On October 19, Mr. Pearson made the following statement on the present situation in Egypt and the Suez Canal Zone:

I believe, if hon. members wish to understand the complete significance of what has been transpiring in Egypt, it might be desirable to give very briefly a short historical background. It must be remembered in the first instance that even when the protectorate in Egypt was terminated in 1922 and Egyptian independence was proclaimed, the questions of the Sudan and British defence interests in Egypt remained unsolved issues, and were the subject of differences between the two governments until 1935, when the invasion of Ethiopia brought war to the very borders of Egypt and led directly to the signing of the 1936 Anglo-Egyptian treaty.

This treaty, which was to run until 1956, was designed to put an end to the military occupation of Egypt, and to replace it with a permanent alliance for mutual assistance both in times of peace and war between the United Kingdom and Egypt. That treaty also authorized the maintenance of United Kingdom troops in the Suez canal zone — and I quote these words "until such time as the parties agree that the Egyptian army is in a position to ensure, by its own resources, the liberty and entire security of navigation of the canal". That treaty, the 1936 treaty, also continued the administration of the Sudan under the Anglo-Egyptian Condominium Agreement of 1899.

During the war years — that is the years of World War II — the treaty, through the facilities in Egypt which it placed at the disposal of the allies, played a very important role in the attainment of ultimate victory over the axis powers. As the tide of war receded from Egypt, however, the popular Egyptian demand for the removal of all remaining limitations on independence was revived and led to an inconclusive reference of this matter to the United Nations Security Council by Egypt early in 1947.

With the return to power in Egypt in 1950 of the Wafd government, it became the declared objective of Egypt to achieve the complete evacuation of United Kingdom troops from the canal zone and the unification of the Nile valley, including the Sudan, under the crown of Egypt. Rejecting a revision of the treaty with the United Kingdom, and finally rejecting more recently a place of equality in a system of collective defence for the whole Middle East area, the Egyptian Government has pursued its national aims to the point reached a few days ago, when it abrogated its treaties with the United Kingdom.

It was implicit, in the recent decision taken in Ottawa a few weeks ago to invite Greece and Turkey to accede to the North Atlantic Treaty, that the defence of the Middle East is vital to the successful defence of Europe and the North Atlantic area, as was clearly shown during World War II. It was for the same reason that it was also decided to establish a separate command in the Middle East which, through the peacetime co-operation of the states in the area and those states directly concerned in the defence of that area, could make adequate preparation for its successful defence in time of war.

Those states directly concerned, and which were invited to participate in the Middle East command, included Australia, New Zealand and South Africa. These proposals, which were submitted to the Egyptian Government before the denunciation of the treaty, would have superseded the Treaty and would have terminated the present United Kingdom regime, under which it had responsibility for the security of the Canal Zone. These proposals were rejected by the Egyptian Government, and that rejection was followed very shortly by the action taken last week.

So far as the Canadian Government is concerned, it regrets exceedingly the action taken by the Egyptian Government to repudiate the Anglo-Egyptian treaty of 1936—action all the more regrettable in view of the fact that alternative arrangements were under discussion with the Egyptian Government at the time the repudiation took place.

The Secretary of State of the United States has already characterized this repudiation and, indeed, also that of the agreements of 1899, regarding the Sudan, as without validity. We agree with that view.