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FROM CAIRO TO FOREIGN OFFICE

En clair

FOREIGN OFFICE AND WHITEHALL

DISTRIBUTION

Sir H. Trevelyan

No. 1302

July 28, 1956

D: 4.22 p.m. July 28, 1956

R: 6.10 p.m. July 28, 1956

4211/37

IMMEDIATE

Addressed to Foreign Office telegram No. 1302 of July 28.

Repeated for information to Washington Paris P.O.M.E.F.

My telegram No. 1301: Suez Canal.

Nasser returned to Cairo this morning. His train stopped at all stations en route, where he is reported to have addressed tumultuous crowds. Large popular demonstrations greeted him on arrival in Cairo and crowds greatly delayed his drive to the Presidency. Following are salient points of twenty minute speech delivered on arrival at Presidency, broadcast over ESB.

1. Egypt would not allow any State or gang to infringe its sovereignty.
2. He had seen the Egyptian people on his journey back from Alexandria and the Egyptian people had proclaimed mobilization, of their own volition they had declared themselves under arms.
3. The whole people was ready to protect its independence to the last drop of its blood.
4. Britain had no right to interfere. Nationalization was an internal affair. Egypt would compensate the share-holders in spite of past injustices, and would forget the past.
5. The Canal Company was to be taken over in twelve years. What was the difference between taking it over now and twelve years hence.
6. He had refused to accept any intervention in Egypt's affairs and rejected the British protest Note.
7. He would leave it to the Algerians to answer France.
8. Egypt was prepared for all eventualities and possessed all the means, and "they" knew it.

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Cairo telegram No. 1302 to Foreign Office

- 2 -

9. Nasser would hold Britain and France responsible for any interruption of navigation in the Canal.
10. Egypt would safeguard its independence and meet hostility with hostility.

Full text follows by bag.

Foreign Office please pass to Washington as my telegram No. 158.

[Repeated to Washington].

ADVANCE COPIES

Private Secretary

Sir H. Caccia

Sir G. Harrison

Mr. Ross

Head of African Department

Resident Clerk

4444

FROM CAIRO TO FOREIGN OFFICE

En clair

JE 14211 / 39 FOREIGN OFFICE AND WHITEHALL
DISTRIBUTION

Sir H. Trevelyan
No. 1305
July 28, 1956

D: 9.10 p.m. July 28, 1956
R: 10.30 p.m. July 28, 1956

IMMEDIATE

Addressed to Foreign Office telegram No. 1305 of July 28.
Repeated for information to Washington Paris
P.O.M.E.F.

My telegram No. 1302: Nasser's Cairo speech.

Following are extracts. Full text by bag tonight.

(a) Egypt today knows the meaning of independence of sovereignty Egypt is exercising her sovereignty in full, and will not allow any State or any gang (applause)..... to diminish her sovereignty.

(b) there is a big difference, country-men, between today and yesterday I have seen the people of Egypt today while coming from Alexandria. I have seen the people who themselves declared mobilization. I have seen the people of Egypt who declared that they are under arms (applause). Neither the Government nor Abdel Nasser declared mobilization nor asked that we all be under arms. But the prudent people of Egypt, the understanding people of Egypt, the people of Egypt who experienced imperialism, and knew the ways and tricks of imperialism and the ambitions of imperialism, prepared itself and declared mobilization. I have today seen the whole of Egypt one consolidated self-supporting bloc calling for the protection of this independence and calling for the practising of sovereignty. I have seen the whole of Egypt today going under arms because she knows the imperialists and knows their tricks (applause).

(c) Countrymen, today we are stronger than the imperialists imagine. The people of Egypt today are one hand, one heart, one hope and one aim. The people of Egypt today know the meaning of liberty of independence and of sovereignty. The people of Egypt today will safeguard this independence (and) their sovereignty and with the last drop of their blood. The clamour which we were expecting

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Cairo telegram No. 1305 to Foreign Office

- 2 -

has started in London and in Paris. Clamour without any support and without any right. It is only supported by imperialist tactics by the habit of sucking blood the habit of usurping rights by intervention in other countries' affairs. A clamour began in London, without any support and England yesterday presented a protest to Egypt. I do not know on what basis or why Britain presented this protest to Egypt.

(d) The Suez Canal is an Egyptian company, subject to Egyptian sovereignty (applause). by what right does Britain interfere in our internal affairs? when we nationalise the Suez Canal we carry out an action which is fully within our sovereignty. Suez Canal Company is an Egyptian joint stock company which the Egyptian Government in 1856 appointed as its agent to carry out this work. Today we have withdrawn this agency which we shall carry out ourselves, and we compensate the shareholders of the Suez Canal in spite of the fact that they have forcibly usurped us. England has usurped 44 per cent of the shares free. We shall give her the price of the 44 per cent today. We shall not treat her in the same way. We are not seizing the 44 per cent as she seized it from us. We do not say to them we shall usurp your rights, as they usurped our rights, but we say we shall compensate you and forget the past.

(e) the Suez Canal was supposed to return to us after twelve years. What happened today has exposed England because if the canal was to return to us after twelve years what is wrong about its return to us today. Why has it turned the world upside down. Or should we understand from this that they had not the slightest intention of fulfilling this pledge after twelve years?

(f) we countrymen, know these methods, methods of usurpation - Egypt has rejected England's protest. Britain is not to interfere in our affairs. She nationalized iron steel, transport and maritime transport. Nobody asked her why she was nationalizing them. She is free regarding her joint-stock companies and we are free regarding our joint-stock Egyptian companies, to nationalize what we want, to nationalize

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Cairo telegram No. 1305 to Foreign Office

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and leave alone what we want to leave alone. England has nothing to do with us and England is causing a clamour. Does she believe that we are part of the British Crown or that we belong to British imperialists? Egypt today is a free and independent State. She will guard her independence and will guard her freedom (applause).

(g) I shall leave France her insults and impertinence which took place yesterday - France's Minister of Foreign Affairs yesterday was impertinent to the Egyptian Ambassador in Paris - I shall leave all these words to the strugglers of Algeria to give them a lesson in matters (applause). By this countrymen, I wish to tell you that we are preparing ourselves for all eventualities and will meet aggression with aggression (applause), harm with harm, and shall most certainly not neglect our rights at all (applause).

(h) Navigation in the Suez Canal has been regular for forty eight hours, since the time of nationalization until now. We shall not interfere in navigation and shall facilitate navigation matters, but I strongly warn the imperialist States and I tell them that their tricks, provocation and interference is what will cause the interruption of navigation (applause). I hold Britain and France fully responsible with respect to the interruption of navigation in the Suez Canal. We had, before this, been guarding the freedom of navigation. In whose protection is the canal? The canal is in the protection of Egypt. By this, Egypt is ensuring the interests of all the maritime States in the world and is facilitating the traffic routes for them. But I declare to the whole world that Britain and France are today trying to turn the problem of nationalization, this internal problem, in to a political problem, in to a problem of navigation in the canal, and in to a problem of interrupting navigation in the canal.

Foreign Office please pass priority to Washington as my telegram No. 160.

[Repeated to Washington].

ADVANCE COPIES

Sir H. Caccia
Sir G. Harrison
Private Secretary
Mr. Ross
Head of African Department
Resident Clerk

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FROM CAIRO TO FOREIGN OFFICE

Cypher/OTP

FOREIGN OFFICE AND WHITEHALL

EE 14211/40

DISTRIBUTION

Sir H. Trevelyan
No. 1306
July 28, 1956

D: 10.50 p.m. July 28, 1956
R: 1.00 a.m. July 29, 1956

PRIORITY

CONFIDENTIAL

Addressed to Foreign Office telegram No. 1306 of July 28.
Repeated for information to P.O.M.E.F. Paris
and Saving to Washington

Canal Zone Sitrep.

All quiet. No (repeat no) confirmation of Press reports that Egyptians are insisting on canal dues being paid locally.

2. Consul Ismailia reports that Egyptian managing director of nationalized company addressed meeting this morning attended by 30 pilots. He urged cooperation in maintaining efficiency of canal and explicitly promised that pay and conditions, including right to remit money abroad and right to take leave abroad, would remain as before. He made a good impression on the three senior British pilots present. Consul considers that for present pilots will continue to work under Egyptian management.

3. At same meeting pilots complained about following notice posted in Suez Canal Company office, Ismailia: "All pilots on duty or called on will carry out their normal duties as usual. Anyone abstaining will be liable to Court Martial". The complaints were received in a very conciliatory manner but Consul does not consider that threat on these lines is a bluff. Legal position appears to be covered by a Ministry of War order dated April 1 which was not rescinded when Martial Law was abolished on June 19. Law declared Eastern Command area to be a military zone and inter alia provides for military trial of civilians. Text follows by bag.

Foreign Office please pass to Paris and Saving to Washington as my telegrams Nos. 71 and 28A.

[Repeated to Paris and Saving to Washington].

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FROM CAIRO TO FOREIGN OFFICE

En Clair

FOREIGN OFFICE AND
WHITTHALL DISTRIBUTION

14211/42

Sir H. Trevelyan.

No. 1309

D. 8.15 p.m. July 29, 1956.

July 29, 1956.

R. 12.15 a.m. July 30, 1956.

Addressed to Foreign Office telegram No. 1309 of July 29.

Repeated for information to Washington P.O.M.E.F.

Paris

By telegram No. 1299: Suez Canal.

Press today gives very full coverage to Nasser's speech, his triumphal journey from Alexandria to Cairo, the Treasury announcement, the attitude of America and Commonwealth countries, the Arab and world support for nationalization of the Canal.

2. Nasser made four short speeches on journey from Alexandria which add little to his Cairo speech. At Benha he referred to the struggling Egyptian people who had declared their mobilization in order to repel conspirators and face the imperialists and said "This spirit will enable us to win. We will not give the imperialists and exploiters a chance. We march forward to our freedom".

3. Treasury announcement is fully reported including explanation by Treasury spokesman that the general agreements on the release of Egypt's frozen balances will not be affected by Britain's measures. Al Ahram does not expect special authorization for purchases to be given in view of the tension between both countries. Akhbar quotes a responsible source as saying that the blocking of Egypt's balances is invalid and will not benefit British interests in Egypt.

4. State Department circles are quoted to the effect that any joint Western plan will aim at demanding guarantees on navigation. "Other United States circles" are reported as saying that America does not object to nationalization in principle, but only wants to ensure freedom of navigation. Other United States experts believed that reference to the Security Council or the International Court would not have sure results.

Al Akhbar refers to doubt of "responsible American circles" regarding the West's ability to ease Nasser's grip on the Canal and to Paris reports that France and Britain had asked the United States to join them in military measures, but that the United States had described such interference as impossible without a United Nations decision.

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Cairo telegram No. 1309 to Foreign Office

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5. Al Akhbar states that the Commonwealth is divided into three groups over nationalization of the Canal. India and Ceylon support it on condition that freedom of navigation is maintained, Australia and New Zealand demand severe measures against Egypt, while the rest of the Commonwealth are passive.
6. Considerable prominence continues to be given to messages of support from the other Arab countries. Today's batch contains messages from Syrian House of Representatives, Jordanian Prime Minister and Foreign Minister, King Saud, President Kuwathy, Prince Ba'ar, Lebanese parties and nationalist organizations, Sudanese student and popular organizations, Khalid Bikhdash and Prince Ab'el Kerim who expect Nasser's next step to be an economic, political and cultural boycott of France.
7. Al Ahram reports from London that Her Majesty's Government are studying possibility of directing tankers round the Cape and extending its pipelines. Al Akhbar reports that British Prime Minister is afraid that other Middle Eastern countries may follow suit and nationalize British concerns. Also that Her Majesty's Government are trying to prevent two destroyers bought by Egypt from leaving and carries an A.P. report that Britain will put off arms shipments to Egypt.
8. Press also reports that Canal Company's funds including £E 9 million in hard currencies had been deposited with Egyptian National Bank in name of "Suez Canal Management Board", that leading Egyptian financiers had asked their agents abroad to buy all Canal Company shares offered for sale, that Mahmoud Younes had cabled company officials in London and Paris instructing them to return to Egypt and that official Cairo circles had asserted that Egypt did not want to restrict the freedom of shipping, respect for which was in Egypt's own interests.
9. My immediately following telegram contains editorial comment.
Foreign Office pass to Washington as my telegram No. 161.
[Repeated to Washington.]

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FROM CAIRO TO FOREIGN OFFICE

J

En Clair

JE 14211/43

FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION

Sir H. Trevelyan

No. 1310

July 29, 1956

D. 8.59 p.m. July 29, 1956

R.12.25 a.m. July 30, 1956

Addressed to Foreign Office telegram No. 1310 of July 29
Repeated for information to Washington P.O.M.E.F.
Paris

My immediately preceding telegram.

Ahram commented in Off-Beam article that "freezing of sterling balances" was breach of agreement with Egypt which had no logical connexion with nationalization measure. Author recalled statement by Keynes at Bretton Woods that at end of war Britain would deal with question of sterling balances without delay and would settle honourably. Another Ahram article said this measure aimed at stifling Egypt economically. It would fail because:-

- (a) Egypt had bilateral agreements with twenty countries mostly long term with East European States;
- (b) Egypt dealt with dollar area;
- (c) West Germany had offered to deal with Egypt on basis of Bekomark payments system.

Shasb said freezing of balances was political roguery which could be countered by Egypt with tens of similar actions. Egypt had however chosen to put matter in hands of International Court to show that she replied to methods of plunder, piracy and political roguery by the force of right and International Law. Madness which had seized British ruling circles was indication of collapse of no longer great empire, and fresh stain on Britain's honour which had tolerated killing of children in Cyprus, women in Arabian Peninsula and helpless people in Kenya.

3. Akhbar editorial Said Nasser's action enjoyed:

- (a) full popular support - Gomhouria also noted popular "mobilization" as proving this.
- (b) Full Arab support because it was symbolic of intention to get rid of foreign pressure. Arab countries /regarded

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Cairo telegram No. 1310 to Foreign Office

- 2 -

regarded nationalization of canal as first of many liberation movements in Middle East.

(c) support of all freedom and peace loving peoples.

West should bear these facts in mind before acting rashly.

4. In Gomhouria, Anwar Sadat said Nasser had avenged Egyptians killed at Tel el Kebir, generation oppressed by Khedive and British, and those who died constructing canal. Those conceited cowards like the British and French Prime Ministers, and rest of base and foolish herd were:

(a) to be pitied for way in which their revenge against Egypt had come home to roost, and

(b) to be thanked for opening Egypt's eyes to her indisputable rights and so making it unnecessary for her to shoulder burden of debt.

Foreign Office pass Washington as my telegram No. 162.

[Repeated to Washington].

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FROM PARIS TO FOREIGN OFFICE

En Clair

FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION

E 14211/47

Sir G. Jebb

No. 190

July 28, 1956.

D. 3.50 p.m. July 28, 1956.

R. 4.01 p.m. July 28, 1956.

Addressed to Foreign Office telegram No. 190 of July 28.
Repeated for information Saving to Washington Moscow
Cairo

My telegram No. 186: French Press on the Suez Canal.

This morning's non-Communist press is agreed that firm attitude towards Nasser is necessary to avert further deterioration of the Western position in the Arab world. Most commentators emphasize the need for closest Franco-British consultation, but it is generally implied that the onus of any military action which may have to be taken is bound to fall largely on the British. For example Aron, in vigorous article in "Le Figaro" achieves remarkable feat of not once referring to France. After neatly balancing unfavourable effect which British military action would inevitably cause amongst Arabs and uncommitted Asian neutrals against loss of prestige which British inactivity would entail, he concludes that in the long term dangers of inaction are probably the greater. But since little can be expected from the Americans, London will have to act alone.

2. There is a general tendency to compare Nasser's behaviour with that of Hitler and there are frequent references to Munich, the reoccupation of the Rhineland and the Anschluss. "Combat" pursues the analogy to the point of warning that Nasser's next blow will probably fall on Israel and hopes for a rude awakening in Washington, London and "even in Paris", so that there shall be no repetition of the mistakes for which France is already paying the price in North Africa.

3. Bonsac, in "Franc-Tireur", points out that under the Canal Convention Britain can protect her own oil supplies by using war-ships, but warns that she will not reoccupy the Canal Zone unless supported by Paris and, particularly, Washington. The Americans, however, will hesitate to support action which

/ is not

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Paris telegram No. 190 to Foreign Office

-2-

is not approved by the United Nations. Khrushchev and Bulganin were left in no doubt during their London talks that Britain was prepared to fight for her Middle Eastern oil. While the policy of "detente" was not, from the Soviet view point, incompatible with an increase in Western difficulties, the Kremlin could not suddenly pass from a policy of "detente" to one of tension, and it was significant that Shepilov had advised Nasser to accept the American offer on the Aswan Dam. Bonsac suggests that the Security Council could at least elicit from the USSR an admission as to the unilateral nature of Nasser's violation of an international convention, and proposes that Nehru, as a member of the Commonwealth, and Tito, as the champion of "active coexistence", be asked to mediate.

4. "L'Humanite", which yesterday confined itself to the news, today wallows in a triumphant paean of praise of Nasser and, after deploying the usual anti-colonialist arguments, prophesies that Nasser's action will prove to be the death knell of capitalism. Fellow-travelling "Liberation" is the only paper to refer to Cyprus in the context of the new crisis. Tracing the events which led to Britain's final evacuation of Egypt, Pierre Borel remarks that this was only done after Britain, upon the advice of the State Department, had decided to base the whole Middle Eastern defence system upon the island.

END

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FROM PARIS TO FOREIGN OFFICE

En Clair

FOREIGN OFFICE AND WHITEHALL

Sir G. Jobb

DISTRIBUTION

No. 191

D:6.47 p.m. July 28, 1956

July 28, 1956

R:6.54 p.m. July 28, 1956

PRIORITY

Addressed to Foreign Office telegram No. 191 of July 28

Repeated for information to: Cairo Washington
P.O.M.E.F.

Your telegram to Cairo No. 1966.

Following is translation of message from Suez Canal Company to its personnel in Egypt published here today.

Begins.

2. Suez Canal Company informs its personnel in Egypt that Company fully understands difficult situation in which they find themselves as result of act of force by Egyptian Government and Company is concerned to put an end to this situation as rapidly as possible.

3. Company reminds its personnel that, while they may have to yield to force, their contract for services freely rendered is with Canal Company alone, represented by its Board of Directors, and that in consequence its personnel should only receive instructions from the central directorate which depends from the Board. Any external authority interfering in the direction of the Company's organisation (services) commits an act of force contrary to International Law.

4. Company is confident that its personnel will respect their obligations towards itself and relies on its staff in Egypt during next few days (les prochains jours), while waiting for situation to be clarified, and whatever may be difficulties encountered, only to carry out those tasks which are strictly necessary to the passage of ships.

Foreign Office please pass to Cairo, Washington, P.O.M.E.F. as my telegrams Nos. 19, 66, 3 respectively.

[Repeated to Cairo, Washington and P.O.M.E.F.]

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FROM MOSCOW TO FOREIGN OFFICE

J

En Clair

FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION

Sir W. Hayter
No. 1030
July 28, 1956.

JE 14211/49

D. 12.20 p.m. July 28, 1956.
R. 2.07 p.m. July 28, 1956.

Addressed to Foreign Office telegram No. 1030 of July 28.

Repeated for information Saving to Paris

Washington
Cairo

Suez Canal.

Today's Soviet Press carries a long summary of Nasser's Alexandria speech, including his account of conversations with Shepilov.

2. Under heading "Attempts of the Western Powers to exert pressure on Egypt" Press also carries Tass reports from London, Paris and Washington. London report alleges that Bourgeois Press is trying to frighten Egypt by threat of sanctions. Paris report quotes Egyptian Embassy statement on Ambassador's interview with Pineau and claims that Right-wing Press has started a propaganda campaign against Egypt. Tass Paris also reports that news has badly affected London and Paris stock exchanges. Washington merely reports State Department announcement about consultations between Western Powers.

3. Tass Damascus quotes Syrian Press as strongly supporting Egyptian action.

4. There is no direct comment in any of the reports.

Foreign Office please pass Paris, Washington and Cairo as my telegrams Nos. 97, 116 and 6 respectively.

[Repeated to Paris, Washington and Cairo].

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FROM MOSCOW TO FOREIGN OFFICE

Cypher/OTP

FOREIGN OFFICE AND WHITEHALL
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Sir W. Hayter

E14211/50

No. 1032
July 29, 1956

D. 1.48 p.m. July 29, 1956
R. 4.08 p.m. July 29, 1956

PRIORITY
CONFIDENTIAL

Addressed to Foreign Office telegram No. 1032 of July 29.
Repeated for information to Cairo
and Saving to Washington and Paris.

My immediately following telegram contains summary of treatment in today's Soviet press of the Suez Canal question.

2. You will see that the presentation of the issue is entirely pro-Egyptian. The rights or wrongs of the Egyptian action are not argued in detail. It is treated as an extension of the national liberation movement and, as such, justifiable and deserving of Soviet support in principle. The Soviet offer of aid without political conditions is presented in contrast to Western methods, but the chief emphasis at present is on Soviet support for the Egyptian wish to strengthen economic and political independence.

3. It also seems likely that the Suez Canal question will be used by the Soviet in support of their contention that it is the Western Powers who are increasing tension in the Middle East. (See also my telegram No. 1031).

Foreign Office please pass to Cairo, Washington, and Paris as my telegrams Nos. 10 117 and 98 respectively.

[Repeated to Cairo and Saving to Washington and Paris]

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FROM MOSCOW TO FOREIGN OFFICE

En Clair

FOREIGN OFFICE AND WHITEHALL
DISTRIBUTION

Sir W. Hayter
No.1033
July 29, 1956

D. 3.13 p.m. July 29, 1956
R. 4.51 p.m. July 29, 1956

PRIORITY

Addressed to Foreign Office telegram No.1033 of July 29.
Repeated for information to: Cairo

And Saving to: Washington
Paris

Article by Kraminov in today's Pravda praises Egyptian economic development and foreign policy over last four years and attacks the United States and Britain for their "attempts to prevent the development of Egypt and to return her to a dependent position." They are accused of seeking to re-establish their authority under the guise of military aid against an imaginary Soviet threat and by putting pressure on Egypt to join aggressive blocs. When these attempts failed they are said to have offered economic "help" over the Aswan Dam, not in the interests of Egypt, but in order to force Egypt to change her foreign policy. Their withdrawal of the Aswan offer was designed to reduce Nasser's prestige both in Egypt and the Arab world as a whole. Author describes this manoeuvre as "miserable".

2. Turning to the Suez Canal, author describes the nationalization law as "fully legal from the point of view of international law. The right of nationalization springs from the sovereignty of States and many Governments have availed themselves of it." He goes on to argue that the justness of the Egyptian action is even more obvious in view of the fact that the Canal was built by Egyptians, 120,000 of whom died in the process.

3. Describing the Western reaction, author accuses the British Press of using expressions about Nasser such as have only been used before about wartime enemies. He mentions the British and French protests and the freezing of Egyptian capital in the United Kingdom and claims that reports on the radio and in the Press are clearly designed to complicate the
39 /situation

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Moscow telegram No.1033 to Foreign Office

-2-

situation in the Near East and the whole world. Politicians and commentators in the West are accused of ignoring the justness of the Egyptian action. Author states that of all British newspapers only the "Yorkshire Post", which he describes as being close to the Prime Minister, has pointed out that Egypt has very serious legal grounds for nationalization.

4. Author then refers to Soviet sympathy for all peoples who have thrown off the colonialist yoke and states that "The Soviet Government are ready to consider favourably concrete requests by Egypt for help in industrialization and in the development of agriculture. The Soviet Union never made and do not propose to make any political conditions whatever or to insist on such economic conditions and demands as would not be in the interests of the Egyptian State".

5. Author concludes by stating that Soviet opinion is convinced that national liberation movements cannot be stopped by "military threats, economic pressure or political blackmail" and that such methods "cannot affect the strength of a people standing on their own legs and moving forward on the path of free and independent building of their life". The peoples now control their own fate and those who do not understand this turn themselves into a laughing stock before the whole world.

6. "Izvestiya" also carries article supporting Egyptian action, which it is said is regarded sympathetically by Soviet public opinion, which considers it as "confirmation of the Egyptian people to claim the full economic and political independence of their country". "Izvestiya" article also points out, in support of Egyptian action, that in Article 8 of the Anglo-Egyptian Agreement of 1954 the Suez Canal is described as an inseparable part of Egypt. "Izvestiya" also quotes the "Yorkshire Post".

7. Pravda carries a summary of Nasser's speech on his return to Cairo and Izvestiya a summary of the statement by the Egyptian Minister of Trade. Pravda also carries Tass reports describing Arab countries support of Egyptian action.

Foreign Office please pass to Cairo, Washington and Paris as my telegrams Nos. 11, 118 Saving and 99 Saving respectively.

[Repeated to Cairo and Saving to Washington and Paris]

LLL

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FROM AMMAN TO FOREIGN OFFICE

En Clair

FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION

Mr. Duke

No. 1034

July 28, 1956.

D. 1.44 p.m. July 28, 1956.

R. 4.1 p.m. July 28, 1956.

Addressed to Foreign Office telegram No. 1034 of July 28.
Repeated for information to Cairo
and Saving to P.O.M.E.F.

Following is text of King Hussein's message to President Nasser.

Begins:

"To His Excellency, my brother, President Gamal Abdul Nasser, President of the Egyptian Republic. The shadow of exploitation is fading from the Arab world. The wrong is eliminated and substituted by the right. Jordan, who is standing by in the face of the common enemy, sends her whole hearted congratulations and compliments to her sister State on the occasion of the Nationalization of the Suez Canal Company. We are looking forward to the day on which Arab aspirations will be realised and the Arab flags will fly over the usurped Arab soil and we take pride in the unity of our nation and in our struggle. We will proceed in the path of justice, despite any obstacles which we may face, until we, with the aid of Almighty God, reach the point which binds our hearts together and which the prestige and glory of our beloved homeland calls upon us to attain. God is with us, the results are in our favour and the shining future is in the interests of our people and our homeland".

Ends.

Foreign Office please pass Saving to P.O.M.E.F.97.

[Repeated Saving to P.O.M.E.F.].

MEMORANDUM

To be retained in accordance with the provisions of the Public Record Act 1958

JE14211/54 G

(6)
 FROM Cabinet Office
 Ministry of Defence
 No. D1E(80)2 mtg.
 Dated July 25th
 Received in Registry— July 30th '66

Egypt's Seizure of Suez Canal Company
 Minutes of meeting of Defense
 (Transition) Committee on Friday July 27th 1966

References to former relevant papers

JE14211/242

(Print)

(How disposed of)

(Action completed) Well 10/8
 (Index) [initials]

References to later relevant papers

MINUTES
 Distribution
 Mr. [initials]
 F 3/8
 See minutes
 A) P.O. minute (Jan Sean) Jan 27.
 (3) is being separately pursued on JE and K papers. As regards (2), the Libyan point has been followed up separately in a more general sense; have Levant Dept. considered the point about Habbaniya?
 R.C. Blackburn
 15/8
 Levant Dept.
 Miss Richards tells me that Levant Dept. have not been dealing with this. Conceivably P.S.D. may know the present position

position; although I realise that this has probably been completely overtaken by later events.

R.C. Blackburn
16/8

P.U.S.D. (Mr. Mallet)

The outline plan for ~~action~~ action against Egypt (E.C.(56)5), which was approved by the Egypt Committee on (I think) August 2, did not include the use of Habbaniya, Mafraq, or Amman airfields for bomber operations. The Force Commander's outline plan (E.C.(56)15) does not alter this. We do not know the details of the Force Commander's plans, which are being developed in great secrecy: but I think it unlikely that the Force Commander is planning to use Habbaniya, Amman or Mafraq. I suggest that no further action is required.

P. Mallet 17/8

R.C. Blackburn 20/8

Mr. Shephard
Mr. Wilton
24/8

RE 11924/246

Mr

SECRET

DEFENCE TRANSITION COMMITTEE

SUEZ

JEINQII
SY
'A'

The following points for the Foreign Office arose from Sir N. Brook's meeting this afternoon:-

(1) At the Cabinet this morning apparently reference was made to the need to get the Anglo-U.S. joint oil machinery moving. This refers to the arrangements between the oil companies which worked during Abadan. Paragraph 2 of the Prime Minister's message to the President refers. The U.S. oil companies will do nothing unless they get a direct instruction from the State Department because of their fear of the Anti-Trust Laws. Should not suitable instructions be sent to Washington?

(2) The Foreign Office are asked to consider from the political point of view the possibility of using Habbaniya as a possible base for bomber aircraft.

Should not Libya and other possible airfields in the area also be considered?

Are there any countries which should at all cost be avoided?

(3) ^{*British Subjects in Egypt*} No rescue operation is possible. The Foreign Office should consider sending instructions to the Embassy to advise on schemes for evacuating

- (i) women and children
- (ii) temporary visitors
- (iii) less firmly attached residents.

Commonwealth citizens may have to be included.

Maltese may have to stay.

What should happen to the members of the Canal Company?

What can be done for the Contractors in the Canal Zone (the Ministry of Defence are looking into this first)?

Have the Americans aircraft which could be used to assist evacuation?

African Dept.

Pl. prepare action on (2) & (3).

P.D.

Sir H. Lacey is dealing with (4) (P. Dean)
July 27, 1956.

R. Smith
27/7

Reb
10/8

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J

FROM CAIRO TO FOREIGN OFFICE

En clair

FOREIGN OFFICE AND WHITEHALL
DISTRIBUTION

E14211/59

Sir H. Trevelyan
No. 1307
July 28, 1956

D: 8.00 p.m. July 28, 1956
R: 9.16 p.m. July 28, 1956

IMMEDIATE

Addressed to Foreign Office telegram No. 1307 of July 28.
Repeated for information Saving to Paris Washington

Your telegram No. 1951: Financial Measures.
P.O.M.E.F. 2870 - JE14211/19

News agencies carry report from Egyptian official sources that Egypt intends to contest before the International Court "Britain's decision to freeze Egyptian sterling balances in Britain".

2. Agencies have been sending muddled and confusing reports from London suggesting that Her Majesty's Government have

- (A) suspended the Sterling Releases Agreement of 1956 and
- (B) completely frozen Egypt's No. 1 account.

3. I hope that you will issue authoritative statement in London defining scope of measures taken and should be glad to receive text for immediate use here.

Foreign Office please pass Saving to Paris, Washington as my telegrams Nos. 159 and 285.

[Repeated Saving to Paris and Washington].

ADVANCE COPIES

Private Secretary
Sir H. Caccia
Sir G. Harrison
Mr. Ross
Head of African Department
Resident Clerk

4444

SO 111
28 JUL 1956

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FROM FOREIGN OFFICE TO CAIRO

En Clair and By Bag

FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION

No. 1997

July 29, 1956

D. 6.2 p.m. July 29, 1956

IMMEDIATE

Addressed to Cairo telegram No. 1997 of July 29.
Repeated for information Saving to Paris, No. 2524

Washington No. 3394

P.O.M.E.F. No. 1008

Your telegram No. 1307.

Following is text of statement released by Treasury yesterday.

Begins.

(A) THE CONTROL OF GOLD AND SECURITIES (SUEZ CANAL COMPANY)
DIRECTION, 1956

(B) THE EXCHANGE CONTROL (PAYMENTS) (EGYPTIAN MONETARY AREA)

ORDER, 1956

In view of the action taken by the Egyptian Government, Her Majesty's Government have issued two Statutory Instruments.

The effect of one is to subject to the full Exchange Control system the cash, securities or gold held in the name of the Company in the United Kingdom.

The second is partly to supplement the first in protecting the assets of the Company and partly to take the necessary powers over all payments from or to the accounts of residents in Egypt.

Any enquiry regarding an individual payment to or from Egypt should be addressed to a banker in the United Kingdom.

Ends.

2. As regards the two reports mentioned in your second paragraph you will know from my telegram No. 1951 that (A) is untrue. As for (B) the position is that Exchange Control authority will be required for any payments out of Egypt's No. 1 account.

ZZZZ

AEYAL
J
C.Y.

SAVING TELEGRAM

EN CLAIR
BY BAG

21/12/11/60

FROM CAIRO TO FOREIGN OFFICE

Sir Humphrey Trevelyan
No: 217 (S)
Dated: July 28, 1956.

July 28, 1956
L. B. H.

UNCLASSIFIED

Addressed to Foreign Office Saving telegram No. 217 of July 28,
repeated for information Saving to Washington (283 (S))
P.O.M.E.F. (378 (S))
Paris (158 (S))

My telegram No. 1287: Nationalization of Suez Canal Company.

Press of July 27 carried following text of decision issued by President on July 26:

"The President of the Republic:

"After due acquaintance with Article 2 of Law No. 285 for the year 1956 for the Nationalization of the Compagnie Universelle du Canal Maritime de Suez, decided:

Article 1:

An administrative body to run the Suez Canal Company shall be formed of:

- | | |
|--------------------------------------|--------------------|
| Messrs. Mohamed Helmi Bahgat Badawi, | Chairman: |
| Engineer Mahmoud Younes, | Vice-Chairman and |
| | Managing Director. |
| Badawi Ibrahim Hammouda. | |
| Engineer Ibrahim Zaki. | |
| Nabih Younes. | |
| Mohamed Tawfik Sokkar. | |
| Burhan Said. | |
| Mohamed Ali el-Ghateit. | |
| Engineer Mohamed Ahmed Selim. | |
| Mahmoud Semi. | |
| Dr. Mustafa el-Hefnawi. | |
| Dr. Mahmoud Abdel Baki el-Kosheir. | |

Article 2:

The Minister of Commerce shall put this order into effect as from today, 26/7/1956.

2. Al Ahram of July 27 reported that according to the Minister of Commerce three technical committees had been formed for research and study and would begin work at once. The first committee would deal with naval, the second with military and the third with technical matters.

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FROM PARIS TO FOREIGN OFFICE

En Clair

FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION J

Sir G. Jebb

E 14211/61

No. 192
July 30, 1956.

D. 11.30 a.m. July 30, 1956.
R. 11.40 a.m. July 30, 1956.

IMMEDIATE

Addressed to Foreign Office telegram No. 192 of July 30.
Repeated for information Saving to Cairo

Moscow
Washington.

French Press on the Suez Canal.

The non-Communist press continues to urge firmness against Egypt. Much prominence was given to yesterday's meetings in London and to the economic measures already decided by British and French Governments. Most papers hope that even sterner measures will follow shortly, but apart from "L'Aurore" which favours the despatch of an Anglo-French naval force, and "Paris-Press", which speaks of military action with which Israel might be associated, they have no concrete suggestions to offer. There is general agreement with "Le Monde" that if Nasser is allowed to get away with it he will soon be able to dictate his will in Bagdad and Algiers. "Le Figaro" and "Combat" accuse the Americans of hanging back.

2. As regards a possible settlement, Ronsac in "Franc Tireur" alone makes the point that a simple return to the "status quo" is no longer feasible and welcomes the idea, apparently current in London, that the United Nations might administer the Canal.

Foreign Office please pass Saving to Cairo, Moscow, Washington as my telegrams Nos. 36, 54 and 283.

[Repeated Saving to Cairo, Moscow and Washington]

ADVANCE COPIES:-

Private Secretary
Sir H. Caccia
Mr. Ross
Head of African Department
Head of News Department

SSSSS

M.F.

REWARD SAVING

OUTWARD TELEGRAM

En Clair and
By Bag

FROM PARIS TO THE FOREIGN OFFICE

Sir G. Jebb

No. 295 Saving
July 28, 1956

E14211/62
1956

Coll.
Mo ml
J

UNCLASSIFIED

Addressed to Foreign Office telegram No.295 Saving of July 28.

Repeated for information Saving to:

Cairo No. 34
Washington " 280
-SE 142-

My telegram No. 294 Saving of July 28.

The following is a translation of the communiqué issued by the Suez Canal Company on July 27.

"The Suez Canal Company, confronted by the coup de force directed against it last night by the Egyptian Government, reminds French and foreign banks that the Canal's assets wherever they are and whatever they consist of, are exclusively the Company's property, that is to say the property of its shareholders.

The Company therefore declares that French and foreign banks should not take account of any orders that may be given to them by the Egyptian Government or by the organisation created by virtue of the decree purporting to nationalise the Company and that they should only carry out orders coming solely from the Company."

2. The Quai d'Orsay and the Ministry of Finance also issued a communiqué on this question, of which the following is a translation.

"In the action which is contrary to international law undertaken in regard to the Suez Canal Company, the Egyptian Government provided, in Article 3 of the nationalisation decree, for the freezing of the Company's assets abroad and the prohibition on banks, enterprises or physical persons to dispose of these assets.

/This

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Outward telegram No. 295 Saving

UNCLASSIFIED

-2-

This decree cannot, of course, affect in any way the assets of the Company in France or outside Egyptian territory.

It goes without saying that the French Government entirely reserves its position as regards the validity of any measures taken in Egypt itself against the assets of the Company."

M.F.

En Clair and
By Bag

OUTWARD TELEGRAM

FROM PARIS TO THE FOREIGN OFFICE

Sir G. Jebb

No. 294 Saving

July 28, 1956

UNCLASSIFIED

Addressed to Foreign Office telegram No. 294 of July 28.

Repeated for information saving to:

Cairo No. 33
Washington " 279

The following is a translation of a statement made to the press by M. Pineau after a meeting of Ministers late yesterday morning:-

"I have informed the Conseil de cabinet of the events which have occurred in Egypt and which last night were the subject of consultations between the French and British Governments.

"The Conseil de cabinet agreed with me that it was quite impossible for us to accept the unilateral action decided by Colonel Nasser; that, judicially speaking, there was no parallel between the nationalisation of an international company and the status of a nationalised public service, and finally that the action taken did considerable injury to French rights and interests.

"We have decided to act in full agreement with our Allies and, in view of the visit that I am due to make to London on Monday I have been requested and authorised to act in this sense.

"I may add that I received this morning the Ambassador of Egypt and, apart from the fact that the English and French Governments have sent Notes of protest to Cairo, I informed him orally of the opinion of the French Government.

/"In

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Outward telegram No. 204 Saving

UNCLASSIFIED

-2-

"In particular I pointed out to him our regret that Colonel Nasser, in his attitude with regard to Algeria, had gone back on the word which he had given. But I emphasised that the act of spoliation which he was today carrying out was of an infinitely more serious character."

2. The Egyptian Embassy made the following announcement at the end of the Ambassador's interview with M. Pineau:-

"The Minister for Foreign Affairs, M. Christian Pineau, received late this morning His Excellency Kamal Abdel Nabi, Egyptian Ambassador in Paris, to whom he read the text of a protest against the speech delivered by President Nasser, as far as Algeria and the nationalisation of the Suez Canal Company were concerned.

"The French Minister worded his protest in terms which the Ambassador regarded as inadmissible and unacceptable and he protested immediately and vehemently against the substance of the Minister's statement.

"He also refused the aide-mémoire declaring that he would inform his Government of it and that he thought the Egyptian Government would reconsider their position in regard to relations between the two countries."

3. In a short statement to the National Assembly this morning M. Pineau repeated that the French Government refused to accept a unilateral act, decided on political grounds, which was likely to prevent the freedom of navigation in the Suez Canal. He added that "consultations with our Allies are in progress and the desire of the French Government is that firm decisions, taken in common, should enable us to demonstrate, in these difficult circumstances, complete solidarity."

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FROM TEHRAN TO FOREIGN OFFICE

Cypher/OTP

DEPARTMENTAL
DISTRIBUTION

Sir R. Stevens

JUL 21/66

No. 607

D. 3.02 p.m. July 29, 1956

July 29, 1956

R. 4.29 p.m. July 29, 1956

IMMEDIATE

CONFIDENTIAL

Following for Addison from Scholtens

Begins

Most Urgent

The Iranian Government are considering their attitude and possible steps to be taken by Iran in respect of the recent Suez Canal development so that they may instruct their Ambassador in Egypt.

We were asked through N.I.O.C. to obtain members' views on this matter so that these might be taken into consideration by Ministry of Foreign Affairs when defining policy to be followed.

Secondly, an immediate reply was requested but in case this cannot be given please telegraph immediately the date when we may expect a reply.

Thirdly, we have refrained from all comment apart from expressing the hope that this development would not affect shipments of oil from Iran. We feel we should exert the utmost caution in order to avoid getting mixed up in political aspects of this matter.

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ZZZZ

