SUEZ

The Soviet View

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replies to questions

★ Statements by the
Soviet Government
on the Suez Canal Issue

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D. T. Shepilov, at the
Suez Canal Conference in
London

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2D.

STATEMENT
of the
SOVIET GOVERNMENT
on the
SUEZ CANAL ISSUE

9 August 1956

ON 3 AUGUST 1956, Sir William Hayter, Britain's Ambassador in Moscow, handed D. T. Shepilov, Minister of Foreign Affairs of the U.S.S.R., a Note from the Government of Britain with the text of the Statement of the Governments of the United Kingdom, France and the United States of America on questions connected with the nationalisation of the Suez Canal Company by Egypt. Acting in accordance with this Three-Power Statement, the Government of the United Kingdom has extended an invitation to the Soviet Government to attend the conference, which it is proposed to call in London on 16 August 1956, to consider steps to be taken "to assure the continuity of operation of the Canal as guaranteed by the Convention of 29 October 1888."

In this connection, the Government of the Soviet Union deems it necessary to make the following statement:

The Soviet Government cannot agree with the appraisal of the situation in the Suez Canal Zone as set forth in the Three-Power Statement.

The Governments of the Western Powers, while recognising Egypt's right, as a fully sovereign and independent nation, to nationalise assets under its jurisdiction, nevertheless try to question the legality of the Egyptian Government's act of nationalising the Suez Canal Company. The statement contains the utterly groundless assertion that this company is an "international agency" whose status cannot be altered by the Egyptian Government. It ignores the fact that the Suez Canal Company has always been regarded, even under the 1866 Agreement to which Egypt was an unequal party, as an Egyptian company operated in accordance with Egypt's laws and customs. The nationalisation of the Suez Canal Company has nothing to do with the question of ensuring the freedom of

navigation through the Suez Canal which is governed by the special Convention of 1888. Any attempts to make it appear that a private company subject to Egyptian laws must be regarded as some sort of an international agency ensuring navigation through the Suez Canal have no legal basis whatsoever.

In accordance with the generally recognised principles of international law, the nationalisation of the assets of enterprises situated on the territory of this or that country is an internal affair of that particular nation. It is precisely so that nations have regarded the decisions taken by sovereign states on a number of occasions in the past decades to nationalise such properties, including those in which foreign capital is involved.

Another fact that needs mentioning in this connection is that the General Assembly of the United Nations passed a special resolution in December 1952 on the right of the peoples to dispose of their own natural wealth and resources at their own discretion. The General Assembly called upon states to refrain from any action that might infringe on the sovereign rights of nations in this respect.

Accordingly, the Soviet Government considers the Egyptian Government's decision to nationalise the Suez Canal Company as a perfectly lawful action following from Egypt's sovereign rights.

The Governments of the United Kingdom and France explain their opposition to the nationalisation by the Egyptian Government of the Suez Canal Company by saying that they are concerned with ensuring the freedom of navigation through the Suez Canal. However, the transfer of the assets of the former Suez Canal Company into the hands of the Egyptian State does not mean any changes in the operating regime of navigation through the Suez Canal.

On 1 August, the Government of the Republic of Egypt made an official statement to the Soviet Government, as well as to the Governments of all other nations, that the nationalisation of the Suez Canal Company will by no means affect Egypt's appropriate international commitments and that Egypt will observe, wholly and fully, the freedom of navigation through the Suez Canal, as provided for in the Convention of 1888. The Government of the Soviet Union has taken note of the statement by the Egyptian Government and considers that there

is no reason for any uneasiness in this respect, the more so since Egypt, through whose territory the Suez Canal passes, is interested in and can ensure normal navigation through the canal no less than any private joint-stock company. The nationalisation of the Suez Canal Company has in fact not affected in any way the uninterrupted passage of ships of all nations through the Suez Canal which continues to operate just as it did before nationalisation.

It follows from this that the Egyptian Government is fully cognisant of the great importance of the freedom of navigation through the Suez Canal, and also that the fears expressed on this subject in the Three-Power Statement are unfounded. It should be pointed out that Egypt, having undertaken to respect the freedom of navigation through the Suez Canal, has likewise decided to make compensation to the shareholders of the Suez Canal Company

Egypt has, therefore, taken a perfectly lawful and justified action, having assumed the obligation to guarantee the normal operation of the Canal which passes through the Egyptian territory and which has been built with Egyptian hands. The fact that for scores of years the Suez Canal has not been in the hands of Egypt but in the hands of a company with predominantly British and French capital, which used the Egyptian canal for enrichment and interference in Egypt's internal affairs, is no justification for maintaining this abnormal situation in the future.

Nor can it be disregarded that relationships brought about in the past through conquest and occupation are no longer proper and are out of keeping with the principles of co-operation between sovereign and equal nations, with the principles and purposes of the United Nations. Since the Governments of the United Kingdom and France, as well as the Government of the United States of America, recognise the lofty principles of the United Nations and declare that they welcome the changes in their relations with countries that were formerly colonies, they should not obstruct the exercise by these nations of their sovereign rights.

The Soviet Government cannot ignore the fact that an increasingly tense situation is developing in the Near and Middle East area. The Governments of the United Kingdom and France, as soon as they saw the incomes of the Suez Canal

Company affected, resorted to gross and unjustified pressure on Egypt, applied economic sanctions against it, and announced that they would prepare their naval forces for action and concentrate them in the vicinity of the Suez Canal, that they would mobilise reservists, prepare lands etc. The press in France, Britain and some other Western countries has launched an extensive campaign to stir up hostility against independent Egypt.

In taking these actions, which cannot but jeopardise peace and security, the Governments of the United Kingdom and France are taking a line incompatible with the principles of the United Nations Charter. For, how can these actions be reconciled with the commitments assumed by members of the United Nations to refrain from the threat or use of force in their international relations and to resolve international disputes by peaceful means so as not to place in jeopardy international peace and security?

The Soviet Government regards as utterly inadmissible the measures now being carried out by the British and the French Governments and considers them a challenge to peace.

It is quite obvious that these measures cannot but incur justified indignation and they will be given a fitting rebuff not only by Egypt but also by other peoples fighting for their sovereignty and national independence. The attempts to use force against Egypt, which is acting in the exercise of its sovereign rights, can first and foremost do grave damage to the interests of the Western Powers themselves in the Near and Middle East area.

The nationalisation of the Suez Canal does not affect the interests of the peoples of Britain, France, the United States or any other country. It is only the former Suez Canal Company, which derived huge profits from the exploitation of the Canal, that has been deprived of the possibility to wax rich at the expense of Egypt. The attempts to forcibly recover the privileges this Company has lost or to force on Egypt the rule of foreign capital in a different guise are of a patently colonialist character.

The Soviet Government, true to its policy of peace, equality and non-interference in the internal affairs of other nations, declares that the afore-mentioned actions of the ruling circles of Britain and France, which Egypt has done nothing at all to

provoke, are in no way likely to promote relaxation of international tension and strengthen international confidence.

As for the invitation extended to the Government of the U.S.S.R. by the Government of the United Kingdom to take part in the conference on the Suez Canal meeting in London on 16 August, the Soviet Government, in considering the matter, cannot ignore the following circumstances.

The United Kingdom and France have declared that the purpose of this conference is to work out measures to ensure the operation of the canal in accordance with the Convention of 1888. This statement is not clear, the more so since, as has already been pointed out, the principle of the freedom of navigation through the Suez Canal, as laid down by the Convention of 1888, remains unaffected and is being fully adhered to. If, however, the conference is meant as an attempt, in one way or another, to reconsider the Egyptian Government's decision on nationalising the Suez Canal Company, that would be an act of open interference in the internal affairs of Egypt, whose right as a sovereign nation to nationalise this Company cannot be questioned by any international conference.

It should further be pointed out that the conference in question is being called on the initiative of the United Kingdom and France, who are the principal shareholders of the Suez Canal Company, and the United States, who is not a party to the Convention of 1888. Furthermore, the conference has been called without the Soviet Union and other signatories to the Convention of 1888 having been consulted.

Attention should be drawn to the fact that the list of the countries invited to the conference reveals a biased approach designed to ensure that most of its members would support the proposals drafted in advance by the United Kingdom and France. According to the Three-Power Statement, the composition of the conference has been determined by two principles: the parties to the Convention of 1888, and the nations "largely concerned in the use of the Canal". Neither of these principles has been observed, however. Among the signatories to the Convention of 1888 were Austro-Hungary and Germany. Austria, Czechoslovakia, Hungary and Yugoslavia are the successor states of Austro-Hungary. None of these nations has been invited to the conference. Only one part of Germany—the German Federal Republic—has been invited, while the other part—the

German Democratic Republic—has not. This cannot be agreed to, the more so since the afore-mentioned states are interested in the freedom of navigation through the Suez Canal no less than the others.

Nor has an invitation been extended to the Arab nations—Syria, the Lebanon, Saudi Arabia, Jordan, the Sudan, Libya, the Yemen, Iraq, Morocco, Tunisia—whose territories lie in direct proximity of the canal and who are vitally interested in having the matter properly settled. It should be pointed out that most of the Arab nations are likewise the successor states of the former Ottoman Empire, signatory to the Convention of 1888.

Nor have such maritime nations as the People's Republic of China, Poland, Bulgaria, Rumania, Burma and Finland, which make extensive use of the Canal, been invited to the conference.

Thus, the conference scheduled to meet in London will be a conference of a group of nations holding the shares of the Suez Canal Company with another group of nations which these principal shareholders of the company have arbitrarily selected.

The conference is being convened in circumvention of the United Nations, and under the prevailing conditions this cannot be regarded as normal.

London has been named as the meeting place for the conference without agreement with the parties to the Convention of 1888, although, if the provisions of the 1888 Convention were to be respected, consideration of the questions connected with the operation of the Canal should take place in Cairo.

In view of the foregoing, the Soviet Government considers that the above-mentioned conference cannot in any way be regarded, either in its composition or in character and purposes, as an international meeting authorised to take any decisions whatever on the Suez Canal.

The Soviet Government considers it would be most expedient to discuss problems connected with ensuring the freedom of navigation through sea canals and straits of international significance within the framework of the United Nations.

There are, as everyone knows, a number of important sea canals and straits of international significance. Since the Three-Power Statement refers to the problem of internationalising the Suez Canal, there naturally arises the question: why is the

Suez Canal being singled out among the sea straits and canals of no smaller importance?

The Soviet Government proceeds from the premise that any decision on the question of sea canals and straits of international significance must respect the sovereign rights of the nations through whose territories these sea routes pass.

Taking into consideration the foregoing, the Government of the Soviet Union, as a party to the Convention of 1888, considers that Albania, Austria, Bulgaria, Burma, Czechoslovakia, Finland, the German Democratic Republic, Hungary, Iraq, Jordan, the Lebanon, Libya, Morocco, Poland, Rumania, Saudi Arabia, the Sudan, Syria, Tunisia, the Yemen and Yugoslavia should, under all circumstances, take part in the discussion of questions connected with the freedom of navigation through the Suez Canal.

The Soviet Government believes it indispensable for such a Great Power as the People's Republic of China to take part in this conference.

The Soviet Government hopes that the Government of the United Kingdom will raise no obstacles to the participation of the above-mentioned nations in this conference, provided the latter find it necessary.

On its part, the Soviet Government, being as it is an advocate of peaceful settlement of international issues and bearing in mind that the forthcoming conference in London can provide an opportunity for finding such an approach to the settlement of the questions connected with the freedom of navigation through the Suez Canal as, with due regard to the new circumstances, might be acceptable to Egypt as well as to the other nations concerned, will delegate its representative to this conference. It goes without saying that the Soviet Government's participation in the conference in no way commits the Soviet Union to any restrictions or obligations springing from the principles which were proclaimed by the three Western Powers in their joint statement of 2 August or which may damage Egypt's sovereign rights and dignity.

As for the date of the conference, the Soviet Government believes that, for the sake of better arrangements, it would be advisable to convene it towards the end of August.

The Government of the Soviet Union is a resolute champion of further relaxation of international tension, in the Near and

Middle East area too. It is convinced that respect for the sovereign rights of nations and promotion of international co-operation, in keeping with the spirit of the times and on the basis of equality and non-interference in the domestic affairs of nations, are a cardinal factor in strengthening international confidence and ensuring firm peace among the peoples.

The Soviet Government believes that controversial issues can and must be settled by peaceful means in accordance with the rights and legitimate interests of the peoples. It hopes that on the Suez Canal question, too, the Governments of the states will display wisdom and far-sightedness and refrain from any action that might entail undesirable consequences.

Moscow, 9 August 1956.

SPEECH
by U.S.S.R. Foreign Minister D. T. Shepilov on arriving in London for the Suez Canal Conference, 14 August

THE SOVIET DELEGATION to the Suez Canal Conference led by U.S.S.R. Foreign Minister D. T. Shepilov, arrived in London by air on 14 August.

At the airport D. T. Shepilov made the following speech:

"Ladies and Gentlemen, the delegation of the Soviet Union has arrived in London to attend the conference of certain states in order to exchange views on the question of freedom of shipping through the Suez Canal.

"Nowadays international disputes can be settled only through negotiations among the countries concerned, being guided by the principles of justice and the spirit of the times, and this requires strict observance of the legitimate rights of the peoples, true equality between states, large and small, the establishment of an atmosphere of confidence among them, and the strengthening of universal peace and security.

"At the coming conference the Soviet delegation will do everything possible to help to seek for the way which can lead to the settlement of the points at issue, by means of an agreement among the states concerned, and with the necessary participation of the state of Egypt, on the basis of a correct combination of the national interests of independent and sovereign Egypt and of the just interests of the other countries which use the Suez Canal.

"I should like to convey to the citizens of London, and through them to all the British people, best wishes for happiness and prosperity."

SUEZ CANAL CONFERENCE
London, 16 August to 23 August
Statement by D. T. Shepilov,
U.S.S.R. Foreign Minister.

16 August 1956

MR. CHAIRMAN, GENTLEMEN, before the delegations of a number of states meeting now in London proceed to the exchange of views on the substance of the question concerning the measures for assuring the freedom of navigation through the Suez Canal, the Soviet delegation considers it necessary to make some observations with regard to the organisation and the procedure of the work of the conference.

Being a consistent and resolute champion of the further relaxation of tension throughout the world, the area of the Near and Middle East included, and pursuing its immutable policy of the struggle for peace and of loyalty to the principle of settling international disputes and conflicts by peaceful means, through negotiations, the Soviet Government has agreed to take part in the present conference.

We have arrived here with the sole purpose of trying to find, together with the representatives of other states, ways to a peaceful settlement of the acute problem which is attracting general attention.

The Soviet delegation will in due course set out in detail the Soviet Government's position on the question of the Suez Canal. Now I am only going to make brief remarks.

In its statement on the Suez Canal of 9 August 1956, the Soviet Government has already pointed out considerable violations of the generally accepted principles of international law pertaining to the holding of international conferences, which were committed in the convocation of the present conference.

The regime for international navigation of the Suez Canal was laid down in the Constantinople Convention of 1888. This Convention provides, among other things, for prior consultations should any questions arise relating to the freedom of navigation of the Suez Canal.

The present conference has been convened, however, on the

basis of a decision taken merely by two signatories to the Convention of 1888, that is to say, by Britain and France, together with the United States of America, which is not a signatory to the Convention. As to the other states parties to the Convention of 1888, to say nothing of the remaining nations interested in the navigation of the Canal, no consultations have been held.

It is to be regretted that the decision was taken without prior consultations with the Government of Egypt, although, of course, the Suez Canal runs across Egyptian territory and is under Egyptian sovereignty.

As to the composition of the conference, notice should first of all be taken of the absence among those invited of a number of states parties to the 1888 Convention.

The parties to that Convention, indeed, included Austria-Hungary and Germany. The successor states of Austria-Hungary are, as is well known, Austria, Hungary, Czechoslovakia and Yugoslavia. But none of these states have been invited to the conference.

It is alleged that Hungary and Austria have renounced the rights and titles arising from the existence of the Austro-Hungarian monarchy. These allegations are contrary to the truth. I wish to refer you to Article 217 of the Trianon Peace Treaty. That Article lists conventions concluded by the former Austro-Hungarian monarchy which were to be observed by Hungary. This list mentions the Convention on the Suez Canal of 29 October 1888. Article 234 of the Saint-Germain Peace Treaty contained the same provision with regard to Austria. One cannot fail to mention Czechoslovakia, which occupies a considerable part of the territory of the former Austria-Hungary. Yugoslavia confirmed officially that it lawfully inherited the rights of the former Austro-Hungarian monarchy arising from this Convention.

Only one part of Germany has been invited—the Federal Republic of Germany; but the other part of Germany—the German Democratic Republic—has not. This cannot be considered proper.

The absence at the conference of such a great power as the Chinese People's Republic cannot but weaken the international authority and weight of the present conference.

There are no grounds for denying to the Arab states participation in a conference on the question of the freedom of navigation of the Suez Canal. Territorially, they are close neighbours of

Egypt. Politically and economically, they are profoundly interested in the faultless settlement of the Suez question, in the uninterrupted functioning of the Canal. However, the Arab states —Syria, the Lebanon, Saudi Arabia, Jordan, the Sudan, Libya, the Yemen, Morocco and Tunisia—have not been invited to the conference.

Maritime states, such as Poland, Bulgaria, Rumania, Burma and Finland, which make extensive use of the Suez Canal, have not been invited either.

As an illustration, allow me to cite some facts and figures. We sincerely welcome the participation in this conference of the representatives of Ethiopia and Pakistan and regard this as perfectly proper. The total tonnage of the vessels that passed through the Suez Canal under the Ethiopian flag in 1955 was 26,324 tons and that of the vessels under the Pakistan flag, 150,466 tons. But why then has Saudi Arabia not been invited, under whose flag in 1955 vessels with a tonnage totalling 382,937 tons passed through the Suez Canal? Why are Poland, Yugoslavia and Czechoslovakia not represented here? The tonnage of their vessels brought through the Suez Canal in that same year of 1955 was: under the Polish flag, 836,427 tons; under the Yugoslav flag, 180,380 tons; under the flag of Czechoslovakia, 118,161 tons.

Thus, it cannot be disputed that an obvious bias has been permitted in determining the composition of this conference.

The British Government's Note of 3 August 1956 stated that in deciding the composition of the conference two qualifications were taken into account; firstly, participation in the Convention of 1888; and secondly, the largest concern in the use of the Canal. But in reality these two qualifications have not been observed, which has given rise to justified protests from a number of states. Everyone knows, for instance, of the statements made by the Government of Yugoslavia, Hungary, the German Democratic Republic, Poland etc.

According to the Convention of 1888, it would be more correct to choose Cairo as the venue of such a conference. And finally, the time of the convening of the conference was likewise determined without taking into account the opinions of the states concerned.

Gentlemen, taking into account these facts, one cannot but recognise that a number of serious violations of the legitimate rights of many sovereign states have been permitted in the con-

vening of the conference, that the method of convening this conference is at variance with the interests and principles of international co-operation which govern the essence of the United Nations Charter.

The Soviet Government promptly called attention to these circumstances and put forward a number of proposals, the acceptance of which would have given this conference a representative character. We regret that our efforts did not meet with support from the British Government.

The Soviet delegation cannot but note the abnormal atmosphere in which preparation for this conference took place. We have in mind such facts as the application by certain states of economic sanctions, the threat of armed force, military demonstrations, the calling up of reservists and so on, which run counter to the peaceful principles of the United Nations.

The bias manifested in the choice of the composition of the conference; its convening without consultation with the Egyptian Government and in violation of the provisions of the Convention of 1888; the putting forward by the organisers of the conference, practically in the form of an ultimatum, of aims and purposes for the conference which are incompatible with the national dignity and sovereign rights of Egypt—all this could not but lead to Egypt's refusal to take part in the conference.

If we sum up all that has been said, one is forced to the obvious conclusion that the present conference is not sufficiently representative. In its present composition, it cannot claim to take on the questions a decision of substance, which can be taken only with the agreement of all the interested states, including Egypt as the state under whose sovereignty the Suez Canal is.

The Soviet delegation does not intend to complicate the work of the conference; it will take all the measures in its power to facilitate the conference's task, for the reason that it may be of some use; for this reason it is necessary to try to bring its aims and tasks, its procedure, into conformity with the real situation. We regard this conference as a first step in the negotiations and we believe that we should all try, on the basis of an exchange of opinions and consultations, to find such an approach to the settlement of the problem at present causing great concern to many people, as will be acceptable both to the Egyptian State and to other interested states.

Gentlemen, I see no need to emphasise that, taking into

account the limited and, so to speak, preliminary nature of the present conference, it would be undesirable to complicate its work by any voting procedure.

I call upon the honourable representatives of the states assembled here to concentrate their attention, not on questions of the procedure of the conference, but on uniting efforts to prevent a further aggravation of the situation which has arisen in the Near East. It is of primary importance for a conference such as ours to seek for agreed ways towards a settlement of the Suez problem.

Everything possible should be done so that the present meeting of representatives of states may lead to an agreed opinion on the question of the preparation of an international conference or of some other international procedure for examining the question of the freedom of navigation of the Suez Canal on the basis of respect for the sovereign rights of Egypt.

The Soviet Government is convinced that this is the only approach to the problem of navigation through the Suez Canal which would accord with the aim of further easing international tension and would demonstrate the triumph of the high principles of the United Nations Charter.

Gentlemen, the Soviet Union has no special interests at all in the zone of the Near and Middle East. It does not exercise, nor does it lay claim to any exclusive rights or privileged position in any state of the Arab East. Our sole wish, our sole desire, now and in the future, is for the zone of the Near and Middle East to be a zone of lasting peace, of the progress of nations and of fruitful international co-operation.

Suez Canal Conference
Statement by D. T. Shepilov,
U.S.S.R. Foreign Minister.

17 August 1956

THE QUESTIONS under discussion at the present conference are connected with the situation created around the Suez Canal. Our point of view on this subject has already been explained in the well-known statement by the Soviet Government of 9 August.

It will be no exaggeration to say that universal interest is focused on the narrow blue strip cutting across the yellow sands of the Suez isthmus. As we know, many countries, including Britain, France, the United States, Italy, India, the Soviet Union and other nations, are interested in the normal functioning of the Suez Canal. The problem of the Suez Canal, which is one of the world's most important waterways, linking three continents, due to a series of circumstances has become very acute.

Any complex problem affecting the interests of many states may not be correctly understood if it is considered separately without any regard to the general international situation.

It is generally recognised that a certain easing of international tension has become discernible over the past few years. It has proved possible, thanks to the efforts of the peace forces, to arrest the process of aggravation and complication of the international situation.

It goes without saying that the relaxation of tension achieved in international relations is only a good beginning to this historical process, in the way of which there are many difficulties and obstacles. In order to succeed in overcoming these difficulties and obstacles it is necessary to endeavour to settle outstanding problems in a peaceful way, to eliminate the causes of international disputes and complications which are likely to grow into acute conflicts jeopardising peace.

The method of negotiations must become the principal method of settling international disputes.

The Government of the Soviet Union considers that in the circumstances, when a certain relaxation of international tension has been reached, the task is to go further along this road and

strive to achieve a radical *détente* in the international situation and to ensure stable peaceful co-existence among the nations, regardless of differences in their political and social systems.

This is our general line in foreign policy. We shall invariably adhere to it in the future.

True to its policy of peace, the Soviet Union is a resolute champion of the peaceful settlement of all controversial questions. The Soviet Union is convinced that by respecting sovereign rights of nations and by developing international co-operation in keeping with the spirit of the times, on the basis of equality and non-interference in internal affairs, it is possible to settle the Suez problem as well.

In this case too, it is necessary to show an objective and impartial approach. This would have great importance for ensuring peace and security in the area of the Near and Middle East, and not only in that area.

Nationalisation of the Suez Canal Company is the domestic concern of Egypt.

What is the crux of this question which has become so urgent at the present time?

There are two aspects of the Suez Canal question: that of nationalisation of the Suez Canal Company and that of free navigation of the Canal. The first aspect falls exclusively within the internal competence of the sovereign Egyptian State. This question cannot be discussed at any conference if we are desirous of observing the principle of non-interference in internal affairs of states. The second aspect affects many states.

About a month has passed since the Egyptian Government decided to nationalise the Suez Canal Company. Since then that decision has been a subject of wide discussion in the press of all states as well as a subject considered by many Governments. Notwithstanding the differences of opinion as to possible concrete ways to settle the Suez question, it has been almost unanimously admitted that Egypt, as a sovereign and independent state, had the right to nationalise the Suez Canal Company and that such a decision is a lawful and justified act. It is not only the response of wide public and business circles throughout

the world that proves this fact; this opinion is shared by the overwhelming majority of Governments which have expressed their opinion in any form on the Suez Canal question.

It was not by chance that states such as the People's Republic of China, India, Afghanistan, Pakistan, Poland, Czechoslovakia, Yugoslavia, Iran, Indonesia, Ceylon, Burma, the German Democratic Republic, Greece, Syria, the Lebanon, the Sudan, Saudi Arabia, Rumania, Bulgaria, the Yemen, Iraq, Jordan, Hungary, Libya, Albania, the Soviet Union and a number of other states, even before the conference, had expressed views on the lines that Egypt's decision to nationalise the Suez Canal Company was a justified act and a matter of which was the domestic concern of Egypt.

One can also find in the statement by the Governments of the U.S.A., Britain and France of 2 August, though with certain reservations, the recognition of the right of Egypt as a fully sovereign and independent state to nationalise the property situated on its territory.

The fact that not a single state, Britain, France and the U.S.A. included, raises the question of the restoration of the former Suez Company is worthy of note. Actually no one is now defending the abolished Suez Canal Company except the management of that Company and persons closely connected with it, who by the way, have recently started disorganising activities in order to paralyse the normal navigation of the Canal and to create international complications.

We have heard the statements made by the representatives of the United States of America, Italy, Sweden and Portugal. Though the statements differed in their appraisal of the situation, they prove that at least the fact of the nationalisation of the Suez Canal Company cannot be disregarded.

No one can deny that the nationalisation of property situated on territory which comes under the jurisdiction of a state is from the point of view of international law a lawful act. The state may nationalise the property irrespective of whether the owners of the property are citizens of that state or foreigners.

This provision of international law was also confirmed in the resolution of the U.N. General Assembly adopted in 1952. The General Assembly recognised "the right of nations freely to dispose of their natural riches and resources and freely to exploit them". The resolution stressed that this was an inalienable

sovereign right of states and was in conformity with the principles of the U.N. Charter. The General Assembly recommended all United Nations member-states to abstain from actions, direct or indirect, aimed at preventing any state from exercising its sovereign rights with regard to its natural resources.

Let us recall some facts pertaining to the practice of various states in the field of the nationalisation of companies with foreign capital.

Gas and electricity-producing enterprises were nationalised in France in 1946; the shareholders of these enterprises were British, Belgian and Swiss as well as French natural and juridical persons. This act was recognised by the Governments of Britain, Switzerland and Belgium, which concluded an agreement with France on the procedure for compensation for the nationalised assets.

In 1945-7 Acts were passed in Britain on the nationalisation of the coal, iron and steel industries, electricity enterprises and so on. The Acts did not distinguish at all between British and foreign owners. The Acts provided that the owners of the nationalised property were to receive equivalent compensation and there were no special provisions with regard to the payment of compensation to foreigners.

In 1938 Mexico enacted a law providing alienation of the property of certain oil companies, including a number of companies owned by U.S. citizens. In this connection the U.S. Government, in the State Secretary's Note to the Mexican Ambassador, wrote:

"The United States Government is willing to recognise the right of a sovereign state to alienate property for reasons of state. This view has been expressed in a number of communications addressed to your Government in the past two years, and in discussions with you, during the same period, in regard to the alienation by your Government of property owned by American nationals. However, in each case it has invariably been emphasised that the right to alienate property is connected with and conditioned by the obligation of immediate payment of adequate and effective compensation. The legality of alienation depends on the observance of this requirement."[1]

Thus, international law and the practice of different states in

[1] Retranslated from the Russian

nationalising property are very precise and speak in Egypt's favour.

Some persons allege that the Suez Canal Company was performing "an international function" in operating the Canal and therefore is not "subject to the jurisdiction of the Egyptian state." If one is to agree with such an allegation, then it must be admitted that any big shipping enterprise maintaining communications between ports of different countries or any civil aviation company providing air communications between countries is also performing an "international function" and therefore is not subject to the jurisdiction of this or that state.

But the fact that such an approach is clearly without foundation is apparent to everybody.

International concern over the Suez Canal is determined not by the fact that this or that group of foreign subjects hold shares in the Company, but by the importance which the Suez waterway has for many countries of the world. But this problem is regulated by the Convention of 1888 which admits unreservedly the full sovereignty of Egypt as far as the Canal is concerned. One ought to mention that Article 14 of the above-mentioned Convention says: "The High Contracting Parties agree that the engagements resulting from the present Treaty shall not be limited by the duration of the Acts of Concession of the Universal Suez Canal Company".

Thus even at that time it was deemed possible that the concession of the Suez Canal Company might come to an end whereas the principle of free passage through the Canal, determined by the Convention, would remain in force.

I should like to point out that the position of some Governments on the Suez Canal is intrinsically contradictory. On the one hand they declare their recognition of the sovereign rights of Egypt; on the other hand they dispute the very possibility of Egypt exercising these rights and are thus trying to justify interference in the internal affairs of the country.

The afore-mentioned statement of 2 August says that the Governments of the three powers "do not question the right of Egypt to enjoy and exercise all the powers of a fully sovereign and independent nation, including the generally recognised right, under appropriate conditions, to nationalise assets, not impressed with an international interest, which are subject to its political authority".

What is the meaning of the reservation to the effect that "international interest" allegedly limits the right to nationalise the Suez Company? It means only one thing—the desire to preserve an inferior status for Egypt by artificially combining the question of nationalising the private Suez Canal Company with the question of navigation through the Canal.

It should be mentioned that the Suez Canal Company, which was founded on the basis of a hundred-year-old concession, had a pronounced colonialist character. If one is to speak in the spirit of our times one cannot but say that the existence in the middle of the twentieth century of a Company like this, which used to be a state within a state, is a survival of the past.

Our times are marked by changes of tremendous significance and scope. The epoch when certain powers ruled the roost in the world, suppressing the rights and ignoring the interests of other states, is gone, never to return. A new epoch has come. New independent and sovereign states have emerged in the East. A hitherto unknown growth in the national consciousness of the people and rise in their historic activity is a special feature of this epoch. The whole of Asia, the whole of the Near and Middle East are in the full upsurge of a great patriotic upheaval of the peoples connected with the formation of new states which are now members of the United Nations. One should not underrate the tremendous strength and great historical importance of this process. Yesterday the representative of Indonesia spoke well and convincingly about this.

If we all accept the noble principles of the United Nations and speak about welcoming the changes which have taken place in the relations with countries which were once in a position of colonial dependence, then we cannot and should not hinder those countries from exercising their sovereign rights.

Egypt, like many other countries which have recently attained their independence, is naturally anxious to overcome the dire consequences of her colonial past. The nationalisation of the Suez Canal Company is in itself a legitimate step on the way to freeing Egypt from the survivals of the past, to an upsurge of her national economy, which is lagging behind due to a long period of domination of a colonial régime there.

For eighty-odd years the Suez Canal, built by Egyptian hands and situated on Egyptian territory, was actually alienated from Egypt. The concession act on the construction of

the Suez Canal of 30 November 1854, said that Egypt agreed to this plan, having in view the advantages which Egypt might receive if the Mediterranean and Red seas were connected by a waterway suitable for large ships. Yet this was only a hope. And it was not for nothing that one of the political figures of Egypt in the last century told the French engineers:

"Like you, I am fully in favour of the idea of the Canal but I do want the Canal to be for Egypt, not Egypt for the Canal."

For a whole century this legitimate desire was never fulfilled. The handsome profits which the Suez Canal Company used to extract from the Canal never remained in Egypt but went elsewhere, though they rightly belonged to the Egyptian people.

The Suez Canal Company, registered as an Egyptian enterprise to be run and to yield profit on Egyptian soil, cared, least of all, about providing normal passage for ships through the Canal but constituted one of the most important instruments of foreign colonial domination in Egypt. It is characteristic that in 1955 the Company's income amounted to about 35,000 million francs, while its expenses did not exceed 18,000 million francs. From the profits of over some 10,000 million francs little more than 1,000 million francs were doled out for Egypt.

The attitude of the Company towards the most important task of developing and modernising the technical conditions for running the Canal is adequately shown by the fact that the Company systematically froze large sums allotted for this purpose. This tendency particularly strengthened in recent times as the term of the concession was coming to an end. According to data from Egyptian sources, by 1954 this sum had reached the figure of about £40 million sterling.

This situation, however, which in the past was closely connected with the régime of foreign military occupation of Egypt, under the circumstances of the present time cannot be regarded as normal. It is only natural that the Egyptian Government, expressing the will of its people, has drawn proper conclusions and nationalised the Suez Canal Company. At the same time it declared that the Company's shareholders would accordingly receive compensation and that Egypt would ensure full freedom of passage for ships through the Canal and would also ensure the maintenance of the Canal in necessary conditions for navigation, in accordance with modern requirements.

What is the conclusion to be drawn?

We consider that the Egyptian Government, in nationalising the Suez Canal Company, was acting within the standards of international law and that this question is within the national jurisdiction of the sovereign Egyptian State and cannot be a subject of discussion either at this or any other international conference.

Problems of freedom of navigation and position of Western Powers

The Suez Canal belongs indisputably to Egypt. At the same time one cannot deny the great concern of other states for freedom of navigation through the Suez Canal, which is of great importance for states of both the West and the East, for international trade and world communications. Concern regarding this is clearly expressed in the declarations of the Governments of all the countries which use the Suez Canal.

The Suez Canal is of particularly great importance for the economy of the countries of Europe, the Near and Middle East and of South-East Asia. We can easily understand the interest in freedom of navigation through the Suez Canal of such countries as France and Britain in particular. We take into account that Britain is an insular country, and supplies for her population are provided mainly by imports from other countries; no small part of the goods imported by Britain goes through the Suez Canal; her industries are largely dependent upon raw materials and fuel transported from the regions of the Near and Middle East through the Suez Canal and so on. We know that France is also directly interested in shipping essential goods through the Canal.

The Soviet Union is also considerably interested in freedom of navigation through the Suez Canal, in the normal functioning of this Canal. The U.S.S.R. has trade relations with all the countries of the world and has plans for further development of its foreign trade on a large scale—in particular with such eastern countries as India, the People's Republic of China, Indonesia, Burma, Iran and others. Many of our ships and goods pass through the Suez Canal, and we cannot but be interested in the uninterrupted functioning of this Canal.

What is the common interest of the states that make use of the Suez Canal? Each state is interested in free use of the Canal for the passage of ships, as it is interested in the use of other canals and straits having a similar significance. Normal functioning of the Canal is needed. And in this sense Egypt is making a great contribution in the common cause of international co-operation by ensuring the functioning of the Suez Canal.

As is well known, President Nasser, head of the Egyptian Government, has declared that in the future, too, Egypt will ensure freedom of navigation through the Suez Canal and that the Canal, as in the past, will uninterruptedly serve international trade relations. Egypt has at the same time reaffirmed that she will adhere to the conditions of the Convention of 1888 and take the responsibility for normal functioning of the Canal.

Voices have been heard in the West, saying it is difficult to trust the present Government of Egypt and the head of the Egyptian Government, President Nasser. If, however, one is to base international relations on the liking or disliking of a political system, or the leaders of various states, then evidently one cannot even think of the possibility of peaceful co-existence among states, of their international co-operation in accordance with the principles of the United Nations. Such an attitude towards international affairs is nothing other than a policy of interference in the internal affairs of some other state. In this case it serves as a pretext for encroachments upon someone else's rights, upon the property of Egypt.

The Soviet Government is of the opinion that the attempts to impose upon this or that people an internal political system which this or other foreign powers would perhaps like to see there, but which meets with no sympathy or support from the people themselves, should be thrown overboard as futile.

What are the ways so far suggested for solving the problems of international navigation through the Suez Canal? Facts show that some people are inclined, in the future too, to continue to follow the course of keeping control over the Suez Canal in foreign hands, leaving Egypt out in the cold.

On 7 August this year we received "proposals on setting up an international authority to operate the Suez Canal" which had been prepared by the representatives of Britain, France, and the U.S.A. It is true that Mr. Dulles, in his statement yesterday, did not refer to that document, and the position of the United

States was set forth in a somewhat different way in his speech.

This proposal has in view the setting up of an international authority for the Suez Canal which would take over the running of the Canal in administrative, economic and technical respects. It is proposed to vest this authority with the right to exercise over a part of the Egyptian territory "general powers of administration and control" and also with the right to dispose of the profits received from the exploitation of the Canal which are the property of Egyptian State. It is also proposed that such a question as compensation of the former Suez Canal Company, which is a matter which concerns the Egyptian Government, should be referred to this authority.

We consider that the aforesaid draft, unfortunately, takes into account neither the real situation nor the legitimate national demands of Egypt.

That implies the actual exclusion of certain property, situated in a part of Egyptian territory through which the Canal passes, from the sovereignty of Egypt. According to this plan, the Canal will be run not by Egypt but by other, foreign powers from behind the signboard of "an international authority".

The proposal on setting up "an international authority to run the Suez Canal" is, in the first place, contrary to the basic principles of the United Nations and to provisions of international law. I will recall that in accordance with the Charter of the United Nations Organisation, interference "with the matters essentially within the domestic jurisdiction of any state" is not to be tolerated. The Charter demands respect for the territorial integrity and political independence of any state.

Principles of mutual respect for territorial integrity and sovereignty, of non-interference with the internal affairs of states have been proclaimed in the resolution of the Bandung Conference, in which twenty-nine countries of Asia and Africa took part.

Proceeding from the afore-mentioned principles and standards of international law, the Soviet Union cannot agree that the part of the territory of Egypt through which the Suez Canal passes should be considered as territory over which Egypt has no sovereign rights. Egypt is the sole and sovereign owner of her territory.

The establishment of an "international authority for the operation of the Suez Canal" would actually mean the restoration of

the former Suez Canal Company, but under a new signboard and with the participation of some other states. The establishment of such a body would mean granting to foreign capital rights more extensive than those it enjoyed during the period of the concession of 1866. The concession agreement stated at least that the concession would terminate in ninety-nine years. The new three-power draft on "international operation of the Canal" does not contain any mention of its duration, that is to say, this operation of the Canal is apparently expected to be established for ever.

Proposals of this sort are by no means prompted by the interests of international commerce and of assuring the freedom of navigation; on the contrary, such proposals would only make the task more difficult, for they are in contradiction with the aspirations of the Egyptian people and can only serve as a source of unrest and anxiety. Representatives of the Arab states are justified in pointing out that the plans for international operation of the Suez Canal constitute an attempt to create a stronghold of colonialism for reviving the outdated old practices in the Arab East. It is not by chance that these proposals also give rise to justified and well-founded objections on the part of other Asian and African states, as being proposals contrary to the decisions of the Bandung Conference.

We express the hope that the leading British statesmen, known as far-sighted and sober politicians, will show a realistic approach, considered in all aspects, to the Suez question; this would help to solve that problem both by taking into account the legitimate requirements of the states concerned and by promoting the interests of universal peace and security.

In this connection I would like particularly to stress a very important aspect of the matter. It is no secret that certain circles in Britain and France are resorting to the threat to use force with regard to Egypt. They would like to impose on Egypt by means of force a plan for "international operation" of the Suez Canal if Egypt does not voluntarily agree to such a plan. Therefore, military preparations of which the whole world knows, are taking place in Britain and France.

The attempts to impose such plans on Egypt by force would mean violation of peace in the Near and Middle East. One cannot fail to see that such violation would not be limited to a local conflict in the area of the Suez Canal. It can flame up

into a large conflict which could cover the area of the Near and Middle East and possibly go outside those limits. Would it be of any advantage to Britain? It is from this area and through the Suez Canal that the greater part of the food goes for the population of Britain, and raw materials and oil for British industry; it is through the Suez Canal that Britain maintains her links with the more distant regions of Asia. What kind of advantage will Britain get from the fact that her various interests in that area would be jeopardised because of the attempts to force on Egypt a régime unacceptable to her in the Suez Canal zone? Would France, her economy, or her population get any advantage from measures of this kind?

Is it not also clear that now, when scores of new states have awakened in the vast areas of Asia and Africa to active and independent life, when hundreds of millions of people in those countries are living through the phase of their national upsurge and rebirth, such a conflict could bring upon Britain and France irreparable harmful results, for the absolute majority of mankind would not be able to regard their actions as right, nor would they reconcile themselves to aggression being undertaken against Egypt because she had exercised her sovereign rights.

I believe that no one among those present in this hall is interested in seeing such a situation come to pass, is interested in the violation of peace and security in the area of the Near and Middle East.

What should be the approach to a solution of the Suez Problem?

The Soviet Union seeks to strengthen international peace and wants conditions to be established under which the Suez Canal would be not a conglomeration of conflicts and collisions but a bond of friendship among nations, a bond of international trade, the development of which demands that conflicts and wars be prevented.

On behalf of the Soviet Government I would like particularly to stress that the Soviet Union does not seek any privileges or special advantages in the area of the Near and Middle East. We possess innumerable natural resources throughout a vast

territory and we do not wish to have concessions in the countries of the East or to share in profits. Such intentions are contrary to the nature of our social order. As is known, we liquidated our concessions long ago; recently we decided to give up and to hand over free of charge to the Government of Iran the Kevir Hurian oil concession which we still had in northern Iran.

The Soviet Union's main concern in the Near and Middle East is to secure peace and tranquillity in that area. Naturally, here we are maintaining a position which favours the development of trade and mutually advantageous economic co-operation with other countries.

We are convinced that other states which use the Suez Canal are also interested that no unnecessary complications should arise in the Canal area. Complications of this kind threatening navigation through the Canal can only cause serious material damage and losses for the states and have a harmful effect on their economy, not to mention the wider and most important interests of all nations as regards the maintenance and strengthening of peace and security.

We fully understand the interest Britain and France have in the Suez Canal, in the sea communications with the region of the Near and Middle East, with which these countries have wide economic ties. But we are still of the opinion, as before, that the solution of such economic questions should be arrived at by methods of economic co-operation on equal and mutually advantageous terms which are acceptable to all countries concerned. The Soviet Union has never recognised it as permissible to solve such questions by means of coercion and has always firmly condemned imposing on states terms which violate the sovereign right of nations.

It is only through a balanced combination of the national interests of states based on respect for their sovereign rights, and of the interests of international economic co-operation that it is possible to find a settlement of controversies between nations such as will correspond to the interests of world peace and to the establishment of healthy and normal relations among the nations.

It is with this in view that we have to seek the solution of the questions connected with secure safeguards for the freedom of navigation of the Suez Canal and its effective functioning as a free, open and safe navigable sea route. What we are

concerned with is to work out in a proper way—with the indispensable participation of Egypt, and with due regard for her rights and interests as a sovereign state as well as for the interests of all states which use the Canal—proper measures which will establish such safeguards.

The Convention of 1888, which is still in force at present, provides for freedom of navigation through the Suez Canal; and the Egyptian Government, as has been mentioned, has confirmed its obligations under that Convention. In this connection a number of states have expressed their views with regard to assuring freedom of navigation of the Suez Canal in the future, as well as with regard to the maintenance of the Canal in a proper condition. There arises the question of concluding—taking into account the new circumstances, and in line with the spirit of the times—a new international convention, instead of the existing Convention of 1888, or concluding an agreement supplementary to the Convention of 1888 with a view to confirming and guaranteeing freedom of navigation through the Suez Canal, with observance of the sovereign rights of Egypt. One should also note that the Government of Egypt for its part has expressed its approval that a competent conference of the interested states should work out such a convention.

In the opinion of the Soviet Government, such an international agreement could be founded on the following basic principles:

The interests of all states and nations require the settlement of existing differences and tensions over the Suez question on an equitable basis, by peaceful means, in conformity with the standards of international law and with the principles of the United Nations.

Full account should be taken of the inalienable rights of the Egyptian State with regard to the Suez Canal, and of the importance in international commerce and for world communications of a Canal used by many states interested in the maintenance of free navigation through it.

The Suez Canal shall always be free and open for the passage of merchant and naval vessels of all states on the basis of equality as regards the navigation and port charges and all conditions of navigation.

Egypt, under whose sovereignty and in whose possession the Canal is, would assume obligations to take all necessary measures to assure freedom of navigation through the Suez Canal and to

protect the Canal and its installations against any violations of the freedom of navigation; to maintain the Canal in a proper condition which would satisfy the requirements of navigation and be in keeping with the modern technical level; to carry out works to improve the conditions for navigation required to increase the passage capacity of the Suez Canal.

Apprehension has been voiced in some international circles with regard to a possible unexpected rise in the present tariffs for the vessels passing through the Suez Canal. It would be desirable to discuss the question of tariffs with Egypt, with a view to assuring their stability and the manner in which possible changes in tariffs up or down the scale would be made, provided such changes were necessitated by well-founded considerations of maintaining the normal and profitable functioning of the Canal.

It would be desirable to confirm the present obligation of the parties to the Convention not to resort under any circumstances to actions which could infringe the inviolability of the Suez Canal or inflict material damage on the installations, offices, buildings and works of the Canal. In accordance with provisions of the 1888 Convention, the Suez Canal is never to be a theatre of military operations; no act of hostility, nor any act having as its object to obstruct free navigation in the Canal or its ports of access shall be committed; the Canal is not to be subjected to a blockade.

The question of developing, in forms acceptable to Egypt, international co-operation on the matters connected with the implementation of the convention on the freedom of navigation of the Suez Canal, could also be placed under discussion with the Government of Egypt. We hold that this co-operation might be helpful, provided, certainly, that the sovereign rights of Egypt are respected and her domestic affairs not interfered with. Some views expressed in this connection, for instance in India, are worthy of a thorough examination. We believe in any case that Egypt, being directly concerned with the maintenance of normal and uninterrupted navigation of the Canal, will display proper consideration and will, for her part, contribute to seeking for ways to assure mutual understanding on the question of safeguarding freedom of navigation of the Canal. This would, in turn, help to remove the concern that has been shown recently in some countries situated in the Suez Canal area.

The Soviet Government is of the opinion that with such an

approach to the question of measures to assure freedom of navigation through the Suez Canal, it could be possible to find a settlement acceptable to all the states concerned and safeguard in a reliable way the interests of peace and security in the region of the Near and Middle East.

The Soviet Government is convinced that positive results can be achieved and that a solution of the whole problem on a mutually acceptable basis can be secured only in the atmosphere of a sober and tranquil approach to the discussion on the Suez Canal.

This is why we believe that it is necessary to seek a just solution of the dispute which has arisen in connection with the Suez Canal, observing objectivity and impartiality in the settlement of this dispute. We believe that things should be brought, not to the aggravation, but to the relaxation of the international tension which has become more acute in connection with the nationalisation of the Suez Canal Company.

From the point of view of international interests, including the interests of the Western Powers there is no reason for aggravation of the Suez problem; the difficulties which have arisen can be settled in a peaceful way provided that all countries concerned show good will and a desire for this.

The conclusion is that it is necessary to proceed from the need to settle the dispute by peaceful means through negotiations. If the exchange of views at this conference results in outlining some acceptable general principles, then for such an already concrete settlement it might be possible to convene a representative conference of the states. The Government of Egypt put forward on 12 August a proposal to convene a broad international conference on the Suez Canal with the participation of the states signatories to the Convention of 1888 and of all states which make use of the canal. The Government of the U.S.S.R. support this proposal as one which serves this purpose.

The concrete questions of the composition, time and place for the convocation of such a conference, and other questions, could be worked out by a preparatory commission composed of the representatives, for instance, of the following States: Egypt, India, the U.S.A., Britain, France and the Soviet Union.

The present situation has imposed particularly big demands

on the statesmen of all countries, making them responsible for the strengthening of peace and international co-operation.

I should like to express my confidence that the discussion of the Suez problem at this conference will develop in accordance with these requirements and that all of us will try to contribute to the relaxation of international tension in the Near East and to the cause of peace throughout the world.

Suez Canal Conference
Statement by D. T. Shepilov,
U.S.S.R. Foreign Minister,

21 August 1956

MR. CHAIRMAN, GENTLEMEN, I would like to set forth the position of the Soviet delegation in connection with the proposals on the principles and methods for settling the Suez problem that have been submitted in the course of this conference.

But first of all I would like to make a few observations.

With all the shortcomings and violations permitted in its organisation, the London Conference on the Suez Canal Question, the proceedings of which are being followed with close attention throughout the world, has already done some positive work.

What are the positive aspects of the conference that have now become discernible?

1. On the eve of the conference, and even in its initial stage, voices were heard demanding economic and even military sanctions against Egypt. The voices of these advocates of the positions of strength policy have now become considerably quieter. Bellicose cries are now much less in evidence. This has, undoubtedly, been caused by world public opinion, which demands that the possibility of adopting military measures should be withdrawn from the agenda.

2. On the eve of the conference, and even in its initial stage, some persons alleged that the nationalisation of the Suez Canal Company by Egypt was an illegal act, that this act in fact violated the provisions of international law, and so forth. This

approach is now no longer in evidence. In substance, nobody now disputes the legality of the nationalisation of the Suez Canal Company by the Egyptian Government.

3. Quite recently opinions were voiced which alleged that the Suez Canal Company was the only mechanism capable of assuring the operation of the Suez Canal and that the abolition of that Company would bring about the disruption of almost all the world trade in that part of the globe, and of the whole complex of world communications. Not a single argument in defence of the Suez Canal Company. That Company has ceased to exist, never to emerge again, and the only legitimate owner of the Canal is the Egyptian State.

4. Quite recently it was alleged that Egypt's nationalisation of the Suez Canal Company annulled the 1888 Convention and placed the free navigation of the Canal in doubt. The facts show that in spite of the disruptive activities of the former private Suez Canal Company, the operation of the Canal is normal, the volume of traffic and the number of ships passing through the Canal not only has not diminished since nationalisation, but has even increased in comparison with the corresponding period of last year. The Egyptian Government has reaffirmed its complete determination to implement the principles of the 1888 Convention, honouring the obligations assumed.

All this points to certain positive results of the conference and to the evolution of views and conceptions that has taken place during this period in the approach to the question of the Suez Canal.

Draft of American Delegation is Incompatible with the Sovereign Rights of Egypt to the Suez Canal.

FOLLOWING A GENERAL discussion at the conference, two drafts were put forward for the settlement of the Suez question—the draft submitted by the U.S. delegation and that put forward by the delegation of India.

I should like first of all to dwell on the document submitted by the U.S. delegation. It should be emphasised that the U.S. document actually suggests a definite draft decision of the conference on the Suez Canal. The draft makes an attempt to predetermine even now the final ways and forms for settling the Suez problem.

However, we have agreed—and this is natural—that the conference, owing to its composition, may not take any decisions of substance. The question of the Suez Canal cannot be solved, either actually or in a preliminary way, without Egypt and many other states concerned, which are not represented at the conference.

We are told that the document that has been submitted may serve as a draft message to Egypt. But, unfortunately, it completely ignores the Egyptian position which has been set forth time and time again by Egyptian leaders in official statements and in the press and which is well known to all those taking part in this conference.

Such a message would not assist in creating the conditions necessary for working out a mutually acceptable agreement.

The decisive prerequisite for achieving a mutually acceptable agreement on the Suez question lies, certainly, in assuring the sovereign rights of Egypt to the Suez Canal and in a proper association of the interests of foreign users of the Canal with the interests of the Egyptian State.

In whose hands will the operation of the Canal lie and what will be the concrete expression of the principle of a proper association of interests? That is the main question at the present time.

The draft introduced by the U.S. delegation envisages that the Canal should be operated by some kind of an international body—the Suez Canal Board—rather than by Egypt. Egypt

should afford to that body "all rights and facilities" to operate the Suez Canal. Therefore, Egypt should, in fact, relinquish her sovereign rights in favour of an international body which would be in the hands of a group of nations who would dispose of Egypt's national wealth. Egypt, whose rights as the owner of the Suez Canal are formally recognised, is to be a kind of poor relation under this international body. Egypt is kindly allowed a place in her own home. If we really wish to observe the principle of sovereignty, then clearly Egypt cannot be merely one of the parties administering her own property.

There is no legal basis for removing the operation of the Suez Canal from Egyptian hands. Indeed, formally no one denies Egypt's sovereign rights to the Suez Canal territory. Formally, no one denies Egypt's right to nationalise the property of an Egyptian joint stock company. But while this is formally recognised, it is then proposed to us, without any grounds whatsoever, that the Egyptian State should be deprived of the right to operate the Suez Canal.

This being so, what remains of the declaratory assurances about "respect for Egyptian sovereignty"?

Clearly, some Powers have not yet reconciled themselves to the fact that Egypt has become an independent state which cannot accept any violations of its lawful rights and cannot allow any discriminations against itself.

One cannot fail to take into account the fact that an attempt to turn over the operation of the Suez Canal to an international body would mean discriminating against Egypt and, consequently, throwing down a challenge to the Egyptian people who are vigilantly safeguarding their newly acquired national rights. According to a *France Presse* report, the Egyptian Government stated on 18 August that they will never agree to the setting up of an international body to operate the Suez Canal and that the setting up of such a body would violate the sovereignty of Egypt and offend her dignity.

The idea suggested here by the Australian representative of buying from Egypt her sovereign rights to the Suez Canal is utterly incompatible with respect for the national dignity of the Egyptian people. The national sovereignty of any state cannot be the object of a commercial transaction. It can neither be bought nor sold.

A proposal of this kind is an expression of colonialism in a somewhat modernised form.

The U.S. draft states that the operation of the Canal should be insulated from the influence of any nation's policy and that the international body should not be guided by any political motives. But in fact the purpose is different.

The very setting up, contrary to Egypt's desires, of an international body to administer Egyptian property, would constitute a political act which would have serious political consequences. That act would not in any way settle the Suez problem, but it would, undoubtedly, turn the Suez Canal area into a zone of constant tension and into a source of international friction and conflict.

We should also bear in mind that colonialism formerly endeavoured to prevent the peoples of the East from achieving political independence. Now that this independence has already been won by the majority of nations, colonialism is manoeuvring and asserting that its actions are, so to speak, far removed from politics.

For that reason, particular caution is required every time we have to consider matters relating to the interests of the nations of the East, so that the old colonial policy may not be pursued under the guise of "non-political" steps.

It is asserted that the American draft is motivated by a desire to guarantee freedom of navigation through the Suez Canal. But that draft, apparently, proceeds from the assumption that force is the only reliable guarantee in relations among nations. It is not by chance that the draft directly provides for "effective sanctions". We are convinced that far more importance should be attached to international obligations than are assumed voluntarily and to the willingness of nations to co-operate in the interests of peace and of developing international economic ties.

The U.S. proposal in its present form, unfortunately, does not provide a compromise acceptable to the parties concerned. If we pass over certain expressions embellishing that proposal, we shall see that its substance is not to work out international guarantees for free navigation through the Suez Canal. The purpose is to remove the Canal from the sovereignty, ownership and operation of Egypt, who is mistress of the Canal. In fact, words about "internationalisation of the Canal" are carrying on the same line that some Western Colonial Powers for a long

time attempted to impose on Egypt. It will be recalled that long before the Egyptian Republic was proclaimed, some Western Powers sought Egypt's agreement to prolong the concession of 1866 until, say, 2008. But these proposals were invariably rejected by Egypt.

The proposed solution is an expression of the old policy. Instead of the Suez Canal being dominated by one Power—and in the past that Power was in fact Britain—it is now suggested that the Canal be dominated by several foreign Powers.

However, a proposal of that kind is unreal because it ignores the substantial changes that have taken place in the East during the last decades.

Attempts have been made here to explain Egypt's nationalisation of the Suez Canal Company by certain considerations of a personal nature. It is obvious that this results in a distorted presentation of developments. The act of the Egyptian Government is based on the long process of the struggle of the Egyptian nation against colonialism and national oppression, which in Egypt was most vividly manifested in foreign domination over the Suez Canal. The national upsurge we are witnessing at the present time in Egypt and the strength of which should not be underestimated, is not to be ignored in working out proposals on the Suez Canal question. An attempt to impose on Egypt a solution against which the Egyptian nation has been fighting for years, and which is at variance with Egypt's sovereign rights, would mean giving rise to an acute conflict and causing grave anxiety throughout the whole area of the Near and Middle East, which cannot be in the interests of the nations that use the Suez Canal.

These are, in the main, the reasons why the Soviet delegation cannot agree to the draft submitted by the United States delegation.

At the same time the Soviet delegation feels obliged to state the following:

The Soviet Government is in possession of information to the effect that the former Suez Canal Company is attempting, with the approval and support of certain British and French circles, to disrupt navigation through the Suez Canal by calling off from the Canal pilots and other technical staff of the Canal. According to *British United Press*, the former Suez Canal Company has offered to the Canal staff two years' pay as a premium

if they remain "loyal to the Company", that is to say, leave their work.

In this way, by deliberate disruption of the normal functioning of the Suez Canal, attempts are made to create an impression that the Government of Egypt is unable to provide for navigation through the Suez Canal. These disruptive activities of the former Suez Canal Company and of the circles connected with it are absolutely impermissible from the point of view of the interests both of the nations that use the Canal and of peace and tranquillity in that area, since such activities are clearly intended to create uncalled for international complications in the Suez Canal zone.

The Soviet delegation calls on the states concerned to condemn resolutely the afore-mentioned activities and to take measures to prevent the realisation of this disruptive plan.

Main Principles for Settling the Suez Question.

WHAT ARE the principles which, in our opinion, might be laid down as the basis for the settlement of the Suez question?

Taking into account the exchange of views which has taken place on the situation that has arisen in connection with the Suez Canal question and on ways of settling existing differences on the question, the Soviet Government is of the opinion that measures should be taken such as will bring about the removal of tension in the Suez Canal area and the strengthening of confidence among nations.

This is facilitated by a growing desire on the part of the Governments of a number of countries and of broad public circles for a settlement of the dispute that has developed through a compromise based on mutual regard for legitimate interests. The settlement of the Suez question must be achieved solely by peaceful means and in strict conformity with the requirements of the United Nations Charter.

This settlement should take fully into account the inalienable sovereign rights of the Egyptian State as regards the Suez Canal, and the importance of that waterway in international trade and for world communications, being used as it is by many nations

interested in the maintenance of free navigation through the Canal.

Freedom of navigation for all ships of any nation must be securely guaranteed by a new international agreement based on the principles of the 1888 Convention and conforming to the new circumstances and the spirit of the times.

This international agreement might contain, for instance, the following principal provisions:

1. The Suez Canal shall for all time be free and open for the passage of merchant and naval vessels of all states on the basis of equality as regards navigation and port charges and all conditions of navigation. The Canal shall not be used for political purposes to the advantage or detriment of any state interested in navigation through the Canal.

2. Egypt, under whose sovereignty and in whose ownership and operation the Canal is, shall undertake:

(a) To take all necessary measures to ensure complete freedom of navigation through the Suez Canal and to protect the Canal and its installations against any violations of freedom of navigation;

(b) To maintain the Canal in a proper navigable condition which will meet the requirements of navigation and will be in keeping with modern technical standards;

(c) To carry out works to improve the navigation conditions required to increase the passage capacity of the Suez Canal, so that the volume of traffic may be increased in the interests of world trade and of Egypt;

(d) To submit appropriate information to the United Nations on the operation of the Suez Canal.

3. All parties to the Agreement shall undertake not to resort under any circumstances to action which might infringe the inviolability of the Suez Canal or inflict material damage on the installations, offices, buildings and works on the Canal.

In conformity with the provisions of the 1888 Convention, the Suez Canal shall never be a theatre of hostilities; no hostile act, nor any act having as its object the obstruction of free navigation of the Canal and its ports of access, shall be permitted; the Canal shall not be subjected to a blockade.

4. There shall be established international co-operation in such a form in matters related to the ensuring of freedom of navigation of the Suez Canal as will be in conformity with the new

circumstances, with the spirit of the times and with the principles and aims of the United Nations.

This purpose would be served by setting up a Consultative Commission for the Suez Canal composed of the representatives of countries interested in the maintenance of free navigation through the Canal. In our opinion, this commission could have, for instance, the following functions:

(a) To give advice to the Egyptian administration of the Canal on the exercise of free navigation and on the question of tolls;

(b) To render to the Egyptian Government, if necessary, appropriate assistance in maintaining the Canal in a navigable condition;

(c) To invite the attention of the Egyptian Government, and of any other party to the Agreement, to measures which the commission considers must be taken for the implementation of the provisions of the Agreement;

(d) To maintain appropriate contacts with the United Nations and with international organisations concerned with international navigation;

(e) In the event of disputes concerning the implementation of the Agreement, to take steps to settle such disputes and to apply, if necessary, to the United Nations;

The composition of the Consultative Commission and the procedure for its formation can be determined by agreement.

Any other proposals designed to organise international co-operation which would provide for guarantees of free navigation through the Suez Canal and which, at the same time, would not violate the sovereign rights of Egypt, can also be discussed.

5. The question of tolls for vessels passing through the Suez Canal should be made a subject of discussion with a view to ensuring the stability of the tolls at approximately the present level and discussion on the procedure for possible changes in tolls up or down the scale, provided that such changes are made necessary by well-founded considerations relating to the maintenance of normal operation of the Canal on a paying basis.

We are all agreed that the stockholders of the former Suez Canal Company should receive adequate compensation from Egypt.

These are the views of the Soviet Government on the basic principles for the settlement of the Suez problem.

Yesterday Mr. Krishna Menon, on behalf of the Government of India, submitted proposals designed to bring about a peaceful and speedy solution of questions that have been raised by the situation that has developed with regard to the Suez Canal. These Indian proposals have been prompted by a desire to achieve a mutually acceptable agreement which will take into account both Egypt's national rights and dignity and international interest in the uninterrupted functioning of the Suez Canal. They are based on the recognition of Egypt's sovereign right, as the owner of the Suez Canal, to operate the Canal, and provide for an association of international users' interests with the Egyptian Suez Canal Corporation.

It is the Soviet delegation's view that the Indian Government's proposals meet the interests of our work. For that reason the Soviet delegation will not submit any separate draft of its own and considers it possible to associate itself with India's proposals.

The question arises as to how we are to complete the work of this conference. At the beginning of the conference we agreed unanimously that the conference cannot adopt any decisions on the substance of the Suez problem. That is only proper, because Egypt and more than twenty other nations interested in the functioning of the Canal are not present at the conference. Neither can there be any doubt that the conference cannot impose on any nation restrictions or obligations that arise from the principles enunciated by the three Western Powers or from any other principles which may be detrimental to the sovereign rights and dignity of Egypt. We proceed from the premise that the task of our conference is a wide and free exchange of opinions so as to compare the various views.

As a result of the first stage of the conference, we have two drafts which reflect two fundamentally different approaches to the settlement of the Suez question: the United States draft and the Indian draft. The United States draft is based on the principle of denying Egypt her sovereign rights, of establishing, under the guise of a concession, a colonial régime in Egypt through foreign operation of the Suez Canal, which would, in the form envisaged in the draft, constitute "a state within a state".

The Indian draft is based on the principle of strict observance of Egypt's sovereign rights, of recognition of the indisputable

Egyptian ownership of the Suez Canal and of Egyptian operation of the Canal, with proper association of international user interests with the Egyptian Corporation for the Suez Canal. The Indian draft provides, in particular, for the setting up of a consultative and liaison functions. The Indian draft provides for definite forms of liaison between the Egyptian Government and the United Nations on matters relating to the activities of the Egyptian Corporation for the Suez Canal.

It is quite natural, in the opinion of the Soviet delegation, that under present circumstances various drafts, suggestions and views on the Suez question have been put forward at the conference. It is likely that amendments, comments and supplements to these drafts, suggestions and views will be put forward.

The question is: What is to be done further?

It would be advisable further to agree on the formation of a Preparatory Commission composed of the representatives of such states, for instance, as Egypt, India, the United States, Britain, France and the Soviet Union. A similar proposal to this effect has also been made today by the Indonesian delegation. The formation of such a commission would not put Egypt in a position of inequality, and would give her an opportunity to participate fruitfully and on equal terms in such a body. The commission could decide for itself on a place for its work acceptable to all members of the commission and decide to begin its work immediately.

The task of the commission would be to make a thorough study of the materials of this conference, of the draft solutions of the Suez problem that have been submitted and of other possible proposals, with a view to comparing the various views and endeavouring to work out generally acceptable principles for the settlement of the Suez question. The task of the commission could also include the preparation of the draft of a new convention or of an agreement supplementary to the Constantinople Convention of 1888, taking into account the new circumstances and the spirit of the times and being guided by the principle of a proper combination of the interests of the sovereign Egyptian State with the interests of the users of the Canal.

Having completed this work, the commission could, in the near future, convene a competent conference of all states signatories to the 1888 Convention and of all states that use the

Suez Canal, with a view to adopting at that conference a new convention or an agreement supplementary to the 1888 Convention and to deciding all other possible questions connected with ensuring free navigation through the Suez Canal.

It seems to me that this procedure would permit us to attain the maximum effectiveness in the approach to the Suez Canal problem which is still a matter of concern to wide circles of the public interested in a peaceful settlement of this question.

As for the Soviet Union, it will continue to exert all its efforts so that this problem may be equitably settled in the interests of strengthening confidence between states and in the interests of peace.

Proceedings of the London Conference on the Suez Canal, 22 August 1956

AT THE MEETING of the London conference on the Suez Canal on 22 August, the representative of New Zealand introduced a proposal, which he himself called a resolution, to the effect that the countries which had declared their support for the American draft should enter into contact with the Government of Egypt and should present it with the American draft and propose that a convention be concluded on the basis of that draft.

The New Zealand representative's proposal gave rise to resolute objections from the delegations of India, the Soviet Union and Ceylon.

The head of the U.S.S.R. delegation, D. T. Shepilov, declared that the Soviet delegation had already had the opportunity of setting forth its position on the substance of the question under discussion and that the sole aim it had pursued and was continuing to pursue, was to try to find, with the equal and full participation of Egypt and of the other states concerned, a way to a just settlement of the Suez question.

"We are ready, for our part," said D. T. Shepilov, "to do everything we can in order that the present conference may produce the greatest possible results in the existing conditions. For this purpose, it stands to reason, it is necessary to consider carefully the specific forms in which the results of our conference should be cast. Our common task lies in not complicating the

search for acceptable forms for a solution of the problem—forms such as will be fair to all and will be able to satisfy all the parties concerned, while in every way facilitating a correct approach to this problem."

Recalling that the very way in which the conference had been organised had hindered such a proper approach, since from the very outset a patently tendentious approach had been shown in the choice of those who were to take part, D. T. Shepilov declared that even in such difficult conditions the Soviet delegation sought for the best possibilities of finding a compromise and, with co-ordinated efforts, of determining a way to a just settlement of the Suez question.

The head of the Soviet delegation pointed out that the proposal of the New Zealand delegate followed the path of deepening and sharpening that one-sidedness which had been manifested from the very beginning in the organisation of the conference. Thus, the sincere and proper striving of the Soviet Union to find common ground, to work out the most acceptable programme of action, fair to all and able to satisfy everyone—that sincere striving issuing from a number of states represented at the conference had come up against growing opposition.

The New Zealand proposal, said D. T. Shepilov, was in contradiction with the decision of the conference delegates, taken at the opening of the conference, not to adopt any resolutions of any kind and not to have any voting of any kind. Meanwhile, what had been proposed by the New Zealand delegation—to present to Egypt only the American draft, since it was supported by the majority of the conference delegates—was already a kind of vote. The New Zealand proposal was aimed at ignoring the other draft (differing in principle from the American one) which the Indian delegation had proposed and for which the delegations of the Soviet Union, Indonesia and Ceylon, representing countries with a total population of 700 million, had expressed support.

D. T. Shepilov pointed out that elementary democratic procedure required that the Government of Egypt be presented with all the proposals, all the views expressed by those taking part in the conference. The proposals of the New Zealand delegation in essence meant presenting Egypt, in the form of an ultimatum, with the particular demands expressed in the proposals of only one section of the conference.

The supporters of the New Zealand proposals declared that

they had in mind that the supporters of the Indian draft would have the right to present it to Egypt on their own behalf. D. T. Shepilov and Mr. Menon showed that such a procedure for concluding the work of the conference constituted an attempt to split the conference into two parts.

"So far as I understand it," said Shepilov, "from today, for reasons which are still not clear to us, it is proposed to split our conference into two parts, evidently having in mind that each part should separately consider the procedure for completing the work of our conference."

The representative of the Soviet Union and the representatives of India and Ceylon pointed out that such a proposal was contrary to the spirit in which their Governments had agreed to take part in the present conference.

Suez Canal Conference
Statement by D. T. Shepilov,
U.S.S.R. Foreign Minister,

23 August 1956

MR. CHAIRMAN, GENTLEMEN, at yesterday's evening session the Soviet delegation raised a number of questions in connection with the proposal made by the New Zealand representative and supported by the delegation of the United States of America. However, no clear answers were given to our questions. We have just heard a new statement by the New Zealand representative. I think this statement does not, as far as the substance is concerned, change the situation that existed yesterday after the afore-mentioned proposal had been submitted by the New Zealand delegate.

The substance of today's statement by the New Zealand delegate, as far as I could gather, is that out of a group of Governments supporting Mr. Dulles's draft, a group would be chosen which should enter into contact with the Government of Egypt to find out whether Egypt is prepared to negotiate for a new convention on the basis of the United States draft, with the amendments that have been introduced here. I think that even with today's reservations by the New Zealand representa-

tive, the new situation that arose yesterday at our conference continues to exist. Up to yesterday we believed that the present conference was called in order to discover, on the basis of a wide and free exchange of views, the positions of those taking part and to try to find a basis for co-ordinating the various viewpoints. Now it is suggested that the conference be split into two parts and that, instead of trying to seek a compromise, the one point of view expressed in Dr. Dulles's plan be recognised, while ignoring completely the draft that has been presented by India.

For a week our conference, in spite of the differences of opinion and of shades of view, worked as a whole. Now a particular group of countries is making an effort intended to annul a great deal of the work that has been done at the conference and to abandon even any attempts to bring the various viewpoints into agreement, that is to say, to abandon the true method of international co-operation in the settlement of the Suez problem.

I believe one cannot but express deep regret about this, since refusal to employ the methods of international co-operation would inevitably lead to new obstacles in the way of the successful settlement of the Suez question.

On the basis of the work of the conference and of the procedure followed by us at the beginning, it was considered natural that, after an exchange of views on the substance of the Suez problem, Egypt would be made cognisant of the drafts that had been presented to the conference, and the various amendments and shades of view. It was considered natural that due respect would be paid to the views of any section to the conference without any discrimination, even if it did not represent the majority.

Yesterday Mr. Dulles spoke about democracy and, in that connection, said that we cannot complete the work of this conference democratically because we have agreed not to use voting; but the principles of democracy are not narrowed down to the mechanism of voting. An elementary requirement of democracy in this case is the obligation to transmit objectively and fully to Egypt the views of the various countries expressed here, and also to transmit these views to the parties concerned and to world public opinion. The New Zealand representative's proposal, with the amendment suggested today, is that the views of only a part of the conference should be transmitted to Egypt, and this is a flagrant violation of that principle. Our Chairman said here that,

at the same time, the full records of the London Conference would be transmitted to Egypt, and thus Egypt would be able to acquaint herself with the views of other countries, and in particular with the view of India; but if it is a question of transmitting to Egypt the full record of the London Conference, then it is particularly unfounded and undemocratic to suggest the views of only a group of countries as the only possible platform for negotiations. After all, while transmitting to Egypt the full record of our conference, we could tell them about both the position set forth in Mr. Dulles's plan and the principles expressed in the Indian draft.

It is clear that Mr. Lloyd's explanation only confirms the intent which can be discerned here to discriminate against the conference powers which do not agree with the United States viewpoint. We, for our part, although we are fundamentally opposed to Mr. Dulles's plan and regard it as a flagrant violation of Egyptian sovereignty, are not afraid to say to Egypt and to all the countries concerned, and to world public opinion, that the plan was introduced at the conference. Why, then, are the supporters of this plan afraid openly and formally, on behalf of the conference and not privately, to present to Egypt and to the countries concerned, and to world public opinion, the substance of the draft introduced by the delegate of the Indian Republic, which is supported by a number of countries, and why do they try to allege that only Mr. Dulles's plan exists?

Even if we say nothing about the amendments, comments and reservations that have been made by the countries lending support to the Dulles Plan, still this plan represents the views of only a comparatively small group of countries. That group cannot claim to express the views of the signatories to the 1888 Convention and of all the countries using the Suez Canal. There are, beyond the confines of this conference, a great number of countries which are interested in the freedom of navigation through the Canal. For that reason, no group represented at this conference can lay claim to being the only group that expresses the views of all countries interested in freedom of navigation through the Canal.

The more fully and the more objectively the countries interested in freedom of navigation through the Canal express their views, the more correctly shall we be able to indicate the ways and means for settling the Suez problem. The claim that has been made here by a group of states to monopolise the right

to speak for all countries interested in freedom of navigation through the Suez Canal, and to negotiate with Egypt only on that platform, is utterly groundless.

In that connection the New Zealand delegation's proposal in today's form is in complete contradiction with a task which, at this stage, is one of first-rate importance, namely, the task of bringing about fruitful negotiations with Egypt. By that proposal Egypt, in essence, is put in a position in which she is placed under the obligation to accept one-sided and unjust demands based on the denial of her sovereign rights. It follows from the proposal that has been made, that Egypt should simply reply, stating whether or not she agrees to negotiate on the conditions set forth in the United States draft. But is it not clear that this is the language of an ultimatum and not the language of negotiations?

All this goes to show that a definite group of countries represented at this conference, first and foremost among which are the United States, Britain and France, have in fact no intention of negotiating with Egypt as with a sovereign country on the settlement of the Suez problem. This is borne out by the form of ultimatum with which Egypt is to be approached on the Suez problem, and also by the very contents of Mr. Dulles's plan, the substance of which is to remove from Egyptian hands the operation of the Canal and to impose colonial procedures on Egypt.

As the group of countries putting forward these conditions, which are obviously inequitable and unacceptable to Egypt, apparently want Egypt's refusal of these ultimatum conditions to provide the pretext for accusing Egypt of being intransigent and unwilling to co-operate, and to leave their hands free for further action, it is perfectly clear that this line leads to the aggravation of the conflict.

For that reason I would like once again to call upon the delegates here present to weigh the seriousness of the step towards which they are being pushed. We should not underestimate the fact that any attempt to impose a foreign will upon Egypt, without regard to her national dignity and sovereignty, would outrage the national sentiments of the Egyptian people, and would give rise to the just indignation and protest of all the peoples of the East. The majority of those who have spoken at this conference, including those who support the United States proposal, emphasise the fact that they stand for negotiations and against pressure, and especially against the use of violence or

force with regard to Egypt. In the statements made, for instance, by the representatives of Denmark, Japan, Spain and other countries, a number of reservations were voiced with regard to the United States draft. It is clear that the common interest of those taking part in this conference is to ensure the uninterrupted working of the Suez Canal. The Egyptian Government has also declared its readiness to negotiate on freedom of navigation through the Canal on the basis of equality.

Therefore, there are objective grounds for a positive and constructive settlement of this problem, which is of such great international importance.

The settlement of the Suez question requires a calm and sober-minded approach. We should not revert to the display of passion and nervousness which was apparent on the eve of the conference. There is still the possibility that the conference may serve the purpose of further easing international tension instead of aggravating it.

The Soviet delegation believes that the positive aspect of the work of our conference could find expression in a short final communiqué. In it we should let world public opinion know that the members of the conference seek for a peaceful settlement of the Suez problem through negotiations on the basis of a combination of the national interests of Egypt and the interests of assuring freedom of navigation through the Suez Canal.

I take the liberty of presenting the following draft of such a brief communiqué:

COMMUNIQUE OF PARTICIPANTS IN THE LONDON CONFERENCE.

"At the conference of representatives of states on questions concerning the Suez Canal, held in London from 16 to 23 August, 1956, an exchange of views took place during which the participants in the conference put forward their considerations and points of view on the Suez question.

"The participants in the conference are agreed that a settlement of the Suez question should be reached through negotiation, by exclusively peaceful means, in strict accordance with the principles of the Charter of the United Nations.

"The participants in the conference recognise that the settlement of the differences which exist should take place on the basis of respect for the sovereign rights of Egypt and of ensuring freedom of navigation along the Suez Canal in accord-

ance with the principles of the Convention of 29 October, 1888, taking account of new circumstances and the spirit of the times.

"The participants in the conference have as a preliminary measure subjected to review the drafts proposed by the representatives of India, the U.S.A and Spain, as well as the considerations expressed by the representatives of other states in the course of the discussion.

"They reached agreement that all these proposals and other materials of the conference should be subjected to discussion together with the Government of Egypt so that it might be possible in the course of negotiations to prepare the draft of an agreement acceptable to all the countries concerned.

"The conference authorised the representatives of India, Great Britain, France, the United States and the Soviet Union to enter into contact for this purpose with the Government of Egypt so that the above-mentioned materials be subjected to discussion jointly with Egypt and the further necessary steps be determined."

I wish to stress that I do not intend to uphold every sentence of this draft. If the idea of a common joint communiqué, free from prejudices, objectively presenting the results of our conference, meets with sympathy, then it will be possible to work out here such a version of the joint communiqué as might satisfy the participants in the conference and would be acceptable to the Egyptian State.

RESULTS of the LONDON CONFERENCE on the Suez Canal Issue.

Statement by D. T. Shepilov, U.S.S.R. Foreign Minister, at a Press Conference in London.

ON 24 AUGUST Foreign Minister Shepilov held a press conference attended by numerous British and other foreign correspondents.

D. T. Shepilov made the following statement:

The London conference on the Suez Canal question, convened by the British Government on the initiative of France, Great Britain and the United States of America, completed its work yesterday.

During the eight days of its deliberations the conference worked quite intensively and we can now sum up some of its preliminary results.

It is well known that the occasion for convening the London conference was the decision of the Egyptian Government to nationalise the private Suez Canal Company. When it nationalised this Company, the Egyptian Government formally declared that it would fully respect the Constantinople Convention of 1888 on freedom of navigation through the Suez Canal and that the shareholders of the abolished Company would be paid appropriate compensation.

In spite of the fact that the nationalisation of the Suez Canal Company is a matter of domestic concern of the Egyptian State and does not go beyond the bounds of international law, the Suez question became a subject of wide discussion even before the London conference opened. In the course of that discussion two different aspects of the problem became clearly discernible: nationalisation of the Suez Canal Company and freedom of navigation through the Canal. Circles directly connected with the interests of the former Company made deliberate attempts to confuse these two aspects of the problem and vigorously propagated the viewpoint that the nationalisation of the Suez Canal Company jeopardises freedom of navigation through the Canal and its uninterrupted functioning.

It is clear now to everyone, and the proceedings of the London conference have fully confirmed this, that the nationalisation of the Suez Canal Company was an absolutely legitimate act of the

Egyptian Government. At the same time the deliberate allegation that the nationalisation of the Suez Canal Company must completely disrupt navigation through the Canal has been shown to be utterly groundless. It is well known that the Suez Canal continues to function as it did before the nationalisation of the Company and that the flow of commerce has even somewhat increased during this period.

An atmosphere of tension and unrest around the Suez question was created artificially by certain circles in Britain and France before the London conference. More, unjustified economic sanctions have been applied against Egypt. Certain papers and news agencies have fostered a feeling of enmity towards the Egyptian Government. Military preparations, such as the orders to the naval forces to stand by, partial calling up of reservists, keeping paratroopers in readiness etc. have been made in flagrant violation of the United Nations Charter with the aim of exerting pressure on Egypt.

Facts prove that the real state of affairs did not justify at that time, nor does it justify at present, such economic and military measures. The facts also prove that the deliberate aggravation of the situation over the Suez question was closely connected with the activities of those influential quarters in Britain, France and the United States of America which in one way or another were tied up with the Suez Canal Company and which regard the Egyptian Government's nationalisation decree as a definite threat to the positions of colonialism in the Near and Middle East.

It was in this atmosphere that the work of the London conference began.

It is well known that the Governments of many states, including that of the Soviet Union, had correctly pointed out that the selection of participants in the conference was biased: out of the total number of about fifty states using the Suez Canal, only twenty-four were invited to the conference, and the majority of them are participants in well-known aggressive military groupings—the North-Atlantic bloc, the Baghdad Pact and S.E.A.T.O. Many countries who are participants in the 1888 Convention by virtue of being successors of former Austria-Hungary—Austria, Hungary, Czechoslovakia and Yugoslavia—were not invited to the conference. Only one part of Germany—the German Federal Republic—was invited to the conference and the other part, the German Democratic Republic, was not.

Arab countries, which are vitally concerned with the settlement

of the Suez question—Syria, the Lebanon, Saudi Arabia, Jordan, the Sudan, Libya, the Yemen, Iraq, Morocco and Tunisia—were not invited to the conference. Neither were such maritime states as the Chinese People's Republic, Poland, Bulgaria, Rumania, Burma and Finland, which make wide use of the Canal.

Already in the course of the preparation of the conference everything was done to exclude the possibility of Egypt's participation in the London conference on a basis of equality.

The procedure worked out for the conduct of the conference showed clearly that the organisers of this conference had set themselves a definite task: to propose to the conference, the composition of which was selected in a biased way, previously prepared measures and principles for settling the Suez question, so that later, taking cover behind the decision adopted by the conference, their hands would be free for subsequent action.

Thus, for instance, the following formulation of the conference agenda was prepared in advance: "To decide whether and, if so, what steps should be taken to establish operating arrangements under an international system designed to assure continuity of operation of the Suez Canal, as guaranteed by the Convention of 29 October 1888, consistent with legitimate Egyptian interests, and to deal with any necessary financial and other ancillary measures." It is clear that this agenda itself predetermined a particular approach to the Suez problem, right up to the adoption of "any necessary financial and other ancillary measures".

Notwithstanding the absence from the conference of over twenty states interested in the normal functioning of the Canal, and also the absence of Egypt, the conference was asked to accept the procedure of adopting decisions by a simple majority vote; it was proposed to endow the chairman of this conference with great powers in the conduct of it; it was proposed to restrict the duration and number of speeches by representatives of the states, and so on. All this was evidence of the desire to overthrow or restrict the generally accepted democratic principle of conduct of a conference of this nature, so that those tasks which had been posed in advance by the organisers of the conference should be carried out successfully.

It stands to reason that many delegations could not agree with drafts of this nature which violate generally established standards. As a result, neither the proposed draft of the procedure nor the draft agenda was adopted. This was the first setback to the organisers of the conference, who associated with the convening

of this conference far-reaching aims which have nothing in common with ensuring freedom of navigation through the Suez Canal, or with the interests of peace, tranquillity and security in the Near and Middle East areas.

There is no need at present to recapitulate in all its details the whole course of the discussion on the Suez question as it developed at the conference. I shall dwell only on a few of the more essential aspects of the question.

What mainly determined the whole content of work at the London conference was the clash of two quite different trends, two completely different principles regarding the solution of the Suez question. One line of policy was expressed in the proposals made by India and supported by Indonesia, Ceylon and the Soviet Union. The other line of policy found its expression in the proposals made by the United States of America, which have become widely known as the Dulles Plan. If one ignores details of secondary importance these proposals boil down to the following.

India's proposal proceeds from the principle of recognising and observing the sovereign rights of the Egyptian state, which, being the owner, must exercise the functions of management of the Suez Canal. This is accompanied by a definite principle of proper combination of the interests of Egypt as a sovereign state with the interests of all users of the Canal. India's proposal provides for the setting up of a consultative body representing the interests of the Canal users, and invested with consultative, advisory and liaison functions. The proposal stresses the necessity of a link in one form or another between the Government of Egypt and the United Nations on the question of the Suez Canal.

India's proposal provides for the possibility of re-examining the Constantinople Convention of 1888 and establishment of just and equal rates and dues payable by the ships of all the states making use of the Canal.

As regards the methods of settling the Suez question, India's proposal is directed towards a peaceful and rapid solution, in keeping with the principles of the United Nations Charter, by means of negotiations with Egypt on the basis of recognition of her sovereign rights and assurance of freedom of navigation through the Suez Canal for all states.

Such, in its general features, is India's plan, a plan for a just and peaceful settlement of the Suez problem on democratic lines.

The Soviet delegation has endorsed this proposal of India and, for its part, has made a number of practical suggestions—in par-

ticular regarding those forms of international co-operation which might, given observance of Egypt's sovereign rights, facilitate normal operation of the Suez Canal as a free and open sea route, in the interests of world trade and of Egypt. In so doing the Soviet Government proceeds from the principle that it is essential to ensure proper combination of the interests of Egypt and the interests of all other users of the Suez waterway, so that the Suez Canal should not become a source of conflicts and disputes but a source of friendship between peoples, promoting world-wide trade and businesslike co-operation between countries.

The draft submitted to the conference by the delegation of the United States is built upon fundamentally different foundations. This draft provides for the withdrawal of the Suez Canal from the management and sovereignty of the Egyptian State, for setting up a foreign board of management of the Suez Canal and even for the application of "effective sanctions"—evidently against Egypt—for any action aimed at interfering with such management of the Canal. In effect, under the guise of an international body to manage the Suez Canal, the American draft provides for the creation in Egypt of a kind of a "state within a state"—and, moreover, unlike concessions, which are at any rate for limited terms, this body has no term fixed; it is to be permanent. It is clear, is it not, that what is in question here is the establishment of definite forms of colonial regime in Egypt.

There is no doubt that the United States plan departs from the principle of negotiating with Egypt as an equal and sovereign state. This plan is an attempt to impose on Egypt conditions incompatible with her sovereignty, to place Egypt in an unequal position, for sovereignty becomes fiction if a state, while formally recognised as sovereign, is deprived of the right to manage its own property. The United States plan does not strive for a compromise solution on this question, for agreement with Egypt. In substance, it is a colonialist plan, incompatible with the spirit of our time, with the lofty principles and aims of the United Nations.

In the course of the London conference, the discussion of the Suez Canal went beyond the bounds of the question of the fate of the liquidated Canal Company, of the fate of navigation through the Canal, for freedom of navigation can be ensured and guaranteed on a basis of voluntary agreement, without any interference at all in Egypt's domestic affairs.

Discussion in Lancaster House actually developed on how to treat Egypt—whether to treat her as an independent, sovereign,

equal state, a member of the United Nations, as a complete mistress in her own house, or to set out along the path of open and public assault against the standards of international law, the principles and aims of the United Nations, the lawful and sovereign rights of Egypt—that is, discussion of the most important principles of recognition or non-recognition of the freedom and independence of nations, the principle of sovereignty in its specific, real, and not verbal, formal setting.

It is only natural that the delegation of the Soviet Union, which cherishes sincere feelings of friendship and good will towards the peoples of the United States, Britain and France, considered it a matter of honour to raise its voice in defence of the established principles of national sovereignty, principles of freedom and independence of all nations, big and small; a matter of honour to raise its voice in defence of the lawful rights of peoples fighting for their national independence, in defence of peace.

The Soviet Union fully understands how important freedom of navigation through the Suez Canal is for many states, and particularly for Britain, which greatly depends on transportation of goods through this Canal and has important ties with the economy of the Middle and Near East. We are also well aware of the importance for the economy of France of these economic regions and the Suez route. The Soviet Union, as a great maritime state which carries on extensive international trade, is also directly interested in freedom of navigation through the Suez Canal and other waterways which the U.S.S.R. uses together with all other states.

The need to ensure freedom of navigation through the Suez Canal is absolutely indisputable, but this problem must be settled without any infringement whatsoever on Egypt's sovereign rights.

The discussion which developed around the Suez question has sharply illumined the great processes of history which are taking place before the eyes of the world, and also the fundamentally different approaches of various states, or various social strata, to these processes. I have in mind the process of liberation of the countries and peoples of the East from age-long colonial dependence and from unequal and humiliating treaties, imposed on these countries and peoples by force of arms, by deceit and subtle perfidy.

If we take a realistic stand, and strive to establish good-neighbourly relations with the Eastern countries which recently acquired their state and national independence, if we want to

solve the Suez problem with due account of the circumstances and spirit of the age, we must genuinely, not in words but in deeds, respect the legitimate rights and interests of each and every state of the East, their sovereignty and their dignity. Attempts to cut across the course of historical development are fraught with very serious consequences.

The Soviet Union from the very outset has been striving, and still strives, to promote a just settlement of the Suez question; it has stood and it stands today for an objective and impartial approach to the settlement of the dispute which has arisen. Proceeding from this, the Soviet delegation has striven at the London conference to find such a solution as would take account of the state, economic and political interests of the Egyptian people, and would at the same time ensure freedom of navigation for all countries making use of the Suez Canal. Such a correct combination, we are convinced, was contained in the draft submitted by India. This is why the Soviet delegation deemed it possible to support this draft.

Any other approach to the problem, any attempt to settle the Suez question without reckoning with the sovereign rights and interests of Egypt, by means of ultimatums and threats to use force, is a colonialist way of solving the problem. It is just in this light that I see the proposal made by the New Zealand delegate, Mr. MacDonald, in connection with the United States draft.

This proposal revealed the hidden purpose of the organisers of the London conference—to impose the so-called Dulles Plan on Egypt in the name of the conference.

At the last session but one of the conference, the representative of New Zealand, Mr. MacDonald, in violation of the rules of procedure adopted at the conference, moved a resolution that a certain group be chosen from among the states supporting the U.S. plan to transmit it to Egypt. The supporters of the American plan decided completely to ignore the draft submitted to the conference by India: they resolved to split the conference into two parts, and to represent the will of the group of states supporting the Dulles Plan as the will of the entire London conference. However, this undemocratic and disruptive plan met with the resolute opposition of the delegations of India, Ceylon, Indonesia and the Soviet Union, who exposed the true meaning of the proposal made by the New Zealand delegate and put the disrupters of the conference in such a position that they were obliged to withdraw

the draft which had been introduced by Mr. MacDonald from discussion at the conference.

In spite of all the filters and obstacles put up by the organisers of the conference to hinder the representatives of the states striving for a just and impartial solution of the Suez problem from setting forth their point of view at the conference, the representatives of the main colonial powers were unsuccessful also in their attempts to make use of this conference to present Egypt with onerous demands in the nature of an ultimatum in the name of the international conference.

Eventually, only one decision was adopted at the London conference: to instruct the chairman of the conference to transmit the complete proceedings to the Government of Egypt. Consequently, the Egyptian Government is to receive for examination both the draft proposed by India and the draft proposed by the United States, and likewise all addenda, amendments, observations and supplements—in other words, the sum total of the views, opinions and shades of opinions which were expressed at the conference.

Some newspapers today present matters as though the conference ended by instructing the representatives of five countries (Australia, Ethiopia, the United States, Sweden and Iran) to present to the Government of Egypt the plan proposed at the conference by the United States of America. That does not correspond to the facts. The conference took no such decision. As regards the statement by the representative of New Zealand about the intentions of a group of states which had participated in the conference separately to transmit to Egypt the Dulles Plan with the amendments and addenda introduced by certain states, the chairman of the London conference, Mr. Selwyn Lloyd, has declared that the proposal of the New Zealand delegation no longer existed, and that the proposal of the representative of New Zealand had been withdrawn from the conference and was outside its framework.

Throughout the conference and in the closing stages, the delegation of the Soviet Union exerted all its efforts to find, in a way which is alone acceptable in the examination of international problems—a way of negotiation—a proper approach to the Suez question, one that would be just and acceptable to all the interested states. In particular, at the closing stage of the conference, the Soviet delegation suggested that a brief communique be adopted in the name of all states. Such a communique could

have set forth proposals for a peaceful and just settlement of the Suez question which would have permitted all the participants in the conference to examine together with the Egyptian Government questions related to the settlement of the problem of free navigation in the Suez Canal with due respect for the sovereign rights and dignity of Egypt and the interests of the other states that make use of the Canal.

However, certain circles thought it more acceptable to themselves to adopt a method of splitting the conference in order to present to Egypt—outside the framework of the conference—the demands contained in the Dulles Plan. It was as a result of these disruptive actions outside the framework of the conference that there came into being the so-called "committee of five" of which mention was made today in the press.

I think that both the attempts to disrupt the conference and the formation outside its framework of a definite group to present demands to Egypt are the result of the moral and political defeat suffered at the London conference by those forces and those conceptions which aimed at deliberately aggravating the Suez problem, with the purpose of imposing on Egypt definite conditions and demands of a colonialist character.

It would be a profound mistake to imagine that at the London conference there came into being a single and monolithic group of seventeen or eighteen states which unconditionally accept the principles of the Dulles Plan. Far from it. In the course of the conference, in the speeches of the representatives of Denmark, Norway, Iran, Spain, Japan and some others, it was pointed out that the Governments of these countries consider that the sole possible way to settle the Suez question is the peaceful way, the way of negotiation with Egypt as a sovereign state. Quite a number of other reservations and observations were also made.

The draft presented by India, and the speeches made by the delegations of Indonesia, Ceylon, India and the Soviet Union in the course of the London conference, reflected the firm intention of the peaceable and democratic forces to solve the Suez problem by just means, by way of negotiation, with full respect for the principle of sovereignty of Egypt and the interests of all other states. We are deeply convinced that this peaceable and democratic approach to the settlement of the Suez question will find a warm response on the part of hundreds upon hundreds of millions of people in the East and West.

At the same time it would be wrong to underestimate the

seriousness of the situation which may arise in connection with the intensified activity of those circles in Britain, France and the United States who believe in the settlement of the Suez question from positions of strength.

Raising this voice of warning in connection with those international complications which might be the consequence of attempts to solve the Suez question from positions of strength, the Soviet delegation at the very beginning of the London conference characterised the military preparatory measures of some countries against Egypt as an open and intolerable challenge to the freedom-loving Egyptian people, to all the peoples of the East who are striving for their national independence and sovereignty, a challenge to the cause of peace. We consider it our bounden duty to recall that warning today.

For its part, the Soviet Union will continue as before to exert every effort to settle the Suez question by peaceful means, by negotiation on the basis of equality and justice.

* * *

D. T. Shepilov then answered numerous questions posed by the correspondents.

Soviet Government's Statement On Need for Peaceful Settlement of the Suez Question

16 September 1956

THE SOVIET GOVERNMENT considers it necessary once again to make known its attitude regarding the situation that has arisen at the present time in connection with the Suez question.

As is well known, threats to use force against Egypt continue to be made by Britain and France, and an ever-increasing concentration of British and French armed forces and fleets is taking place in the immediate vicinity of Egypt. This, undoubtedly, leads to a still greater aggravation of the situation in connection with the Suez Canal, and creates a position that is dangerous to peace.

The Soviet Government has already, in its statement on the Suez Canal question of 9 August this year, pointed out that the threats and military preparations which the British and French Governments have started to carry out against Egypt in con-

nection with her nationalisation of the Suez Canal Company are incompatible with the principles of the United Nations. In that statement the Soviet Government set out its views regarding the legality of the Egyptian Government's action in nationalising the Suez Canal Company and regarding the safeguarding of freedom of navigation through the Canal, and drew attention to the need for a peaceful settlement of the Suez question.

As a determined advocate of the easing of international tension, consistently pursuing a policy of peace and friendship among the peoples and endeavouring to give the utmost assistance in the peaceful settlement of international disputes, the Soviet Union accepted Britain's invitation to take part in the London conference, in spite of the fact that neither by its composition nor by its character could that conference be considered a representative international conference competent to take any decisions regarding the Suez Canal. In this connection the Soviet Union proceeded from the fact that, given the desire on the part of the interested states, even such a conference could help to find an approach for settling questions connected with the freedom of navigation through the Suez Canal which would facilitate a peaceful solution of the problem.

Guided by these considerations, the Soviet delegation set out at the London conference the Soviet Government's position on the Suez Canal question, which is that the Suez question should be settled by peaceful means, in strict conformity with the requirements of the United Nations Charter and the indisputable sovereign rights of Egypt, as complete mistress, owner and controller of the Canal, with a guarantee for the freedom of navigation along the Canal at all times and for all countries using this waterway.

Proceeding from this, the Soviet delegation supported the proposal made by India on the Suez Canal question, based on the principle of a correct combination of the interests of Egypt, as a sovereign state, with the interests of all other users of the Suez Canal.

At the London conference the legality of the Egyptian Government's action in nationalising the Suez Canal Company was in fact admitted by the majority of those taking part. The representatives of a number of countries, in touching on ways for settling the Suez question, spoke quite definitely in favour of its settlement by peaceful means. A similar settlement of the question was also advocated by the Governments of many countries which

did not take part in the work of the conference but which are interested in navigation through the Suez Canal.

The attempts of certain states to force on Egypt, in the name of the London conference, the proposal to withdraw the Suez Canal from the control and sovereignty of Egypt, failed. The conference took only one decision—to convey to the Egyptian Government a complete verbatim report of the conference. The sponsors of the resolution in favour of international operation of the Suez Canal, however, decided to act separately, outside the framework of the conference, setting up for this purpose the so-called "five-power committee". This committee was set up for the obvious purpose of trying to force on Egypt the so-called "Dulles plan", which provides for transferring the Suez Canal to foreign control.

Simultaneously with the attempts to force the "Dulles plan" on Egypt, the Governments of Britain and France, with a view to exerting pressure on Egypt and other Arab countries, took the path of carrying out military measures. They have concentrated naval, air and land forces at the approaches to the Suez Canal and are continuing to do so. In agreement with the British Government, the French high command has sent military units, including paratroops and air formations, to Cyprus. French planes, bringing paratroops from Madagascar, are arriving in the area of Djibouti (French Somaliland). Increasingly extensive measures for mobilisation are being carried out in Britain, and merchant ships are being requisitioned for the urgent transport of troops and ammunition to the Near East. More and more military contingents are being sent from British and French ports to areas adjacent to the Suez Canal. Organs of the press, instigated by bellicose circles in Britain and France, are demanding the adoption of immediate and decisive military measures against Egypt.

Obviously with the same purpose of bringing pressure to bear on Egypt, an extraordinary session of the North Atlantic bloc (N.A.T.O.) was recently called, at which the Suez Canal question was discussed. Not embarrassed by the fact that they continue to proclaim this bloc a "defensive" and "regional" organisation, Britain and France, with United States support, are attempting to use N.A.T.O. against Egypt. Clearly, the organisers of the Atlantic bloc are trying to draw into these dangerous plans other members of the Atlantic bloc who would like to remain aloof.

The reports on the recent London conference of the Prime Ministers and Foreign Ministers of Britain and France, in which

military representatives of the two countries took part, go to show that the Governments of these countries are continuing their policy of military preparations against Egypt. At the emergency session of the British Parliament on 12 September, the Prime Minister, Sir Anthony Eden, referring to agreement with the Governments of the United States and France, made a statement about the immediate establishment of a so-called Canal Users' Association, to consist primarily of the afore-mentioned three Governments, which, in the words of the British Prime Minister, is to undertake "co-ordination of traffic" through the Suez Canal, the engaging and employing of pilots and the levying of dues for the passage of ships through the Canal. And it was stated that should the Egyptian Government refuse to collaborate with this organisation, Egypt would be regarded as being in breach of the 1888 Convention.

In broad international circles this plan of the three powers is justly regarded as a dangerous provocation, leading to still greater aggravation of the situation in connection with the Suez question and to the artificial creation of incidents which could be used as a pretext for the use of force against Egypt.

Connected with this plan, there is also such a measure—clearly designed to disrupt the normal working of the Canal—as the Western Powers' recall of foreign pilots working on the Canal.

It is not difficult to realise that the whole of this plan is aimed at withdrawing the operation of the Canal from Egyptian hands and putting it under foreign control, though one cannot fail to see that realisation of such a plan is only possible by using force against Egypt. If the object of this plan is not the artificial aggravation of the situation and the creation of incidents, then one may ask what need there is for the establishment of some foreign association for the operation of an Egyptian canal, which is the property of the Egyptian State, of the Egyptian people. The British Government tries to justify military preparations against Egypt by alleging that Egypt, in nationalising the Suez Canal Company, employed force. This statement, however, is presumably intended for people who are very naive. In actual fact, the Egyptian nationalisation of the private Suez Canal Company, which is an internal affair of Egypt, was carried out in accordance with her lawful rights, and it would be absurd to justify attempts to use armed force against Egypt by reference to this nationalisation. Moreover, it is not Egypt who is sending her troops against Britain and

France but, on the contrary, it is the troops of these powers that are being concentrated in the vicinity of Egypt.

In carrying out military measures directed against Egypt, the French Government alleges that it is doing this with a view to protecting French nationals living in Egypt. But who could take such assertions seriously when it is well known that no one has threatened or is threatening French nationals in Egypt? In this connection it would not be out of place to recall that this method has frequently been resorted to previously, as a pretext for seizing and enslaving countries of the East.

Nor is it possible to fail to note that although a great deal is being said in the United States about a peaceful settlement of the question, in actual fact the United States does not protest against the concentration of troops and the threats to employ them, which cannot but encourage advocates of the use of force against Egypt in Britain and France. Moreover, in his statement at the press conference on 11 September, Mr. Eisenhower, the President of the United States, in actual fact allowed the permissibility of the use of armed force against Egypt by Britain and France, and a still clearer idea of the United States position is provided by the statement made by Secretary of State Dulles at a press conference on 13 September, when, in the first place, he also allowed the permissibility of Britain and France using force against Egypt when their ships went through the Canal and, in the second place, declared outright that the United States was sponsoring the establishment of the aforementioned "Canal Users' Association".

The Soviet Government considers it necessary to declare that the military preparations that are being carried out by Britain and France, with United States support, with a view to exerting pressure on Egypt over the Suez question, is in flagrant contradiction with the principles of the United Nations. The United Nations Organisation, however, was set up by the joint efforts of the states, and particularly the great Powers, precisely for the purpose of ensuring a peaceful life for the nations. It is its direct duty to examine conflicts and friction that may arise in the relations between states and to prevent events from developing in such a way as might lead to a breach of the peace.

The United Nations Charter expressly prohibits the use of force against any state, with the exception of cases of self-defence in the event of an armed attack on any particular state, or the threat of force, and makes it incumbent to seek peaceful means of settling disputes that may arise between states. The Charter, of course,

also provides for the possibility of the use of force—sanctions, but only in those extreme cases in which it is necessary to rebuff an aggressor and ensure the maintenance or restoration of peace. But even in such circumstances, which do not apply in the present instance, the question of the use of force is to be decided, not at the discretion of this or that country or group of countries, guided by their own narrow considerations, but in accordance with the decisions of the Security Council, which has the appropriate authority for this, according to the United Nations Charter.

Consequently, the Governments of Britain and France have no grounds whatsoever for resorting to the threat of force or the use of force against Egypt, who has carried out her lawful rights as a sovereign state with regard to the Suez Canal Company. The actions of Britain and France cannot be reconciled with their membership of the United Nations, especially if it be borne in mind that both countries are permanent members of the Security Council, bearing particular responsibility for the preservation of peace. The military preparations being carried out by these powers against Egypt cannot be regarded as other than a manifestation of the intention of Britain and France to seize the Suez Canal, which runs through Egyptian territory and is under Egyptian sovereignty. Such actions cannot be assessed as other than an act of aggression against Egypt, in whatever way they attempt to present them to us.

Taking the path of military threats, Britain and France are not only creating a situation which is dangerous to the cause of peace, but are also running the risk of doing irreparable harm to themselves. There can hardly be any doubt that a military attack on Egypt and military actions in that region would lead to immense destruction on the Suez Canal and also in the oilfields situated in the countries of the Arab East and to the oil pipelines which cross the territories of those countries. There can be no doubt that such a development of events would also do considerable harm to other countries which have extensive economic ties with the countries of the East.

If a unilateral invasion were undertaken against Egypt, it would undoubtedly, apart from the material consequences of such acts which have been mentioned above, arouse the profound indignation of the peoples of Asia and Africa against the Governments of the countries that were embarking on the path of aggression. Those peoples are deeply aware that the historical development of man-

kind is leading to the complete liquidation of colonialism, and no forces can halt this process.

The campaign of military threats and the military measures being carried out by Britain and France show that in these countries there are certain circles which are engaged in incitement to the adoption of military action against Egypt. They are urging that a settlement of the Suez Canal question be imposed on Egypt by force of arms. However, they forget that in our time, with the existence of the impetuous upsurge of the peoples of the East, who have set out on the path of independent development and national rebirth, and in an age when such destructive forms of weapons exist as atomic and hydrogen weapons, it is impossible to threaten and rattle the sabre, it is impossible to act as people once did in the period of colonial conquests.

The threats to use force in relation to Egypt are being decisively condemned by the public all over the world, including ever wider circles of the public in Britain and France. In this connection, one cannot but note the attitude of the British trade unions which, at their recent congress in Brighton, categorically declared themselves against the use of force or threats to use force in settling the Suez question, and also the position of the C.G.T. (General Confederation of Labour), which condemns these threatening measures and this sabre-rattling.

The Soviet Government considers it necessary again to declare that it supports the view that freedom of navigation through the Suez Canal should be ensured for all countries and that such a situation can, and should, be brought about only by peaceful means, taking into account the inalienable sovereign rights of Egypt, as well as the interests of the states using the Suez Canal. There is no other way, if one does not want to provoke grave conflict and artificially aggravate the situation.

The Soviet Government takes into account the importance which the Suez Canal has for Britain and France as maritime states, and the part which it plays in their economic relations with the countries of the East. The Soviet Union itself attaches great importance to the freedom of navigation and normal functioning of the Suez Canal, to which reference is made in the Soviet Government's statement of 9 August and the statement of the U.S.S.R. delegation at the London conference.

The Government of the U.S.S.R., however, is deeply convinced that the Suez question can and must be settled by peaceful means, all the more so because the Egyptian Government

expresses its complete readiness, for its part, to take an active part in such a settlement. It is well known that the Egyptian Government has more than once declared its readiness to observe the 1888 Convention on freedom of navigation through the Suez Canal, and has also expressed its agreement to take part, jointly with the interested states, in the work to prepare and conclude a new international convention which should accord with present-day conditions and with the spirit of the times, and replace the 1888 Convention. Moreover, as is well known, the Egyptian Government, desiring to ensure freedom of navigation through the Canal, is taking steps necessary for the normal operation of the Canal, which is functioning without interruption.

On 10 September, this year, the Egyptian Government sent to all states interested in the freedom of navigation through the Suez Canal, a Note in which it again affirmed its readiness for a peaceful settlement of the Suez question and proposed to convene, together with the other Governments which signed the Constantinople Convention of 1888, a conference to review that Convention and to discuss the conclusion of an agreement confirming the guaranteeing freedom of navigation through the Suez Canal.

Wishing to assist in the peaceful settlement of the Suez question, the Soviet Government received this Note of the Egyptian Government with satisfaction and expressed its willingness to take part in the above-mentioned international conference. Moreover the Soviet Government expressed support for the view that all countries which signed the 1888 Convention should be represented at the conference, including the successor states of countries which signed the above-mentioned Convention, the Arab countries which are territorially situated in direct proximity to the Canal and are vitally interested in the peaceful settlement of this question, and other countries using the Suez Canal.

On this basis and guided by the need for a peaceful settlement of the Suez question, the Soviet Government expresses its willingness to take part in the work of the body proposed by the Government of Egypt for conducting negotiations, in which the various viewpoints of the states using the Canal would be represented with a view to seeking an acceptable basis for the settlement of the question of the Suez Canal.

The Soviet Union has taken a number of steps contributing to a just solution of the Suez question by means of negotiation. It is continuing, and will continue, its efforts in this direction.

The Soviet Government expresses the hope that all to whom the interests of peace are dear and who, not in words but in deeds, desire to build their relations with other countries on the principles of equality and non-interference in the internal affairs of other countries, will take steps so that the Suez question may be settled by peaceful means in accordance with the national interests and rights of Egypt and the interests of strengthening peace and international co-operation.

The U.S.S.R., as a great power, cannot stand aloof from the Suez question and cannot fail to display concern at the situation which has come about at the present time as a result of the actions of the Western Powers. This is understandable, because any violation of peace in the region of the Near and Middle East cannot but affect the interests of the security of the Soviet State.

The Soviet Government considers that the United Nations Organisation cannot but react to the situation which has been created by the threats to use force in relation to Egypt, to which certain states—members of that organisation—are resorting. Such threats are in flagrant contradiction with the principles and Charter of the United Nations, which bind all members of that organisation, in their international relations, to refrain from threats of force and the use of force, either against the territorial integrity or the political independence of any state, or in any other way that is incompatible with the noble aims and peaceful principles of the United Nations.

N. A. BULGANIN REPLIES TO QUESTIONS PUT BY KINGSBURY SMITH

MR. KINGSBURY SMITH, vice-president and general manager of the *International News Service*, recently sent a cable to N. A. Bulganin, Chairman of the U.S.S.R. Council of Ministers, asking him to reply to a number of questions concerning the Suez Canal problem. Below we publish Mr. Kingsbury Smith's questions (retranslated from the Russian) and N. A. Bulganin's replies:

Question: Is the U.S.S.R. Government ready immediately to take part in a meeting at the level of heads of state with the Governments of Egypt, India, France, the United Kingdom and the United States, with the aim of averting the threat of war in the Middle East?

Answer: The Soviet Government has already gone on record in favour of a just and peaceful solution of the Suez problem through negotiations. With the aim of promoting such a solution of this problem, the Soviet Government is ready to take part in a conference of the heads of Government of Egypt, India, France, the United Kingdom, the United States and the U.S.S.R.

Question: Do you think that a conference of the leaders of the afore-mentioned powers could find a peaceful solution to the Suez problem which, on the one hand, would preserve Egypt's sovereignty and, on the other, would ensure the freedom of navigation through the canal for the ships of all countries of the world?

Answer: Such a peaceful solution to the Suez problem can undoubtedly be found. It is common knowledge that the Egyptian Government has already expressed its readiness to review, together with other states concerned, the Constantinople Convention of 1888 and to conclude an agreement on the freedom of navigation through the Canal. Egypt's proposal clears the way for a peaceful settlement of the Suez question. It goes without saying that an appropriate agreement on the freedom of navigation through the Canal must in the last analysis be concluded after discussion of this question at a broad international conference with the participation of all the countries concerned.

Question: Will the Government of the U.S.S.R. be willing to refer this agreement for ratification to the United Nations if the leaders of the afore-mentioned powers reach agreement on a settlement of the Suez Canal problem?

Answer: The Soviet Government will not object to having this agreement referred to the United Nations.

Question: How soon would the U.S.S.R. Government be prepared to take part in such a meeting and what venue would be convenient in your opinion?

Answer: The Government of the U.S.S.R. is prepared to take part in such a meeting at any time convenient to the participants and at any acceptable place if all the other afore-mentioned participants express agreement to the meeting.

The place could be, for instance, Geneva, provided, of course, that the Swiss Government is agreeable.

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