

THE GREAT POWERS AND THE ROAD LEADING TO THE SUEZ CRISIS

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The Aswan High Dam, one of several projects which had been put forward as a remedy for Egypt's pressing economic problems, was intended to provide for the needs of the rapidly growing population of the narrow Nile valley, in which there was no new land to be taken into cultivation. By generating electricity, the dam would make possible an industrialization by means of which at least some of the surplus population could get a living. The dam would be costly but the World Bank backed by the US and Britain agreed to finance the project. Then came the abrupt withdrawal of the Western financial assistance by Secretary Dulles. The crisis itself did not suddenly arise when the Egyptian President nationalized the Suez Canal Company on 26 July 1956. It was the product of decades of tension between Britain and Egypt and, in a wider sense, of London's desperate struggle to maintain its Middle Eastern position.

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Suez! To the old imperialist powers of the West, the name was like an incantation. To France, the Suez canal was the greatest single masterpiece of Gallic ingenuity, it was a tangible monument to the image of France which lay deepest in every Frenchman's heart. And Britain? To Englishmen, Suez was the clearinghouse of Empire, the road to India and the fabulous treasures of the East. Across these two countries, painfully readjusting themselves to the values of the twentieth century, slowly coming to terms with a world in which "colony" was a dirty word, historic memories stirred.¹

In July 1955 the new British prime minister Anthony Eden met president Eisenhower, the Soviet leaders Bulganin and Khrushchev and the French prime minister Mollet at Geneva. None of the participants brought any carefully prepared plan to discuss. The consequence was that the conference did nothing except create the short-lived feeling of well-being known as the "Spirit of Gene-

¹ Johnson, Paul: *The Suez War*. London, MacGibbon and Kee 1957, p. 11.

va".² The hopes so engendered were swiftly dashed by events in the Middle East.

Leaders of the Egyptian revolutionary regime interpreted the *Baghdad Pact* as a British attempt to isolate Egypt from other Arab states and in the Middle East generally. Given the Israeli Army raids in Gaza and the Sinai, they also felt weak and exposed to the military incursions of Israel. It was essential for them to seek international political support from the West and failing that, from an emerging group of Asian states. They also considered it most urgent to purchase arms to strengthen the Egyptian Army, which they sought first from the West, but without success.³

Towards the end of April 1955, the Prime Minister of Egypt Jamāl ʿAbdannāṣir (commonly Nasser) left Egypt for his first trip outside the Middle East, and attended the conference of Afro-Asian states at Bandung. Here he found himself seated with Nehru, Chou En-Lai, Sukarno and U Nu. Bandung was a turning point where he learned and realized that the only wise policy for Egypt would be positive neutrality and non-alignment. He also confided his main difficulty in acquiring the modern arms that he needed chiefly in order to please his army supporters, though also of course to fortify his frontier with Israel.⁴ Chou En-Lai proposed buying arms from Eastern block countries.

Jamāl ʿAbdannāṣir continued to prefer Western arms if he could get them. The British and the Americans were handicapped by the problem of keeping a balance on the borders of Israel, and the United States also by a problem of payment: Egypt could not be given arms free under the American *Mutual Security Act*, because the Egyptian government would not accept the stipulation in that act that an American "military assistance advisory group" must be accepted. That is why the Egyptian Premier, faced with a military threat from Israel, turned to the Soviet bloc for assistance and on 27 September 1955 he announced an *Arms Purchase Agreement* with Czechoslovakia.⁵

The whole elaborate structure of Anglo-American defence policy was altered by this event. It nullified the Tripartite Declaration of 1950, a Western arrangement for an alleged arms balance between the Arabs and Israelis; it converted Western aid from a weapon in Western hands into a bargaining counter for Egyptian or Arab use in the profitable process of taking aid from both sides of the iron curtain and, above all, it confirmed all but a few Arabs in the view that Jamāl ʿAbdannāṣir was a new Ṣalāḥaddīn (Saladin). Others had talked; here was the man who acted, and who had given Middle Eastern states dignity and

² Thomas, Hugh: *The Suez Affair*. London, Weidenfeld and Nicolson 1986, p. 22.

³ Vatikiotis, P.J.: *The History of Egypt. From Muhammad Ali to Mubarak*. London, Weidenfeld and Nicolson 1985, p. 387.

⁴ Monroe, Elizabeth: *Britain's Moment in the Middle East, 1914-1956*. Baltimore, The Johns Hopkins Press 1963, p. 185.

⁵ Wheelock, Keith: *Nasser's New Egypt*. New York and London 1960, pp. 228-231.

equality at last.⁶ The rapid growth of "Nasserism" began in 1955 and it imposed popular pressures on Arab governments greater than any they had experienced before and frustrated British and US policy. Turkey and Britain with US encouragement, tried to convince Lebanon and Jordan that they had everything to gain by joining the *Baghdad Pact*, but the great weight of popular opinion was against it.⁷

The Western powers tried to keep tensions low in the Middle East. But now this course was no longer possible. The US remained impartially restrictive in its own arms supplies to Israel and her Arab neighbours but took an increasingly tolerant attitude toward France's secret supplies to Israel. The Franco-Israeli preparations for war were, in fact, the steadiest political development in the confused evolution of the Suez crisis. The Paris-Tel Aviv military axis grew steadily in strength and purposefulness from August 1954 until the collusive attack in the fall of 1956. The French response to the Russian-Egyptian arms deal was simple and direct: ship more and better weapons to Israel. The growing pile of tanks, aeroplanes, and ammunition caused a new conviction in Israel that, if Israel waited until the Arabs were fully armed, doom would inevitably come upon it.⁸

At the same time, Israel completed her seizure of the central military gateway to Sinai at al-^cAwja. And she continued the border attacks against Egypt, Jordan, and Syria, which had the effect of aborting every international peace initiative that might have sowed the momentum of approaching war. Jamāl ^cAbdannāṣir erroneously believed the arms deal would make Israel think twice about further aggressions rather than attempt a preventive war. He told the *London Times's* James Morris after announcing the first deal: "I do not want to spend money on war. I want to build our High Dam at Aswan – our new pyramid. But I want to sleep easily at night." The Egyptian Premier emphasized the purely defensive nature of his arms purchases in a series of interviews with foreign correspondents. He also emphasized that the arms, wherever he got them, were to ensure Egypt's independence by freeing her from reliance on the West for defence against Israel.⁹

Israeli diplomats informed their US counterparts of Israel's fears about the increase in Egyptian power, emphasizing their need for a substantial quantity of Western arms. If Israel failed to acquire arms soon, the diplomats expressed Israel's determination to take independent action to reduce the Egyptian threat. The US government was thus extremely worried about the possibility of military confrontation between Israel and Egypt. A solution to the Arab-Israeli con-

⁶ Monroe, *op. cit.*, p. 186.

⁷ Little, Tom: *Modern Egypt*. London, Ernest Benn Limited 1968, p. 186.

⁸ Wint, Guy and Peter Calvocoressi: *Middle East Crisis*. Penguin Books 1957, p. 61.

⁹ Love, Kenneth: *Suez. The Twice-Fought War*. New York and Toronto, McGraw-Hill 1969, pp. 291-292.

flict was deemed crucial; Eisenhower and Dulles considered it to be the major impediment confronting the West in seeking closer relations with the Arab world. In their eyes, the conflict also made it easier for the Soviets to penetrate the region.¹⁰

These events, as well as spoiling the international climate of Geneva, persuaded some in Israel to contemplate a preventive war against Egypt. David Ben Gurion returned to the cabinet as Minister of Defence. On 23 October 1955, while the Prime Minister Moshe Sharett, was still in Europe, Ben Gurion instructed the Chief of Staff of the Israeli army, Moshe Dayan, among other things ... to be prepared to capture the Straits of Tiran ... in order to ensure freedom of shipping through the Gulf of Aqaba and the Red Sea.¹¹

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Jamāl ʿAbdannāṣir showed that he was willing to try for peace in the Middle East. The first indication was his praise for Sir Anthony Eden's peace proposal on 9 November 1955 in the Prime Minister's annual speech at the London Guildhall. Eden suggested that Israel and the Arabs seek peace in a compromise between the "1947 and other United Nations resolutions" on Palestine, on which the Arabs stood fast, and the 1949 Armistice Agreements, on which Israel stood fast. The Egyptian Premier in an interview praised Eden's constructive attitude, and he publicly stated that Eden's speech offered a very good basis for negotiation. The Cairo press took the same line. In America, the Arab League Secretary-General was emboldened to suggest that the old, long-dormant UN Conciliation Commission should get to work. In an interview with *The Observer* correspondent, Jamāl ʿAbdannāṣir intimated a key Arab demand – for restoration of land communications between Egypt and the Arab east, involving part of the Israeli held Negev.¹²

Israel immediately responded to Eden by rejecting any idea of territorial compromise. Premier Moshe Sharett deplored Eden's speech, saying it encouraged illusions and excited appetites which can never be satisfied. David Ben Gurion off-hand rejected Eden's proposal which, he claimed, would truncate the territory of Israel for the benefit of her neighbours. It was a moment of extraordinary significance, not invalidated by the fact that Israel's instant, world-wide uproar against Eden's proposal rendered it useless. In his memoirs Eden admitted that his speech was "unwise", though he seems not to have realized even

¹⁰ The Delegation at the Foreign Ministers Meetings to the Department of State, Geneva, 26 October 1955. In: FRUS (Foreign Relations of the United States), 1955, Vol. XIV, pp. 657-659.

¹¹ Dayan, Moshe: *Diary of the Sinai Campaign*. London, Weidenfeld and Nicolson 1966, p. 12.

¹² Childers, Erskine B.: *The Road to Suez. A Study of Western-Arab Relations*. London, MacGibbon and Kee 1962, p. 141.

then that what he said was regarded by the Israelis as a threat to their own boundaries.¹³ Jamāl ʿAbdannāṣir thus became the first Arab leader to accept publicly the idea of a compromise retreat from the UN resolutions on the partition of Palestine and the rights of the refugees. Previously the Arabs had insisted adamantly that Israel implement those resolutions as a precondition for any settlement negotiations. The Egyptian Prime Minister then engaged in intensive discussions with the British Ambassador, Sir Humphrey Trevelyan, for whom he had the greatest respect as a man of brilliant intellect, who never talked down to him.¹⁴ He was naturally fully aware that the British Ambassador in Tel Aviv was conducting parallel talks with Israeli leaders.

Both sets of talks aimed at arranging peace negotiations unimpeded by the Arab demand that Israel accept the UN resolutions in advance. At the UN on 25 November 1955 the Egyptian Undersecretary for Foreign Affairs said that Egypt would accept negotiations conducted through an intermediary. But the Israelis, already planning for war, stubbornly rejected any compromise. By the end of November the Egyptians had become exasperated and worried by Israel's refusal to match their own risky flexibility. An official Egyptian spokesman said that Israel was looking toward a preventive war, not to forestall an Arab attack but to forestall a just peace.¹⁵

Plans for the mammoth High Dam south of Aswan constituted one of the essential points in Egyptian policy. Jamāl ʿAbdannāṣir wanted peace in order to build the dam but he did not want to bargain one for the other. In mid-November, shortly before the start of the negotiations in Washington that led to the Western offer, he disclosed to Tom Little, correspondent for *The Economist* (London) as well as head of the Arab News Agency, his suspicion that his need for a loan for the High Dam was being used as a form of pressure for peace with Israel. The US and British governments offered financial assistance and to support Egypt's request for a loan from the World Bank. It was certainly a political move, for in both Britain and the United States the climate of opinion was against helping the Egyptians and the financial position was adverse.¹⁶ Much as he wanted both peace and the dam, he wanted them separately and regarded with repugnance any effort to tie the two together. He seems to have decided to treat them separately when he received the US peace emissary.

On 20 October 1955 the State Department let it be known that the US was ready to help with the High Dam in Egypt as well as with the Johnston Plan for the Jordan River in a Middle Eastern version of the Marshall Plan aimed at blunting the Soviet aid drive. The US overtook the Russians on 21 November when the Egyptian Finance Minister, ʿAbdalmunʿim al-Qaysūnī, sat down with

¹³ Eden, Anthony: Full Circle. London, Cassel 1960, p. 420.

¹⁴ Nutting, Anthony: Nasser. New York, E.P. Dutton and Co., Inc. 1972, p. 118.

¹⁵ Love, op. cit., p. 307.

¹⁶ Little, op. cit., p. 160.

World Bank officials in Washington for talks that were soon joined by US and British diplomats.¹⁷ The outcome was a joint offer on 16 December by the US and Britain of \$ 70 million for the first stage of the dam. Fifty-six million dollars would be a grant from the US and \$ 14 million would come from Britain in the form of a special release of blocked Egyptian sterling which Britain had owed Egypt since World War II.¹⁸ The announcement of the offer said that the two countries would be prepared to consider sympathetically, in the light of then existing circumstances, further support towards financing the later stages to supplement World Bank financing.

The World Bank share was to be a loan of \$ 200 million, contingent on the Anglo-American grant for the first stage and carrying the understanding that the US and Britain would raise their contributions for the later stages to \$ 200 million, bringing the total Western aid to \$ 400 million, half from the World Bank and half from the US and Britain. Egypt's urgent need for the dam and the government's preference for Western help in building it enticed the mind of Herbert Hoover, Jr., US Undersecretary of State, to the tactic of offering help for the dam in return for a peace settlement with Israel. (Britain initiated the attempt to settle the Israeli-Egyptian conflict and it was done jointly with the United States. The secret project, known by the code-name Alpha, was a major endeavour by the two powers that dominated their policies in the Arab-Israeli arena throughout 1955 and early 1956.)¹⁹ Fulfilment of the Western promise, however, was doomed almost from the start by the failure of "Project Alpha". Hoover knew of Dulles's deep personal interest in a Palestine settlement. When Secretary John F. Dulles decided that the US should make a positive reaction to offset the arms deal rather than a negative one, Hoover became the chief proponent of the High Dam in Dulles's inner circle.

Hoover himself joined the negotiations that began on 21 November 1955 between 'Abdalmun'im al-Qaysūnī and Eugene Black. Ambassador Sir Roger Makins represented Britain. There was considerable scepticism in the higher reaches of the Eisenhower Administration about the sincerity of the Soviet offer to build Egypt's High Dam, but the pressing need to halt the drift to war spurred Washington to move more swiftly than usual in putting together a deal to finance the Dam.²⁰ On 8 December Dulles went to see Eisenhower at Camp Dav-

¹⁷ Haykal, Muḥammad Ḥasanayn: *Milaffāt as-Suways*. (The Suez Files). Cairo, Al-Ahrām Centre 1986, p. 387.

¹⁸ Abdel-Malek, Anouar: *Egypt: Military Society. The Army Regime, the Left, and the Social Change under Nasser*. New York, Random House (Vintage Books ed.) 1968, p. 107.

¹⁹ Shamir, Shimon: *The Collapse of Project Alpha*. In: Louis, Wm. Roger and Roger Owen, (ed.): *Suez 1956. The Crisis and its Consequences*. Oxford, The Clarendon Press 1989, p. 81.

²⁰ Neff, Donald: *Warriors at Suez. Eisenhower Takes America into the Middle East*. New York, Shimon and Schuster, The Linden Press 1981, p. 128

id. They spent half an hour walking in the woods while Dulles told Eisenhower of his hope that the US might help Egypt build the High Dam, thereby improving American-Arab relations. It was evidently at this meeting that Dulles disclosed Hoover's hope that aid for the Dam would, in effect buy a Palestine peace treaty. Eisenhower's assent raised the problem of whom to entrust with this extraordinarily bold and delicate mission to Jamāl ʿAbdannāṣir and David Ben Gurion.

Eisenhower selected Robert B. Anderson who held high posts in the government. At the time of his secret Palestine peace mission he was in private business. On 12 December *The New York Times* reported: "The US Government is tying its proposals for a ten-year aid program to build the High Aswan Dam in Egypt to a settlement of the Egyptian-Israeli disputes. The hope here is that the negotiations for economic aid to Egypt can lead to a general settlement of the disturbing Near East situation". This was the only breach in the secrecy surrounding the effort.²¹

The US has consistently worked against Arab unity, whether to prevent a threat to American oil interests or a threat to Israel, and has always encouraged rivals to offset the claim of any leader to speak for all the Arabs, most notably in the case of Jamāl ʿAbdannāṣir, in effect: We will treat you as the leader of the Arabs on this issue and no other but we will strengthen you with aid for the High Dam so that you can safely conclude peace with Israel. The officials in the State Department had long been wary of the dam because it was the kind of long-term financial commitment that Congress has never authorized in advance. They foresaw an annual abrasion of US-Egyptian relations when Congress debated the annual appropriations.²² The Zionist and cotton lobbies, both firmly opposed to the High Dam, would be certain to make the annual appropriations struggle an ordeal humiliating to the State Department as well as to the nationalist sensibilities of the Egyptians.

Some Israeli officials felt threatened by the Soviet-Egyptian arms deal, but others saw it as a golden opportunity that might enable Israel to acquire still more arms from the West and to then attack Egypt. David Ben Gurion, in particular, envisioned a preventive war to isolate Egypt and get rid of Jamāl ʿAbdannāṣir: "We must take the offensive, mislead, confuse, surprise and destroy the enemy."²³ David Ben Gurion, anxious that the morale of his soldiers should not be affected, ordered a massive reprisal on the Syrians who had made minor attacks on Israeli fishing vessels on the Sea of Galilee, without causing casualties. The scale of the reprisal can be assessed by the fact that during Israel's overnight raid into Syria on 11/12 December, 56 soldiers and civilians were

²¹ Love, op. cit., p. 308.

²² Campbell, John C.: *Defense of the Middle East. Problems of American Policy*. New York, Frederick A. Praeger 1960, p. 74.

²³ Ben Gurion, David: *Ben-Gurion Diary*. In: Troen, Selwyn Ilan and Moshe Shemesh (ed.): *The Suez-Sinai Crisis*. New York, Columbia University Press 1990, pp. 296-297.

killed and 30 prisoners were taken.²⁴ By this act the peace hopes appeared to have been swept out of reach. Jamāl ʿAbdannāṣir wrote to UN Secretary-General Dag Hammarskjöld on 15 December that "Egypt has tolerated these continual acts of hostility (since the Gaza raid) in order to affirm clearly to the world its policy of peace" but that henceforth Egypt would have to reply in kind to such attacks on Syria as well as upon Egypt under the terms of the recent Syrian-Egyptian alliance. Osgood Caruthers of *The New York Times* reported that the Egyptian Premier was "virtually forced by political circumstances, both internally and in the rest of the Arab world, to issue the warning that the Egyptian-Syrian pact was not a mere piece of paper". The raid wrecked the promising peace effort then in progress by the British.²⁵ Any hope of reviving it was stifled within the next few days by Britain's attempt to bring Jordan into the *Baghdad Pact* in violation of the agreed moratorium.

Robert Anderson went out to the Middle East full of optimism, but David Ben Gurion said he would negotiate with the Egyptian Premier directly and not through the US or any other intermediary. He also rejected the idea of secret negotiations. Jamāl ʿAbdannāṣir told Anderson that he was willing to work out a framework for peace in the area but that he could not yet speak for the other Arabs. He said that he could not begin by direct talks with David Ben Gurion nor could he negotiate publicly.²⁶ Jamāl ʿAbdannāṣir was willing to seek peace but not even getting the High Dam as a reward would induce the Egyptians or any other Arabs to tolerate public direct talks between him and Ben Gurion. Anderson's mission failed because David Ben Gurion deliberately set impossible conditions. Unknown to Anderson, David Ben Gurion was even then pressing his cabinet to accept Moshe Dayan's first war plan, presented on 5 December, to seize the eastern Sinai.²⁷

Egypt's cooperative willingness to compromise on Palestine certainly gave no grounds for rescinding the US offer of aid for the High Dam. Even if Jamāl ʿAbdannāṣir had accepted Ben Gurion's conditions, Egyptian and Arab reaction would immediately have aborted the peace effort and endangered his life and his regime. Anyway it was Ben Gurion's secret war policy that wrecked Anderson's mission.²⁸ Nevertheless, Anderson's failure doomed Western aid for the High Dam. Major policies and costly projects need active sponsorship within a government if they are ever to emerge as practical realities. It was Hoover's sponsorship that had brought about the Western offer on 16 December 1955 but

²⁴ Sharon, Ariel (with David Chanoff): *Warrior. An Autobiography*. London, Macdonald 1989, pp. 125-126.

²⁵ FO 371/118872 Cairo, Note on Current Egyptian Situation, 9.12.1955.

²⁶ Heikal, Mohammed H.: *Cutting the Lion's Tail. Suez Through Egyptian Eyes*. London, Andre Deutsch 1986, p. 94.

²⁷ Bar-On, Mordechai: David Ben Gurion and the Sèvres Collusion. In: Louis, Wm. Roger and Roger Owen, (ed.): *Suez 1956*, p. 147.

²⁸ Love, op. cit., s. 309.

when it failed to bring about a Palestine peace settlement Hoover decided that the costly, long-term project was no longer worthwhile for the Administration.

There was to be a letter of intent from the World Bank to Egypt coupled with *aides mémoires* from the two governments. These drafts were sent in advance for approval by Cairo. Jamāl ʿAbdannāṣir did not like the proposed letter of intent. It seemed to give the World Bank, with its American president, total control over Egypt's economy on the grounds of ensuring that Egyptian resources were not squandered on other projects.²⁹ Eugene Black left Washington on 24 January 1956 with an enthusiastic personal promise from Dulles of US backing. He paused for two days of talks in London, during which Anthony Eden told him that it was of cardinal importance to forestall the Russians in their bid to secure this project. Eugene Black flew on to Cairo on the 27th. The US and British *aides mémoires* transmitting the 16 December offer required guarantees that Egypt would concentrate her development program on the High Dam and not disperse her resources on other projects and that she impose controls to prevent the immense expenditures on the dam from inflating her currency. The World Bank loan hinged on an additional guarantee that Egypt incur no other foreign loans nor any payments agreements without World Bank assent. This looked to Cairo like a sly maneuver to block any further arms purchases from Russia and these demands were regarded as prejudicial to Egypt's sovereignty and dignity. Jamāl ʿAbdannāṣir refused to admit inspection on Egypt's financial administration by outsiders and he saw the conditions attached to the loan, as slurs on Egyptian sovereignty, but after two weeks of intensive negotiations he was finally prepared to accept inspection on Egypt's finances but he produced for Washington and London a list of amendments.³⁰ On 8 February 1956 an agreement for the World Bank's loan of \$ 200 million was reached and was publicly announced.

Although foreign controls were anathema to Egyptians and consequently full of political risks for the revolutionary regime, the government showed itself willing to impose its own controls by asking all ministers and departments in January to cut expenditures by at least 10 per cent. Egypt also yielded quietly to an Anglo-American requirement that the construction contracts be awarded by competitive bidding in order to minimize costs. The Egyptian-World Bank communiqué on 9 February said that the talks between Nasser and Black had "led to mutual understanding and substantial agreement on the basis of which the bank will, when requested, take part in financing of the High Dam project with an amount equivalent to \$ 200 million."³¹ Ironically, Anderson's failure ended Hoover's vital support for the dam at the very time that Eugene Black, on a mission of his own to Cairo, was achieving "substantial agreement" with Jamāl ʿAbdannāṣir on the World Bank's role.

²⁹ Kyle, Keith: Suez. London, Weidenfeld and Nicolson 1991, p. 123.

³⁰ Nutting, Nasser, p. 134.

³¹ Love, op. cit., p. 312.

The Egyptian Free Officers were keen to build the dam with Western help. They wanted to balance their purchase of Soviet arms with Western financial and technical aid because such a trade-off made for wiser neutralism, and they did not want to place Egypt's economy at the mercy of Moscow.³² But despite his need for US economic support, Jamāl ʿAbdannāṣir rejected the US conditions because they would bind the economy, constrain his freedom of action on the international stage, and enable Washington to dictate terms. Moreover the US linkage between building the dam and making peace with Israel was unacceptable.³³

What Jamāl ʿAbdannāṣir did not know at the time was that, whether or not he accepted the West's conditions, Dulles' enthusiasm for the High Dam had already begun to cool. The virtual abandonment of the High Dam project made it desirable to shift Byroade out of Egypt. Dulles and Hoover told him before he returned to Cairo in February to anticipate a transfer. Some months later, as the Administration adopted a hard anti-Egyptian line, and in some apprehension lest Byroade resign in protest. The transfer was announced on 15 July, four days before the renege on the dam. It was regarded as a mark of Washington's new coolness toward Egypt's leader. Washington began to treat his need for the dam as it had treated his need for arms, leaving his messages unanswered and its own promises unhonoured.

President Eisenhower and Secretary Dulles resented the unwillingness of Jamāl ʿAbdannāṣir to go along with their views on an Arab-Israeli settlement. They identified the problem as his growing sense of power, gained from his association with Moscow and from his belief that he could emerge as the sole leader of the Arab world. Eisenhower blamed the Egyptian leader for the failure of Anderson's mission. To Eisenhower, Jamāl ʿAbdannāṣir was not only becoming more arrogant but was also "disregarding the interests of Western Europe and the United States in the Middle East region".³⁴ In US eyes his refusal to take the lead in bringing about a rapprochement with Israel was the immediate cause of the deterioration of US-Egyptian relations. Once again, the Israeli issue poisoned the relationship between the Western powers and Arab states. Other issues also polluted the atmosphere between Washington and Cairo: foremost among them were refusal of Jamāl ʿAbdannāṣir to stop buying additional arms from the eastern bloc, his constant attacks on the *Baghdad Pact*, and his inflexible position on the proposed High Dam agreement.³⁵

Before the end of February, after talks with the US and British ambassadors, the Egyptian Premier sent inquiries to Washington and London about the conditions attached to their offers together with suggestions for altering the *aides mé-*

³² Al-Baġdādī ʿAbdallaṭīf: Muḍakkirāt ʿAbdallaṭīf Al-Baġdādī. (Memoirs of A. B.) Vol I, Cairo 1977, p. 204.

³³ Heikal, Nasser, p. 65.

³⁴ FRUS, 1956, Vol XV, pp. 329, 342, 425.

³⁵ FRUS, 1956, Vol XV, pp. 431, 453.

moires so that they would be free of any passage indicating that they would dominate Egypt's policy, sovereignty or economy. He never got an answer. Britain's silence is explained by Eden's personal declaration of war on Jamāl ʿAbdannāṣir in reaction to King Ḥusayn's expulsion of Glubb Pasha from Jordan. On 12 March Eden had shouted at Nutting over the telephone: "I want him destroyed, can't you understand?"³⁶ In such a mood he was hardly likely to answer letters from Egypt. Guy Mollet, sinking ever deeper into the Algerian bloodbath, also wanted Jamāl ʿAbdannāṣir destroyed and was working with David Ben Gurion to accomplish it.

In March 1956 the Eisenhower administration began to consider options to punish Egypt, reduce its influence, and isolate it in the region. Economically, the administration decided to postpone the conclusion of negotiations on the High Dam and slow down the volume of US aid to Egypt. Politically, a program of broad scope was developed to strengthen the Western position in the moderate Arab states. The essence of US Arab policy, said Eisenhower, was to encourage Saudi Arabia to assume greater leadership in the Arab world. To the US president, effecting a split between Egypt and Saudi Arabia was essential to weakening the regional coalition of Jamāl ʿAbdannāṣir.³⁷

By the end of March Eisenhower approved the above lines of action against Egypt. The objective of this new US policy was to impress on the Egyptian Premier the need to sever Egypt's links with the Soviet bloc and to collaborate with Washington. According to Dulles, Jamāl ʿAbdannāṣir must realize that he could not cooperate with the Soviets and at the same time enjoy most-favoured-nation treatment from Washington. The United States, working closely with Britain, was determined to force him to mend his ways.³⁸ The lines were drawn for a confrontation between Egypt and the Western powers.

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The postwar emergence of the US and Russia as the deciding powers of the world had ended Britain's unchallenged preeminence in the Arab world concurrently with two other developments there: the spread of modern communications, which gave new scope and coordination to nationalist movements; and the establishment of Israel, which fulfilled the worst Arab fears about British mastery in their lands. Britain went over to Egypt's enemies at the beginning of March 1956. Within two months Whitehall was making important arms shipments to Israel while lobbying against the Egyptian Premier in Washington. But Britain's residual colonialist motivations, although cloaked as anti-Communism,

³⁶ Nutting, Anthony: *No End of a Lesson. The Story of Suez*. London, Constable 1967, p. 34.

³⁷ FRUS, 1956, Vol XV, pp. 325-343.

³⁸ Burns, William: *Economic Aid and American Policy Toward Egypt, 1955-1981*. New York, State University of New York Press 1985, pp. 72-76.

carried little weight among the anti-imperialist Americans, whose Secretary of State regarded his own articulate anticolonialism as good national policy.³⁹ Anticolonialism was a factor in the uneven development of his tolerance for neutralism.

John F. Dulles told a news conference on 3 April 1956, after a month of British warnings that Jamāl ʿAbdannāṣir had become an enemy of the West, that he was “actuated primarily by a desire to maintain the genuine independence of the area”. Dulles said that Egypt had taken no irrevocable decision “to repudiate ties with the West or to accept anything like vassalage to the Soviet Union”. He also told Selwyn Lloyd that unless Jamāl ʿAbdannāṣir did something definite soon, they would have to “ditch” him. By something definite, he meant an immediate cessation of propaganda against the *Baghdad Pact* and the West, acceptance of the Johnston Plan, and definite steps toward a settlement of the Arab-Israeli dispute.⁴⁰

The British, like the the French and the Israelis, knew that anti-Communism was the vulnerable area in the Eisenhower Administration’s thinking. Despite Jamāl ʿAbdannāṣir’s own militant anti-Communism within Egypt, they kept harping on his diplomatic and economic shift toward the Communist bloc. They ignored the fact that the West’s restrictive arms policies and France’s evasions in favour of Israel had made Egypt turn with reluctance to Russia for arms as a matter of practical necessity. They ignored the fact that American cotton dumping crowded Egyptian cotton out of Western markets so that the government had to barter it eastward to prevent its pilling up and rotting on Egyptian docks. They characterized these moves, together with Egypt’s anticolonialism, as a kind of neurotic xenophobia against the West which had pro-Communism as an inevitable concomitant. A press war between Britain and Egypt was going full tilt, and Egypt’s ambitions in Africa and the Arab world were portrayed as opposed to Britain’s real interests.⁴¹

It would be no exaggeration to argue that the immediate origins of the Suez crisis lay in Egypt’s arms purchases and the subsequent hostile shift of policy adopted by the US and British governments. Having failed to co-opt Jamāl ʿAbdannāṣir, the two powers decided to tame him and bring him to heel. Dulles sent Cairo a strong warning by dragging his feet on the High Dam finance negotiations and by supporting Egypt’s regional opponents. The message was that further US punitive action would be forthcoming unless Jamāl ʿAbdannāṣir retarded and made an accommodation with Washington.⁴²

³⁹ Love, op. cit., p. 293.

⁴⁰ Lucas, W. Scott: *Divided we Stand. Britain, the US and the Suez Crisis*. London, Hodder and Stoughton 1996, p. 106.

⁴¹ Kyle, op. cit., p. 125.

⁴² The Embassy in Egypt to the Department of State, 19 April 1956. In: FRUS, 1956, Vol XV, p. 557.

The US behaviour was a classic example of a superpower trying to impose its will on a smaller nation. The president and his secretary of state subscribed to a realist model of world politics where great powers still reigned supreme. To them, small states were pieces on the chessboard of the international system or, at most, just pawns in the East-West struggle. By refusing to accept US demands, the arrogant Jamāl ʿAbdannāṣir was out of the line and needed to be put in his place. This US attitude, a product of earlier times, failed to take into account rising forces of local nationalism and changing international circumstances.⁴³

US Ambassador Byroade wrote to the State Department warning against shifting all responsibility to Jamāl ʿAbdannāṣir. To Henry Byroade, he was the product of an area and era, and he had become as much a symbol of nationalist forces as he was a leader of those forces. It would be a mistake, argued the experienced US diplomat, to focus on one personality and ignore underlying trends and influences, such as nationalism, nonalignment, and independence. Henry Byroade also warned his superiors against accepting, at face value, intelligence reports on Jamāl ʿAbdannāṣir. The clash between Western and Arab interests, added Byroade, could be simply explained by reference to local dynamics, opposition to colonialism, Western defence pacts, Israel, and adverse trade patterns. US response to these dynamics would determine the future US role in the region. The ambassador noted that the US should realize that difficulties in the region were not “primarily due to an ideological clash between our brand of democracy and Communism”.⁴⁴

In accompaniment to de-Stalinization within the Soviet orbit, Nikita Khrushchev officially proclaimed “peaceful coexistence” as the central principle of Russia’s relations with the non-Communist world. Other new principles of Russian foreign policy were the cultivation of links with “uncommitted” countries and recognition of the legitimacy of different forms of transition to socialism in different countries. Under the new doctrinal aegis of “peaceful coexistence”, the Russians pursued a policy of relaxing the tensions between East and West. In 1956 the Russians seem to have tried to make coexistence more peaceful than before.⁴⁵ In the Middle East itself, although they were arming Egypt, they went so far toward seeking peace that the Arabs became uneasy.

On 18 April 1956 the Soviet leaders Nikita Khrushchev and Nikolai Bulganin arrived in England for a visit. There were hostile demonstrations in London, but the talks that Khrushchev and Bulganin had with Eden and members of the governing Conservative Party were amiable. Middle Eastern topics struck the few grating notes in the Anglo-Russian talks. Eden and the Russians restated their disagreement over the *Baghdad Pact*. Khrushchev’s annoyance did not prevent him making a peaceable proposal to curb the Arab-Israeli arms race. At

⁴³ FRUS, 1956, Vol XV, pp. 557-558.

⁴⁴ Ibid, pp. 558-559.

⁴⁵ Love, op. cit., p. 258.

a press conference before leaving London on 27 April Khrushchev had spoken about shipping arms to Egypt. Then he admitted that if it were possible to agree in the United Nations or otherwise that these should not take place they would only welcome that and would be prepared to take part in such an undertaking, which would help bring about peaceful conditions in the troubled areas of the world.⁴⁶

It was this statement, prominently featured in the Cairo press, that persuaded Jamāl ʿAbdannāṣir to recognize the People's Republic of China. His reasoning was candidly summarized in the Egyptian newspapers on 17 May in the comments published with the news of the recognition. The papers noted that twenty-three governments, including Britain and Israel, had already recognized Red China. *Al-Akhbar* wrote: "We did not recognize the People's Republic of China and did not vote for her admission to the United Nations and we received nothing in return for this courtesy to the West except conspiracies against the Middle East, meetings held without our presence at which decisions were issued without our knowledge about the future of our part of the world, attempts convince Russia not to supply us with weapons, and maneuvers to have the UN ban the export of arms to us ... If the UN bans the shipment of arms to us, it will not apply to China unless the UN first recognizes the People's Republic of China."⁴⁷ Khrushchev could not have foreseen the full chain of reactions to his proposal for a UN arms embargo, which led through Egypt's recognition of Red China to Dulles's reneging on Aswan and Egypt's President riposte by nationalizing the Suez Canal Company. Years later Jamāl ʿAbdannāṣir told that he had feared that Israel would succeed in getting arms despite a UN embargo, as she had done in 1948.

There had been rumours throughout the early summer of 1956, mostly from Egyptian sources, that if America did not finance the dam, Russia would be only too glad to oblige. These rumours might have had a certain value in bringing pressure to bear on the United States and the World Bank, but the Soviet government was not very enthusiastic about the High Dam scheme. When Foreign Minister Dimitri Shepilov visited Egypt in June 1956, he was reported to have told Jamāl ʿAbdannāṣir that, though the Soviet Union would make a great contribution towards Egypt's industrial development, it could not commit itself with regard to the Aswan Dam.⁴⁸

The recognition of Red China on 16 May 1956 was what finally set Dulles against Egypt, thus completing the alienation of the Western powers and setting the stage for serious war thinking by the Franco-Israeli axis and, separately,

⁴⁶ Sālim, Laṭīfa Muḥammad: *Azmat as-Suways 1954-1957. (The Suez Crisis)* Cairo, Madbouli 1996, p. 87.

⁴⁷ *Al-Akhbar* (Cairo daily), 17 May 1956.

⁴⁸ Laqueur, Walter Z.: *The Soviet Union and the Middle East*. London, Routledge and Kegan Paul 1959, p. 232.

Eden. The Western leaders ignored Egypt's explanation that the recognition of Red China was part and parcel of her policy of ensuring an independent arms supply. In vain, Egyptian diplomats and the Egyptian press repeatedly emphasized that the move was prompted by Khrushchev's proposal in England on 27 April for a UN arms embargo on the Middle East, which would close off the supplies that Nasser regarded as essential to Egypt's safety.⁴⁹ Egyptian Ambassador to the US Aḥmad Ḥusayn, leaving Washington on 18 May for nearly two months of consultations at home, said that the recognition of China had no implications beyond Egypt's desire to maintain an independent policy. He noted that Britain and Israel were among the countries that had recognized Red China years previously. Secretary Dulles summoned the Egyptian Ambassador to his office and informed him that that the situation in the Congress was boiling over the combination of arms for Saudi Arabia, no arms for Israel and Egyptian recognition of Communist China.⁵⁰

But the State Department admitted the following day that US-Egyptian relations were under review. Dulles's first public comment, at a news conference on 22 May, was: "It was an action we regret." He added ominously that the US was not likely to find it "practical or desirable" to help Egypt build the High Dam if Russia had a share in the project. Eisenhower said bluntly that Egypt's recognition of Communist China had been a mistake. He added the thinly veiled warning that a single such act did not necessarily destroy US friendship. The clear implication was that it might.⁵¹

Recognition of Communist China, or rather Washington's reaction to it, gave the death blow to Western cooperation with Egypt in building the High Dam, one of the greatest irrigation and power projects in history, which meant the difference for Egypt between catching up with the modern world or starving within a generation. Egypt's arms purchases took priority over development during the hazards of the Cold War. In a letter to Eisenhower, Dulles stated that Jamāl ʿAbdannāṣir was bluffing by pretending to have received a Soviet offer. His conclusion was that the US administration should call this bluff by withdrawing its own offer.⁵² Jamāl ʿAbdannāṣir's action inadvertently misled John F. Dulles, as Anthony Eden and Nūrī as-Saʿīd and Guy Mollet and David Ben Gurion had tried vainly to do, into thinking that he was a willing tool of International Communism.

There were other factors in turning Dulles and Eisenhower against the High Dam, but it was the recognition of Red China that set them on the new tack in their thinking about Egypt. Dulles regarded the action as interference in world

⁴⁹ Haykal, *Milaffāt as-Suways*, p. 443.

⁵⁰ Neff, *op. cit.*, p. 254.

⁵¹ Love, *op. cit.*, p. 294.

⁵² Eisenhower, Dwight D.: *Waging Peace. The White House Years, 1956-1961*. New York, Doubleday 1963, p. 33, 39.

politics and he decided to retaliate by withdrawing the US offer to finance the High Dam. He was fully aware of the importance of the dam to Jamāl ʿAbdunnāṣir since the latter had made it a high-priority political issue. The US move was a calculated response to expose the weakness of the Egyptian regime. According to Eugene Black, Dulles believed that if the Egyptian leader could not construct the dam it would mean “the end of Nasser”.⁵³ Dulles’s ultimate reaction two months later in rudely cancelling Western cooperation on the High Dam was what provoked Jamāl ʿAbdunnāṣir to nationalize the Suez Canal Company, which in turn offered a pretext to those seeking to destroy him by war.⁵⁴

By recognizing China Jamāl ʿAbdunnāṣir not only asserted his independence, he also demonstrated his ability to circumvent attempts by major powers to isolate him. His achievement was based largely on his ability to exploit the polarized international system. Even at this early stage of superpower preponderance, their ability to control the actions of local actors was very limited. Small states undertook critical decisions whenever they perceived a serious threat to their national interests. In this case, the prestige and power of Jamāl ʿAbdunnāṣir would have suffered as a result of a UN arms embargo. It is no wonder that he preferred to take a large gamble and recognize China, thus risking a confrontation with the United States.⁵⁵

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Egypt’s ambassador, Aḥmad Ḥusayn, had hurried home on 21 May to tell Nasser of the hostility he had provoked by recognizing Red China and to urge him to accept the US and British *aides mémoires* without further ado. He reported to Jamāl ʿAbdunnāṣir on 23 May and conferred with him again on 8 July before returning to Washington. He described the climate of opinion in Washington, as he saw it, saying that he considered the position extremely dangerous and that something ought to be done at least to rescue the High Dam. The President retorted that there is no High Dam because the item in the American budget providing for the High Dam has been dropped at the end of the fiscal year, and was not going to be renewed. Aḥmad Ḥusayn insisted that the situation could still be saved if the few outstanding points were settled. Jamāl ʿAbdunnāṣir said: “I can prove that you are wrong. Go and see Dulles and tell him that I have accepted all the outstanding conditions relating to finance for the High Dam.”⁵⁶ Ambassador Aḥmad Ḥusayn arrived back in Washington on 17 July. He made his fateful call on Dulles at the Secretary of State’s office on 19 July.

⁵³ Sayed-Ahmed, Muhammad Abd el-Wahab: Nasser and American Foreign Policy, 1952-1956. London, Laam 1989, p. 120.

⁵⁴ Protopopov, A.S.: Sovetskiy soyuz i suetskiy krizis 1956 goda. (The Soviet Union and the Suez Crisis of 1956) Moscow, Nauka 1969, p. 84.

⁵⁵ Gerges, Fawaz A.: The Superpowers and the Middle East. Regional and International Politics, 1955-1967. Boulder, Westview Press 1994, p. 54.

⁵⁶ Heikal, Cutting the Lion’s Tail, p. 110.

In the office with Secretary Dulles were Hoover and Allen but only Aḥmad Ḥusayn and Dulles spoke substantially. Aḥmad Ḥusayn began by saying he was greatly concerned by the Russian offers and the expectations they raised. He eulogized the High Dam and said how much he wanted to do it. Dulles did not read the statement which was released to the press immediately afterward but paraphrased it. Frankly he said, that the economic situation made it not feasible for the US to take part, that was why the offer had been withdrawn. Dulles was under no illusions about the impact of reneging on Jamāl ʿAbdannāṣir. State Department officials told newsmen that Dulles had acted in full anticipation of angry reactions against the US and Britain in Egypt and throughout the Arab world.⁵⁷

The abrupt manner with which Dulles revoked the American offer did, however, reflect the new American approach towards Egypt. It marked the use of the big-stick tactic, designed to punish Jamāl ʿAbdannāṣir for his refusal to co-operate with the West. In the words of Eugene Black: "Mr Dulles felt if he turned down the Aswan Dam project the USSR would not carry it through and if the Russians did not carry it through that Nasser would be in a tough spot." One of the reasons for American miscalculations was the failure to appreciate that the Egyptians saw the Soviet Union as coming to them with clean hands, free of the taint of any imperialist past.⁵⁸

The official explanation given in the State Department press release announcing the rejection on 19 July was that because of "developments" in the intervening seven months "the ability of Egypt to devote adequate resources to assure the project's success has become more uncertain than at the time the offer was made". Senator Fulbright said thirteen months later that, contrary to the statement of the Department of State, his subcommittee had found no substantial evidence of a radical worsening in Egypt's economic condition at the time of the withdrawal of the offer. In his opinion the reasons given to the public were not valid reasons. Black says tartly that this excuse for the rejection is not good enough because it was the World Bank's responsibility to answer for the soundness of both the project and the Egyptian economy and it was satisfied on both counts.⁵⁹

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Jamāl ʿAbdannāṣir, who was elected President of Egypt on 23 June, was outraged: "This is not a withdrawal," he told Maḥmūd Fawzī and Muḥammad Haykal; "it is an attack on the regime and an invitation to the people of Egypt to bring it down."⁶⁰ The Free Officers believed that the aim of US action was not

⁵⁷ Love, *op. cit.*, p. 315.

⁵⁸ Heikal, Mohamed: *Sphinx and Commissar. The Rise and Fall of Soviet Influence in the Arab World*. London, Collins 1978, p. 64.

⁵⁹ Love, *op. cit.*, p. 316.

⁶⁰ Heikal, Mohamed Hassanein: *The Cairo Documents*. New York, Doubleday and Co., Inc. 1973, p.68.

only to topple the President but to destroy their revolution as well. They felt they had to act quickly so as to maintain their credibility and the momentum of Egypt's ascendancy in the Arab world. Jamāl ʿAbdannāṣir retaliated by nationalizing the Suez Canal Company on 26 July 1956.⁶¹

President's decision to nationalize the Suez Canal Company was consistent with the essence of his strategy of asserting Egypt's political independence vis-à-vis the major powers. He also hoped to convince his Arab constituency that the colonial era, with its practice of ultimatums and gunboat diplomacy, had passed forever. "Our reply today," he declared, "is that we will not allow the domination of force and the dollar."⁶²

In his nationalization speech he attacked Western imperialistic efforts to thwart Egyptian independence and reiterated his determination to pursue a policy of complete independence externally. He condemned the US refusal to assist in financing the Aswan Dam and disputed the State Department's assertion that Egypt's economy was unsound. To him, US and British claims amounted to no more than a conspiracy to discredit Egypt and punish it for refusing to join Western defence pacts. He maintained that revenues gained from the nationalization of the Suez Canal Company would enable Egypt to build the dam without the need for US aid.

The international quarrel which now began and preoccupied much of the world for three months was nominally about the Canal, but the Egyptian President cared more about the High Dam than the Canal.⁶³ Egypt, though large, is mostly desert. Only the delta and the plain of the Nile are suitable for agriculture. The Aswan Dam, the latest of many schemes through the ages for improving Egyptian agriculture, had become the main aspiration of the new Egyptian regime, an achievement "seventeen times greater than the Great Pyramid". The Dam was a symbol for the practical regeneration, even preservation, of the country. President Jamāl ʿAbdannāṣir was resolved to build the Dam wherever the money for it came from. But with the nationalization of the Canal the accumulating crisis in the Middle East broke out.

Even the enemies of Jamāl ʿAbdannāṣir could not help being thrilled by this daring and defiant gesture towards the old colonial powers. If the Arabs were delighted by this action they knew that it was dangerous. Both the British and French governments soon showed their determination to use force to prevent Egypt from gaining permanent control of the Canal. The fact that the act of nationalization was legal under international law because Egypt offered full compensation to the shareholders was implicitly acknowledged by Premier Anthony Eden when he dismissed the question of legality as "quibbles".

⁶¹ Majmūʿat khutab wa tasrīhāt wa bayānāt ar-raʾīs Jamāl ʿAbdannāṣir 1952-1958. (The Collected Speeches, Declarations, and Statements of President). Vol I, Cairo, Hayʾat al-istiʿlāmāt n.d., p. 638.

⁶² Majmūʿat khutab ... Vol I, p. 547.

⁶³ Thomas, op. cit., p. 36.