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LEVANT DEPARTMENT

V.G. 1011/1

FROM *M. S. G. Jones, Cairo.*

Confidential.

No. *6 (1015/60).*

Dated *January 31.*

Received *February 16.*

SUBJECT:

Review of developments in the U.A.R. in 1959

The deal with Iraq - Nasser and the deal with union with Syria.

References

MINUTES

This annual review for 1959 is brief and sketchy, reflecting the inadequate status and facilities for reporting from which our representative in Cairo has suffered, particularly in the early part of the year. We are still getting much more full and informative reporting from the Canadian Ambassador.

150896 151566

(Printing Instructions)

F.O.W.H. **PRINTED**

(Outward Action)

8c to Mr Shattock Paris. March 9th

2. The report is particularly thin in the following respects. While it touches on Nasser's relations with his immediate neighbours (paragraph 7), it does not comment on the superficiality of the improvement in most cases, which was effected for tactical reasons. Neither does it deal with the wider ramifications of President Nasser's policy - his comparative lack of success in the Afro-Asian world, lack of progress towards fulfilling his ambitions in Africa, the nuisance which he nevertheless represents in certain vulnerable quarters e.g. Somalia, minor complications in his relations with Soviet bloc countries, or the recent drive to increase U.A.R. influence in Central and South America, and in particular the effort to get on terms with the Cuban régime. Egypt has now entered the ranks of the oil producers albeit in a small way, which has certain implications not touched on in the report. Neither is there any assessment of the degree of progress made in establishing the groundwork for United Kingdom/U.A.R. relations. *Economic development in the U.A.R. deserves comment also.*

3. On the conclusions, the Israelis would certainly not agree with the contention in paragraph 13 that Nasser "seems to have realised that he cannot float the West".

4. This will obviously be needed in the printed Volume, and, more especially as there is very little material on the U.A.R. printed at present for general distribution, I think we should also print F.O.W.H.

5. A spare copy should go to Mr. Shattock of the United Kingdom Delegation to N.A.T.O.

(Action completed)

228 5.5.60

(Main Indexed)

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R. Arculus
 (R. Arculus)
 February 19, 1960.
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 P.U.S.D. (for JIB)

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No chronological list of events
is attached, but I suppose
Caro can be excused that?

J. H. B. [unclear]
Feb 19

I would hope so

[Signature]
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MRB.
24/3.

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(1015/60)

No. 6. ✓



BRITISH DIPLOMATIC MISSION,
CAIRO.

January 31, 1960.

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V. 10/11.

Sir,

I have the honour to submit a review of developments in the United Arab Republic in 1959.

2. 1959 was an important year for the United Arab Republic. The principal developments were the serious break with Iraq, a cooling off in relations with the Soviet Union, and a gradual rapprochement with the West, which included the signature of a financial agreement with the United Kingdom, and led at the end of the year to the restoration of diplomatic relations.

3. The most dramatic of these developments was, of course, the break with Iraq. President Nasser's quarrel with General Qasim began in the previous year, but flared up into violent attacks by the U.A.R. on Iraq in February and culminated with U.A.R. support for the Mosul revolt. When it became clear that this violence against Iraq was only succeeding in driving Qasim into Communist hands, and that it was not supported by any of the other Arab states, there ensued a period of quietness when, from the U.A.R. end, at any rate, it seemed that some effort was being made to reach some kind of understanding with Qasim. However, General Qasim's apparent swing against the Nationalists in August

/combined

The Right Honourable

Selwyn Lloyd, C.B.E., M.P.,
etc., etc., etc.,

Foreign Office.

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combined with the trials and subsequent execution of Brigadier Tabagchali and others, caused relations to deteriorate once more. By the end of the year these had settled down to a steady rumble of abuse from either side and the breach between the two leaders appeared to be unbridgeable.

4. Though it was evident that President Nasser would dearly have liked to overthrow Qasim, he seems to have realised by the later part of the year that an unsuccessful attempt to do so would be likely to push Qasim completely into the hands of the Communists. This was a prospect which it seemed the U.A.R. feared more even than the existing unsatisfactory state of affairs. Communism in Iraq would pose a really serious danger to Egyptian control of Syria with its unstable people and its formerly large and influential Communist party. The Egyptians therefore tried to insulate Syria from Communist influence from without and to stamp out Communism within the country itself. This, and the fact that Mr. Krushchev indicated that the Soviet Union supported Communist parties in the Arab world, led the U.A.R. into their first attacks against the Soviet Union, attacks which at one time became of considerable violence. These attacks, and the measures taken against Communists, both in Syria and Egypt, inevitably led to a
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coolness in relations between the Soviet Union and the U.A.R. But there was no open break. President Nasser could not afford this with ~~his~~ ^{his} dependence upon the Soviet Union for arms and for the initial stages of the Aswan High Dam. Moreover, he came increasingly to appreciating the political and economic advantages of "positive neutralism". Since the Soviet Union, for their part, equally did not wish a breach with the U.A.R., relations continued to be outwardly correct; economic co-operation between the two countries continued and preparatory work for the first stage of the High Dam went on throughout the year.

5. President Nasser remained deeply suspicious of Western intentions but, nevertheless, if his relations with the Soviet Union were deteriorating, it became desirable for him to begin to reinsure with the other side. Moreover, and perhaps more importantly, if he was to industrialise his country, as he was determined to do, he needed large amounts of foreign aid. This could not all be provided from the Soviet Union, and in any event their economic assistance had not been entirely satisfactory. Soviet bloc resales of Egyptian cotton in the early part of the year caused much harm to U.A.R. sales of cotton to the West.

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6. Slowly, and suspiciously, therefore, the U.A.R. moved towards the West in the course of the year. A Financial Agreement was reached with the United Kingdom which permitted the unblocking of Egyptian balances in London in return for compensation, and after much hesitation diplomatic relations were re-established with the United Kingdom in December. The propaganda which raged against the United States in 1958 was stilled, and aid programmes were gradually developed, which resulted by the end of the year in the United States granting some \$140 million worth of aid to the U.A.R. West Germany continued to develop its trade intensively. Finally, the International Bank granted a loan for the development of the Suez Canal, which was a notable success for the U.A.R. and in effect marked the acceptance of its return to financial (and other) respectability.

7. In the Arab world too President Nasser was constrained to behave better. He received a severe shock to find, at a meeting of the Arab League in April, how much his violence against Iraq was opposed in the Arab world. Thereafter, he seems to have decided that in view of his quarrel with Iraq he could not afford to be at odds with his fellow Arabs. He accordingly made soothing noises to the Lebanese, though they do not seem to have benefited from any particular measures in relation, for example, to their /transit

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transit trade with Jordan and Iraq. He re-established relations with Jordan; he concluded a Nile waters agreement with the Sudan; relations with Morocco were improved, and he even made some motions towards a reconciliation with President Bourguiba.

8. The Union with Syria lies at the heart of much of President Nasser's foreign policy. It is the danger from Iraq, whether it be Communism or non-Nasserite Arab nationalism, either of which might weaken the Union, which has led President Nasser to be so hostile to General Qasim. The future of President Nasser's prestige and power in the Arab world depends upon the maintenance of the union with Syria. And at the beginning of the year Syria was not as secure as he would have liked. The year, however, has witnessed a steady consolidation of the Egyptian grip upon the country. Surprisingly enough one of the principal means to this end has been the weakening of the Baath Party who brought Syria into the Union. Baathis have been weeded out from the Army and from other positions; they were given no favours in the July elections for the committees of the National Union, which resulted in their suffering a marked defeat; and in October Field Marshal Amer, the President's right-hand man was sent to take charge in Syria as virtual Viceroy. His first actions were to relax the unpopular and doctrinaire policies which /the Baathi ..

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the Baathi ministers had imposed on the country and within three months five of these ministers had resigned. Far from weakening the President's position in the country, however, these measures appear to have brought about an accretion of prestige and popularity to the Egyptians.

9. In Egypt itself internal pressures also dictated a more responsible attitude. Great emphasis and much work has^{ve} been devoted to economic development. I think this interest is genuine and will continue. In the first place, the pressure of population demands drastic measures, not only if the standard of living is to be raised, but if it is to be maintained at its present low level. Secondly, as in most under-developed countries industrialisation is seen as the economic counterpart to political independence. Finally, it seems possible, with the example of Iraq before him, that President Nasser has been impressed by the need to do something more far reaching to meet the danger of Communism in Egypt than simply locking up local Communists, which he has done throughout the year on a considerable scale. He destroyed the Wafd, but hitherto he has not devised any coherent form of political ideology other than Arab nationalism, which is not an adequate diet on which to run internal affairs, and, in any case, does not arouse such enthusiasm among the Egyptians as it does in other Middle Eastern countries. This has

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also meant an attempt to build up a grass roots political organisation which did not exist before. The idea of the National Union was incorporated in the Constitution, but in 1959 a real attempt was made to put flesh on it. It has been a cumbersome process and difficult to understand and it does not seem to have aroused much enthusiasm. But it does represent an attempt by the regime to build up a wider and more solid basis of public support.

10. The problem at the end of the year is to assess how far President Nasser's relative detachment from the Soviet bloc and approach to respectability and good-neighbourliness represent a genuine trend which we may expect to see developed, or how far it is simply a passing phase. Towards Israel there has been no improvement; the U.A.R. attitude has continued unrelenting and in spite of Mr. Hammarskjold's endeavours no progress was made towards letting Israeli cargoes through the Suez Canal. Indeed, with Syrian opinion to take into account and Bagdad radio breathing down his neck President Nasser could not afford to appear conciliatory. However, he did keep the Syrian and Egyptian frontiers with Israel quiet after the beginning of the year. As for Jordan, it looked as though the U.A.R. had realized it was too expensive a commitment to take on with Syria half digested; the threat of Israeli action if the status quo were disturbed was also probably understood. Again with Sudan, the imminent start of work on the High Dam required /some agreement.

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some agreement. There is little doubt that the commitment in Syria has made President Nasser more vulnerable than he was before: he cannot act without looking over his shoulder at Syria. Equally, Syria imposes certain attitudes which as an Egyptian he might well prefer not to adopt.

11. The danger lies in Iraq. Now that the U.A.R. and Iraq are in direct contact with each other quarrelling can become more dangerous than in the days of Nuri Said when Syria ^{was an independent state} lay between them. There will always be the temptation to the U.A.R. to try to secure a friendly and preferably subservient Government in Bagdad. If this led to open intervention, say if General Qasim were to collapse, it could have serious consequences. It might fail and lead to a Communist Iraq or succeed and produce a Nasser-oriented government in Bagdad, which, while it might not last long, could have important effects on our positions in the Persian Gulf. But we cannot expect President Nasser to disinterest himself in Iraq, the existence of the U.A.R. is too closely bound up with what happens there. We can only hope to show him that chaos and Communism there are no more in his interest than ours.

12. While interest focusses on Iraq, Jordan may remain safe. Indeed, the present situation whereby the position is held and the money provided by the U.K. and the U.S.A. ought to suit the U.A.R. well enough. Libya is a much more tempting prize, especially now oil has been found. If

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the death of King Idris gave a chance of federating that country with the U.A.R. it might well be taken. But for the moment President Nasser has sufficient problems not to want to force the pace.

13. On balance, therefore, the developments of the year seem to give some hope that President Nasser has realized the importance to his own position of stability in the Middle East and the danger to that position represented by Communism. He seems to have realized that he cannot flout the West and needs their support. The events of the year have shown, moreover, that a policy of rapprochement with the West pays dividends. It is to be hoped he has drawn the moral. His ambitions, however, remain and there remain the dangers in Syria and Iraq to which I have drawn attention. Stability is still a fragile thing in the Middle East and responsible action a novelty. They may only too easily be jeopardized by excess of ambition or the desire to take a quick trick.

14. I am sending copies of this despatch to Her Majesty's Representatives at Washington, Amman, Khartoum, Benghazi, Beirut, Tel Aviv, Bagdad, Ankara, Pomef, Bahrain

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and Kuwait.

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

(C. T. CROWE)

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U.A.R. (Syrian Region)

1024
(10th/19/60)

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BRITISH EMBASSY,
BEIRUT. Recd Part.

March 2, 1960.

Syrian Region of the United Arab Republic
Calendar 1959

Dear Department,

VG 1011/2

VG 1011/1

Although you already have Cairo Mission's annual report (Cairo despatch No 6) covering both regions of the United Arab Republic, you may wish to have, for the record, the enclosed calendar of events in the Syrian region.

2. We are sending a copy of this letter to Chancery, Cairo.

Yours ever,

CHANCERY

Levant Department,
FOREIGN OFFICE, S.W.1.

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U.A.R. (Syrian Region)
Recd. March 7. 1960

SYRIAN REGION OF THE UNITED ARAB REPUBLIC
CALENDAR 1959

- January 3 The Higher Ministerial Committee appointed by President Nasser to supervise development work in Syria arrived in Damascus (Vice Presidents Abdul Latif Boghdadi and Akram Hourani, Central Minister of the Interior, Zakaria Muhieddine).
- " 7 The Prime Minister of East Germany visited Damascus.
- " 13 The Higher Ministerial Committee approved the Syrian Five Year Industrialisation Plan.
- " 16 The Hungarian Minister of Communications paid a five day visit to Damascus.
- " 22 The Spanish Foreign Minister visited Damascus for a conference of Spanish representatives in the Middle East.
- " 27 The Mahrada (Orontes) Barrage contract was awarded to Techno-Impey of Bulgaria.
- " 30 Dr. Kaysouni, Central Minister of Economy, visited Beirut for talks on outstanding problems between the United Arab Republic and Lebanon.
- February 5 The Higher Ministerial Committee (except Hourani who left on January 29) returned to Cairo.
- " 7 The Bulgarian Minister of Commerce visited Damascus.
- " 8 The Trade and Payments Agreement between the U.A.R. and Czechoslovakia was signed, covering both Regions of the U.A.R.
- " 9 The Syrian Industrial Bank was established.
- " 14 A Transit Conference between Syria and neighbouring countries opened.
- " 15 The Yugoslav Minister of Education visited Damascus.
- " 21 Vice-President Boghdadi and Zakaria Muhieddine returned to Damascus.
- " 22 President Nasser, President Tito of Yugoslavia and Emir Badr of Yemen arrived in Damascus for the Union celebrations.
- " 25 Nasser and Tito began a tour of central and north Syria.
- " 28 Tito left Syria by ship from Lattakia.

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- March 1 The Congress of Inter Arab Telecommunications Federation opened in Damascus and closed on March 24.
- " 4 Restrictions on the extension of import licences were announced.
- " 4 Nasser returned to Damascus, having visited Homs, Hama, Aleppo and Lattakia.
- " 8 The Lebanese Foreign Minister called on Nasser.
- " 11 Demonstrations took place in Damascus in favour of the rebellion raised by Colonel Shawaf in Mosul on March 8 and against General Kassem. Nasser made a number of anti-Kassem and anti-Communist speeches in the next few days.
- " 16 Nasser replied to an accusation by Khrushchev alleging that Nasser used the language of imperialism against communism.
- " 20 Further anti-Kassem demonstrations took place throughout Syria.
- " 25 Nasser met President Chehab of Lebanon.
- " 25 Nasser returned to Cairo.
- April 5 Colonel Sarraj, Minister of Interior, was appointed as the first Minister of Waqfs in Syria.
- " 16 Iraq was accused of attacking a Syrian frontier post.
- " 21 A West German Mission arrived in Damascus to discuss the execution of Syrian development projects.
- " 23 Jordan was accused of attacking a Syrian frontier village.
- May 3 The Deputy Prime Minister of Indonesia visited Damascus.
- " 3 Hassan Jabbara, Central Minister of the Treasury, died in Cairo.
- " 9 By Presidential Decree two new Mohafazats, Idlib (formerly part of Aleppo Mohafazat) and Rakka (formerly part of Deir es Zor Mohafazat) were created.
- " 17 The electoral law was amended to allow women to vote without regard to educational qualification.
- " 17 The Syrian Chambers of Commerce were reorganised by Presidential decree.
- " 18 President Nasser announced that the first U.A.R. National Assembly would meet in November, 1959.
- June 4 Jordan accused of kidnapping a Syrian family from a frontier village.
- " 6 Syria closed her frontier with Jordan.

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- June 7 The U.A.R.-Lebanese agreement on outstanding economic questions was signed in Cairo and ratified by Nasser on June 13.
- " 7 The Deputy Minister of Commerce of Czechoslovakia visited Damascus.
- " 8 A decree was issued nominating July 15, 1959, as election day for the first stage of the National Union elections.
- " 13 Nomination of candidates for the elections closed.
- " 17 Election day was advanced to July 8.
- July 11 The election results were published.
- " 22 It was announced that the Syrian-Jordanian frontier would be reopened immediately and that diplomatic relations between the U.A.R. and Jordan would be resumed in August, following the intervention of the Secretary General of the Arab League.
- " 26 The Bulgarian Vice Minister of Foreign Affairs visited Damascus.
- " 30 The frontier between Syria and Jordan was re-opened.
- August 8 A contract was signed with a Soviet organisation for studies for irrigation projects on the Khabour and the Barada Rivers.
- " 8 Syrians were required to get an exit visa for all journeys except to Lebanon.
- " 12 The Homs Oil Refinery was opened by the Central Government Minister of Industry and the Czechoslovakian Minister of Industry.
- " 16 The U.A.R. and Jordan resumed diplomatic relations.
- " 21 The Sixth International Damascus Fair was held from August 21 to September 20. The U.K. participated.
- " 27 A contract was signed with the Soviet organisation Techno-Export for the study of a derivation weir on the Euphrates near Deir es Zor.
- September 3 Mr. Crowe, Head of the British Property Commission in Cairo, visited Damascus on the occasion of the British National Day at the Damascus Fair.
- " 6 Laws on the arabisation of banks and insurance companies were introduced.
- " 15 Adnan Malki, Minister of Culture and Guidance, was dismissed.
- " 22 Demonstrations were organised throughout Syria in protest against executions in Iraq and against General Kassem's policies.

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- September 23 Akram Hourani, Vice-President of the U.A.R., returned to Cairo after a stay of six weeks in Syria.
- " 29 Syrians travelling to Lebanon were required to obtain exit permits, which are now required for all journeys outside Syria.
- October 1 Chinese official reception in Damascus was boycotted by Syrian officials as a protest against unfriendly attitude of China to the U.A.R.
- " 3 The first price control list for Syria was issued by the Central Minister of Industry.
- " 12 Field Marshal Amer arrived unexpectedly at Lattakia to inspect Syrian armed forces.
- " 13 Dr. Amjad Traboulsi, Minister of Education, was appointed acting Minister of Culture and Guidance.
- " 21 Field Marshal Amer was placed in charge of all Syrian affairs and given special powers.
- " 21 Colonel Sarraj, Minister of Interior and Waqfs, was given control of the Information and Propaganda Service, formerly under the Minister of Culture and Guidance.
- " 26 Abdul Kader Hatem, Vice-Minister for Presidential Affairs, visited Damascus in connection with broadcasting and press affairs.
- " 28 Field Marshal Amer denied that his appointment to Syria had anything to do with the situation in Iraq.
- November 1 Field Marshal Amer approved reductions of Customs Duties on foodstuffs. Subsequent measures reduced other Customs Duties and relaxed some import restrictions.
- " 2 Amer had meetings with businessmen in Damascus.
- " 2 The second stage of the National Union elections in Syria took place.
- " 7 Amer and the Syrian Executive Council visited Aleppo.
- " 14 An agreement was signed in Cairo with the United States of America for the supply of wheat and barley to Syria under special repayment terms.
- " 21 The contract for studies for a new international airport at Damascus was awarded to a German firm.
- " 23 The Director of the American Development Loan Fund visited Syria.
- " 24 A Lebanese official mission met Field Marshal Amer and discussed outstanding Syro-Lebanese problems.
- " 25 Amer visited the Jebel Druze and then left Damascus for Cairo.

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- November 28 A Transit Conference was held in Damascus. Syria, Lebanon, Jordan and Saudi Arabia were represented.
- December 1 A frontier conference between Syria and Jordan was held to resolve outstanding frontier difficulties.
- " 6 A special committee was formed to study the Israeli project for the use of Jordan waters.
- " 9 A Transit Agreement was initialled by the delegates at the Transit Conference, subject to ratification by the Governments concerned.
- " 14 Field Marshal Amer returned to Damascus and issued an amendment to the Agrarian Reform Law about agricultural debts.
- " 24 Israeli forces were alleged to have opened fire on Syrians in the demilitarized zone.
- " 30 President Nasser accepted the resignations of Vice-President Akram Hourani; Central Government Minister of Orientation and Guidance, Salah Bitar; the Syrian Minister of Agrarian Reform, Mustafa Hamdoun; and the Syrian Minister of Labour and Social Affairs, Abdul Ghani Kannout.
- " 30 Amer created a Ministerial Committee of four to help with the establishment of the National Union in Syria.

1960

- January 1 Colonel Sarraj, Minister of Interior and Waqfs, in charge of the Information and Propaganda Service, became acting Minister of Labour and Social Affairs. Tohme Awdatallah, Minister of Municipal and Rural Affairs, became Minister of Agrarian Reform.
- " 3 The Syrian Minister of Economy Khalil Kallas resigned.
- " 3 Amer assumed charge of the Ministry of Economy.
- " 14 Colonel Sarraj was appointed Secretary General of the National Union in Syria, in addition to his Ministerial posts.

BRITISH EMBASSY,
BEIRUT.

March 2, 1960.

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