In the crisis which resulted from the nationaliization of the Canal Company the Canadian Government has followed a definite and consistent policy in public statements and in private discussions with the nations concerned. We have advocated that a settlement of the issues relating to the Canal which directly affect so many countries should be achieved under the auspices of the United Nations and that there should be no resort to force. The Canadian Government welcomed the 18-power proposals agreed to at the London Conference in August as a sound basis for negotiating a settlement. We have stated our belief that this settlement should respect the legitimate sovereign rights of Egypt. should also safeguard the right of ships of all nations to pass through the Canal. At the same time it should protect the international waterway from arbitrary and unjustified intervention by any country, including Egypt. We have stated our belief that this settlement should be embodied in cooperative arrangements with which the United Nations should be associated in an appropriate manner.

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Because we believe that a permanent settlement of Israel's relations with its neighbours and of the future of the Suez Canal should be reached by peaceful negotiations under the aegis of the United Nations, the Canadian Government regrets that Israel proceeded last week to use force against Egypt, although we recognize that Israel have been subject to grave threats and provocations during the last few years. Though we recognize the vital importance of the Canal to the economic life and international responsibilities of the United Kingdom and France, we could not but regret also that, at a time when the United Nations Security Council was seized of the natter, the United Kingdom and France felt it necessary to intervene with force on their own responsibility.

Your Government has acted promptly in this crisis, We have taken immediate steps to further the safety of Canadian civilians in the Middle East. We have suspended the shipment of jet interceptor aircraft to Israel. The Canadian Government voted for consideration of the Israeli attack at the Special Session of the United Nations General Assembly on November 1 which was called after Security Council action was made impossible by the negative votes of two of its permanent members.

A United States resolution was introduced which called for an immediate cease-fire, the prompt withdrawal of forces and the end of military shipments to the area. On Friday morning this resolution was carried by 64 votes in favour to 5 against, including the United Kingdom and France. Canada and five other nations abstained in the vote on this resolution.

In explaining the reasons for this abstention, I should like to quote part of what Mr. Pearson said in the General Assembly:

FE BALLING