

[Shri Jawaharlal Nehru]

unostentatiously and quietly and he died quietly and unostentatiously, without any fuss or bother.

We remember him not only as a former Vice-President of the Constituent Assembly, but, as a matter of fact, as one who actually presided over the Constituent Assembly for many months when the President of the Assembly was ill. In fact, some of the most difficult parts of our Constitution were framed when Dr. Mookerjee presided over the Assembly. He was a great public servant, a great man and, if I may say so, a fine example of a great Christian. So, we honour him for all this.

It is not usual for us, according to the conventions that we have ourselves framed for the House, to adjourn except under very special circumstances. I would not suggest that this House be adjourned because a Governor of a State has unfortunately died—not that we do not respect or honour our Governors, but that is not the convention we have laid down. But a number of Members of this House as well as, I am told, of the other House approached us and felt that Dr. Mookerjee occupied rather a special position because of his Acting Presidency of the Constituent Assembly and because of other reasons and not merely because he was a Governor. And, they were anxious that this House might show this special and unusual consideration because of those factors to this great son of India.

As it is the view of some Members of this House, I felt that it would not be right or proper for any one of us to come in the way of those wishes which we honour. But I wish to make it clear—so as not to create a precedent in this matter—that this is not because a Governor of a State died but because Dr. Mookerjee played a public part of eminence in other respects. I would, therefore, subject to your wishes and to the wishes of the House, suggest that the

House might adjourn for the rest of the day.

There is one slight difficulty that I should like to put before the House. I had mentioned that I would like to make a statement on the Suez Canal issue today. Now, I should not like to postpone making that statement because we have informed people in other capitals that the statement is going to be made at a certain time here today. Therefore, Sir, if you so allow me, after we have, according to your direction, done honour to Dr. Mookerjee's memory by standing for a minute or two, I may read that statement on the Suez Canal issue and later the House might adjourn for the day.

**Mr. Speaker:** In honour of the memory of the deceased. I would request hon. Members to stand in silence for a couple of minutes.

*The Members stood in silence for two minutes.*

---

#### STATEMENT RE. SUEZ CANAL ISSUE

**The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru):** On the 26th of July, President Nasser announced in a speech at Alexandria that the nationalisation of the Suez Canal Company had been effected. The control of the offices of the company at Port Said, Ismailia, Suez and Cairo was taken over by the Egyptian Government following the promulgation of the nationalisation law by Presidential decree.

The assets and obligations of the company were taken over by the State. The law provides for compensation to shareholders at the market value of shares as on the day preceding nationalisation. Such compensation is to be paid after the State has taken delivery of all the assets and properties of the company.

The management of the Suez Canal traffic service was entrusted to an independent authority, with an independent budget and all powers, without being subject to Government rules and regulations.

The funds and assets of the nationalised company were frozen. The new authority was under obligation to retain the existing personnel who, in turn, were not to relinquish their posts without permission. The decree also provides for enforcement of the law and penalties attaching to breaches thereof.

The announcement has had world-wide repercussions. A grave crisis which, if not resolved peacefully, can lead to conflict, the extent and effects of which it is not easy to assess, has developed. In this crisis, the foremost consideration must be to strive for a calmer atmosphere and a rational outlook. When passions dominate, the real issues recede into the background, or are viewed or presented so as to emphasise the differences between the disputants and to rouse or feed the passions already engendered.

It is not easy for anyone, much less for the disputants, to escape this tragic involvement, and even for others, total objectivity is not possible. In crisis of this kind we deal not merely with the issue in dispute, but we witness the upsurge and conflict of mighty forces.

So, we have to deal with the problem as it confronts us or be overwhelmed by it. It is appropriate, therefore, to glance at the facts and the history of this problem.

The Suez Canal Company, which is nationalised by Egypt, controls the operation and the equipment, and holds the concession of the Suez Canal. The Canal itself is in Egypt and an integral part of Egypt. The sovereignty of Egypt is thus beyond question. This is recognised both in the Charter given to the Company in 1854 by the Viceroy of Egypt under the Ottoman Empire as well as in subsequent agreements and until as

late as 1854. The original Charter of 1856 which set out the terms of the canal concession provided that the Canal "shall always remain open as a neutral passage to every merchant ship crossing from one sea to another without any distinction, exclusion, or preference of persons or nationalities...."

The Convention of Constantinople of 1888 reiterates that the Canal shall always remain free and open.

The position in regard to the sovereignty of Egypt on the one hand and the character of the international waterway is well set out in the Anglo-Egyptian Agreement of 1954, negotiated by the Governments of the United Kingdom and Egypt.

The House would be interested in the formulations in this Agreement, which is a very recent Agreement between Egypt and the United Kingdom, two of the main parties in the present crisis:

Article 8 reads: "The two contracting Governments recognise that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially and strategically of international importance, and express the determination to uphold the Convention guaranteeing the freedom of navigation of the Canal signed at Constantinople on the 29th of October 1888".

The sovereignty of Egypt on the one hand and the character of the waterway as one "of international importance" is recognised in a solemn agreement by Egypt and the United Kingdom, and they both have also expressed their determination to uphold the Convention of 1888.

The Suez Canal Company is an Egyptian Company and, in Egypt's view, subject to the laws of the country. The shares are held, except for a small portion, by foreign Governments or nationals. The British Government hold 44 per cent. of the

{Shri Jawaharlal Nehru}

shares. There are 32 Directors on the Board: 9 British, 16 French, 5 Egyptian, 1 American and 1 Dutch.

The concession of the Suez Canal Company would have expired in 1968, and the Egyptian Government, the present and previous ones, have publicly declared that the concession would not be renewed. The assets and obligations would then have reverted to Egypt under the Agreement of 1856.

The present decision of the Egyptian Government therefore would appear to ante-date the taking over by them of the Company. No question of expropriation has arisen since the shareholders are to be compensated at market value. Even if there remain any outstanding differences in this matter, they do not call for developments which lead to an international crisis.

The Egyptian Government have also reiterated that they will honour all their obligations arising from international agreements, and in their reaffirmation have referred both to the Convention of 1888 and to the Anglo-Egyptian Agreement of 1954.

The French and the United Kingdom Governments reacted to the Egyptian announcement quickly, sharply and with vehemence. Hon. Members of the House have seen Press reports of military and naval movements ordered by the United Kingdom and France, and some military measures in Egypt. These have received much publicity and have aggravated the situation. All this has influenced public opinion not only in Egypt but over the Arab world. In Asia as a whole, with its colonial memories, great resentment has been aroused.

I have no desire to add to the passions aroused, but I would fail in my duty to this House and the country and even to all the parties involved in this crisis, and not least of all to Britain and France, if I do not say

that threats to settle this dispute, or to enforce their views in this matter by display or use of force, is the wrong way. It does not belong to this age and it is not dictated by reason. It fails to take account of the world as it is today and the Asia of today. If this were all, we could perhaps possess ourselves in patience and reflect that the mood will pass. But it would be unrealistic and imprudent not to express our deep concern at these developments and point to their ominous implications. We deeply regret these reactions and the measures reported to be taken in consequence, and we express the hope that they will cease and the parties will enter into negotiations and seek peaceful settlements.

We also much regret that, in the steps that have led up to this crisis, there has been no exercise by one side or the other of their respective or common initiative to inform or consult one another.

We have great respect and regard for the sovereignty and dignity of Egypt and for our friendly relations with her. The Egyptian nationalisation decision was precipitated by the Aswan Dam decision of the United States Government in which the United Kingdom Government later joined. More than the decision, the way it was done, hurt Egypt's pride and self-respect, and disregarded a people's sentiments.

The suddenness of the nationalisation decision and the manner in which it has been implemented may have contributed to the violent reactions. But the terms of the nationalisation itself under the laws of Egypt are within the province of that Government.

As I informed the House some days ago, the Suez Canal issue was not discussed between President Nasser and myself when we met recently. The consideration of it and the concerted decision must have been made later.

The Governments of the United States, United Kingdom and France have held urgent and prolonged consultations and their views are set out in a joint communique which hon. Members must have seen in the Press reports.

This communique recognises the sovereign rights of Egypt, but appears to limit these sovereign rights to nationalise only assets, which in the words of the communique are "not impressed with an international interest". If this was the point at variance, the violence of the reactions and the warlike gestures—I would still hope they are not war-preparations—were unnecessary and have been grievous in their results.

The three powers also agreed that a conference of the parties to the Convention of 1888 and other nations largely concerned with the use of the Canal should be held on the 16th of August 1956 in London in which they agreed to participate. The United Kingdom has in pursuance of this decision extended an invitation to 23 countries which are:

Australia, Ceylon, Denmark, Egypt, Ethiopia, Federal Republic of Germany, France, Greece, India, Indonesia, Iran, Italy, Japan, the Netherlands, New Zealand, Norway, Pakistan, Portugal, Spain, Sweden, Turkey, the U.S.A. and the U.S.S.R.

The Government of India received an invitation from the United Kingdom on the 3rd of August to a conference in London "on the Suez Canal question". Prior to this, the United Kingdom Government kept the Government of India informed of developments.

Aware as they are of the extreme gravity of the situation that has developed and of the circumstances that obtain, the Government have given anxious and careful consideration to all aspects of this question, including the reply to the invitation. The Government have also been in contact with interested countries, including Egypt

It has always been quite clear to the Government that they could not participate in any conference which bound the participants beforehand as to the conclusions to be reached. The Government would equally decline participation in any arrangements for war-preparations or sanctions or any step which challenged the sovereign rights of Egypt. They have also been concerned at the exclusion from the list of invitees of various countries who should be included in the categories of signatories to the Convention of 1888 or of principal users. Without seeking to make invidious distinctions, I would like to say to the House that the exclusion of Burma is to us a particularly regrettable omission. Yugoslavia, by virtue of being a succession State in respect of the Convention of 1888 and a maritime power, should also have found a place among the invitees. The Government of India, therefore, do not subscribe to the appropriateness of the list of invitees.

They have sought clarifications from the United Kingdom Government and feel assured that their participation in the conference does not in any way imply that they are restricted to or bound by the approach and the principles set out in the joint communique. They recognise that Egypt could not and would not participate in a conference on the Suez Canal to which she is merely an invitee and in respect of which there have been no consultations with her.

The Government of India had to take a decision in the situation as it confronted them. India is not a disinterested party. She is a principle user of this waterway, and her economic life and development is not unaffected by the disputes, not to speak of worse development, in regard to it.

Even more, India is passionately interested in averting a conflict. She is in friendly relations with Egypt, and associated with her in the acceptance of the Bandung Declarations and the "Five Principles". India has

[Shri Jawaharlal Nehru]

also good and close relations with the principal Western countries involved. Both these relations are held in great esteem by us, as this House and all the world knows. The considerations and the criteria on which the Government had to base their decision, and not an easy one, is how best they could serve the cause of averting conflict and obtaining a peaceful settlement before it is too late. The House will appreciate the gravity of the situation as the Government have done. The settlement of this problem, on the basis of the sovereignty and dignity of Egypt, and by agreement amongst all concerned, and the abandonment of postures of threats and violence, and of unilateral action by either party, are therefore of the utmost concern to India.

The Government therefore obtained the necessary assurances from the United Kingdom and made their own position quite clear. They have satisfied themselves that their participation in the London Conference will not injure the interests or the sovereign rights and dignity of Egypt. With the sense of grave responsibility that rests on them, the Government have decided to accept the invitation and to send representatives to the Conference.

They have kept in close contact with Indonesia and Ceylon and with others who broadly, have a similar approach and attitude to that of India on this question.

The Government are well aware that this conference can reach no final decisions; for that requires the agreement of Egypt.

Sir, the House, I am aware, shares the grave concern of the Government in this matter. In all humility, I ask it to share with them the hope that the participation of India will assist in the endeavours for a peaceful settlement.

**Dr. Lanka Sundaram** (Visakhapatnam): There is a general desire in this House, particularly on the part of all opposition groups and parties, to have a full-dress debate on the Suez Canal issue in the light of the statement that has been just made (Interruptions).

Several Hon. Members: No.

**Shri Agra Rat Shastri** (Azamgarh Distt.—East cum Ballia Distt.—West): On a point of order, Sir, मैं यह

कहना चाहता हूँ.....

**Dr. Lanka Sundaram**: May I ask the Leader of the House to have a debate either tomorrow or the day after in view of the fact that one of our representatives is going to Cairo on Monday? (Interruptions.)

**Shri Jawaharlal Nehru**: Sir, you have decided that the House should adjourn after the statement?

**Mr. Speaker**: Yes. The House will now stand adjourned as a mark of respect to Dr. Mookerjee.

12.28. P.M.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, the 8th August, 1956.