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1956

**J**  
AFRICAN DEPARTMENT  
EGYPT

JE 14211/629

FROM  
via Army  
BUDAPEST

No. 327  
Dated Aug 11, 1956  
Received in  
Registry - Aug 13, 1956

Suez Canal Conference

August 11, 1956. Statement of Hungarian government's attitude to Suez situation. Text following by bag [August 20 arrival].

References to former relevant papers

MINUTES

In drawing up the lists of countries to be invited under the different categories (signatories to 1864 Convention etc.) we were anxious not to get involved in complicated legal questions about successor states to the original signatories of the 1864 Convention, chiefly because we wanted to avoid the awkward problems of successors to the Austro-Hungarian and Ottoman Empires (see F.O. tel 852 to Bonn, copy att'd)

Now the Hungarians are protesting at their exclusion and citing Art. 217 of the Treaty of Trianon <sup>(copy attached)</sup> to show that they are the heirs of the Austro-Hungarian Empire in respect of the 1864 Convention. If this gives them a genuine title to the succession I suppose we shall have to base our guidance / for which Budapest asks in para 4) on political & not legal arguments. But it wd clearly be useful to have a legal opinion if we could. I wd be grateful for the views of the Legal Advisor.

48996  
S. G. Fitzmaurice  
J.P. Phillips  
17/8

(Print)

(How disposed of)

USUAL DISTRIBUTION

Aug. 13  
Tel Budapest 598 Aug 24  
Rept (Savoy) to: Gen, Mason  
F. O. Reg. Dept  
Usual dist. Aug 27

(Action completed)

26/3/57

(Index)

1578/57

References to later relevant papers

-1353

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The effect of Art. 217 of Trianon was not really to make Hungary an actual party to the Versailles Treaty, as such, but merely to provide that it should be applied as between it & the Allied & Associated Powers. It did not convert her into an actual signatory or technical party, as such has that status.

The question of State succession in matters of Treaty is always difficult, but briefly the entity known as Austria-Hungary which was the party to this Treaty, split up, & ceased as such to exist. Where an obligation or right attached to a particular territory of A-H (say ~~the~~ part now Hungary) e.g. a convention about the Danube which flows in the territory, it would continue to apply. But there would be no general succession. <sup>it is merely a number</sup> there ~~is not~~ <sup>of</sup> new entities, not as such parties to a Treaty like the Versailles Treaty which has nothing to do with Hungarian territory itself. The new States do not succeed to the general political & economic <sup>real</sup> position of the old, because they are new, & different considerations may apply. Art. 217 of Trianon did

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ENCLOSURE

minutes.

not affect this in the sense of making B acquire the status of a party. It merely, by reason of her being a party to Trianon, caused the 1888 Conv. to become applicable between her & the other Trianon parties. A State can well by Treaty B acquire the rights set out in Treaty BC, as against A & the States, without thereby becoming an actual party to Treaty BC. Our invitation was only extended to the signatories of 1888 as having party status -

G. Fitzmaurice 23/8

This paper was delayed so long I see ephemeral minute att'd that much of the value of a reply to Budapest is lost. It may however be as well for the Embassy to be armed with an argument in case the Hungarians return to their theme. I submit a draft Telegram

J.P. Phillips 24/8

Isme R.N. 24/8

NOTHING TO BE WRITTEN IN THIS MARGIN.

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CONFIDENTIAL

FROM BUDAPEST TO FOREIGN OFFICE

Cypher/OTP

FOREIGN OFFICE AND  
WHITEHALL DISTRIBUTION

JE 14211/629

Mr. Fry  
No. 327  
August 11, 1956

D. 3.33 p.m. August 11, 1956  
R. 8.24 p.m. August 11, 1956

INDEXED



PRIORITY  
CONFIDENTIAL

Addressed to Foreign Office telegram No. 327 of August 11  
Repeated for information to: Cairo

Moscow  
and Saving to: Warsaw      Sofia  
Prague      Vienna  
Bucharest      Belgrade

Suez.

The Deputy Minister for Foreign Affairs handed me this afternoon a statement of his government's attitude towards the Canal dispute. The text follows by bag arriving August 20.

2. After declaring that Egypt's action was entirely proper, the main points made are that the Hungarian Government;

- (a) are satisfied with the Egyptian guarantee of freedom of navigation;
- (b) themselves endorsing and respecting the resolution adopted on December 21, 1952 at the seventh session of the United Nations General Assembly; regarding a State's exercise of its sovereignty, condemned interference in the internal affairs of Egypt;
- (c) considered the problem should be solved by negotiation, but doubted whether the London Conference was the proper forum since it lacked universality;
- (d) condemned as discriminatory and protested emphatically against the omission to invite to that Conference Hungary and other successor States (Austria, Czechoslovakia, Yugoslavia) to Austro-Hungarian monarchy, the participation of which in the 1888 Convention was upheld in Article 217 of the Treaty of Trianon; and

/(e) .....

CONFIDENTIAL

Budapest telegram No. 327 to Foreign Office

- 2 -

(e) suggested the United Nations was the competent forum for discussion for this and all other problems affecting international waterways.

3. I undertook to report accordingly, [grp. undec. ? drew] attention to the Prime Minister's broadcast exposition of the case and went through the main features of it. I also asked the tonnage of Hungarian shipping passing annually through the Canal.

4. I should be grateful for guidance on legal argument at paragraph 2(d) above.

Foreign Office pass Priority to Cairo and Moscow as my telegrams Nos. 2 and 4 and Saving to Warsaw, Prague, Sofia, Vienna and Belgrade as my telegrams Nos. 9, 10, 9, 3 and 3.

[Repeated to Cairo, Moscow and Saving to Warsaw, Prague, Sofia, Vienna and Belgrade].

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CONFIDENTIAL

FROM FOREIGN OFFICE TO BONN

Cypher/OTF

DEPARTMENTAL  
DISTRIBUTION

No.852

August 3, 1956.

D.5.10 a.m. August 4, 1956.

CONFIDENTIAL

My telegram No.841 [August 2: Invitations to Suez Canal Conference ].

In answer to questions about the reason for the Federal Republic's inclusion under (b)(i) instead of under (a), News Department will take the following line:-

When drawing up the lists of countries we were anxious not to get involved in complicated legal questions about successor states to the original signatories of the 1888 Commission. In the case of the Federal Republic, which is in any case a major user of the Canal, the simplest solution seemed to be to invite her under category (b) (1).

2. For your information, the main point was to avoid the awkward problems of successors to the Austrian and Ottoman Empires. You may, at your discretion, explain this to the Federal Government.

DISTRIBUTED TO

Western Department  
African Department  
News Department  
German Information Department

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**OUTFILE**  
**CYPHER**

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~~XXXXXXXXXX~~  
~~XXXXXXXXXX~~  
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Date and time (G.M.T.) telegram should reach addressee(s) \_\_\_\_\_  
 (Date) 24/8/56  
 Despatched 3-50 A

Draft.  
 Telegram to:—  
**BUDAPEST**  
 No. 598  
 (Date) 24/8/56  
 And to:—

[Security classification] CONFIDENTIAL  
 —if any  
 [Codeword—if any]  
 Addressed to BUDAPEST  
 telegram No. 598 (date) Aug 24

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(same)  
 Repeated to:  
 6945AV Cairo, Moscow, Warsaw  
 925AV Prague, Bucharest  
 455AV Vienna, Sofia  
 Belgrade 1005AV

En Clair.  
 Code  
 Cypher  
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 Departmental

RECEIVED IN  
 C.B.  
 27 AUG 1956  
 SENT TO DEPT.

repeated for information (Saving) to Cairo, Moscow, Warsaw, Prague, Bucharest, Sofia, Vienna, Belgrade.

Your telegram No. 327 [of August 11: Hungarian statement on Suez Canal dispute] paragraph 4.

The effect of Article 217 of Trianon was not really to make Hungary an actual party to the 1888 Convention as such, but merely to provide that it should be applied as between Hungary and the Allied and Associated Powers. It did not convert her into an actual signatory or technical party, or give her that status.

2. The question of state succession in matters of treaty is always difficult, but briefly the entity known as Austria-Hungary, which was the party to this Convention, split up and ceased as such to exist. Where an obligation or right is attached to a particular territory of Austria-Hungary (say the part now Hungary), e.g. a convention about the Danube which flows in the territory, it would continue to apply. But there would be no general succession. There is merely a number of new entities, not as such parties to a treaty /like the

143451 WT 2878/D.597 20,000 0/51 A.B.E.W.LTD. GP.685

1888  
like the ~~1888~~ Convention, which <sup>has</sup> ~~is~~ nothing to do with Hungarian territory itself. The new states do not succeed to the general political and economic treaty position of the old, because they are new and different considerations may apply.

3. Article 217 of Trianon did not affect this in the sense of making Hungary acquire the status of a party. It merely, by reason of her being a party to Trianon, caused the 1888 Convention to become applicable between her and the other Trianon parties. A state can well by <sup>one</sup> treaty ~~it~~ acquire the rights set out in <sup>another</sup> ~~the~~ treaty ~~as~~ against other states without thereby becoming an actual party to <sup>the other</sup> ~~the~~ treaty. Our invitation was only extended to the signatories of 1888 as having party status.

AK  
24/8.  
Distributed to:  
African Dept  
Eastern Dept  
Commonwealth Dept  
Northern Dept  
Information Policy Dept

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CONFIDENTIAL

OUTFILE

FROM FOREIGN OFFICE TO BUDAPEST

Cypher/OTP and By Bag

DEPARTMENTAL  
DISTRIBUTION

No. 598

August 24, 1956

D. 3.50 a.m. August 25, 1956

CONFIDENTIAL

Addressed to Budapest telegram No. 598 of August 24.  
Repeated for information Saving to Cairo No. 694  
Moscow No. 643                      Warsaw No. 149  
Prague No. 92                        Bucharest No. 52  
Sofia No. 45                          Vienna No. 153  
Belgrade No. 100

Your telegram No. 327 [of August 11: Hungarian statement on Suez Canal dispute] paragraph 4.

The effect of Article 217 of Trianon was not really to make Hungary an actual party to the 1888 Convention as such, but merely to provide that it should be applied as between Hungary and the Allied and Associated Powers. It did not convert her into an actual signatory or technical party, or give her that status.

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DISTRIBUTED TO: African Department                      Eastern Department  
Levant Department                                      Northern Department  
F F F F                      Information Policy Department

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*Embaixada de Portugal  
em  
Londres*

JE 14211/63

London, 10th August, 1956.

*My dear Secretary of State*

At the request of Dr. Paulo Cunha, my Minister for Foreign Affairs, I have pleasure in conveying to you the enclosed personal reply to the message you were so good as to send him through Her Britannic Majesty's Embassy at Lisbon, in connection with the Conference to be held in London on the 16th August, 1956.

*Believe me, my dear Secretary  
of State,*

*Yours very sincerely*

*Pedro Antonio Pereira*

The Right Hon.  
Selwyn Lloyd, C.B.E., Q.C., M.P.,  
etc., etc., etc.

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*Embaixada de Portugal  
em  
Londres*

Message from Dr. Paulo Cunha to  
Mr. Selwyn Lloyd

Referring to your personal message in connection with the Conference to be held in London on the 16th August, I wish to stress my satisfaction that the Portuguese Government found it possible to give an immediate acceptance to Her Majesty's Government's invitation to be represented at that Conference.

The Portuguese Government feels that the principle of free use of the Suez Canal is of capital importance to the vital interests of the Portuguese territories and indeed to those of Western Europe. May I add that the Portuguese aim at the Conference will be to seek a solution that will ensure, not only the recognition of the above-mentioned principle, but also its

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*Embairada de Portugal*  
*em*  
*Londres*

safeguard for the future.

In the same spirit as your thoughtful reference to our centuries-old alliance and to our partnership in N.A.T.O., I wish to express my sincere confidence that our two Governments will once more join in close contact and friendship for the fulfilment of the ends of the Conference.

Lisbon, 8th August, 1956.

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CONFIDENTIAL

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FROM ISTANBUL TO FOREIGN OFFICE

Cypher/OTF

FOREIGN OFFICE AND  
WHITEHALL DISTRIBUTION

Her Majesty's Consul General

No. 131

D. 3.29 p.m. August 11, 1956.

August 11, 1956.

R. 8.27 p.m. August 11, 1956.

PRIORITY

CONFIDENTIAL

JE14211/635

Addressed to Foreign Office telegram No. 131 of August 11.

Repeated for information to Cairo Tripoli  
and Savig to Washington Paris  
Benghazi.



Libya and the Suez Canal.

Following from Ambassador.

Turkish Prime Minister received me this morning. He said he had had conversation with the Libyan Prime Minister yesterday which lasted five and a half hours. Ben Halim referred to a message he had received from Nasser expressing the hope that the Turkish Government would support him over the Suez Canal. Halim said that this would provide unique opportunity to improve Turkish Egyptian relations to which he was so anxious to contribute. Menderes then explained to him bluntly and at length his views of Nasser and his policy. The following are some of the points he made:-

- (a) Nasser had morally allied himself with Russia, Turkey's mortal enemy.
- (b) Nasser was now tool in Russian hands and a Russian provocation agent.
- (c) Nasser had no right to speak [? grp. omitted] Arabs or Moslems having betrayed Arab Moslem cause and the security of the Middle East.
- (d) Talk of Arab armed strength was nonsense. It took years to form modern army. Nasser's strength depended on solely Russia who would continue to use him for her own purposes.
- (e) As long as Nasser followed his present policy there can be no improvement in relations between Turkey and Egypt. But Nasser could be told that Turkey would never resort to provocation.

/2. Nasser

CONFIDENTIAL

Istanbul telegram No. 131 to Foreign Office

- 2 -

2. Nasser regards Halim as sole to Egypt but thinks he was shaken by what Menderes said.
3. Menderes had had an hour's conversation with the King of Libya on rather similar lines, who had described it as "real lesson".
4. I am seeing Libyan Prime Minister this afternoon and will speak in accordance with instructions in your telegram No. 112. I told the President of these instructions but I cannot say if he will have opportunity to speak to Halim in the same sense before he leaves.

Foreign Office pass to Cairo and Tripoli Nos. 8 and 7 and Saving to Washington, Paris, Benghazi Nos. 10, 7 and 5.

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

SSSSS



CONFIDENTIAL

Istanbul telegram No. 133 to Foreign Office

- 2 -

it a pity he had not sought an explanation from the department before publicly criticising their action. Halim left with a further assurance that he would speak bluntly to Nasser, but I do not have the impression that this will in fact amount to very much.

5. Your telegram No. 116 arrived after I had seen Halim. I told him I had not received your comment on his message.

Foreign Office pass to Tripoli, Cairo and Bagdad and Saving to Washington, Paris and Benghazi as my telegrams Nos. 8, 9 and 1 and Saving Nos. 12, 9 and 6.

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

SSSSS



ENCLOSURE

RESTRICTED  
INWARD SAVING TELEGRAM  
FROM RIO DE JANEIRO TO FOREIGN OFFICE

J E 14211/648

By Bag FOREIGN OFFICE AND WHITEHALL  
DISTRIBUTION

Sir G. Thompson  
No. 89 Saving R. August 13, 1956  
August 9, 1956

RESTRICTED

My telegram No. 78 Saving - Suez Canal.

The Egyptian Ambassador has given an interview to the press in which he declares inter alia that (a) nationalisation of the Canal Company is an accomplished fact, (b) that as a legal state of war exists between Israel and Egypt, no Israeli vessels will be allowed to pass and (c) that any intervention on the part of the Western Powers will lead to World War III. On being invited by the press to comment on these observations, I have declined to do so and have informed the French Chargé d'Affaires who sought my advice, accordingly. No useful purpose would be served by my becoming involved in public press polemics with my Egyptian colleague. In reply to enquiries Information Officer is, however, saying that none of us have anything to add to the Prime Minister's broadcast of last night which was very fully reported in today's press.

2. Having heard that the Syrian-Brazilian Union is engaged in organizing a propaganda campaign in favour of the Egyptian dictator which will include a first public meeting on August 8 at the Brazilian Press Association building and regular radio programmes in Portuguese and Arabic, both to be financed by the Egyptian Embassy, I called privately today on Dr. Moses the President of the Brazilian Press Association. In reply to my enquiries he explained that as his Association has always stood for the freedom of the press and for freedom of expression it has been customary to allow public meetings on behalf of any cause to be held in one or other of their halls on payment. In the circumstances it would be difficult for him to seek to prevent the meeting already arranged for next Sunday. He added, however that he would seek to prevent any exaggerated attacks upon the United Kingdom on this occasion and, furthermore, that he would do what he could to prevent any subsequent meetings of a similar nature.

/3. Dr Moses

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RESTRICTED

Rio de Janeiro Telegram No. 80 Saving to Foreign Office

-2-

3. Dr. Moses then volunteered that as regards the radio programmes, he would use his influence (which is considerable since he is a well-known and highly respected personality) to see if they could not be ended.

4. In general, Brazilian reactions to the Suez Crisis have not been unfriendly, and Dr. Moses confirmed to me today that there is small sympathy for Nasser in any responsible quarter. There is, however, strong hope that use of force will be avoided. Nehru's speech was reported today with great prominence.

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Tehran telegram No. 612 to Foreign Office

- 2 -

3. "Dad" of August 10 writes:

"Now that the oil question has been solved, a great part of our exports go through the Suez Canal. All the oil we produce goes on its way by tanker, for there are no pipe-lines between Iran and the Mediterranean. Equally, so far as imports are concerned, we are developing our southern ports so as to permit of greater trade and this increased trade will pass through the Suez Canal. So one realises how important it is that there should be properly controlled navigation in the Suez Canal.

The Iranian economy of today is closely tied up with the management of the Suez Canal, for if passage fees are raised both our exports and imports will become more expensive. In these conditions it was right of Iran to accept to take part in the London conference, for this is in the interest of the Iranian economy and the safety of the nation. Rumours have been heard to the effect that the Egyptian Government have protested against Iranian participation in the London meeting. We trust that these rumours are without foundation, for Egypt must realise that the future of the Suez Canal is also that of Iranian economy. Iran has not only the right, but the duty to look to the means of assuring her future".

G G G G

JE14211/650 J

FROM TEHRAN TO FOREIGN OFFICE

INDEXED

En Clair

FOREIGN OFFICE AND WHITEHALL  
DISTRIBUTION

Sir R. Stevens  
No. 612  
August 11, 1956

D: 12.20 p.m. August 11, 1956  
R: 2.35 p.m. August 11, 1956

Addressed to Foreign Office telegram No. 612 of August 11.  
Repeated for information to Beirut (for R.I.O.)

My telegrams Nos. 632 and 633. JE14211/404, 428

Following is additional press comment.

2. From Post Tehran of August 6. "The nationalization of companies is the right of all nations and will permit of no impediment. With a few articles and a signature the greatest enterprises can be nationalized, but that does not settle all the questions which result. The interest of the various peoples of the world are so closely interconnected that any measures taken in important fields of enterprise have repercussions on the situation in other countries, and this is the case with the nationalization of Suez, which affects our economy, especially as regards the transport of our oil towards the markets of the world. How can Colonel Nasser think that the Iranian people, though favouring patriotic acts and nationalization, can remain silent in the face of his decision?

The Government and people of Iran cannot remain the passive spectators of a development which affects their vital interests. Rumour has it that Colonel Nasser intends to interrupt the flow of Iranian oil and to disrupt the economy of Iran so as to weaken, if not destroy, the Baghdad Pact. We believe that Colonel Nasser is more sensible than this, for were he to do so the Arab world could not hold out for long: the consequences of the nationalization of Iranian oil are the best proof of this - political greatness does not lie in attacking colonialism with the weapon of national sentiment. Real greatness for statesmen lies in knowing when to stop and what course to follow. It would not be proper for Colonel Nasser and his colleagues to ignore world interests".

/ 3. "Dad" of

18 AUG 1956  
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MEXICO

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Tehran telegram No. 612 to Foreign Office

- 2 -

3. "Dad" of August 10 writes:

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**1956**

**J**  
AFRICAN DEPARTMENT

142  
**J**E 14211/651

**EGYPT**

FROM  
Sir R. Stevens  
TEHRAN

No. 643  
Dated Aug 11, 1956  
Received in Registry - Aug 13, 1956

Suez Canal Company Nationalisation  
Shah of Persia's views on Suez situation,  
August 11, 1956, in conversation with Sir R.  
Stevens. Favour removal of Nasser.

References to former relevant papers

MINUTES

Eastern Dept

27/8

In view of the indications that Saudi support for Egypt is at most lukewarm, would it not be a good idea to get the Shah to send him a message urging him to bring pressure to bear on Nasser? I attach a draft which illustrates what I have in mind. If it is decided to proceed on these lines, Tehran telegram 643 (written) wd have to be repeated to Tehera first.

David West

I agree that some such initiative might be useful.

A.R. Walsley  
27/8

(Print)

(How disposed of)  
Aug. 12.

USUAL DISTRIBUTION

- 9) Paris, N° 596 } Aug 14, 1956
- 9) W'm, N° 593 } Aug 14, 1956
- 9) New York, ORAU, N° 258 } Aug 14, 1956
- 7) Karachi } Aug 11,
- Del) Cairo, 2364 } Aug 11,
- Del) Ankara, 1505 } Aug 11,
- Del) Bahrain, 812 } Aug 11,

(Action completed)

(Index)

30/8/56

18/8/56

References to later relevant papers

Copy att. 48996 According to Isolda tel no 252, Saudi would like to see Nasser obliged  
27/8

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ENCLOSURE

to accept a solution of the Canal problem. That would be a serious blow to his prestige in the Arab world, and thus destroy his position in it.

I can see no harm therefore in the action proposed in this Telegram.

Jedda tel no 257 suggests however - that Saud is more concerned w/ the Messer exposed in his time light to Nshen, Sochorno, and the Pakistanis before he will come out openly against him. Might we not suggest that the Pakistanis should take parallel action?

W. Shepherd  
2/8

W. Shepherd  
27/8

29/8

H) H. A. Stevens 644  
TEHRAN Aug 11

2/8

The Pakistanis have unfortunately been very feeble & equivocal in their statements since the Kadan Conference.

W. Shepherd 7/9

Copy att.  
Tel. Tehran, 27, Aug. 29,  
and to Jedda, 28,  
RPA (12) ... Aug. 31.  
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JE 14211/651

SECRET

FROM TEHRAN TO FOREIGN OFFICE INDEX

Cypher/OTF

FOREIGN OFFICE AND WHITEHALL  
DISTRIBUTION

Sir R. Stevens  
No. 643  
August 11, 1956

D. 11.25 a.m. August 11, 1956  
R. 12.50 p.m. August 11, 1956

IMMEDIATE  
SECRET

JE 14211/651



My telegram No. 636, paragraph 2.

I had over an hour with the Shah this morning, mainly about the Suez Canal.

I spoke as instructed. His views may be summarized as follows.

2. He fully recognizes the threat to Iranian Oil and commerce and to the Bagdad Pact. He gave getting rid of Nasser a very high priority. He does not believe that this will be achieved by the use of force, to which he objects mainly on practical grounds, viz because it would require the total occupation of Egypt, make Nasser a martyr and arouse the whole Arab world. If, under provocation of obstruction of canal traffic, it were possible to arrange simultaneously for Nasser's overthrow (compare Musaddiq) and the occupation of the canal zone only, preferably with the authority of the United Nations, that might be a different matter. He would favour United Nations backing for international control but not reference to the Security Council. He believes that eventually Nasser (again compare Musaddiq) will collapse for economic reasons and he favours maximum economic pressure on Egypt. If the result of the conference and its sequel is to strengthen Nasser in the eyes of the whole Arab world, he hopes we shall recognize the need to build up and support other Moslem States, notably Turkey and Iran. Rather than that Bahrain should fall a prey to hostile Arabs, he hopes that Iran might obtain it and thus contribute to the strengthening of Western resources in the Persian Gulf; but he has no intention of publicising this hope or using threats or blackmail. (Needless to say I gave this idea every discouragement).

ADVANCE COPIES:  
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pl return Room 15/104

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FROM JEDDA TO FOREIGN OFFICE

Cypher /OTP FOREIGN OFFICE AND WHITEHALL  
DISTRIBUTION

Mr. Parkes D. 11.30 p.m. August 19, 1956.  
No. 252 R. 4.23 a.m. August 20, 1956.  
August 19, 1956

PRIORITY  
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Addressed to Foreign Office telegram No. 252 of  
August 19.

Repeated for information to Bagdad Bahrain  
Cairo P.O.M.E.F.  
and Saving to Washington Paris  
Ankara Tehran

My immediately preceding telegram: Suez Canal.

This was the reason for Saud's anxiety for an early visit from Nehru, the official explained. Nehru had originally suggested the visit after the Commonwealth Prime Ministers' conference, but this had been deferred until the autumn. Saud had, however, recently decided, as a result of the Suez crisis, that the visit should take place as soon as possible and instructed Faisal to summon the Indian Minister. The latter had meanwhile asked to see Faisal and had himself, on instructions from Delhi, suggested an early visit by Nehru. The Indians were equally piqued by Nasser's failure to forewarn them of his seizure of the Canal and Saud's and Nehru's desires for an early meeting had thus coincided.

2. The date for Nehru's visit had not yet been fixed, the official said, but would probably be August 25. After Saud and Nehru had compared notes they would invite Nasser, probably on August 26, to meet them and "explain his behaviour". To my query whether Nasser would leave Egypt in the present circumstances, the official replied he could scarcely refuse the invitation coming from these two sources.

3. Saud and Nehru, the official continued, would insist on Nasser laying his cards on the table. What did he want really; and what was he going to do next?

/He simply

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Jedda telegram No. 252 to Foreign Office

- 2 -

He simply must come clean. Saud's objective would be to persuade Nasser to accept a solution of the Canal problem that would be a serious blow to his prestige in the Arab World, and thus destroy his position in it. He must be exposed as a clumsy Egyptian military dictator who had sold out to the Communists to strengthen his own hand and further his ambitions. Nasser would then cease to be significant (and Saud's oil revenues would be safe once more).

4. The official spoke throughout under considerable emotion (which probably reflects the current tension in Riyadh). He is normally a cynical little person. I do not think he was inventing anything, though he probably embroidered things at times.

Foreign Office pass Bagdad 7, Cairo 84, Bahrain 39, P.O.M.E.F. 22 and Saving Washington 61, Paris 16, Ankara 7 and Tehran 4.

[Repeated to Bagdad, Cairo, Bahrain, P.O.M.E.F. and Saving to Washington and Paris]

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Cypher/OTP

FOREIGN OFFICE AND  
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Mr. Parkes

No. 251

August 19, 1956

D. 11.30 p.m. August 19, 1956

R. 3.58 a.m. August 20, 1956

PRIORITYCONFIDENTIALAddressed to Foreign Office telegram No. 251 of August 19

Repeated for information to:- Bagdad      Cairo  
   Bahrain      P.O.M.E.F.  
   and Saving to Washington Ankara  
   Paris      Tehran

My immediately preceding telegram. (Not to all addressees):  
Suez Canal.

Following is full account of my conversation with an official of King Saud's Protocol (whom I believe to be reliable though indiscreet).

2. Before Nasser left for Yugoslavia the Saudis had sensed that there was something in the wind. Saud had accordingly sent one of his advisers Khalid Abu Walid, to Cairo with a personal message to Nasser. This was

(a) to advise Nasser to go very cautiously at Brioni and avoid any commitments involving other Arab States

(b) to say straight out if he had any new action under contemplation.

Nasser had then undertaken not to commit the Arab States at Brioni and had assured Saud that he was not (repeat not) contemplating [grp. undec. ?undertake]ing any new action.

3. Had Saud had any inkling of Nasser's intention to [? grp. omitted] Suez Canal he would have feigned illness and left Prince Saisal to conduct the pilgrimage. This would have enabled him to cancel his visits to Djakarta and Kabul without /embarrassment...

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Jedda telegram No. 251 to Foreign Office

-2-

embarrassment. As it was, not having been forewarned by Nasser, Saud had been made to look a fool. Arrangements already proceeding for his reception in Indonesia and Afghanistan had had suddenly to be arrested and the completely hollow nature of the Saudi-Egyptian alliance (in which one partner did not know what the other was going to do) was thereby exposed to both the former countries as well as India, Pakistan and Thailand, which Saud would also have visited in transit.

4. The official went on to say that Saud now regarded Nasser as completely irresponsible. Nasser's idea of an Arab federation was nonsense and merely cloaked his own dictatorial ambitions and designs on the oil reserves of other Arab States. The next thing would be, Egyptian propaganda for nationalization of Aramco. Saud was furious with the Egyptian demonstrations and whispering campaigns inside Saudi Arabia (my telegrams Nos. 241, 242 and 248 not to all addressees). Nasser had sent personal plea for a five minutes' strike of Aramco on August 16. Saud had refused point blank, saying that strikes were prohibited here by Royal decree. On August 17, Yusuf Yasin in Cairo had been sent a strongly worded message to convey to Nasser. This was to the effect that oil was the life blood of Saudi Arabia no less than of the West. Nasser had started this fire, he must now extinguish it.

5. Nasser's internal policy of inflaming Egyptian opinion was as dangerous as his flirtation with the Communists, the official continued. He had urged Saud to recognize Red China and to accept a visit from Shepilov, both of which had been refused. The Saudi Ambassador in Cairo was shortly to be withdrawn and replaced by a "tough guy" (as yet not chosen). Saud, however, could not afford to break with Nasser abruptly. Sawt al Arab was too dangerous. The break would only be possible when the Nasser myth had been exploded and he was revealed, not as hero of Arabism but as ambitious dictator of a personal Arab federation. This was really "colonialism". Only when Saud judged that Nasser had been exposed in his true light to Nehru, Soekarno of Indonesia and Pakistan, could he afford to  
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Jedda telegram No. 251 to Foreign Office

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break with Egypt and ride out the subsequent storm (this neglect of Arab for Asian opinion is interesting).

6. Please see my immediately following telegram.

Foreign Office pass to Bagdad, Bahrain, Cairo and POMEF as my telegrams Nos. 6,83,38 and 21 and Saving to Washington, Paris, Ankara and Tehran as my telegrams Nos. 60,15,6 and 3.

[Repeated to Bagdad, Bahrain, Cairo, POMEF and Saving to Washington, Paris, Ankara and Tehran]

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FROM CAIRO TO FOREIGN OFFICE

En Clair

JE 14211/660

FOREIGN OFFICE AND  
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Sir H. Trevelyan  
No: 1526  
August 12, 1956.

INDEXED  
D: 5.25 p.m. August 12, 1956.  
R: 7.21 p.m. August 12, 1956.

Addressed to Foreign Office telegram No: 1526 of August 12

Repeated for information to: Washington. Paris.  
P.O.M.E.F.. Bagdad. Amman. Damascus.  
Tripoli. Benghazi. Jeddah. Khartoum.

Suez Canal.

Following is text of the Arab League resolution adopted this afternoon.

The Arab League Council has agreed on the Political Committee's resolution adopted concerning the Egyptian Government's nationalization of the Suez Canal.



The resolution is as follows:-

Firstly. The Arab States support the Egyptian Government's decision nationalizing the Suez Canal Company, and the Egyptian Limited Liability Company. The canal is an inseparable part of Egypt. The Egyptian Government's act is considered one of national sovereignty.

Secondly. The Arab States proclaim identity of feelings and aims with Egypt and full solidarity with her in all steps she has taken.

Thirdly. The Arab States call for the abandonment of pressure and threats directed against Egypt and consider the following of peaceful methods prescribed in the United Nations Charter as the best means of solving international disputes.

Fourthly. The Political Committee will continue its meetings to study all questions connected with the situation and to take the necessary decisions in respect of them.

The Political Committee will hold its second meeting tomorrow morning.

Foreign Office pass to Washington as my telegram No: 218.  
[Repeated to Washington]

JJJJJ

JE 14211/662 J

FROM CAIRO TO FOREIGN OFFICE INDEXED

En Clair DEPARTMENTAL DISTRIBUTION

Sir H. Trevelyan  
No. 1528  
August 12, 1956.

D. 6.16 p.m. August 12, 1956.  
R. 8.15 p.m. August 12, 1956.

Addressed to Foreign Office telegram No. 1528 of August 12

Repeated for information to Amman Bagdad  
Beirut Bahrain  
Tripoli Kuwait  
Damascus Brussels

N/R

My letter 14214/342/56. Arab Trade Union Conference.

According to Al Ahram of August 11, the Executive Committee of the Arab Federation of Labour composed of representatives of Egypt, Jordan, the Lebanon, Libya, Syria, passed the following resolutions at the meeting in Cairo on August 10.

1. If Egypt were attacked, Arab oil workers should stop the flow of oil, if necessary by destroying the installations.
2. Arab workers should boycott ships and aircraft of the country attacking Egypt.
3. If Egypt were attacked, foreign airfields and military installations on Arab territory should be destroyed.
4. All Arab workers should be invited to volunteer for the Egyptian National Liberation Army.
5. A general strike will take place in all Arab countries on August 16 in protest against the London conference.
6. All foreign trade unions should be asked to support Egypt.

[Copy sent to Labour Adviser]

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Sir H. Trevelyan

JE 14211/663

No. 1989

August 12, 1956.

D. 9.10 p.m. August 12, 1956.

R. 12.13 a.m. August 13, 1956.



IMMEDIATE

Following is text of statement of the Egyptian Government read by Nasser at the press conference at 5 p.m. today.

Begins.

On July 26 the Egyptian Government announced the nationalisation of the Suez Canal Company. To this effect a law was enacted which provided compensations for the shareholders in accordance with the value of the shares of the Paris stockmarket on the day preceding the coming into operation of this law. The administration of the Canal was transferred to an independent budget. The authority was empowered with all the necessary powers without being limited by government rules and systems. On August 3 the Ministry of Foreign Affairs received from the British Embassy in Cairo a note from the Government of Britain enclosing the text of the statement of the governments of the United States, the United Kingdom and France with regard to the nationalisation of the Suez Canal Company by Egypt. In addition to this statement the Egyptian Government received also an invitation to attend the conference which is proposed to be convened in London on August 16, 1956. The Egyptian Government cannot agree to the statements contained in the Three Power communiqué relating to the Suez Canal Company. This communiqué has tried by all means to give the Suez Canal Company a character different from its real character in order to produce a pretext for interference in matters of Egyptian sovereignty.

1. Paragraph one of the Three Power communiqué states that "the universal Suez Canal Company has always had an international character". The Egyptian Government regrets to declare that such a statement is wholly unfounded. The Suez Canal Company was an Egyptian company which was granted its concession from the Egyptian Government for the duration of 99 years. Article



Cairo telegram No. 1759 to Foreign Office

- 2 -

16 of the concession concluded between the Egyptian Government and the Company in 1866 provides that "The Suez Canal Company is an Egyptian company subject to Egyptian laws and customs". The British Government itself recognised this fact and defended this view before the Mixed Courts in Egypt. In the memo submitted by the agent of the British Government to the Mixed Court of Appeals of Alexandria in 1939, the following assertion was made "the Suez Canal Company is a legal person in accordance with Egyptian Law. Its nationality and character are solely Egyptian. It is therefore subject to the Egyptian laws. It is true that the Company is given the name of "The Universal Company of the Maritime Suez Canal". This designation however has no legal significance and no legal effects can be derived from the mere designation of the Company. There is no doubt that this designation cannot deprive the Company of its Egyptian nationality. The Company is Egyptian in accordance with the established general principles of law and in particular with the principles of private international law and the provisions of the Company's organic law. It is Egyptian because it is granted a concession which has for its object Egyptian public assets and because its legal principal centre is in Egypt. It would be a legal anomaly to consider the Company at one and the same time Egyptian and non-Egyptian i.e. universal. Such definition contradicts the general principles of law".

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Cairo telegram No. 1889 to Foreign Office

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2. It is stated also in paragraph one of the Three Power communiqué that "in 1888 all the Great Powers 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 concessions of the Universal Suez Canal Company". The Egyptian Government regrets to notice that the Three Power communiqué misrepresents the facts in attempting again to give the Suez Canal an international character. The 1888 Convention concerns the guarantee of the freedom of usage of the Suez Canal. In its preamble it was stated that the purpose of the Convention is to establish a definite system designed to guarantee to all States the free usage of the Canal. Article one reads as follows - "The Canal shall be always open in time of peace as well as of war to all vessels whether commercial or military without any discrimination". Article 13 of the 1888 Convention states that with the exception of the obligations expressly envisaged in the provisions of the present Convention, this Convention does not prejudice in any way the sovereign rights of the Egyptian Government. Article 14 of the 1888 Convention clearly points out the fact that no real relation exists between the 1888 Convention and the Suez Canal Company. Thus it states that - "The obligations resulting from the present Convention are not limited by the duration of the concession granted to the Suez Canal Company". It is well known that the concession of the Company was to expire within twelve years and that the Egyptian Government succeeds the Company in administering and operating the Canal.

3. The Egyptian Government furthermore regrets that the Three Power communiqué which states certain facts deliberately ignores those facts which support Egypt's rights. This is a proof of the intention to interfere in the internal affairs of Egypt. Paragraph one of the communiqué states that Egypt has in the agreement concluded with the United Kingdom in 1934 recognised in article 8 that the Suez Canal is "A waterway, economically, commercially and strategically of international

/ importance".

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Cairo telegram No. 1552 to Foreign Office

- 4 -

importance". The communiqué deleted the first part of article 8 which explicitly states that the Canal is an integral part of Egypt. In paragraph two of the communiqué the three Governments recognise the right of Egypt to enjoy and exercise all the powers of a fully Sovereign and Independent State to nationalise its assets. They however question the right of Egypt to nationalise the Egyptian Suez Canal Company claiming that "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 upon which the economy, commerce and security of much of the World depends." It is quite clear that the three Governments insist on resorting to the groundless assertion that the Suez Canal Company was an international agency and that the Egyptian Government cannot therefore modify its position. This ignores all the Conventions which state that the Suez Canal Company is an Egyptian Company operated in accordance with the Egyptian law. It also ignores the fact that the Egyptian Government takes over the administration of the Canal when the Company's concession expires as well as the fact that the Suez Canal is an integral part of Egypt. The 1888 Convention stands intact whether the Canal is administered by the Company or by the Egyptian Government. The communiqué distorts the facts to justify their interference in Egypt's internal affairs. There is no legal basis whatsoever for making an Egyptian company subject to Egyptian laws appear as international agency entrusted with the guarantee of navigation in the Canal. Therefore the decision to nationalise the Suez Canal Company is a decision taken by the Egyptian Government in exercise of Egypt's rights of sovereignty. Any attempts to give the Suez Canal Company an international character is merely a justification for the interference in Egypt's internal affairs.

4. In paragraph three of the communiqué it is claimed 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 is utterly groundless since there is no relation between the Suez Canal Company and the 1888 Convention concerning the freedom of navigation in the Canal. Article II of the 1888 Convention is clear on this point as it states "The obligations

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Cairo telegram No. 1222 to Foreign Office

- 5 -

resulting from the present Convention are not limited by the duration of the concession granted to the Suez Canal Company. Any attempt to establish relationship between the Suez Canal Company and the freedom of navigation in the Canal can only be viewed with suspicion. The Suez Canal Company had never been responsible at any time for the freedom of navigation in the Canal. It is the 1888 Convention which governs the freedom of navigation in the Suez Canal, and it is the Egyptian Government which supervises this freedom in its capacity as the country in whose territory the Canal lies and of whose territory it constitutes an integral part. It is a well known fact that Egypt has never violated any of its international obligations. It is wholly inconceivable that a company, whatever it may be, can be considered responsible for the freedom of the navigation in the Suez Canal and its security. This confusion between the Suez Canal Company and the freedom of navigation is but another illustration of a deliberate attempt to find excuses for interfering in the internal affairs and sovereignty of Egypt.

5. In paragraph four of the communiqué the three Governments state that "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". This paragraph clearly indicates the reasons behind the attempt of the three Governments to give the Suez Canal Company an international character ignoring the provisions of all Conventions and laws. The communiqué aims at the denial of Egypt's established rights, as well as the denial of its sovereignty over the Canal which is an integral part of its territory. The 1888 Convention itself states that it remains in force during the duration of the concession and after its expiry and the transfer of the administration of the Canal to the Egyptian Government. The Egyptian Government considers the proposal for the creation of an International Authority as but a mild word for what should be called Colonialism. This proposal which was based on misleading statements to the effect of giving the Egyptian company an international character makes it clear that the three Governments wish to deprive Egypt from one of its inherent and sovereign rights.

Miss telegram No. 1322 to Foreign Office

- 6 -

6. The proposal presented to the Egyptian Government on behalf of the three powers for the establishment of an International Authority for the Suez Canal seeks to entrust this proposed Authority with the function of operating the Canal, ensuring its freedom of navigation and the arrangement for the payment of fair compensation to the Suez Canal Company. Such a proposal shows that the purpose of the Conference is the open interference in the internal affairs of Egypt, which no conference has the competence to do.

7. The three power communiqué was accompanied by a planned conspiracy aiming at starving and threatening the Egyptian people. The three governments have frozen Egyptian assets held in their banks in violation of international agreements and the Charter of the United Nations. These measures are taken for the purpose of using economic pressure against the people of Egypt, the country which dug the Canal, lost 120,000 of its sons and bore virtually all the expenses necessary for digging the Canal. Britain and France both declared mobilization of reserves and movements of troops and naval forces were officially announced. The Egyptian Government condemns these measures most emphatically. These measures are used as threats directed against the Egyptian people to force them to give up a part of Egyptian territory and sovereignty to an International Authority which is in reality collective Colonialism. In taking these measures the British and French Governments are endangering international peace and security and therefore taking a course inconsistent with the United Nations Charter which they bound themselves to respect. These measures which are designed as threats to all small countries, are condemned not only in Egypt but also in all free countries and by all the peoples who get rid of colonial rule and who are striving to preserve their hard won independence and sovereignty.

8. On announcing the nationalisation of the Suez Canal Company, the Egyptian Government reaffirmed its determination to guarantee the freedom of navigation in the Canal. In no way did the nationalisation of the Suez Canal Company affect the freedom of navigation in the Canal as borne out by the number of ships (amounting to 766) which passed through the Canal during the last two weeks.

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Cairo telegram No. 1529 to Foreign Office

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9. As to the invitation to the Conference, the Egyptian Government notices to its complete surprise that the British Government extend an invitation for a conference to consider matters concerning the Suez Canal which is an integral part of Egypt, without any consultations with Egypt, the country whom the matter directly concerns. The Government of the United Kingdom has limited the participation of the Conference to 24 States only notwithstanding the fact that the number of the States which used the canal in 1955 amounts to no less than 45 States.

10. In view of all this, the Egyptian Government cannot consider the proposed conference, with all the attendant circumstances, as an international conference competent to take decisions. Furthermore the proposed Conference has no right whatsoever to discuss any matter falling within the jurisdiction of Egypt or relating to its sovereignty over any part of its territory. The invitation to it cannot, therefore, be accepted by Egypt.

11. Being determined, however, to spare no effort in preserving international peace and true to its devotion to the United Nations Charter and the decisions of the Bandung conference which prescribe for the peaceful settlement of international problems, the Egyptian Government is willing to sponsor with the other Governments, signatories to the Constantinople Convention of 1888, a conference to which should be invited the other Governments whose ships pass through the Suez Canal, for the purpose of reviewing the Constantinople Convention and considering the conclusion of an agreement between all these Governments reaffirming and guaranteeing the freedom of navigation on the Suez Canal. That agreement would be registered with the Secretariat of the United Nations and published by it. The door would be left open for the adherence of other Governments to that agreement whenever required.

Ends.

Foreign Office please repeat as required.

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- Head of News Department

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August 12, 1956.

PRESIDENT NASSER'S PRESS CONFERENCE

(Extemporaneous remarks before question period)

After reading the Government's prepared statement, President Nasser said:

Really, I was always surprised to realize that they have tried to give the impression that Egypt nationalized the Suez Canal. In fact, the Suez Canal is an integral part of Egypt. It cannot be nationalized because it is an Egyptian; it is part of our territory.

We nationalized the Egyptian Suez Canal Company. I realize that in the British newspapers -- nearly all the newspapers -- that they say that Egypt nationalized the company. Nasser seized the company. Nasser grabbed the company -- I mean the Canal. Egypt nationalized the canal. Egypt grabbed the canal. It is misinterpretation. The canal is Egyptian canal. We don't need any effort to seize it, because it is our territory. It is our canal. But we nationalized the Egyptian Canal Company, which is completely Egyptian under the Egyptian law.

This is really one of the main points. The second point which I want to stress is the way of dealing with this problem. I was surprised, really, to realize that this was a great problem. What has happened? What has been done?

A company -- the shareholders of the company are the British Government 44% and French, and some other nationalities, some Egyptians. They used to distribute every year for the shareholders L10 million. We deprived Great Britain of L5 million per year which they used to collect as shareholders. But we said that we are going to give compensation, we are going to pay L71 million. This is the price of the shares on the day of nationalization.

But what else? What else? The freedom of navigation in the canal. Can any one of you feel or believe that the company was responsible for the freedom of navigation of the canal? I think -- I don't think at all that M. Charles Roux or M. Picot are responsible for freedom of navigation of the canal, or the Board of Directors are responsible for the freedom of navigation of the canal.

The only country which can be and was responsible for the navigation -- the freedom of navigation -- of the canal was Egypt, because it was passing through our territory. Not M. Picot or M. Charles Roux or the Board of Directors -- not anyone, because the Egyptian Government, the Egyptian authority, is the only authority to secure the navigation of the canal. M. Picot has no authority at all. The Board of Directors has no authority at all, except that we are securing and guaranteeing the navigation in the canal, and we feel that this is our duty. It is not only for our interests, because it is for the interests of all nations -- for the interest of Asia, of the trade of Asia. Also for the interest of Europe, the trade of Europe.

So, nobody at all can think of stopping the navigation of the canal, because it affects the whole nations, it affects the countries. Whatever they say there will be a national body -- an international body -- cannot secure the navigation of the canal at all. If the Egyptian Government is not willing to secure -- if the Egyptian people are not willing to secure -- because the national, the international body or the international body will not have power at all to stand all along the canal, 120 miles.

We are the people who secured canal during the Second World War. Our Army secured the canal during the Second World War, in spite of what is said now all over the world in the newspapers. Our people helped secure the navigation of the canal during the Second World War. Our people helped during all times to secure the navigation of the canal. So, I want to tell you that I feel that all these proposals are colonial proposals. We got rid of colonialism, British occupation -- we are not going to accept by any means another sort of colonialism, another sort of collective colonialism, whatever it is disguised -- under any name.

We can -- we are ready to agree with all countries having interests in the maritime canal to secure the navigation in the canal. There may be another question which was stated by some responsible people that we are going to use the income of the Suez Company for the High Dam, and this will hinder the development of the Suez Canal Company.

I want to tell you the budget and the report of the Suez Canal Company of 1955. The total revenue of the Suez Canal Company during 1955 was 34 million pounds. The total expenditure was 18 million pounds. Net profit was 16 million pounds. Grants -- distributed grants -- were 5½ million pounds. Then the rest of the revenue of 10½ million pounds -- this to be distributed to shareholders. That is what we are going to take.

We are going to take the money which used to be distributed to the shareholders, to be used for our internal projects -- not to be used for building palaces or to be used for other individual interests but for the prosperity of this country, which we are fighting for. This 10 million pounds, which is distributed every year to the shareholders, are the amount of money which we are going to use for the benefit of the Egyptian people -- who dug the canal, who sacrificed for the canal, who were grabbed, really, of the 44% of their shares in the canal without any return.

Before they say that we are grabbers, but I say that our Egyptian people were grabbed during the times of Khedive Ismail -- 44%, and from our percent of the revenue. We are not grabbing; we are using our sovereignty to have these profits for the benefit of the Egyptian people.

In the meantime, I would like to add something. There was a program by the late company for the development of the canal. They got in touch with us, asked about their next program and what we can do after. Because they are going to leave after 12 years, and in order to develop the canal they have to agree with us about one or two things: Either to participate in the program by paying 50%, or by the prolongation of their concession. Really, we refused to discuss with them.



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They said that they have denied the development program, which may, really, be about 20 million pounds, or 25 million pounds, and they asked us to pay our share, which may be 50% or for the prolongation of the concession.

We are putting this program into effect and we feel that it is our duty, it is our interest to keep this canal fit for naval navigation and will be able for heavy naval shippers. It has also been said Egypt has violated its international obligations -- it was said, this was said "plundered". Well, I want to challenge, I want to know the facts about any international obligation that Egypt has violated. Egypt has never violated any of its international obligations, and I challenge anyone to tell us about any international obligation which was being violated by Egypt. Just words to mislead the public opinion. Just words, vague words, to give a different position about Egypt and about the Egyptian people.

I'll tell you another thing. Dealing with this crisis, I thought from the beginning -- at the beginning -- that I have to do all my efforts to safeguard peace, international peace, and that, really, simply I was ready for anything. I thought that I am ready to go to any place to discuss this question. Why cries about the navigation? We can secure the navigation; we can say everything; we can give all our guarantees.

I thought, I can go to any place. After that I was surprised. Threats, military actions against the Egyptian people, economic actions against the Egyptian people, declarations and statements saying that we have no confidence, but no confidence with Nasser. Our man's Nasser. We are after Nasser. All right. Then there would be no reason at all, so long as those people have no confidence -- then there is no reason to go or to talk. The only answer will be not to participate to this conference.

And we said that we are ready, really, to take measures keeping our dignity and sovereignty. We are not going to give up our dignity. We are a small country. I know the power politics can threaten, can collect their navies, their troops -- I know we are a small country but we have to fight for, we have to defend our rights to the last drop of our blood.

At the same time, I realize that this action will give the impression to all small countries in the world that they are not free -- free world, they are not free. They are not independent. Small countries cannot take any action within their sovereignty and dignity, because there will be mobilization, calling of reserves, calling of fleets. It is not our case only; it is the case of all small countries which fought for their independence and sovereignty and dignity. It is not the case of Egypt. It is the case of the world morale, it is the case of public opinion all over the world, how they be under the threats of fleets, navies. We will give example to the world morale, to the small countries -- we are going to keep our dignity and we are going to keep our sovereignty. That's what I thought to tell you about the background, my personal background about all these cases.

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The British Government make all this noise about losing L5 million of profits every year. Simply? Or is there another thing: Collective colonialism. Or disguised colonialism. Well, I am sure the French Government is trying to have a solution for their problems -- North Africa, internal problems. But I am astonished, really, that in their solutions of the problems in North Africa and internally, they may affect the world peace and security.

What about war? Those who begin war cannot say how it will come to an end. Nobody knows. But the history tells us those who begin wars cannot know how the war come to an end. That's what I can say, and now I am ready to answer your questions.

(QUESTION PERIOD STARTS)

\* \* \* \* \*  
\* \* \* \* \*  
\* \* \* \* \*

August 12th, 1956

**RESIDENT NASSER'S PRESS CONFERENCE**  
(Question and Answer Period)

**Q:** The first questions will be from Charles Arnot of the International News Service: Why did he not inform the major users of the Suez Canal before suddenly announcing the nationalization?

**A:** Well, frankly I want to tell you that we were always informed of a sort of conspiracy in order to prolong this concession, and to have anything to deprive Egypt of its right. And we thought that if we informed the users of the canal, we'll be facing pressure, different kinds of pressure -- big powers, power politics -- and that is why we thought that we must not inform anybody.

**Q:** What kind of international agreement over the use of the Suez Canal would he approve, if any?

**A:** I think it was said in the statement.

**Q:** Does he believe that the door is still open to negotiate considering the strong language used by some countries, particularly Britain and France?

**A:** Well, we can't forget the action coming out of Nehru. Everyone can't forget that. And I think we say always, that any problem can be solved by negotiation, must be solved by negotiation.

**Q:** Is he planning to nationalize anything else in Egypt? And does he plan to encourage nationalization of Middle East oil?

**A:** Well, I think -- I thought about that, and I think we know the reports which were said and the articles which were written about encouraging of nationalization of Middle East oil. This is interference, in the Middle East, eastern countries. Interference. We are adopting the principle of non-interference, in spite of the articles which were written to the British people, saying that we are interfering everywhere and to say that really many of the articles, I think, is responsible about the position between Britain and Egypt raising suspicion, and I think that many of these articles were written just for sensation, and those who wrote articles from Aden saying that Nasser's planning there -- I think they were imagining all what was written. Those who wrote articles about Bahrain, I think they were imagining, they were only after sensation. But I think the result of that was the crisis of confidence between the Egyptian and the British people. We adopt the principle of non-interference. All what was said about our interference in Jordan, all what was said about our interference in Jordan for dismissal of Glubb is nonsense. We were against the Baghdad Pact. We said that (one word indistinct) can step forward. And there were two points of view. Will we join as Arab countries the Baghdad Pact, or will we not join. There was a debate. There was a question.

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We were adopting the idea of not participating in the Baghdad Pact. We declared our views and our point of view frankly. I said that to every responsible man in England, but this story has been a mysterious story about the Egyptian planning system, the Egyptian organization. Well, I cannot believe it. I hope that I can have the planning system and organized system to let me be able to do all what was written in the article. Well, I tell you, Mr. Arnot, we adopted the principle of non-interference. We are keeping to our word in spite of all the stories, the sensational stories which were written in the British newspapers.

Q: How will it be possible even if Egypt does obtain all canal revenue to undertake simultaneously the building of the Aswan High Dam, and the proposed improvement of the canal along with the annual maintenance cost?

A: I think that I answered this question.

Q: When will he go to Russia in view of the postponement of his trip planned for next week?

A: Well, I don't know.

Q: Will he appeal to the United Nations Security Council in the event it appears that outside countries are about to use force over the Suez dispute, or what steps will he take?

A: Well, we haven't thought about that.

Q: Mr. Timothy Foote, Time & Life Magazine, Question No. 1: Do you believe it is still possible for Egypt to cooperate with the West or has too much crockery been broken?

A: Well, really too much crockery has been broken but, in spite of that, I think there is no objection at all. We are ready to cooperate and with any country. We know that we are a small country and we, for our benefit, to be in cooperation with all countries.

Q: Can you comment on the report that the Soviet Union has renewed its offer to help with construction of the Aswan Dam since the U.S. offer was withdrawn? And if so, what is Egypt's position on the offer?

A: Well, I said in my speech on the 26th of July that there was an offer after that, and we received this offer officially. Well, about Egypt's position on this offer, I said that we will finance the High Dam by the revenue of the Suez Canal Company which was distributed to the shareholders.

Q: What is the status of your projected visit to Moscow?

A: Next question.

Q: Do you approve of the report that a general strike is being planned throughout the Arab world to coincide with the conference in London.

A: Well, really I'll tell you something about the plans. You are always taking everything by planning and planning and planning. Who is the genius planner who can plan all these actions all over the Arab countries? It will be a genius one. There is something that I think which you miss in interpreting the Arab nationalism. The Arab nationalism is moving. I read an article yesterday which said that the Arab nationalism is more serious than Communism. Ah, completely, really, looking to this article -- many, many considerations. The Arab nationalism is coming from the feelings from the Arabs, from the hearts of the Arabs. They want to be dignified and they want to be independent. The Arab nationalism is the act and the plan of every Arab, of all Arabs, this is the Arab nationalism. No one can plan it at all, it is in their hearts, in their blood, and their feelings, in their bodies. Well, if this will be neglected I don't think how any problem can be solved. The Arab nationalism is the hope of every Arab. And the Arab nationalism, I think, is planning, the Arab nationalism, is the genius planner of everything, not only this strike.

Q: What is your attitude toward the question of foreign forces being employed in the event that freedom of navigation on the Canal is interfered with?

A: Well, I think we have to wait for this moment.

Q: Mr. Wilton Wynn, Associated Press: Would Egypt consider a United Nations guarantee of free navigation through the Suez Canal?

A: We said that we are ready to have an agreement and a guarantee. What would be really the effect of the guarantee as long as the Egyptian people are outside? I'm speaking frankly, really. I think the most important thing is the guarantee of the Egyptian government and the Egyptian people.

Q: Another question: If Britain and France use their threat of using force, will Egypt appeal to the Security Council?

A: Well, I don't know, I believe in something -- those who begin war don't know how it can come to an end. That is what I believe. Not a matter of Security Council or no Security Council. Nobody knows the developments.

Q: Mr. J. M. Mecklin, TIME & LIFE magazine: Do you favor expanding the debate over the nationalization of Egypt's Suez Canal to cover all the world's international waterways?

A: Well, in the meantime I'm interested in the Suez Canal, in the Egyptian Suez Canal and the Egyptian Suez Canal Company.

Q: Second question: Are figures available in the number of volunteers accepted for the Egyptian Armed Forces under the present mobilization program?

A: Well, now I think we are adopting the idea of total war if we are attacked. And I don't think that we can say the number.

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Q: Third question: What is your opinion on the U.S. attitude toward the Suez controversy as reflected in Secretary of State Dulles' remark that control of the canal by one nation is inadmissible.

A: Well, I think I explained my point of view about that.

Q: Have you been advised whether the Soviet Union will attend the London conference?

A: I think it's late.

Q: Does the government of Egypt approve of the threat being made in various other Arab countries to sabotage oil fields, pipelines, refineries and Western military bases in the event of Western military action against Egypt?

A: Well, I don't know. It is not an action of approval. Nobody knows. They will not come and ask me about approval. I said that about the Arab nationalism, and the planning of the Arab nationalists, and the object of the Arab nationalists. But I don't think I am in the position at all to approve anything.

Q: Mohammed Wagdi, TIME & LIFE Magazine: Will Egypt consider settlement of the Suez issue through an international conference to rewrite the 1888 convention to increase the number of signatories and committees to the United Nations after the event of infraction?

A: Well, I think it was answered.

Q: Do you take seriously the threat of military action which has been made against Egypt and, if so, what are your plans for counter-action?

A: Well, we are waiting. And I express my ideas about that. I express that we have to preserve our dignity, our rights, our sovereignty, and if we are attacked we are going to defend our territory to the last drop of our blood.

Q: In the event there is any military action taken against Egypt do you expect assistance from outside the Arab world, and if so, from what countries?

A: Well, I don't know. I know that me, myself, I am going to fight to the last drop of my blood, as I said. That is what I know.

Q: If war breaks out between the Soviet bloc and the free world what will Egypt's policy on navigation through the Suez Canal be?

A: I don't know what, if war will be between the Soviet bloc and the free world, I don't think there will be anything to worry us after that. I think it is not the time to look at that. First of all we have to worry about the war before worrying about the navigation of the canal.

Q: Can you comment on the suggestion that if the nationalization of the Suez canal reduces Western influence in the Middle East the action was therefore of advantage to world communism?

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A: Well, I don't know; I don't think it like that. I look to the action in the Arab countries as the Arab nationalism, neither to this side or to that side, I think it gave the Arab nationalism an opportunity to express their existence. And it gave the Arab nationalisms the opportunity to give the world and the world morale that they adopt principles of sovereignty and dignity. This is what I believe.

Q: Will Egypt be seriously hurt by economic sanctions such as the freeze of our Sterling assets?

A: Well, we will be hurt, but to a small extent. We have her reserves, after all, and.

Q: Gilbert Sedbon, Reuters: Senior officers of the Egyptian Army, the Administration and the Suez Canal Authority have denied to this correspondent in the last week that the Canal Zone is under martial law and that employees of the Suez Canal Company are working under the threat of court martial if they should wish to resign. How do these denials correspond to the following facts: that Articles 4 and 5 of the Nationalization Law specifically state that no one can leave his work or give it up in any means or for any reason except with the permission of the authorities, and sets out penalties for those who countervene this order.

A: Well, I will say something that I am trying any law or martial law, but we put that in the law of the nationalization for many reasons. We thought that there would be conspiracies, planned conspiracies, from some powers to interrupt the navigation of the canal. And we put this article in the law in order to safeguard the free navigation of the canal. Anyone who wants to resign, can resign. He must give us notice. Suppose that they resign and suppose that they leave their work. Well, what will happen? There will be trouble in the navigation of the canal and who will be responsible about that? We want to secure the navigation of the Canal. If anyone wants to go there to see by himself, I think we can facilitate that for him. Hatem can facilitate that for him and he can talk with the employees and the workers.

Q: Mr. Robert Stevens, the Observer. Would Egypt be prepared to accept the appointment of a United Nations Commission either to control or to supervise the management of the Suez Canal, or to observe that freedom of navigation was being complied with and the canal being fully developed from technical and economic points of view, if a similar commission were appointed for other international waterways?

A: Well, I think we expressed our point of view about this point. We are ready to have an agreement. This agreement will be registered in the United Nations and, really, it will be clear if there will be protests or not. But on the question it seems as if the chief anxieties of some of the powers using the canal concern its financial and economic aspects particularly for fixing of the level of transit dues and whether the Egyptian Government, in view of its needs for money for its own development plans will be prepared to set aside enough of the revenues to provide for the future expansion of the canal.

Well,.....

Well, I expressed also a point of view about that and I think that these ten million pounds, really, also we have the salaries of the M. Picot and M. Charles Raux and the grants which they used to have and the grants whom they used to distribute -- this will be enough for us. And I don't think we will be in need to raise the dues or to raise the prices of movements because every year the movement in the canal is increasing. And I think we will work for the development program of the company which was used for our development program and for our interest because the Canal will be our own, not for 12 years, but continuously. We may be able to have more development programs, to widen the Canal to be fit for the heavy tankers, heavy shipping. Now it is fit only for the 70,000 ton shipping and tankers. I think we will be able to make it fit for the 90,000-ton tankers and shipping.

Q: Is there any measure that Egypt is prepared to propose or accept which would allay these anxieties. Is she, for example, prepared either to enter into an international agreement or economic principle under which the canal should be run or to agree to the appointment of international consultative bodies in which France's views could be discussed with all interested parties and also future developments stands discussed from both their technical and economic aspects?

A: I said about the economic principles and I think all this wants to be started. Really, we are not ready now to say our views about it.

Q: Mr. Jones, the Press Star, England: For how long will Egypt content to receive only about one-third of canal dues, and how will Egypt see to it that that all dues are received by her?

A: Well, of course, all dues will be received by Egypt in due time, and you know we think this will be sufficient for our programs for development in the country, helping us and I think, if our programs will be into effect we will be able to have many profits from the other programs.

Q: Mohammed Hossai owner of Al Diar: Why did the three powers ignore all Arab countries and did not invite them to the conference?

A: Well, it is a planned conference. I think they invited Egypt because the canal really is in Egypt and nothing can be put into effect except Egypt agrees about it. But they know that the Arab countries will support the right idea of Egypt and they may not find an opportunity to make pressures to cut military aid or economic aid from the Arab countries because they are not receiving any aid.

Q: Don't you think that military measures officially taken and announced by Great Britain and France constitute a threat to peace and security? If yes, why not take the case to the Security Council?



A: Well, I find them also there in the Security Council. You know, I think in the meantime we will have to depend on ourselves. And we are not thinking in the meantime to take the case in the Security Council.

Q: Mr. Edward, LE MONDE: Mr. President do you admit that in certain circumstances the Moslem people can accept foreign rule and be happy with it?

A: Well, do you accept that Christian people accept foreign rule and be happy with it? Really, it is difficult. I do think anyone in this world want to be independent and want to keep his sovereignty while he is Moslem, or while he is Christian, or while he is Jew, or while -- he is not electing any religion. Everyone wants to be free. Principles of freedom and free world. Freedom -- it is not a matter of Moslems Crusades or Christians. It is a matter of the individual dignity. It is a matter of humanity, more than being Moslems or not Moslems. In your newspapers you say that you killed so number of Moslems. I read the French newspapers -- number of Moslems; well, they are human beings. They are not only Moslems, they are human beings before being Moslems. So I don't think that it is a question of Moslems, it is a question of the world in the Twentieth Century, the limited world of the Twentieth Century, the limited world of the Twentieth Century compared to the world of the Nineteenth Century. The people knows what is going all over the world. People are feeling that they can achieve their independence, and their sovereignty by their own effort. Here is the problem. The principles which were declared after the Second World War; the principles of self-determination, liberty, freedom which Mr. Roosevelt declared -- the Allies declared -- these principles are in the heart and the blood of all the peoples who are dependent. You may not feel it because you are free and you were free for a long time. But I think during the Second World War you were able to feel it when you were under brute force. This is my personal idea about that.

Q: Mr. Norman Clark, NEWS CHRONICLE, London: The Egyptian government in its several declarations on the Suez Canal issue has emphasized its determination to uphold the freedom of navigation through the Canal at all times. This is your pledged word, but in the course of history government change and affirmations they make do not necessarily bind other governments. Since Britain, France, and the United States have called the London conference to work out steps establishing consonant with legitimate Egyptian interests cooperating arrangements under the international system assuring continuity of the 1888 convention on freedom of passage, what is your objection, if any, to an international guarantee to freedom of navigation by not only your Government but also future Egyptian Government.

A: Well, .....

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Well, we are not against guarantee, we said we can guarantee, we can agree with the governments but we are against collective colonialism. I think this was expressed in our communique -- statement.

Q: Mr. William Stevenson of TORONTO STAR. It has been alleged in some foreign newspapers that Colonel Nasser is a dictator. Would it not be fair to ask the President himself. Are you a dictator?

A: I don't know. Well, they said not only dictators, they said Pharaoh. Am I Pharaoh? Well, it is a matter to question, but it is the sensation, and it is the spirit of giving misleading interpretation. Well, what is a dictator? I think a dictator is a man who is ruling his country in spite of his people. He dictates everything. I don't know if it is going here in Egypt or not. I will leave it for you to know.

Q: Claire Sterling, The Reporter, New York: In your opinion, will or should nationalization of the Suez Canal lead to eventual nationalization of oil deposits in neighboring Arab states?

A: Well, it is a point of application; it is different. I think now the -- all what I estimated, I estimated that I can work and that I can run the Suez Canal Company after nationalization. I was sure that before giving the decision, that Egypt will be able to run and to have the ability to work the Suez Canal Company. In spite of everything, that is what I thought about that. I haven't thought about the nationalization of the other assets from Arab countries, and I think it is for them to think.

Q: Mr. Wilson Hall, NBC; Mr. President, do you have a suggested date for Egypt's proposed conference?

A: May be tomorrow. Maybe after two weeks. Really, we don't worry about that; it is not affecting our sovereignty or our dignity. We can agree about anything. We cannot agree about anything affecting our sovereignty and our dignity, but this will be a matter of agreement.

Q: Mr. Michael Adams, MANCHESTER GUARDIAN: When was nationalization of the Suez Canal Company first planned?

A: Well, really, we thought about the Suez Canal Company more than two-and-a-half years ago, and we thought that Suez Canal Company was built for Egypt, as it was in the first agreement; and the result was that Egypt was serving the Suez Canal Company. But the decision was taken after the statement about the High Dam financial aid, and we were always putting in front of us some thought: Will we have this aid or not; will we have foreign aid or not; will we be able to build it or not. And we thought that we will be able depending on ourselves to build it. Well, I said once that we built the pyramids. The High Dam is seventeen times as the pyramids. We can build seventeen pyramids, dependent on ourselves. Our people are hard workers and they can work. They will not be building palaces or building something for no benefit to them, but they will build something for their own benefit, for the development of their country, for the next generation will be increased with them. The next thirty years we will be doubled; we will be 45 million, within the next thirty years. We have to work hard, we have to work hard for raising the standard of living for our people. Egypt is very poor, not because of our action, but because of the previous action, because of colonialism. Because of the insistence of

keeping our people poor. We have to work for that, raising standard of living but we have also to work for the increase of population. We need every year a half a million more. Every year, half a million. If we don't work hard, then the result will be the decrease of the standard of living. We have to raise our national income, our national economies, and so we have to concentrate all our efforts for work. That is why after the refusal of the aid from America, then the refusal next day of giving the aid of Britain, and then the refusal of Mr. Black on behalf of the World Bank the third day -- we thought that there is a real action directed against the Egyptian people, action to keep these people poor as they were during the previous days of their colonialism, their occupation. Now we thought that we have to take an action which will give us the opportunity to build the High Dam. And then we decided that this money which is distributed to the shareholders and the board of directors -- five million pounds as grant from the Suez Canal Company, ten million pounds to be distributed to the shareholders -- All this is our money. We dug this canal, we must use this money for the benefit of the people of this country who dug this canal and for whom, and for their benefit, this canal has been dug.

Q: Mr. Zaki Salame, United Press: Has Russia offered military aid for Egypt in case of any military action against this country?

A: Well -----

Q: Mr. Reynolds Packard, The News, New York: Is there a state of national emergency?

A: Well, I think that you are always feeling national emergencies. It hasn't come to an end -- for years and years and years of continuous colonialism and occupation; 400 years by the Turks, 75 years by the British, some years by the French. Me, myself, I am putting myself always in such a state of national emergency.

Q: Well, some papers inform that the revenue is not enough to build the High Dam. Is it true?

A: I think I expressed the facts about it.

Well, Ladies and Gentlemen, I have to thank you for your patience, and goodbye.

(Applause).

Commentator (for radio audience):

And so ends this important press conference in which President Nasser, apart from the important statement which he made at the beginning, answered all questions put forward by the various correspondents, whether local or foreign. Now President Nasser is leaving this hall, and the correspondents as well are leaving, while the cameramen and the photographers are rushing forward in order to take further shots of President Nasser as he is now descending the main flight of stairs and he is heading for his car. This press conference was held at the National Council Building in Cairo.

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FROM CAIRO TO FOREIGN OFFICE

En Clair

FOREIGN OFFICE AND WHITEHALL  
DISTRIBUTION

Sir H. Trevelyan  
No. 1532  
August 12, 1956.

D. 7.13 p.m. August 12, 1956.  
R. 8.26 p.m. August 12, 1956.

IMMEDIATE

[?reference omitted].

Following is text of Egyptian refusal of the invitation to the conference which reached me at 2145 hours local time.

- 2. Enclosure is text in my telegram under reference.  
(a) M. l'Ambassadeur.

With reference to Your Excellency's letter of the 3rd August, 1956, concerning the invitation extended by your Government to the Government of Egypt to attend a conference to be held in London on the 16th inst.

I have the honour to inform you that the Government of Egypt does not accept this invitation and to enclose the text of a statement on the subject made today by President Gamal Abdel Nasser.

I avail etc.

- 3. Foreign Office please repeat as required.



ADVANCE COPIES:-

- Private Secretary
- Sir I. Kirkpatrick
- Sir H. Caccia
- Mr. Ross
- Head of African Department
- Head of News Department
- Resident Clerk

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FROM CAIRO TO FOREIGN OFFICE

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FOREIGN OFFICE AND  
WHITENALL DISTRIBUTION

Sir H. Trevelyan  
No. 1330  
July 30, 1956.

D. 9.19 p.m. July 30, 1956.  
R. 11.15 p.m. July 30, 1956.

IMMEDIATE  
CONFIDENTIAL

Addressed to Foreign Office telegram No. 1330 of July 30.  
Repeated for information to Washington  
P.O.M.E.F.  
and Saving to Paris

Suez Canal Company.

Nasser asked Byroade to see him today a few hours after Byroade's return from holiday. He said that he was eager to see Byroade in order that there might be a better understanding of his position, in view of the excitement and concern over his action. He made the following points.

2. After the Western refusal of aid for the dam, his action was the only safe course, if he were to fulfil his pledge to build the dam. He had told us long ago his preferred priority list, first, World Bank, United States and United Kingdom; second, Western consortium; third, with Russian help and, fourth, from Egyptian resources. (In similar statement to me last year he put Russian help last). The Soviet offer had officially been made twice, although he and the Russians had never discussed details. He had not rejected the offer, since he was waiting to see developments. Last week he had received another confirmation of the Russian offer, but he had decided not to discuss at the moment any details of Russian assistance of any type. Such discussions would take place during his trip to Moscow. He did not know the Russians from actual experience very well as yet, nor what would come after their loans. He had no definite plans at present on what type of Russian economic assistance he might accept. (He gave the impression that assistance from Russia would be for other projects and that, for the present at least, he would keep the Russians out of the dam project). The Russians had no (repeat no) advance information of his action in nationalising the canal.

Stamp: JUL 31 1956

CONFIDENTIAL

Wire telegram No. 1530 to Foreign Office

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3. The British and French reaction had been stronger than he had expected. He was perfectly within his rights in nationalising the company, provided there was just compensation. This was his plan and Egypt would afford compensation. Then there was the question of the use of the canal and the convention of 1888. The canal would remain open and be efficiently operated. He had committed Egypt on this point in the 1954 Agreement with the British.

4. When Byroade told him that he was making a great mistake and warned him of the international implications of his move, he said that he knew he was fighting with his back to the wall and he was ready for almost anything. However, he was planning no further moves and was wondering what the big Western Powers would do. He had yesterday overruled suggestions put to him for counter-action to retaliate for the freezing of assets. He considered that he had taken a step fully within his rights and would do anything necessary within Egypt's capability to resist any move against Egyptian sovereignty, or to question his right to nationalise the company.

5. He was bitter about his negotiations with the United States on both the high dam and military equipment, and said that he resented deeply the public references to the state of Egypt's economy, which, he felt, placed him in the position of having to take the case to the Egyptian people.

6. He had told Ahmed Hussein, the Egyptian Ambassador in Washington, that he would nationalise the canal, if the West withdraw their offer. When Hussein had attempted to dissuade him, he had said:- "Keep your nerve and it will turn out all right". He had told Hussein that there was no chance of further aid from the West. Byroade had the impression that Hussein's recent effort in Washington was primarily a personal initiative rather than the result of Nasser's instructions. Hussein's conversation with Nasser took place when Nasser was on holiday near Alexandria before he went to Brioni, and the Americans have since been told by the Minister of the Interior of the preliminary "staff studies" which they had made of probable international reactions. So the step had been in Nasser's mind probably for some weeks at least.

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CONFIDENTIAL

Cairo telegram No. 1350 to Foreign Office

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7. Nasser gave the impression that he hoped the United States at least, (not being directly involved in the company), would not be critical of his action, when it was understood that he had made the move as alternative to accepting Russian assistance on the dam. He clearly wished his move to be looked on as proof of his desire to remain completely independent of outside influence, including that of the Soviet Union.

Foreign Office please pass immediate to Washington and Saving to Paris as my telegrams Nos. 168 and 166 respectively.

[Repeated to Washington and Saving to Paris].

ADVANCE COPIES TO:

Private Secretary  
Sir N. Gaccia  
Mr. Ross  
Head of African Department  
Head of News Department  
Resident Clerk

SECRET

FROM CAIRO TO FOREIGN OFFICE

En Clair

JE 1421/667

FOREIGN OFFICE AND  
WHITEHALL DISTRIBUTION

Sir H. Trevelyan  
No. 1536  
August 12, 1956.

INDEXED

D. 5. 12 a. m. August 13, 1956.  
R. 6. 38 a. m. August 13, 1956.



IMMEDIATE

Addressed to Foreign Office telegram No. 1536 of August 12  
Repeated for information to  
Washington Paris P. O. M. E. F.

A fortyminute recorded speech by Nasser was broadcast over Cairo radio this evening. It was addressed to the Egyptian people and to the Arab World. Following were main points.

2. The uproar in Britain had not been because she did not want to lose the £5 million pounds per annum revenue but because the Company was a relic of the imperialist past. Britain and France considered the Suez Canal their own property. Egypt would not however agree to being a zone of foreign influence.

3. Egypt's assets had been frozen in order to exert pressure on the Egyptian people. It would not be effective as Egypt was no longer dependent on the United Kingdom.

4. Economic pressure was followed by military pressure and fleet concentrations. Then came the Three Power declaration which misled public opinion by saying that the Canal was international. But the British themselves contended before the mixed courts in 1939 that it was not international and the 1954 agreement stated specifically that the Canal was part of Egypt. The Three Powers had deliberately ignored the 1888 Convention in endeavouring to set up an international body. International control was a new form of joint colonialism. They had also ignored the United Nations Charter.

5. Egypt had not violated any international agreements nor had she denied the freedom of navigation in the Canal. She intended to develop the Canal and only the £10 million pounds paid as public dividends and the 5 million pounds as miscellaneous disbursements would be used for the High Dam.

6. Nasser had been inclined to accept the invitation to the London Conference because he was sure of Egypt's rights but to accept the invitation would now be against Egypt's dignity owing to the military threats and the Prime Minister's announcement that he did not trust Abdul Nasser. Egypt had said that she was ready to reach an understanding on the question of free navigation. The Canal was a vital waterway for all the World powers and was of great importance to Asian and other countries and also to Egypt. Egypt had also declared that it would do everything to solve the problem peacefully. Nasser had even been prepared to go to London but Egypt would not accept anything that violated her dignity.

7. The solution



Cairo telegram No. 1536 to Foreign Office

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7. The solution which he had proposed today proved that Egypt was prepared to solve the problem peacefully but would not accept any threat. She was prepared to fight for her dignity and her rights. She had resisted conspiracies to prolong the concession (including offer by Black of a billion dollars) and would fight to the last drop of blood.

8. My immediately following telegram (to Foreign Office only) gives full text.

Foreign Office pass Washington as my telegram No. 221.

[Repeated to Washington]

- ADVANCE COPIES  
Private Secretary  
Sir I. Kirkpatrick  
Sir H. Caccia  
Mr. Ross  
Head of African Department  
Head of News Department

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