for External Affairs said that the strains were such that the commonwealth was in danger of falling apart at one time not so many days ago. These commentators, the Alsop brothers, go on in this article to document the strains that have been felt so far and say that they are nothing compared to the strains which are in sight as a result of the whole Middle Eastern situation if things are allowed to continue more or less drifting along. A little farther down in the article they say:

But then American diplomacy and Soviet threats combined to transform Nasser's great military defeat into a great political victory.

The effect in Transjordan was instantaneous and electrical.

The writers continue by citing the effect in the rest of the Middle East, and how that reaction will destroy the source of oil and the economic strength of Great Britain in western Europe. Then they go on to point this out:

Then too, if all Britain's Middle Eastern oil sources are lost, it will cost Britain just about \$1 billion a year. The shaky British balance of payment cannot conceivably stand this further drain. If the oil goes, Britain will go bankrupt. After declaring bankruptcy, Britain will have to abandon her NATO and other strategic commitments and will go out of business as a serious world power. But how is American policy going to be adjusted to cover the loss of western strength caused by British bankruptcy?

I would urge this government, the Prime Minister and the Secretary of State for External Affairs to keep these basic facts in mind and to use all the influence they have with the United States government to modify their present policy and work out a settlement which will make it possible to preserve NATO strength and the strength of western Europe. Otherwise I see nothing but disaster ahead.