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Outward Telegram from Commonwealth Relations Office

TO: U.K. HIGH COMMISSIONER IN CANADA
U.K. HIGH COMMISSIONER IN AUSTRALIA
U.K. HIGH COMMISSIONER IN NEW ZEALAND
U.K. HIGH COMMISSIONER IN SOUTH AFRICA

RPTD: U.K. HIGH COMMISSIONER IN INDIA
U.K. HIGH COMMISSIONER IN PAKISTAN (ACTING)
U.K. HIGH COMMISSIONER IN CEYLON (ACTING)

(Sent 16.15 hours 10th August, 1956)

E. Hall 459 (B)

EN CLAIR
PRIORITY TO OTTAWA, DELHI AND KARACHI
PRESSE TO CANBERRA, WELLINGTON, PRETORIA AND COLOMBO

Y. No. 159

Repeated U.K. High Commissioners in Delhi, Karachi and Colombo.

My telegram Y. No. 155. — JB/421/459

S U E Z

Text of lengthy statement issued by Soviet Government on 9th August is presumably available to you.

2. Statement was forwarded to U.K. Ambassador under cover of a Note translation of which is as follows. Begin.

Ministry of Foreign Affairs of U.S.S.R. present compliments to British Embassy, and in connexion with statement of Governments of Britain, France and United States of August 2nd on questions concerning nationalization by Egypt of Suez Canal Company, and invitation, transmitted to Soviet Government by British Government to take part in conference which it was proposed to convene in London on August 16th 1956 have honour to enclose for transmission to British Government text of statement of Soviet Government on Suez Canal question.

Soviet Government consider that under all conditions following countries, apart from those mentioned in statement of Governments of Western Powers of August 2nd should also take part in discussion of questions connected with freedom of navigation on Suez Canal: successor-countries of Austria, Hungary and Germany, which signed Convention of 1888 - Austria, Hungary, German Democratic Republic, Czechoslovakia and Yugoslavia, Arab countries geographically situated in direct proximity to Suez Canal and vitally interested in a correct solution of this question - Yemen, Jordan, Iraq, Lebanon, Libya, Morocco, Saudi Arabi, Syria, Sudan and Tunis, and also maritime Powers extensively using Canal - Albania, Burma, Bulgaria, Poland, Roumania and Finland. Soviet Government consider necessary participation in above mentioned conference of such a great Power as Chinese Peoples Republic. Soviet Government hope that British Government will not place obstacles in way of participation in this conference of States named, if they themselves consider that necessary. At same time Soviet Government wish to draw attention of British Government to fact that, according to Convention of 1888, a

/conference

1958

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conference to discuss questions connected with functioning of Canal should have taken place in Cairo. Concerning date of conference it would be expedient in interests of better preparation to convene it at end of August.

Drawing attention to foregoing, Ministry request Embassy to inform British Government that statement of Soviet Government is simultaneously being sent to Governments of all countries. Ends.

Copy to:-

D.II

SUEZ CANAL DISTRIBUTION

- | | |
|--------------------------|------------------------|
| U.K. Embassy Washington | Mr. J.R.A. Bottomley |
| U.K. Delegation to the | |
| U.N., New York | Mr. T.W. Keeble |
| Accra, Governor's Office | Mr. F.E. Cumming-Bruce |

SOUTH ASIA AND MIDDLE EAST DEPT.
SA. 190/10

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FROM BAGDAD TO FOREIGN OFFICE

Cypher/OTP

JE 1221/60

FOREIGN OFFICE AND WHITEHALL
DISTRIBUTION

Mr. Hooper
No. 856
August 8, 1956

D:2.22 p.m. August 8, 1956
R:4.05 p.m. August 8, 1956

SECRET

Addressed to Foreign Office telegram No. 856 of August 8

Repeated for information to: Cairo Rome
and Saving to: Paris Washington.

9 AUG 1956

The Italian Chargé d'Affaires informed me today of a conversation he had with the Egyptian Chargé d'Affaires. The latter is strongly pro-Nasser, but is on good personal terms with Lanza.

2. The Egyptian Chargé d'Affaires had said that he was well pleased with the Iraqi reaction to the nationalization of the Suez Canal and that he was receiving enthusiastic messages of support from all quarters. The press too had been very satisfactory. He hinted that he had been [group under] encouraging favourable comment.

3. The Egyptian Chargé d'Affaires had, however, shown rather less confidence when discussing Egypt's general position vis-à-vis the Western Powers. He had said, though it was not clear to my Italian colleague whether he was speaking personally or expressing an official view, that he saw no reason why there should not be a settlement on a basis of the Western Powers accepting Egyptian control of the Canal and an International Commission being set up to verify that Egypt was keeping the Canal open to free navigation.

4. The Egyptian Chargé d'Affaires added that he, personally, was very anxious that Nuri himself should attend the forthcoming meeting of the Arab League Political Committee, and that he intended to press for this by all the means at his disposal.

5. Finally, he asked whether my Italian colleague would be prepared to pass on to this Embassy any communication the Egyptian Chargé d'Affaires might wish to make to us. M. Lanza thought that the principal object of this might be to bring pressure to bear on Nuri indirectly to go to the Arab League meeting. He had returned a non-committal reply.

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Carded telegram No. 856 to Foreign Office

- 2 -

6. I told M. Lanza that while I was most grateful to him for passing on the information recorded above, I do not think you would wish me to become involved in exchanges of this kind.

Foreign Office pass to Cairo and Rome and Saving to Paris and Washington as my telegrams 119, 7, 49 and 101.

[Repeated to Cairo, Rome and Saving to Paris and Washington]

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CONFIDENTIAL

FROM BAGDAD TO FOREIGN OFFICE

Cypher/OTP

Mr. Hooper

J E 1421/461

FOREIGN OFFICE AND
WHITENALL DISTRIBUTION

No: 861
August 8, 1956

D. 6.37 p.m. August 8, 1956.
R. 8.32 p.m. August 8, 1956.

IMMEDIATE
CONFIDENTIAL

Addressed to Foreign Office telegram No. 861 of August 8.

Repeated for information to: Amman, Jeddah,
Beirut, Khartoum,
Cairo, Tripoli,
Damascus, Benghazi.
And Saving to: Paris Washington

19 AUG 1956
XII

J E 1421/350

My telegram No. 844 (not to all addressees).

The Prime Minister informed me today that meeting of the Arab League Committee had now been fixed for August 12. He had decided to send Tawfiq Suweidi to represent Iraq, keeping Fadhil Jamali in reserve in case Egypt brought the Suez Canal dispute before the United Nations.

2. He said that Iraq would take the following line at the meeting:

- (i) The Iraqi representative would do his best to prevent the passing of a resolution approving the nationalization of the Suez Canal, since such a resolution would make it difficult for the Egyptians to back down and would block any possibility of a compromise solution. If such a resolution came to the vote, Iraq would abstain.
- (ii) Iraq would ask that members of Arab governments should refrain from making statements, and should restrain their Press from publishing articles, hostile to the West or to those favouring an international régime for the Canal. Such pronouncements could only inflame the atmosphere and make it more difficult to reach an agreed solution.

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Bagdad telegram No. 861 to Foreign Office.

- 2 -

(iii) Iraq would oppose any proposal for breaking off diplomatic relations with Western Powers, cutting off their oil supplies from Arab countries, or proclaiming a commercial boycott. Such action would be economic suicide for Arab countries and would create chaos internally, and would widen the breach between Arab countries and the West.

3. He said he had spoken similarly to the United States Ambassador and asked him if the United States Ambassador in Jeddah, without in the first instance revealing that this was the Iraqi policy, would sound out the Saudis and see whether they would be prepared to adopt a similar line. If the Saudi reaction was favourable, he asked that United States Ambassador should indicate that Iraq would be pursuing a similar policy.

4. Nuri then asked that we should speak to the Sudanese explaining that the Iraqi policy would be as outlined in paragraph 2 above, and ask them to support it. He also wants us to speak in the same sense to Libyans as to the Sudanese, and has asked my United States colleague that the United States Ambassador in Tripoli should also act on the same lines. Nuri has written to President Chamoun asking that the Lebanese should support the Iraqi line. He is taking no action vis à vis Syria, Jordan or Yemen, since he considers that if the Saudis are prepared to go along with him, these States can be more effectively influenced through them.

Foreign Office pass Cairo, Jeddah, Khartoum, Tripoli and Benghazi as my telegrams Nos. 120, 23, 2, 6 and 2 and Saving to Paris and Washington as my telegrams Nos. 50 and 102 respectively.

[Repeated to Cairo, Jeddah, Khartoum, Tripoli, and Benghazi and Saving to Paris and Washington.]

ADVANCE COPIES TO:
Private Secretary
Sir I. Kirkpatrick
Mr. Ross
Head of African Department

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FROM PEKING TO FOREIGN OFFICE

En Clair FOREIGN OFFICE AND
Mr. O'Neill WHITEHALL DISTRIBUTION

No. 433 D. 9.56 a.m. August 8, 1956.
August 8, 1956. R. 12.55 p.m. August 8, 1956.

Addressed to Foreign Office telegram No. 433 of August 8.
Repeated for information to: Cairo
and Saving to: Washington
My telegram No. 428: Suez Canal. JET4211/384



Following is gist of article by Observer in People's Daily of August 8.

Britain, France and the United States are hastily sending warships and aircraft to the Mediterranean in order to restore the glory of nineteenth century colonialism. The nationalization of the Canal has so flustered them that they imagine they can use the old "gunboat" policy to force the Egyptian people to accept a plan for the "international control" of the Canal.

2. In the communiqué issued after the recent London talks, the three Powers insisted that the nationalization of the Canal presents a threat and with this excuse demand that a conference of twenty four States whom they have chosen, should meet in London on August 16 to discuss the operation of the Canal under international control. This plan for international control utterly disregards the sovereign rights of Egypt. It is quite clear that Egypt has full rights over the Canal, including the right to operate it.

3. Moreover, Egypt has already announced that the shareholders will be compensated and has guaranteed free navigation. To attempt to put the canal under international control and rob Egypt of its right of operation is a clear and serious infringement of Egyptian sovereignty. The plan for international control shows that the Western Powers not only want to restore the direct control which they exercised through the old company, but also intend to occupy the Canal for an indefinite period.

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Peking telegram No. 433 to Foreign Office

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The Western Powers are now saying that they want to separate the question of the nationalization of the Canal from the question of guaranteeing free navigation. They want people to believe that their plans for international control is not a riposte to Egyptian nationalization; but a virtuous step taken in the interests of international navigation. But M. Pineau let the cat out of the bag in a broadcast in which he said that if the proposed international conference accepted the Western plan, and if Nasser accepted its decision, he would have to abandon nationalization entirely and that if he refused to accept the decision of the conference the Western Powers would force him to accept it. M. Pineau has perhaps overestimated French strength. The fact that England and France have been unable to suppress the struggle for independence waged in Malaya, Kenya and Algeria shows that they will not be able to subdue the Egyptian people by force of arms. In their righteous struggle the Egyptian people will not be a lone colony, the countless anti-colonial peoples of Asia and Africa will stand behind them.

4. The Suez Canal should be a channel for cultural and economic exchange between East and West. But the colonialists need it to rob and conquer. Now that it is again in the hands of the Egyptian people, Egypt has guaranteed that it will still better serve the interests of humanity. If the Western Powers have any doubts about the Egyptian guarantee, then they must seek to resolve these doubts on a basis of respect for Egyptian sovereignty through discussion and negotiation. The problem will not be solved by armed threats and intervention.

5. Present circumstances require Britain, France and the United States to maintain a calm and realistic attitude. The stormy emotions with which they view the death throes of colonialism will not help them. The Western Powers must sheath their swords and sincerely discuss matters with Egypt, otherwise they will both damage their own interests and also bear serious responsibility for wrecking peace in the Middle East and the whole world.

Foreign Office please pass Saving to Washington as my telegram No. 126.

[Repeated Saving to Washington].

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CONFIDENTIAL

FROM ISTANBUL TO FOREIGN OFFICE

Cypher/OTP

FOREIGN OFFICE AND
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Her Majesty's Consul General

No. 114
August 8, 1956.

D. 1.16 p.m. August 8, 1956
R. 3.35 p.m. August 8, 1956

PRIORITY
CONFIDENTIAL

Addressed to Foreign Office telegram No. 114 of August 8.
Repeated for information to Ankara and Cairo.

Following from Ambassador,
Suez Canal.

9 AUG 1956
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The Secretary General of the Ministry of Foreign Affairs read to me yesterday evening a translation of a communication made yesterday by the Egyptian Government to the Turkish Chargé d'Affaires in Cairo. This stated that Article 16 of the Anglo Egyptian Agreement of 1954 recognised the Suez Canal Company, as an Egyptian Company, that the Egyptian Government had no designs on the Canal, the British and French Governments would bear the responsibility for any situation which might arise from the use of force, and expressed the hope that the Turkish Government would support the Egyptian Government in following their declared intention to continue to comply with the provisions of the Treaty of 1888 and that at the London conference they would not follow a line of conduct which would endanger peace in the Middle East and the whole world.

2. The Turkish Chargé d'Affaires was told that the same communication was being made to representatives of all countries invited to the London conference.

3. I assume that you will be receiving the full text from the Turkish Chargé d'Affaires and I shall not telegraph it unless instructed.

Foreign Office please pass Cairo as my telegram No. 3.

[Repeated to Cairo]

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Minutes

With regard to the possibilities of going to the International Court of Justice at The Hague the better view seems to be that the Montreux Convention is now spent because its final objects were realised in 1949. There is a separate minute about this by Mr. Vallat which can be produced if necessary, but the probabilities are that if Egypt disputed the jurisdiction of the Court on the foregoing ground she would ~~probably~~ be successful.

2. Apart from this there is no way of getting Egypt before the Court without her consent. In any case I think little useful purpose would be served by going to the Court. Despite the fact that a strong legal case can be made out for the view that the Suez Canal Company is not a purely Egyptian company and despite the obvious fact that the Egyptian action, whatever its justification might otherwise be, is a clear breach of the Canal's Concession which was to last until 1968, I think the probable finding of the Court would be that the Egyptian action was not actually contrary to international law provided adequate compensation was afforded. They might possibly find that the compensation offered was not adequate inasmuch as it does not seem to cover anything for the loss of the profits which the Company would otherwise have made between now and 1968. But, even if the Court so found, they would merely declare that Egypt ought to pay additional compensation. They would not, I think, reverse the act of nationalisation itself.

3. (I see) that the main object of going to the Court in the eyes of the Company would be to get the Court to pronounce what are known as "interim measures" of conservation against Egypt. The Court was induced to do this in a somewhat similar case of the Persian action against the Anglo-Persian Oil Company, but I have some doubt whether they would do it in this case. In any event, the interim measures pronounced against the Persian Government in that case were a complete dead letter. The Persians never attempted to observe them and there was no means of enforcing them. Short of the use of force, that would certainly be also the case here. As regards the point that Egypt by disobeying would put herself in the wrong, even this is not entirely certain for there is unfortunately a considerable degree of obscurity as to how far a country against whom interim measures are pronounced in a litigation before the Court is under a positive obligation to comply with them. There are legal arguments in support of the view that a finding of the Court on this subject ought to be binding on the parties in the same way as its eventual decision on the merits of the case is binding, but the language of the relevant clauses is not clear.

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NOTHING TO BE WRITTEN IN THIS MARGIN

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Minutes

4. Taking it all in all, therefore, I think there would be little to be gained by going to the Court except as a largely political or publicity move. It had some utility in the Anglo-Persian Case as a sort of "holding operation", and it served to frighten a number of countries and interests off dealings in Persian oil so long as the case was sub judice before the Court, but these considerations hardly apply in the present case.

G.G. Fitzmaurice

(G.G. Fitzmaurice)

August 7, 1956.

I submit a draft
Mr. Reilly
G.G. Fitzmaurice
Aug 13

I agree. and I have added a last paragraph.

A.D.M. Ross
14/8

I quite understand that the Department has not been able to submit a draft reply sooner but I am sorry to see that the draft submitted does not fully answer Mr. Reilly's letter. I have redrafted. But I should be grateful if the point contained in Mr. Reilly's paragraph 4 could be examined and a recommendation submitted.

A.D.M. Ross
(A. D. M. Ross)
August 15, 1956.

The political advantages

NOTHING TO BE WRITTEN IN THIS MARGIN

Minutes.

The political advantages of the action proposed in Mr. Keilly's para 4 are brought out in his para 6. Perhaps Sir Gerald Fitzmaurice would comment on the legal implications.

Sir Gerald Fitzmaurice

J. Fitzmaurice
16/8

NOTHING TO BE WRITTEN IN THIS MARGIN.

I cannot see any key immediate legal implications from the point of view of HM's. Any action taken by the Co. is safeguarded its assets (for instance there is £20 million in the Westminster Bank here) is their affair & must be considered by their lawyers. There is an element of risk about it as it is very difficult to predict what view the Courts here would take as to the effect of the application decree on the English assets, as a matter of English municipal law.

I am hoping to have a meeting with the Co.'s French & English lawyers, together with the legal advisers on the French & U.S. Docs. When this would be discussed. //

Minutes:

I think a point might come when Wols might have to consider additional safeguards for those assets apart from the blocking orders.

Also I am coming more & more to the view that as part of the eventual "compensation" to be paid to the Co. it will have to be left in possession of the non-Egyptian bank balances & their assets.

C. J. Stammers Esq

See letter to Mr Kelly of August 15.

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See attached
1. Legal Adviser's
2. entry
BRITISH EMBASSY,
PARIS.

August 3, 1956.

CONFIDENTIAL

Dear Archie

The Director General of the Suez Canal Company came to see me yesterday. He began with some general remarks to the effect that the French Directors of the Company felt strongly that, while attention is being concentrated on permanent arrangements such as would anyhow have been necessary after 1968, the legitimate interests of the Company and its very numerous shareholders are being overlooked. (I gathered from Wylie and Cadogan today that there is much soreness in the Company about this. Wylie will no doubt tell you more about it.) He then said that he wished to inform me of two points about which he was going to speak to the Secretary General of the Ministry of Foreign Affairs later in the evening.

2. First, the Company wished to emphasise the importance they attached to early action by the French Government (as protecting the great majority of the shareholders) and by Her Majesty's Government (as the largest shareholder) to challenge the act of nationalisation before the Hague Court. He had been disturbed by indications that Her Majesty's Government might be advised that the nationalisation of the Company in Egypt was valid. The Company's Egyptian status was really a complete fiction, based on the reference in the concession agreement to a "siège social" at Alexandria which had never existed. The Company's legal advisers held that there was a good case for maintaining that the true international status of the Company justified action at the Hague based on Article 13 of the Final Act of the Montreux Conference of May 8 1937. He promised to send me today copies of various studies on the subject, with a statement summarising the Company's views on the legal position. If this were not accepted by the Foreign Office legal advisers, he would be very grateful to know the grounds for the latter's opinion.

3. He explained that the object of action at the Hague would be not so much to obtain a favourable decision in the end (which he admitted was unlikely) but to secure immediate provisional safeguarding action in the form of "mesures conservatoires". He quoted the precedent of the similar action taken in the case of the A.I.O.C. Such action was not of course immediately necessary in France, the United Kingdom and the United States, since the Company's assets were already safeguarded by the measures taken by Governments. He was thinking primarily of "mesures conservatoires" which the International Court might direct the Egyptian Government to take. Of course that Government would not obey such orders, but in disregarding them it would put itself in the wrong, and this would be a point gained.

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A.D.M. Ross, Esq.,
Foreign Office.

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4. Secondly, the French Directors thought it their duty to take all possible steps to protect the interests of the 80,000 French shareholders (with an average holding of less than six shares each) and of the Company's pensioners. The associations representing these two bodies intended to take legal action in France, the United Kingdom and the United States, and perhaps in other countries particularly Switzerland, to have the Egyptian Government's assets placed under sequester. This would be a safeguard additional to the measures taken by the French, British and U.S. Governments and Georges-Picot suggested that it might indeed be useful to the three Governments to be able to quote any orders of the Courts in their countries if their own action was questioned. Georges-Picot intended very shortly to consult a leading French international lawyer about the steps necessary to set this legal action in train in the various countries concerned.

5. This conversation of course took place before the appearance of the Three Power Declaration and also before the texts of the speeches made in the House of Commons yesterday by the Prime Minister and the Secretary of State. I would suppose that they should go a long way to answer Georges-Picot's point about the international character of the Company. I have not yet received the legal documentation which he promised me. It would naturally be helpful to us to have the Legal Advisers' comments on the Company's statement of their view of the position, when available: and if these comments can be passed to the Company, the latter would certainly appreciate it very much.

6. I take it that you are not at present considering any reference to the Hague Court. I have only had time to have a very brief word with Crouy-Chanel about this point. He told me that he did not think that there was any question of the French Government favouring it at present. On Georges-Picot's second point, he was inclined to think that there was no harm in the legal action proposed. It would take several weeks to get going: it might provide a useful argument on which Governments could fall back: and from the propaganda point of view there was much to be said for bringing out the fact that thousands of ordinary people were hit by Nasser's action.

7. I am sending copies of this letter to Washington and Cairo.

James was
Patrick Reilly
(D.P. Reilly)

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FOREIGN OFFICE, S.W.1.

August 15, 1956.

CONFIDENTIAL
(JE 14211/470)

I am sorry to have been so unconscionably slow in answering your letter of August 3rd about your talk with the Director-General of the Suez Canal Company. Since you wrote we have of course had a good deal of contact with the Company one way or another, ending up with Charles-Roux' meetings first with the Secretary of State and then with the Prime Minister yesterday. As a result I believe that any misunderstandings which may have arisen in the early stages of the crisis have been largely dispelled.

2. As regards action before the International Court, I cannot do better than enclose a minute by the Legal Adviser. You could show this unofficially to the Company. I am sure that after hearing the broadcast speeches of Mr. Menzies on the 13th August and the Secretary of State' yesterday they will not imagine for one moment that we regard Nasser's nationalisation as valid. The point brought out in the Legal Adviser's minute is simply that recourse to The Hague would not pay.

3. As to legal action by some of the shareholders or the Company's pensioners, I cannot say anything definite at the moment. The idea strikes me as attractive.

(A. D. M. Ross)

D. P. Reilly, Esq., C.M.G., O.B.E.,
PARIS.

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OUTFILE

FOREIGN OFFICE, S.W.1.

August 29, 1956.

CONFIDENTIAL
JE 14211/479

Dear Michael,

On point that emerged from recent discussions with the Suez Canal Company's lawyers which may be of interest to you, although I do not know quite how much there is in it, was the following. The Company are well aware that the Treasury may fear that if the Company was able to deal with its funds in this country as it pleases (that is to say, if the Westminster Bank and, I gather, one other bank were not imposing this embargo), the Company might, for greater safety, withdraw the whole of the very large balances which they have in this country, amounting to over £20,000,000, and take them to France. Whether it would in fact be possible to do this under our financial legislation, even if the Westminster Bank did not impose the embargo, I do not know, but certainly the implications in which Mr. Foster said was that it would be possible to do so but for the attitude of the Westminster Bank. If this is correct, I think the resulting position is that the Company suspect that the Treasury is being unforthcoming in trying to get the Westminster Bank to alter its attitude, because the Treasury fears that the result might be a flight of the funds is question.

2. The Company's lawyers believe that by appropriate action they could force the hand of the Westminster Bank, and that there would be a very good chance of their obtaining a favourable decision from the courts here in quite a short period of time, perhaps as little as two or three weeks. On the other hand, they are not particularly anxious to do this if some other way of releasing their balances from the embargo can be found. The upshot was that while nothing definite was said, the impression was left that the Company would be willing to give a firm undertaking not to effect any big withdrawals from this country if the Treasury could find some means of persuading the Westminster Bank to honour the Company's cheques in the ordinary way (at present the Westminster Bank will not go further than to honour cheques limited to necessary current transactions, e.g. the payment of salaries, the payment of rent of premises, etc.).

*Yours ever,
Bryan.*

(H.B. Shepherd)

M.E. Johnston, Esq.,
Treasury.

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Outward Telegram from Commonwealth Relations Office

TO: U.K. HIGH COMMISSIONER IN CANADA
U.K. HIGH COMMISSIONER IN AUSTRALIA
U.K. HIGH COMMISSIONER IN NEW ZEALAND
U.K. HIGH COMMISSIONER IN SOUTH AFRICA
U.K. HIGH COMMISSIONER IN INDIA
U.K. HIGH COMMISSIONER IN PAKISTAN } (ACTING)
U.K. HIGH COMMISSIONER IN CEYLON }
U.K. HIGH COMMISSIONER IN THE FEDERATION
OF RHODESIA AND NYASALAND
U.K. INFORMATION OFFICE, JOHANNESBURG

(Sent 20.40 hours 2nd August 1956)

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EN CLAIR
PRIORITY TO OTTAWA, DELHI AND KARACHI
PRESSE TO CANBERRA, WELLINGTON, PRETORIA, COLOMBO AND
W. No. 318 SALISBURY
JOHANNESBURG No. 46 PRESSE S U E Z

Following text closing statement by Foreign Secretary in Commons today. Begin.

I think that this debate has shown a large measure of approval and agreement in this House. The first point is that we, as a country, have done everything possible in our power to make friendly relations with Egypt feasible. We made the agreement with regard to the Sudan; we made the agreement with regard to the Suez base; we made the agreement with regard to sterling balances, which was fair and indeed liberal. We have done everything we can to promote more friendly relations. That has not succeeded, but I think that course of conduct has the advantage that now public opinion, I believe, in this country and overseas is united behind the Government in the attitude which has been indicated today.

The second point is that this Canal Company, as the right hon. Member for Lewisham, South has just said, is not an ordinary domestic concern which can be properly nationalised, however much we may or may not agree with the principle of nationalisation, but it is a company of an international character. It has had an international character throughout the whole of its existence and if one looks at the Convention of 1888, in the Preamble it is there recited that the countries concerned wished

"to establish, by a Conventional Act, a definite system destined to guarantee at all times, and for all Powers, the free use of the Suez Maritime Canal."

It was designed to establish an international system, and therefore I agree with the right hon. Gentleman that the principle of nationalisation does not apply.

The next point is that the manner in which Colonel Nasser has acted has shown that in practice the Canal could not safely be left at his disposal. His method of announcing his decision, the threats to the employees who would not stay at work, the indication, with which the right hon. Gentleman dealt, about the uses to which the resources of the Canal were to be put in the future - all these things show, in my view, that/

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that apart from the juridical side of it, on the practical side it is not safe for this Canal to be left at his disposal. If this Canal is left in his control I think he can, and on past form will, do great harm to us or to any other country.

The only acceptable solution there in this present difficulty, I think, is some form of international system - an international system in which we can have confidence - and therefore we seek an international solution of this problem. I promise the House that. We are working at the present time for an international conference with suitable membership to meet with expedition to test international opinion on this matter; we are in broad agreement with our French and American allies upon that matter, and I hope the country will hear more about that before midnight tonight.

There has been reference to the military preparations which are being made. I think they have been received with general approval. It is a very serious situation in which many British subjects are in Egypt, many British ships approaching the Canal, and it is a situation in which anything might happen. Therefore, I think the Government would be failing in their duty if they did not take precautionary measures. Nevertheless, whilst taking those precautionary measures we still seek and will do our best to achieve an international solution of the matter.

I think the Government can feel that as a result of this debate they have the support of almost the whole House in what they are doing. I assure hon. Members that we intend to be absolutely firm in this matter. We are not prepared to accept the present situation. We are not going to yield on this question of principle - the principle of ensuring right of free passage through that Canal under some international system. We feel that this great international waterway must not be left at the mercy of the caprices or the spleen or the hatreds of one Power or of one man. Ends.

Copy to:-

D. II

SUEZ CANAL DISTRIBUTION

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|--------------------------|------------------------|
| H.M. Ambassador for U.K. | in Dublin |
| U.K. Embassy Washington | Mr. J.R.A. Bottomley |
| U.K. Delegation to | |
| U.N. New York | Mr. T.W. Keeble |
| Accra, Governor's Office | Mr. F.E. Cumming-Bruce |
| Canada House | Mr. G. Riddell (2) |
| Australia House | Mr. L. Corkery |
| New Zealand House | Miss N. Gleeson-White |
| South Africa House | Mr. F.H. Corner |
| Rhodesia House | Mr. H.C. Templeton |
| | Mr. J.G. Stewart (2) |
| | Mr. S.J. Olivier (2) |

SOUTH ASIA AND MIDDLE EAST DEPT.
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S. H. W. J
S. H. C.

J. Home

SECRET

J.E. (4211/475)

1st August, 1956

B. D. Ross. 7/8

Dea. Laskey, SUEZ.

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32094

Lord Home, in his minute of this morning to the Foreign Secretary, promised to let him have later his estimate of India's and Pakistan's reactions. He has now spoken to the two High Commissioners and, while neither as yet has instructions, they both gave the impression that the reaction of their Governments would be much the same as that of the other Commonwealth Governments as described in Lord Home's minute.

I am sending a copy of this letter and of the minute to the Foreign Secretary to the Private Secretaries to the Prime Minister and other members of the Egypt Committee and to Hunt in the Cabinet Office.

Home's minute
H. Smedley
(H. Smedley)

D. S. Laskey,
Foreign Office.

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SECRET

FOREIGN SECRETARY

I have seen the High Commissioners for all the Commonwealth countries; the three Asians in one group and the four "old Dominions" in another. In general they had not received instructions from their Governments but the indications they gave were as follows:

2. Canada, Australia, New Zealand, South Africa and Ceylon would favour the calling of a conference of users.
3. These five countries would also agree that the objective of such a conference should be to reach agreement upon machinery for international control of the Canal.
4. All five would also agree that the aim should then be to secure Nasser's acceptance.
5. All five however are in doubt as to the methods which could be adopted to induce Nasser to agree.
6. I think it possible that India and Pakistan would also be prepared to go as far as this with the other five Commonwealth countries and I shall report on this later.
7. It seems likely that all Commonwealth countries would welcome the chance of attending a conference.

(Initialled) H.

1st August, 1956.

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British Embassy,
Copenhagen.

August 3, 1956.

Monsieur le Ministre,

I have been instructed by Her Majesty's Principal Secretary of State for Foreign Affairs to make the following communication:-

Her Majesty's Government in the United Kingdom have the honour to transmit to the Royal Danish Government the attached text of a statement in regard to the Suez Canal, issued in London on the 2nd of August, 1956 by the Governments of France, the United Kingdom and the United States. In accordance with paragraph 5 of that statement Her Majesty's Government hereby invite the Danish Government to take part in a Conference to be held in London on the 16th of August, 1956 in order to consider what steps could most appropriately be taken to establish operating arrangements under an international system designed to assure the continuity of operation of the Canal as guaranteed by the Convention of October 29, 1888, consistently with legitimate Egyptian interests. Similar invitations are being extended to the Governments of Egypt, France, Italy, Netherlands, Spain, Turkey and the Union of Soviet Socialist Republics as parties to the aforesaid convention and to the Governments of Australia, Ceylon, Ethiopia, Federal Republic of Germany, Greece, India, Indonesia, Iran, Japan, New Zealand, Norway, Pakistan, Portugal, Sweden, and United States of America as governments of nations largely concerned with the use of the Canal.

I have the honour to be,
with the highest consideration,
Monsieur le Ministre,
Your Excellency's obedient Servant,

E.A. Berthoud

His Excellency
The Minister for Foreign Affairs
Monsieur H.C. Hansen,
Royal Danish Ministry for Foreign Affairs.

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Statement on Suez Canal issued in London on August 2, 1956 by the Governments of France, the United Kingdom and the United States of America

The Governments of France, the United Kingdom and the United States join in the following statement:

1. They have taken note of the recent action of the Government of Egypt whereby it attempts to nationalise and take over the assets and the responsibilities of the Universal Suez Canal Company.

This Company was organised in Egypt in 1856 under a franchise to build the Suez Canal and operate it until 1968.

The Universal Suez Canal Co. has always had an international character in terms of its shareholders, directors and operating personnel, and in terms of its responsibility to assure the efficient functioning as an international waterway of the Suez Canal.

In 1888 all the Great Powers then principally concerned with the international character of the Canal and its free, open and secure use without discrimination joined in the Treaty and Convention of Constantinople.

This provided for the benefit of all the world that the international character of the Canal would be perpetuated for all time, irrespective of the expiration of the concession of the Universal Suez Canal Co.

Egypt as recently as October, 1954, recognised that the Suez Canal is "a waterway economically, commercially and strategically of international importance" and renewed its determination to uphold the Convention of 1888.

2. They do not question the right of Egypt to enjoy and exercise all the powers of a fully sovereign and independent nation, including the generally recognised right, under appropriate conditions, to nationalise assets, not impressed with an international interest, which are subject to its political authority. But the present action involves far more than a simple act of nationalisation.

It involves the arbitrary and unilateral seizure by one nation of an international agency which has the responsibility to maintain and to operate the Suez Canal so that all the signatories to, and beneficiaries of, the Treaty of 1888 can effectively enjoy the use of an international waterway on which the economy, commerce and security of much of the world depends.

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This seizure is the more serious in its implications because it avowedly was made for the purpose of enabling the Government of Egypt to make the canal serve the purely national purposes of the Egyptian Government, rather than the international purpose established by the Convention of 1888.

Furthermore, they deplore the fact that as an incident to its seizure, the Egyptian Government has had recourse to what amounts to a denial of fundamental human rights by compelling employees of the Suez Canal Co. to continue to work under threat of imprisonment.

3. They consider that the action taken by the Government of Egypt, having regard to all the attendant circumstances, threatens the freedom and security of the canal as guaranteed by the Convention of 1888.

This makes it necessary that steps be taken to assure that the parties to the convention and all other nations entitled to enjoy its benefits shall, in fact, be assured of such benefits.

4. They consider that steps should be taken to establish operating arrangements under an international system designed to assure the continuity of operation of the canal as guaranteed by the Convention of October 29, 1888, consistently with legitimate Egyptian interests.

5. To this end they propose that a conference should promptly be held of parties to the Convention and other nations largely concerned with the use of the canal.

The invitations to such a conference to be held in London on August 16, 1956, will be extended by the Government of the United Kingdom to the Governments named in the annex to this statement. The Governments of France and the United States are ready to take part in the conference.

Parties to the Convention of 1888:

Egypt, France, Italy, Netherlands, Spain, Turkey, United Kingdom, U.S.S.R.

Other nations largely concerned in the use of the canal either through ownership of tonnage or pattern of trade:

Australia, Ceylon, Denmark, Ethiopia, Federal Republic of Germany, Greece, India, Indonesia, Iran, Japan, New Zealand, Norway, Pakistan, Portugal, Sweden, United States of America.

UNCLASSIFIED

PRIORITY



British Embassy,

San Sebastian.

August 3, 1956.

INDEXED

JE(424/47)

Dear Department,

The Spanish newspapers of August 3 announce in ~~black~~ black type that the Egyptian Ambassador visited the Minister of Foreign Affairs on August 2 and informed him of the official point of view of his Government on the nationalisation of the Suez Canal Co., and gave him a text of the declaration of President Camel Abdul Nasser, in which guarantees ~~will~~ ~~be~~ given that the freedom of navigation in the Suez Canal will not be compromised, and in which the intention of the Egyptian Government to respect and maintain all international engagements, especially the Convention of 1888 and the guarantee given in the Anglo-Egyptian Agreement of 1954, ~~is~~ made clear.

2. The following is the text of the declaration:

"On July 26, 1956, the Canal Co. was nationalised. This exercise of its right by the Egyptian Government has, however, created some opposition on the part of some governments, particularly those of France and the U.K. This opposition is without any foundation seeing that the Suez Canal Co. has always been an Egyptian company liable, like other Egyptian companies, to be nationalised.

"This nationalisation in no way affects the international engagements of Egypt. We are, as always, determined to honour all our international engagements and both the Convention of 1888 and the guarantee given in the Anglo-Egyptian Agreement of 1954 are and will be fully maintained. The freedom of navigation in the Suez Canal is not affected or compromised in any manner or degree. Still more: no one is more interested than Egypt in the freedom of transit and in the prosperity of the traffic through the Canal.

"We are sure that the traffic through the Canal will in future years justify all our hopes and those of all the world. Egypt is convinced of the justice of her position and will not turn aside from the road which she has laid down, but will continue forward in the service of her own interests and of those of the world community of nations."

Yours ever,

African Department,
Foreign Office S.W.1.

Chancery.

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British Embassy,
Brussels.

(1426)
No. 313

RESTRICTED

August 3, 1956.

JE 14211/478

INDEXED

Sir,

0270211/135

With reference to my telegram No. 164 of the 31st of July, I have the honour to transmit herewith the published account of remarks made by the Minister of Foreign Trade at a press conference on the 30th of July, regarding Belgian trade with Egypt and the repercussions on it by the Suez dispute. It will be observed that Monsieur Lareck's remarks were highly non-committal. Monsieur Lareck was, however, speaking in his capacity as Minister of Foreign Trade in the context of Belgian trade figures for the second half of the year, and I do not consider that it is necessary to lend undue political weight to his words or to imagine that these were uttered in his capacity as deputy for the Minister of Foreign Affairs during Monsieur Spaak's absence in the Belgian Congo.

I have the honour to be,
With the highest respect,
Sir,
Your obedient servant,

G. P. Labeuchere
(G. P. Labeuchere)

The Right Honourable
Selwyn Lloyd, C.B.E., M.P.,
etc., etc., etc.,
Foreign Office,
London, S.W.1.

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NEW YORK TIMES, SATURDAY, AUGUST 4, 1956.

Eisenhower Remarks and Dulles' Report

Following is the text of Secretary of State Dulles' report to President Eisenhower and the nation by radio and television last night on his participation in the London conference on the Suez Canal and remarks by President Eisenhower as recorded by The New York Times:

By President Eisenhower

...of his, of course, appreciate the tremendous importance of the Suez Canal. Its continuous and effective operation is vital to the economies of our country, indeed, to the economies of almost all of the countries of the world.

So all of us were vastly disturbed when Colonel Nasser a few days ago declared that Egypt intended to nationalize the Suez Canal Company. At that moment, Secretary Dulles was in South America. But as soon as he returned, and because of his great experience, his wisdom in this kind of affair, he went at my request to London to confer with our British and French friends concerning a proper course of action.

This noon he returned. Because of the information he has and the background he can give you, I instantly asked the television industry to give him a few minutes this evening to explain to you what he can tell you, and give you a report on what he has been talking about in London.

By Secretary Dulles

Mr. President: I greatly appreciate what you've said and this opportunity to speak here from the White House about this dangerous, critical Suez situation, and to tell the American people with some background, the kind of thing I have been reporting to you by cable from London and then which we talked over personally here at the White House this afternoon.

Now this trouble about the Suez Canal started about a week ago when President [Gamal Abdel] Nasser announced that he was going to take over the operation of the Suez Canal. At that time he tried to seize the moneys and the property and the personnel of this Universal Suez Canal Company, which is the operating company of that canal.

Now, this act by President Nasser goes far beyond a mere attempt by a government to nationalize companies and properties within its territory which are not international in character, because the Suez Canal and the operating company are international in character.

Now let me speak first a little background about the Suez Canal. That's an international waterway which was built by the Universal Suez Canal Company with international funds about a century ago. And then, in the year 1888 all of the great powers that were principally concerned with that canal made a treaty providing that the Suez Canal shall be open at all times, in war as well as in peace, to the shipping of all nations on free and equal terms.

Egypt's Allegiance Recalled

Egypt is a party to that treaty and has repeatedly recognized it. And indeed, only a couple of years ago President Nasser, himself, reaffirmed the allegiance of Egypt to that treaty. In all the world there is no international waterway as fully internationalized as is the Suez Canal.

Now let me talk about the Universal Suez Canal Company. That's the company that originally built the canal and which, since 1888, when the canal was built, has been the

long and during most of the way ships bump past each other so there is danger of collision. And the organizing of this thing is a very complicated bit of business.

Facts on Usage Given

Now here are a few very interesting statistics that I've put down. In 1955, 11,668 ships passed through the canal. They had a tonnage of over 115,000,000. They flew the flags of more than forty different nations. They carried the products of all the world.

There are 127 pilots. They are from 11 different nations—fifty-six British, thirty-two Egyptian, fourteen Dutch, eleven Norwegian, and so on. Two of the pilots are Americans.

It is, by far, the world's greatest highway. It has nearly three times the traffic that goes through the Panama Canal, where you and I were, Mr. President, just last week.

Now, why did President Nasser suddenly decide to take over the operation of the Suez Canal? Now, he told us about that in a long speech that he made.

And in that speech he said for a moment, "Egypt would like to see the canal better managed, being operated so as to assure better the rights that were granted under the 1888 treaty. The basic reason he gave was that if he took over this canal it would enhance the prestige of Egypt."

He said that Egypt was determined to score one triumph after another, in order to enhance what he called the grandeur of Egypt, and he coupled his action with statements about his ambition to extend his influence from the Atlantic to the Persian Gulf.

And also he said that by seizing the Suez Canal he would strike a blow at what he called Western imperialism. And he thought, also, that he could exploit the canal so as to produce higher revenues for Egypt, and so to retaliate for the failure of the United States and Britain to give Egypt the money to enable it to get started on this \$1,000,000,000-plus Aswan [High] Dam.

Action Called Retaliation

Now President Nasser's speech made it absolutely clear that his seizure of the canal company was an angry act of retaliation against fancied grievances. No one reading that speech can doubt for a moment that the canal, under the Egyptian operation, would be used not to carry out the 1888 treaty but to promote the political and economic aspirations of Egypt, and what, as I say, President Nasser calls the grandeur of Egypt.

Now, of course, the government of a free and independent country which Egypt is, and we want to have it always that should seek to promote by all proper means the welfare of its people. And President Nasser has done quite a lot of good in that respect.

But it is inadmissible that a waterway internationalized by treaty which is needed for the livelihood of a score or more of nations should be exploited by one country for purely selfish purposes. And that the operating agency which has done so well in handling the Suez Canal in accordance with the 1888 treaty should be struck down by a national act of vengeance.

To permit this to go unchallenged would be to encourage a breakdown of the international fabric upon which the security and the well-being of all peoples depend.

And the question, Mr. President, as we've agreed, is not

since of twenty-four nations to be held on Aug. 15. These twenty-four nations consist of three groups of eight.

First of all, the eight nations which are party to the 1888 treaty—this includes the Soviet Union and Egypt.

Then, in the second group, there are eight other countries, not included in the first group, whose citizens own the greatest volume of traffic that goes through the canal.

And then as a third group—there are eight other countries, not included in the foregoing categories, whose patterns of international trade shows a special high degree of dependence upon the canal.

These nations that are invited are truly representative and give a broad geographical and cultural diversification.

We believe that out of this conference will come a plan for the international operation of the canal which will give assurance that the objectives of the 1888 treaty will in fact be realized and that the canal will continue to be operated by those who feel that is their duty to serve the international community—and not to serve the special interests of any one nation.

This plan should give both security to the nations principally concerned with the canal and also fully protect the legitimate interests of Egypt. Egypt, we believe, should be adequately represented on this operating authority, and be assured, also, of a fair reasonable income for the use of the property, because the canal, although it is internationalized, is on Egyptian territory.

Fairness for Egypt Urged

There is every desire that Egypt shall be treated with the utmost fairness. And, also, the owners and the employees of the now dispossessed Universal Canal Company should also, of course, be fairly treated.

If these principles are accepted by the conference, then we believe that they will also be accepted by Egypt.

As you know, Mr. President, it is one thing for a nation to defy just one or two other nations. But it's quite a different thing to defy the considered and sober judgment of many nations—nations which had treaty rights in the canal, and which in large part depend for their economic livelihood upon the operation of the canal in accordance with the 1888 treaty.

Now, I've been asked, "what will we do if the conference fails?" My answer to that is that we are not thinking in terms of the conference's failing. But I can say this: we have given no commitments at any time as to what the United States would do in that unhappy contingency.

I repeat, we assume, Mr. President—with you—that the conference will not fail, but will succeed. And I believe that by the conference we will invoke moral forces which are bound to prevail.

Mr. President, you and I have often talked about our Declaration of Independence, with the principles that are set forth in that great document. And one of those principles is that to which the founders pledged themselves—that they would pay a decent respect for the opinions of mankind.

I believe, Mr. President, that most people pay decent respect for the opinions of mankind, when they're soberly, carefully and deliberately formulated. And because I believe that I am confident that out of this conference there'll come a judgment of such moral force that we can be confident that the Suez Canal will go on as it has for the last 100 years.

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JE 1421/484

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CONFIDENTIAL

INDEXED

The following points were raised in the Conservative Foreign Affairs Committee yesterday evening. The Secretary of State dealt with all the Questions, but you may like to have a note of them in preparation for to-morrow's Debate.

- (1) Has Article 8 of the 1954 Agreement been violated?
- (2) Could any future "Canal" be extended to include a strip of land, like the Panama Canal?
- (3) Are we ready for World War III? Should the United Kingdom not get war economy established before issuing an ultimatum?
- (4) What instructions have been given to British subjects in Egypt?
- (5) Great need for international approach. United Kingdom will lose all Arab support if we take this lying down, but we must attack the dictator attitude of Colonel Nasser, not the Arabs.
- (6) What would Her Majesty's Government do if a 20 year Soviet-Egyptian Pact were signed now?
- (7) We should avoid United Nations.
- (8) As there has been no interference so far with Canal, Her Majesty's Government should provoke one - but it must be confined to Egypt. We should not withdraw troops from Germany.
- (9) The stronger United Kingdom action is now, the wider the support will be.
- (10) This is a unilateral repudiation of an international undertaking, with forced labour imposed on former Canal Company employees.

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- (11) Can we mobilise Commonwealth opinion, especially India?
- (12) Publicity must make clear issues to the whole country.
- (13) Public opinion in United States universally disapproves of Mr Dulles, and increasingly in favour of United Kingdom, as our position becomes understood.

Dods Dodds-Parker
(A. D. Dodds-Parker)
August 1, 1956

African Department

Copy to: Private Secretary
Lord Reading
Sir H. Caccia
Mr Ross
Mr P. Grey
Sir G. Young
Mr Vallat

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JE 1421/485 Minutes *Enter*

Mr. Ross
Copy to:
Secretary of State
Sir H. Caccia
Mr. Shepherd,
African Dept.
JE 1421/846

NOTHING TO BE WRITTEN IN THIS MARGIN

The Prime Minister has seen my letter of July 30 to Mr. Millard reporting the text of a message issued by the Suez Canal Company to its chief Representative in Egypt.

2. He remarked that the action which the Suez Canal Company had taken was different from that which H.M.G. had decided to take in this matter (Item 7 of E.C. 56 - 4th Meeting). H.M.G. had decided to advise the employees of the Company to give notice only when no more U.K. shipping was passing through the Canal. He thought that we should remain in step with the Company and that we should now issue instructions to H.M. Ambassador at Cairo similar to those sent by the Company. If the Secretary of State agreed, this should be done immediately. If not, he might either discuss the question with the Prime Minister or discuss it with his colleagues on the Egyptian Committee after the vote in the House this evening.

3. When Mr. Millard telephoned to convey this information, I said that the Secretary of State would probably have difficulty in attending another meeting tonight, as he was engaged with M. Pineau. It seemed to me that the decision of H.M.G. and that of the Suez Canal Company differed only on the point of timing. The Company had acted now. We did not yet know whether their action was effective. The French Government, so far as we knew, had not yet endorsed the Company's instructions. I wondered whether the Secretary of State would think it necessary for H.M.G. to hurry to do so.

4. There is also the point, which I did not make to Mr. Millard, that it is satisfactory from our point of view that the Suez Canal Company should advise employees to leave. It is one thing for them to be blamed for disrupting traffic through the Canal; it is quite another thing for H.M.G. to be blamed for doing so.

I have since done so.

Spoken to Sir S. See minutes of last night E.C.

a.d. 1/5

[Signature]

JE 1421/1056 July 31, 1956

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Enter J



BRITISH EMBASSY,

Paris.

(14222/328/56)

CONFIDENTIAL

JF1421/494

August 7, 1956.

INDEXED

Dear John,

You told me this morning that the Prime Minister had asked to see the text of M. Mollet's statement to the French National Assembly on Friday, August 3.

- 2. I enclose three copies of the statement as recorded in the French equivalent of "Hansard". You may wish to keep one yourself and perhaps you would let the African Department have the third.

Yours ever,

Richard

(A. M. Palliser)

J. A. N. Graham, Esq.,
Foreign Office, 1.
London, S.W.1.

*1 Copy to Mr
Pillard under
c/s (immediate)*

*2. African Dept
to enter JANG
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E 14211/192

FROM CAIRO TO FOREIGN OFFICE

En Clair

FOREIGN OFFICE AND WHITEHALL
DISTRIBUTION

Sir H. Trevelyan
No. 1185
August 9, 1956

D. 12. 5 p.m. August 9, 1956
R. 1.33 p.m. August 9, 1956

IMMEDIATE

Addressed to Foreign Office telegram No. 1185 of August 9.
Repeated for information to: Paris

Washington
JEN 21/450 P.O.M.E.F.

My telegram No. 1178: Suez Canal.

Gomhouria this morning prints attack on British and French Consuls at Port Said for alleged incitement to Canal pilots to down tools. Same story is repeated at length in Middle East News despatch carried by Egyptian Gazette.

2. Following is extract from Gomhouria:

"The British Consul at Port Said and also the French Consul are undertaking grave activities in the Canal Zone. They incite the pilots in the Canal to cease work, they also incite those who are undertaking important work to refrain from doing their work, they push certain navigation companies to unsound actions. The Egyptian Authorities are watching this suspicious activity; they will not keep silent over this action which does not accord with the nature of the post of the two Consuls. They will not allow the interruption of freedom of navigation in the Canal in any way. Middle East News has learned that British Consul in Port Said, and also the French Consul, are holding periodical meetings with the pilots in the Canal, and others who are entrusted with important functions in the navigation operations therein, and that the object of these meetings is to incite abstention from work. The news agency also learned that the Egyptian authorities are watching this activity with a watchful eye, and that they will not allow interruption of free navigation in the Canal in any way".



/S. Gomhouria

Cairo telegram No.1485 to Foreign Office

-2-

2. Gomhouria also reports actions by French owned Worms Navigation Company indicating that latter does not recognise new Suez Canal authority. Gomhouria learns that actions by Worms were prompted by British and French Consuls at Port Said who have "continued during last few days to undertake actions which were incompatible with their diplomatic functions and against international traditions".

Foreign Office please pass to Washington as my telegram No.210.

[Repeated to Washington]

ADVANCE COPIES

Private Secretary
Sir I. Kirkpatrick
Mr. Ross
Head African Department

LLL

conséquences. Nombreux sont d'ailleurs déjà ceux qui gardent attentivement vers la France et espèrent, au fond d'eux-mêmes, que celle-ci ne les abandonnera pas à un fanatisme aveugle.

Le Parlement peut faire confiance au Gouvernement. Celui-ci n'a pas plié et ne pliera pas devant la menace. Il ira jusqu'au bout dans la voie où il s'est engagé, sans abandonner ni son sang-froid ni sa résolution. (Applaudissements à gauche, au centre et à droite.)

M. le président. La parole est à M. le président du conseil.

M. Guy Mollet, président du conseil. Mesdames, messieurs, il me faut, d'abord, exprimer publiquement à M. le ministre des affaires étrangères, mon ami M. Christian Pineau, mes remerciements chaleureux et ceux du Gouvernement unanime pour l'action qu'il a menée à Londres et les résultats qu'il a obtenus.

Sa fermeté, son énergie, sa ténacité ont permis de faire prévaloir l'essentiel des préoccupations françaises. (Applaudissements à gauche et sur plusieurs bancs au centre.)

Mon intention n'est pas de le paraphraser, mais de dégager brièvement devant vous la signification et la portée de la riposte alliée aux décisions du colonel Nasser.

Rien dans ce que nous entreprenons et dans ce que nous préparons n'est en aucune manière dirigé contre le monde arabe ou même contre le peuple égyptien. La France a maintes fois prouvé son amitié à l'égard des pays du Moyen-Orient. Elle comprend leurs préoccupations et leurs besoins. Elle a le souci que soient garanties leur indépendance et leur intégrité territoriale, le souci que se poursuive leur développement économique en vue du relèvement de leur niveau de vie. Et même, malgré l'attitude prise à notre rencontre au cours des derniers mois, malgré les déchaînements de la propagande, elle garde confiance dans l'avenir des relations entre le peuple français et les peuples arabes.

Notre riposte n'a pour but, quoi que certains aient dit à cette tribune, que la défense d'intérêts nationaux et de principes de valeur universelle et non pas celle d'intérêts capitalistes qui seraient lésés par une nationalisation.

Je fais miennes les paroles qu'ont prononcées hier à ce sujet M. le président et M. le rapporteur de la commission des affaires étrangères.

Si le Gouvernement a le devoir d'assurer dans tous les cas la protection des biens de nos nationaux — et il n'y failira pas — ce problème est de caractère contentieux et non pas politique.

Ce contre quoi nous nous élevons, ce que nous n'admettrons pas, c'est qu'un dictateur commette une violation grossière de la morale internationale, c'est qu'il prenne des mesures unilatérales au mépris d'accords conclus, au mépris des règles du droit des gens.

Je dois relever d'abord, après M. le ministre des affaires étrangères, les mesures inadmissibles prises par le colonel Nasser contre le personnel de la compagnie, personnel dont une large proportion est française. Contraindre ces agents à travailler pour le compte du nouvel organisme égyptien, sous la menace des peines de prison les plus lourdes, c'est peut-être admis dans certaines régions, mais c'est à nos yeux violer les droits fondamentaux de l'homme. (Applaudissements à gauche, au centre et à droite.)

C'est instituer une forme nouvelle de travail forcé, c'est heurter la conscience de tous les hommes libres.

Je dois relever, ensuite, les menaces que le colonel Nasser fait peser sur la liberté de passage et la sécurité du canal. Pour nombre de pays, c'est l'équilibre même de leur économie qui est aujourd'hui en cause. Aussi la convention de 1888

prévoyait-elle — explicitement — que, « dans l'intérêt du monde entier » le caractère international du canal devrait être assuré à titre perpétuel.

Assurer la liberté et la sécurité du transit, ce n'est pas seulement ne faire aucune discrimination à l'encontre d'un usager quelconque, c'est aussi maintenir le canal en bon état d'entretien, c'est aussi garantir que les droits de péage resteront à des taux normaux et exempts d'arbitraire.

Alors, parlons franchement: ni politiquement ni techniquement le régime insensé du colonel Nasser ne donne les assurances nécessaires. Nous ne faisons pas confiance à un dictateur qui a prouvé en quel mépris il tenait ses engagements internationaux. Nous n'acceptons pas de faire dépendre les relations économiques entre l'Europe et l'Asie de ses visées nationalistes.

La France considère que, seule, une autorité internationale chargée de la gestion du canal peut garantir la liberté et la sécurité du transit.

Cette position est partagée par la Grande-Bretagne et par les Etats-Unis. Elle sera sanctionnée par la conférence internationale qui vient d'être convoquée. La France n'admettra pas que l'Egypte s'oppose à sa mise en œuvre.

Ce que je dois relever, enfin, dans les décisions du colonel Nasser, dans les commentaires dont il les a entourées, c'est la portée politique qu'il leur a donnée.

Sa préoccupation première, ce n'est pas d'assurer le respect de droits légitimes de l'Egypte, ce qui aurait pu rencontrer une compréhension générale. Ce qu'il a voulu, c'est affirmer définitivement qu'il était, lui, le leader du monde arabe, qu'il était le « héros », comme il l'a écrit lui-même, qu'attend le peuple arabe.

Ce qu'il a voulu, c'est asseoir sans conteste son autorité sur les autres peuples arabes, alors que ceux-ci seront les premiers à pâtir de ses visées impérialistes et de son ambition folle de vouloir les dresser demain contre l'Occident, au nom d'un expansionnisme démesuré.

Il y a quelques jours, je rappelais devant la presse parlementaire le programme que Nasser s'était tracé dans *La Philosophie de la révolution*, une brochure trop peu connue, dont l'illustration seule suffit à montrer ce qu'elle est.

[**M. Marcel Haegelen.** Hitler !]

M. le président du conseil. Bien avant le 28 juillet, j'avais déjà eu l'occasion de dénoncer publiquement, par de longues citations, l'ambition effrénée de Nasser. Des sceptiques ou des sages m'ont reproché alors d'user d'arguments de polémiste. Ils m'ont fait remarquer que c'était là brochure déjà vieille.

C'était faire bon marché des faits. Nasser lui-même vient de leur répondre. « Nous possédons, déclarait-il mercredi dernier à Aboukir, une force énorme, terrible, qui s'étend de l'Atlantique au Golfe persique. Je l'ai dit moi-même dans *La Philosophie de la révolution*, nous sommes une force immense. Aujourd'hui, le panarabisme est une réalité. Nous libérerons le monde arabe de l'Atlantique jusqu'au Golfe persique. »

Nasser, donc, n'a rien renié de son livre, ni de ses thèses. Est-ce que nous saurons tirer les conséquences de cet avertissement ? (Applaudissements à gauche, au centre, à droite et sur quelques bancs à l'extrême droite.)

Je ne veux pas cacher que j'attends, non sans quelque curiosité, de voir avec quels arguments certains essayeront de défendre la cause de Nasser devant la classe ouvrière. (Applaudissements sur les mêmes bancs. — Protestations à l'extrême gauche.)

[**M. Jean Pronteau.** Nous défendrons la cause de la paix !] P.T.O.

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ASSEMBLEE NATIONALE — SEANCE DU 3 AOUT 1956

M. Waldeck Rochet. Nous ne voulons pas qu'on entraîne notre pays dans la guerre! Nous défendons la paix et non pas Nasser!

M. Charles Lussy. Rappelez-vous Munich!

M. Waldeck Rochet. Nous avons été les seuls à voter contre Munich.

M. Raymond Guyot. Si vous voulez parler de Munich, nous allons en parler aussi!

M. Waldeck Rochet. Vous en étiez partisans!

M. Jean Pronoteau. Vous êtes les principaux responsables de Munich, vous le savez! (Exclamations à gauche.)

M. le président. Messieurs, je vous en prie! La parole est à M. le président du conseil.

M. le président du conseil. Après ces violations du droit des gens et de la moralité internationale, Nasser a peut-être espéré que la complicité tacite et l'appui de l'Union soviétique lui vaudraient l'impunité et lui permettraient de poursuivre ses rêves d'hégémonie du monde arabe et même, au-delà du monde arabe, du monde musulman.

La riposte calme, mais ferme, des trois grandes puissances, lui prouve aujourd'hui qu'il s'est cruellement trompé.

Avec résolution, sans vains éclats, les Trois ont fait connaître à Nasser les règles auxquelles il devra se plier.

Nous avons décidé la convocation d'une conférence sur le statut du canal.

Nous serions-nous engagés dans la poursuite trop longue de négociations trop vagues, avec trop de participants ?

Il n'en est rien, vous le savez.

La conférence se réunit dès le 16 août. Elle doit travailler rapidement. Son objectif est clairement arrêté et les Trois sont décidés à empêcher tout attermolement.

Elle rassemble les pays directement intéressés à l'usage du canal. Sa convocation prouve que les Trois agissent dans l'intérêt commun du monde, en conformité du droit et de l'équité.

Non, la conférence de Londres ne sera pas l'étouffement, l'enlisement de la volonté française. Elle sera l'affirmation d'une volonté commune de l'immense majorité des nations en cause.

C'est sur ces bases seules que nous nous sommes engagés. Les règles qui seront confirmées le 16 août seront appliquées. Nous les imposerons à Nasser si, dans un dernier défi, il prétend les ignorer.

Je peux donner à l'Assemblée l'assurance que les mesures nécessaires sont d'ores et déjà prises en France, comme elles le sont chez nos amis britanniques.

J'ai moi-même donné ici le conseil d'être plus soucieux d'action réelle et efficace que d'énergie verbale. Ce conseil, le Gouvernement l'a suivi le premier. L'affirmation simple, de sa volonté, appuyée sur celle d'un Parlement, d'un peuple résolu, a frappé l'opinion mondiale, a pesé sur la décision de grands pays amis.

Le Gouvernement continuera dans cette voie sans fanfaronnade, mais sans esprit de recul. Il sait l'étendue des responsabilités qui pèsent en ce moment sur les alliés. Il n'a pas hésité un instant devant elles. Il les assumera jusqu'au bout. (Applaudissements à gauche, au centre, à droite et sur quelques bancs à l'extrême droite.)

M. le président. Acte est donné au Gouvernement de sa communication.

M. François de Menthon. Vous ne répondez pas, Guyot! (Mouvements divers.)

M. le président. Je vous en prie: gardons à cette séance la dignité qui convient.

RAPPEL D'INSCRIPTION D'UNE AFFAIRE SOUS RÉSERVE QU'IL N'Y AIT PAS DÉBAT

M. le président. Le rapport de la commission des moyens de communication et du tourisme sur la proposition de loi de M. Marcel Noël et plusieurs de ses collègues tendant à uniformiser les régimes des pensions de reversibilité des veuves des ex-agents de la S. N. C. F. a été mis en distribution aujourd'hui (n° 1474, 2637).

Conformément à l'article 36 du règlement et à la décision de la conférence des présidents du 28 juillet 1956, il y a lieu d'inscrire cette affaire, sous réserve qu'il n'y ait pas débat, en tête de l'ordre du jour du troisième jour de séance suivant la séance d'aujourd'hui.

RENOI A UNE COMMISSION

M. le président. Dans sa séance du 31 mai 1956 l'Assemblée nationale avait renvoyé à la commission de l'agriculture la proposition de loi de M. Grandin, tendant à supprimer les cotisations directes et les impositions additionnelles à l'impôt foncier destiné au financement des prestations familiales agricoles et de la caisse d'allocation vieillesse agricole (n° 2002).

La commission des finances, d'accord avec la commission de l'agriculture, demande que cette affaire soit renvoyée pour le fond à son examen, la commission de l'agriculture restant saisie pour avis.

Il n'y a pas d'opposition ?
Il en est ainsi ordonné.

RENOI POUR AVIS

M. le président. La commission de l'agriculture demande à donner son avis sur la proposition de loi n° 2601 de M. Vahé et plusieurs de ses collègues tendant à amnistier les exploitants agricoles frappés de pénalités, amendes, ou de toutes autres peines, pour infraction aux dispositions légales ou réglementaires concernant les assurances sociales agricoles, les allocations familiales agricoles, la caisse de retraite vieillesse agricole dont l'examen au fond a été renvoyé à la commission de la justice et de législation.

Conformément à l'article 27 du règlement, l'Assemblée voudra sans doute prononcer ce renvoi pour avis. (Assentiment.)

DEPOT DE PROJETS DE LOI

M. le président. J'ai reçu de M. le ministre des affaires économiques et financières un projet de loi portant ratification du décret n° 56-763 du 2 août 1956 suspendant provisoirement la perception du droit de douane d'importation applicable aux sables remorqués par avion.