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FROM CAIRO TO FOREIGN OFFICE

En Clair

FOREIGN OFFICE AND  
WHITEHALL DISTRIBUTION

JE 1421/1711

Sir H. Trevelyan

No. 2211  
September 19, 1956.

B. 4.37 p.m. September 19, 1956.  
R. 6.40 p.m. September 19, 1956.

PRIORITY

Addressed to Foreign Office telegram No. 2211 of September 19.

Repeated for information to Washington	P.O.M.E.F.
and Saving to Paris	Beirut
Damascus	Jedda
Bagdad	Amman
Khartoum	Tripoli
Benghazi.	

JE 1421/1650

My telegram No. 2188. Arab League,

Following is text of Arab League Political Committee statement and resolution issued last night as carried by A.N.A., Akbar and Ahram.

"The Arab League Political Committee discussed the latest events in the Suez Canal problem and developments since its last meetings on August 12 and 13. The Political Committee were of the unanimous opinion that the crisis concerning the Suez Canal was of concern to all Arab countries and entailed an attempt to take possession of the Canal by means of military pressure on Egypt and other Arab countries. This state of affairs threatens the security and sovereignty of the Arab countries. The Arab States, while they are peace-loving and wish to take steps to reach a peaceful solution which does not conflict with Egypt's national sovereignty and Arab national interests, and that conforms with the United Nations Charter, are nevertheless determined to defend their legitimate rights and repulse any aggression. Egypt has taken positive and considerable steps and has made reasonable offers for reaching a peaceful solution in particular by the method it suggested for forming a negotiating body representing various views and the suggestion for making diplomatic contact to reach agreement on the formation of that body and the place and date of its meeting. The Committee notes that until now no negotiations have been conducted with Egypt, which is the country owning the Canal and whose right to sovereignty over her territory is a natural one. For these reasons, the Political Committee has resolved:-

/(1) that



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Cairo telegram No. 2211 to Foreign Office

- 2 -

(i) that the British Prime Minister's solution aimed at forming a Suez Canal Users' Association is unacceptable because it conflicts with the principles of the United Nations and would lead to the disturbance of world peace. The resolutions of the Bandung Conference, which were binding on all the twenty nine member States, denounce the aggressive methods on which the Western plan, providing for the formation of the said Association, is based. Agreement to join the Association constitutes a violation of those resolutions and a departure from the resolutions of the conference:

(ii) to condemn the threatening methods, political economic and military pressure, to which Britain and France resorted to achieve their aim. This caused anxiety to all Arab countries:

(iii) to support Egypt's call for the creation of a negotiating body and to demand the acceptance of the principle of negotiation and a solution of the dispute through peaceful channels in accordance with the United Nations Charter:

(iv) to call for the use of all means provided for in the United Nations Charter for the purpose of reaching a peaceful solution:

(v) to support the letter addressed by the Government of Egypt to the Security Council on September 17, 1956".

2. After last night's meeting, which lasted two and a half hours Secretary General of the League was reported as saying that the Committee was to be considered as still in session and would meet whenever the situation required.

Foreign Office please pass Washington and Saving to Paris as my telegrams Nos. 328 and 313 Saving.

[Repeated to Washington and Saving to Paris].

SSSSS

1. M. Reilly  
2. L. L. L. (HB. 17/9)  
J



AIR BAG  
CONFIDENTIAL  
1424/675/56

BRITISH EMBASSY,  
WASHINGTON, D.C.,  
September 12, 1956.

JEN 21/177

Dear Adam,

2 international  
demonstrations  
one "special"  
ref. L. L. L.

On September 6, Mr. Dulles saw a bipartisan group of Congressmen and briefed them on the Suez Canal situation. They included Senators Humphrey, Mansfield and Langer of the Foreign Relations Committee.

2. According to Henry Brandon of The Sunday Times - whose source, I believe, was Senator Mansfield - Mr. Dulles told the group that he would continue to work for a peaceful solution and that he knew that this would expose him to attack by both sides. He seems to have left them in no doubt that he was against the use of force, but he also told them that Britain and France were sovereign states who, in the last resort, would make their own decisions.

3. There was no disposition to criticise his handling of the subject, but - presumably whilst agreeing about the use of force, - the Congressmen stressed the importance of not letting Western Europe down. In this context, Mr. Dulles asked at one point if they had any suggestions about what the United States Government should do. The only suggestion made was that the United States Government should say publicly that they would help Western European governments to deal with the economic difficulties which might result from Nasser's actions. The only reference to this suggestion which we have seen in the press is a report that Senator Humphrey said the United States role should be to "show confidence in our allies," and "urge restraint upon them," but at the same time "see that they are not victimized economically." Henry Brandon may, however, have used it in his own despatch to The Sunday Times.

4. I am sending copies of this to Garvey in Cairo and Beith in Paris.

Yours ever,  
Wilkie M.

W. Morris.

J.H.A. Watson, Esq.,  
African Department,  
Foreign Office,  
London, S.W.1.

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GOMHOURIA

September 11, 1956.

Text of interview between President Nasser and the correspondent of Kathemerini.

In an interview accorded to the correspondent of the Greek newspaper "Kathemerini", President Gamal Abdel Nasser declared that any attack on Egypt over the Suez Canal issue "would affect the whole world from the Atlantic to the Indian Ocean".

The President said that the old Suez Canal Company was "the last vestige of colonial occupation" and that Egypt would never agree to see the Canal subjected to "collective" international occupation."

The questions and answers follow :

Q - What do you think of the British and French military preparations in the Mediterranean? Do you believe this is bluff or do you expect an attack in the event of a break down in the negotiations?

A - As a responsible President, I am preparing for the worst eventualities and I do not care at all what measures the others are taking.

Q - In the event of an attempt to seize the Canal, do you think the conflict will be a local one or may possibly lead to a third world war?

A - Any act of aggression against Egypt will affect the whole world from the Atlantic to the Indian Ocean. All the Arab countries will automatically come over to our side.

Q - What do you think of the arrival of French troops in the Middle East?

A - I believe that the aim of these movements is two fold: on the one hand they are designed to prove the strategic importance of Cyprus as a military base for the West; on the other they indicate a military build-up in preparation for the seizure of the Suez Canal.

Q - The French Embassy is currently pressing French subjects in Egypt to leave the country and is getting ships to take them home. Do you believe that this is a war of nerves or that France is considering an armed attack?

A - I think that this is a war of nerves and that it will boomerang. As far as we are concerned, we are prepared to believe in good intentions but we are also marshalling all our strength to face them. What is happening in France at present should alarm only the French people and French residents in Egypt. It does not alarm the Egyptians.

Q - Do you think that the present trend of events, the Cyprus build-up and the Suez Canal problem would cause trouble for the Cypriot nationalist cause?

A - As you know, the Egyptian government and people and I personally have always supported Greece on the Cyprus question, and we shall continue to support her until she achieves victory. I am convinced that international justice will prevail in the end.

Do you/

Q - Do you believe the Arab countries will support Greece in raising the (Cyprus) question once more before the United Nations?

A - Yes. I believe that most of them, maybe all, will do so.

Q - Tomorrow you will be receiving the five-nation committee set up at the London conference. Would you care to say something in this connection? (the interview was granted on the eve of the committee's arrival).

A - I shall receive them because I want to show my goodwill and to listen to their views.

Q - Do you intend to discuss these views?

A - I want to listen to them. You know very well that I disapprove of the ill-intentions of the big powers with regard to the freedom of navigation in the Canal. Britain never lived up to her word while we always did. By what right do they say that they do not trust Abdel Nasser's word.

The Suez Canal company was the last vestige of colonial occupation in Egypt which we could not tolerate. We do not intend to leave the Canal for the benefit of collective international occupation. We have offered all guarantees for the freedom of navigation. The Suez Canal passed through Egyptian territory. If a war is necessary to defend it, then we are prepared to undertake this defence.

Q - What do you think of Turkey's position in general and her attitude towards Greece in particular?

A - Turkey continues to pursue a Western policy. The Turkish government recently informed me through the Libyan Prime Minister that it would support the Egyptian viewpoint at the London Conference. But it broke its promise at the last minute. Turkey's attitude has had a strong effect on me.

Q - What was your reaction to Greece's decision not to attend the London Conference?

A - We have been highly gratified by Greece's attitude. Once more it showed clearly that our political response to major international problems is similar.

Q - Would you care to address a message to the Greeks residing in Egypt?

A - I regard them as Egyptians and I believe they think like Egyptians. They love Egypt and our people reciprocate their feelings. The two peoples are the products of great civilisations. A new era of activity is opening up before them. I do wish to go to Greece. I have already been invited by the Greek Government.

CHANCELLOR OF THE  
DUCHY OF LANCASTER



Gwydyr House  
Whitehall

London S.W.1

*African Dept for info reply acc. (by evening of 15/2/17/23) gold Selbrite Lawer Chiswick (for 15th September, 1956. Satun)*

*(notably in R)*  
Dear Selwyn

E-14211/1723

I had lunch yesterday with Mr. Simon Siksek, a lawyer who comes from Saudi Arabia and appears also to have connections in the Lebanon. He was educated in this country, and is, I think, strongly sympathetic to our country, as far as an Arab can be. I pass <sup>on</sup> this information to you as an adminicle of evidence.

Firstly, he accepts it as axiomatic that Nasser had kept within his legal rights in nationalising the Canal. I would like to suggest that the Parliamentary statement of the Lord Chancellor on Wednesday evening, which was not well reported in the papers in this country, should be given very much wider circulation in other countries, as of course, the statement by Lord McNair.

Secondly, he emphasised that Nasser was in great difficulties in Egypt, and that he could not have accepted the Menzies proposals and still maintained his position. He suggested that he would agree to almost anything if we

/gave

The Rt.Hon. Selwyn Lloyd, C.B.E.

gave him some other alternative, and when pressed suggested a free hand in Israel. I said this was clearly impossible, and he then suggested trying to renegotiate the Aswan Dam.

Thirdly, he accepted that we might well go into Egypt for a year or so, but took the view that even then we would not be very much better off. He did not give me the impression the Arab countries would move, although there would clearly be very powerful expressions of opinion and no doubt rioting.

Fourthly, he discounted completely the possibility of Egypt extending her influence over other Arab countries, because, he emphasised, they were fundamentally different in outlook. He did accept as axiomatic that Israel had got to disappear.

Fifthly, though he mentioned ~~Barheim~~, <sup>BURAIMI + Saudi</sup> he emphasised ~~that~~ he thought Saudi would be very willing to compromise, so long as his face could be saved.

No doubt this is very familiar to you, but I pass it on for what it is worth.

*per [unclear]  
Gandhi [unclear]  
(Lord [unclear])*

JE 14211/1724

The following Reuter message has just come in. The

"The Egyptian Government today proposes the setting up of a "negotiating body representing users of the canal to settle the Suez dispute". The Government said in a formal Note that the negotiating group should be representative of the "different views held among states using the Suez Canal". Discussions should take place forthwith to settle the composition, place and date of a meeting of this group. The group may also be entrusted with the task of reviewing the Constantinople Convention of 1888 which governed the operations of the Suez Canal and guarantee it as an international waterway. The Note said that the Egyptian Government believe solutions by methods of peaceful negotiation should be found to the questions

- (1) freedom and safety of navigation in the Canal
- (2) development of the Canal to meet future requirements of navigation
- (3) establishment of just and equitable tolls and charges.

The Note added "No negotiations over the Suez Canal have taken place yet with Egypt". The Note also stated Egypt's "determination to continue to work for a negotiated settlement within the letter and spirit of the United Nations Charter".

I suggest News Department might comment:

"The Egyptian statement suggests no basis for negotiations and in no way detracts from the Egyptian Government's unqualified refusal of the proposals put forward as a basis of negotiation by Mr. Menzies' mission. ~~It is not surprising that if President Nasser had any serious proposal to make he would presumably have put it to Mr. Menzies' Committee.~~ If President Nasser had any serious proposal to make he would presumably have put it to Mr. Menzies' Committee.

A. R. Moore  
(A. R. Moore)  
September 10, 1956.

Mr Ross:

Copies to:

- Sir I. Kirkpatrick
- Private Secretary
- Mr. Dodson
- Mr. Maitland
- Mr. Rae (2)
- African Department

The Secretary of State has taken this to Cabinet, from where he may be able to telephone you instructions. I have advised comment in the terms of your first sentence only.

AsmR  
10/9



SECRET

Inward Telegram to Commonwealth Relations Office

FROM: U.K. HIGH COMMISSIONER IN INDIA

E14211/1724(8)

D: Delhi 12.17 hours 15th September 1956  
R: 12.12 hours 15th September 1956

E142

CYPHER

~~J E 14211/1724 (E)~~

EMERGENCY

No. 1201. SECRET

70/24/798

S U E Z

My immediately preceding telegram.

Following is advance text of message from Mr. Nehru to Prime Minister despatched today through Mrs. Pandit. Begins.

Since my message to you of the 13th September I have read the reports of your statement in the House of Commons.

2. I have read your proposal contained in it with regret and surprise. I cannot believe that this can be a (corrupt group) the solution of the problems which have arisen in respect of the Suez Canal or secure to the users or the international community their rights in respect of the Canal. As you have yourself indicted the steps you have outlined contemplate other steps in assertion of rights. This you will agree is a grave prospect.

3. I am deeply concerned and apprehensive about the trend of these developments and of the policy that they seek to implement. Can they lead to negotiations and a peaceful settlement and what you have stated as your purpose "to go on working for a peaceful settlement so long as there is prospect of achieving one"?

4. I am concerned that these 'prospects' to which you refer should not be jeopardised much less destroyed by steps taken by one side or the other. We have strenuously striven to this end and will continue to do so.

5. I sent my message to you prior to your meeting the House of Commons with the earnest hope that the appeal I had made for enabling peaceful developments would engage your thoughts. Although I am distressed by your recent announcement I have considered it right in view of the grave issues and consequences involved and the relationship of our two countries and of ourselves to continue to ask you to consider courses of action that can lead to peaceful settlement and would avert the possibilities of conflict and war.

6. I believe that a peaceful solution which will adequately secure all that the Convention of 1888 provides for and the legitimate interests and rights of users and the international community require can be worked for and attained.

7. In my mind and in my approach to you I do not contemplate or advocate appeasement to which references are frequently made but a settlement that is satisfactory and honourable. This should be fully consistent with the interests and the position and prestige of the United Kingdom which you know are our concern as well.

/8.

- 2 -

8. You have yourself mentioned in your speech that Egyptian co-operation is necessary even for the working out of the plan you have outlined. Without going into the merits of those steps how can any co-operation be obtained except by negotiation and agreement?

9. You cannot but be aware of the feelings in Asia and the repercussions of any decision to use force and the means to settle any aspect of this dispute. In Asia the reaction to what would appear as provocation to Egypt which leaves her no option but to resist would be great and grievous.

10. We in this country have sought to foster relations between the West and Asia and to prevent animosities. We would like you to consider the effects of any attempt to put the clock back in respect of the national independence and status of the nations that have become free in the East and attach great value to that independence. Our two countries have co-operated in this encouragement of the areas of freedom.

11. Despite all that has happened in relation to the Suez Canal issue and your strongly held views on many aspects of this position I request and hope that you will not turn your back on negotiations and peaceful settlements nor disregard the appeal that we in this country make to you. Our position in this, as in other matters, has never been one that disregarded your point of view.

12. Considering that the situation has become graver than ever before and that events may occur at any time which will release forces and circumstances which will be grievous to all we feel we should make yet another and urgent effort to enable negotiations and to assist in ways of settlement.

13. My colleagues and I feel that the gravity of the situation places on us the responsibility to strive to our utmost to make all efforts for negotiations for a peaceful settlement especially having regard to our relations in the Commonwealth. I am asking Krishna Menon to go to Cairo and should you so wish it he can proceed from there to London.

14. It is also felt here that if there is no amelioration in the situation in the coming days we would have to consider requesting you to call an emergency meeting of Commonwealth Prime Ministers before steps that lead to conflict or war are taken. You would agree that this would be a legitimate and desirable course if it became necessary. Ends.

Copy to:-

D. I

SPECIAL MINISTERIAL DEPARTMENT

Foreign Office

Resident Clerk

ALLOTTED TO SOUTH ASIA AND MIDDLE EAST DEPT.

SECRET

Inward Telegram to Commonwealth Relations Office

FROM: U.K. HIGH COMMISSIONER IN INDIA JE 14211/1726(C)

D: New Delhi 12.50 hours 15th September 1956

R: 10.55 hours 15th September 1956

CYPHER

EMERGENCY

No. 1202 SECRET

~~JE 14211/798(F)~~

S U E Z

My two immediately preceding telegrams.

Following is advance text of message from Mr. Nehru to Foreign Secretary despatched today through Mrs. Pandit. Begins.

Your Prime Minister has no doubt mentioned to you my recent telegrams to him on Suez Canal question.

2. As you know and I believe you recognise that we have striven patiently to bring about negotiations. It is my belief that a settlement that is satisfactory and honourable is possible and can be arrived at. I would also ask you to consider that it is essential that there should be a peaceful settlement. Many other issues are closely related to it not least relations of the West particularly of United Kingdom with Asia and future of the peace and development of our areas as well as, may I say, Europe also.

3. I am aware of the firm views that you and your Government hold on several aspects of this question and I do not expect you to abandon them. I, however, believe that if a settlement is reached the anxieties that we have been through will not have been in vain because it will not only help to resolve present difficulties but establish with it basis of better Anglo-Egyptian relations and assist to allay some of the grave apprehensions that you have.

4. The situation that emerged after the Menzies mission although disappointing to you had hopeful features also. The atmosphere in which it was conducted by both sides was helpful. The statement of Egyptian Government opened the way for negotiations though I do not ask you to accept it as it stands or consider the procedures suggested as best or the only ones.

5. I am aware of your views about the impact of a negotiated settlement on position of West in Middle East and your feeling that it would be represented as a victory for Egypt. I do not share these apprehensions. Any settlement would mean compromises and must be honourable and satisfactory. There can be no question of victory or appeasement.

6. The most recent developments of the Users' Organisation even though it might have been conceived as provisional and to enable settlements has not that effect. I would ask you to consider the effect of an announcement to assume operational functions which require Egypt's co-operation without her agreement. If the plan is only concerned with immediate practical issues and not of internationalisation to be imposed there would be a case for discussing it as such with a view to obtain co-operation.

7./

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7. The effect of present development is to render the situation graver than ever before and I cannot conceal my apprehensions in this regard.
8. I hope that the United Kingdom will see its way to avert conflict and war and see in a negotiated settlement a victory that is no less gainful or important than what may be sought by other means.
9. The repercussions on Asia as a whole of use of force or steps that appear or are in effect supersession of Egyptian authority without consent are very grave. I feel sure that you will appreciate this.
10. My colleagues and I feel that the gravity of the situation is such that we should renew our efforts to find a way of negotiations and a more peaceful approach. I am asking Krishna Menon to go to Cairo and should you so wish it he can proceed to London from there.
11. You will appreciate that we have a responsibility in view of gravity of problem and close relations between us to make every effort with you despite your firm views on this subject. We cannot fail to do this and I earnestly hope that you will appreciate what I have said and enable development of negotiations. This is essential for Asia and Europe. The United Kingdom and this country by virtue of their unique relations and of the effect on their economy and their future have very special concern in this matter.
12. I hope that the situation will not further deteriorate and that restraint will be exercised on all sides. Ends.

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SECRET

Inward Telegram to Commonwealth Relations Office

FROM: U.K. HIGH COMMISSIONER IN INDIA

E 14211/1726(D)

D: Delhi 13.55 hours 15th September 1956  
R: 12.05 hours 15th September 1956

CYPHER  
EMERGENCY

~~JE 14211/798(G)~~

No. 1203 SECRET

SUEZ

My three immediately preceding telegrams.

I had told Nehru three days ago that he could not expect a reply to his message to the Prime Minister for two or three days, because of the Prime Minister's preoccupation with Parliament. I have sent him a message this morning containing the substance of your telegram No. 2063. Nehru fully understood, but I gather that at a meeting of the Cabinet last night Ministers expressed disappointment that no reply had yet come. They felt that the pace of affairs had quickened as a result of the announcement about the Canal Users' Association, and therefore decided that Krishna Menon should go to Cairo in any case, and that Nehru should send a further message to the Prime Minister telling him this and saying that Menon would go to London immediately afterwards if you are agreeable.

2. I am given to understand that in Cairo Menon will:

- (A) urge restraint on the Egyptian Government in their dealing with the situation arising from resignation of pilots, the Users' Association, etc., and
- (B) explore further the possibility of an agreed solution of the Canal problem. In fact he will try to persuade Nasser to move further towards the viewpoint of the 18 nations' proposals.

3. The Indians very much hope that you will agree to Menon going to London, so that he can put to United Kingdom Ministers the Indian Government's latest views more fully than is possible in telegrams, tell them of his discussions in Cairo, and discuss the situation with them. However much we may suspect some of his personal motives and disagree with some of India's opinions, I trust that we shall express readiness to see him as the representative of Nehru and the Indian Government.

4. I am sure that Nehru is sincerely desirous of a settlement of the Suez dispute which protects the United Kingdom and other users' interests, and that he is anxious to use India's influence with Egypt as far as he judges practicable to get the Egyptians to move further. Unfortunately his ideas as to what is adequate protection of the users' interests are still very different from ours, I shall continue to make it clear here that we regard an arrangement on the basis of the 18 nations' proposals as the essential condition of a negotiated settlement.

5./

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5. I believe that Menon will leave for Cairo either tomorrow or the next day.

6. Nehru has sent a personal message to Dulles on similar lines to his messages of today to the Prime Minister and the Foreign Secretary. No answer has come from Eisenhower to Nehru's message of the other day, but I am told that no answer was expected from him, since Nehru's message was in effect an answer to an earlier personal message from Eisenhower.

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S E C R E T

**Outward Telegram from Commonwealth Relations Office**

TO: U.K. HIGH COMMISSIONER IN INDIA  
(Sent 16.43 hours 16th September 1956)

JE 14211/1726 (E)

CYPHER  
EMERGENCY

No. 2074 SECRET

~~JE 14211/1798 (H)~~

Your telegram No. 1203.

S U E Z

Please give following message to Mr. Nehru from Prime Minister.  
Begin.

I have now received your two messages. The first reached me just before I made my statement in Parliament on September 12th. I have since read press reports of your statement in the Indian Parliament on September 12th, and you will no doubt have seen reports of my further speech on the same day. I was on the point of replying to your message of the 12th when your further messages of the 15th to me and the Foreign Secretary arrived.

You know, of course, that what we are seeking is a peaceful solution. There is, I am sure, no difference between us about this. As I said in the House of Commons, a peaceful solution was our aim in Korea, in Indo-China, in Trieste and in Persia, and we got them all - in the first two cases with your help. We have no record in that respect of which to be ashamed, and it is our aim in this business too.

But there remains the question how a negotiated settlement and a peaceful solution are to be brought about. The Eighteen Powers' proposals which the Menzies Mission carried to Cairo offered a basis of negotiation to achieve a peaceful solution. They were rejected out of hand by President Nasser.

The Menzies Committee made it clear, as Menzies stated in his first aide-memoire, that "we desire that anything done or proposed now should be regarded as containing no derogation from Egypt's sovereignty and national dignity". The way Menzies explained it was that Egypt should give a lease to an international operating company. That in itself would be an act of sovereignty and would fully protect Egypt's rights. I know that this is a point to which you have always attached importance. Nevertheless, at the conclusion, Menzies could only report: "On the substance of those proposals we encountered, with regret, an immovable resistance to any control or management of the operation and development of the canal by anybody other than the Government of Egypt herself". On the day Menzies left Cairo, Colonel Nasser published his proposals, which had not even been mentioned to the Committee.

These proposals of President Nasser are not regarded by us as an acceptable basis for negotiation as you yourself recognise. In effect they would leave the Canal under Egypt's sole control and thus require us to accept Egypt's act of force in seizing control. Hence it is not we, but Egypt, who are seeking to impose a decision unilaterally.

/In

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In the meantime, as I have warned you in my message of August 22nd, the position of the pilots has become intolerable. We had twice persuaded them to stay on, but they cannot be made to work against their will in a police state, with all that that implies.

In all these circumstances, we considered very carefully what our next step should be. The maritime powers have undoubted rights under the 1888 Convention and the Suez Canal Company's concessions which together constitute a balanced scheme, certainly up to 1968. The position of the users was safeguarded not only by the Convention but also by the fact that the canal was operated by a company constituted largely from the point of view of user interests. Egypt has destroyed the balance of this scheme and removed one of the guarantees to user interests, namely that the canal would continue to be operated by the company. Egypt is not entitled to substitute herself for the company as the operating authority because this is contrary to the scheme assumed by the Convention. The users retain their passage rights under the Convention. Thus when Egypt rejected the Eighteen Power proposals for an international authority on which both Egypt and the users would have been represented and which would thus have restored the balance destroyed by the Egyptian action it remained open to the user Powers to set up their own organisation to maintain passage through the canal. We consider that these rights can best be exercised by co-operation between the users and with Egypt. Hence our proposal to set up a Users' Association.

We are calling a meeting of the Eighteen Powers next week to consider the matter. We have every intention of seeking President Nasser's co-operation in connection with the scheme. If he had accepted the proposals presented by the Menzies Mission as a basis for negotiation, it would obviously not have been necessary for us to put this scheme forward.

We have met force with reason. We have exercised all the self-restraint of which Mr. Dulles has spoken.

I therefore much hope that you will feel able to use all your influence to induce President Nasser to accept the Eighteen Power proposals.

At this crucial stage, the visit of Krishna Menon to Cairo will be valuable if he can persuade President Nasser to reconsider his attitude towards them. We should, of course, be glad to see and to hear from him.

I am always willing to contemplate a meeting of Commonwealth Prime Ministers if other Prime Ministers consider this necessary. But I imagine there might be difficulties in arranging a meeting in the immediate future. Menzies has only just left and he and others may find it difficult to get away. In any event we will maintain close touch with Commonwealth Governments by every means.

Copy to:-

D.I

P.S. to Prime Minister (12)  
P.S. to Foreign Secretary (2)

SOUTH ASIA AND MIDDLE EAST DEPT.



SECRET

Outward Telegram from Commonwealth Relations Office

TO: U.K. HIGH COMMISSIONER IN INDIA

RPTD: CAIRO (VIA FOREIGN OFFICE)

(Sent 18.50 hrs. 16th September, 1956)

214216  
JE 14211/1726 (F)

CYPHER  
IMMEDIATE TO BOTH POSTS

No. 2077 SECRET

Addressed to U.K. High Commissioner in Delhi No. 2077 repeated to Cairo, Immediate.

My telegram No. 2074 (not to Cairo).

S U E Z

I saw Mrs. Pandit this afternoon and handed over a copy of the Prime Minister's message to Mr. Nehru. I said that the Users' Association had hit the headlines but the important thing on which to concentrate was that the Menzies' Committee's proposals were still open as a basis for settlement.

2. We could not understand why they should be thought to derogate from Egypt's sovereignty. The landlord-tenant basis which was the way in which Mr. Menzies had illustrated the proposals was completely consistent with Egypt's rights.

3. India had apparently felt unable to recommend Egypt to accept the principle embodied in the declaration and had serious doubts about them herself. But might not further understanding of what we were aiming at enable India to press Nasser to accept negotiation within the principles?

4. Mrs. Pandit said that announcement of the Users' Association had seemed at first sight to be provocative and it was difficult to see how it would achieve anything other than retaliation - it seemed to have brought nearer the clash which Mr. Nehru dreaded.

5. She did however think that the Indian leaders were rather coming round to the view there was more hope for a settlement in the declaration of the 18 than they had originally thought and that with some adaptation it might serve as a basis of negotiation. Mr. Nehru had told her that he thought the gap could be bridged.

6. I said that the best thing Krishna Menon could do in Cairo was to persuade Nasser that the principles in the declaration were reasonable and consistent with Egypt's sovereignty and urge him to accept them. If he could induce Nasser to accept he would have made a big contribution towards a settlement. I said I would ask Macdonald and Trevelyan to

go/

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- 2 -

go through the Menzies report with Mr. Nehru and Krishna Menon in some detail as it was important that the case he put forward should be thoroughly understood.

7. Please do this in whatever way you think best. I gathered from Mrs. Pandit that neither of them had as yet studied it at all carefully.

Copy to:

D. II  
SUEZ CANAL DISTRIBUTION  
SPECIAL MINISTERIAL DISTRIBUTION

Copy to Foreign Office (Telegram Section) for retransmission to Cairo Immediate

SOUTH ASIA & MIDDLE EAST DEPT.

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*Italian Embassy*

J E. 1421/1729

S. g. s.

J

11th September, 1956.

Sir,

The Italian Foreign Minister, Signor Martino, has instructed me to convey to you the following communication:

" In the course of the conversations with Your Excellency during the London Conference, I had the opportunity to mention some of the Italian Government's objections and reservations regarding the proposals which were intended for submission to the Egyptian Government for the solution of the Suez problem. However, in order that the French and British position should not be weakened, I accepted the formula put forward by the U.S. Secretary of State.

I take this opportunity to confirm to Your Excellency that, so far as negotiations are concerned, the British Government can rely on the full and whole-hearted solidarity of the Italian Government.

The Five-Nations Committee talks in Cairo have, unfortunately, ended without any positive result. Italian public opinion - I feel bound to tell Your Excellency in all frankness - is profoundly disturbed by the serious situation emerging therefrom and by the uncertainty of the future.

The Western Powers, among which Italy, have always held to the principle of the sanctity of international obligations, but they have also maintained that international conflicts must find a peaceful solution principally through the United Nations' organisations.

P.T.O.

The Rt. Hon. Selwyn Lloyd, C.B.E., T.D., Q.C., M.P.,  
Secretary of State for Foreign Affairs,  
Foreign Office,  
S. W. 1.

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*Italian Embassy*

2 -

There is no doubt that during all these years the respect for such principles, even when it was not to our immediate advantage, has ultimately proved an asset over our opponents - in contrast to the direct or indirect use of force to which others, on several occasions, have resorted.

These principles are deeply rooted in Italian public opinion, and, therefore, I feel that I should be wanting in my duty as Foreign Minister of a friendly and allied Nation if I failed to bring to Your Excellency's notice that Italian public opinion would not readily accept a resort to force without the question having first been submitted to the United Nations.

I avail myself of this opportunity to express to you the assurance of my highest consideration."

I wish to point out that the above text constitutes the resumé of a more detailed letter, on the same lines, which should arrive here, by special Courier, this afternoon and which will be forwarded to you as soon as possible.

I am conveying, at the same time, an identical communication to the French Foreign Minister.

Please accept, Sir, the assurance of my highest consideration.

*N. [Signature]*

4/6

*[Handwritten signature]* J

J

Suez Canal

The Italian Ambassador called on me this afternoon at his own request.

2. I first asked him to clarify one or two points arising out of his letter to the Secretary of State. Count Zeppi explained that the text which he had incorporated in his letter should be regarded as an advance copy of Signor Martino's autograph letter, based on instructions which he had received by telegram. He thought there would be no substantial difference between this and the autograph text. A similar letter was being addressed by Signor Martino not only to Monsieur Pineau but also to Mr. Dulles.

3. Count Zeppi insisted that the letter did not represent any change in the attitude of the Italian Government which remained solidly behind the 18-Power proposals. The letter was intended merely to emphasise that some other peaceful measures must be tried before any resort to force. I asked the Ambassador whether this meant that with Italy as with the United Kingdom force was always the last resort but that situations did arise when force had to be used. He replied, laughingly, that he supposed so.

4. Count Zeppi said that he had seen Monsieur Pineau this morning and had gathered that the Americans were doubtful of the wisdom of an approach to the United Nations. I did not comment on this but invited the Ambassador to read the communiqué issued after this morning's talks. He at once adverted to the passage which mentions measures discussed and agreed upon and asked what these were. I replied that these would be made clear when the Prime Minister speaks in the House of Commons tomorrow. I added that His Excellency

/would

JE 14/2/1962

J

**Parliamentary Question**

Mr. Warbey: To ask the Secretary of State for Foreign Affairs, what advice or instructions were given to the British Government representatives on the Suez Canal Maritime Company regarding the company's order to its employees to declare, by 15th August last, whether or not they wished to remain in the service of the company.

LA. Ashfield

ANSWERED 13 SEP 1956  
REPLY ATTACHED.

NOT FOR ORAL ANSWER

13 SEP 1956

Mr. Warbey has asked three other questions on the same subject which are attached. Three of the questions ask what instructions were given to the British Government Directors of the Suez Canal Company. They can be answered as follows:

Question 4: The U.K. Government Directors were asked to try to ensure that the Company should request its employees to continue at work for the time being, in view of the Conference to be held in London on August 16.

Question 5: No advice or instructions were given.

Question 6: H.M.G. have given no guarantees.

2. It is, however, for consideration whether we should reveal confidential advice given to the Government representatives. If we do so now, we shall be pressed to do so again when further questions arise about the winding up of the Company, compensation, etc. We have so far refused to disclose instructions given to the Government directors of B.P. The Secretary of State has in effect answered Question No. 4 in his statement to the Suez Conference on August 18, which was published. We might, I suggest, answer Question 4 by reference to this statement; answer the question about guarantees to the Company's employees which is of a different nature; and refuse to disclose confidential instructions.

3. I attach a draft reply.

*H.B. Shepherd*

(H.B. Shepherd)  
September 14, 1956

Mr Beeley has agreed the draft reply but suggests rewording the second sentence in para 2 as in the sheet attached.

*H.B. Shepherd*  
14/9

Paris tel.  
No.207.

Copy etc

Cmd 9853  
Flas A.

(5/7)

27 1956

### EGYPT (SUEZ CANAL)

Mr. Warbey asked the Secretary of State for Foreign Affairs (1) what advice or instructions were given to the British Government representatives on the Suez Canal Maritime Company regarding the company's order to its employees to declare, by 15th August last, whether or not they wished to remain in the service of the company; (2) what advice or instructions were given to the British Government representatives on the Suez Canal Maritime Company regarding the company's offer to employees remaining in its service after 15th August last of three years' guaranteed full salary plus a full pension; (3) what guarantees have

been given by Her Majesty's Government through its representatives on the Suez Canal Maritime Company or otherwise to ensure that the terms offered to British citizens remaining loyal to the company will be honoured in full; (4) if he will publish in a White Paper or otherwise a full statement of all the instructions and advice given to the British Government representatives on the Suez Canal Maritime Company during the period from 26th July, 1956, to date.

Mr. Nutting: It has never been Her Majesty's Government's practice to disclose confidential instructions or advice given to the Government Directors of the Suez Canal Company. As my right hon. and learned Friend has stated the

policy of Her Majesty's Government has been to encourage the Company to persuade its staff to stay at work as long as the London Conference and the mission of the Committee of Five Nations to Cairo continued, and in order to afford every opportunity of reaching an agreed settlement of the Suez Canal issue by these peaceful processes.

~~27~~ 1956

14<sup>th</sup> Sept

PARLIAMENTARY QUESTION

HOUSE OF LORDS

September 13, 1956.

E1121/1696

The Lord Silkin:- To ask Her Majesty's Government whether all employees of the Suez Canal Company were yesterday handed a circular instructing them to stop work at midnight on Friday "as requested by Governments" and whether and when Her Majesty's Government made such a request.

The Marquess of Reading replied:

The answer to the first part of the Noble Lord's question is "No". The second part of the question does not therefore arise.

The Noble Lord may have based his question on an inaccurate version of the message issued by the Board of the Company to its employees on September 11, the authentic text of which is as follows:

"The Board has asked me to thank the non-Egyptian employees still working in Egypt for the effort they have made for nearly seven weeks in the service of the international waterway which has not ceased to be the concern of the Company. The Board is aware of the very great difficulties these employees have had to face and the distressing moral atmosphere in which the Company has asked them to work, in response to the wishes of the British and French Governments, who were anxious to facilitate first the work of the London Conference and then the mission of the Committee of Five presided over by Mr. Menzies.

/"This mission



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"This mission now being completed, the further period of work called for by the Company a fortnight ago is now coming to an end. Consequently, all non-Egyptian employees who, before August 15, asked to be repatriated, thereby intimating that they did not accept any contract with the de facto Egyptian Authority, are authorised to stop working on either the 14th or the 15th September, according to the particular requirements of the Department in which they are employed. They should forthwith make arrangements for repatriation, with the assistance, if required, of diplomatic and consular representatives."

Her Majesty's Government regard the decision of the Canal Company employees as entirely one for the employees themselves as free men.

J  
FROM PEKING TO FOREIGN OFFICE

En Clair

E14211/1702

FOREIGN OFFICE AND  
WHITEHALL DISTRIBUTION

Mr. O'Neill

No: 520

September 19, 1956.

D: 7.58 a.m. September 19, 1956.

R: 12.26 p.m. September 19, 1956.

PRIORITY

Addressed to Foreign Office telegram No: 520 of  
September 19

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

J274211/1610

My telegram No: 507: Suez Canal.

Chinese Press has published texts of Egyptian Note of September 10 and of the Chinese Government's reply to the Egyptian Government of September 17.

The following is summary of Chinese Note.

2. The Chinese Government fully supports the Egyptian Government's righteous action in nationalizing the Suez Canal Company on July 25. The Chinese Government, which is making increasingly wider use of the Suez Canal, has always been in favour of an international conference without prejudice to the sovereignty and dignity of Egypt and with the broad participation of the countries concerned which use the Suez Canal in order to seek a peaceful settlement of the question of freedom of navigation through the Canal. The Government warmly supports the proposal for the convocation of such a conference made by Egypt on August 12. Egypt was justified in not attending the London Conference which was convened without prior consultation with her. After the reasonable proposal of India made at the London Conference had failed to obtain a favourable response from Britain, France and the United States, the Western countries put forward the Dulles Plan which constituted an interference in the internal affairs and sovereignty of Egypt. The Egyptian Government was fully justified in declining to accept this plan after patiently listening to the explanations of the Five Nation Committee.

19 SEP 1956  
X XXII 1956  
MATH...

3. The Egyptian....

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Peking telegram No: 520 to Foreign Office

- 2 -

3. The Egyptian proposal of September 10 that a negotiating body should be formed representing the different views held among States using the Suez Canal demonstrates Egypt's firm desire for peace, and the Chinese Government warmly supports this proposal. In contrast to the Egyptian attitude, the British and French Governments have from the beginning exerted violent pressure on Egypt, made military threats and forced technical personnel to leave their posts on the Canal, thus attempting to hinder navigation and to fabricate a pretext for jeopardizing peace. The United States attitude has strengthened the British and French military threats.

4. The British announcement on September 12 that Britain, France and the United States will form a Users' Association is an attempt to deprive Egypt of its sovereignty and to take over operation of the Canal by force. This plan constituted an open violation of the United Nations charter. It is a serious provocation not only against the Egyptian people but also against all the Arab States and other Asian and African countries and all the peace loving and righteous countries and peoples in the world. If Britain, France and the United States do not rein in the horse on the brink of the precipice and give up their plan of war provocation they will inevitably meet with opposition from all the peace loving and righteous countries and peoples including the people of Britain, France and the United States themselves. Egypt will never be alone. China will, together with all the peace loving countries and peoples in the world, firmly stand by the side of Egypt and give full support to the righteous struggle of the Egyptian people for preserving their national independence and sovereignty.

5. In opposing the war plan of Britain, France and the United States and in supporting the attitude of the Egyptian Government, the Chinese Government is convinced that on the basis of the Egyptian proposal it is entirely possible to reach an agreement on questions relating to freedom of navigation through the Canal by peaceful negotiations on the principle that Egypt's sovereignty and dignity should be respected.

Foreign Office please pass Saving to Cairo, Washington and Paris as my telegrams Nos: 16, 147 and 20.

[Repeated Saving to Cairo, Washington and Paris]

JJJJJ

JE 12/21/707

SUEZ CANAL

The Secretary of State is seeing M. Georges-Picot at 10.30 a.m. tomorrow. This is in fulfilment of a promise that he would see M. Georges-Picot as soon as the work of the Conference permitted. The Secretary of State has told M. Charles-Roux that he will answer the latter's letter of August 20 through M. Georges-Picot. The latter has put off his departure to Paris in order to keep the appointment.

Flag A  
JE 12/21/1046

2. There are two main subjects for discussion arising out of the two memoranda attached to M. Charles-Roux' letter: the Company's employees and payment of dues.

Flag B

Flag C

3. As regards the employees the views of the departments concerned are contained in ME(O)(SC)(56)23. The Cabinet decided on August 23 that Mr. Menzies' group should be asked to issue a statement. This might recall that British and French employees of the Suez Canal Company had been asked by their Governments to remain at their posts until the end of the international conference. It could then go on to say that, after consulting those Governments, the committee now asked these employees to continue to carry out their duties while the committee were conducting their consultations with the Egyptian Government. M. Pineau, of his own initiative, made a suggestion in this sense to Mr. Menzies on August 23, coupling it with a request that the five Governments would do their best to protect the employees from interference by the Egyptian authorities. The Cabinet's

Flag D  
JE 12/21/1151

/views

17 SEP 1955

views were conveyed to Mr. Menzies by the Foreign Office on August 24 after the matter had been discussed again between the Secretary of State and M. Pineau.

4. M. Georges-Picot may take the line that the position of the employees has become so intolerable that the Company must either order them to leave not later than the end of this month or hand over the entire responsibility for them to the five Governments. The latter are, of course, in no position to take over such responsibility, nor are H.M.G. The Secretary of State may therefore wish to ask M. Georges-Picot to urge the Board to assist the five Governments by sending no orders to the employees and by endorsing the appeal which the five Governments would be making. He could also say that while we cannot believe that the five Governments could accept full responsibility for the employees, they would certainly do their best - in accordance with our advice - to reduce Egyptian interference.

5. As regards dues, the views of the departments concerned are contained in a note of a tripartite meeting held in the Treasury on August 24. There is general agreement between H.M.G. and the French Government that the best solution would be to pay into separate accounts set up by the individual countries concerned, no payments from these accounts being made pending a final settlement. The United States Government have not committed themselves. As soon as their views are known to be in line with those of the French and ourselves we shall tackle the other Governments concerned.

Flag E  
JE1119/76

6. In spite of the uncertainty as to the position of the U.S. Government, it would seem desirable to inform

/M. Georges-Picot

M. Georges-Picot that, as from the receipt of an unsatisfactory answer from Egypt, we intend that as many countries as possible shall pay dues into blocked accounts. The fact that we and the French would no longer be paying to the account of the Suez Canal Company does not mean any weakening of our support for the Company, still less any recognition of Nasser's purported nationalisation of it. The fact is simply that we have to acknowledge the existence of a dispute; the settlement which we mean to obtain by one means or another will lead to a settlement of the dispute including the question of compensation; and that in these circumstances the reasonable course is to hold the dues in suspense so that they can ultimately be paid over to those entitled to them.

*A. D. M. Ross*

(A. D. M. Ross)  
August 24, 1956

Seen by SBS  
AR  
13/v.

**SECRET**

**FROM CAINO TO FOREIGN OFFICE**

**Cypher/OTF**

**FOREIGN OFFICE (SECRET) AND  
WHITEHALL (SECRET) DISTRICTION**

Sir H. Trevelyan  
No. 2209  
September 19, 1956

D: 4.06 p.m. September 19, 1956  
R: 6.30 p.m. September 19, 1956

**PRIORITY  
SECRET**

JE 1421/1710

**Addressed to Foreign Office telegram No. 2209 of  
September 19.**

**Repeated for information to New Delhi  
and Saving to Paris and Washington.**

Your telegram No. <sup>9 JE 142</sup> 212: Suez Canal.

Krishna Menon called on me on September 18. I gave him your message. He said he hoped to come to London after the conference, probably over the week-end.

2. I went over the main points made by Mr. Menzies. Menon professed himself wholly unconvinced and said that there was no prospect of a solution unless both sides moved some way. He considered that the establishment of an international operating board would amount to the creation of a new Suez Canal Company and would be inconsistent with the act of nationalization which the Indians regarded as within Egypt's rights. I gave him some local history on Canal questions in order to illustrate reasons for the unwillingness of the Western Powers to accept guarantees which amounted only to more Egyptian provisions. He replied that it would be impossible to negotiate with the Egyptian Government on the basis that they must surrender sovereignty because they could not be trusted.

3. Menon gave us no details about the talks which he has had so far with Nasser, saying that they were only general and that he would pursue them in more detail when he saw what was going to happen in the next day or two over the Users' Association, about which he was very gloomy. He produced Nasser's line about the failure of a Western plot to sabotage the Canal by withdrawing the pilots. I think I disposed of this by telling him that Nasser had got his figures wrong, that nobody

/ could

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SECRET

Cairo telegram No. 2209 to Foreign Office

- 2 -

could have kept the pilots there any longer, that if the two Governments had really wanted to stop the Canal functioning they would not have put pressure on the pilots to stay and that we had never expected the traffic to stop altogether as a result of the disappearance of most of the foreign pilots. I also emphasized that a few days were not going to show how the Egyptians were going to run the Canal. They could, no doubt, carry on after a fashion, particularly since most of the big ships would now be going round the Cape, but only time would test Egyptian efficiency in running the Canal apart altogether from the conditions necessary to ensure development.

4. Menon said that if the two sides were not going to compromise the alternatives would be war or a boycott of the Canal and economic warfare. He believed that war would have the most devastating effects throughout the whole of Asia and would lead us further than we imagined. He feared greatly its effects on India. On the other hand, he evidently viewed with considerable misgiving the prospect of a boycott of the Canal on the Indian economic situation. He referred particularly to Nehru's restraint in his public statements on the Canal question and said that we owed India some return for their friendship in the past.

5. The conversation then turned to Middle Eastern politics and I was able to illustrate from Nasser's own admissions of Egyptian and Saudi Arabian conduct in the Sudan, Jordan, etc., some of the features of this political jungle. Menon remarked that perhaps the Indians were too simple for this part of the world. Though that may not be so. It was perhaps useful to apprise him of something of what goes on underneath the surface in these parts. He said he would probably want to see me again before he left.

Foreign Office please pass to New Delhi and Saving to Paris and Washington as my telegrams Nos. 311 and 372 respectively.

[Repeated Saving to Paris and Washington and copy sent to Telegraph Section C.R.O. for repetition to New Delhi].

LLLLL



17 3 SEP 1956

would well understand the French and British Ministers had addressed themselves to the problem of the best way of tripartite agreement within the next twenty-four hours.

Copies to:

- Mr. Nutting
- Mr. Dodds-Parker
- Sir J. Ward
- Mr. Pink
- Mr. Beeley
- United Nations Dept
- Southern Department
- African Department

(A. D. M. Ross)  
September 11, 1956.

*J. Phipps*  
11.9.

*W 11/9*