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EGYPT GRABS CANAL.

The Suez Canal, never far from the news in its 87 years of history, hits the headlines like a bombshell when without warning Egypt's premier Colonel Nasser announces, that his country is taking it over. The profit is to be used to complete the Aswan Dam - the huge project from which Britain and America recently withdrew their offers of financial aid.

Two years ago, Britain agreed to withdraw her troops; the Canal would become Egypt's property in 1968. Mr. Anthony Head signed for Britain; Nasser for Egypt. Now Nasser tears the agreement up. The Canal, he says, is nationalised forthwith; shareholders will be paid current Stock Exchange prices. The 36 million pounds' annual profit will become Egyptian revenue.

Britain kept her side of the pact; she withdrew the troops which had guarded for so long this most vital of the world's gateways. No sooner had the last British soldier gone, than Nasser triumphantly hoisted the Egyptian flag over the Canal Zone Base. Now he has seized the Canal itself - and Britain suffers most; for she is not only the main shareholder, but also the main user; Egyptian crowds enthusiastically acclaim Nasser - but Egypt's arbitrary action has provoked a major crisis.