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Prime Minister to move the Adjournment of the House in protest. It was from that moment that we were forced to go slow on a policy which might have produced a much more favourable result than we have now obtained. The waste of eight years and the disappointment and the bitterness of hon. Members opposite are wholly due to the irresponsible action from 1946 onwards of the Prime Minister.

But there are others besides the Prime Minister. The Secretary of State for War said today that he went to Egypt to speak not as a soldier but as a member of the Government. Of course he did. There is a world of difference between what he has been saying in the last week and what he said in the 1946 debate. He then compared our policy to the selling of an Egyptian carpet. We do not want to gloat. But we are human beings, and I have been waiting for eight years to hear the speech which the Leader of the Opposition made today. Nevertheless, let us forget the past and try to look to the future.

The hon. and gallant Member for Pudsey spoke of two alternatives. I should like to put forward two others. We have been a great imperial Power. I agree with the right hon. and gallant Member for Leicester, South-East (Captain Waterhouse). I am not ashamed of all that Britain has done in the backward corners of the world. I have been proud of the humble part that I have played, not on Parliamentary visits but in washing socks and opening tins of "bully beef" in those areas. It is not all lost; we are leaving behind a record of decency, a record of fair play, which will enter into the everyday lives of the peoples of those countries.

We have been a great imperial Power. I respect the point of view of hon. Members opposite and sympathise with them even if I do not agree with them. I sympathise with them because I respect some of the things for which they are standing. I have respected them in the past and respect them now. But there are other things besides the days that are gone. We can at this moment be borne down by our imperial memories and by looking over our shoulders to the memories and glories of our great past. We can leave the Suez Canal Zone because we cannot stay there any longer and can go into Cyprus or

Last Christmas a number of hon. Members were prepared to give up part of their holiday to go to Egypt. We did not go as a result of a vindictive Press campaign, but because it was a good idea and it would be excellent if the Foreign Secretary would offer the Egyptian authorities a good will mission from this House in order to get the maximum results in the shortest possible time. Similar missions should also go to the other countries in the Middle East, for we want the good will of Egypt; we want the good will of Israel; indeed, we want the good will of the whole of the Middle East.

At present, we have to recognise the realities of the situation. Some hon. Members on this side of the House and some hon. Members opposite imagine that when we go out the Egyptian Army will be a great menace. That is not true. I

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200 miles along the Upper Nile and I saw how he was received. I believe that he has a great future before him and that he earns all the respect and help that we and the United States can give him. I hope that, as a result of these discussions, we shall give a friendly hand to Egypt and let the Egyptians know that we wish them well and want to help them out of their very serious trouble.

6.46 p.m.  
 Mr. George Wigg (Dudley): I applaud the sentiments of the hon. and gallant Member for Pudsey (Colonel Banks) and I certainly do not want to approach this debate in any spirit of gloating. I remind the hon. and gallant Member that his policy of the development of the Nile Delta and the furthering of the interests of Egyptian people, was also the policy of my right hon. Friend the Leader of the Opposition and the late Mr. Ernest Bevin.

The great tragedy is that when in 1946 and 1947 Mr. Bevin and the then Prime Minister were trying to rebuild British policy in the Middle East we received from the present Prime Minister, who was then in Opposition, not support but a response which forced us to go slow, because from one end of this island to another the cry of "scuttle" was raised. However, I willingly join with the hon. and gallant Member in agreeing that we should drop the word "scuttle" and forget the past. I am prepared to believe that under the force of events the Prime Minister has been compelled to change his point of view.

Colonel Banks: I do not think that the hon. Member should blame the present Prime Minister for a position which he could not have influenced at all, because, in 1946, there were plenty of schemes before the countries concerned. They had been put before them by the United Nations and the money was available, but they would not agree to them.

Mr. Wigg: The hon. and gallant Member was not a Member of this House then, but if he takes the opportunity to read HANSARD of 7th May, 1946, he will find that my right hon. Friend the Leader of the Opposition announced in the House that negotiations were to be opened with the Egyptian Government. This prompted the present

[COLONEL BANKS:] The alternative is to decline to do anything. The question is whether we should have troops in a hostile country. We would be in a hostile country. We would be shot at. I am no strategist, but in my opinion we shall want more men if, as we must, we spread further afield, but it is for someone else to say from where those men are to come. I say that here is an opportunity to co-operate with the Egyptian Government and the people in making their land a better place to live in and in getting rid of some of the things that have obtained there in the past. We should do that rather than say that we are going to sit there all the time. That would make a highly dangerous situation.

Both sides of the House support the United Nations and the Colombo Conference and anything which has as its purpose the making of peace in the world. We have done all that. If we truly believe in that, it means bringing our troops out of Egypt and bringing them back home. If we do that, we shall have the good will of 22 million people in Egypt and the possibility of earning their respect. That is a grand thing to do and I am all for it.

There has been much reference to "scuttle." I do not think that to put ourselves in the position to earn the love of 22 million people is a scuttle. Talk of loss of prestige has been bandied about in recent weeks, but I say sincerely that we can do an awful lot of damage to British prestige in the House of Commons if we are not very careful. In my experience in the countries that I have visited I have found that our prestige has not decreased. Our relations have been very friendly in Egypt. British people are popular there. The British business man is particularly popular at present. I believe that the Government will stay there for many years. I made a journey with Colonel Nasser of nearly

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The right hon. Gentleman is too good a soldier not to know that it was sloppy nonsense then and that it is sloppy nonsense now. But let us get away from the past. Let us get the troops out. Let us build up recruiting and cut down conscription by six months. The right hon. Gentleman has another chance. We can do it, provided that we do not look over our shoulders; provided we do not want an imperial future, and provided that the troops do not do "three years hard" in Cyprus instead of "three years hard" in the Canal Zone. Let us bring them back—

**Viscount Hinchingsbrooke:** From Korea, Malaya and everywhere else?

**Mr. Wigg:** There we go! The noble Lord is bowed down with the memories of the past.

**Viscount Hinchingsbrooke:** Korea and Malaya are very much in the present.

**Mr. Wigg:** The noble Lord is thinking so much of the past that he has to throw across to this side of the House words of bitterness. He would charge us with a policy of "scuttle" at the very time when his hon. Friends have shown concern about this matter in a most realistic way. I am pleading that we should leave Egypt. I realise that we cannot withdraw from Malaya. Neither can we withdraw from Kenya, though I recognise that it is the follies of the former Colonial Secretary, the right hon. Member for Aldershot (Mr. Lyttelton), which has caused us to bog down a division of troops there.

**Mr. Patrick Maitland (Lanark):** The hon. Member has said that he does not think that we should withdraw from Malaya. Would he consider that it is necessary for us to defend our maritime communications and that the defence of the Canal Zone—H-bomb or otherwise—is of great importance?

**Mr. Wigg:** I should delay the House too long were I to give the hon. Gentleman elementary lessons in geography as well as elementary lessons in strategy. In the First World War it was the strategy of this country—in which the Prime Minister played such a distinguished part, particularly over the withdrawal from Gallipoli—that the Mediterranean should be kept open. But it was clear on

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[Mr. Wigg.] have not been back to Egypt for two or three years, but I was in Israel a couple of years ago and had an opportunity of looking at the Israeli Army. It is a very good Army and it has a much better system of mobilisation than we have. It is dovetailed into their needs and is the most effective fighting force in the Middle East. If there was any danger of invasion when we go out the Israeli Army would be on the Egyptian border in a couple of days. At the moment, there is no danger of the Egyptian Army invading Israel; for the moment it is the other way round, but there is no intention in that small country—which wants to get on with the raising of its standard of life—of pursuing an aggressive policy. But let us remember that the effectiveness of the Israeli Army gives us four or five years in which to lower the tension and get a policy of good will under way.

In 1946, I used to quarrel with Mr. Bevin, and even now I do not think that all the blame for the follies of Middle East policy is to be found on the benches opposite. Although, goodness knows, there is enough there, some of it had its origin over here. My hon. and learned Friend the Member for Northampton (Mr. Paget) spoke as if he had talked with the Israeli authorities. I do not know whether that is so, but I know that Haifa is one of the best ports in the Middle East and could sustain a considerable force.

I suggest that the policy I advocate might lead the Israeli people and their authorities—as a free will act on their part and a gesture towards the policy of stability in the Middle East which is so essential both to this country and to the interests of the people of the Middle East—to consider not ceding Haifa—such a thought would be absurd—but coming to an arrangement whereby we could have the use of the port of Haifa and perhaps an area around it. That would be a much better and more realistic policy than the nonsense about Cyprus.

**Brigadier Prior-Palmer:** I think there has been a misconception throughout the debate. I think the Leader of the Opposition and the hon. Member have fallen into the error of thinking that a base is to be set up in Cyprus. There is no question of that, but it is to be a head-

quarters. I quite agree with what the hon. Member said about Haifa.

**Mr. Wigg:** I hope that by a slip of the tongue I have not led hon. Members to think I suggest that Cyprus could be developed as a base like the Suez Canal. That is not so and I am sorry if I led the hon. and gallant Member for Worthing (Brigadier Prior-Palmer) into the view that Cyprus would be a base for a considerable body of troops. What we want is an effective point from which we can rapidly expand should the necessity arise. It seems to me that, if the Israeli authorities are willing, Haifa would be much better for that purpose.

That might be done as a result of an act of good will by the Israeli authorities or the Israeli people, but it is no good us thinking of forcing our way back there any more than to dream of hanging on in the Canal Zone. That day has gone for ever. What I am pleading for is that we should forget the imperialist memories given expression to by the Secretary of State for War in the 1946 debate when he was speaking, not as a member of the Government, but, I think, as a soldier, and talked of the Suez Canal being a great imperial life-line—I think he called it a great artery of the Empire. That was the kind of romantic, sloppy, nonsense which the Conservative Party likes, particularly the female section. He may have been carried away by his own propaganda.

**Mr. Head:** It is still perfectly true.

**Mr. Wigg:** If it is still perfectly true, and it is an artery of Empire, has he cut his own throat?

**Mr. Head:** The hon. Member is being contentious—

**Mr. Ede:** Why should he not be?

**Mr. Head:** I do not see the slightest reason why the Egyptian Government should close the Suez Canal, because it is as much a life-line to them as to anyone else.

**Mr. Wigg:** The right hon. Gentleman must not be too clever. Of course it is a great life-line, but that is not what he said. He said that it was an artery of the Empire, and the policy of the present Government in Opposition was opposed to leaving Suez on just that thesis.

Christmas Day, 1914, that that was impossible. On Christmas Day, 1914, the late Duke of Westminster, with an armoured car command, contacted the Turks, actually on the Canal, and a number of actions were subsequently fought in a vain endeavour to keep open the Mediterranean. To keep open the Canal Zone.

In the last war—though the hon. Member for Lanark (Mr. Patrick Maitland) appears to have forgotten it, and it appears that roughly 50 years of history has passed him by—we made no attempt to keep open the Mediterranean. We used the West Coast of Africa as our life line. The great burial ground of our maritime fleet was down the West Coast of Africa. Sierra Leone was the important base, not the harbours of the Mediterranean. The coming of the submarine and air power makes the policy advocated by the hon. Gentleman and his hon. Friends complete nonsense. We have the H-bomb 750 miles away, and the hon. Member and his hon. Friends wish to provide a potential aggressor with the most perfect target in the world.

But I do not want to enter into an argument with hon. Gentlemen opposite. I am sorry that I have been dragged away into this digression. I wish to plead with the Government to take every step in their power, not only by words but by actions, to try to stimulate the maximum amount of good will both in Egypt and in Israel. I speak as a friend of both countries, indeed, as a friend of all the countries in the Middle East. I have visited them all—not as a member of a Parliamentary mission, not on a visit of two or three days. I have served in all those countries and, in a humble way, I claim to know something about them. I believe that the potential friendship for this country is enormous. I believe that memories are shorter than we sometimes think. I believe that in a very few months—certainly, in a year or two—all that has happened in Egypt in the last 70 years can be forgotten.

Perhaps I may be permitted to tell a story. I was serving in Constantinople in the occupation forces after the First World War. Heaven knows, there was bitterness between us and the Turks, because the Turk, although he is a good fighter, does not always fight according to Marquis of Queensberry rules. We

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effective opposition in this debate it may be necessary in Committee on the Consolidated Fund (Appropriation) Bill, which occurs later in our proceedings, to make our views known.

**Mr. Deputy-Speaker:** The hon. Member has rightly pointed out that that was not a point of order with which I could deal.

7.15 p.m.

**Mr. R. H. S. Crossman** (Coventry, East): I sympathise with the noble Lord the Member for Dorset, South (Viscount Hinchinbrooke). I remember a good many times when I was sitting on the Government side of the House and thought that the effective opposition was not getting its full representation. Indeed, on the subject of the Middle East, I can remember a debate on Egypt when I thought that I was the effective opposition.

However, there is one difference which the noble Lord has not noticed. When he talks about the effective opposition, he seems to have overlooked the speech of my right hon. Friend the Leader of the Opposition. If that was thought to be a congratulatory speech, then the noble Lord's estimate of his own powers of oratory and of his own case is higher than I believed. I doubt whether he will be able to do a job of debunking the Government equal to that done by the Leader of the Opposition. My right hon. Friend castigated the Government. I assure the noble Lord that we on our side will play our part in exposing the Government, though I know that the stab from the rear hurts more than the stab from the front. I shall occupy no more than a very few minutes, and then I hope to see fratricidal strife between hon. Gentlemen above and below the Gangway on the Government side of the House.

I do not intend to spend a great deal of time in castigation, because that was done by the Leader of the Opposition once and for all. I want to speak shortly and not polemically. I think that some of us on this side of the House ought to say one or two things to the Government not in a polemical way. I am one of those who, unlike the Secretary of State for War, feel no conflict of emotion and commonsense about this decision. I was aware that the right hon. Gentleman was

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them forget the fears which undoubtedly exist in Israel and in other countries as to what the effects of the redeployment will be. The efficiency of the Israeli Army will guarantee sufficient time for this Government, and other Governments concerned, to recognise that 29th July, 1954, marks the end of British imperial power in that part of the world, and the coming of a new era of friendship and kindness. If that happens, I am sure that there will be a new respect, not only for Britain, but for everything for which she stands.

7.10 p.m.

**Major Sir Roger Conant** (Rutland and Stamford): For quite a number of years my contribution to our proceedings has consisted of the suggestion, "That this House do now adjourn." I hope that my observations today and on any future occasion when I may catch your eye, Mr. Deputy-Speaker, will be equally agreeable to hon. Members.

We are considering whether the Heads of Agreement initiated on Tuesday should form the basis of a treaty with Egypt or whether we should continue this long-drawn-out dispute. That is the simple issue—whether the dispute which has gone on for eight years should be continued. I agree that the base ingratitude of the Egyptians after the last war and the great length of time our troops have been in Egypt makes everyone reluctant to approve proposals for the withdrawal of our troops, but we must face facts.

Our troops are stationed in Egypt for defence. We must ask ourselves whether in the circumstances of today, bearing in mind the hostility of the Egyptians, modern methods of warfare, and in particular the possible use of nuclear weapons in a future war, it is wise to keep troops in Egypt and to maintain there the great base which we have kept up ever since the war. It is very easy to pick holes in any agreement and to suggest improvements. Today we are not concerned with hypothetical agreements. We are discussing this compromise Agreement which has been reached, and the alternative to accepting it is that we must face the job of maintaining 80,000 troops, or possibly a slightly smaller number, in the Canal Zone where they will be tied up indefinitely defending themselves as much as they will be defending the Suez Canal.

[Mr. Wigg.] I remember that as we pulled away from the quayside there was no chorus of abuse nor staking of fists. The Turkish people, with whom there had been very difficult relations since the rise of Kemal, turned up in their hundreds shouting, "Goodbye Johnny, come back again." Give him the chance, and that is the kind of good will which is created by the British soldier; not because he has been trained in the Foreign Office, or kicked around in a public school, or because he is what he is. That is the kind of memory which the British soldier can leave behind. That is the kind of memory which will be left behind in the Canal Zone. The murders and the shootings and the robberies will be forgotten. But the simple kindness and the generosity of several generations of British troops will be remembered.

That is better than all the bases and, may I say, all the White Papers in the world. In any case, what fools we shall be if we do not create good will. We have not got the base any longer. The troops will come out in 20 months' time, so is it not far better for hon. Gentlemen opposite to accept this, and to say, "Well, after all, this is not what we should have liked and we are sorry about it but we must make the best of it?" It was clear from the emotion shown by the Prime Minister when he spoke that he is sorry, and I understand why, and I certainly do not gloat over it. But if we have to come out, let us, in the name of British common sense—which is one of the great national virtues to which we lay claim—make the best of a bad job. Let us come out and try to leave the maximum amount of good will behind; so that if ever we have to go back—and God forbid that the occasion should ever arise—we shall be greeted with friendship.

I hope that that will be the policy of hon. Gentlemen opposite. Do not let

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moment a tripartite agreement which is merely a bit of paper. How can we give that bit of paper some substance?

I suggest that, much better than going to Cyprus and insulting the Cypriots by saying "We will stay in your country and build a base here whether you like it or not," we should go to the one country in the Middle East which is now friendly to us, friendly because it got its freedom despite the British Government—Israel. Here is a friendly country, with a friendly people, which might really be a reliable ally in time of trouble.

Mr. Emrys Hughes: Is it a friendly attitude towards Israel to suggest that we should put a bomber base there?

Mr. Crossman: I am not talking about a bomber base. I am talking about looking for allies in the Middle East.

Mr. Harman Nicholls (Peterborough): To which "opposition" is the hon. Gentleman speaking now?

Mr. Crossman: I am speaking to the Chair. I suggest it is worth considering whether Israel would be prepared to lease us part of Haifa as a naval base. At least, it is an offer worth making to her.

I have said to the House previously that I think it is essential that the Gaza Strip, with its 260,000 refugees, should be taken, as a burden, off Egypt and that we should have there a battalion of British troops, a battalion of French troops and a battalion of American troops, as a token force and as proof that the tripartite statement means something and we should implement it if any trouble occurred. If we are to make a commitment, as we are making, that we will prevent aggression, I want some meaning given to it. I believe that small token forces in that area would deter both sides from aggression.

The Egyptians have previously stated that the Gaza Strip is a serious burden to them. Who wants the Gaza Strip, with the 260,000 refugees in it, today? My suggestion is worth considering. These ideas are turned down time after time until it is recognised that they make sense.

The last thing I say is this. While the 900,000 Arab refugees rot in their camps there will be no military security in the Middle East, there will be no friendship

to the people of Cyprus that they shall never get their sovereignty. I do not believe that we can have a military relationship with the Middle East except on terms of friendship with the people there. We have only got it with Israel today because Israel achieved her independence by force. We have only got it with Egypt because Egypt is getting her independence. Unless we give the people of Cyprus their will, they will not be with us.

This is the first thing that we want to emphasise to the Government today from this side of the House. Whether or not the Agreement leads to good will depends upon how the Government interpret it. [Interruption.] Of course it depends partly on the Egyptians. I assure the hon. and gallant Member for Pudsey (Colonel Banks), who made such an interesting speech about Colonel Nasser—I agree with him that Colonel Nasser is a charming man—that I am, nevertheless, not quite so one-sided in my picture of Colonel Nasser.

Colonel Nasser is a politician who is faced with realities in Egypt. The great danger about Egypt today is that, having lost one scapegoat—it has been the British who have been blamed for everything there in the last 25 years—she may find another foreign scapegoat next door. We shall have to see. It depends on whether Colonel Nasser is strong enough not to use the xenophobia there, which has given an excuse to every Egyptian leader for 25 years to blame the British, to find a scapegoat in Israel now with the result that there may be a possibility of a "second round."

It is our responsibility as a country to ascertain whether the military security arrangements which have been made will reduce the risk of there being a "second round." I ask myself whether we are doing it. [Interruption.] I was saying to the unofficial Government opposition—there are critics of the Government on this side of the House as well—that we are asking ourselves what security we have in the present world against a "second round" occurring. What are we doing to help Colonel Nasser to strengthen himself against that temptation? I agree that this is not likely to come for two or three years. The Israeli army is certainly stronger than the Egyptian army today, but there is that danger in the future. We have at the

and that divided these people. We must accept our responsibility. It is only if hon. Gentlemen opposite will accept the Anglo-Egyptian Agreement as giving the possibility of entering upon new relations with the Arabs and the Jews that it will not be a scuttile. It will not be a military disaster if only we take that new attitude. That is what disturbed us about Cyprus. What happened? On the same afternoon a concession to common sense was made by the Foreign Secretary and half an hour later a concession to emotion was made by his colleague in his statement on Cyprus.

An Hon. Member: Is this a repeat performance?

Brigadier Christopher Peto (Devon, North): Would this not come under the terms of vain repetition?

Mr. Crossman: I am sorry that none of us had the privilege of speaking yesterday afternoon after the Colonial Secretary. He made a series of assertions which seriously invalidated the good intentions of the Anglo-Egyptian Agreement, for if the Agreement means the end of the Imperial relationship in the Middle East, then we cannot possibly assert British sovereignty in Cyprus on the same day. [Interruption.] I know that it is unpleasant to remind the unofficial Government opposition of this.

Viscount Hinchinbrooke: I was saying that the hon. Gentleman was making a selfish and tedious speech.

Mr. Crossman: The noble Lord is usually courteous, but on the subject of Cyprus and Egypt he really must learn in time. We have had these mistakes made time after time during the last eight years. Hon. Members have never listened to our warnings. Each time we have got up and warned hon. Members what is likely to happen. Each time hon. Members opposite have called it tedious repetition and have turned it down. Then disaster comes, and it is too late.

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774 Liberal Administration under Mr. Gladstone: 72 years which Colonel Nasser described yesterday as "72 years of bitterness," a phrase which was echoed by the hon. Member for Coventry, East just now: 72 years in which Cromer, Milner, Allenby, Kitchener, Lloyd and Killairn built modern Egypt as we now know it; 72 years in which we built the foundations of what became a British Empire in the Middle East after the First World War and has remained so until the other day. It is an area to which the forces of the Commonwealth came twice in a generation to defend freedom and civilisation. There has been a very difficult position in that area in the last three years. There has been a state of siege. Now the garrison is to march out with full honours of war, but after submitting to a full capitulation.

way it will go—is anybody's guess, but there is at any rate a serious risk that it will involve an attack on Israel, or the suppression of the anti-Egyptian element in the Sudan, or perhaps a Communist revolution in Cairo. All or any of these developments could bring the Middle East down in ruins.

The documents which we have on this new Agreement are very few; in fact, only two. There is the communiqué which was put forward on the evening of the signature of the Heads of Agreement and there is the White Paper itself. Let me say a word or two first about the communiqué. It begins by telling us its intentions. There will be no aggressive agreement on that. It goes on to say that the Agreement aims at "removing sources of friction and misunderstandings." A study, however, of the Heads of Agreement shows that only one thing is to be removed—the British Army. I do not know whether that was a very happy phrase for my right hon. Friend the Secretary of State for War to use about his service.

Now for the Heads of Agreement themselves. If we are to pass judgment on them, we must compare them both with what we had under the 1936 Treaty and what we might have had, for better or worse, as an alternative to these arrangements. First of all, a comparison with the 1936 Treaty. In 1936, we had a full alliance with Egypt; under this arrangement, we have none. In 1936, we had a right to station troops there; under this arrangement, we have an obligation to evacuate them. In 1936, we had a right of re-entry in the event of war anywhere in the world, or a threat of war or of an apprehended international emergency, whatever that curious legalistic term may indicate; in this Agreement, we have a right of re-entry only in the event of attack on certain Powers.

The communiqué ends by expressing the hope that the Agreement will "contribute to the maintenance of peace and security." That is really the vital question which we have to answer. Will it do so? I cannot escape the conclusion that when we go the last element of stability in Egypt goes with us. The country is beset with fearful social and economic difficulties, and nobody can solve them easily. In fact, I doubt whether any combination of forces in Egypt could succeed in solving them. The military junta may manage with their aid to control the dark forces for a time. But that, in the end, there will come an explosion is more than likely. Which

Certainly, of course, we secure certain rights and pledges under this Agreement, and we might have had nothing at all. We have the right to maintain civilian contractors and the right of inspection of their work, and we have certain promises over the maintenance of the Canal Convention, but there is no security for any of these rights or pledges. Egypt receives the substance—control of the Canal, of the Base and of the land bridge from Asia to Africa. We receive the shadow—certain promises. My right hon. Friend the Foreign Secretary yesterday expressed the hope that there would be a growing improvement in our relations with Egypt and that this might one day come to something. I hope that what he says will indeed come true, but there is very little foundation for such hopes at present, and my right hon. Friend, of all men, after his bitter experience of Egyptian good faith in the Sudan last November, must have found it hard to give public expression to these hopes.

There is no evidence yet of good will on the part of the Government of Egypt, and we have to ask ourselves whether, even if they feel good will, they are in a position to show it. Powerful forces are arrayed against the Egyptian Junta. Indeed, I think that the statements made in Mr. Aboul Fath's letter in yesterday's "Manchester Guardian" are significant. He, a leading member of the Wafd, made it quite clear that the intention of himself and his friends was to try to outbid the xenophobia of the Egyptian Government. Any good will that we might receive may thus only be maintained by making further concessions to the Egyptians. We cannot make many more concessions to Egypt on Egyptian soil, but we might have to make concessions to Egyptian policy in other parts of the Middle East.

Here I should like to ask a question to which I hope my right hon. Friend will reply in winding up. What happens if, for example, Turkey becomes involved in a war in the defence of another member of N.A.T.O.? Will that constitute an attack against Turkey, and would that bind the Egyptians to open the Suez Canal to us, or would it not? It would not be an attack against Turkey, but against one of Turkey's allies in N.A.T.O., and I think we ought to know what is the position there.

The 1936 Treaty was of unlimited duration; this Agreement is to last for seven years. In the 1936 Treaty, it was stated that the Suez Canal was a primary interest of the British Commonwealth, as well as an international trade route; there is no mention of the British Commonwealth wealth in these Heads of Agreement before us today. There is one other point of which no mention has been made, but perhaps it will be covered in the Treaty, and perhaps my right hon. Friend will say something about it. Are there any provisions for naval facilities like those which are accorded to the R.A.F.? As to the facilities accorded the R.A.F., what

sure there will be no difference in any quarter of the House, and that is the momentousness of the decision which is being taken here today. It is the end of a process which has lasted 72 years. It is 72 years since we went into Egypt, at the behest not of an Imperialistic Conservative Government but of a

7.28 p.m.  
Mr. Julian Amery (Preston, North): Perhaps I might congratulate the hon. Member for Coventry, East (Mr. Crossman) upon his contribution, which, as his contributions always are, was dazzling and entertaining. The way he puts it, it always seems so easy. According to him, the great thing is to be friends with the Arabs and friends with the Jews, to establish a new relationship, and not to put the base into Cyprus but put everything into Gaza. Sometimes, in my more irresponsible moments, I should rather like the hon. Member to be at the Foreign Office, so that I could see what would then happen to all our interests and to the interests of other countries.

long as we say to ourselves that military principle should over-ride common humanity we shall have no friends in the Middle East. If the Anglo-Egyptian Agreement is the beginning of a new relationship and not merely a scuttling out of Egypt into Cyprus, there is some hope for us in the Middle East, but if it is the same old thing, merely Imperialism grown weaker, then the military vacuum will end in final collapse.

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We have to face the fact that this Agreement is virtually unconditional evacuation of the Canal Zone. I am bound to say that it is hard to see that these negotiations have got us anything which we could not have got two years ago. I believe, as the House knows, that the whole of this Agreement is wrong. But if we were determined to go, then

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[MR. AMERY.]  
 there was a lot to be said for going quickly. As it is, lives have been lost, time wasted and money spent all in vain. The truth of the matter is that this Agreement falls between two stools, and because of that, I do not think that it has much chance of commanding respect in the Middle East any more than it has a chance of commanding the respect of many people in this country and on this side of this House.

The Prime Minister, in an intervention earlier on, and my right hon. Friend the Secretary of State for War, put a great deal of emphasis on the change in the situation which has been brought about by the advent of the hydrogen bomb. From a purely strategic point of view, what they said is no doubt true, but we have also to consider what will happen if there is no war. After all, our efforts in other spheres of policy are devoted to avoiding war; we have also to remember that there are British interests in the Middle East which we had before the Soviet threat arose and which I hope will still survive after the Soviet danger has receded. I think myself that the Agreement has to be judged as much on political as on military grounds; and, to understand it, we must try to look at it in the perspective of recent developments in the Middle East.

It is fair to say that the Middle East was chiefly important to Britain before the war because it was the area through which our communications passed by sea and air to India—India which was the great bastion of British power in the area of the Indian Ocean. With the coming of independence to India, the Middle East ceased to be simply important as a line of communications; it became itself the main bastion of British power looking towards the Indian Ocean, and it was from the Middle East that we had the strength to influence events in that part of the world. It was very important, I think, that we should have retained that strength, not only for our own traditional interests which bound us to that area, but because the new Commonwealth countries which have emerged on the Indian sub-continent needed to feel that there was not too far away from them, a Power which could go to their aid in the hour of need. I know that public opinion in India and Pakistan tends to sympathise with Egyptian Nationalism. But I believe

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might with some equanimity have left the Suez Canal. In the result, we have left all three. There is now a withdrawal of British power from this central position in the Middle East to the perimeter. Of course, we all realise that the Government had no easy or clear-cut choice in this matter. The position they inherited was difficult and our resources were strained to the utmost. In circumstances of that kind withdrawals are sometimes necessary, but they are justified only when they are withdrawals to prepared positions.

We have introduced the word "redeployment" into this debate. I wonder if my right hon. Friend will tell us more precisely what is intended by "redeployment." How secure are our title deeds to the air bases in Iraq at Habanyah and Shaibah? How many troops are we allowed to keep in Jordan? Is it true that pressure is being exercised on the Jordan Government to dismiss British officers in the Arab Legion? How secure is our position in Libya? We are told that the Egyptians are already organising raiders into French Tunisia. Is that happening under our eyes? Could they be turned against our men?

I cannot help feeling that the decision was taken to quit the Suez Canal before we had decided where to go, and that ever since we have been looking round but no very clear plan has emerged. I would echo here what was said on this point by my right hon. and gallant Friend the Member for Leicester, South-East (Captain Waterhouse), when he asked what the plan was for some military bases south of Egypt.

It is all very well to talk of treaty rights in Libya; we have treaty rights in Egypt. It is all very well to talk of sovereignty over Cyprus; I believe that the moral position is much weaker in Cyprus than in Egypt. In Egypt we could rest our case on the very strong ground that we were there because the security of the Canal and of the base were of vital importance to many millions of people in other countries outside Egypt, and that we had the right to put their safety in front of the technical claims of Egyptian sovereignty.

Mr. John Baird (Wolverhampton, North-East): Does the hon. Gentleman say that we had the right?

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Mr. Amery: Yes, we had the right. The hon. Gentleman queries the word "we," but it was we who undertook the responsibility when we went to the Middle East 72 years ago. It was we who built up this system of Arab countries which we liberated from the Ottoman Empire. You cannot create a structure in life and then renounce all responsibility for it just because it is unpopular or inexpedient to do otherwise.

Mr. Crossman: The hon. Gentleman says that we created and liberated the Arab world. Surely we do not liberate and then try to rule?

Mr. Amery: There is no question of our trying to rule Egypt. We were not keeping the Army in the Suez Canal Zone to rule Egypt, but were merely putting the interests of other nations before the technical sovereignty of the Egyptian State.

Mr. Baird: What is "technical sovereignty"?

Mr. Amery: The grounds which I have stated were something which our public opinion and our soldiers understood and for which they have shown themselves prepared to make considerable sacrifice. Shall we be able to work up the same will to resist about the other places to which we are proposing to redeploy our forces?

Now let me say a word or two about the effect of this decision on Africa. There is a tendency, fostered I think by some of our Middle Eastern advisers, to forget Egypt's African rôle. One effect will be that the pro-Egyptian party in Khartoum will be immeasurably strengthened by the Heads of Agreement announced in the House yesterday. Unless Her Majesty's Government are prepared to exert pressure to see that Sudan's independence is respected, the victory of the pro-Egypt party there will be almost complete.

But the Nile does not rise in the Sudan. It rises in Uganda. In the lifetime of the Prime Minister most of Uganda was under Egyptian rule. I have very little doubt that the crisis about the Kabaka which arose some months ago was not uninfluenced by the changes in the Sudan. Remember, too, that there are close links between Northern Nigeria and Khartoum. If Egyptian influence is to predominate

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possibility of mobilising a good deal of Commonwealth opinion on our side. France, too, with its North African and Canal interests, would have come on our side, as would Turkey and Israel. But no effort was made to mobilise the influence of these friendly countries.

Then there was the problem of American pressure against us. Was any effort made to see whether we could strike a bargain with the Americans under which they would agree to support our interests in the Middle East if we, in turn, helped them more in some other part of the world?

Finally, I want to say a word about Egyptian opinion. My right hon. Friend said that it is no use having a base in a hostile country. But Egypt has not become as hostile as it is simply because it does not like the presence of British troops. Terrorism has been encouraged by the fact that we have yielded to it, and because we allowed Sabis, Lawrence's soldier, to be put to death by the Egyptians because he worked for us. There are now very few moderates in Egypt. There would have been many more had we pursued a different course in the past.

It is only fair to say that these mistakes coincided with the illness of the Prime Minister and of the Foreign Secretary a year ago. I doubt whether even now, the burden of administration is sufficiently adjusted to make the preparation of long-term policy easy enough. Fearful mistakes have been made, but it is not because of such mistakes that we are leaving Egypt. We are leaving because we are undergoing a certain moral collapse. The responsibility may rest nominally on the Ministers concerned but it goes far deeper.

All too often in this House, in the Civil Service and in the country at large we have lost sight of the pursuit of Britain's interests and of the defence of Britain's honour. Even now, our vision is obscured by alien values. We have tended to put the United Nations and the Atlantic Community before our first duty, which is to guard the honour of this country and of the Commonwealth.

All this is natural enough. Material weakness has made heavy inroads on our influence, and only a supreme effort of will can keep us as an independent force in the world. We have not made that

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friend the Secretary of State for War told us about the grave possibility of the use of the hydrogen bomb. If it is so grave that it makes the whole Suez Canal Zone of no further military use, and the effort of maintaining the base no longer worth while, then what is the outlook for Portsmouth, Chatham and London?

I do not know whether the premium on dispersal is high or not. I think that my hon. Friend said that it was. I do not know whether there is anything to be said for the case which I have heard put forward that concentration at least allows more radar and fighter protection, and makes it harder for aircraft to get through. But, surely, what we have to bear in mind here is not just the hypothesis of hydrogen war, but the reality of the cold war, the possibility of local war and the hope of peace. In all these things, the Suez Canal Zone and our presence there could be of the greatest value. I cannot help feeling that this mention of the hydrogen bomb was introduced as a political camouflage to make easier the Government's recent change of mind.

I will try to reply to the argument advanced by my right hon. Friend about manpower in the base. He said that we have a choice. We can either have 80,000 men there or—and his words struck me as rather surprising—we can have 10,000, 15,000 or 20,000. He then said that if we had 10,000, 15,000 or 20,000 men we could hold the base area around an airfield and a port, but not the communications in between. But what is the figure to hold the communications too? Is it 25,000 or 30,000? There are 80,000 men in the Zone today because of the size of the installations that have to be maintained and guarded. But if the base were contracted and if the hydrogen bomb makes it unnecessary for us to have such a big base, then, surely, a smaller force, a division or a brigade and a brigade would be sufficient. We should then still be able to bring a division back, not as was suggested by an hon. Member opposite in order to reduce the period of National Service, but so as to have a strategic reserve.

I think that another consideration weighing with the Government has been world opinion, and here, I think, we have been guilty of a good many blunders in the field of diplomacy. There was the

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[MR. AMERY:] in Khartoum it will extend to Nigeria. Nor can we close our eyes to the repercussions of this decision on our French allies in North Africa. Whatever view we may take of French policy in Tunisia, Algeria or Morocco, it cannot be in the interests of Anglo-French relationships or of the security of the free world that the whole of North Africa should become, as it may well become, an area of insurrection.

There are wider implications even than these. To me it is rather shocking—I use the word seriously and frankly—that Ministers have not been able to say that they could claim the full agreement of the Commonwealth in this matter. I gather that there is pretty serious doubt about the decision in Australia, New Zealand and South Africa. [An Hon. MEMBER: "What about India?"] The rulers in India and Pakistan are not in any doubt about what the decision means, and I fear it will diminish their interest in the Commonwealth.

My right hon. Friend the Foreign Secretary said yesterday in answer to a question that no one could speak for the Commonwealth as a whole. I do not disagree with that sentiment, but was this not an issue which justified, perhaps, an emergency conference among the countries of the Commonwealth? We are about to lose control of the communications which link the western half of the Commonwealth with the eastern half. Who will fill the vacuum which we leave? Probably, in the immediate future, it will be filled by the United States, and it is better that they should go there than that there should be anarchy and chaos. But is it a good thing to increase the dependence of the Commonwealth on the United States more than it is at present?

I could have understood it if these Heads of Agreement had been brought before the House by the party opposite. I should have disagreed with what they said, but such a course would at least be consistent with their opposition to an empire of direct authority. I can imagine what I should have said about it, and I believe I know what all on this side of the House would have said about it.

I am frankly rather perplexed by the decision that the Government have taken. Why have we done this? My right hon.



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 war. Without, at the moment, worrying about war they are deeply concerned about free navigation in time of peace.

Are the Government taking any steps to see that that will be guaranteed? I do not think that a division there would guarantee that but what alternative steps are the Government taking in that regard? What will happen when the Canal Company's concession comes to an end? Have the Government any proposals for putting the Canal under international control or putting in an international force to protect it, if we are not there ourselves?

Like the hon. Member for Preston, North, I was astonished at the introduction of the hydrogen bomb into the debate. If we are to maintain a civil defence organisation for Coventry in the face of the City Council there I cannot believe that the bomb makes it absolutely impossible for us to maintain a base anywhere in the Middle East. I do not think that that argument is tenable. Furthermore, surely what we are faced with very often is not a world war or a hydrogen bomb war, but local aggression at secondhand such as we have seen in Indo-China and Korea—such as we may see in the Middle East. It is against that sort of attack that we have to provide defences just as much as for a full-scale world war with hydrogen bombs.

What is to happen if there is that sort of attack in the Middle or Far East and the Egyptians for reasons which may seem to us very shortsighted—and the Egyptians are not always moved by the most logical calculations—should decide to interfere with our shipping in the Canal? How are we to retrieve such a position? It is all very well to say—and quite true to say—that it is very much against the interests of Egypt to close the Canal. She draws enormous revenue from it and she is bound by treaty obligations.

It is quite true that Italian ships went through in the Abyssinian war, and Russian vessels during the Russo-Japanese war, but we cannot absolutely rely upon the Egyptians being moved by enlightened self-interest. After all, she is losing revenue now by denying passage to oil tankers for Haifa. I do not think that even if we get a guarantee that in that sort of situation it will be worth very much, but we have to make up our minds that

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 by putting your left foot into a right boot.

It is, I think, essential to remember—and the right hon. and gallant Member for Leicester, South-East (Captain Waterhouse) and the hon. Member for Preston, North should face it—that the purpose of the Base is to maintain an Army somewhere towards the Russian frontier. It is generally agreed by everybody that it is now no longer suitable for that purpose. We have to keep too many troops there. The atomic and hydrogen bombs have altered its value, we have no means of protecting it from the air even without those bombs; and it is at least far enough away.

Now the argument is changing to one of keeping the base for prestige reasons and for the protection of the Canal. Prestige does not depend on keeping troops there. It depends on pursuing throughout the Middle East, a consistent policy. I thought that the announcement about Cyprus made in the House yesterday was most foolish and flouted. I do not think that can help our prestige anywhere in the Middle East. But if we can really build up the friendship of the Arab States and assure our position in Jordan and Iraq this agreement may well lead to a much better feeling towards us throughout the whole area.

We have also an obligation under the tripartite guarantee. I feel very far from happy about that. I do not see how, in fact, we are to discharge our obligations if there is war between Israel and the Arab States. I do not see what we would do if Egypt attacked Israel, or, for that matter, if Israel suddenly flowed down into the Jordan valley. I cannot believe that this country would be in other than a most unenviable position. That, too, should have been dealt with and cleared up before, and not after, we came to an agreement with Egypt.

Most hon. Members must have been greatly surprised by how little was said by the Secretary of State for War about the Canal itself. Can we be assured that the Commonwealth countries were really consulted over this? Can we be assured that the Commonwealth will be there when the treaty is made and signed? I ask because there is no doubt that Australia and New Zealand feel very strongly about that part of the world, whether or not it is defensible in time of

[MR. GRIMOND.]  
 in that area and it will maintain our influence in a way which is not possible once the troops are taken away—but will we really maintain our prestige by keeping this small number of troops there who will be immobile, who will be engaged largely in defending themselves against a hostile population, and who certainly will not be able to protect the Canal?

I suggest that always—and more especially today—the prestige of a country does not only depend upon the presence of armed force. Throughout the Middle East the British are respected for their fair dealing, and for the benefits which they have brought with them. I think that the House was much impressed by an earlier speech which drew attention to the good which we had already done in Egypt and to the greater good we are capable of doing. Although I do not in any way minimise our obligations to protect the area; nor do I for a moment say that it is not essential to keep forces where we wish to maintain our influence. But military forces are not enough today. To take one extreme example, there is the case of the Quakers, who gained for themselves immense prestige in very many countries simply because of their reputation and good works.

I agree with a great deal of what the hon. Member for Preston, North said about the order in which these negotiations have been carried out. I have always thought that before we left the Canal we should have come to a firm agreement with Iraq about our air bases there. In Jordan, too, which is about the only Arab country in the Middle East which is consistently friendly to us, we should have been quite certain that we should be able to maintain our troops and our Air Force.

Perhaps we can, but I entirely agree with the hon. Member that we need more reassurance from the Government as to what is to be done to introduce a general defence plan throughout the area. I suggest that even if we have not done that—and we ought to have done it—we do not rectify that error by maintaining our base in the Canal Zone. On an earlier occasion the Prime Minister said that one did not cure a mistake such as putting a left boot on your right foot

[BRIGADIER PRIOR-PALMER.]  
evacuate the Canal Zone, and he said that we should have done it two years ago when we first came into power. May I ask him one question? If he was so convinced that that was the right policy, why did he not carry it out when he had an enormous majority in the House for nearly six years?

My right hon. and gallant Friend the Member for Leicester, South-East (Captain Waterhouse) did neither himself nor my right hon. Friend the Secretary of State for War justice when he suggested that my right hon. Friend had been told to get out there and sign anything. I am convinced that no Foreign Secretary of this country worthy of the name could have said such a thing; or have intended to suggest such a thing; nor would such a Secretary of State as my right hon. Friend have accepted such a commission. I do not take that statement by my right hon. and gallant Friend very seriously.

I quarrel with him, however, over the subject of nationalism in the world today. I agree with him that it is a danger, but I am convinced that we cannot subdue it by force. It is something which has come to stay. It is a new force in the world. We may say that it is equally as dangerous as Communism, but there is one way in which we cannot deal with it—and that is by an attempt to subdue or frustrate it.

My right hon. and gallant Friend spoke of the morale of the troops and asked whether it would be raised or lowered by this Agreement. I can tell him that there is nothing as devastating to the morale of troops as to know that they are on guard one night out of two or out of three—when in peace-time it is normally one night out of five—and to no purpose whatever. They are on guard, and yet the base is being pilfered and robbed every night; and although there are police dogs in use, the Brigade of Guards, the finest troops in the world, cannot stop it from happening. That is devastating to the morale of any soldier.

My right hon. and gallant Friend also spoke of Communism in Egypt and suggested that to keep 80,000 troops on the Canal would be a deterrent to Communism in Egypt. I cannot see how. Indeed, I suggest that precisely the opposite is the case.

**Captain Waterhouse:** I said nothing of the sort. What I asked was what we should do if Egypt went Communist.

**Brigadier Prior-Palmer:** I apologise to my right hon. and gallant Friend; I misunderstood him and therefore will not pursue the point.

The last point which I want to put to him applies also to my hon. Friend the Member for Preston, North (Mr. J. Amery), who has just made what was, in my view, one of the most brilliant speeches he has made in the House. Neither my right hon. and gallant Friend nor my hon. Friend has given us the alternative. They have had the question put to them fairly and squarely by my right hon. Friend the Secretary of State, but they offer no practical alternative. My hon. Friend the Member for Preston, North suggested that the base should be reduced and that one division would therefore be able to look after it, thus releasing another division to return home to form our mobile reserve. That is a very facile argument; but it is not the point.

The point is this: if we are to retain a base, however small, and are to depend on civilian labour for the operation of that base; and if we are to maintain it in a country where sabotage has been kept down to its present level only because there were hopes of a solution; then if those hopes of a solution went overboard, we must recognise what the consequences would be. German saboteurs have been training the Egyptians. Sabotage would have broken out on the widest possible scale and the consequent loss of life would have been immeasurable. That is the point; let us keep troops there by all means if there is willing agreement, but it is impossible to do so in present conditions with a country so determined that the troops shall not remain there as the Egyptians have shown themselves to be.

We have debated this subject often, and it is therefore difficult not to repeat oneself, but in my view the strategic argument here is quite overwhelming. I want to emphasise only one point in my right hon. Friend's speech: when Lord Alexander's campaign was being waged along the North coast of Africa and when it outran its communications from this base by 300 miles, there had to be a pause while he built up forward bases before

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he could advance. This base is 900 miles from the nearest possible killing ground in the event of a hot war and a campaign through the Caucasus between the Black Sea and the Canal. Strategically, therefore, it is quite useless for supporting the South-East flank of the Turkish Army, and the Turks have been very disturbed about that South-East flank since they came into N.A.T.O. and have been wondering what would be done to help them to defend it.

The bases, clearly, should be Alexandria, Basra in the Persian Gulf, or, as suggested by the hon. Member for Dudley (Mr. Wigg), with the agreement of Israel—if that is possible—Haifa. That is the conception of a redeployment which, I believe, is complete and absolute commonsense for the hot war.

This is not only a question of a hot war, however, but of what we are to do in the situation of the cold war. This is a question of whether we are doing the right thing in that situation. In my opinion, those political considerations are just as weighty as the strategic considerations which, in my view, are overwhelmingly in favour of evacuation. Had we decided to keep those troops in the base against an unwilling nation, what would have been the position when the Treaty came to an end in 1956? Should we not be in a sorry position if Egypt took us to U.N.O. and if we were branded by U.N.O. as an aggressor with no right at all to be in the Canal Zone? Carried one stage further, if we insisted on remaining there, would not U.N.O. have a perfect right under the Charter to send in a combined force to turn us out, as they did in Korea?

**Viscount Hinchinbrooke:** Does not my hon. and gallant Friend conceive it possible that for once we should use the veto in our own interests?

**Brigadier Prior-Palmer:** I do not think I need answer that.

Another political aspect to consider is that there is always the Wafd in the background. The present régime in Cairo exists and has existed because it supports and has supported a policy of the evacuation of the Suez Canal. I do not think Nasser's head would have been worth five minutes if we had remained there very much longer, and then we should have had to deal with a Government like the Wafd Government or a similar Govern-

ment. I have met Neguib, but I have not met Colonel Nasser; at one time I knew Neguib quite well. Fundamentally those two men like us. I am pretty certain of that, and I believe that they know perfectly well that it is in their own interests to see that there are friendly relations between the two countries. In their view, rightly or wrongly, such friendly relations could not exist as long as we remained in the Canal Zone.

Hon. Members have asked what the effect of the Agreement will be on Pakistan. I have not been able to obtain the quotation, but I have been informed that according to the Press yesterday some voice of Pakistan has suggested that this course which we are pursuing will do more to consolidate Moslem opinion in the Middle East in favour of Great Britain than anything we have done for many years. I am hopeful that that will be so. I have spoken to people from Jordan, Iraq, Syria and other countries in the Middle East, and I know that that is their view.

**Mr. Patrick Maitland:** With regard to alliances with the Arabs, the hon. and gallant Member has suggested that somehow or other we might also contrive an arrangement with Israel—this at the same time as we improve our relations with the Arabs. How can we expect to get an alliance with Israel and still keep Arab friendship? That is a point I find difficult to understand. Perhaps the hon. and gallant Gentleman would explain what he has in mind for our deployment in the Middle East?

**Brigadier Prior-Palmer:** I think it was the hon. Member for Coventry, East (Mr. Crossman) who suggested that. I have not yet used the word "Israel" in my speech, although I may do so in a minute or two. That brings me to the Treaty with Iraq, about which I wanted to ask my right hon. Friend. Would it not be a sound idea to negotiate a fresh treaty with that country before the present one expires? Is there not the danger that if we do not do that a similar thing will happen in Iraq?

My solution to such a problem is this: that bases in other countries can only be maintained in a similar fashion to that which obtains here at the moment, where there are American bombers based by complete agreement with us. I do not

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[BRIGADIER PRIOR-PALMER.] believe that ever in the future can a base be maintained in any land whose people do not wish to have it. Therefore, I suggest to my right hon. Friend that he should consider the possibilities of negotiating treaties with Iraq, Jordan, and, if necessary, with Israel, on the basis that the Israelis might welcome such bases, particularly at Haifa, on a similar kind of understanding. That is the right deployment for us to follow in the Middle East.

Before I sit down, I want to say one word about this nationalism. In the Middle East and in Asia it is a new force which is raising its head, although it is one which is as old in history.

Mr. Emrys Hughes: As old as Moses. Brigadier Prior-Palmer: Just like some hon. Members.

It is a force which has to be recognised. It is no use thinking it does not exist, or that it is only a flash in the pan. It is a searing, tearing force in many of these small States, and it has to be treated as such and, if possible, guided into right channels. We have to recognise it and sympathise with it.

The danger of this nationalism is that the moment small States achieve their independence they are in danger of losing the day they achieve it, because they immediately become a prey to larger nations such as the Soviet Union unless there is somebody near to give them a helping hand. It is vitally important for us in the Middle East, and elsewhere, through our diplomatic channels to impress this fact on these people, because one must realise that they are prone to think only of their own problems in their own area, being completely unaware of the dangers outside and in the distance. These facts must be brought home to them, and they should be made to realise that they risk losing the freedom for which they have fought so long unless they follow a proper course.

This old conception of Empire dies hard with us. People seem to forget that we have had three Empires, each one different from its predecessor. It is my firm opinion that we are on the threshold of the fifth British Empire and Commonwealth. Tremendous opportunities open before us if we handle these matters properly, but it will not be done on the old basis and on the old conceptions. We

have the greatest constitution in the world, and it has been copied by many small and large nations. If these people are built up and brought to self-government in the proper time, they will comprise a part of a new Commonwealth far greater and more glorious than anything which has existed in the history of the world.

8.25 p.m.

Mr. M. Phillips Price (Gloucestershire, West): This is one of the occasions when this House can be regarded as the sounding board of public opinion in the country, and as the debate has shown, opinion is not entirely on party lines. There are divisions on the Government side of the House and there are various shades of opinion on this. All the views that have been expressed are very sincerely held, and party shackles are somewhat less strong because we all feel that the issue at stake is very vital nationally and internationally.

The Government have performed an act of wisdom in what they have done. It must be painful to some hon. Members opposite to have to eat their own words. My right hon. Friend the Leader of the Opposition has already quoted some of the things that were said by the Prime Minister on the occasion when the last Government were faced with a similar problem. On the other hand, there are some hon. Members opposite who take a reasonable and realistic view on this matter. It is a good thing that at least some of the Conservative Party show themselves ready to reconsider problems as they arise. This country has been saved from much internal trouble in the past because of the fact that the Right has always been ready to think out problems again.

We are faced with that situation today. I did not hear all the speech of the right hon. and gallant Member for Leicester, South-East (Captain Waterhouse), but I heard most of the speech of the hon. Member for Preston, North (Mr. J. Amery), and both showed that neither realises the new world into which we are moving. However, the hon. and gallant Member for Worthing (Brigadier Prior-Palmer) certainly does so, and is to be congratulated on the clear view he takes of public opinion in these Middle Eastern countries.

There are not two groups in the world today—the group behind the Iron Curtain and the Western world—but three; those two, and the nationalist world of the Middle East and Southern Asia, which is rising because those who have been dominated by the Western nations for many generations have acquired freedom and a nationalist feeling. That feeling ran through Eastern and Southern Europe during the greater part of the last century, but only now has it reached the Middle East and Southern Asia. That is the problem we are facing today.

There is an old Turkish saying to the effect that for the weak there are no friends. It is very true, and we must be strong and not ignore prestige. But we must also be wise, and this Agreement is an act of great wisdom which is more likely to safeguard the interests of peace in the Middle East than any other conceivable alternative. It is not a bad thing that it has taken some time to negotiate this Agreement. The Leader of the Opposition twitted the Government on having delayed so long, but I believe that the delay has made it possible to get the Egyptians to agree to something of vital importance.

The Egyptians I have met were not inclined to agree two years ago, or even a year ago, to the reactivation of the Canal Zone if Turkey is attacked—but only if the Arab League is attacked. Last year I was in Turkey and spoke to many statesmen and editors there. They were extremely worried about the situation because they felt that they might be left out on a limb and let down. I believe the Egyptians have only recently come round to this point of view, and therefore the delay has been of value and I am glad that the Government have succeeded in getting the agreement.

Turkey is the key point for the defence of the Middle East. In this age of atomic warfare it is unwise to concentrate large supplies and forces in one place. Another point to remember is that in the last war the enemy came across North Africa from the West, when the Suez Canal base was a good deal nearer the area of danger than it would be if the enemy came from the North, across the highlands of Kurdistan to the plains of Mesopotamia or into the plateau of Eastern Anatolia. So there is a great deal to be said for

having our defence bases farther north and far more dispersed, and while it is a good thing that the Government have succeeded in getting agreement to the reactivation of the Canal Zone, it should be by no means the only base used for the defence of the Middle East.

Of course there is Cyprus, about which we have had some discussion in the last 24 hours. Whatever is the political future of that island, it certainly ought to be a defence base; whether for our Forces alone or N.A.T.O. forces is a matter for the future to decide. In Turkey, however, bases are already being developed. Last year I made a point of visiting the port of Iskanderun in South-East Turkey, which is already becoming an important base for supplies. I also visited a naval station which is being developed by N.A.T.O. Turkey, with that wisdom which goes with long experience of government, realises that she cannot defend herself alone. She has never been able to defend herself alone against Russia but has always needed assistance throughout the course of her history, and more so during the last 50 years, from other Powers against the overwhelming power in the North.

Turkey knows more about Russia and the Russian danger than any country of either Europe or Asia. Therefore she has realised that she must pool her defence resources with the Powers of the West, and there is no difficulty about having defence forces on her territory. She is making no difficulty about N.A.T.O. bases, either inland as airfields or on the coast as naval stations.

Turkey prefers to be a junior partner in a sound Western alliance than a senior partner in a weak league of Middle Eastern States. There is, however, one weakness in this Agreement which might lead to trouble. The "Manchester Guardian" referred to it in a leading article yesterday. There is no provision for Persia. Can the Canal Zone be reactivated in the event of trouble there? Apparently the Egyptians have held out against it and we have not pressed it any further.

I know the position of Persia only too well. The Persians are always people who sit on the fence, and they will probably try to do that as long as possible. I can well understand it. They are perhaps

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[Mr. Price.]  
 too near the source of danger and, unlike the Turks, they have not a strong military tradition as far as the central Government is concerned. Indeed, they have the very opposite.

On the other hand, suppose Persia were attacked by Russia and the Russian force was coming down through North-West Persia towards Iraq and the Persian Gulf. The only way to defend Persia would be for a Turkish military force, backed by Western air forces, to intervene on the right flank of the Russian force. Would that be possible? Would it be still possible to reactivate the Canal Zone in a situation of that kind? It appears not. We should bear in mind that a situation of that kind might arise and we should try to see if later it is possible to get the Egyptians to agree to something of this kind.

There is another point of importance. I do not want to consider only military matters. I entirely agree with the hon. and gallant Member for Worthing that one has to consider questions of morale and prestige and matters which are not entirely material or strategic. I feel that this Agreement will result in the Egyptian ascendancy over the Arab League going. Up to now, Egypt has acquired an ascendancy over the Arab States because they all felt that they had to support Egypt against us on the question of the Suez Canal. Once this is out of the way I believe that Egypt will lose that dominant position which she has had up to now and that Iraq who, along with Jordan, is potentially the most friendly of the Arab States, will be much more ready to take part in a defence system for the Middle East.

Until this Agreement was reached, the most important event of the last year in the Middle East has been the signing of the Turkey-Pakistan Pact of Friendship and Co-operation which may lead to something further. The question of Iraq joining it might be raised. I do not think that Iraq would have considered that until the Canal question was out of the way. Now that it is out of the way there is a very good chance that that will happen. I do think also it is desirable, as the hon. Member for Orkney and Shetland (Mr. Grimond) said, to consider our future relations with Iraq and to come to new treaty relations with her.

particularly concerning the air bases we have in that country. I know the international situation in Iraq is a little uncertain at present, but we must hope that in the course of the next few weeks—or at any rate the next few months—the situation will clarify itself and become sounder.

I know that some of my hon. Friends are concerned about what will happen to Israel when we leave the Canal Zone. I can only agree with the Foreign Secretary who said yesterday that the best defence of Israel will be friendship between Egypt and the Western Powers, particularly ourselves. I believe now that this problem is out of the way and Egypt knows there is this tripartite agreement, by which she is bound to leave Israel alone, that is the best defence Israel can possibly have.

I think we all agree in this House that one of the problems is to try to bring about today in the Middle East an understanding between Israel and the Arab States, although many of us—including myself—have much regretted the way in which the State of Israel came into existence and thoroughly understand and sympathise with the feelings and bitterness of the Arab States in that connection. The Foreign Secretary has done a great work in getting this Agreement for which all who want to see peace in the Middle East will thank him. It is for that reason that I hope the House tonight gives this Agreement its full support.

8.42 p.m.  
 Viscount Hinchinbrooke (Dorset, South): The hon. Member for Gloucestershire, West (Mr. Phillips Price) has been talking about Turkey. He knows a great many things about Turkey. I also hope, after a visit there this summer, to know a few things about it. At present I only know one—that they do not want us to get out of Egypt.

The Secretary of State for War asked those of us who disagree with the policy of Her Majesty's Government to consider well whether we should not be silent in future once this Agreement has been arrived at. Of course, that is a demand which always has some force. When one is preparing opposition to a measure there is always some limit beyond which one cannot go if that opposition is not successful. On this issue of Egypt, although it may be not on the wider themes of foreign policy behind Egypt, my opposition

extends to the Division Lobby tonight and not beyond it.

I have no intention of going down to my constituency during the Recess, perhaps finding some troops who have been flown back from the Middle East as a result of this Agreement, and telling them that they must go back to where they were before. I have no intention of going to Egypt—as I hope to go later in the Recess—and machinating against Her Majesty's Government, or the Government of Egypt, as a result of this Agreement. Once it has been done it has been done. Faithless and unwise though it is to have done it, we shall have to see what we can do to make something workable, understandable, real, politic and useful out of it for the cause of British policy afterwards.

My right hon. Friend the Secretary of State for War said that the only solution he knew about which had come from this quarter of the House was one which was not tenable. He was referring to the solution which my right hon. and gallant Friend the Member for Leicester, South-East (Captain Waterhouse) and my hon. Friend the Member for Preston, North (Mr. J. Amery) have adumbrated in previous debates of maintaining a force of, as my right hon. and gallant Friend described it, a division or two brigade groups or, as the Secretary of State for War described it today, a force of 15,000, 20,000 or 25,000 men in the Canal Zone.

The Secretary of State said that that was impossible. It is only impossible on the basis of the existing situation without an agreement, just as the situation of the corps of civilian technicians left alone at the base would be impossible without an agreement, and may be impossible now or will be impossible with an agreement; that is what we fear. But what my right hon. Friend the Secretary of State and Her Majesty's Government have never understood about the solution to the situation which we on our side of the House offer is that it is a solution based upon agreement with Egypt—the retention of a force sufficient to give us a strategic reserve, sufficient to maintain the ports and the airfields, with the agreement of Egypt.

At no time have Her Majesty's Government gone to the Egyptian Government and said, "We want an agreement to

maintain such a force," and it is no use the Secretary of State for War talking in terms of strategy and in military terms, because the answer to our question is not to be found in military terms: it is entirely in political terms. That demand or request to Egypt has never been made, and it is because it has never been made that we are in the situation that we are in today.

I say only a few words in passing about the remarks of the Secretary of State for War about the need for a strategic reserve. I do not put myself forward as a judge of military matters by any means, but I should have thought that if we want a strategic reserve we want it in the area where it may have to be used. Is Alder shot such an area? We have had trouble in British Guiana. We had, I believe, to mobilise part of Her Majesty's personal guard to deal with a situation in Bermuda.

But it is not in the N.A.T.O. area, where Britain is the centre and fulcrum, that a central reserve is needed. From what we can see about foreign policy needs all over the world these needs show in that vital pivot of world power which we have always understood the Middle East to be and it will remain there so far as we can see.

Mr. Paget rose—

Viscount Hinchinbrooke: I am sorry, but I wish to be brief.

I feel I must say something about the hydrogen bomb argument. I shall not repeat what has been said so very cogently by my right hon. and hon. Friends. Some very clear, definite and hard things have been said in the House today, and I think usefully said. For my part, I am in the most appalling mental dilemma about the outlook of the Prime Minister today upon this subject. The Prime Minister has been telling us, in a voice reverberating with emotion, for the last few weeks and months, about this terrible danger of the hydrogen bomb. I am sure that it is a terrible danger. But it seems to me that there is an equally terrible dichotomy between the political and military extensions of the fears of the Prime Minister. In the debate on the Address last October, in the debate on the hydrogen bomb, the Prime Minister was saying to us that perhaps, by the creation of the hydrogen

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gallant. Friend the Member for Worthing (Brigadier Prior-Palmer) said just now that we might take it to the United Nations and lose. I will not deal with the argument, but I cite it as an example. I echo the words of my hon. Friend who said that he believed that this country has to determine upon a new path of policy. We have to realise that we have reached the nadir of our imperial fortunes, of our power to influence events in a sense equal to the opportunities of our great Christian nation. We have to determine that. Let this be the very night when a new policy begins. From now on we must move forward into an era of greater opportunities and greater hopes.

8.59 p.m.  
**Mr. Frederick Lee (Newton):** I should imagine that from now on we shall not hear from hon. Gentlemen opposite that anti-Americanism has emanated only from the Labour benches. I do not think that I have ever heard a more virulent anti-American attack than the one we have just heard from the noble Lord the Member for Dorset, South (Viscount Hinchingsbrooke).

It is most important that the attitude of the House towards this Agreement should be known in the Middle East. For my part, I detested the attitude of the present Government when, in opposition, they attempted to infer that we were indulging in a policy of scuttles. My right hon. Friends, who did more to ensure world peace and the avoidance of a third world war when they gave freedom to India, were actuated by the same type of policy when they tried to negotiate a settlement on the Suez question. Unfortunately, in those days we had even the present Foreign Secretary talking about gunboats being necessary in order to bring Egypt to her senses. We also had the Prime Minister talking about policies of scuttles.

Although I think it is right and proper that the Labour Party should support the efforts of the Government now to get a settlement in the Middle East, it is also right that we should try to show the peoples there that, anyway, we are supporting the present policy in a consistent line flowing from the attitude which we adopted when we were the Government; in other words, that we do not adopt one

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advanced in this debate. I wish to refer to what my right hon. and gallant Friend the Member for Leicester, South-East and my hon. Friend the Member for Preston, North stressed in sombre, but real notes towards the end of their speeches. This to me—as regards the foundation of the British Empire, the prestige of Britain and our influence throughout the world as a great Christian force for peace and good will—is a lowering cloud even than the atom bomb. It is not a subject one can enlarge upon so late in the evening; but it is represented to me by a coherent series of decisions made by the United Nations originated for their own purposes by the United States and originated, alas, even by ourselves.

Since the First World War, a great many people have ceased to think in national terms, in imperial terms, in British terms. They have transferred their thinking to a new concept of international government. They have erected this as a kind of godhead which is sent to judge us and to judge other nations as to how we should behave. What we in this country have failed to do is to realise that at all times we are part and parcel of that United Nations and that every decision made in it reflects our own will and should be made according to our own standing and our own beliefs.

If we accept the automatic godhead of the United Nations while other nations inside it, like the United States and Russia, do not accept it, then perforce we must see our world power and influence reduced. Experience since the war is that the United States of America have largely used the United Nations as an instrument of their policy. There it is, sitting firmly in New York where my right hon. Friend the Foreign Secretary, wisely or unwisely, placed it at the end of the war. The Americans have not hesitated to use it for their own purpose.

Russia, by contrast, has used the veto. That is equally effective to maintain the interests of Russia. But if we neither use the veto in our own interests nor the machinery of the United Nations in our own interests, then we must inevitably sink as a world power, so that our situation becomes worse than if we had pursued the ways of the old diplomacy. We dare not take this issue of Egypt to the United Nations. My hon. and

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[VISCOUNT HINCHINGSBROOKE.]  
 bomb, a tremendous era of peace to mankind would come, because no one would dare to use it. He talked of the conquests in prosperity and the rejuvenation of nations; of the building up of hope in consequence.

All this has gone along with the sea-change in his thinking on foreign policy which began with that great watershed speech of 11th May, 1953; and after which we have had—not "appeasement," because that word has terrifying connotations—

**Mr. Emrys Hughes: Realism.**  
**Viscount Hinchingsbrooke:** Realism, if the hon. Gentleman likes—pacification; the lowering of tension; ending in the accepted policy of co-existence with the Communist world which now rules the day.

But when it comes down to this debate on Egypt, we are told that the consequences of the hydrogen bomb are so appalling that we must move out of a vital base in the Canal Zone. What is the message to Russia, or to the Communist world, in that? The message must be, "The Western world is trying to make peace with you diplomatically in the high councils of the nations; but, on the other hand, they are making secret preparations behind the scenes to get out from vulnerable existing bases and move further forward against you." At the appropriate time I should like to have a full explanation of this dichotomy of thinking, because it puzzles me. It must present a two-faced attitude to the Communist world, who will not be slow to take it up, and I do not believe that it is giving to the people of this country the service which they should be given.

On other grounds, I fully accept the view of my right hon. and hon. Friends that the hydrogen bomb argument has been dragged in at the last minute in order to give speciousness, plausibility, to this new desire to clear out of the Middle East. [HON. MEMBERS: "Speciousness?"] "Speciousness," I think, is the right word, although I think that "speciosity" is to be found in the dictionary.

I have only one other thing to say, because I have no desire whatever to waste time repeating the most powerful arguments which have already been

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associated with most of the rebellions in this House since 1945.

Mr. S. N. Evans (Wendesbury): What about mine?

Mr. Hughes: I was strongly attracted by what was said by the hon. Gentleman, but that was an occasion on which I did not approve of his conduct. I have listened very carefully to this debate and I have come to the conclusion that I cannot offer my services either as organising secretary or as a Teller. In fact, I find myself wholeheartedly on the side of the Prime Minister in this debate. Although there have been strictures on the Prime Minister from the back benches opposite, I must say that I have never so thoroughly agreed with the right hon. Gentleman as I do on this occasion.

The noble Lord the Member for Dorset, South (Viscount Hinchinbrooke) criticised the Prime Minister on the ground that he had introduced the argument of the hydrogen bomb. I do not know whether that argument was introduced as an afterthought or not, but it is entirely irrelevant to this debate and to the question of strategy and politics today.

I entirely approve of a Government which says that we cannot continue to have this base in Suez because it is obsolete in the atomic age. That is what the Prime Minister said, and I believe that in stressing the danger of the atomic and hydrogen bomb at the present time—even though it may seem to be slightly inconsistent in this debate—the right hon. Gentleman is doing an essential national and international service. He has pointed out that this is something which dominates everything else.

If the Suez Canal base is untenable in the atomic age, the dilemma arises, where are we to go? The decision of the Government to go to Cyprus has resulted in a great deal of criticism from this side of the House. I entirely agree with the statement made by an hon. Member opposite in the previous debate that in the atomic age a hydrogen bomb might explode over Cyprus. In that case, the answer would be, "Well, that was Cyprus." But that applies equally to other bases.

I cannot agree with the hon. Member for Coventry, East (Mr. Crossman). He is opposed to the base going to Cyprus, but he is in favour of it going to Haifa.

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number of speeches, for disliking the idea of a British withdrawal from Suez and I put my name last year to the Motion which stood in the name of my right hon. and gallant Friend the Member for Leicester, South-East (Captain Waterhouse), with other of my hon. Friends. I am not happy about the political or the psychological implications of the Agreement and I should like to be reassured more than we have been about the Government's plan for redeployment after evacuation.

On the other hand, the Agreement is, or soon will be, an accomplished fact, and, speaking for myself, I do not feel able to disregard the assurances that we have been given by the Government, to the effect that during the last six months or year the strategic situation has changed, and that in the present circumstances the course which the Government are taking is the only possible course. The Government, we must remember, have the benefit of the expert advice of the Chiefs of Staff and of the Foreign Office. They have in their possession a mass of information which we, as back benchers and private Members, do not possess.

I, for my part, would not venture to lay claim to greater foresight, courage or strategic understanding than the Prime Minister or his colleagues in the Government and if, after all that they have said in the past on this subject, they are prepared, in the light of the changed circumstances, to accept the present Agreement, then, so am I. If I were not I should take the courageous course which has been followed by my hon. and gallant Friend the Member for the Isle of Ely (Major Legge-Bourke). I do not see that there is any course in between. That is why I shall vote, though reluctantly, for the Motion that stands in the name of the Prime Minister and his right hon. Friends.

9.13 p.m.

Mr. Emrys Hughes (South Ayrshire): I find myself in the embarrassing situation, at this time of the Session, of having to go into the Lobby in support of the Government. I looked hopefully at the Government benches when the Egyptian news came, as I thought there would be a rebellion on the Government side. In principle, I approve of rebellions in politics. I believe that I have been

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the old sneers that used to be made about "perfidious Albion" no longer apply, but that we believe that we have an even greater part to play in the future of the world than ever we have had in the past. Those who have talked of Britain as a decadent nation have gone; the Hitlerists and those who sneered at us have gone. We now have an opportunity, and it may be the last, because we are all aware that if some madman once pulls the trigger in this atomic and hydrogen bomb age, then this island will be completely and utterly undefendable. It may well be that our best opportunity lies in this Agreement on Suez, because I think it can be shown that this party, at least, has accepted the fact that we are now living at the end of the colonial era, and entering an age in which the younger nations can see that it is no longer necessary for them to accept the yoke of supremacy from the white people; that, rather than attempting to retard them in their advance, we are doing everything possible to assist them in order that this nationalism of today may become the responsible internationalism of tomorrow.

I believe that it is for this House and for this great nation, which has done so much in the past to enlighten men's minds and improve their health and well-being, to take a lead which neither the United States nor any other nation has the power to take. I hope the House will try to show that this is not a niggardly retreat merely because it is inconvenient to stay in Suez, because of fear of the hydrogen bomb, but rather that we believe that the time has come when we accept the logic which is forced upon us by events in the second half of the 20th century. We should try to show that, without turning to the extremes of Communism or any other "isms," we have a rôle to play in the world towards the achievement of that peace which alone can come by understanding of the problems, and that that is the basic reason why we desire to renounce our own powers abroad, believing that the time has now come when the best interest of world peace may be served by a lead given in that direction.

9.10 p.m.

Mr. Fitzroy Maclean (Lancaster): I should like to say at once that I am not happy about the Agreement we are discussing. I have given my reasons, in a

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like this should be signed but that it should be seen that we sign it in good faith in the knowledge that by accepting such an Agreement we are demonstrating that the West has a new conception in its dealings with the peoples of the Middle East and, indeed, of the Far East. We were born in the days when Suez meant something in the history books that we read. It is not easy for us to feel that we are now no longer the great world power which we once were. There is nothing to be ashamed of in wanting to feel that we are citizens of a first-class nation. Indeed, if in the days which lie immediately ahead this nation, which is not now the great material, physical Power it once was, can play the part which it alone can play by reason of its diplomacy and its vast experience in dealing with other people, therein resides the main hope of avoiding a third world war.

It is a country which, I believe, no matter what we may say about Toryism or Socialism, has accepted what the Minister of Housing and Local Government once described as the middle way, a country which recognises, as the adolescents in neither Moscow nor Washington have accepted, the idea that by living together in amity and using the great wealth which our scientists have given to us we can avoid a third world war. If that message can not go out from this House of Commons, then I think this world is doomed. On this question of the Suez Canal, I believe we have reached a testing point.

I applaud the attitude of the Foreign Secretary. It cannot be easy for the right hon. Gentleman in the knowledge that his policy is not acceptable in some parts of his own party, but I applaud his determination to go ahead with it. I hope, however, that he will agree with me that it is not only the act of coming out of the Suez that matters, but that it is also necessary to show to the peoples of these areas that this is merely the crystallisation, as it were, of the new thinking of this country, showing that we in Britain realise the great rôle which we still have to play in the world, and that we are giving an earnest of our sincerity in our approach to world politics.

From now on, I believe that we are taking the moral leadership of the whole world, because we are trying to show that



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This is a little and said that all that is left is Wimpey's. I am merely pointing out that the idea of Wimpey's is his. If hon. Members want me to read out the text, I am prepared to do so. I am quite ready to claim any ideas of which I have the originality, but I am also prepared to give the authorship to those to whom it belongs, and it is right in the circumstances to say that my attention was drawn to this passage from the proposals of April, 1951:

"The progressive civilisation of the base which it is suggested should be completed by almost exactly to the month the date when we will complete. The passage continued:

"... essential British civilian personnel being introduced as military personnel are withdrawn."

I do not think it was very wise of the right hon. Gentleman to taunt us with having done what was in his proposals.

The right hon. Gentleman also spoke about the countries covered by the Treaty. The Bevin-Sidky agreement, with much of which I agree, contained one clause with which I do not personally agree which deals with the countries concerned. The countries concerned in the definition of that Treaty were those which were called "adjacent countries." With respect, I think that is a very bad definition to put in a Treaty. We want to know which are the adjacent countries to Egypt. I should have said, from my reading of the Bevin-Sidky proposals, that it is pretty clear that Turkey, for instance, would not have been covered by that agreement. I am not quarrelling with the right hon. Gentleman because the agreement was not reached but merely pointing the facts out to him, for he attacked us. The present proposals, as far as that is concerned, are infinitely to be preferred to the Bevin-Sidky proposals. On that account, I do not think his attack was justified.

Let us consider this question of the vacuum. The right hon. Gentleman said that we were leaving a vacuum in the Middle East. I do not know whether he heard the speech of his hon. Friend the Member for Gloucestershire, West (Mr. Phillips Price) which was an answer to that criticism better expressed than I could express it. The hon. Gentleman said he thought that the Leader of the

a pretty wide field of endeavour, still the issue which we would really have to debate would be, not whether the Opposition did well or badly, but whether the Government of the day did well or badly. Although the right hon. Gentleman told us all that he had wanted to do, with a great deal of which I cordially agree, the fact remains that during those six years it was not possible to do it and that he failed to get the kind of agreement which he says ought to have been reached.

The fact remains that by the end of his period of office he was driven largely to reinforce our troops in Egypt, with the result that we had 80,000 men there, and when the present Government took office, as I do not think he will deny, we were left with a situation in which the civilian labour force was rapidly being withdrawn, the Egyptians had denounced the treaty—perhaps encouraged by what had happened in Persia—and a state of general turmoil existed. Nor will the right hon. Gentleman deny that the Persian situation which we inherited was not precisely a happy one. While strictures may be passed by him on the Opposition's behaviour at that time, it seems to me that in all fairness he must admit that the heritage left to us was not entirely enviable.

If we can get agreement thus far, I must also remind him of some other things. He let slip one or two sneers, particularly at the expense of Wimpey's—nothing was being left in Egypt, he said, except Wimpey's. I must give credit where credit is due and I must confess that the idea of the civilisation of the base—if that is the right word—was not mine; it came from the right hon. Gentleman's proposals of April, 1951.

Mr. Atlee: I was not complaining about that. What I was complaining about was that there is a complete lack of defence in the area. There is nothing whatever of what we were trying to do—to get some defence organisation; there is a complete vacuum.

Mr. Eden: I am coming to the question of the vacuum; I have thought of that one, too. At the moment I am dealing with the civilisation of the base, and I think it is not unfair to say that the right hon. Gentleman sneered at

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to be worked out in the atom age, are more in line with the feeling of the country than are those hon. Gentlemen on the other side, sincere though they may be, who oppose them on this issue; and on this occasion we can only go into the Division Lobby in support of the policy of the Government.

9.22 p.m.

**The Secretary of State for Foreign Affairs (Mr. Anthony Eden):** We have had a remarkable debate in which hon. Members on all sides of the House have spoken with vigour and conviction and in which there has been at times deep feeling. I should like to say, for my part, that though some of my hon. and right hon. Friends have certainly been severe in their strictures of the Government, I have on that account no hard feelings, because I know that they have deep conviction. At the same time, I must also tell the House that a Government which has to face issues of this kind has to face them in the light of the realities and of the existing alternatives, and carefully though I have listened to this debate, I have not yet been able to find any practical alternative to the course which Her Majesty's advisers now submit to this House.

I am attempting to delay a little because I would like the Leader of the Opposition to be present. Perhaps feeling a little in holiday mood, he was extremely severe in his strictures on the Government. He was very severe in regard to our attitude in Opposition for those six years. According to him, our behaviour was in all respects unworthy. [HON. MEMBERS: "Hear, hear."] That is all right, but that does not excuse the Government of the day for what they did or did not do.

I see the right hon. Gentleman the Leader of the Opposition is now in his place. He is so invariably courteous that I did not want to reply to his remarks until he was here. I was saying that he was severe to us in his strictures this afternoon, and particularly critical of our conduct in regard to these issues when we were in Opposition. Though I think that probably he would admit—at any rate in a benign mood he would admit—that, generally speaking, in those years both at home and abroad we did try to support the foreign policy of Her Majesty's Government of the time over

[MR. HUGHES.] I do not believe that a base is likely to be acceptable to the people of Israel once they realise the implications of what it would mean, because the hon. Member for Coventry, East argued that the base was to be used against the Egyptians. If we put the base in Israel, that will be regarded by the military authorities as a potential base in the strategy of war against Russia.

I believe that in the hydrogen bomb age any country which has bases which are liable to be regarded by the other side as offensive bases is in very serious danger indeed. We have now come to the conclusion that, whether we like it or not, from the point of view of realism, the Prime Minister has said the right thing, even though what he has said might be rather inconsistent with the polemics of this debate.

Though I may be embarrassing the Prime Minister and the Government, I must say that they are doing their duty towards the country and towards humanity by stressing the importance of the fact that the hydrogen bomb age has arrived, and that we must adapt our diplomacy, our strategy and our politics to this grim and terrible fact. Although I have been a frequent critic of the Government I believe that if they strive consistently and persistently for peace, whether in Egypt, in Indo-China or in Germany, they will represent the point of view of the ordinary people of this country.

I am glad to see that the Foreign Secretary is here. I was in Geneva during the first week of the recent conference there and met the Swiss photographer who took the first photograph of the assembled delegations. I asked what he thought were the prospects of the conference. He replied, "There are no prospects for such a conference where so many people so obviously hate each other." I am glad to see that that prophecy has not turned out to be correct, and to see the change which has come about in international tension.

By this further step of easing the tension in Egypt there is one fewer trouble spot. I believe that Her Majesty's Government, in their attitude towards Egypt and their decision to take a step—a reluctant step—away from the old policy of British imperialism and to face the fact that a new international policy needs

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[MR. EDEN.]

Opposition was mistaken in criticising us for delaying the agreement so long because it is only recently, he said, that the Egyptians have been willing to include Turkey in that agreement—and Turkey is the vital defence factor in this agreement.

The hon. Gentleman went on to say something else with which I agree. He said that Cyprus is not enough. Of course it is not enough. We are not proposing to create a new base in Cyprus. Nothing of the kind is proposed. The main base, as the base for war, will remain in Egypt.

I hope and believe that under this Agreement there will be other forward bases, and I agree with some of the ideas of the Leader of the Opposition about that. He is absolutely right, but he will not expect me to describe where those forward bases will be or what arrangements may be made for them. It is somewhat ludicrous to accuse us of scuttling when, by the arrangements we are trying to make, we shall get nearer to the possible enemy than we were before. It seems to me a misuse of terms. I am not attacking the right hon. Gentleman.

Then there was this reference to a vacuum. There is no vacuum because, as a result of these arrangements, we shall be able to redeploy our forces and make them mobile to an extent that they have not been hitherto. I should have thought that, instead of the right hon. Gentleman's criticism, he would have endorsed what we are doing, because he would have been right if he had said that there is a vacuum in our Middle East arrangements which exist at this very hour. There most certainly is, because if 80,000 men are unable to do anything effective, then that is a vacuum. If we get this Agreement and we are able to bring about the redeployment I have mentioned, it will bring the vacuum to an end.

How, then, shall we redeploy our forces? As my right hon. Friend said, we will bring part of these forces home to form a strategic reserve. To base our forces here does not mean they are not in any sense available to the Middle East or to any other part of the world. We have to remember the increasing mobility of our forces by air and other means. We have to adapt our minds more and more

to the conception that countries, wherever they are, do not like to have foreign troops on their soil. Western countries tolerate it more easily than those where nationalism has been recently resurgent. No nation likes it, and more and more we shall have to base ourselves upon our own strategic reserve here and our ability to fly it to whatever quarter it is needed.

That is the conception behind this Agreement, especially when we add to it the treaty which we have made with Libya, for which the late Mr. Ernest Bevin worked very hard and for which I certainly have no desire to take the credit, but which we have signed and ratified. Under it our forces are in Libya and they can be increased. When we remember the possibilities of redeployment there and also the possibilities of increasing our forces in Jordan and elsewhere, and when we take into account our Air Force in Aden, we can see the pattern of redeployment which will add to our mobility, and, as I maintain, add enormously to our strength.

Now let me deal with some of the criticisms of this document. I would ask some of my hon. Friends to consider what would happen in 1956 if they were successful in their appeal tonight and if the House did not approve these decisions. In 1956 we could renew the treaty with Egypt as it is now, and if agreement was not reached then we would have to go to the League of Nations—I suppose it is the United Nations now—or to arbitration. Well, of course, we could wait until 1956 and base ourselves on those articles of the Treaty of 1936 which provide for a continuing alliance, but does anybody in this House really suppose that, if we waited until 1956, and went to arbitration then, we could hope to get the rights and facilities of the 1936 Treaty exactly as they had been in 1936, with the Egyptians strongly resisting them at every point? I think that some of my right hon. and hon. Friends, are under a misconception in respect of the 1936 Treaty—which I well remember, for I signed it—and the conditions at that time.

The 1936 Treaty allowed us to station troops in Egypt in order to fulfil an Anglo-Egyptian alliance for the joint defence of the Canal. That was the purpose of that Treaty. We would have no chance whatever of going to international arbitration and saying, "Instead

of doing that, we are now going to maintain 80,000 troops in Egypt to prevent the Egyptians from doing whatever they want to do." The case would be utterly indefensible and my noble Friend would have to use the veto, not once but almost every day.

What would be the position if we did not reach an agreement? I do beg my right hon. and hon. Friends once again to face this, and I will face it as fairly as I can. First, no redeployment of any kind would be possible. The 80,000 troops would remain in Egypt and probably there would be a clamour for their reinforcement if conditions grew worse in the great cities. [An Hon. Member: "Nonsense."] Does my hon. Friend who says "nonsense" not remember that two years ago, when my right hon. Friend was on the high seas, I had the responsibility, when the riots threatened in Cairo and it seemed likely that our forces would have to march into Cairo to save the white population of that city? If my hon. Friends think that is a task which could be carried out by small forces, they are living in a world of illusion.

I think we are all agreed about this. Only one alternative has been given to us today, so far as I can understand, and that is that we should reduce the figure. My right hon. and gallant Friend said, I think, two brigades or something of that order; that is to say, something within the actual treaty limits of 1936. I am not clear at all about what the value of that arrangement could be. If it is intended that those two brigades are to defend a restricted base, such as we now contemplate creating, without the agreement of the Egyptian Government, then I must say frankly that two brigades would be completely useless and in a short time we would be back again to the 80,000 men.

If, on the other hand, they are not to guard the base but are to be there as a token force on the Canal, I would say that they are of no military or strategic value whatever and would simply be under the constant irritant of a continuing request that they should be reinforced.

**Captain Waterhouse:** I know that my right hon. Friend does not want to misrepresent me. I did not develop the whole subject today, but he will remember that when last I spoke I tried to make it clear that our view was that had there been a

different approach to Egypt from the start, had we not been talking about evacuation from the start, we would not have arrived at this decision, and that if now—even now—we let it be clearly understood that we meant business and meant to stay there, we could come to an agreement with this or some other Government in Egypt which would allow us to maintain our forces and maintain our position.

**Mr. Eden:** That simply means that we should be able to reach an agreement with Egypt on the basis of our keeping troops in Egypt. I can only say, in reply to my right hon. and gallant Friend, that for years past, long before this Government came into office, the persistent position of the Egyptian Government has been that they would not make such an agreement. My right hon. and gallant Friend might be able to do that. I can only say that I do not believe it to be possible or diplomatically within the range of possibility. I do not think we ought to pretend to ourselves that these things are realisable when we must know in our hearts that they are not.

What would happen in 1956 if we had no arrangement? We would have no place, no establishments, no workshops, no possibility of going in again, no right of re-entry whatever and no assurance of the upkeep of the base. We would have the absolute assurance of the worst possible relations with Egypt and with all the other Arab countries, leading to rising tension.

How far does this Agreement, with its admitted shortcomings, meet our needs? For the first time we shall have installations and facilities in Egypt by agreement, because we had no such rights under the 1936 Treaty. What we need now is a working base and not a beleaguered garrison. Our ability to return in the event of crisis is a strengthening element which will enable us to defend our position in the Middle East, and the air transit rights are of real value.

I should like to answer further questions that have been asked by our critics. With regard to the claims question, we need not wait for the Agreement. We are trying to get them settled now and have begun to discuss them already with the Egyptian Government. Certainly we have not lost interest in the Sudan. We have



[MR. EDEN.]  
said that the Sudan must decide its own future. Tonight I do not want to say harsh things—though I could do so—about the past in respect of agreements about the Sudan. I will only say that we in Britain are not opposed to friendship between Egypt and the Sudan. We want to have friendship ourselves both with Egypt and the Sudan, but we trust that all concerned will give to the Sudan a real opportunity to decide its own national life and future. All the reports we have had for the last few months show that there is an increasing determination in the Sudan to do just that. Beyond that, we have no claim which it would be within our rights to make.

My right hon. and gallant Friend the Member for Leicester, South-East asked about redeployment to the south. There are no plans at present in that direction but it could happen, and one example is that some of the redeployment will consist in strengthening our air forces in Aden. My right hon. and gallant Friend the Member for Preston, North (Mr. J. Amery) asked about the position of Turkey. Any armed attack on Turkey would bring this Agreement into operation. The situation in which Turkey came to be attacked would not affect that right.

Now I come to a heavy burden of criticism and I think the strongest case that can be made against the Agreement. That is in respect of the navigation of the Canal, the freedom of the Canal. Strong views have been expressed in this debate about that. In listening to some of the debate, one would almost have had the impression that traffic on the Canal has largely been held up. Actually the volume of traffic on the Canal has never been greater than it is at present. What we are discussing is a particular aspect of that traffic, and that is the strategic goods for Israel going through the Canal. It is to traffic in that respect that Egypt and the Arab States have been opposed.

The right hon. Gentleman the Leader of the Opposition tried rightly to have international action to resolve this problem. We tried also. When the right hon. Gentleman was Prime Minister a resolution was passed by the United Nations which Egypt did not observe. We attempted to have action taken at the United Nations and Soviet Russia vetoed it. Although it is very hard to say how

it can be best handled, in my view if this House wants to see an end to hostilities between Israel and the Arab States—and surely we must all want that—the only hope of doing so is that we should be able to create for ourselves better relations with both sides.

Everybody knows the history of our relations with the Arab States in recent years and that these have been largely bedevilled by the actions of Egypt, whose influence in this respect is very powerful. If we can improve our relations, it might be possible to do something to reduce in its turn tension between the Arab States and Israel and to try to obtain agreement and final peace. Truly, short of warlike action, I do not believe that it is possible to do anything effective in this particular situation unless we can reduce this tension between the Arab States and Israel.

That is the heart of this matter and every matter in the Middle East, of which the refugee problem is the most tragic of all. If I have any hope of this Agreement, it is that it will perhaps give us more opportunities to use our friendly influence to bring those together who should be on good terms instead of, as they are today, harshly staring at each other or sniping at each other across uncertain frontiers.

I have been asked about the position of the Commonwealth. I think my hon. Friend the Member for Preston, North said it was shocking to think that Ministers cannot say that they are in full agreement with the Commonwealth, although he rightly added that it was for the Commonwealth themselves to say that rather than for us. I have two messages here which might interest the House. Pakistan has been much mentioned in this debate and its attitude has been inquired about. I have had a telegram today from Sir Zafrulla Khan, known to this House as Foreign Minister of Pakistan, who, after beginning with some nice observations which I will not read, goes on to say about the Agreement:

"I am sure this lays the foundation of firm friendship and beneficent co-operation between Egypt and its people and the other free democratic States in the service of all the peoples of these regions. The Agreement is a great achievement and an outstanding instance of the exercise of wise statesmanship and courageous handling of world issues on the part of Her Majesty's Government."

The Foreign Secretary of Australia, Mr. Casey, well known to us all, made a Press statement which has been published. I will not read the whole of it to the House, but I will read one paragraph:

"The Australian Government have watched the course of these negotiations closely and, like Britain, we have been sympathetic with Egypt's request for full sovereignty over its territory. At the same time, however, we have realised the inescapable realities of the situation resulting from Egypt's geographical position and the military needs of the free world. It is satisfactory that these two conflicting interests have now at length been reconciled."

Those are two Commonwealth countries; it will be for the others to express themselves in due course if they wish.

I will conclude with some observations, not only on the Heads of Agreement, but on the policy we are seeking to pursue in the Middle East. I do not think the only purpose is to hold to a particular position that one may have to hold to at that moment regardless of surrounding circumstances. I and Her Majesty's Government are as anxious as anyone that our influence throughout the Middle East shall continue and be increased. I thought that what the hon. Member for Newton (Mr. Lee) said in his speech about the influence we have in the world today was a fair and true observation. It is ludicrous to pretend that, as a result of this Agreement, our influence is going to be undermined throughout the Middle East. I do not believe that for one moment, and I will tell hon. Members why.

The conditions as they exist now in all these countries, their sentiments, their national feelings, bear no parallel to those of even 15, let alone 20, years ago. Yet I believe that, on a basis of friendship, we have an opportunity, on an entirely new basis—a new conception—to influence them and work with them. That is just what we have been trying to do. Will the House look for a moment at that picture?

Let us start with Persia. We hope before very long to conclude an agreement with Persia which will result in oil flowing again to the markets of the world, bringing her back revenue and prosperity and raising the standard of life of her people. That is what we want to do, not for selfish reasons but for Persia's sake as much as ours. It is to our interest that she should be prosperous and free

where she lies in that part of the Middle East. So I hope that will be fostered. If so, it will be a bit of rebuilding—I am not criticising the past, but it can be compared with what we inherited.

It is the same with Saudi Arabia. We have just concluded an agreement to arbitrate our differences there. In Libya we have reached this agreement. With Jordan we have our treaty. With Israel we want and shall maintain the friendliest relations we can establish. There is no question of us forgetting our obligations. That is why yesterday we reaffirmed the obligations which we have under the 1950 agreement, by which we stand and by which our allies have recently said they stand.

We realise all these responsibilities. Does not the House see that through all these things, and finally, most important of all, this agreement with Egypt, we shall be creating a new pattern of friendship throughout these Middle-Eastern regions? That is what we want to do. It is the only way we can hope to work with those countries. We cannot hope to work with them by putting 20,000, 30,000, 80,000 men there and telling them what to do. They simply will not do what they are told and that leads to endless trouble for us all.

I ask the House to consider the alternatives. We can go on as we are now until 1956, with a continued waste of manpower, immobilisation of what should be an essential part of our strategic reserve, with considerable hostility in Arab States and very probably an unlimited commitment if that leads, as it could have led, to serious anti-British outbreaks in many of these nations, all of them leading almost certainly to adverse arbitration decisions in 1956 and total evacuation without rights and without the advantages we have obtained by free consent, at any rate for the next seven years.

Set in this context, I suggest to the House that the prospect of a new and growing collaboration with our Arab friends is now opened up. We have heard a lot today in this debate about failure of will power. I do not believe that to face unpleasant realities in a changing world shows a failure of will power. I believe that to maintain that conditions there are as we would have them, and as they once were, and to behave as we could then, or did then, and

[MR. EDEN.]  
 as some would have us do now, is to show a lack of adaptation to the realities of the present time.

I believe that this Agreement is militarily sound. It gives my right hon. Friends the Prime Minister and the Secretary of State for War a strategic reserve which they have not got and which they ought to have. I believe it is politically sound because it enables us to re-establish, I trust, conditions of friendship with all the Arab lands while not losing our friendship with Israel. Of course, it is true that no one can foresee how it will work out in direct terms of our relations with Egypt.

I want us in this House to say plainly to Egypt tonight that we are going to enter into this new era with a real determination to try to make it succeed. If they will do the same by us they will find full reciprocity and understanding here. It is in that spirit that I hope the House will affirm these heads of understanding, because if from the beginning we start to criticise and disbelieve those whose hands

we have shaken in the signing of these Heads of Agreement, we shall lose everything before we have begun.

I conclude by saying that I believe that this instrument, while not perfect, is one which can be made of service to the cause of stability in the Middle East. By that, too, it can serve our nation's interests and, wider still, the cause of peace.

Mr. Paget: The right hon. Gentleman has made an unanswerable case, but he has not told us why it has taken him three wasted years to do it.

Mr. Eden: I had hoped that I had made it plain, although I could not cover all the points, that it is only in the last few months—three months I think—that we have been able to obtain from the Egyptian Government the undertaking in respect of Turkey. Without that undertaking the agreement was not one which would have been satisfactory to this House.

Question put.  
 The House divided: Ayes, 257;  
 Noes, 26.

Division No. 214.]

AYES

[9.55 p.m.]

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| <p>Alan, R. A. (Paddington, S.)<br/>         Albert, G. J. M.<br/>         Amory, Rt. Hon. Neathesal (Tiverton)<br/>         Anstruther-Grey, Major W. J.<br/>         Arbuthnot, John<br/>         Astor, Hon. J. J.<br/>         Baldeck, Lt.-Comdr. J. M.<br/>         Baldwin, A. E.<br/>         Banks, Col. C.<br/>         Barber, Anthony<br/>         Barlow, Sir John<br/>         Bell, Philip (Barton, E.)<br/>         Bell, Ronald (Banks, S.)<br/>         Bennett, F. M. (Reading, N.)<br/>         Bennett, Dr. Reginald (Gosport)<br/>         Bennett, William (Woodside)<br/>         Bevins, J. R. (Toxteth)<br/>         Birch, Nigel<br/>         Bishop, F. P.<br/>         Black, C. W.<br/>         Bossom, Sir A. C.<br/>         Boyd-Carpenter, Rt. Hon. J. A.<br/>         Boyle, Sir Edward<br/>         Braine, B. R.<br/>         Brailhwaite, Sir Albert (Harrow, W.)<br/>         Brailhwaite, Sir Gurney<br/>         Brookway, A. F.<br/>         Bramley-Davonport, Lt.-Col. W. H.<br/>         Brooke, Henry (Hampstead)<br/>         Broome-White, R. D.<br/>         Brown, Jack (Govan)<br/>         Ballard, D. G.<br/>         Bullus, Wing Commander E. E.<br/>         Butcher, Sir Herbert<br/>         Butler, Rt. Hon. R. A. (Saffron Walden)<br/>         Campbell, Sir David<br/>         Carmichael, J.<br/>         Carr, Robert<br/>         Cary, Sir Robert<br/>         Chavson, M.<br/>         Churchill, Rt. Hon. Sir Winston<br/>         Clarke, Col. Ralph (East Grinstead)</p> | <p>Dale, Norman<br/>         Colegate, W. A.<br/>         Conant, Maj. Sir Roger<br/>         Cooper, Sen. Ldr. Albert<br/>         Cooper-Key, E. M.<br/>         Craddock, Boreford (Speththorpe)<br/>         Crookshank, Capt. Rt. Hon. M. F. G.<br/>         Crowder, Sir John (Fishley)<br/>         Crowder, Petra (Ruldip—Northwood)<br/>         Davidson, Viscountess<br/>         Davies, Rt. Hon. Clement (Montgomery)<br/>         De la Béra, Sir Rupert<br/>         Deedes, W. F.<br/>         Digby, S. Wingfield<br/>         Deeds-Parker, A. D.<br/>         Donaldson, Comdr. G. E. M.A.<br/>         Donohy, D. L.<br/>         Doughty, G. J. A.<br/>         Douglas-Hamilton, Lord Malcolm<br/>         Drayton, G. B.<br/>         Dugdale, Rt. Hon. Sir T. (Richmond)<br/>         Dunth, W. S.<br/>         Eccles, Rt. Hon. Sir D. M.<br/>         Eden, Rt. Hon. A.<br/>         Eden, J. B. (Beaconsfield, West)<br/>         Elliot, Rt. Hon. W. E.<br/>         Ervell, P. J.<br/>         Finlay, Graeme<br/>         Fisher, Nigel<br/>         Fleetwood-Hesketh, R. F.<br/>         Fletcher-Decker, G.<br/>         Ford, Mrs. Patricia<br/>         Forman, J. C.<br/>         Foss, R.<br/>         Foster, John<br/>         Fraser, Hon. Hugh (Stons)<br/>         Fraser, Sir Ian (Morecambe &amp; Lonsdale)<br/>         Fyfe, Rt. Hon. Sir David Maxwell<br/>         Galbraith, Rt. Hon. T. D. (Pallak)<br/>         Galbraith, T. G. D. (Hillhead)<br/>         Gammans, L. D.<br/>         Garner-Evans, E. H.</p> | <p>George, Rt. Hon. Maj. G. Lloyd<br/>         Glover, D.<br/>         Godber, J. B.<br/>         Gemme-Duncan, Col. A.<br/>         Gough, C. F. H.<br/>         Gower, H. R.<br/>         Grimond, J.<br/>         Grimston, Hon. John (St. Albans)<br/>         Hare, Hon. J. H.<br/>         Harrison, Col. J. H. (Eye)<br/>         Harvey, Air Cdr. A. V. (Macclesfield)<br/>         Harvey, Ian (Harrow, E.)<br/>         Harvie-Wall, Sir George<br/>         Hay, John<br/>         Head, Rt. Hon. A. H.<br/>         Heald, Rt. Hon. Sir Lionel<br/>         Heath, Edward<br/>         Henderson, John (Gothart)<br/>         Higgs, J. M. C.<br/>         Hill, Dr. Charles (Luton)<br/>         Holt, A. F.<br/>         Hope, Lord John<br/>         Hopkinton, Rt. Hon. Henry<br/>         Hornby-Smith, Miss M. P.<br/>         Horribush, Rt. Hon. Florence<br/>         Howard, Gerald (Cambridgeshire)<br/>         Hudson, Sir Austin (Lewisham, N.)<br/>         Hughes, Emrys (S. Ayrshire)<br/>         Hulbert, Wing Cdr. N. J.<br/>         Hunt, A. R.<br/>         Hutchison, Sir Ian Clark (E'b'rg'h, W.)<br/>         Hutchison, James (Seaiside)<br/>         Hulton-Foster, H. B. H.<br/>         Iremonger, T. L.<br/>         Jenkins, Robert (Durwich)<br/>         Jennings, Sir Roland<br/>         Johnson, Eric (Blackley)<br/>         Johnson, Howard (Kempston)<br/>         Jones, A. (Hall Green)<br/>         Jayson-Micks, Hon. L. W.<br/>         Kaberry, D.<br/>         Keeling, Sir Edward</p> |
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Lambert, Hon. G.  
 Lancaster, Viscount  
 Lancaster, Col. G. G.  
 Leake, E. H. D.  
 Leigh, Hon. Peter (Petersfield)  
 Lemnox-Boyd, Rt. Hon. A. T.  
 Lindsay, Marjib  
 Linstead, Sir H. N.  
 Llewellyn, D. T.  
 Lloyd, Rt. Hon. G. (King's Norton)  
 Lloyd, Rt. Hon. Selwyn (Wirral)  
 Lockwood, Lt.-Col. J. C.  
 Longden, Gilbert  
 Low, A. R. W.  
 Lucas, P. B. (Brentford)  
 Lucas-Tooth, Sir Hugh  
 Lytton, Rt. Hon. O.  
 MacCormack, Rt. Hon. M. S.  
 Macdonald, Sir Peter  
 MacGovern, J.  
 Matheson, Brig. Sir Harry  
 McKibbin, A. J.  
 Mackie, J. H. (Galloway)  
 Maclean, Rt. Hon. John  
 Maclean, Fitzroy  
 Macleod, Rt. Hon. Ian (Enfield, W.)  
 MacLeod, John (Ross and Cromarty)  
 Macmillan, Rt. Hon. Harold (Brentford)  
 Macpherson, Niall (Dumfries)  
 Mallam, Comdr. J. F. W. (Hornsea)  
 Marnham-Baker, Rt. Hon. Sir Reginald  
 Marlow, A. A. H.  
 Marples, A. E.  
 Marshall, Douglas (Bodmin)  
 Maudslayi, R.  
 Maydon, Lt.-Comdr. S. L. G.  
 Medlicott, Brig. F.  
 Melfan, A. H. E.  
 Menklow, Rt. Hon. Sir Walter  
 Meers, Sir Thomas  
 Mott-Radloff, G. E.  
 Neave, Airey  
 Nicholls, Harmer  
 Nicholson, Geoffrey (Farnham)  
 Nicholson, Nigel (Bournemouth, B.)

Nield, Basil (Chester)  
 Noble, Comdr. A. H. P.  
 Nugent, G. R. H.  
 Nutting, Anthony  
 Oakshott, H. D.  
 Odey, G. W.  
 O'Neil, Hon. Phelim (Co. Antrim, N.)  
 Ormsby-Gore, Hon. W. D.  
 Orr, Capt. L. P. S.  
 Orr-Ewing, Charles Ian (Hendon, N.)  
 Orr-Ewing, Sir Ian (Weston-super-Mare)  
 Page, R. G.  
 Peake, Rt. Hon. O.  
 Parkins, Sir Robert  
 Peto, Brig. G. H. M.  
 Peyton, J. W. W.  
 Pickford, K. W. M.  
 Pilkington, Capt. R. A.  
 Pitt, Miss E. M.  
 Price, Henry (Lewisham, W.)  
 Prior-Palmer, Brig. O. L.  
 Protano, J. D.  
 Ralke, Sir Victor  
 Ramsden, J. E.  
 Redmayne, M.  
 Renwick, Hon. P.  
 Renton, D. L. M.  
 Richards, J. E.  
 Roberts, Peter (Wesley)  
 Robinson, Sir Roland (Blackpool, S.)  
 Rodgers, John (Sewston)  
 Roper, Sir Harold  
 Ropner, Col. Sir Leonard  
 Russell, R. S.  
 Ryder, Capt. R. E. D.  
 Sanders, Rt. Hon. D.  
 Schofield, Lt.-Col. W.  
 Scott, R. Donald  
 Scott-Miller, Comdr. R.  
 Shepherd, William  
 Simes, J. E. S. (Middlesbrough, W.)  
 Smithers, Peter (Winchester)  
 Smithers, Sir Waldron (Orpington)  
 Smyth, Brig. J. G. (Norwood)  
 Seamas, Capt. C.

Speir, R. M.  
 Spence, H. R. (Aberdeenshire, W.)  
 Spens, Rt. Hon. Sir P. (Kensington, S.)  
 Stevens, Geoffrey  
 Stewart, Henderson (Fife, E.)  
 Stoddart-Scott, Col. M.  
 Storey, S.  
 Stratus, Henry (Norwich, S.)  
 Stuart, Rt. Hon. James (Meray)  
 Studholme, H. G.  
 Summers, G. S.  
 Sutcliffe, Sir Harold  
 Taylor, Sir Charles (Eastbourne)  
 Taylor, William (Bradford, N.)  
 Thomas, Rt. Hon. J. P. L. (Hereford)  
 Thomas, Leslie (Cantebury)  
 Thomas, P. J. M. (Conway)  
 Thompson, Kenneth (Walsen)  
 Thompson, Lt.-Col. R. (Croydon, W.)  
 Thornycroft, Rt. Hon. Peter (Mentmore)  
 Thornion-Kennedy, Col. G. M.  
 Tibby, John  
 Turner, H. F. L.  
 Turton, R. H.  
 Tweedsmuir, Lady  
 Vane, W. M. F.  
 Vaughan-Morgan, J. K.  
 Vosper, G. F.  
 Wakefield, Edward (Derbyshire, W.)  
 Wakefield, Sir Waveli (St. Marylebone)  
 Walker-Smith, D. O.  
 Wall, Major Patrick  
 Ward, Hon. George (Worcester)  
 Ward, Miss I. (Tynemouth)  
 Wilkinson, H. A.  
 Webb, Sir H. (London & Westminster)  
 Wellwood, W.  
 Williams, Gerald (Tonbridge)  
 Williams, R. Dudley (Exeter)  
 Willis, G.  
 Wilson, Geoffrey (Truro)

TELLERS FOR THE AYES:  
 Mr. Buchan-Hepburn and  
 Sir Cedric Druce.

NOES

Amery, Julian (Preston, N.)  
 Ascherson, Rt. Hon. R. (Blackburn, W.)  
 Crook, R. F.  
 Darling, Sir William (Edinburgh, S.)  
 Denson, Capt. J. A. L.  
 Fell, A.  
 Graham, Sir Fergus  
 Hinchinbrooke, Viscount  
 Holland-Martin, C. J.  
 Horobin, I. M.

Hyde, Lt.-Col. H. M.  
 Kirby, Capt. H. B.  
 Kerr, H. W.  
 Legge-Bourke, Maj. E. A. H.  
 Lloyd, Maj. Sir Guy (Bentley, E.)  
 Maitland, Patrick (Lanark)  
 Maude, Angus  
 Mellor, Sir John  
 Nabarro, C. D. M.  
 Pitman, I. J.

Powell, J. Enoch  
 Rees-Davies, W. R.  
 Teeling, W.  
 Waterhouse, Capt. Rt. Hon. G.  
 Williams, Rt. Hon. Charles (Tynan)  
 Williams, Paul (Sunderland, S.)

TELLERS FOR THE NOES:  
 Sir Robert Grimston and  
 Sir Patrick Duggan.

Resolved,  
 That this House approves the heads of agreement initialled in Cairo on 27th July between  
 Her Majesty's Government and the Government of Egypt.

\* \* \* \* \*  
 [For continuation of Proceedings see Official Report for Friday, 30th July, 1954.]

75      **WRITTEN ANSWERS TO QUESTIONS**      76  
 Thursday, 29th July, 1954      **201**

**EDUCATION**

**School Milk Scheme**

5. Mr. R. Harris asked the Minister of Education if she has yet made a decision on the possibility of supplying milk to five-year-old children who happen not to be in school.

**Miss Horsbrugh:** Local education authorities have no power to provide milk for children who are not in attendance at school.

**Teachers Superannuation  
(War Service)**

10. Mr. C. Hughes asked the Minister of Education if she will take steps to amend the Teachers Superannuation Rules, 1926, so as to enable persons who were teachers in 1914, and who intended to pursue a teaching career and subsequently fulfilled that intention, to count their years of war service as recognised service for pension purposes.

**Miss Horsbrugh:** No. War service by a teacher during the 1914-18 war can be treated as pensionable service under the Teachers (Superannuation) Acts if the teacher was recognised at the time as a certified teacher, or was employed in pensionable service immediately before beginning his war service. The broad purpose of this provision of the rules is to continue the pension rights which a teacher enjoyed when he entered on war service.

**Religious Instruction**

19. Mr. Sorensen asked the Minister of Education approximately how many teachers have qualified in religious instruction, and how many are now officiating in this respect; what hymn books are in general use for the purpose of worship in schools; and to what extent attention is given in teachers' training colleges to the most effective means of conveying moral and ethical values in religious instruction to be subsequently given to school children by those specially qualified in this subject.

**Miss Horsbrugh:** The number of teachers in service who have passed an examination in religious knowledge

during or after their training is not known. In primary schools religious instruction is usually given by the class teacher; in secondary schools there is a growing tendency for it to be given by specialist teachers. The choice of hymn books is a matter for the teachers and managers or governors of each school. I am satisfied that the moral and ethical aspects of religious knowledge are much in the minds of those responsible for the subject in training colleges.

**TRADE AND COMMERCE**

**Exports to Nigeria (Credits)**

39. Mr. Snow asked the President of the Board of Trade what instructions he has given to the Export Credits Guarantee Department concerning the encouragement of exports to Nigeria.

**Mr. P. Thorneycroft:** The Export Credits Guarantee Department exists to encourage exports generally and I have not thought it necessary to give any special instructions about exports to Nigeria.

**U.K. Imports (Imperial  
Preference Reductions)**

**Lieut.-Colonel Schofield** asked the President of the Board of Trade whether he will provide a list of the reductions which have been made in the preferences on United Kingdom imports from the Commonwealth in each year since the Torquay Conference of 1951; the present estimated average margin of preference; and how this average compares with that obtaining in 1948.

**Mr. P. Thorneycroft:** The only reductions which have been made in margins of preference since the end of the Torquay Conference are those which have incidentally resulted from reductions in most-favoured-nation rates of duties imposed on foreign goods. Such reductions are listed below. In many of these items there is little or no Commonwealth trade. In no case has a commitment under the Ottawa Agreements been affected.

I regret that a comparison of the average margins of preference in 1948

*Middle East (History).  
 (Defence Negotiations, 1945)*

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~~Mr. Speaker: That is a debatable Motion and I do not see that any statement on business can change a debatable Motion into one which is undebatable.~~

~~Mr. Lewis: May I, with your permission, Mr. Speaker, ask the Leader of the House whether he will reply to the question of my hon. Friend the Member for Liverpool-Kirkdale (Mr. Keenan) about meeting next week? All hon. Members on this side of the House are willing to meet next week.~~

**SUEZ CANAL ZONE BASE  
 (ANGLO-EGYPTIAN  
 AGREEMENT)**

Mr. Anthony Eden: With your permission, Mr. Speaker, and that of the House, I should like to make a statement on Egypt in answer to Questions Nos. 5, 11 and 2.

Sir, I am glad to be able to tell the House that we have reached agreement in principle with the Egyptian Government on the future of the Suez Canal Zone Base. The full texts of the Heads of Agreement and of the Annex on the organisation of the Base will be circulated in the OFFICIAL REPORT and will also be made available as a White Paper this evening. Meanwhile, I should like to give a short summary of their provisions.

The Heads of Agreement provide that those parts of the Base which we require shall be kept in efficient working order and capable of immediate use in the event of an armed attack by an outside Power on Egypt, or on any member of the Arab League, or on Turkey. If such an attack takes place, Egypt will afford to the United Kingdom the necessary facilities to place the Base on a war footing and to operate it effectively.

In the event of the threat of an attack on any of the countries I have mentioned there will be immediate consultation between the United Kingdom and Egypt.

The installations we are retaining are required to assist in the supply and maintenance of Her Majesty's Forces in the Middle East in peace. They will also hold certain war reserves. They will be operated by civilian labour through firms, British or Egyptian, under contract to Her Majesty's Government in the United Kingdom. These contractors will be afforded by the Egyptian Government all

the facilities which they require for their work. Her Majesty's Government will also have the necessary facilities for the inspection of these installations.

The Heads of Agreement have been initialled by my right hon. Friend the Secretary of State for War, to whom Her Majesty's Government are much indebted for the decisive part he played in the final stages of these difficult discussions. [An HON. MEMBER: "The next resignation."] Negotiations for a formal Agreement will now begin.

Our forces will be withdrawn from the Canal Zone within a period of 20 months from the date of the signature of the formal Agreement.

That Agreement will last for seven years from the date of signature. There is provision for consultation between the parties during the last year of its duration as to what arrangements are necessary on its conclusion.

The Agreement will also include a clause recognising the economic, commercial and strategic importance of the Suez Canal, and will express the determination of both parties to uphold the 1888 Convention guaranteeing freedom of navigation.

There is also a clause providing for overflying, landing and servicing facilities for aircraft under R.A.F. control.

There will be many points of detail to be worked out in the drafting of the Agreement itself.

Sir, it is the conviction of Her Majesty's Government that this Agreement will preserve our essential requirements in this area in the light of modern conditions. We are convinced that in the Middle East as elsewhere our defence arrangements must be based on consent and co-operation with the peoples concerned. [An HON. MEMBER: "What about Cyprus?"] I would like to take this opportunity to reaffirm the intention of Her Majesty's Government to abide by the terms of the Tripartite Declaration of 25th May, 1950, relating to peace and stability between the Arab States and Israel.

I have discussed this point with the French and the United States Governments and find them both equally determined to uphold that Declaration.

It is our hope that it will now be possible to establish our relations with Egypt on a new basis of friendship and



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[MR. EDEN.]  
understanding. Her Majesty's Government believe that this is also the intention of the Egyptian Government. The Agreement should thus contribute to a reduction of tension throughout the Middle East as a whole.

Following are the texts:

HEADS OF AGREEMENT

It is agreed between the Egyptian and British Delegations that with a view to establishing Anglo-Egyptian relations on a new basis of mutual understanding and firm friendship, and taking into account their obligations under the United Nations Charter, an agreement regarding the Suez Canal Base should now be drafted on the following lines.

2. The agreement will last until the expiry of seven years from the date of signature. During the last twelve months of this period the two Governments will consult together to decide what arrangements are necessary upon the termination of the agreement.

3. Parts of the present Suez Canal Base will be kept in efficient working order in accordance with the requirements set forth in Annex 1 and capable of immediate use in accordance with the following paragraph.

4. (i) In the event of an armed attack by an outside Power on Egypt, on any country which at the date of signature of the present agreement is a party to the Treaty of Joint Defence between Arab League States or on Turkey, Egypt will afford to the United Kingdom such facilities as may be necessary in order to place the Base on a war footing and to operate it effectively. These facilities will include the use of Egyptian ports within the limits of what is strictly indispensable for the above-mentioned purposes.

(ii) In the event of a threat of an attack on any of the above-mentioned countries, there shall be immediate consultation between the United Kingdom and Egypt.

5. The organisation of the Base will be in accordance with Annex 1 attached.

6. The United Kingdom will be accorded the right to move any British material into or out of the Base at its discretion. There will be no increase above the level of supplies to be agreed upon without the consent of the Egyptian Government.

7. Her Majesty's forces will be completely withdrawn from Egyptian territory according to a schedule to be established in due course within a period of twenty months from the date of signature of this agreement. The Egyptian Government will afford all necessary facilities for the movement of men and material in this connexion.

8. The agreement will recognise that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially and strategically of international importance, and will express the determination of both parties to uphold the 1888 Convention guaranteeing the freedom of navigation of the Canal.

9. The Egyptian Government will afford overflying, landing and servicing facilities for notified flights of aircraft under R.A.F. control. For the clearance of any flights the Egyptian Government will extend most favoured nation treatment.

10. There will be questions of detail to be covered in the drafting of the agreement including the storage of oil, the financial arrangements necessary, and other detailed matters of importance to both sides. These will be settled by friendly agreement in negotiations which will begin forthwith.

ANNEX 1

Organisation of the Base

Her Majesty's Government shall have the right to maintain certain agreed installations and to operate them for current requirements. Should Her Majesty's Government decide at any time no longer to maintain all these installations they will discuss with the Egyptian Government the disposal of any installation which they no longer require. The approval of the Egyptian Government must be obtained for any new construction.

2. Following the withdrawal of Her Majesty's forces the Egyptian Government will assume responsibility for the security of the base and of all equipment contained therein, or in transit on Egyptian territory to and from the base.

3. Her Majesty's Government will conclude contracts with one or more British or Egyptian commercial firms for the up-keep and operation of the installations referred to in paragraph 1 and the maintenance of the stores contained in these installations. These commercial firms will have the right to engage British and Egyptian civilian technicians and personnel; the number of the British technicians employed by these commercial firms shall not exceed a figure which shall be agreed upon in the detailed negotiations. These commercial firms will have also the right to engage such local labour as they may require.

4. The Egyptian Government will give full support to the commercial firms referred to in paragraph 3 to enable them to carry out these tasks and will designate an authority with whom the contractors can co-operate for the discharge of their duties.

5. The Egyptian Government will maintain in good order such installations, public utilities, communications, bridges, pipe-lines and wharves, etc. as will be handed over to it according to agreement between the two Governments. The commercial firms referred to in paragraph 3 will be afforded such facilities as may be required in their operations.

6. Her Majesty's Government will be afforded facilities for the inspection of the installations referred to in paragraph 1 and the work being carried out therein. To facilitate this personnel shall be attached to Her Majesty's Embassy in Cairo. The maximum number of such personnel will be agreed between the two Governments.

Mr. Attlee: In view of the fact that we are to have a debate tomorrow, I do not think it would be proper for me to

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ask many questions, but I should like to ask one: in view of the statements which were made by the present Prime Minister on the absolute necessity of having troops in Egypt for the defence of the Suez Canal and the violent language which he used when any proposal was put forward from this side of the House for withdrawal from Egypt, may I ask whether this agreement has the Prime Minister's consent?

**The Prime Minister:** I am convinced that it is absolutely necessary.

**Mr. Assheton:** Is my right hon. Friend aware that the news which he has given us will be a great shock to millions of Her Majesty's subjects all over the Commonwealth and is also a matter of very grave concern to many of his own supporters?

**Mr. Eden:** I really cannot accept what my right hon. Friend has just said, that it will be a shock to Her Majesty's subjects all over the Commonwealth. That is a statement which I could not possibly endorse. For one thing, I do not think that any Member of this House is entitled to speak for the Commonwealth as a whole. I must add that the Commonwealth Governments have been kept in the fullest touch with every stage of these discussions, and I have no reason whatever to believe that the Commonwealth Governments endorse the views which my right hon. Friend has just expressed.

**Mr. H. Morrison:** May I ask the right hon. Gentleman whether his statement with regard to the Suez Canal means that there is now to be effective, free facilities for the transit of shipping through the Suez Canal, including shipping destined for Israel? Secondly, is he satisfied that the interests of Israel have been adequately safeguarded? Thirdly, is it the case that the information which he has now given to the House was first of all given to a committee of the Conservative Party upstairs?

**Mr. Eden:** I have done nothing improper so far as the committee upstairs is concerned. I have as much right to speak to the members of my party as the right hon. Gentleman has to speak to his. I found the experience agreeable, as I trust that he always does. In reply to the right hon. Gentleman's question about Israel, we have, of course, had very much

in mind the question of relations between Egypt and Israel. The position about the Canal, as the right hon. Gentleman knows well, does not arise out of the Agreement of 1936, of which this is a replacement, but under the Suez Canal Convention of 1888.

**Mr. Shinwell rose—**

**Mr. Eden:** Perhaps the right hon. Gentleman will allow me to answer this important question. The position about the Suez Canal arises under the Suez Canal Convention of 1888 and, as the right hon. Gentleman knows, the trouble has arisen as a result of the war between the Arab States and Israel. It is the wish of the whole House to try to reduce tension between the Arab States and Israel, and I would ask the House to judge for itself whether we shall be better able to use that influence if we have an agreement with Egypt or not.

**Mr. Speaker:** I should like to remind the House that we are to have a debate tomorrow.

**Mr. Manuel:** Not for the back benches.

**Mr. Speaker:** The hon. Member for Central Ayrshire (Mr. Manuel) should not take such a gloomy view. While questions to elucidate some facts are useful, I do ask hon. Members to refrain from anticipating the debate tomorrow.

**Mr. Shinwell:** I am rising on what, I hope, is a point of order; you, Sir, will advise me whether it is a correct point of order or not. It is this. It is already intimated that there is agreement on both sides that the debate will have the Closure applied, or at any rate it will be suspended or adjourned, at seven o'clock tomorrow. We shall therefore have a very short debate, and, in these circumstances, would it not be in order to ask one or two supplementary questions to elucidate the facts?

**Mr. Speaker:** I do not think that what the right hon. Gentleman has said differs from what I tried to say. The expression of strong opinions is debate, but asking Questions to obtain facts is quite another thing.

**Mr. Shinwell:** In order to elucidate the facts so that hon. Members may be properly informed when the debate takes

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[Mr. SHINWELL.]  
place tomorrow, may I ask the right hon. Gentleman two questions bearing on his statement? One is this—whether, pending the formal Agreement to which he referred, arising out of the present Agreement, is it intended to supply arms to Egypt? The second point I wish to put is this—whether the tripartite Agreement to which he has referred does not make it clear, beyond any possibility of doubt, that no arms will be supplied to any of the Arab States unless there is a firm assurance that they will not commit an act of aggression against any other State in the Middle East?

Mr. Eden: There is nothing whatever in this Agreement which compels Her Majesty's Government or permits Her Majesty's Government to supply arms to Egypt. That, of course, is a position which would have to be related, as the right hon. Gentleman quite rightly said, in its general context to the engagements we all have under the 1950 tripartite Agreement.

Mr. Lewis: On a point of order. You stated, Mr. Speaker, that, in view of the fact that there is to be a debate tomorrow, there perhaps would not be the necessity to have too many supplementary questions. May I draw to your attention the fact that a number of my hon. Friends on this side of the House intend to take part in the debate on the Motion concerning the Adjournment of the House for the Summer Recess? In view of the fact that that time will of necessity come out of the hours already suggested by the Leader of the House for the debate on Egypt, which is to end at seven o'clock, is it not a fact that the debate on that Motion concerning the Adjournment may go on until four, five or six o'clock, which will mean that we shall have only one hour's debate tomorrow on Egypt, and that, by the time the Front Benches have spoken, the back benchers will have no time at all? I therefore again ask you to make some arrangement so that the rights of back benchers are protected in this matter.

Mr. Speaker: To some extent back benchers have their rights in their own hands, and if there is a long debate on the Motion for the Adjournment, that, of course, may take up time, but we must see how we get on. I cannot anticipate.

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Miss Ward: On a point of order. May I ask whether I should be in order in suggesting that there are back-bench Members on this side of the House as well as on the other side?

Mr. Speaker: I think that the whole House is conscious of that fact.

Mr. Anthony Greenwood: On a point of order. May I respectfully draw your attention, Mr. Speaker, to the fact that so far no back bencher on either side has had an opportunity of asking any supplementary question on this issue of Egypt?

Mr. A. Henderson rose—

Hon. Members: Oh.

Mr. Speaker: The right hon. Gentleman had a question on the Order Paper for answer today. He was promised an answer in a statement after Questions.

Mr. Henderson: May I ask whether it is intended to continue the alliance between the two countries which was established under Article 4 of the 1936 Treaty?

Mr. Eden: This will be a new instrument, when it is negotiated, which will take the place of the 1936 Treaty.

Mr. P. Williams: The right hon. Gentleman mentioned in his statement the Suez Canal Convention of 1888. Is there as yet any indication at all from the Egyptian Government that they will even consider re-establishing freedom of the Canal?

Mr. Eden: The respect in which there is interference with the Canal or prohibition of the passage of goods through the Canal arises from the Israel-Arab war and the failure to settle their armistice. It is in that context that Egypt has stopped the passage of certain strategic goods to Israel. The whole House wants to try to reduce tension and to get a final settlement between the Arabs and the Israelis. I ask my hon. Friend whether it is not a good idea to start improving our relations with Egypt and making that a better foundation.

Mr. Paget: Is the Foreign Secretary aware of the general satisfaction that the Prime Minister has at last recognised the necessity of this measure? In what

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respects are the present Heads of Agreement worse than those which were available to us two years ago? Are they in any respect better?

**Mr. Eden:** Comparisons are always odious. Our hope is that this arrangement with the Government now established in Egypt is one which can develop in real friendship between the two countries. At least, I hope that the House will give it a real chance to do so.

**Mr. Patrick Maitland:** For our guidance in studying the White Paper, can my right hon. Friend say whether these terms are more gentle towards Egypt than those offered by his predecessors in office and by himself earlier on?

**Mr. Eden:** I much regret that I have not had time to make that comparison. I have not negotiated this arrangement on the basis of finding whether this or that was better or less better than anything offered before. What I have tried to do was to reach an arrangement which I thought was fair and reasonable between the two countries and which I was justified in putting before this House.

**Mr. S. Silverman:** While I fully endorse the Foreign Secretary's view that the interests of Israel will gain more by an improvement of general relations in the Middle East than by a continuance of their present or past relationship, will the Foreign Secretary nevertheless bear in mind that the attack by Egypt on Israel, out of which, the right hon. Gentleman rightly says, the present prohibition of passage through the Suez Canal arises, was itself an act of completely unprovoked aggression? Was any reference made during the discussions to the continued existence of this infringement of the arrangements with regard to the Suez Canal and free passage through it?

**Mr. Eden:** This is a subject which has been fully discussed on a number of occasions between us and the Egyptian Government. I should be quite willing to go into it in the debate tomorrow, but I do not think that I should deal further with it now.

**Major Legge-Bourke:** In view of the fact that any treaty along the lines now proposed would depend upon the stability of the Egyptian Government, and since

the Egyptian Government's stability will depend very largely upon its economic stability, will my right hon. Friend say whether, in addition to this Canal arrangement, Her Majesty's Government propose to try to negotiate a trade treaty with Egypt, and if so, when they propose to begin?

**Mr. Eden:** One of the results of this arrangement should be to improve our commercial relations with Egypt, which would assuredly be of benefit to both countries. It is also our hope that the increased resulting stability in the Middle East will be of benefit economically as a whole. It may be that other countries may also be able to do something to help economically.

**Mr. Wigg:** The Foreign Secretary referred to the movement of troops from the Canal Zone as a withdrawal. Will he kindly say at what date that word came into use in the Foreign Office and was accepted by his party, remembering that the Prime Minister used the word "scuttle" repeatedly?

**Mr. Eden:** The hon. Member may prefer "redeployment"; I do not mind.

Several Hon. Members rose—

**Mr. Speaker:** Order. This is becoming a debate.

#### ~~CYPRUS (CONSTITUTIONAL ARRANGEMENTS)~~

**The Minister of State for Colonial Affairs (Mr. Henry Hopkins):** Her Majesty's Government have decided that the time has come to take a fresh initiative in the development of self-governing institutions in Cyprus. They are convinced that, given good will, an early start can be made in associating the people of Cyprus in the fuller management of their own affairs. They wish to make it clear once again that they cannot contemplate a change of sovereignty in Cyprus.

The proposed constitutional arrangements have not yet been worked out in detail, but will be broadly as follows. In 1948 a constitution was offered which would have given a high degree of internal self-government, but, although the offer has remained open for six years, it has not been taken up by responsible

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Mr. Eden

With your permission, Mr. Speaker, and that of the House, I should like to make a statement on Egypt in answer to questions Nos. 2, 5 and 11.

I am glad to be able to tell the House that we have reached agreement in principle with the Egyptian Government on the future of the Suez Canal Zone Base. The full texts of the Heads of Agreement and of the annex on the organisation of the Base will be circulated in the Official Report and will also be made available as a White Paper. Meanwhile I should like to give a short summary of their provisions.

The Heads of Agreement provide that those parts of the Base which we require shall be kept in efficient working order and capable of immediate use in the event of an armed attack by an outsider power on Egypt, or on any member of the Arab League, or on Turkey. If such an attack takes place Egypt will afford to the United Kingdom  
/the necessary

the necessary facilities to place the base on a war footing and to operate it effectively.

In the event of the threat of an attack on any of the countries I have mentioned there shall be immediate consultation between the United Kingdom and Egypt.

The installations we are retaining are required for the supply and maintenance of Her Majesty's forces in the Middle East in peace. They will also hold certain war reserves. They will be operated by civilian labour through firms, British or Egyptian, under contract to Her Majesty's Government in the United Kingdom. These contractors will be afforded by the Egyptian Government all the facilities which they require for their work. Her Majesty's Government will also have the necessary facilities for the inspection of these installations.

The heads of agreement have been initialled and negotiations for a formal agreement will now begin. Our forces will



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Our forces will be withdrawn from the Canal Zone within a period of 20 months from the date of signature of the formal agreement.

That Agreement will last for seven years from the date of signature. There is provision for consultation between the parties during the last year of its duration as to what arrangements are necessary on its conclusion.

The agreement will also include a clause recognizing the economic, commercial and strategic importance of the Canal Zone, and will express the determination of both parties to uphold the 1888 Convention guaranteeing freedom of navigation.

There is also a clause providing for overflying, landing and servicing facilities for aircraft under R.A.F. control.

There will be many points of detail to be worked out in the drafting of the agreement itself.

/It is the conviction

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It is the conviction of Her Majesty's Government that this Agreement will preserve our essential requirements in this area in the light of modern conditions. We are convinced that in the Middle East as elsewhere our defence arrangements must be based on consent and cooperation with the peoples concerned.

It is our hope that it will now be possible to establish our relations with Egypt on a new basis of friendship and understanding. Her Majesty's Government believe that this is also the intention of the Egyptian Government. The Agreement should thus contribute to a reduction of tension in the Middle East as a whole. And in that connection I would like to take this opportunity of reaffirming the intention of Her Majesty's Government to abide by the terms of the ~~Windsor~~ Declaration of May 25, 1950, relating to peace and stability between the Arab States and Israel.

/I have discussed

I have discussed this point with both my French and my American friends and find them both equally determined to uphold that Declaration.

HEADS OF AGREEMENT

It is agreed between the Egyptian and British Delegations that with a view to establishing Anglo-Egyptian relations on a new basis of mutual understanding and firm friendship, and taking into account their obligations under the United Nations Charter, an agreement regarding the Suez Canal Base should now be drafted on the following lines.

2. The agreement will last until the expiry of seven years from the date of signature. During the last twelve months of this period the two Governments will consult together to decide what arrangements are necessary upon the termination of the agreement.

3. Parts of the present Suez Canal Base will be kept in efficient working order in accordance with the requirements set forth in Annex 1 and capable of immediate use in accordance with the following paragraph.

4. (i) In the event of an armed attack by an outside Power on Egypt, on any country which at the date of signature of the present agreement is a party to the Treaty of Joint Defence between Arab League States or on Turkey, Egypt will afford to the United Kingdom such facilities as may be necessary in order to place the Base on a war footing and to operate it effectively. These facilities will include the use of Egyptian ports within the limits of what is strictly indispensable for the above-mentioned purposes.

(ii) In the event of a threat of an attack on any of the above-mentioned countries, there shall be immediate consultation between the United Kingdom and Egypt.

5. The organisation of the Base will be in accordance with Annex 1 attached.

6. The United Kingdom will be accorded the right to move any British material into or out of the Base at its discretion. There will be no increase above the level of supplies to be agreed upon without the consent of the Egyptian Government.

/7. Her



7. Her Majesty's forces will be completely withdrawn from Egyptian territory according to a schedule to be established in due course within a period of twenty months from the date of signature of this agreement. The Egyptian Government will afford all necessary facilities for the movement of men and material in this connexion.

8. The agreement will recognise that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially and strategically of international importance, and will express the determination of both parties to uphold the 1888 Convention guaranteeing the freedom of navigation of the Canal.

9. The Egyptian Government will afford overflying, landing and servicing facilities for notified flights of aircraft under R.A.F. control. For the clearance of any flights the Egyptian Government will extend most favoured nation treatment.

10. There will be questions of detail to be covered in the drafting of the agreement including the storage of oil, the financial arrangements necessary, and other detailed matters of importance to both sides. These will be settled by friendly agreement in negotiations which will begin forthwith.

ANNEX 1Organisation of the Base

Her Majesty's Government shall have the right to maintain certain agreed installations and to operate them for current requirements. Should Her Majesty's Government decide at any time no longer to maintain all these installations they will discuss with the Egyptian Government the disposal of any installation which they no longer require. The approval of the Egyptian Government must be obtained for any new construction.

2. Following the withdrawal of Her Majesty's forces the Egyptian Government will assume responsibility for the security of the base and of all equipment contained therein, or in transit on Egyptian territory to and from the base.

3. Her Majesty's Government will conclude contracts with one or more British or Egyptian commercial firms for the up-keep and operation of the installations referred to in paragraph 1 and the maintenance of the stores contained in these installations. These commercial firms will have the right to engage British and Egyptian civilian technicians and personnel; the number of the British technicians employed by these commercial firms shall not exceed a figure which shall be agreed upon in the detailed negotiations. These commercial firms will have also the right to engage such local labour as they may require.

4. The Egyptian Government will give full support to the commercial firms referred to in paragraph 3 to enable them to carry out these tasks and will designate an authority with whom the contractors can co-operate for the discharge of their duties.

5. The Egyptian Government will maintain in good order such installations, public utilities, communications, bridges, pipelines and wharves etc. as will be handed over to it according to /agreement

agreement between the two Governments. The commercial firms referred to in paragraph 3 will be afforded such facilities as may be required in their operations.

6. Her Majesty's Government will be afforded facilities for the inspection of the installations referred to in paragraph 1 and the work being carried out therein. To facilitate this personnel shall be attached to Her Majesty's Embassy in Cairo. The maximum number of such personnel will be agreed between the two Governments.

SECRET

C.C. (54) 55<sup>k</sup> Conclusions, Minute 2 28.7.54.

EGYPT  
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Defence  
Negotiations

(Previous  
Reference:  
C.C. (54) 54th  
Conclusions,  
Minute 2)

2. THE FOREIGN SECRETARY said that the Secretary of State for War had concluded his negotiations with the Egyptians, and the heads of a defence agreement had now been initialled on behalf of the two Governments. The terms of the agreement would be officially announced in a statement which he was making in the House of Commons that afternoon.

The Cabinet proceeded to discuss the handling of the Parliamentary debate on this subject, which would now take place before the summer recess. The debate was to be held on 29th July on a Government motion. There had been indications that the Labour Opposition might seek to embarrass the Government by allying themselves with those Conservative Members who were critical of the agreement; but it was thought that the Labour leaders would find difficulty in framing an amendment to the Government motion which would be welcomed both by their followers and by those Government supporters who were critical of the agreement. It remained possible, however, that the Government might be defeated if the Opposition amendment were so phrased that those Government supporters were able to abstain from voting against it.

The Cabinet -

Took note of the Foreign Secretary's statement on the defence negotiations with Egypt, and of the arrangements proposed for handling the debate on this subject in the House of Commons on 29th July.



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RF. 29/7/54.

Middle East (Policy)  
(Defence Negotiations Pt 5)

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Following is text of communiqué to be issued tonight.

The Prime Minister of Egypt and the Secretary of State for War of the United Kingdom today initialled in Cairo heads of agreement embodying the principles upon which it is proposed to draw up an agreement regarding the Suez Canal Base.

The two Ministers have expressed on behalf of their Governments their conviction that this agreement, by removing sources of friction and mistrust will help to bring about growing improvement in the relations between their two countries. They declare that it has no aggressive purpose. On the contrary they believe that the arrangements contemplated under the heads of agreement will contribute to the maintenance of peace and security, which is the objective of both their Governments.

Ends.



B7 29.8.54

Middle East (Policy)  
(Defence negotiations Pt 5)

219

SECRET

C.C. (54) 54 <sup>1/2</sup> Conclusions, Minute 2. 27.7.54

EGYPT  
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Defence  
Negotiations

(Previous  
Reference:  
C.C.(54) 53rd  
Conclusions,  
Minute 2)

2. THE FOREIGN SECRETARY said that the Secretary of State for War had now put to the Egyptians the revised proposals approved by the Cabinet at their meeting on the previous day. The result was reported in Cairo telegram No. 870. It seemed likely that the Egyptians would agree that a period of 20 months should be allowed for the withdrawal of British troops from Egypt; and the Secretary of State for War thought that he would also be able to obtain an improvement in the clause providing for consultation on the arrangements to be made after the expiry of the agreement. He believed that the negotiations might be brought to a successful conclusion by 28th July.

THE FOREIGN SECRETARY said that, if this expectation were fulfilled, the heads of the agreement could be announced and debated in Parliament before the summer recess. He hoped to be in a position to make a statement in the House of Commons on 29th July. This could then be debated later that evening or, preferably, before the debate on the Adjournment on 30th July.

The Cabinet -

Agreed that, if the current defence negotiations in Cairo were concluded during the next 24 hours, the heads of the agreement should be announced and debated in the House of Commons before the summer recess; and invited the Lord Privy Seal to discuss with Opposition leaders in due course what arrangements could best be made for holding such a debate on 29th or 30th July.

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SECRET

C.C. (54) 53rd Conclusions, Minute 4 26/7/54.

EGYPT

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Defence  
Negotiations

(Previous  
Reference:  
C.C.(54) 52nd  
Conclusions,  
Minute 4)

4. THE FOREIGN SECRETARY said that the Secretary of State for War had now arrived in Cairo and had sent a message (Cairo telegram No. 864) conveying his personal views on the handling of the defence negotiations with the Egyptian Government. He suggested that he should accept a duration of seven years but should press for improvement of the clause providing for consultations on the arrangements to be made after the expiry of the agreement. As regards the period allowed for the withdrawal of British troops from Egypt, he suggested that he should aim at a period of 20 months.

Discussion showed that there was general support in the Cabinet for the proposals put forward by the Secretary of State for War.

In further discussion the following points were raised:-

(a) THE CHANCELLOR OF THE EXCHEQUER again said that he was concerned at the probable cost of employing civilian contractors to maintain the Base installations in the Canal Zone.

The Cabinet recognised that it would not be practicable at this stage to revert to the earlier proposal that these duties should be undertaken by military technicians, especially as this would re-open the question whether such troops should be allowed to wear uniform. They agreed, however, that the War Office should be urged to take all practicable steps to ensure that the arrangements made for maintaining the Base installations with civilian labour were as economical as possible.

(b) The Cabinet were informed that those Government supporters who were critical of the Government's policy towards Egypt would probably succeed in finding an opportunity, before Parliament rose for the summer recess, to propose in the House of Commons that, if the heads of a

defence agreement were settled during the recess, Parliament should be specially convened to debate the matter. The Cabinet agreed that, if any statement had to be made on this point before the recess, the Government spokesman should not go beyond the earlier undertaking that Parliament would be given an opportunity to debate this matter before a new treaty was finally concluded. It should also be stated that, in the meantime, the Government would retain complete discretion to make such changes as circumstances warranted in the deployment of the British troops now in the Canal Zone.

The Cabinet -

Invited the Foreign Secretary to authorise the Secretary of State for War, in his conduct of the negotiations for a defence agreement with the Egyptian Government, to accept an agreement of seven-years' duration, together with improved provision for consultation on the arrangements to be made after the expiry of the agreement, and to seek Egyptian acceptance of a period of 20 months for the withdrawal of British troops from Egypt.



Secret.

CRYPT

Defence  
Negotiations

(Previous  
Reference:  
C.C.(54) 47th  
Conclusions,  
Minute 2)

Middle East (Policy)  
Defence Negotiations: Part 5  
C.C.(54) 52<sup>nd</sup> Cons. Min. 45.  
23/7/54.

235  
The Cabinet had before them memoranda by the Foreign Secretary (C. (54) 248 and 251) summarising the advantages and disadvantages of concluding a defence agreement with Egypt, and outlining the terms which we should aim to secure in the final negotiations.

THE FOREIGN SECRETARY said that our bargaining position would be weakened as the date of expiry of the present Treaty drew nearer. It was important, therefore, that the present negotiations should lead to a satisfactory agreement and he thought it would be helpful if a Minister were now to lead the concluding negotiations with the Egyptian Government. He suggested that the Secretary of State for War should proceed at once to Cairo for this purpose.

In discussion there was general support for the suggestion that the Secretary of State for War should lead the United Kingdom Delegation in Cairo in the concluding stages of the defence negotiations.

In further discussion the following points were raised:-

(a) THE CHANCELLOR OF THE EXCHEQUER said that he was concerned about the high cost of employing civilian contractors to maintain the Base installations in the Canal Zone.

(b) THE LORD PRIVY SEAL said that, in the debate on the adjournment for the summer recess, some of those Government supporters who were critical of the Government's policy towards Egypt might press the point that, if the heads of a defence agreement were settled during the recess, Parliament should be specially convened to debate the matter. The Cabinet agreed that no promise should be given that Parliament would be re-convened for this purpose. The Government should stand by their earlier undertaking that Parliament would be given an opportunity to debate the heads of the agreement, and this would mean that a treaty could not be finally concluded before the end of October. But the re-deployment of British Troops from Egypt need not be delayed on that account; for a case could in fact be made for proceeding with that re-deployment even though no defence agreement had been reached with Egypt.

The Cabinet -

- (1) Agreed that the Secretary of State for War should lead the United Kingdom Delegation in Cairo in the concluding stage of the defence negotiations with the Egyptian Government, and invited the Foreign Secretary to make arrangements accordingly.
- (2) Agreed that the Secretary of State for War should aim at securing an agreement on the terms outlined by the Foreign Secretary in C. (54) 251.

Cabinet Office, S.W.1.

23rd July, 1954.

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**TOP SECRET**

Copy No. 2

C.(54) 251

23rd July, 1954

CABINET

EGYPT: DEFENCE NEGOTIATIONS

Memorandum by the Secretary of State  
for Foreign Affairs

Terms for the final negotiation

The first objective must be to obtain a 10-year duration for the Agreement.

2. Failing that, we should try to secure a duration of 7 years from the end of the withdrawal period.
3. We should like to secure 2 years for withdrawal, but we should be prepared to settle for 15 months.
4. In the last resort we must accept a duration of 7 years from the date of signature of the Agreement.
5. If driven to this last position, we should insist on the omission of the second sentence of paragraph 8 of the attached draft Heads of Agreement.

A.E.

Foreign Office, S.W.1.

22nd July, 1954.

DRAFT HEADS OF AGREEMENT

[ Passages still under discussion in brackets ]

It is agreed between the Egyptian and British Delegations that with a view to establishing Anglo-Egyptian relations on a new basis of mutual understanding and firm friendship, and taking into account their obligations under the United Nations Charter, an agreement regarding the Suez Canal Base should now be drafted on the following lines.

2. The Agreement will last for \_\_\_\_\_ years from the date of its signature.

3. Parts of the present Suez Canal Base will be kept in efficient working order in accordance with the requirements set forth in Annex I and capable of immediate use in accordance with the following paragraph.

4. (i) In the event of an armed attack by an outside Power on Egypt or any country which at the date of signature of the present Agreement is a party to the treaty of joint defence between Arab League States or on Turkey, Egypt will afford to the United Kingdom such facilities as may be necessary in order to place the Base on a war footing and to operate it effectively. These facilities will include the use of Egyptian ports within the limits of what is strictly indispensable for the above-mentioned purposes.

(ii) In the event of a threat of an attack on any of the above-mentioned countries there shall be immediate consultation between the United Kingdom and Egypt.

5. The organisation of the Base will be in accordance with Annex I attached.

6. The United Kingdom will be accorded full rights to move any British material into or out of the Base at its discretion. There will be no increase above the level of supplies to be agreed upon without the consent of the Egyptian Government.

7. Subject to the above arrangements, Her Majesty's Forces will be withdrawn from Egyptian territory within a period of from the entry of this Agreement into force. The Egyptian Government will afford all necessary facilities for the movement of men and material in this connection.

8. The parties will consult together during the last year of the period specified for the duration of the Agreement to decide what arrangements are necessary upon its conclusion. If they are unable to reach agreement the British Government shall at the end of the specified period withdraw or otherwise dispose of remaining British-owned property.

9. The Agreement will recognise that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially and strategically of international importance, and will express the determination of both parties to uphold the 1888 Convention guaranteeing the freedom of navigation of the Canal.

10. The Egyptian Government will afford over-flying, landing and servicing facilities for notified flights of aircraft under R.A.F. control. For the clearance of any flights the Egyptian Government will extend Most Favoured Nation Treatment.

11. There will be many questions of detail to be covered in the drafting of the Agreement, including the storage of oil, the financial arrangements necessary and other detailed matters of importance to both sides. These will be settled by friendly agreement in negotiations which will begin forthwith.

ANNEX IORGANISATION OF THE BASE

Her Majesty's Government shall have the right to maintain certain agreed installations and to operate them for current requirements. Should Her Majesty's Government decide at any time no longer to maintain all these installations they will discuss with the Egyptian Government the disposal of any installation which they no longer require. The approval of the Egyptian Government must be obtained for any new construction.

2. Following the withdrawal of Her Majesty's Forces, the Egyptian Government will assume responsibility for the security of the Base and of all equipment contained therein, or in transit on Egyptian territory to and from the Base.

3. Her Majesty's Government will conclude contracts with one or more British or Egyptian commercial firms for the upkeep and operation of the installations referred to in paragraph 1 and the maintenance of the stores contained in these installations. These commercial firms will have the right to engage British and Egyptian civilian technicians and personnel; the number of the British technicians and personnel [ to be brought into Egypt by the commercial firms concerned ] shall not exceed a figure which shall be agreed upon in the detailed negotiations. These commercial firms will have also the right to engage such local labour as they may require.

4. The Egyptian Government will give full support to the commercial firms referred to in paragraph 3 to enable them to carry out these tasks and will designate an authority with whom the contractors can co-operate for the discharge of their duties.

5. The Egyptian Government will maintain in good order the installations, public utilities, communications, bridges, pipe-lines and wharves, etc. which will be handed over to it, as may be agreed between the two Governments. The commercial firms referred to in paragraph 3 will be afforded such facilities as may be required in their operations.

6. Her Majesty's Government will be afforded facilities for the inspection of the installations referred to in paragraph 1 and the work being carried out therein. To facilitate this personnel shall be attached to Her Majesty's Embassy in Cairo. The maximum number of such personnel will be agreed between the two Governments.



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**TOP SECRET**

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C.(54) 248

23rd July, 1954

CABINET

EGYPT: DEFENCE NEGOTIATIONS

Memorandum by the Secretary of State  
for Foreign Affairs

Advantages of an Agreement with Egypt

We can re-deploy our troops and release our Army from a commitment which is becoming intolerable.

2. We shall secure an immediate financial saving.
3. Nuclear weapons have changed the whole picture of warfare. Smaller bases, re-deployment and dispersal are a more efficient way of employing our strength.
4. We now need a smaller base, workshop facilities for our Middle East forces in peace and storage for war reserves, at least for the next few years. We also need air transit facilities. We have them now, and we can keep them by agreement with the Egyptians.
5. An agreement will give us a clause on the Suez Canal which will underline Egypt's obligations to maintain free navigation.
6. We hope that an agreement will lead to an improvement in our relations with the Arab world.

Disadvantages of having no Agreement

7. We secure none of the above advantages, except such military facilities as we are at present maintaining at great cost and effort.
8. We relapse into a vicious circle of incidents and counter-measures, leading probably to intervention in Egypt by British troops.
9. The Treaty to all intents and purposes expires in 1956. We could not then, in the face of world opinion, refuse arbitration. As that time approaches, we have less and less to negotiate with, and our chances of securing our essential needs diminish.
10. We lose the chance of better relations with Egypt, and other Arab States.

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11. A fighting withdrawal would either cause us a great loss of prestige or else involve us in the same commitments as the policy of standing our ground. We should of course lose the facilities, and the Suez Canal declaration, which we would get under an agreement.

A.E.

Foreign Office, S. W. 1.

22nd July, 1954.

*Middle East (Policy)  
(Defence Negotiations Pt 5)*

247

SECRET

C.C. (54) 51st Conclusions, Minute 2 — 20.7.54

EGYPT

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Defence  
Negotiations

(Previous  
Reference:  
C. C. (54) 47th  
Conclusions,  
Minute 2)

2. THE MINISTER OF STATE said that informal discussions were now proceeding in Cairo with a view to the conclusion of a defence agreement on the lines approved by the Cabinet on 7th July. Though the attitude of the Egyptian representatives was not in general unreasonable, they were offering firm opposition to our suggestions regarding the duration of the proposed agreement and the time-limit for the withdrawal of British troops from the Canal Zone. On both these points they were adhering firmly to the earlier proposal for a 7-year agreement and a withdrawal period of 15 months. H. M. Ambassador was being instructed to make no concession on either point until the Cabinet had been able to review the position after the Foreign Secretary's return from Geneva.

In discussion the Cabinet were reminded of an undertaking that the House of Commons would be given an opportunity to debate this question when the heads of a defence agreement had been settled with the Egyptian Government. It was, however, estimated that about three months would elapse between the initialling of the heads of an agreement and the final conclusion of a formal agreement. Therefore, even though the heads of an agreement were settled during the recess, Parliament would have an opportunity to debate the matter in the autumn before the agreement was finally concluded. Meanwhile, however, the movement of troops and stores would have begun.

The Cabinet -

Took note of these statements.

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TOP SECRET

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Prime Minister

I was asked by the Foreign Secretary to go into the practicability of the base in Egypt being taken over by civil contractors. I told the Foreign Secretary at the time that they were all extremely reluctant to take on an unpleasant and difficult task in an area which afforded few amenities to their staffs. I said, however, that I thought they would do it because it was explained to them that what they were being asked to do was of considerable national importance.

I have just seen Sir Norman Kipping who is Director-General of the F.B.I. and has been acting as spokesman to the big contractors concerned. He considers that it would be an immense help both to their acceptance and to their general attitude to this unpleasant duty, if they could be told of its importance at the highest level. I agree with Sir Norman Kipping about this and I think it would be a great help if you could spare 10 minutes of your time to see the six men concerned as soon as possible.

In case you wish to know more about the individuals concerned, I attach their names and particulars.

Antony Head

9 July, 1954.

*[Faint handwritten notes and signatures]*

13.11 Duplicate noted & returned

MIDDLE FILE (Blue)  
(Defense Negotiations Parts)

SECRET

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C.C. (54) 47th Conclusions, Minute 2, <sup>(Extract)</sup> July 7, 1954

EGYPT

Defence  
Negotiations

(Previous  
Reference:  
C.C.(54) 43rd  
Conclusions,  
Minute 1)

2. The Cabinet had before them a note by the Minister of State (C. (54) 220) covering a minute recording the agreement reached between the Prime Minister and the President of the United States regarding the resumption of defence negotiations with Egypt.

THE FOREIGN SECRETARY said that the United States Government had come as far to meet our requirements as we could reasonably expect. In particular, it should be most helpful to us that the provision of United States economic aid to Egypt would be conditional on Egyptian fulfilment of any agreement relating to the Canal Zone base and that the United States would support publicly the principle of free transit through the Suez Canal. Conditions in the Canal Zone had considerably improved of late and thereby opened the way for a resumption of negotiations. Our negotiators would be instructed to aim at an agreement to last for twenty years and to cover the case of aggression against Persia as well as Turkey, although it might not prove possible to obtain our full requirements on these points.

THE PRIME MINISTER said that the agreement reached with the United States Government in Washington was valuable both because it broadened the basis for the action which we now proposed to take, and because it would increase the chances that the Egyptian Government would abide by the terms of any agreement we might reach with them. In spite of his earlier doubts he was now satisfied that the withdrawal of British troops from Egypt could be fully justified on military grounds. Our requirements in the Canal Zone



had been radically altered by the admission of Turkey to the North Atlantic Treaty Organisation (N.A.T.O.) and the extension of a defensive Middle Eastern front as far east as Pakistan. Furthermore, the advent of thermo-nuclear weapons had greatly increased the vulnerability of a concentrated base area and it would not be right to continue to retain in Egypt 80,000 troops who would be better placed elsewhere. It was also relevant that the conditions in the Canal Zone were damaging both to the morale of the Forces and to recruitment.

THE MINISTER OF DEFENCE expressed his support for these views, and there was general agreement in the Cabinet that the defence negotiations with the Egyptian Government ought now to be resumed on the basis of the agreement reached with the United States Government in Washington.

The following further points were raised in discussion:-

(a) THE SECRETARY OF STATE FOR AIR recalled that it was intended to obtain from the Egyptian Government transit and servicing facilities for R.A.F. aircraft at an Egyptian air force station on the lines of paragraph 10 of the draft Heads of an Agreement which had been before the Cabinet at their meeting on 22nd June. In seeking to obtain these facilities, it would be his aim that the Air Ministry should commit themselves to as little expenditure as possible on this object.

(b) THE MINISTER OF TRANSPORT said that British shipping interests would welcome the public support of the United States Government for a declaration affirming the rights of free transit through the Suez Canal.

(c) The military arguments in favour of a defence agreement on the lines proposed should, at an early stage, be explained in confidence to interested Government supporters, many of whom could probably be brought to support the proposed agreement if they could be satisfied that it was militarily sound. The most suitable forum for such explanations would probably be the Conservative Members' Foreign Affairs Committee, and an early meeting of this body might, therefore, be arranged at which the Foreign Secretary and the Secretary of State for War might speak.

THE FOREIGN SECRETARY said that he would be ready to meet Conservative Members as suggested, but it did not seem necessary that action on the Government's proposals should be deferred in the meantime.

The Cabinet -

- (1) Authorised the Foreign Secretary to arrange for the defence negotiations with the Egyptian Government to be resumed on the basis of the agreed minute annexed to C. (54) 220.

*Extracted on file  
MIDDLE EAST Policy  
(July 1952)*

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- (2) Invited the Foreign Secretary, in consultation with the Secretary of State for War and the Chief Whip, to arrange for the military grounds for the proposed settlement with Egypt to be explained in confidence to interested Government supporters at an early date.

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SECRET

CABINET

The attached documents are circulated for consideration under Item 1 of the Agenda for this morning's meeting.

The Draft Heads of Agreement were considered by the Cabinet on 22nd June and approved as a basis for discussion in Washington. The attached document incorporates a few minor verbal amendments made since then.

The Annex on the Organisation of the Base has not previously been considered by the Cabinet.

Cabinet Office, S.W.1.

7th July, 1954.

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*Mrs Randall*

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TOP SECRET

DRAFT HEADS OF AGREEMENT

It is agreed between the Egyptian and British delegations that with a view to establishing Anglo-Egyptian relations on a new basis of mutual understanding and firm friendship, and taking into account their obligations under the United Nations Charter and their common concern for the security of the Middle East, an agreement regarding the future of the Suez Canal Zone Base should now be drafted on the following lines.

2. The agreement will last for \_\_\_\_\_ years from the date of its entry into force.

3. Parts of the existing Canal Zone Base will be maintained in efficient working order to supply and maintain in peace the forces supported by Her Majesty's Government in the Middle East, to accommodate certain reserves of material and equipment and to be capable of immediate use in accordance with the following paragraph.

4. (i) In the event of an attack by an outside power on Egypt, on any country which at the date of signature of the present agreement is a party to the Treaty of Joint Defence between Arab League states, or on Turkey [or Persia], Egypt will afford to the United Kingdom such facilities as may be necessary in order to place the base on a war footing and to operate it effectively. These facilities will include the use of Egyptian ports within the limits of what is strictly indispensable for the above-mentioned purposes.

(ii) In the event of a threat of an attack on any of the above-mentioned countries [or on Persia], there shall be immediate consultation between the United Kingdom and Egypt.

5. The organisation of the Base will be in accordance with Annex I attached.

6. The United Kingdom will be accorded full rights to move any British material in or out of the base to any point and at any time at its discretion. There will be no major increase above the level

/of

of supplies existing at the time the agreement is signed without the consent of the Egyptian Government.

7. Subject to the above arrangements, Her Majesty's forces will be withdrawn from Egyptian territory within a period of 2 years from the entry of this agreement into force.

8. The parties will consult together during the last year of the period specified for the duration of the agreement to decide what arrangements are necessary upon its conclusion.

9. The agreement will recognise that the Suez Maritime Canal is an integral part of Egypt and a waterway economically, commercially and strategically of international importance, and will express the determination of both parties to uphold the 1888 Convention guaranteeing the freedom of navigation of the Canal.

10. The Egyptian Government will afford transit and servicing facilities for aircraft under R.A.F. control on transit through Egypt and terminal facilities on flights connected with the maintenance of the Canal Zone Base. These facilities will be provided at an Egyptian air force station in the Canal Zone area with the co-operation of Her Majesty's Government. In the clearance of such flights, whether scheduled or otherwise, the Egyptian Government will extend most favoured nation treatment and will expedite the necessary formalities in order to avoid delay.

11. There will be many questions of detail to be covered in the drafting of the agreement including the storage of oil, the financial arrangements necessary, and other detailed matters of importance to both sides. These will be settled by friendly agreement in negotiations which will begin forthwith.

TOP SECRET

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Annex 1 to Heads of Agreement

Organisation of the Base

1. Her Majesty's Government shall have the right to maintain the installations listed in Appendix 1. Should Her Majesty's Government decide at any time no longer to maintain all these installations they will discuss with the Egyptian Government the disposal of any installation which they no longer require.
2. Upon completion of the withdrawal of Her Majesty's forces the Egyptian Government will assume full responsibility for the security of the Base and all equipment and stores contained therein or in transit.
3. Her Majesty's Government will conclude contracts with one or more commercial firms for the up-keep and operation of the installations referred to in paragraph 1 and the maintenance of the stores contained in these installations. Such commercial firms will have the right to engage such labour including local labour as they may require for these purposes.
4. The Egyptian Government will give full support to the commercial firms referred to in paragraph 4 to enable them to carry out these tasks and will designate an authority with whom the contractors can co-operate to secure efficient running of the Base.
5. The Egyptian Government will maintain in good order such installations, public utilities, communications, bridges, pipelines and wharves etc. as may be agreed between the two Governments. The commercial firms referred to in paragraph 4 will have the right to use such public utilities, communications, rail and water transportation and port facilities as may be required in their operations.
6. Her Majesty's Government shall have the right to inspect the installations listed in Appendix 1 and the work being carried out therein and for this purpose there shall be established a small special Mission, which shall be attached to Her Majesty's Embassy in Cairo. The Egyptian Government will also undertake to

/facilitate



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-2-

facilitate periodical visits to the installations listed in Appendix 1 by British Service personnel in plain clothes or civilian experts.

7. Transit and servicing facilities for the Royal Air Force are dealt with separately.

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SECRET

C.(54) 220

COPY NO. 26th July, 1954

CABINET

EGYPT: DEFENCE NEGOTIATIONSNote by the Minister of State

At the request of the Foreign Secretary I circulate to the Cabinet the attached minute which was agreed at Washington between the Prime Minister and the President of the United States concerning a resumption of discussions with Egypt.

S.L.

Foreign Office, S.W.1.

6th July, 1954.

The British stated their intention to place their new proposals as discussed in the Washington talks before the Egyptians in the immediate future. The United States agreed to follow up the British approach, stressing their support for the British proposals. After the approach has been made, the British plan to make public announcement that they have taken the initiative in resuming discussions, unless it develops in their talks that greater progress can be made on a secret basis. If the British make such an announcement, the United States would make a statement welcoming the resumption of negotiations and emphasising the importance from the United States point of view of early agreement. If the Suez Base talks start satisfactorily, the United States would begin negotiating with Egypt the necessary cover agreements required before United States assistance can be extended. It is understood that these agreements would not be signed prior to signature of the heads of agreement between the British and the Egyptians on the Suez Base. Should protracted delays result due to unforeseen circumstances, further consultations might be required regarding the extension of United States assistance. The United States agreed that, while there should be no legal connection between the Suez Base Agreement and the United States Assistance Agreements, a way would be found to indicate to the Egyptians that United States assistance would be conditioned upon Egyptian fulfilment of the Base Agreement. This should be accomplished in a manner which would not indicate to the Egyptians an advance distrust that they would in fact not live up to the agreement. The United States also agreed to support publicly the principle of freedom of transit through the Suez Canal to be re-affirmed by the British and Egyptians.

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SECRET

RECORD OF A MEETING HELD  
IN MR. DULLES' HOUSE, WASHINGTON,  
SUNDAY, JUNE 27TH, 1954.

EGYPT

MR. EDEN said that, while H.M. Government would aim at a duration for their agreement with Egypt of 10-12 years, they thought it advisable to propose a less modest figure at the outset. H.M. Ambassador in Cairo would be asked for his advice on the best figure to begin with from a bargaining point of view.

MR. DULLES suggested that, if the initial proposal was too far removed from what we actually hoped to obtain, the Egyptians might suspect that we were trying to torpedo the negotiations.

MR. BEDELL SMITH thought an acceptable final position might be an agreement for seven years with provision for its extension for a further three or four years at the demand of either party. MR. DULLES repeated his earlier mathematical argument for a longer period than seven years.

MR. DULLES asked when H.M. Government would make their approach to the Egyptians. MR. EDEN replied that it would not be possible for him and the Prime Minister to set it in motion by a telegram from Washington. In view of the questions likely to be asked in Parliament, they must be in England before the move was made. But they would be home on July 6, and he hoped to authorise the approach in the course of the same week. Meanwhile it was of the utmost importance that there should be no leakage.

The agreed minute on Egypt was provisionally approved.

June 27, 1954.

Copy No 8 294  
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SECRET

RECORD OF A MEETING HELD AT THE WHITE HOUSE

WASHINGTON

SATURDAY, JUNE 26TH, 1954.

Present:

UNITED KINGDOM

The Rt. Hon. Sir Winston  
S. Churchill  
(Prime Minister)

The Rt. Hon. Antony Eden  
(Foreign Secretary)  
Sir Harold Caccia, Deputy  
Under-Secretary,  
Foreign Office.

UNITED STATES

President Eisenhower  
Secretary of State The  
Hon. John Foster Dulles  
The Hon. T. Livingston  
Merchant  
The Hon. H. A. Byroade

EGYPT

MR. EDEN began by giving a brief explanation of the new approach which H.M. Government proposed to make to the Egyptian Government in the immediate future. He said that H.M. Government had now decided to put forward a scheme whereby civil contract labour would be used in the base as opposed to military technicians. It had also been decided that we should drastically reduce the size of the base, but that we should still retain certain essential workshops and other facilities. This would mean that we should need longer to withdraw our military personnel and would want two years, rather than fifteen months, for the purpose. But at the end of the two years, under our scheme, there would be no British troops in the base either in or out of uniform.

This was a great concession to the Egyptians and H.M. Government considered that the agreement should consequently be for a longer period than the seven years previously proposed - for instance, ten or twelve years at least.

MR. DULLES agreed that, in logic, we had a good case for asking for a longer period of duration for the new scheme. So far as the Americans were concerned, their government would be glad if we could obtain the agreement of the Egyptian Government to fifty or even one hundred years. But he was not sure whether this was a case where logic would govern the Egyptian reaction. If the Egyptians did make trouble, he thought that we might overcome their objection in one of two ways. We might point out to them that since we were going to give up half the base in two years, we should be entitled to keep the other half of the base, not only for the seven years previously proposed but for an

/additional

- 2 -

additional five years. This would make up for the unused bit of the seven-year period available from the half which, in fact, we were giving up in two years. This would give us a total of twelve years for the part of the base which we wished to retain.

Alternatively, would we consider an arrangement whereby the agreement for maintenance of the base was limited to a seven-year period but where the right to return would be of longer duration?

The PRESIDENT at this point enquired whether we had yet put our new scheme to the Egyptian Government.

MR. EDEN explained that we had not done so but that H.M. Ambassador in Cairo had indicated that there were prospects of a move in the near future. Provided nothing untoward happened, it was our intention to act soon after the return of the Prime Minister to London. Meanwhile it was essential that there should be no leak.

MR. DULLES agreed with this and expressed the opinion that our proposal was a "saleable proposition" and the PRESIDENT asked what H.M. Government would like the United States Government to do in order to help the negotiations forward.

The PRIME MINISTER explained that his original thought had been that the best form which United States help might take would be for any agreement reached with the Egyptian Government to be between H.M.G. and the U.S. Government on one side and the Egyptian Government on the other. But he recognised that the United States Government had taken the stand that this was not possible unless the U.S. Government were invited to participate by the Egyptian Government as well as by H.M. Government. There had then been a deadlock. He went on to say that a further idea had occurred to him. It was that if Field Marshal Alexander went out to sign an agreement with the Egyptian Government, General Bedell Smith might visit Egypt at the same time to give moral support. This would not entail any actual obligation for the U.S. Government but it would be a signal means of emphasising U.S. interest and support.

Alternatively, if the U.S. Government were willing to say publicly that they endorsed our approach, such other methods were not essential.

The PRESIDENT confirmed that the U.S. Government could not actually sign any agreement unless they were asked to do so by the Egyptian Government as well as by H.M. Government. But they could say privately where they stood, and publicly when desirable.

MR. BYROADE, in response to a question by Mr. Dulles, said that it was the view of the State Department that agreement was

/more



- 3 -

more likely to come quickly if the U.S. Government did not seek to be a party. That idea had already got into the press and the Egyptian Government had volunteered that they did not wish to see direct U.S. participation. MR. DULLES said that, at the time of Lord Salisbury's visit last year, the question had arisen whether U.S. aid to Egypt could be made conditional on a satisfactory United Kingdom agreement with Egypt about the base. He thought that this could not be done in quite that way. But it might be possible to try to maintain the two sets of negotiations in such a way that the final agreements would be made simultaneously. If this were to be done, we should have to keep in the closest touch in order to ensure that simultaneity could be achieved, since negotiations for American aid programmes usually took a certain amount of time to negotiate.

The PRESIDENT, summing up, repeated that the U.S. Government would certainly give such support as they could. If we wished the U.S. Government to say something privately to the Egyptian Government when we put forward our proposals, they would do so. If, later, there was to be a public announcement about our negotiations, the U.S. Government would also be ready to make a public announcement of support. Further, if the negotiations prospered, the U.S. Government would be ready to try to handle their economic (and military) aid negotiations so as to reach a simultaneous result.

MR. DULLES here suggested that the U.S. Government's agreements with the Egyptian Government might point out that one of the reasons aid was being given was that the Egyptian Government, for their part, were providing military bases which would be of use to the West in case of an emergency.

The PRESIDENT endorsed this and said that, as things were, one of the conditions of giving aid was that the country concerned should be prepared to make bases available.

It was concluded that an agreed note should be initialled setting out the programme to be followed by both Governments in their negotiations with the Egyptian Government. This joint note is attached.

June 26, 1954.

SECRETAGREED MINUTE ON EGYPT

The British stated their intention to place their new proposals as discussed in the Washington talks before the Egyptians in the immediate future. The U.S. agreed to follow up the British approach, stressing our support for the British proposals. After the approach has been made, the British plan to make public announcement that they have taken the initiative in resuming discussions, unless it develops in their talks that greater progress can be made on a secret basis. If the British make such an announcement, the U.S. would make a statement welcoming the resumption of negotiations and emphasising the importance from the U.S. point of view of early agreement.

If the Suez Base talks start satisfactorily the U.S. would begin negotiating with Egypt the necessary cover agreements required before U.S. assistance can be extended. It is understood that these agreements would not be signed prior to signature of the Heads of Agreement between the British and the Egyptians on the Suez Base. Should protracted delays result due to unforeseen circumstances further consultations might be required regarding the extension of U.S. assistance.

The U.S. agreed that, while there should be no legal connection between the Suez Base agreement and the U.S. assistance agreements, a way would be found to indicate to the Egyptians that U.S. assistance would be conditioned upon Egyptian fulfillment of the Base Agreement. This should be accomplished in a manner which would not indicate to the Egyptians an advance distrust that they would in fact not live up to the agreement.

The U.S. also agreed to support publicly the principle of freedom of transit through the Suez Canal to be reaffirmed by the British and Egyptians.

**RECORD OF A MEETING HELD AT  
THE WHITE HOUSE,  
WASHINGTON  
FRIDAY, JUNE 25, 1964**

**Present:**

**United Kingdom**

- The Rt. Hon. Sir Winston Churchill (Prime Minister)
- The Rt. Hon. Anthony Eden (Foreign Secretary)
- Sir Roger Makins (H.M. Ambassador in Washington)
- Sir Harold Caccia, Deputy Under-Secretary of State, Foreign Office.

**United States**

- President Eisenhower
- Secretary of State the Hon. John Foster Dulles.
- Ambassador Mr. Winthrop Aldrich.
- The Hon. T. Livingston Merchant.

It was agreed that discussion should begin by drawing up a list of the questions which should be touched upon during the course of the forthcoming <sup>informal</sup> talks, and that there should then be a first run over the whole field. The list eventually accepted was, in Europe, E.R.G. and Germany, and Trieste; in the Middle East, the role of Iraq, Egypt, Iran, the Israel-Arab dispute and Bahrain; in the Far East, the situation in Indo-China and the South-East Asia pact. In addition various atomic problems would be considered and the possibility of creating some special Anglo-American machinery for consultation while policy was in the formative stage.

EGYPT

The PRIME MINISTER said that there was no disagreement about the decreased strategic importance of our base in Egypt. Despite certain difficulties in Parliament, despite the heavy expenditure which we had made in men and money in the last war and since in Egypt, and despite the facts that an Egyptian Government had repudiated her existing Treaty with us by a unilateral act and that there was no knowing how long the authority of the present government might last, we would like to come to an arrangement with Egypt. We had 80,000 men in the Canal Zone and we could help to play our part in other areas if we could make arrangements with Egypt.

In any negotiations, it would be a great help if we could count on the support of the U.S. Government. In particular, it might be crucial if the Egyptian Government were given to understand that the U.S. Government thought our proposals satisfactory and that the continuance of American aid might depend on Egyptian response.

MR. DULLES said that he thought it might be possible for the U.S. Government to bring it home to the Egyptian Government that economic assistance to them would depend upon their observing any satisfactory agreement negotiated between us. This without, however, establishing any formal and direct link between the agreement and U.S. aid. In other words, if there was a violation of the treaty, the Egyptians would no longer get aid. But there was one reservation, namely that U.S. aid to Egypt was not likely to be on so large a scale as previously calculated. This was partly because the granting of aid to Egypt had been postponed this year and partly because others now had prior claims. In consequence, aid next year might not, in any case, amount to more than \$ 20 million.

It was agreed that Egypt should be further discussed at a later meeting.

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*Sharon told PH by Mr Egan  
in his aeroplane 24/6/54*

SECRET

P.M./54/99

*Jnc*

PRIME MINISTER

At the Cabinet meeting on June 22 I undertook to consider, in the light of our discussion about Egypt, whether, before leaving for Washington, I should make any communication to the Egyptian Government with reference to the defence negotiations, and consult with you on the terms of any such communication.

I attach a draft telegram to Sir Ralph Stevenson which I hope you will think suitable. As you will see, I feel that it would be better to say nothing to the Egyptians unless they ask what our plans are.

*AR*

June 24, 1954.



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SECRET

DRAFT TELEGRAM TO CAIRO

Following personal for Ambassador.

I have had full discussions with my Cabinet colleagues regarding the future of the Canal Zone negotiations. The Prime Minister and I will be discussing the position with the Americans in Washington and we hope on our return to England to be able to take a final decision regarding renewal of negotiations.

2. I do not want you to say anything to the Egyptians at present unless you are approached by them. In that event you should say that I have been glad to note the improved situation in the Canal Zone and signs that the Egyptian Government are increasing their control over lawless elements. This is certainly producing an atmosphere more conducive to negotiation. I am giving the whole matter urgent personal attention and hope to reach conclusions as soon as I return from Washington. In the meantime, it is to be hoped that nothing will be said or done in either country to spoil the improved atmosphere.

Secret. B.F. 23.6.54

Middle East (Policy)  
C.C. (24) 43rd Cons. Min. 1. 22/6/54  
(Defence Negotiations No 5)

EGYPT

Defence  
 Negotiations

(Previous  
 Reference:  
 C.C.(54) 33rd  
 Conclusions,  
 Minute 7)

1. The Cabinet considered memoranda by the Minister of State and the Minister of Defence (C. (54) 187 and 206) on the resumption of the defence negotiations with Egypt.

THE FOREIGN SECRETARY said that the main points of the proposed new approach to the Egyptians were summarised in paragraph 8 of C. (54) 187. The essence of the plan was that we should reduce substantially the scope of our Base in the Canal Zone and should be content to have it maintained in peace by civil technicians. In return we could press for an agreement of longer duration: we might begin by asking for twenty years, and might accept twelve years or even ten. And, as we would now propose to remove much more equipment from the Base, we must stipulate that the withdrawal of British troops from the Canal Zone would be spread over two years instead of fifteen months. Draft Heads of an Agreement had been prepared in accordance with the proposals in C. (54) 187 and 206, and copies of these were circulated at the meeting.

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THE MINISTER OF DEFENCE said that the minimum military requirements in the Canal Zone were summarised in C. (54) 206. The Service authorities were now prepared to accept the disadvantages of having the Base maintained by civil technicians in peace. This meant, however, that a larger quantity of stores and equipment would have to be removed from the Base, and this process could not be completed in less than two years. Although there would be military advantage in securing an agreement of longer duration than seven years, it was more important that the evacuation period should not be reduced below two years.

In discussion the following particular points were made:-

(a) Was it certain that civil technicians would be available to maintain the Base in peace?

The Cabinet were informed that this problem had been discussed with some leading British contractors, who were satisfied that they could accept a contract and provide the labour required - though they were not anxious to undertake the responsibility and considered that this method of maintaining the Base would be neither economical nor efficient.

(b) The Cabinet were reminded of the military advantages of transferring the Headquarters organisation of the British troops in the Middle East from the Canal Zone to Cyprus. It was important that this move should be carried out as soon as it could be done without weakening our bargaining position in the defence negotiations with Egypt. There was some risk of premature disclosure of our intentions in the Press, and the Foreign Office and Ministry of Defence might with advantage prepare an official announcement, to be held in readiness for immediate issue if need arose.

(c) THE CHANCELLOR OF THE EXCHEQUER said that, as soon as the defence negotiations were resumed, he would wish to be free to remove the existing restriction limiting the right of the Egyptians to draw on their sterling

*Extract on  
 Middle East  
 Base file*

*Extract on  
 Sterling  
 Balance  
 file*

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balances within the limits of the Sterling Releases Agreement. He hoped that this restriction could be removed before the end of the summer.

(d) On 28th January the Cabinet had asked the Foreign Office and Ministry of Transport to keep under review the timing of further representations to the United States Government regarding the proposal that the maritime Powers should jointly seek from the Egyptian Government firmer guarantees regarding the freedom of navigation through the Suez Canal. The Minister of Transport was proposing to ask the Cabinet to consider this question again in relation to the proposed resumption of negotiations for a defence agreement with Egypt.

The Cabinet's main discussion turned on the manner in which the United States might be associated with the proposed defence agreement with Egypt and on the question whether, before the forthcoming discussions in Washington, any intimation should be given to the Egyptians of our readiness to resume the defence negotiations.

THE PRIME MINISTER said that, while he accepted the military arguments for re-deploying our forces in the Middle East, he continued to be impressed by the political disadvantages of abandoning the position which we had held in Egypt since 1882. This was bound to be deplored by certain sections of Conservative opinion, and the resulting political situation would not be made easier by the developments which were taking place in the Sudan. He believed that our withdrawal from Egypt could be made more palatable to public opinion in this country if it could be presented as part of a comprehensive Anglo-American plan for building up a defensive front against Communist aggression throughout the world. He hoped that the forthcoming talks in Washington might result in a declaration foreshadowing the creation of a collective defence system in South East Asia which would displace, or at least reduce the importance of, the ANZUS Pact, from which the United Kingdom had been excluded. Such a development would be welcomed by those sections of public opinion in this country which would be most disturbed by the surrender of our position in Egypt. A close Anglo-American association in the Middle East, parallel with that created in the Atlantic and proposed for South East Asia, would help to mitigate the political effects of our proposed withdrawal from Egypt. Finally, he considered that our willingness to conclude a defence agreement with Egypt would be a useful bargaining counter in the forthcoming talks in Washington. He did not wish to be committed to resuming the negotiations before he had explored in those talks the extent to which the United States could be persuaded to support us in the negotiations, or even to be associated with us in them.

THE FOREIGN SECRETARY said that he was doubtful whether the Americans would be willing to join us in the proposed negotiations with Egypt - or, for that matter, whether their direct association with the negotiations would

*Extract on  
Freedom of  
Suez Canal  
file.*

make it easier to reach a satisfactory agreement. Their influence with the countries of the Middle East was not greater than ours: indeed, our own influence in the Middle East as a whole might be damaged if we seemed to be unable to settle our differences with Egypt without American help. The air staging facilities which we hoped to secure in the Canal Zone would certainly be of value to the Americans as well as to us; but there were political advantages in retaining sole rights to these and making them available to the Americans on request. For these reasons he would prefer that American support for our new approach to Egypt should take the form of: (i) strong public approval of our new proposals; (ii) some link between our new defence agreement and their economic and financial aid to Egypt; and (iii) public endorsement at the appropriate stage of the clause in the agreement relating to freedom of navigation through the Suez Canal. In these circumstances he thought it would be wise if, before he left for Washington, he gave the Egyptians some reason to expect that the defence negotiations would be resumed after his return. He feared that, if he delayed this until after his return, it would be said that we had resumed the negotiations at the behest of the United States Government. This would weaken his bargaining position with the Egyptians and would also cause some political embarrassment in the House of Commons.

THE PRIME MINISTER said that, while he agreed that American support in the defence negotiations with Egypt might take the form suggested by the Foreign Secretary, he still believed that some tactical advantage would be lost in the forthcoming discussions in Washington if it were known at the outset that we were now ready to resume those negotiations. He would prefer to keep this issue open until the whole field of Anglo-American co-operation had been explored in the Washington talks.

THE FOREIGN SECRETARY said that he would consider whether his purpose could be equally met by intimating to the Egyptian Government, before he left for Washington, that he had noted the efforts of the Egyptian Government to maintain order in the Canal Zone, and that he hoped that conditions there would continue to improve for, as they had already been informed, the defence negotiations could not be resumed while conditions of disorder prevailed in the Zone.

In further discussion of the presentation of the proposed defence agreement with Egypt, the point was made that our strategic needs in the Middle East had been radically changed by the development of thermo-nuclear weapons. This development would of itself have led us to review the expediency of maintaining so large a concentration of stores, equipment and men within the narrow confines of the Canal Zone. Our withdrawal from Egypt could be presented as part of a re-deployment of our forces in the Middle East based on a re-assessment of our essential strategic needs in that area.

The Cabinet -

- (1) Approved the proposals outlined in C. (54) 187 and 206 for a new approach to the conclusion of a defence agreement with Egypt.

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- (2) Took note that the Prime Minister and the Foreign Secretary would adopt the draft Heads of Agreement circulated at the meeting as a basis for their forthcoming discussions in Washington on the resumption of the defence negotiations with Egypt; and that they would seek to enlist American support, on the lines which the Foreign Secretary had indicated, for the new approach which we proposed to make to the Egyptian Government.
- (3) Took note that the Foreign Secretary would consider in the light of the Cabinet's discussion whether, before leaving for Washington, he should make any communication to the Egyptian Government with reference to the defence negotiations, and would consult with the Prime Minister on the terms of such a communication.

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PM/54/98

PRIME MINISTER

I have been thinking over your suggestion that we should ask the Americans to join us in negotiating a settlement with Egypt. I see the advantages which it might have politically. But I think I should warn you it may raise some serious difficulties.

First, it would make an agreement much more difficult for the Egyptians. The Americans are not more popular in the Middle East than we are - maybe less so. If Nasser were to accept an arrangement of this kind, he would be open to the charge of having allowed two Great Powers into the Canal Zone instead of one. Moreover, as I mentioned to you, I have some doubts whether admitting the Americans to a share in the supervision of our base installations would make the arrangement more popular at home.

Secondly, there is surely value in ~~our~~ keeping <sup>control</sup> ~~the~~ ~~over~~ (as we should under the agreement which I propose) <sup>over</sup> the important staging facilities in the Canal Zone. The Americans will want to make use of <sup>these</sup> ~~this~~ as they did recently in connexion with Indo-China. We should of course let them do so, but it would give us something to gain credit for.

Thirdly, I am apprehensive of the effect in other Middle East countries (especially Iraq and the Persian Gulf) if we appear unable to settle this business for ourselves and have to ask help from the Americans. You will have seen Dulles' recent disagreeable remarks (Washington telegram No. 1217) <sup>played</sup> & This makes me &



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that our approach to the Egyptians should not seem to be dictated by the Americans.

On the other hand, we do want support from the United States. I suggest that it should take three forms:-

- (i) Strong public approval of our new basis for agreement, possibly as an outcome of the Washington talks.
- (ii) Some link to be made between American economic and financial aid to Egypt and the agreement reached by us.
- (iii) A special public endorsement at the appropriate time of the passage relating to freedom of navigation through the Canal.


I really think that this is simpler than trying to bring the Americans into the negotiations. I cannot believe that the Egyptians would accept the other method and the result might be a setback to the prospect of reaching agreement.

Finally, I believe it is most important that we should give the Egyptians, before we leave for Washington, some indication that we hope shortly to renew negotiations and an outline of the plan we now have in mind. This would also help us to get American support agreed while in Washington and publicly expressed at the end of your talks there.

For Cab. on Tuesday, 22<sup>nd</sup>

Duplicate filed  
and returned.  
B.21/6.

LMJ  
23.11

  
R. June 21, 1954.

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*Original on Indo-China file Pt. 10.*

C. C. (54). 42nd Conclusions Minute 1. 21/6/54

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INDO-CHINA

(Previous Reference: C.C.(54) 39th Conclusions, Minute 1)

1. THE PRIME MINISTER said that he had received from President Eisenhower a message asking whether the statements made by the new Prime Minister of France were to be interpreted as evidence of a readiness to surrender completely in South East Asia, and inviting an expression of his views on the problems which would then arise. The Prime Minister said that he had prepared, and discussed with the Foreign Secretary, a draft of a reply to this enquiry which might serve as a basis for their forthcoming discussions in Washington on the current problems of South East Asia and the Middle East.

In discussion of this draft, which was read to the Cabinet, the following points were made:-

(a) The concluding words of the second paragraph should be adjusted so as to give further emphasis to the importance of securing the support of Asian countries for a system of collective defence in South East Asia.

(b) The second part of the first sentence of paragraph 5 could be omitted, as the objective of "building the world defensive front against Communist aggression" was sufficiently stressed in a later paragraph.

(c) In the final sentence of paragraph 5, the area of dispute remaining in the Anglo-Egyptian defence negotiations would be better described as "limited" rather than "small".

(d) THE CHANCELLOR OF THE EXCHEQUER hoped that, when we had reduced our military commitment in Egypt, the resulting saving in overseas military expenditure would not be wholly offset by the acceptance of an increased military commitment in South East Asia.

THE PRIME MINISTER said that he would certainly look for a net saving as a result of the withdrawal of British troops from Egypt, and in his forthcoming conversations with President Eisenhower he would not fail to emphasise our urgent need to reduce our overseas military expenditure. THE FOREIGN SECRETARY said that, with this in view, he hoped to secure American agreement to the early withdrawal, or substantial reduction, of our forces in Korea. As regards Malaya, though large reinforcements might not be immediately required, it was important that we should be seen to be strong enough to hold our position there even though Siam's independence was undermined by Communist encroachment.

The Cabinet -

- (1) Approved, subject to the points noted in paragraphs (a) to (c) above, the message which the Prime Minister proposed to send to President Eisenhower on future policy in South East Asia and the Middle East. (This was subsequently despatched in Foreign Office telegram No. 2883 of 21st June).

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- (2) Took note that the Prime Minister and the Foreign Secretary, in their forthcoming discussions in Washington, would stress our urgent need to reduce the burden of our overseas military expenditure.

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TOP SECRET

FROM FOREIGN OFFICE TO WASHINGTON.

Cypher/OTP

**PRIME MINISTER'S**

No. 2883

June 21, 1954.

D. 8.20 p.m. **PERSONAL TELEGRAM**

**SERIAL No. T197/54.**

IMMEDIATE

DEDIP

TOP SECRET

Please pass following private and personal message from Prime Minister to President Eisenhower:-

"My dear Friend,

I have always thought that if the French meant to fight for their empire in Indo-China instead of clearing out as we did of our far greater inheritance in India they should at least have introduced 'two years' service which would have made it possible for them to use the military power of their nation. They did not do this but fought on for eight years with untrustworthy local troops, with French cadre elements important to the structure of their home army and with the Foreign Legion, a very large proportion of whom were Germans. The result has thus been inevitable and personally I think Mendes-France, whom I do not know, has made up his mind to clear out on the best terms available. If that is so, I think he is right.

2. I have thought continually about what we ought to do in the circumstances. Here it is. There is all the more need to discuss ways and means of establishing a firm front against Communism in the Pacific sphere. We should certainly have a SEATO corresponding to NATO in the Atlantic and European sphere. In this it is important to have the support of the Asian countries. This raises the question of timing in relation to Geneva.

3. In no foreseeable circumstances except possibly a local rescue could British troops be used in Indo-China and if we were asked our opinion we should advise against United States local intervention except for rescue.

4. The SEATO front should be considered as a whole and also in relation to our world front against Communist aggression. As the sectors of the SEATO front are so widely divided and different in conditions, it is better, so far as possible, to operate nationally. We garrison Hong Kong and the British Commonwealth /contributes

*Copy  
to  
Indo  
China  
file.  
Part 2  
Law East  
(Jan)*

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TOP SECRETForeign Office telegram No. 2883 to Washington

- 2 -

contributes a division to Korea. But our main sector must be Malaya. Here we have twenty-three battalions formed into five brigades. You are no doubt aware of the operation contemplated in the event of a Communist invasion from Siam. I will bring the detailed plan with me. Alex, who I understand is coming over in July, will discuss it with your Generals. The question is whence are we to draw reinforcements. There are none at home; our last regular reserves are deployed. It would be a pity to take troops from Germany. On the other hand we have what are called 80,000 men in the Egyptian Canal Zone, which mean 40,000 well-mounted fighting troops. Here is the obvious reserve.

5. Now is the time the Middle East front should be considered together by the United States and Britain. I had hoped more than a year ago that the United States would act jointly with us in negotiating an agreement with the Egyptian military dictatorship in accordance with the terms already agreed between the British and American staffs. It was however felt at Washington that America could not go unless invited. The negotiations therefore broke down. Since then there has been a deadlock though the area of dispute is limited.

6. As time has passed the strategic aspect of the Canal Zone and Base has been continually and fundamentally altered by thermo-nuclear developments and by a Tito-Greeko-Turco front coming into being and giving its hand to Iraq and by America carrying NATO's finger-tips to Pakistan. I like all this improvement in which you and the power and resources of the United States have played so vital a part.

7. These events greatly diminish the strategic importance of the Canal Zone and Base, and what is left of it no longer justifies the expense and diversion of our troops, discharging since the war, not British but international purposes. As far as Egypt is concerned we shall not ask you for a dollar or a marine. I am greatly obliged by the way you have so far withheld arms and money from the Egyptian dictatorship.

8. The general theme of completing and perfecting in a coherent structure the world front against Communist aggression, which I suppose might in current practice be described as NATO, MEATO and SEATO, is of course one, but only one of the topics I am looking forward to talking over with you.

/9. The

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TOP SECRETForeign Office telegram No. 2883 to Washington

- 3 -

9. The other two have long been in my mind. One is the better sharing of information and also perhaps of resources in the thermo-nuclear sphere. I am sure you will not overlook the fact that by the Anglo-American base in East Anglia we have made ourselves for the next year or two the nearest and perhaps the only bull's eye of the target. And finally I seek as you know to convince Russia that there is a thoroughly friendly and easy way out for her in which all her hard-driven peoples may gain a broader, fuller and happier life.

10. You know my views, already publicly expressed in October 1953, about Germany. If E.D.C. fails we ought to get her into NATO or a revised form of NATO under the best terms possible.

11. I would not have tried to put all this on paper but for your direct request. So if there is anything in it which you do not like, let it wait till we are together for our weekend meeting, to which I am so keenly looking forward.

With kindest regards,  
WINSTON".

[Copies sent to Prime Minister].

\*\*\*\*\*

Dish.

The Queen.



Subject file B F 21.6.54  
(Cabinet)  
TOP SECRET

Middle East (Policy)  
Defence Negotiations Part 5  
**PRIME MINISTER'S**

**PERSONAL TELEGRAM**

FROM FOREIGN OFFICE TO PARIS **SERIAL No. T. 191/54** 320

Cypher/OTP

PR I S E C

No. 1497  
June 20, 1954.

D. 1.43 p.m. June 20, 1954.

IMMEDIATE  
DEDIP  
TOP SECRET

Following private and personal for Foreign Secretary from Prime Minister.

Begins:  
Your No. 801.

1. Please do not take the action you suggest until we can discuss the matter tomorrow morning. I was pursuing as you know the line of a joint Anglo-American settlement with Egypt which I believe would be the best solution. I have read Makins No. 1217.

2. I have received the following from Ike:  
Begins: June 18.

Dear Winston,

*Copy on  
Ludo China  
file  
(see end  
(see))*

Do you interpret the elevation of Mendes-France and the pledges he has made as evidence of a readiness on his part to surrender completely in South-East Asia. If this is so can you give me some idea of your solution to the resulting problems? If you have formulated any thoughts of these delicate matters I should like to have them so that I can give them some contemplation before we meet. I understand you and Anthony reach here about 10 a.m. on Friday. This will be splendid as both Foster and I are looking forward eagerly to our talks. With warm regard as ever.

Ike.

Ends.

3. I have prepared an answer but I am holding it till I see you tomorrow.

Ends.

[Copies sent to the Prime Minister].

mmmmmm

*To distribution by No. 10*

37.18.6.54  
Sum at file

Middle East (Policy)  
(Defense Expenditure R 5)

**PRIME MINISTER'S**  
**PERSONAL MINUTE** 328

SERIAL No. M.106/54

**MINISTER OF STATE**

What is the foundation for the report in the DAILY EXPRESS about the renewal of talks in Cairo? The Cabinet have authorised no renewal of the talks and I understood from the Foreign Secretary that they were to await the conclusion of the Geneva Conference.

W.S.C

15.6.54

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"DAILY EXPRESS"  
JUNE 16, 1954

# Suez talks will reopen

From DAVID BARK

**CAIRO, Tuesday.—** Britain is ready to resume talks with Egypt to settle the Canal Zone dispute.

This news was given to Foreign Minister Fawzi tonight by the British Ambassador, Sir Ralph Stevenson.

EGYPT wants the 60,000 British troops to get out of their camps and stores dotted along 100 miles of desert between Port Said and Suez Town. BRITAIN wants to make sure that the troops can get back quickly if war threatens.

Talks for a settlement have been deadlocked for eight months. But today a British Embassy

spokesman hinted that one of the main obstacles will no longer be allowed to delay an agreement.

This is the question of whether uniforms or civilian clothes should be worn by British technicians who would stay to maintain the base if and when the main force leaves. I learn that a compromise proposal will allow the technicians to wear their own civilian clothes but to don their uniforms if war threatens.

## Compromise

The other major stumbling block was Britain's insistence on Turkey being included in a list of countries on which an attack would justify British reoccupation of the Zone.

Britain is said to have obtained an Egyptian compromise on this point in exchange for giving way about the uniforms.

I understand that the compromise was suggested by Premier Nasser to the U.S. Ambassador in Cairo, Mr. Jefferson Caffery, and he passed it on to Sir Ralph Stevenson.

An encouraging sign is that there have been few incidents against Britain in the Canal Zone recently.

Egyptian police have started rounding up terrorist leaders—action often demanded by the British but never before attempted.

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Printed for the Cabinet. June 1954

SECRET

Copy No. 2

C. (54) 187

3rd June, 1954

CABINET

EGYPT

MEMORANDUM BY THE MINISTER OF STATE

A decision on the future of the Canal Zone is urgently needed. We must redeploy our troops. Commitments elsewhere (and the general need for drastic economies) make a rapid and large reduction of expenditure in the Canal Zone essential.

2. The Egyptian Government appear to have their domestic situation in hand and to be anxious to reach agreement with us. They are probably as satisfactory from our point of view as any possible alternative. But, if we wait too long before reopening discussions, the Egyptian Government may be unable to prevent such a deterioration in the situation in the Canal Zone as would make a resumption of negotiations impossible. The situation had considerably improved until the incidents of 29th and 30th May. The Egyptian Government have been told that the future will be governed by the extent to which they co-operate in tracing and punishing the criminals.

3. At our request the United States Government are withholding economic and military aid. They will probably be unwilling to go on doing so much longer, particularly as the funds earmarked for Egypt will disappear on 30th June, the end of the United States financial year, unless Congress renews them.

4. There appear to be two ways in which negotiations might be resumed with some prospect of progress.

The first would be to continue discussions on the existing scheme for using service technicians to maintain the base, but to agree that they shall not wear uniform in exchange for the Egyptians agreeing to include Turkey in the availability clause and provided that satisfactory arrangements are made regarding the status of the technicians.

The second would be to suggest the maintenance of the base by a civilian organisation, with American participation in some form, in return for the grant by the Egyptians of a longer period for the withdrawal of our troops and a longer period of availability. This was the suggestion which the Cabinet invited the Foreign Office to explore, in consultation with the Americans, on 22nd March (C.C. (54) 21st Conclusions, Minute 2).

5. The advantage of the first course is that some progress has already been made with the Egyptians and that we have good reason to believe that they are prepared to include Turkey in the availability clause, if we will not insist on uniforms. The disadvantages are that, although we might agree Heads of Agreement, we would probably have considerable trouble in working out the details and, in particular, in securing satisfactory immunities for our technicians. We might be held in this country to have given away under Egyptian pressure the right of The Queen's soldiers to wear The Queen's uniform.

6. As regards the second course, proposals were worked out in some detail and submitted to the Americans, who replied that they regarded the plan favourably and would be willing to participate in working out a solution of this kind if invited by the Egyptians. They cannot, however, guarantee the participation of

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American firms. The Secretary of State for War has also had some consultations with British industrialists. Their reply showed that they consider the scheme to be on the whole practicable, though full of difficulties. They made it clear that they would only participate if appealed to at the highest level. The scheme would be very expensive if the installations were to be maintained on any considerable scale. But it has considerable merits, in that it avoids the deadlock on uniforms and the need to use military personnel whose status may be insufficiently protected.

7. In my view the question of what is actually maintained in the base is no longer of the first importance. The essential thing is to ensure that when we leave Egypt we do so with an agreement which gives us the right for an adequate period to return in war. Our prestige throughout the Middle East would be seriously affected if we failed to secure this right. A civilian contract scheme on a large scale would be very expensive. In the light of the above considerations I therefore think that our aim should be to maintain, for as long as possible, by civilian labour, a minimum form of nucleus base and to secure a satisfactory agreement on availability in war. On that basis we could secure a very considerable saving in money.

8. The main points of such an agreement would be as follows:—

- (i) Complete removal of our troops from Egypt within about two years.
- (ii) The right to return if an attack is made on the Arab States or Turkey. It would be good if Persia could be included in the formula as well, but we should not insist on this. We should try to secure this right for as long as possible, and certainly for considerably longer than seven years.
- (iii) The removal or sale of the stores in the base within about two years (except what may be required under (iv) below).
- (iv) Maintenance by civilian contractors (of British or any other nationality), subject to British inspection of certain minimum facilities such as:—
  - (a) one or more airfields (to include Abu Sueir), where we must also secure the staying rights in peace-time which we need;
  - (b) some road and port facilities;
  - (c) a few essential installations on a care-and-maintenance basis.The contractors would be under contract to the Egyptian or British Governments, and maintenance would be paid for wholly, or in part, by Her Majesty's Government.
- (v) We should still desire the association of the United States Government in some way with the arrangement. For instance, the acceptance of an arrangement on the above lines by the Egyptians might be made a condition precedent to the grant of United States aid to Egypt.

9. On his return the Foreign Secretary will want to raise these matters urgently. I am therefore submitting this paper now for consideration by members of the Cabinet.

S.L.

Foreign Office, S.W. 1,  
1st June, 1954.

R.F. 21/5/54 (P.d. Under Sec.)  
(780.)

Middle East (Policy)  
Defence Negotiations Part 5

**TOP SECRET**

103 332

FROM : G.H.Q., MIDDLE EAST LAND FORCES.  
TO : MINISTRY OF DEFENCE, LONDON.

PRIORITY.

INFO : EMBASSY, CAIRO.

IZ 4556  
TOO 121810B  
(121710A)  
TOR 131719A

Keep works  
file

935/CCL.

12th May 1954.

For Chiefs of Staff from BDCC(ME).

Reference COS(54)92.

1. We note from Foreign Office tel. 805 to Cairo that the whole position is about to be reviewed and having regard to Cairo tel. 602 to Foreign Office we feel this is an opportune time to forward our views in particular from the military angle.

2. It appears the Egyptians are now willing to come to an agreement on the basis of including Turkey in the reactivation clause in return for our giving way on uniform.

3. If this is so there are three alternatives

(a) To continue indefinitely as at present without any agreement and perhaps to go for plan INVOKE.

(b) To reopen negotiation on the basis of paragraph 2 above. *Contracting our forces to 12,000 and withdrawal within 12 months.*

(c) To reopen them on a new basis e.g. the contract labour scheme instead of military technicians.

4. We believe the overriding factor is that time is not on our side and that an agreement should be reached with the Egyptians with the least possible delay. Our reasons for this are based on four major considerations.

- (a) Operational.
- (b) Prestige.
- (c) Financial.
- (d) Morale.

Our views in some detail on these considerations are as follows.

5. Operational.

(a) While the present uncertainty exists the chance of serious incidents is always with us. British soldiers are likely to be killed in the course of clashes with armed Egyptians attempting to break into our installations and camps, saboteurs and thugs will be killed by British guards and patrols. All this is liable to set in motion

**TOP SECRET**



**TOP SECRET**

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a chain reaction leading to a rapid worsening of relations. This was brought to your notice in the last sentence of 852/CCL and has been much discussed in subsequent correspondence.

(b) The chance of having to put operation RODEO into action is always possible until an agreement is reached. Once an agreement has been reached this must be far less likely.

(c) It is realised how important strategically it is to reduce the size of the present garrison in Egypt. We believe this can only be done without unreasonable risk once an agreement in principle has been reached.

(d) The R.A.F. have special problems.

(1) Their most pressing concern is the deteriorating state of the operational airfields in the Canal Zone. The position at each is as follows: Shallufa is already in a very poor condition. The main runway at Deversoir is crumbling rapidly and will shortly become unusable. Flying will then be possible from the subsidiary runway only. Both runways at Kabrit are badly worn and although not unserviceable at present will need extensive maintenance before long. The runways at Fayid are also badly worn and extensive repair work is about to be started there. This will take some time to complete.

(2) In present circumstances we see little likelihood of obtaining the labour and materials required for airfield repair work. At the best we can undertake to repair only one airfield at a time with our own existing resources.

(3) Thus we have only one airfield Abu Sueir from which we can rely on being able to operate fighters intensively and without restriction for some time ahead. We plan on continuing to use Fayid as our transport base while repairs are going on but even when these are completed it will have no spare capacity. The operation of our fighters will therefore eventually be limited to Abu Sueir which will take a maximum of three squadrons. This will meet our needs but only if redeployment starts soon.

6. Prestige. While the present situation in Egypt exists there is a continuous flow of anti British propaganda put out from that country throughout the Arab world and this is unquestionably doing us increasing harm throughout the Middle East.

7. Financial.

(a) Our reluctance to spend money in the Canal Zone during the past three years has led to a steady deterioration in the standards of public utilities,

**TOP SECRET**

**TOP SECRET**

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roads and railways, living accommodation and base installations, airfield surfaces, hospitals and signal communications. The general state of these facilities is now causing us serious concern and we estimate that the cost of bringing them up to minimum standards would be of the order of £4,000,000.

(b) A detailed examination is being made of the many administrative problems involved in maintaining our present position in the Canal Zone and our conclusions on these are being forwarded separately.

8. **Morale.** The current situation in the Canal Zone is comparatively quiet but there is always the possibility of a renewed outbreak of incidents. We are therefore forced to continue to impose on our troops irksome restrictions designed for their own protection. These together with the effects of the immense guarding commitment necessary here, poor living standards, lack of married quarters (8200 married men separated from their families) and uncertainty regarding the future are resulting in considerable strain and must be doing both the army and the RAF great harm as regards recruiting.

9. We have therefore considered the three alternatives in paragraph 3 above and our views on them are briefly as follows

(a) In regard to paragraph 3(a). If we do not have an agreement but go for plan INVOKE Egypt will remain hostile to us with increasing repercussions on our relations with other Arab states and we can see many military disadvantages to this scheme.

(b) In regard to paragraph 3(b). The success of this course will depend upon Egyptian goodwill but we believe there is a better chance of this alternative working than any other. As regards soldiers in plain clothes. Although we realise the difficulties involved in soldiers having to wear plain clothes for a limited time we believe it would be workable provided their status is safeguarded. From the services point of view this situation is preferable to a breakdown of negotiations on this issue.

(c) In regard to paragraph 3(c). We appreciate the attractions of this course but we do not know enough of the details of the scheme as envisaged to comment in detail on it. We are not therefore able on our present knowledge to compare the military value of the base thus operated with that of the base operated under the military technicians scheme. But we believe the chances of getting effective contracts on a sound basis will be much greater after an agreement in principle on the lines of paragraph 2 above has been reached. We agree with the view of the Embassy that any approach to the Egyptians on the lines of a completely new conception as far as they are concerned must cause suspicion, delay,

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**TOP SECRET**

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lack of understanding and possible breakdown particularly if any question of extended time limits is involved.

10. For the reasons in this telegram and because we believe it will promote stability and better relations and enable us to get on with redeployment our firm conclusion is that British interests in the Middle East will be served best by an early agreement. This seems to us most likely to be reached on the basis of paragraph 2 above (without prejudice to a contract labour scheme at a later stage).

11. With reference to paragraph 9(b) above we are impressed by the view that the wearing of uniform is not in itself a safeguard of the men's safety. It may well be otherwise and when everyone is in plain clothes tension may relax and their safety should be greater. We do realise a risk exists but this is so for soldiers in plain clothes, civilians under our control or contractors alike. If agreement was possible on the basis of paragraph 2 above we would envisage that within this framework civilians could progressively replace military personnel in the base. This might ease the political problem in this connection.

12. Finally we would recommend starting negotiations as soon as possible because whatever may be the attitude of the Government in Cairo, and we believe it to be endeavouring to limit incidents now, there are always those who are against an agreement and know that they have only to create an incident to retard the reopening of negotiations. When the political advantage to be gained by sabotaging the negotiations has been removed there would be a much reduced risk of incidents.

CIRCULATION.

TOO 121810B.

Foreign Office  
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Mr. R. Allen  
Mr. P.A. Dean  
Mr. Armitage Smith  
D.C.O.R. '8'

**TOP SECRET**

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B 7.169. 5.54

(in P.M. 2 (Oct. 14.5.)

Middle East (Policy)

Defence Negotiations: Part 5

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House of Commons12. 5. 54**CANAL ZONE (BRITISH FORCES)**

40. Mr. Shinwell asked the Secretary of State for Foreign Affairs whether the Anglo-Egyptian negotiations on the evacuation of British forces from the Canal Zone are still proceeding; and to what extent any of our troops are being withdrawn.

Mr. Selwyn Lloyd: The answer to the first part of the Question is "No, Sir." The answer to the second part of the Question is "None."

Mr. Shinwell: Does that answer mean that no representations are being made at the present time by either side for a resumption of negotiations? Is it not the intention of Her Majesty's Government to make such representations at an early date?

Mr. Lloyd: I have nothing to add to what my right hon. Friend the Foreign Secretary said on 22nd March, which I think made the position perfectly clear.

Mr. Shinwell: The position was not made clear at all. The reply given to us by his right hon. Friend simply indicated a stalemate. I wish to know, as do many others, whether the Government—or the Egyptian Government—propose to resume negotiations.

Mr. Lloyd: What my right hon. Friend said on 22nd March was that conditions of confidence had to be created before negotiations could be properly embarked upon. In addition, there has been a good deal of change and shift of power during the past few weeks, and perhaps it is just as well to see how things settle down.

B.F. 27-454  
11m. to reply to  
Foreign Secy

MIDDLE East (Policy)  
File. (Defense Negotiations 1st Lt)

SECRET

FROM PARIS TO FOREIGN OFFICE

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Cypher/OTP

PRISEC

Sir G. Jebb

D. 9.45 p.m. April 23, 1954

No. 255

April 23, 1954

R. 10.03 p.m. April 23, 1954

PRIORITY

PRIME MINISTER'S

SECRET

PERSONAL TELEGRAM

My telegram No. 243: Egypt SERIAL No. T. 80/54

Following personal for Prime Minister from Secretary of State.

It looks to me as if we are going to come under strong pressure over this, and shall have particular difficulty over the question of American economic aid to Egypt. As you know, this has for long been a threat in the background, and it has not been easy to induce the United States Government to hold it up until now.

2. I wonder, therefore, whether we should not try to turn to account this element of American interest in the Egyptian problem. I have been giving much thought to your idea that we might draw the Americans into a share of responsibility for any settlement we reach with Egypt. Our plan for joint Anglo-United States civilian contractors to look after the base installations does not in itself involve the United States Government very deeply. But it would be a step in the right direction and, if combined with other steps described below, might make it possible for us to withdraw our troops without loss of prestige and without weakening Middle East security.

3. Mr. Dulles says that he wants to give economic aid "with the agreement of Her Majesty's Government and not against us". This ought to mean that he is ready to use the offer of economic assistance as a part of the bargaining process in any negotiations with Egypt for a Canal settlement. I should like to see whether we cannot take advantage of this.

4. At the same time I do not see why I should not ask Dulles to consider whether, once a comprehensive agreement is reached which involved the withdrawal of our forces from Egypt, there could not be some kind of joint Anglo-United States statement of interest in the maintenance of the base and the security of the Suez Canal and Middle East area.

/5. If

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SECRET

Paris telegram No. 255 to Foreign Office

-2-

5. If we are to bring about anything of this kind, it is clear that we must move soon. The American view that Nasser represents as stable an Egyptian Government as we are likely to get has been strongly confirmed to me here by the French, whose Ambassador in Cairo believes the existing military government far preferable to the Wafd whose return he would regard as a disaster. He considered that the present is probably the most opportune moment we are likely to have for reaching some sort of stable settlement.

6. I am not suggesting any immediate action, but should like your thoughts, so that I may be able to press Dulles a little further when he raises the matter again with me, as he is sure to do in a few days.

[Copies sent to Prime Minister].

*No dish.*

PPPP



file

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SECRET

FROM PARIS TO FOREIGN OFFICE

Cypher/OTP

FOREIGN OFFICE SECRET  
AND WHITEHALL SECRET  
(CABINET) DISTRIBUTION

Sir G. Jebb

No. 243

April 22, 1954

D: 11.20 p.m. April 22, 1954

R: 11.30 p.m. April 22, 1954

SECRET

Addressed to Foreign Office telegram No. 243 of April 22

Repeated for information to: Cairo  
Washington

Following from Secretary of State.

In the course of conversation after lunch today Mr. Dulles spoke to me about Egypt.

He said that if Her Majesty's Government could "move ahead soon" with Colonel Nasser he believed that there was a better chance than ever before to stabilize the situation in Egypt. The United States Government could help if at the same time they were to give the economic aid which they had reserved for Egypt. He would, of course, wish to give this aid with the blessing of Her Majesty's Government and not against us. The end of the United States fiscal year fell on June 30 and if the funds earmarked for Egypt were not spent by then they would disappear and Congress might not renew them. The time was therefore short in which this additional means of securing a stable Egypt could be used. He did not think the situation would improve if we waited any longer. He hoped I would think this over and let him have my views in a few days' time.

2. I replied that it would not be easy for me to make progress with the Egyptian negotiations while I was in Geneva. I had told Her Majesty's Ambassador to inform the Egyptian Government that we had noted recent signs that they were willing to cooperate in keeping order in the Canal Zone, and that if as I hoped, these tendencies continued, it would greatly facilitate a renewal of the discussions on my return. The key to the whole situation lay in the Canal Zone and we could not possibly negotiate while the Egyptian Government were encouraging disorders there.

Foreign Office please repeat to Cairo and Washington as my telegrams Nos. 1 and 103.

[Repeated to Cairo and Washington].

VVVVV

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*Middle East Policy  
Defence negotiations Pt. 3*

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Printed for the Cabinet. April 1954

The circulation of this paper has been strictly limited. It is issued for the personal use of *Prime Minister (3)*

**TOP SECRET**

C. (54) 137  
8th April, 1954

*Copy 2 on Middle East Base. Copy No. 4*  
*Copy 4 on Rome.*

CABINET

**EGYPT: CONCENTRATION AND CONTRACTION OF THE CANAL ZONE BASE**

MEMORANDUM BY THE MINISTER OF DEFENCE

I was invited by the Cabinet on 22nd March to report what initial steps could be taken to concentrate and contract the Base in the Canal Zone, and to recommend the phases of re-deployment which could be carried out in parallel with this contraction (C.C. (54) 21st Conclusions, Minute 2).

2. In present circumstances, it is necessary to plan on the assumption that either of two possible courses may have to be followed:—

- (a) that agreement will in due course be reached with Egypt on the withdrawal of British forces and on running the Base thereafter with Service technicians or by civilian contracts; or
- (b) that no agreement will be reached with Egypt and that we must be prepared to maintain indefinitely in the Canal Zone a garrison of approximately 15,000, as described in C. (54) 74.

3. These two alternatives are divergent almost from the start, since under alternative (a) the intention would be to maintain all the installations and stores required for the functioning of the Base irrespective of their location, whereas under alternative (b) the intention would be to withdraw within a defensible perimeter and to abandon all the installations outside it. There is, therefore, little action that is common to both alternatives and no substantial concentration or contraction of the Base is possible until it has been definitely decided which alternative to adopt. The following measures can, however, be taken without prejudicing this decision.

*Stores*

4. Certain stores which we now estimate will be surplus to requirements in Egypt under either alternative can be removed, making possible some slight reductions in the perimeters to be guarded. No reliable estimate of quantities can be made without consultation with Middle East but it is unlikely that they would be very large.

*Headquarters*

5. The Cabinet have already approved in principle the move of G.H.Q., Middle East and H.Q., Middle East Air Forces to Cyprus (C.C. (54) 5th Conclusions, Minute 6). In agreement with the Chancellor of the Exchequer I have authorised certain works services in Cyprus which will enable this move to start in the autumn

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of this year and to be completed about July, 1955. There are the following great advantages in an early move:—

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- (a) The G.O.C. British Troops in Egypt would be relieved of responsibility for guarding the Headquarters, their staffs and communications;
- (b) the Commanders-in-Chief, in Cyprus, would not be involved in the day-to-day tension in the Canal Zone and would be freer to consider their wider responsibilities in the Middle East as a whole.

6. However, if preparations are to be made for the move to begin in the autumn there are bound to be leakages. I recommend, therefore, that an early announcement of our intentions should be made.

#### *Royal Air Force Units*

7. Certain Air Force Units can be disbanded or redeployed. These would include the removal of two all-weather fighter squadrons and a photographic reconnaissance squadron and the closing down of two airfields, at Shallufa and Kabrit. These moves, which would reduce the number of R.A.F. personnel in the zone by about 2,000 could be completed at various dates up to 12 months from the order being given.

#### *Troops for Operation RODEO*

8. The Chiefs of Staff have in D. (54) 19 proposed to the Defence Committee a reconsideration of the practicability of present plans for operation RODEO (the occupation of Cairo and Alexandria for the protection of the British population). If it is agreed that we should, in future, plan only for more limited rescue operations, some reduction of fighting troops in the Canal Zone could, subject to the views of the Foreign Secretary, be effected.

#### *Conclusion*

9. I therefore ask the ~~Council~~ <sup>Cabinet</sup>—

- (a) to agree that the Commanders-in-Chief be instructed forthwith to remove or to dispose of all stores that will not be required in the Canal Zone under either alternative (a) or (b) in paragraph 2 above;
- (b) to approve an early announcement that the Headquarters of the Commanders-in-Chief, Middle East, will be transferred to Cyprus as soon as practicable;
- (c) to agree that, subject to the views of the Commanders-in-Chief, Middle East, the withdrawal or disbandment of certain R.A.F. units should be authorised where this will not prejudice either of the future courses of action described in paragraph 2;
- (d) to note that, subject to reconsideration of plans for operation RODEO, some contraction of the numbers of fighting troops in the Canal Zone may be possible.

A.

Ministry of Defence, S.W. 1,  
7th April, 1954.

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EGYPT AND SUDAN

November 3, 1954

Section 1

JE 1192/716

**FINAL STAGES OF THE NEGOTIATIONS AND EGYPTIAN REACTIONS  
TO THE ANGLO-EGYPTIAN AGREEMENT ON THE SUEZ  
CANAL AREA SIGNED IN CAIRO ON OCTOBER 19, 1954**

*Mr. R. Murray to Sir Anthony Eden. (Received November 3)*

(No. 206. Confidential) Cairo,  
Sir, November 1, 1954.

In his telegram No. 1566 Her Majesty's Ambassador reported that the Anglo-Egyptian Agreement for the establishment of a civilian-run base in the Suez Canal area had been signed at 10.26 p.m. on October 19. In the present despatch I have the honour to report on the final stages of the negotiations and Egyptian reactions to the agreement. The text of the agreement and the related documents and exchanges of letters are being sent separately.

2. The formal negotiations began immediately after the signing of the heads of agreement on July 27, and from the beginning the Egyptian Delegation showed great anxiety to conclude the agreement as rapidly as possible. At one time it seemed possible that the negotiations might be concluded by the middle of September, but the Egyptians' desire for speed did not lead them to gloss over even the smallest point in their interest, and this estimate proved over-optimistic. By the end of the month, however, substantial progress had been made but a number of points were outstanding in which departments at home were materially interested and in regard to which it would have been extremely difficult to obtain decisions by telegraphic reference with the speed necessary for a final "package" negotiation. Accordingly the Parliamentary Under-Secretary for Foreign Affairs, Mr. Anthony Nutting, arrived in Cairo on September 28 to lead the delegation during what it was hoped would be the final stages of the negotiations. Further progress was made during the week following his arrival. Nevertheless, difficulties over the question of accommodation for the British contractors and their staffs prevented final agreement being reached without further consultation between Her Majesty's Government and

the Federation of British Industries. Mr. Nutting therefore flew back to London on October 10 and returned to Cairo on October 15, bringing with him Sir John Duncanson, leader of the original survey team sent out by the Federation of British Industries to explore the possibility of setting up a civilian-run base.

3. The end was now in sight. A hard-fought compromise was reached on the question of accommodation for the contractors at a meeting between Mr. Nutting, Her Majesty's Ambassador and the Egyptian Prime Minister, on the morning of October 17, and the Egyptian Government no doubt confident that final agreement on the remaining points of difference would be reached that night, went ahead with the preparation of "spontaneous" demonstrations for the evening of October 19. At the evening meeting, however, Mr. Nutting, finding that his willingness to compromise earlier in the day over the question of contractors' accommodation had evoked little flexibility from the Egyptian side, declined to budge on the outstanding points and the meeting broke up without further progress. These tactics paid handsome dividends. By the next evening the Egyptian Delegation were considerably chastened and obviously determined to reach agreement, even at considerable sacrifice to themselves, in time for signature to take place the following night. The outcome of the final bout was therefore very much in our favour.

4. At the Egyptian request signature was arranged for nine o'clock on Tuesday evening of October 19, but because of the delay of twenty-four hours in reaching final agreement it was clear that the technical arrangements could only be completed in time as the result of superhuman efforts by the Egyptian Ministry of Foreign Affairs. The Ministry, alas, proved all too human. By ten o'clock on Tuesday evening only the

English text was ready. Demonstrators were, however, already thronging the streets and the arrangements were too far advanced to make further delay possible. The main documents were therefore rapidly assembled albeit in an incomplete form, and were available in time for signature to take place almost an hour and a half late. The final formalities were completed the following day.

5. The ceremony of signature took place in the Pharaonic Hall of the Egyptian Parliament to which were invited all the Egyptian and British members of the negotiating teams. Two members of the Sudanese Council of Ministers and some Sudanese personalities who happened to be in Cairo, were also present. Local notables did not attend and were presumably not invited. The Rector of the Azhar University, however, presented himself at the hall immediately after the signature to congratulate the Egyptian Delegation. The ceremony itself was short, dignified, and well-organised but lacked, perhaps inevitably in view of the protracted length of the negotiations, the spontaneous enthusiasm which marked the initialling of the heads of agreement.

6. The 20th and 21st of October were public holidays. More demonstrations, shouting slogans in support of Lieutenant-Colonel Nasser and the Council for the Revolutionary Command, paraded through the Cairo streets, which were decorated with banners and illuminations. Similar celebrations took place in other Egyptian towns, but there was little general enthusiasm, and though the people enjoyed the holiday, they remained largely apathetic. Nevertheless, the increasing courtesy and co-operation shown by the Egyptian authorities towards this embassy since it became apparent that the negotiations would be successfully concluded, has been matched by the increased friendliness of private citizens towards British residents in Egypt. Many well-disposed Egyptians, who during the period of strained relations were unable to show their feelings, have lost no time in re-establishing contact with British friends and expressing their satisfaction.

7. In the absence of any form of Parliament to which the agreement could be submitted for ratification, the régime were anxious to associate as many sections of the people as possible with their actions. The Egyptian Council of Ministers had formally approved the agreement on the morning of October 19 and had authorised

Lieutenant-Colonel Nasser, Major-General Abdel Hakim Amer, Wing Commander Boghdadi, Major Salem and Dr. Fawzi to sign it on behalf of the Egyptian Government. The approval of the Council of State was secured on October 20, though this had no legal force whatsoever, and thereafter a succession of mass meetings took place in Cairo at which professional associations, trade unions and institutions such as Al Azhar pledged their support for the régime and for the Anglo-Egyptian Agreement. One rally of provincial delegations was held in the Chamber of Deputies and it was pointed out that while there was no formally constituted Parliament, the people of Egypt were a Parliament in themselves.

8. Of the "old politicians," only Hussein Sirri, among former Prime Ministers, immediately congratulated Colonel Nasser. Aly Maher, although known to be generally satisfied with the agreement, was less prompt and conspicuous in making this gesture, an indication, no doubt, of his disappointment at not playing an active part in the negotiations and more generally of his disapproval of the régime's internal policy. Abdel Salam Fahmy Goma'a, alone of Wafdist leaders, publicly supported the agreement. In general, the attitude of more responsible old régime politicians appears to be one of regret that a reasonable settlement has been reached with a Government so inimical to their interests, and to some extent one of self-reproach at their past failure to find a solution to the Anglo-Egyptian problem. In public they maintain a non-committal attitude. They do not consider that it is in their interests either to support the agreement, or to attack it—which many of them would have no scruples in doing, in spite of their belief in its fundamental soundness, if they thought that to do so would further their own ends. Criticism of the agreement is therefore largely confined to elements who are determined at all costs to spare no effort to bring the present régime down, i.e., the extremist wing of the Wafd, the Moslem Brotherhood and Communist organisations. As the press is Government controlled, their views can only be disseminated by oral propaganda and illegal pamphlets. A considerable number of pamphlets (including one entitled "General Neguib criticises the agreement") were in circulation during the period immediately before the signature of the agreement. Since the agreement was signed, none has come to

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our notice. It is significant, however, that on a few occasions articles have appeared in the press replying to criticisms of the agreement. Finally these extremists resorted to terrorism.

9. On October 26 revolver shots were fired at Lieutenant-Colonel Nasser while he was addressing a mass meeting in Alexandria. Three persons near him were slightly hurt by splinters from shattered glass, but Lieutenant-Colonel Nasser himself remained unscathed. Four young men, said to be members of the Moslem Brotherhood, were arrested on the spot. It appears that the attempted assassination was directly inspired by the conclusion of the agreement, which a considerable section of the Moslem Brotherhood has consistently opposed. At all events, this was the first incident since the conclusion of the agreement which could be considered an act of open hostility to it.

10. General Neguib faded further into obscurity in the course of the negotiations. He was at no stage associated with them, and the only mention which he received in the press in their connexion was inclusion in a list of former unsuccessful negotiators. In general his name appears in the press only in connexion with the most formal official functions, and it is clear that Lieutenant-Colonel Nasser has successfully relegated him to the strict confines of his position as "Constitutional" head of the State. Even this office is not, however, entirely denuded of power, and in particular it would appear that, whatever the precise legal requirements for ratification of the agreement in the present confused constitutional situation in Egypt, the President is expected in some way to be formally associated with its promulgation in this country. Lieutenant-Colonel Nasser admitted to Her Majesty's Ambassador that he was having difficulty in persuading the General to sign the necessary legislation. The General has not so far publicly endorsed the agreement and his attitude, like that of the opposition, is no doubt determined more by an appreciation of the potential political value to himself of his rivals' vulnerability on the national issue than by any real objection to the terms of the agreement as such. The

Prime Minister for his part argued that the agreement represented what the Council for the Revolutionary Command had prescribed for itself a year ago in a document which General Neguib had signed: the only difference lay in the inclusion of Turkey in the reactivation clause. From his present withdrawn position it will not, however, be easy for Neguib to bring leverage to bear, and Colonel Nasser does not expect him to try to force the issue over ratification, or successfully to resist for long the Council for the Revolutionary Command's pressure on him to sign.

11. It is notoriously unsafe to forecast events in Egypt, yet I think that the prospects for the future of the agreement are as good as we could reasonably expect. The present Government are ready to carry out their obligations and are capable of doing so. They are in firm control of the country and have apparently decided to take advantage of their improved position in the country following the successful conclusion of the negotiations to deal a heavy blow to their main opponents, the Moslem Brotherhood. Though the danger of assassination is obviously ever-present, unsuccessful attempts such as that on October 26 may serve to increase the hold of the régime on the country and to give Lieutenant-Colonel Nasser a measure of public appeal which he has hitherto lacked. The implementation of the agreement will undoubtedly involve many difficulties and great efforts will be necessary if a lasting improvement in Anglo-Egyptian relations is to be achieved. Nevertheless the outlook is on the whole encouraging.

12. I am sending copies of this despatch to Her Majesty's Representatives at Paris, Washington, Beirut, Bagdad, Damascus, Jedda, Ankara, Amman, Tel Aviv, the Head of the Political Division of the British Middle East Office at Fayid, the United Kingdom Trade Commissioner at Khartoum and Her Majesty's Consul-General at Benghazi.

I have, &c.

(for Her Majesty's Chargé d'Affaires)  
T. GARVEY.



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*Middle East (Policy)*  
*(Defence Negotiations Pt. 5)*

Suez Canal Zone

25 OCTOBER 1954

Base (Agreement)

1610

... or when he makes his statement to the House, enlarge upon this prospect and say exactly what it means?

Sir A. Eden: What is contemplated is nothing new, but that the Strasbourg organisation should be used in respect of those countries which are parties to the Brussels Treaty for the special matters which concern the Brussels Treaty. We thought that that would be a better arrangement than trying to start something new.

#### SUEZ CANAL ZONE BASE (AGREEMENT)

The Minister of State (Mr. Anthony Nutting): Mr. Speaker, with your permission, and that of the House, I should like to make a statement on the Agreement with Egypt regarding the future of the Suez Canal Base which was signed in Cairo on 19th October.

The main Agreement follows the Heads of Agreement which were approved by this House after a debate on 29th July. The most important point is that we now have for the first time a legal right to maintain a base in Egypt. We shall be able to have there, for the duration of the Agreement, a reserve of warlike stores and also full facilities for the running of the workshops which are required for the maintenance and repair of British military equipment in the Middle East area in peacetime.

These facilities will be looked after by British civilian contractors. These contractors have been granted by the Egyptian Government immunity from the operation of those Egyptian laws which might in any way hamper their work. Furthermore they will receive customs exemption for most of the equipment and materials which they will need. These are very considerable financial and political concessions for a sovereign Government to make. The contractors will employ a maximum of 1,200 British technicians recruited in the United Kingdom and locally. This number is based on the contracting firms' own estimate of what will be sufficient for the job. We are greatly indebted to Sir Norman Kipping, the Chairman of the Federation of British Industries, to Sir John Duncannon, who led a mission to Egypt to survey the problem and accompanied

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me on my last visit to Cairo, and to the firms concerned, for their readiness to take on this task of national importance.

British troops are to be withdrawn from the Canal Zone within 20 months from the date of signature of the Agreement. We have reached agreement with the Egyptians on satisfactory arrangements for the withdrawal of our forces and the hand-over of the installations to the contractors.

The House will have observed that we are now embarking on a joint enterprise with Egypt. Certain installations are being handed over to the Egyptians, which will be maintained by them in efficient working order and will be available to us should the Base have to be reactivated. A Headquarters will also be available. The Egyptians are maintaining these installations at their own expense, and they are also bearing the cost of providing for the security of all the installations, which will amount to a considerable sum. British technicians will be situated at two air stations to assist in the servicing of aircraft under R.A.F. control, and in the overflying, landing and servicing facilities provided for in the main Agreement.

The House will remember that there was a large number of claims on both sides arising, for the greater part, out of the unilateral abrogation by the Egyptian Government of the 1936 Treaty. Her Majesty's Government have never accepted Egyptian claims arising under this heading. Nor have the Egyptian Government accepted ours. It has been agreed with the Egyptian Government that all outstanding governmental claims up to the date of signature of the Agreement should be waived. This waiver extends to private claims concerning British and Egyptian Government servants and Service men who lost their lives or suffered injury in Egypt after 16th October, 1951. In arriving at the waiver due credit was taken by Her Majesty's Government for claims of this kind, and their inclusion in the waiver will enable each government to deal with its own nationals. The Egyptian Government have undertaken to set up a Commission which will assess the reparation payable to those British Officials who were dismissed by the Egyptian Government at the end of 1951.

1611 Suez Canal Zone 25 OCTOBER 1954 Base (Agreement) 12

[MR. NUTTING.]  
I believe that this Agreement serves the interests of both Governments, and that it is the intention of the Egyptian Government, as of Her Majesty's Government, to make it work harmoniously. It marks a new and hopeful beginning to the process of rebuilding confidence between our two countries. I have been at pains to emphasise in all my discussions with the Egyptian Prime Minister and his colleagues that confidence is a two-sided matter. It is my hope that this confidence will now gradually develop. If that happens, then I believe that we shall have taken a step which will serve the cause of stability and peace throughout the Middle East.

Mr. Attlee: May I ask the right hon. Gentleman two questions? The Prime Minister has always stressed the great importance of having troops in the Canal Zone in order to ensure the safety of the Canal Zone. Can the right hon. Gentleman say what arrangements have now been made, now that the troops have been taken away, to satisfy the Prime Minister on this point? May I also ask him whether any steps are being taken to reassure the Government of Israel, because it is undoubted that the Israeli Government consider it an important point that there should be British troops in Egypt? Now that they have been taken away, have the Government considered giving any guarantee to Israel, such as is given to Iraq and Transjordan?

Mr. Nutting: In reply to the right hon. Gentleman's first question, British troops were there to protect the base and not the canal, and, under the Agreement now signed, as the right hon. Gentleman will observe in the White Paper, provision has been made for the reactivation of the base and the return of British forces in the event of an attack by an outside Power upon any Arab State or upon Turkey.

As to the right hon. Gentleman's second question, my right hon. Friend the Foreign Secretary has been in communication with the Israeli Ambassador in London, and has handed to him a memorandum giving full reassurances regarding the Agreement with Egypt. I should like to add my own reassurance in so far as this Agreement, in my view, cannot in any way disturb or alter unfavourably

for Israel the balance of power in the Middle East, and also to add my personal assurance that no weapons or arms of any kind will be left behind by British forces upon their withdrawal from the Canal Zone.

Mr. Shinwell: May I ask the Minister two questions? First, whether the Suez Canal will now be made free to the shipping of all nations; and secondly, whether any arrangement has been made about the vast stores at Tel-el-Kebir, which, I understand, are worth many hundreds of millions of pounds?

Mr. Nutting: As regards Tel-el-Kebir, that is to be the main workshop to which I referred in my statement. The Tel-el-Kebir workshop will be maintained by British contractors, and British technicians will live there. Stores will be kept there and in other parts of the base and in other installations, as the right hon. Gentleman can see for himself in the appendices to Annex II of the Agreement.

As to the first question my right hon. Friend the Foreign Secretary made, it is plain in the debate on the Heads of Agreement that we hoped that this Agreement, when it was signed, would lead to a gradual improvement in our relations with Egypt and in general Middle Eastern relations. We cannot ensure all these things at once, but I hope that, as a result of this Agreement, the climate will improve and that the general situation in the Middle East will also improve.

Mr. Shinwell: Can we not have some more definite assurance on the first point? Surely the matter cannot rest there. Surely the Government intend to press the matter in order to make this international canal free to the shipping of all nations?

Mr. Nutting: The Government's view on the subject has been made plain for a very long time, but, as far as the present Agreement is concerned, which is what I am dealing with now, it is an Agreement about the Canal Zone Base and not an Agreement about the canal.

Mr. Clement Davies: While appreciating the limitations of this Agreement, have not the Government asked for some guarantee that this international highway

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Suez Canal Zone

25 OCTOBER 1954

Base (Agreement)

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should be kept open for all shipping without any interference whatsoever by the Egyptian Government. Secondly, may I ask the right hon. Gentleman when the House will have an opportunity of further discussing this matter?

**Mr. Nutting:** As to the right hon. and learned Gentleman's second question, I would invite him to put it to my right hon. Friend the Leader of the House. In reply to the first question, I understand the feelings of the House in regard to this matter, but this Agreement was essentially limited to the future of the Canal Zone Base, and under it we have obtained certain undertakings and guarantees. The right hon. and learned Gentleman will agree that the situation arises out of the war between the Arab States and Israel, and it does not arise out of the former British occupation of military installations in the Canal Zone.

**Viscount Hinchingsbrooke:** As it appears that Tel-el-Kebir and other large installations will not only be maintained by the contractors but will be actively used to supply and maintain British troops in various theatres in the Middle East during the next seven years, will my right hon. Friend have another look at Appendix D, which seems to make it absolutely clear that the Egyptian authorities—and, indeed, anyone who cares to know—can find out at any time exactly what is entering the base or moving out of it to supply British units overseas? Will he have another look at it to see whether he is in a position to give certain assurances to the House?

**Mr. Nutting:** I do not know how my noble Friend proposes to move equipment in and out of the base secretly and without the knowledge of the Egyptian authorities, because he must know that for a very long time the Egyptian Government have been in control of the terminal ports of the Suez Canal, both Port Said and Suez, and therefore any movement must pass and must receive clearance from the Egyptian authorities.

**Mr. Strachey:** While appreciating that it would not have been wise to include any conditions regarding freedom of movement in this Agreement, can the right hon. Gentleman make it clear to the House that our future relations with Egypt must depend upon freedom, without discrimination, of navigation in the canal?

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**Mr. Nutting:** I lost no opportunity of impressing that point upon the Egyptian Government during my conversations, both before and after the signature of the Agreement, but I repeat that this Agreement is limited to the Canal Zone Base.

**Mr. J. Amery:** Following the question that was asked by the right hon. and learned Member for Montgomery (Mr. C. Davies), can my right hon. Friend confirm that it is the Government's intention to set aside at least a whole day for a debate on this matter?

**Mr. Nutting:** That is not for me to answer, but for my right hon. Friend the Leader of the House.

**Mr. Crossman:** While I do not want to press the right hon. Gentleman on a matter for which he is not to blame concerning personnel, is it not a fact that out of 1,200 so-called British personnel, about 400 are to be recruited in Egypt, and will, therefore, be either Maltese or Cypriots. Is it not a fact that 18 months ago the Government broke off or deadlocked the negotiations on the ground that 3,000 British personnel should be in uniform? I want to know why we have had the 3,000 dropped to 1,200, and the 1,200 now dropped to 800, and why the Government have wasted 18 months in time and £100 million in money to do so?

**Mr. Nutting:** I really fail to see why the hon. Gentleman should pass these smears on 400 British colonial subjects who will be employed in the Suez Canal Area. These men have served Her Majesty's Forces faithfully in the past, and I consider it to be a debt of honour to them that we should take on as many as we can, and that is definitely the view of the contractors. As to the larger number which was at one time required, that was when the base was going to be occupied and maintained by military technicians, and it was never conceived at that time that we would have a joint enterprise with the Egyptian authorities and that they would maintain certain installations for us against reactivation. That is now the arrangement we have made. We are maintaining many fewer installations than at the time to which the hon. Gentleman refers, and, therefore, we require fewer technicians.

**Mr. Brooman-White:** On the question of freedom of movement through the

1615 National Coal Board 25 OCTOBER 1954 (Annual Report)

[MR. BROOMAN-WHITE.]  
canal, are there not other countries which are just as concerned as Her Majesty's Government in maintaining freedom of navigation there?

Mr. Nutting: Yes, indeed. I think I can say that every maritime Power is concerned in that matter.

Mr. Jay: Does the Minister recall that as long ago as 1951 the Foreign Secretary, when in opposition, objected to the Government even making a financial agreement with Egypt without having an assurance about the freedom of the Canal, and that he divided the House? Why has he changed his mind?

Mr. Nutting: If the right hon. Gentleman will turn up the main Agreement, he will see that Article 8 reads that the two contracting Governments

"recognise that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially and strategically of international importance."

and both Governments expressed the determination

"to uphold the Convention guaranteeing the freedom of navigation of the Canal signed at Constantinople on the 29th of October, 1888."

#### NEW MEMBER SWORN

Victor John Collins, esquire, for Shoreditch and Finsbury.

## NATIONAL COAL BOARD (ANNUAL REPORT)

12

4.3 p.m.

The Minister of Fuel and Power (Mr. Geoffrey Lloyd): I beg to move,

That this House takes note of the Annual Report and Statement of Accounts of the National Coal Board for 1953.

This is a vast subject and I propose to adopt the plan that hon. Gentlemen wished me to adopt last year, which was to deal with some of the larger questions in the Report and, by way of commentary, to bring the subject up to date for the consideration of the House.

First, I should like to mention that in Chapter V of the Report a reference is made to the work of the committee on the organisation of the Coal Board which we were all glad last year was to be set up. It is a very powerful committee, with Dr. Fleck, Chairman of Imperial Chemical Industries, Limited, in the chair. It has been doing a great deal of work visiting coalfields, and I hope that we shall have a yearly report.

The Annual Report shows that in 1953 coal production fell. This year it is rising, though not so much as we would all like. Last year consumption of coal in the country showed a mild increase. This year there is a great upsurge in the consumption of coal. This is the biggest single factor in the coal situation this year. It reflects and is indeed the very basis of the buoyant progress of industry and of the records that have been made in the export drive and in the accumulation of our currency reserves. Industry after industry shows a big increase in coal consumption and an even bigger increase in production.

For example, in motor car production 8½ per cent. more coal has been used this year and there are records in production and in exports. The chemical industry has used 12½ per cent. more coal so far this year, and its exports are up by £2½ million. Mechanical engineering shows a 12½ per cent. increase in coal consumption, and electrical engineering a 14 per cent. increase. Gas consumption by industry in Birmingham and the Midlands is also up by 15 per cent. Consumption of electricity on the farms is

## EGYPT

STATEMENT ON THE ANGLO EGYPTIAN AGREEMENT TO BE  
MADE IN THE HOUSE OF COMMONS BY THE MINISTER OF  
STATE ON MONDAY OCTOBER 26, 1954

As the House is aware, the agreement with Egypt on the future of the Suez Canal Base was signed in Cairo on October 19th.

The text of this Agreement, together with its annexes and exchanges of notes, has been laid before the House as a White Paper.

The main Agreement follows the Heads of Agreement which were signed in Cairo on July 27 and approved by this House after a debate on July 29. Article 10 of the Heads of Agreement said that there would be many questions of detail to be settled. It is these which are now embodied in the annexes and exchanges of notes.

Perhaps I might be allowed to draw attention to the most significant points which arise from these very complex and voluminous documents.

The most

The most important point is that we now have for the first time a legal right to maintain a base in Egypt. We shall be able to have there, for the duration of the Agreement, a reserve of warlike stores and also full facilities for the running of the workshops which are required for the maintenance and repair of British military equipment in the Middle East area in peacetime.

These facilities will be looked after by British civilian contractors. These contractors have been granted by the Egyptian Government immunity from the operation of those Egyptian laws which might hamper their work. Furthermore they will receive customs exemption for most of the equipment and materials which they will need. These are very considerable financial and political concessions for a sovereign Government to make. The contractors will employ a maximum of 1200 British technicians recruited in the United Kingdom and locally. That

/number



number is based on the contracting firms' own estimate of what will be sufficient for the job. We are greatly indebted to Sir Norman Kipping, the Chairman of the Federation of British Industries, to Sir John Duncanson, who led a mission to Egypt to survey the problem and accompanied me on my last visit to Cairo, and to the firms concerned, for their readiness to take on this task of national importance.

British troops are to be withdrawn from the Canal Zone within 20 months from the date of signature of the Agreement. We have reached agreement with the Egyptians on satisfactory arrangements for the withdrawal of our forces and the handover of installations to the contractors.

The House will have observed that we are now embarking on a joint enterprise with Egypt. Certain installations are being handed over to the Egyptians, most of which will be maintained by them in efficient working order and will be available to us should the

/Base

Base have to be reactivated. A Headquarters will also be available. The Egyptians are maintaining these installations at their own expense, and they are also bearing the cost of providing for the security of the Base, which will amount to a considerable sum. British technicians will be situated at two air stations to assist in the servicing of aircraft under R.A.F. control, and in the overflying, landing and servicing facilities provided for in the main agreement.

Satisfactory arrangements have also been made for the retention and turnover of stocks of oil required by Her Majesty's Government under a contract with the Shell Company of Egypt.

The House will remember that there was a large number of claims on both sides arising, for the greater part, out of the unilateral abrogation by the Egyptian Government of the 1936 Treaty in 1951. Her Majesty's Government have never accepted Egyptian /claims

claims arising under this heading. Nor have the Egyptian Government accepted ours. It has been agreed with the Egyptian Government that all outstanding governmental claims up to the date of signature of the Agreement should be waived. This waiver extends to private claims concerning British and Egyptian Government servants and servicemen who lost their lives or suffered injury in Egypt after October 16, 1951. In arriving at the waiver due credit was taken by Her Majesty's Government for claims of this kind, and their inclusion in the waiver will enable each government to deal with its own nationals. The Egyptian Government have undertaken to set up a Commission which will assess the reparation payable to those British officials who were dismissed by the Egyptian Government at the end of 1951

I believe that this Agreement serves the interests of both Governments, and that it is the intention of the Egyptian Government, as of Her Majesty's  
/Government

-8-

Government, to make it work harmoniously. It marks a new and hopeful beginning to the process of rebuilding confidence between our two countries. I have been at pains to emphasise in all my discussions with the Egyptian Prime Minister and his colleagues that confidence is a two-sided matter. It is my hope that this confidence will now gradually develop.

If that happens, then I believe that we shall have taken a step which will serve the cause of stability and peace throughout the Middle East.

Middle East (Policy)  
Defence Negotiations  
A-3 A-5

file

CONFIDENTIAL

AMENDED DISTRIBUTION (October 21, 1954)

19

FROM WASHINGTON TO FOREIGN OFFICE

Cypher/OTP

FOREIGN OFFICE AND

Sir R. Makins

INTELLIGENCE DISTRIBUTION

No. 2238

D: 6.25 p.m. October 19, 1954

October 19, 1954

R: 7.10 p.m. October 19, 1954

IMMEDIATE

CONFIDENTIAL

Addressed to Foreign Office telegram No. 2238 of October 19,  
Repeated for information to Cairo.

Anglo-Egyptian Agreement.

Following is text of statement which Mr. Dulles intends to issue on the signing of the Anglo-Egyptian agreement: ✓

"The signing of the final agreement between Egypt and the United Kingdom on the Suez Base is an event of far reaching importance and an occasion for renewed congratulations to both countries.

"This action following the initialling of the agreement in principle last July marks the successful resolution of a problem which has existed in some form for many years. This solution has been facilitated by the development of a spirit of mutual confidence between the two countries which augurs well for their future relations.

"I believe that the removal of this deterrent to closer cooperation will open a new approach to peaceful relations between the Near Eastern States and other nations of the free world. It is my hope that this cooperation may now develop fully to the mutual advantage of all concerned and will strengthen the stability and security of the area.

"Egypt now assumes new and fuller responsibilities as the military base in the Suez Canal Zone passes from British to Egyptian control.

"I am pleased to note that in accepting these responsibilities Egypt has reiterated in the agreement its adherence to the principle of freedom of transit through the Canal in conformity with the 1888 Convention." ✓

Please pass Immediate to Cairo as my telegram No. 51.

[Repeated to Cairo]

ADVANCE COPIES

Sir I. Kirkpatrick  
Mr. Shuckburgh  
Resident Clerk.

Private Secretary  
Head African Department

Ref: PREM 11/702

87070

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*M. Kendall*

SUEZ CANAL BASE 25



Egypt No. 2 (1954)

## Agreement

between the Government of the  
United Kingdom of Great Britain and Northern Ireland  
and the Egyptian Government

regarding the Suez Canal Base

[with Annexes, Exchanges of Notes and Agreed Minute]

Cairo, October 19, 1954

[The Agreement has not yet been ratified by  
the Government of the United Kingdom.]

*Presented by the Secretary of State for Foreign Affairs to Parliament  
by Command of Her Majesty  
October 1954*

LONDON  
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AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE EGYPTIAN GOVERNMENT REGARDING THE SUEZ CANAL BASE

Cairo, October 19, 1954

CONTENTS

Table with 2 columns: Description and Page. Includes Main Agreement (3), Annex on Withdrawal (6), Annex on the Organisation of the Base (9), Exchanges of Notes (20-44), and Agreed Minute (44).

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Egypt, Desiring to establish Anglo-Egyptian relations on a new basis of mutual understanding and firm friendship,

Have agreed as follows:—

ARTICLE 1

Her Majesty's Forces shall be completely withdrawn from Egyptian territory in accordance with the Schedule set forth in Part A of Annex I within a period of twenty months from the date of signature of the present Agreement.

ARTICLE 2

The Government of the United Kingdom declare that the Treaty of Alliance signed in London on the 26th of August, 1936, with the Agreed Minute, Exchanged Notes, Convention concerning the immunities and privileges enjoyed by the British Forces in Egypt and all other subsidiary agreements, is terminated.

ARTICLE 3

Parts of the present Suez Canal Base, which are listed in Appendix A to Annex II, shall be kept in efficient working order and capable of immediate use in accordance with the provisions of Article 4 of the present Agreement. To this end they shall be organised in accordance with the provisions of Annex II.

ARTICLE 4

In the event of an armed attack by an outside Power on any country which at the date of signature of the present Agreement is a party to the Treaty of Joint Defence between Arab League States, signed in Cairo on the 13th of April, 1950, or on Turkey, Egypt shall afford to the United Kingdom such facilities as may be necessary in order to place the Base on a war footing and to operate it effectively. These facilities shall include the use of Egyptian ports within the limits of what is strictly indispensable for the above-mentioned purposes.

ARTICLE 5

In the event of the return of British Forces to the Suez Canal Base area in accordance with the provisions of Article 4, these forces shall withdraw immediately upon the cessation of the hostilities referred to in that Article.

ARTICLE 6

In the event of a threat of an armed attack by an outside Power on any country which at the date of signature of the present Agreement is a party to the Treaty of Joint Defence between Arab League States or on Turkey, there shall be immediate consultation between Egypt and the United Kingdom.

(1) "Treaty Series No. 6 (1937)," Cmd. 5360.

Public Record Office stamp with reference number PREM 11/702 and 87070. Includes text: 'Please note that this copy is supplied subject to the Public Record Office's terms and conditions and that your use of it may be subject to copyright restrictions.'

ARTICLE 7

The Government of the Republic of Egypt shall afford over-flying, landing and servicing facilities for notified flights of aircraft under Royal Air Force control. For the clearance of any flights of such aircraft, the Government of the Republic of Egypt shall accord treatment no less favourable than that accorded to the aircraft of any other foreign country with the exception of States parties to the Treaty of Joint Defence between Arab League States. The landing and servicing facilities mentioned above shall be afforded at Egyptian Airfields in the Suez Canal Base area.

ARTICLE 8

The two Contracting Governments recognise that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially and strategically of international importance, and express the determination to uphold the Convention guaranteeing the freedom of navigation of the Canal signed at Constantinople on the 29th of October, 1888.<sup>(1)</sup>

ARTICLE 9

(a) The United Kingdom is accorded the right to move any British equipment into or out of the Base at its discretion.  
 (b) There shall be no increase above the level of supplies as agreed upon in Part C of Annex II without the consent of the Government of the Republic of Egypt.

ARTICLE 10

The present Agreement does not affect and shall not be interpreted as affecting in any way the rights and obligations of the parties under the Charter of the United Nations.<sup>(2)</sup>

ARTICLE 11

The Annexes and Appendices to the present Agreement shall be considered as an integral part of it.

ARTICLE 12

(a) The present Agreement shall remain in force for the period of seven years from the date of its signature.  
 (b) During the last twelve months of that period the two Contracting Governments shall consult together to decide on such arrangements as may be necessary upon the termination of the Agreement.  
 (c) Unless both the Contracting Governments agree upon any extension of the Agreement it shall terminate seven years after the date of signature and the Government of the United Kingdom shall take away or dispose of their property then remaining in the Base.

ARTICLE 13

The present Agreement shall have effect as though it had come into force on the date of signature. Instruments of ratification shall be exchanged in Cairo as soon as possible.

<sup>(1)</sup> Commercial No. 2 (1889).  
<sup>(2)</sup> "Treaty Series No. 67 (1946)," Cmd. 7015.

In witness whereof the undersigned, being duly authorised thereto, have signed the present Agreement and have affixed thereto their seals.

Done at Cairo, this nineteenth day of October, 1954, in duplicate, in the English and Arabic languages, both texts being equally authentic.

- |                                |                              |
|--------------------------------|------------------------------|
| (L.S.) ANTHONY NUTTING.        | (L.S.) GAMAL ABDEL NASSER.   |
| (L.S.) RALPH SKRINE STEVENSON. | (L.S.) ABDEL HAKIM AMER.     |
| (L.S.) E. R. BENSON.           | (L.S.) ABDEL LATIF BAGHDADI. |
|                                | (L.S.) SALAH SALEM.          |
|                                | (L.S.) MAHMOUD FAWZI.        |

## ANNEX I

## Withdrawal of Her Majesty's Forces

(With Reference to Article 1 of the Present Agreement)

## PART A

1. In accordance with the provisions of Article 1 of the present Agreement, the following percentages of Her Majesty's Forces in Egypt on the 27th of July, 1954, shall have been withdrawn between that date and the dates indicated in the schedule below:—

Date	Percentage of Her Majesty's Forces
Date of Signature of the Agreement plus 4 months ....	22
Date of Signature of the Agreement plus 8 months ...	35
Date of Signature of the Agreement plus 12 months...	54
Date of Signature of the Agreement plus 16 months...	75
Date of Signature of the Agreement plus 20 months...	100

2. In connection with the above-mentioned withdrawal, the Government of the Republic of Egypt shall afford all necessary facilities for the movement of men and material.

## PART B

**Procedure for Standing Machinery, Staff Contacts and Issue of Instructions to the Appropriate Egyptian and British Authorities to Facilitate Withdrawal**

1. For the period of withdrawal mentioned in Article 1 of the present Agreement, the British and the Egyptian Authorities will each designate appropriate Headquarters in the Canal Area which will be responsible for the progressive transfer of responsibility for security or maintenance of installations from British to Egyptian control.

2.—(a) The British Headquarters for this purpose will be the Headquarters British Troops in Egypt and the Headquarters No. 205 Group, Royal Air Force.

(b) The Egyptian Headquarters for this purpose will be the Headquarters Eastern Command.

3. The Headquarters mentioned in paragraph 2 will be the link between the British and the Egyptian Authorities on all details in connection with the transfer of responsibilities for the security and maintenance of installations from British to Egyptian control. The Headquarters will establish direct staff contacts as appropriate to carry out the task on the lines set out in this Annex. Through the medium of their respective Movements Staffs, they will arrange for all the facilities to be provided by the Egyptian Authorities for the British Forces under paragraph 2 of Part A of this Annex.

4. During the period of withdrawal, the Headquarters Eastern Command will gradually assume increasing responsibility for the control of the Canal Area as the commitments of the British Headquarters diminish.

5. The British Headquarters will draw up an outline programme of withdrawal from the various installations for which they are at present responsible. This programme will be discussed between the British and the

Egyptian Headquarters so that the Egyptian Authorities may make plans accordingly for the progressive assumption of their responsibilities. The Egyptian Headquarters may propose in discussion minor modifications of dates, timing or areas concerned.

6. It is desirable that the transfer of responsibilities from the British to the Egyptian Authorities should be carried out by complete zones. But in cases where this is not possible, it is agreed, in the interests of ensuring a clear division of responsibility, that installations and areas handed over will be of such a size as will avoid the mixing of British and Egyptian Forces and producing circumstances where responsibilities cannot be clearly defined.

7. Except as provided for in paragraph 8, the responsibility for the security and maintenance of an installation will not be transferred when:—

- (a) the installation is still operated by British Forces; or
- (b) the installation forms part of a larger installation still operated by British Forces.

8. When an installation is handed over to the Egyptian Authorities for security or maintenance the withdrawal of British Forces from such installation will be complete and likewise the assumption of responsibility for the security or the maintenance of the installation by the Egyptian Authorities will be complete. Nevertheless, the Egyptian Authorities agree that they will, on request by the British Headquarters, assume responsibility for the security of a particular installation while a limited number of British technical troops are still engaged within the installation. Such a request shall not be made unless the number of British guard troops available is inadequate to ensure security.

9. When an installation is to be handed over to the Egyptian Authorities for security or maintenance, the Egyptian Headquarters will be notified as far in advance as possible and a date for the handing over will be agreed between the British and the Egyptian Headquarters.

10. A hand-over document of each installation will be prepared by the British Forces in such detail as may be agreed between the British and the Egyptian Headquarters, and will be handed over to the Egyptian Authorities in advance of the transfer, so as to enable the Egyptian Authorities to assess the security and maintenance problems and to make appropriate arrangements to deal with them.

11. When any installation is handed over to the Egyptian Authorities for security or maintenance, all defence posts, emplacements, barbed wire fences, communications, perimeter lighting where applicable, and fire fighting equipment on an appropriate scale, connected with the protection of the installation will be handed over by the British to the Egyptian Authorities. In addition all available information including data as to the pattern, number and location of mines will be handed over. In order to ensure a smooth and efficient transfer of responsibilities, the British Headquarters will provide all possible assistance and give advice, where required, particularly as regards mines.

12. When an installation, not listed in Appendix A to Annex II, is to be evacuated by British Forces, the Egyptian Headquarters will be notified as far in advance as possible.

13. During the period of withdrawal, British and Egyptian Forces will have unhampered use of the railways and main roads through each other's

areas of responsibility. When large-scale movements are contemplated, previous notification will be given and the necessary traffic control arrangements made.

14. During the period of withdrawal, training areas will be agreed between the British and the Egyptian Headquarters.

15. In order to avoid interference between radio stations operated by the British Forces and the Egyptian Forces in the Canal Area during the period of withdrawal, the use of non-internationally registered radio frequencies in the Canal Area shall be subject to co-ordination between the British and the Egyptian Headquarters.

### PART C

#### Engagement and Security Screening of Workers

The following provisions shall apply with respect to the engagement by the British Forces in the Suez Canal Area of technicians and personnel and other local labour (hereinafter referred to as "workers") and the security screening of those workers:—

1. Employment offices at Port Said, Ismailia, Suez and Zagazig will register workers for employment by British Forces.

2. The British Forces Labour Engagement Units will be placed to conform with the location of the Employment Offices mentioned in paragraph 1 and there will be full co-operation between these Units and Offices, and between the Central Labour Authorities of the British Forces and the Central Office of the Ministry of Social Affairs at Ismailia.

3. The British Forces Labour Engagement Units will give full details of occupational requirements when notifying vacancies to the Employment Offices.

4. Applicants registered at the Employment Offices will be screened by Officers of the Egyptian Ministry of the Interior.

5. If, however, the Security Officer of the British Forces considers that an applicant is undesirable, this fact will be notified to the Employment Office concerned. The reasons will also be notified whenever possible.

6. No worker will be engaged by the British Forces unless he has been registered at and submitted by an Employment Office after screening by the Officers of the Egyptian Ministry of the Interior.

7. The British Forces will trade-test applicants in skilled occupations as may be necessary and in accordance with present practice. If an applicant is not accepted, the Employment Office will be notified and brief reasons will be given.

8. Workers employed by the British Forces, who become redundant as withdrawal proceeds, will not be discharged until they have been considered for transfer to other units of the British Forces which may need additional workers in similar occupations. Notifications of such transfers will be sent to the Employment Offices concerned. When notice of termination of services is given to a worker, notification will be sent to the appropriate Employment Office.

9. As and when the services of workers are terminated by the British Forces, such workers will, in accordance with the Civilian Employees

Regulations of the British Armed Forces in the Suez Canal Zone, be paid the leaving indemnities due to them and be given their appropriate notice or alternatively wages in lieu of such notice.

10. The provisions of paragraphs 1 to 8 above apply to all workers, other than those of British nationality employed by the British Forces.

## ANNEX II

### Organisation of the Base

#### PART A

1. For the purposes of the present Agreement, the following definitions shall apply:—

- (a) "The Base" shall mean the installations listed in Appendix "A" to this Annex, including both land and buildings, but excluding the equipment therein.
- (b) "British equipment" shall mean all movable property, including such property fixed to permanent foundations, owned by the Government of the United Kingdom.
- (c) "British technicians" shall mean the civilian personnel of British nationality employed in Egypt by the commercial firms in accordance with the provisions of paragraph 8 of this Part of this Annex.
- (d) "Aircraft under Royal Air Force Control" shall mean aircraft of Her Majesty's Forces and British civilian aircraft under charter to them.

2. (a) The Government of the United Kingdom shall have the right to maintain, and to operate for current requirements, the installations numbered as serials 1, 7, 8, 9, 10, 14, 16, 30 to 34 inclusive and 36 in the list at Appendix "A" to this Annex.

(b) Should the Government of the United Kingdom decide at any time no longer to maintain any of these installations, they will discuss its disposal with the Government of the Republic of Egypt.

(c) The approval of the Government of the Republic of Egypt shall be obtained for any new construction in any of the installations mentioned in sub-paragraph (a) of this paragraph.

3. The Government of the Republic of Egypt shall maintain in good order each of the installations numbered as serials 2, 3, 4, 5, 6, 11, 12, 13, 15, 17 to 29 inclusive and 37 in the list at Appendix "A" to this Annex from the date on which the installation is handed over to the Government of the Republic of Egypt by the Government of the United Kingdom.

4. Within a period of twenty months from the date of signature of the present Agreement, the Government of the United Kingdom shall transfer to the Government of the Republic of Egypt ownership and possession of the installations and equipment listed in Appendix "B."

5. Following the withdrawal of Her Majesty's Forces, the Government of the Republic of Egypt as the sovereign government shall assume responsibility for the security of the installations and of all equipment contained therein, or in transit to or from the Base, in accordance with the provisions of Part "E" of this Annex.

6. For the purpose of maintaining and operating the installations referred to in paragraph 2 (d) above and the British equipment thereon, the Government of the United Kingdom shall conclude contracts with one or more British or Egyptian commercial firms (hereinafter referred to as contractors).

7.—(a) The Government of the Republic of Egypt shall give full support to the contractors who shall be afforded such facilities as may be required to enable them to carry out their tasks.

(b) The Government of the Republic of Egypt shall designate an authority with whom the contractors can co-operate in carrying out those tasks. This authority will be the General Officer Commanding Eastern Command, or any person delegated to act on his behalf.

(c) A Board of Management shall be appointed by the contractors and established in the Base to co-ordinate the contractors' activities.

8.—(a) The contractors shall have the right to employ British technicians up to a total of 1,200 but not exceeding for those recruited outside Egypt a total of 800; as well as such Egyptian technicians and personnel, and such local labour engaged in Egypt as they may require.\*

(b) The Government of the Republic of Egypt shall give facilities for the entry into and exit from Egypt of British technicians and their families.

9. The Government of the United Kingdom shall be afforded facilities for the inspection of the installations referred to in paragraph 2 (a) of this Part of this Annex, and the work being carried out therein. For this purpose, personnel, not exceeding eight in number, shall be attached to Her Majesty's Embassy in Cairo. In addition, personnel, not exceeding five in number, may be attached temporarily to Her Majesty's Embassy in Cairo.

#### PART B

##### Contractors and their Employees

1. Egyptian law shall apply to the activities in Egypt of companies and partnerships acting as contractors for the purposes of the present Agreement and to their personnel.

2. Nevertheless, any such company or partnership having its head office and the office of its principal activity outside Egypt, and having no other activities in Egypt at the date of signature of the present Agreement, shall, with respect to its activities pursuant to the present Agreement, enjoy the following exemptions:—

(a) Such company or partnership shall not be required to effect any registration under the provisions of the Egyptian Commercial Register Law No. 219 of 1953 or be required to comply with the provisions of Articles 91, 92 and 93 of the Egyptian Companies Law No. 26 of 1954.

(b) Such company or partnership shall not be required to pay Egyptian tax on profits including the tax on the presumed distribution of dividends under Article 11 of Law No. 14 of 1939.

(c) With respect to British technicians recruited outside Egypt for the purposes of the present Agreement, any such company or partnership,

(\*) British civilian technicians will be located at Abu Sueir Airfield and Fanara Flying Boat Station to assist in the servicing of aircraft under Royal Air Force control and in the take-off, flying and landing procedures in connection with the landing and servicing facilities mentioned in Article 7 of the present Agreement. So far as can be foreseen the number of such technicians located at Abu Sueir Airfield and Fanara Flying Boat Station will be 23.

as well as these technicians, shall be exempt from the following Egyptian laws:—

(i) Individual Contract of Service Laws No. 317 of 1952 and No. 165 of 1953;

(ii) Law concerning Compulsory Insurance in respect of Workmen's Compensation No. 86 of 1942, Workmen's Compensation Law No. 89 of 1950 and Law on Compensation for Industrial Diseases No. 117 of 1950, or any other Law which may require industrial insurance or compensation for industrial diseases; and

(iii) Law relating to Workers' Syndicates No. 319 of 1952.

3. References to laws in the preceding paragraph include any enactment replacing or amending these laws.

4. The Government of the Republic of Egypt express their willingness to consider sympathetically the grant of exemption from any law that may impede the performance by the contractors and their personnel of their tasks pursuant to the purposes of the present Agreement.

5.—(a) With reference to paragraph 2, no activity shall be regarded as being outside the purposes of the present Agreement if it is done for the Government of the Republic of Egypt at their request.

(b) Subject to the consent of and on conditions agreed with the Government of the Republic of Egypt, a company or partnership referred to in paragraph 2 may, with respect to its activities pursuant to the present Agreement, continue to enjoy the exemptions referred to in paragraphs 2 to 4, notwithstanding any new activities in Egypt outside the purposes of the present Agreement.

6. Any company incorporated under the laws in force in the United Kingdom solely to act as a contractor for the purposes of the present Agreement and having its head office outside Egypt shall be treated in the same way and enjoy the same exemptions as companies and partnerships referred to in paragraph 2 notwithstanding that the office of the principal activity of such first-mentioned company may be in Egypt.

7.—(a) In accordance with paragraph 2 (c) of Part A of this Annex, contractors may, subject to agreement with the Government of the Republic of Egypt, build houses in so far as the requirements of their personnel are not covered by existing accommodation.

(b) Contractors may also hire houses subject to such conditions as may be agreed between them and the lessors.

8.—(a) Companies and partnerships incorporated or formed under the laws in force in the United Kingdom and engaged in activities pursuant to the present Agreement and British technicians employed by such companies and partnerships shall, with respect to those activities, be accorded in Egypt treatment no less favourable than that accorded to the nationals, including companies and partnerships, of any other foreign country.

(b) The provisions of sub-paragraph (a) of this paragraph shall not be construed as conferring any right or privilege which is or may be accorded only to Arab League States.

9. Companies and partnerships engaged in activities pursuant to the present Agreement and their British workers, employees and personnel shall, with respect to those activities, be accorded treatment no less favourable than that afforded generally to Egyptian nationals, including companies and partnerships. The provisions of this paragraph shall not confer any special privilege which is granted to Egyptian nationals in special circumstances.



10. Any service rendered or supply furnished from installations listed in Appendix "A" to this Annex or at Egyptian airfields in the Suez Canal Base area by contractors to Egyptian authorities or by Egyptian authorities to contractors will be at cost price, i.e., at a price composed of the cost of the materials consumed, the labour used and a due allowance for actual overhead expenses in providing the service or supply.

#### PART C

(With reference to Article 9 of the present Agreement)

1. The supplies held in the Base will consist of the categories listed in Appendix "C" to this Annex. After the end of the period of withdrawal, the level of supplies in each category shall not exceed the figure quoted in the schedule. Except with the consent of the Egyptian authorities, supplies in one category shall not be replaced by supplies of another category.
2. For the purposes of paragraph 1 above the contractors will, after the period of withdrawal, give the Egyptian Designated Authority information regarding the disposition, composition and amount of the supplies held in the installations.
3. The procedure to be followed with respect to the import and export of British equipment being moved into or out of the Base is set forth in Appendix "D" to this Annex.
4. The Government of the Republic of Egypt shall accord all necessary facilities for the storage and turnover of petroleum products to the contractor who maintains and operates the installations numbered as serials 30 to 34 inclusive in Appendix "A" to this Annex as well as the storage capacity leased to him by the Government of the Republic of Egypt numbered as serial 35 in that Appendix. Petroleum products thus held on behalf of the Government of the United Kingdom shall be in accordance with paragraph 1 above.

#### PART D

##### Imports and Exports

1. British technicians recruited outside Egypt may, on first arrival, import into Egypt free of customs duty their personal effects and household goods. Members of one household may, on first arrival, import into Egypt free of customs duty personal effects and household goods belonging to other members of the same household.
- 2.—(a) Provided that the supplies held in the Base do not exceed the level for which provision is made in paragraph 1 of Part C of this Annex, the contractors may import into Egypt and use for the purposes of the present Agreement, without licence, let or hindrance and free of any customs duty or any other dues or taxes, British equipment consigned by the Government of the United Kingdom which is either (i) within the categories of supplies referred to in that paragraph, or (ii) to replace equipment within any installation.  
(b) Nevertheless, this exemption from customs duty, other dues and taxes shall not extend to:—  
(i) any petrol, oil or lubricants used by the contractors;  
(ii) any motor vehicles (other than tank transporters and their towing vehicles) used by the contractors outside the installations, or  
(iii) any office furniture or office supplies imported and used by the contractors.

3. No property imported into Egypt in accordance with the provisions of paragraphs 1 and 2 above shall be sold in Egypt unless Egyptian customs duty and all other dues are paid at the appropriate rate.

4. The Egyptian authorities shall permit, without licence, let or hindrance and without fee or other charge, the export by contractors of any British equipment now in the Base, imported into Egypt or manufactured in Egypt for the purposes of the present Agreement, and the export by such British technicians recruited outside Egypt of any property imported into Egypt by them.

#### PART E

(With reference to paragraph 5 of Part A of this Annex)

##### Security

1. The installations shall receive from the Government of the Republic of Egypt as the sovereign Government the necessary measures for their security. Accordingly, the measures taken by the Government of the Republic of Egypt for the security of the installations handed over to the contractors shall not be less effective than those taken for the security of comparable Egyptian installations.
2. The measures to be taken by the Government of the Republic of Egypt for the security of installations handed over to the contractors shall include the upkeep of perimeter wires, perimeter lighting and defence posts and the provision of defence stores, communications and other necessary measures. Material for the replacement or maintenance of such perimeter wires, perimeter lighting and defence posts shall be provided by the Government of the United Kingdom.
3. Without prejudice to the general principles mentioned above, the contractors shall:—  
(a) take all reasonable measures necessary to prevent theft, sabotage and fire inside the perimeter of the installations, including the posting of internal security civilian guards; and  
(b) in particular ensure that, as far as facilities permit, stores are kept under lock and key, and only the minimum in open stacks; and  
(c) without prejudice to the provisions of sub-paragraphs (a) and (b) of this paragraph, comply with Egyptian general security regulations issued by the Egyptian Designated Authority and applicable to comparable Egyptian installations so far as they relate to the matters mentioned in those sub-paragraphs; in this connection the Egyptian authorities shall have the right to carry out inspections to ascertain that these regulations are complied with; and  
(d) co-operate fully with the Egyptian authorities in the maintenance of the security of the installations.
4. The appropriate Egyptian authorities and the contractors shall jointly establish and enforce a pass system to cover the entry into and the exit from the installations of persons, vehicles, equipment and stores with a view to reducing the risk of loss or sabotage.
5. The Egyptian authorities, being responsible for the general security of equipment and stores during movement, shall be given 48 hours notice when it is intended to move equipment or stores to or from installations



except in cases where the Egyptian authorities agree to a shorter period notice. Similar notification should be given to the Egyptian authorities in the case of stores awaiting movement at docks or railway sidings.

#### PART F

##### Engagement of Workers by Contractors and their Security Screening

The following provisions shall apply with respect to the engagement by contractors of technicians and personnel and other local labour (hereinafter referred to as "workers") and the security screening of such workers:—

1. The Ministry of Social Affairs Employment Offices will provide full facilities to the contractors for the engagement of their workers.
2. The location of the installations will determine the Employment Offices with which contractors will co-operate.
3. The contractors will give full details of occupational requirements when notifying vacancies to the Employment Offices.
4. Workers engaged by contractors who have been previously employed by Her Majesty's Forces and have been screened by Officers of the Egyptian Ministry of the Interior will not be screened again, but all other workers previously employed by Her Majesty's Forces will be so screened before engagement by the contractors.
5. No worker, who has not previously been employed by Her Majesty's Forces or by a contractor, will be engaged by a contractor or be otherwise employed within an installation unless he has been registered at and submitted by an Employment Office after screening by Officers of the Egyptian Ministry of the Interior.
6. A worker who has already been trade-tested by Her Majesty's Forces or by another contractor may be engaged by a contractor in a similar occupation without further test. In the case, however, of a new applicant who is submitted to a contractor and is rejected after trade-testing, the Employment Office will be notified and brief reasons will be given.
7. The provisions of paragraphs 1 to 6 above apply to all workers, other than those of British nationality (who will be included in the agreed number of British technicians employed by the contractors).

#### APPENDIX A

(With reference to paragraphs 2 and 3 of Part A of this Annex)

Serial	Description and Location (a)	Map Reference (b)	Sheet Reference (c)
1	The Base Installation at Tel el Kebir situated on a desert site of some 16 square miles within own existing perimeter fence, including:— No. 2 Base Workshop consisting of some 1 million square feet of covered workshop and stores accommodation. No. 5 Base Ordnance Depot consisting of some 1.7 million square feet of covered and some 40 million square feet of open storage accommodation. Base Vehicle Depot (including workshop) consisting of some .25 million square feet of covered accommodation and some 21.5 million square feet of open storage accommodation. Power Station. Water Supply (total of seven wells). Tel el Kebir Ice Plant located in a separate building within own existing perimeter fence close to the Power Station referred to in Serial 1 above. Tel el Kebir Filtration Plant within own existing perimeter fence at approximately Kilo 90 on Ismailia-Cairo Road, and Water Distribution System. No. 33 Supply Reserve Depot at El Kirsh situated on a site of some 31 square miles within own existing perimeter fence adjacent to the Canal Road and the Ismailia-Port Said Railway consisting of covered storage for some 57,000 tons and open storage for some 100,000 tons gross. El Kirsh Power Station within perimeter of Serial 4 above.	TEL EL KEBIR	Sheet 1
2	Tel el Kebir Ice Plant located in a separate building within own existing perimeter fence close to the Power Station referred to in Serial 1 above.	TEL EL KEBIR	Sheet 1
3	Tel el Kebir Filtration Plant within own existing perimeter fence at approximately Kilo 90 on Ismailia-Cairo Road, and Water Distribution System.	TEL EL KEBIR	Sheet 2
4	No. 33 Supply Reserve Depot at El Kirsh situated on a site of some 31 square miles within own existing perimeter fence adjacent to the Canal Road and the Ismailia-Port Said Railway consisting of covered storage for some 57,000 tons and open storage for some 100,000 tons gross.	EL KIRSH	Sheet 2
5	El Kirsh Power Station within perimeter of Serial 4 above.	EL KIRSH	Sheet 2
6	Filtration Plant, designated Ismailia East, situated at Ferry Point within own existing perimeter fence, and Water Distribution System.	ABU SULTAN	Sheet 3
7	No. 9 Base Ammunition Depot at Abu Sultan situated on a desert site of some 8 square miles within own perimeter fence consisting of some .8 million square feet of covered and some .3 million square feet of open storage.	ABU SULTAN	Sheet 3
8	Abu Sultan Power Station within own existing perimeter fence adjacent to the Suez-Ismailia Railway, and Power Distribution System.	ABU SULTAN	Sheet 3
9	Abu Sultan Filtration Plant adjacent to and within existing perimeter fence of Power Station referred to in Serial 8 above, and Water Distribution System.	ABU SULTAN	Sheet 3
10	The Base Engineer Installation at Fanara situated on a desert site of some .5 square miles within own existing perimeter fence, situated between Suez-Ismailia Railway and the Sweetwater Canal, including:— No. 8 Engineer Stores Base Depot consisting of some 12.4 million square feet of open storage accommodation. Engineer Base Workshop consisting of some .25 million square feet of covered workshop accommodation. Machinery Spare Parts Depot consisting of some 48,000 square feet of covered storage.	FANARA	Sheet 4
11	Machine shops of No. 109 Maintenance Unit R.A.F. (Buildings Nos. 513, 520, 523, 525, 527 and 530 on Site Plan of R.A.F. Station, Abyad).	ABYAD	ABYAD
12	Two R.A.F. Power Stations (Buildings Nos. 529 and 590 on Site Plan of R.A.F. Station, Abyad).	ABYAD	ABYAD
13	R.A.F. Hospital (Buildings Nos. 611, 612, 613, 719, 720, 758, 759, and one unnumbered building inside area indicated on Site Plan of R.A.F. Station, Abyad).	ABYAD	ABYAD

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Serial	Description and Location (a)	Map Reference (b)	
		(b)	(c)
14	Fayid Power Station on a desert site within own existing perimeter fence adjacent to the main road which lies to the west of the Canal Road and to a branch line from the Suez-Ismailia Railway, together with its associated Cooling Water Pumping Station situated on the Sweetwater Canal within own existing perimeter fence, and Power Distribution System.	FAYID	Sheet 4
15	Two Filtration Plants, designated Fayid North and Fanara No. 1, both situated on the Sweetwater Canal, each within own existing perimeter fence, and Water Mains running along the main road which lies to the west of the Canal Road.	FANARA	Sheet 4
16	Two Filtration Plants, designated Fanara No. 2 and Fanara No. 3, both situated on the Sweetwater Canal, each within own existing perimeter fence and Water Distribution System.	FANARA	Sheet 4
17	Navy, Army and Air Force Institutes Bulk Issue Storage Building at Fanara situated on a desert site of some 17 acres within own existing perimeter fence adjacent to a branch line from the Suez-Ismailia Railway, consisting of some 80,000 square feet of covered storage accommodation.	FANARA	Sheet 4
18	Jerrican Factory at Fanara on a desert site of some 6 acres within own existing perimeter fence adjacent to the main road to the west of the Canal Road and to a branch line of the Suez-Ismailia Railway, comprising some 90,000 square feet of covered workshop accommodation and equipment therein.	FANARA	Sheet 4
19	No. 10 Base Ordnance Depot at Geneifa situated on a desert site of some 3 square miles within own existing perimeter fence adjacent to the main road to the west of the Canal Road comprising some 1.1 million square feet of covered and some 7.8 million square feet of open storage accommodation.	GENEIFA	Sheet 5
20	Geneifa Power Station within perimeter of Serial 19 above.	GENEIFA	Sheet 5
21	Geneifa Filtration Plant situated on the Sweetwater Canal within own existing perimeter fence, and Water Distribution System.	GENEIFA	Sheet 5
22	No. 9 Engineer Stores Base Depot at Suez situated on a desert site of some 140 acres within own existing perimeter fence adjacent to the Suez-Cairo Railway consisting of some 190,000 square feet of covered storage accommodation.	SUEZ	Sheet 6
23	Railway Workshop and Sidings at Suez situated on a desert site of some 144 acres within own existing perimeter fence adjacent to the Suez-Cairo Railway consisting of some 115,000 square feet of workshop and covered storage accommodation.	SUEZ	Sheet 6
24	Suez Power Station situated within the perimeter fence of Serial 22 above.	SUEZ	Sheet 6
25	Suez Filtration Plant situated between the Suez-Ismailia Railway and the Sweetwater Canal within own existing perimeter fence, and Water Distribution System including Storage Tanks at Adabiya.	SUEZ	Sheet 6
26	Ataka Cold Store consisting of four separate buildings on a desert site each within own existing perimeter fence adjacent to the Suez-Adabiya Road, having a total capacity of 7,000 tons and own electricity generating plant.	ADABIYA	Sheet 7
27	Army Medical Equipment Depot at Ataka situated on a desert site within own existing perimeter fence adjacent to the Suez-Adabiya Road and consisting of some 143,000 square feet of covered storage and workshop accommodation, 6,500 cubic feet of cold storage and 149,000 square feet of hard standing.	ATAKA	Sheet 6

Serial	Description and Location	Map Reference	
		(b)	(c)
28	Surgical Equipment Repair Workshop buildings located within the perimeter of Serial 27 above.	ATAKA	Sheet 6
29	Adabiya Power Station on a desert site within own existing perimeter fence adjacent to the Suez-Adabiya Road and to Adabiya Port.	ADABIYA	Sheet 7
FANARA PETROLEUM SYSTEM			
30	Fanara Bulk Storage installation on a desert site within own existing perimeter fence consisting of 14 tanks and ancillary pumping plant connected by pipelines to Fanara Oil Jetty (Serial 31) and to the Fanara Filling Area (Serial 32).	FANARA	Sheet 4
31	Fanara Oil Jetty extending into the Great Bitter Lake adjacent to the Canal Road with 3 pipelines from jetty head to Fanara Bulk Storage installations (Serial 30), including a pump set on the jetty.	FANARA	Sheet 4
32	Fanara Filling Area on a desert site within own existing perimeter fences, including filling facilities for vehicles and containers, located to the east of Fanara Bulk Storage installation (Serial 30) and connected thereto by pipelines.	FANARA	Sheet 4
NEFISHA PETROLEUM SYSTEM			
33	Nefisha Bulk Storage installation on a desert site consisting of 1 tank and ancillary pumping plant connected by a pipeline to Fanara Bulk Storage installation (Serial 30) and by a pipeline to Nefisha Filling Area (Serial 34).	NEFISHA	Sheet 2
34	Nefisha Filling Area on a desert site within own existing perimeter fence, including filling facilities for vehicles and containers, located to the north of Nefisha Bulk Storage installation and connected thereto by pipeline.	NEFISHA	Sheet 2
35	Storage capacity in the Agrud Bulk Petroleum Storage installation for 52,600 metric product tons.	—	
36	Accommodation for British technicians in the Moascar Area as defined on the site plan of Moascar attached hereto.	MOASCAR	
37	H.Q. M.E.A.F. as marked on the site plan of R.A.F., Ismailia attached hereto.	R.A.F., ISMALIA	

NOTES.—

1. Unless otherwise stated the area of the ground covered by an installation shall include all buildings and structure within that area. The areas of the installations are defined on maps.
2. In the event of the return of British Forces to the Suez Canal Base area in accordance with Article 5 of the present Agreement, provision shall be made for a Base Headquarters in that area.
3. Part of Serial 4 and the whole of Serial 6 are built on land forming part of the concession of the Suez Maritime Canal Company. Their hand-over is subject to the agreement of that Company and the conclusion of the necessary formalities between the Government of the Republic of Egypt and the Company.
4. Ownership and possession of Moascar Area shall be transferred under the terms of paragraph 4 of Part A of Annex II to the present Agreement with the exception of the possession of the area referred to under Serial 36 of Appendix A to Part A of Annex II (and shown and outlined on the site plan attached hereto) which shall be reserved rent free for the accommodation of British technicians during the period of the present Agreement.

## APPENDIX B

(With reference to Paragraph 4 of Part A of Annex II)

The following are the installations to be transferred:—

- (a) All the airfields in the Suez Canal Base area occupied by Her Majesty's Forces. These are situated at:—  
 El Firdan.  
 Ismailia, excluding the area of HQ MEAF stated in Serial 37 of Appendix A to Annex II.  
 Abu Sueir.  
 Deversoir (excluding that part built on land which forms part of the concession of the Suez Maritime Canal Company).  
 Fayid.  
 Kasfareet.  
 Fanara (Flying Boat Station).  
 Kabrit.  
 Shandur, and  
 Shallufa.
- (b) Navy House, Port Said.  
 (c) Adabiya Port, including heavy cranes.  
 (d) Royal Naval Boom Depot, Adabiya.  
 (e) The Delta W.T. Station.  
 (f) Moascar.\*  
 (g) Serials 2, 3, 4, 5, 6, 11, 12, 13, 15, 17-29 inclusive and 37 in the List of Installations in Appendix A to Annex II.

## APPENDIX C

(With reference to Paragraph 1 of Part C of this Annex)

Category	Level
1. Ammunition, including all natures of ammunition, mines and explosives	50,000 (tons)
2. Stores, including bridging equipment, engineer and ordnance stores	300,000 (tons) 2,000 (number)
3. Unarmoured Vehicles	500 (pieces) 30 (number)
4. Engineer Equipments, including engineer plant and earth-moving equipments	100 (number) 3 (number)
5. Air and Ground Fuels	80,000 (tons)
6. Petrol and Water Containers	1,300,000 (jerricans)
7. Equipment under Repair— Heavy and Light Armoured Vehicles	70 (number)
Wheeled Vehicles	400 (number)
Artillery Equipments	50 (number)
Engineer Plant and Equipments	50 (number)
Other Stores	1,500 (tons)

\* Ownership and possession of Moascar Area shall be transferred under the terms of paragraph 4 of Part A of Annex II to the present Agreement with the exception of the possession of the area referred to under Serial 36 of Appendix A to Part A of Annex II (and shown and outlined on the site plan attached thereto)† which shall be reserved rent free for the accommodation of British technicians during the period of the present Agreement.  
 † Not reproduced.

## APPENDIX D

(With reference to paragraph 3 of Part C of this Annex)

**Procedure for Clearance of British Equipment through Egyptian Ports**

The following procedure shall apply with respect to the import and export of British equipment being moved into or out of the Base:—

1. Movement of British equipment into or out of the Base shall take place in accordance with a Freight Movement Instruction issued to a contractor by the British authorities. A copy of the Freight Movement Instruction shall be given to the Egyptian authorities, in the case of British equipment moved out of the Base, before shipment takes place, and in the case of inward shipment before the arrival of the British equipment in Egypt. The Freight Movement Instruction shall contain details of the consignment, including the Freight Shipment Order number by which each item is identified. The Freight Shipment Order number shall be marked upon the items shipped.
2. British equipment to be moved into or out of the Base shall, with respect to its transit between the Egyptian port and the installation concerned, be covered by a Convoy Note (in the case of road or inland water transport) or by a Railway Warrant, as the case may be. Copies of these documents, which shall bear the Freight Shipment Order number of each item, shall be given to the Egyptian Designated Authority.
3. In the case of outward shipment, Freight Requisitions shall be submitted by the contractors to a designated Freight Agent at the port of shipment. These requisitions shall contain the exact measurement of each item, and shall refer in each case to the Freight Shipment Order number. Copies of Freight Requisitions shall be given to the port authorities at the port of shipment.
4. Copies of Bills of Lading and of Ships' Manifests shall be available to the Egyptian port and customs authorities in the normal manner. The designated Freight Agent shall, on behalf of the contractors, supply to the Egyptian port and customs authorities such information, documents and forms as are required to comply with the normal working procedure of these authorities.
5. Inspection by Egyptian authorities of British equipment moved into or out of the Base shall be in accordance with the following procedure:—
  - (a) In the case of imports, inspection shall normally take place at the port of entry into Egypt, and, in the case of exports, in the installation in which the British equipment to be moved is held.
  - (b) Inspection shall be carried out without unnecessary delay.
  - (c) After inspection clearance shall be given to the British equipment either by affixing a mark upon it or by the issue of a document.
  - (d) If articles arrive in tropical packing, the packages shall not be opened at the port of entry and shall be sealed by the Egyptian authorities.
6. Such articles shall be held on charge by the contractors in the installations. These articles shall not be unpacked unless in the presence of the Egyptian authorities.
- (e) Packages containing such articles and bearing unbroken seals shall be cleared for re-export without being opened.

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Exchanges of Notes  
No. 1 (a)

The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador  
at Cairo

Ministry of Foreign Affairs,  
Cairo, October 19, 1954.

Your Excellency,  
With reference to Article 1 of the Agreement signed this day between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Egypt, I have the honour to inform your Excellency that the Government of the Republic of Egypt consent to the enjoyment by the British Forces, during the period of twenty months specified for their withdrawal from Egypt, of the immunities set forth in the provisions contained in the Annex to this Note.\*

Accordingly, I have the honour to propose that this Note together with your Excellency's reply accepting those provisions shall constitute an agreement between our two Governments on their terms which shall come into force on this day's date, and shall remain in force for a period of twenty months.

I avail, &c.  
MAHMOUD FAWZI.

No. 1 (b)

Her Majesty's Ambassador at Cairo to the Egyptian Minister for  
Foreign Affairs

British Embassy, Cairo,  
October 19, 1954.

Your Excellency,  
I have the honour to acknowledge the receipt of your Excellency's Note of to-day's date, informing me, with reference to Article 1 of the Agreement signed this day between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Egypt, that the Government of the Republic of Egypt consent to the enjoyment by the British Forces, during the period of twenty months specified for withdrawal from Egypt, of the immunities set forth in the provisions contained in the Annex to your Note (which are also annexed hereto), and proposing that your Excellency's Note together with my reply accepting those provisions should constitute an agreement between our two Governments on their terms.

I have the honour, in accepting the provisions, to confirm that your Excellency's Note together with this Note in reply shall constitute an agreement between our two Governments on the terms of those provisions which shall come into force on this day's date, and shall remain in force for a period of twenty months.

I avail, &c.  
RALPH SKRINE STEVENSON.

\* See Annex attached to No. 1 (a).

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ANNEX

1. In the following provisions:—  
(a) the expression "British Forces" includes—

- (i) every person subject to the Naval Discipline Act, the Army Act and the Air Force Act of the United Kingdom (or the corresponding laws of Kenya, Uganda, Mauritius or the Seychelles) who is stationed with, or attached to, the forces of Her Majesty who are present in Egypt during the period of withdrawal;
- (ii) every civilian of British nationality accompanying or serving with the said forces in Egypt or the Navy, Army and Air Force Institutes or any other authorised service organisation, who is either granted relative status as an officer, or holds a pass designating his status issued by the Appropriate British Authority as hereinafter defined, and who is paid from funds from any part of any of the dominions of Her Majesty;
- (iii) wives, and children under 21 years of age, of the persons mentioned in sub-paragraphs (i) and (ii) hereof.

(b) The expression "Appropriate British Authority" means—

- (i) in the case of members of Her Majesty's Naval Forces, the Senior Naval Officer in the Canal Area or any Officer authorised by him to act on his behalf;
- (ii) in the case of members of Her Majesty's Land Forces, the General Officer authorised by him to act on his behalf;
- (iii) in the case of members of Her Majesty's Air Force, the Air or other Officer commanding the Royal Air Force in Egypt or any Officer authorised by him to act on his behalf.

(c) The expression "British camps" means the areas or places occupied or used by the British Forces at the date of signature of the Agreement as long as they are so occupied and used.

(d) The expression "service aircraft" means any aircraft under Royal Air Force control. This shall include aircraft of Her Majesty's Forces and British civilian aircraft under charter to them.

(e) The expression "Canal Area" means an area the boundaries of which surround as closely as possible the British camps now occupied or used by the British Forces.

2. The British Forces shall respect the law of Egypt and abstain from any activity inconsistent with the spirit of the Agreement and in particular from any political activity in Egypt. The Government of the United Kingdom will take necessary measures to that end.

3. Members of the British Forces shall not be subject to the criminal jurisdiction of the Courts of Egypt, or to the civil jurisdiction of those Courts in any matter arising out of their official duties. If any civil proceeding is instituted against a member of the British Forces before any Egyptian Court, notification of the proceedings shall be given to Her Majesty's Ambassador, and the proceedings shall be suspended during a period of twenty-one days from the date of notification. If Her Majesty's Ambassador states that it has not been possible to conclude the necessary investigations in the above time, the Court shall, upon application, grant an extension

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6.—(a) Members of the British Forces who are owners of real property who invest funds in Egypt, or who engage in any professional or commercial activity in Egypt for profit, outside their official duties, shall in respect of such property and its produce, funds or activity pay the same taxes, registration and transfer fees as civilians of British nationality.

(b) Members of the British Forces shall pay in respect of any privately-owned radio receiving apparatus the tax or licence fee for the time being in force and applicable to such apparatus.

(c) Members of the British Forces shall pay the fee for the time being in force for the registration of a private waterborne craft and (subject to the provisions of Article 5 (b) hereof) also dues, charges and tolls leviable in consequence of the use of such craft.

(d) Members of the British Forces shall pay the tax or registration fee for the time being in force for a private motor vehicle, or for any privately-owned aircraft.

(e) Save as provided above and in the Appendix hereto concerning Imports and Exports (which is an integral part of these provisions), British camps, the British Forces and the members thereof shall be immune from all taxation other than municipal rates for services enjoyed, and from all registration fees or charges unless there has been an agreement between the two Contracting Governments to the contrary.

7. The Government of the Republic of Egypt shall offer every assistance to British aircraft in distress, and on request shall accord full facilities for the movement of Her Majesty's personnel and stores to and from the site of any aircraft in distress that may have made a forced landing on Egyptian territory.

8.—(a) The Appropriate British Authority will surrender, on receipt of an application signed by the appropriate official of the Egyptian Ministry of Justice, persons not being members of the British Forces and who are within any British camp, and:—

(i) against whom a warrant of arrest has been issued in respect of any offence for which he is triable by a Court in Egypt; or

(ii) against whom an order of imprisonment has been made by any Court in Egypt; or

(iii) against whom an order has been issued by an Appropriate Egyptian Military Authority for desertion or absence without leave from the Egyptian Armed Forces; or

(iv) with respect to whom information has been given by the Appropriate British Authority that he is believed to have committed an offence punishable under Egyptian law.

(b) Every application for the surrender of an offender under the provision of paragraph (a) shall be accompanied by such information as is available as to the identity and whereabouts of the person whose surrender is desired and, where appropriate, by a certified true copy of the warrant of arrest or the order of imprisonment.

9. The Government of the Republic of Egypt will take all practicable measures to provide for:—

(a) the searching for, apprehending and handing over of any members of the British Forces who are claimed as deserters or absentees without leave, upon request made in writing by the Appropriate British Authority;

(b) the prosecution of persons accused of acts in relation to the British Forces which, if committed in relation to the Egyptian Forces, would have rendered them liable to prosecution.

for a further period not exceeding twenty-one days. Her Majesty's Ambassador shall certify to the Court whether or not the proceedings arose out of official duties of such a member. It is recognised that in certain circumstances civil claims in matters arising out of the official duties of a member of the British Forces. The Government of the United Kingdom shall give sympathetic consideration to such claims and maintain an appropriate procedure for the investigation and consideration thereof.

4. Without prejudice to the fact that British camps are Egyptian territory, the camps shall be inviolable and shall be subject to the exclusive control and authority of the Appropriate British Authorities.

5. The Government of the Republic of Egypt hereby consent to the enjoyment by the British Forces of:—

(a) freedom of movement between British camps, and to or from the ordinary points of access to the Canal Area by water, land, or air, when large-scale movements are contemplated previous notification will be given and the necessary traffic control arrangements made;

(b) freedom of communication by radio or other telegraphy, telephony or any other means whatsoever; and the necessary facilities for maintaining such communications within the Canal Area, including the laying of cables and land lines; it is understood that the telegraph and telephone cables and lines herein referred to will be situated in the areas where British Forces are stationed, and that any connection with the Egyptian system of telegraphs and telephones and the co-ordination of non-internationally registered frequencies to be used by the British and the Egyptian Forces operated from the Canal Area will be subject to arrangements with the Egyptian authorities;

(c) the right within British camps to generate light and power for use in British camps, and to transmit and distribute domestic water and such light and power between the place of generation and any other British camp by means of cables, pipes or in any other way whatsoever;

(d) transmission, subject to the payment of the usual charges, of telegrams and messages over the Egyptian State Telegraphs and Telephones, in clear, in code or in cypher;

(e) the use of the Egyptian State Railways at the rates and conditions prevailing for the British Forces with effect from the 1st of November, 1952, provided that these rates will be varied in proportion with changes in the normal civil tariff;

(f) the supply, maintenance and use of telephones as required, as part of and connected with the Egyptian State Telephone service and system, at the current civilian rates;

(g) entry into the Canal Area and departure from Egypt of members of the British Forces subject only to the production of a movement order;

(h) the use within the Canal Area, of roads, bridges, canals, streams, lakes, waterways and other bodies of water without the payment of dues, tolls or charges either by way of registration or otherwise for vehicles or waterborne craft used on Her Majesty's service;

(i) port facilities free of payment for Her Majesty's Warships, Royal Fleet Auxiliaries, Royal Army Service Corps fleet, troopships, freightships and service aircraft of an amphibian or seaplane character used in connection with the maintenance and withdrawal of the British Forces;

(j) the same immunity regarding the official correspondence of the British Forces and their couriers as is enjoyed in International Law by the diplomatic representatives of foreign States.



10.—(a) Subject to the provisions of paragraph (a) of the preceding Article, members of the British Forces shall be liable to arrest by the Egyptian Authorities only in such circumstances as would justify the arrest of civilians of British nationality. Should any member of the British Forces be arrested the following procedure will be adopted:—

- (i) Notification of the arrest giving the name and other particulars of the person arrested together with information as to the nature of the offences for which the said person was arrested, will be sent forthwith to the Appropriate British Authority;
- (ii) A similar notification will also be sent immediately to the office of the nearest British Consular Officer;
- (iii) The alleged offender will be handed over on demand to the Appropriate British Authority;
- (iv) Full particulars of the charges against the alleged offender together with the names, addresses and statements of the witnesses will be delivered or sent by registered post to the Appropriate British Authority within four days of the arrest.

(b) When it is alleged that a member of the British Forces has committed an offence for which he has not been arrested, particulars of such alleged offence together with the *procès-verbal* will be sent with all convenient speed to the Appropriate British Authority, who will take all practicable measures with the assistance of the Egyptian Authorities for the apprehension of the offender and the investigation of the alleged offence.

11. Any member of the British Forces arrested under the provisions of Articles 9 and 10 hereof shall be escorted by an Egyptian armed force to a British camp designated by the Appropriate British Authority.

12.—(a) The Government of the Republic of Egypt shall, at the request of the Appropriate British Authority, take all reasonable steps to secure the attendance of persons amenable to its jurisdiction as witnesses before Her Majesty's service tribunals in the Canal Area (courts-martial, courts of inquiry and boards of officers or other service tribunals) convened and assembled by the Appropriate British Authority.

(b) The Government of the United Kingdom shall, at the request of the Egyptian Authorities, take all reasonable steps to secure the attendance of any member of the British Forces as a witness at any proceedings before the Egyptian Courts, courts-martial, disciplinary tribunals or courts of inquiry.

13.—(a) It is desirable that any person, ordered to attend a British service tribunal under Article 12 (a) above and who is accused of any of the following offences, should be subject to prosecution before the appropriate Egyptian Court, that is to say:—

- (i) being duly summoned makes default in attending; or
- (ii) refusing to take an oath or make a solemn affirmation legally required to be taken or made; or
- (iii) refusing to produce any document in his power or control legally required to be produced by him; or
- (iv) refusing when a witness to answer any question to which the tribunal may legally require an answer; or
- (v) being guilty of contempt of the tribunal by using insulting or threatening language or by causing interruption or disturbance in the proceedings of such tribunal; or
- (vi) wilfully giving false evidence when examined on oath or solemn affirmation before the tribunal.

(b) Similarly, it is desirable that a person ordered to attend an Egyptian tribunal under Article 12 (b) above who commits any of the offences specified above, should be subject to prosecution before the appropriate British service tribunal.

(c) The exact manner and extent, however, to which effect can be given to the two preceding paragraphs of this Article depends upon the laws of Egypt and of the United Kingdom respectively.

14. Each Government shall pay to the other on demand all reasonable expenses incurred in execution of the provisions of Articles 7, 8, 9 (a) and 12 hereof.

## APPENDIX\*

## Imports and Exports

## Definitions

In this Appendix:—

1. The expression "British Service Authorities" means the British Naval, Army and Air Force Authorities.
2. The expression "import duty" means customs duty, excise duty on imported goods and all dues in respect of imported goods.

## PART I.—IMPORTS

## (A) BY THE BRITISH SERVICE AUTHORITIES

Goods, other than tobacco and animals for slaughter, imported by the British Service Authorities, being the property of the British Government and destined for the use of the British Navy, Army or Air Force, shall be imported free of import duty subject to the following conditions:—

- (1) All such goods must be addressed and delivered to the British Service Authorities in Egypt.
- (2) The nature and quantity thereof shall be declared to the Customs Administration before withdrawal from the Customs Zones. In the case of all foodstuffs, their value shall also be declared by the British Service Authorities, either at the time of withdrawal from the Customs Zone, or as soon as the necessary information is available.
- (3) All goods imported by the British Service Authorities are subject to examination by the Customs Administration.
- (4) The requisitions for entry of goods free of import duty shall be made out on Certificate "A"† and signed by a responsible officer. The names and signatures of such officers shall have been previously communicated to the Customs Administration.

(B) GOODS IMPORTED BY CONTRACTORS\* TO THE BRITISH SERVICE AUTHORITIES  
Import duty shall be paid on all goods imported by contractors to the British Service Authorities, provided that a refund of such duty shall be made to the contractor on production to the Customs Administration, within six months from the date of import, of Certificate "B"† to the effect that the goods in respect of which the refund is claimed have been received from

\* In this Appendix the term "contractors" is used in the normal sense of the word and does not refer to the contractors mentioned in Annex II to the Agreement signed this day.  
† Copies of Certificates "A," "B" and "C" are attached.

the contractor and brought to account by the British Service Authorities and provided that the contractor has, before importation, filed with the Customs Administration a declaration acceptable to them to the effect that the goods in respect of which he intends to claim a refund are imported under contract for the British Service Authorities.

(C) GOODS IMPORTED BY MEMBERS OF THE BRITISH FORCES, N.A.A.F.I., OTHER AUTHORISED SERVICE ORGANISATIONS AND SERVICE MESSSES

(1) Members of the British Forces shall be entitled to import free of import duty their personal effects.

(2) The Navy, Army and Air Force Institutes (hereinafter referred to as "N.A.A.F.I.") and other authorised service organisations and service messes shall be entitled to import free of import duty articles required solely for the use of the said organisations and messes and not for sale.

(3) These privileges are confined to articles addressed to the person or organisation claiming them.

(4) (a) Claims for exemption in respect of postal packets shall be made on Postal Form No. 43 M and shall be handed to the Postal Authorities. In all other cases claim for exemption shall be made to the Customs Administration on Certificate "C".

(b) Certificates may, without prejudice to the right of examination of the imported goods by the Customs Administration, be dispensed with in the case of luggage imported with Units or in a Troopship or Trooping Aircraft, provided that the Commanding Officer certifies that he is satisfied that no contraband is carried.

(5) Save as hereinafter provided, in this paragraph, exemption from import duty under paragraphs (1) and (2) shall not extend to spirituous liquors, wines, tobacco, provisions, private motor cars, guns or such animals as are not on the ration strength of the Unit. Provided that import duty on motor cars and guns imported by members of the British Forces shall be payable on entry but shall be refunded if they are re-exported within the period of withdrawal, on condition that:—

(a) the re-exporter is the individual who originally paid the import duty; and

(b) the motor car or gun was duly identified to the Customs Administration at the port of import.

(D) IMPORTS FOR RE-SALE BY N.A.A.F.I.

(1) Beer and other goods (with the exception of tobacco, wines and spirituous liquors) imported by N.A.A.F.I. for sale to members of the British Forces shall be imported free of import duty up to the free allowance and under the conditions hereunder specified:—

(a) The average value of such goods imported per head of the British Forces per month shall be deemed to be PT. 145. The free allowance shall be calculated monthly and shall be the product of PT. 145 and the average number of members of the British Forces during the month.

(b) The books of N.A.A.F.I. shall be open to inspection by the Customs Administration.

\* Copies of Certificates "A", "B" and "C" are attached.

(c) An account shall be kept by the Customs Administration of all goods imported free of import duty by N.A.A.F.I. and if, at the end of the period of withdrawal, the total value of the goods so imported during that period exceeds the total free allowance for that period assessed in accordance with paragraph (a) above, N.A.A.F.I. shall pay import duty on the excess, save in so far as such excess may be, or may have been, exported from Egypt, or destroyed or otherwise dealt with under the supervision of the Customs Administration or disposed of in accordance with Part IV hereof. Such import duty shall be paid by N.A.A.F.I. at an inclusive flat *ad valorem* rate of 50.4 per cent. The rate shall be applied to the original cost of the goods plus expenses of insurance and freight.

(2) (a) N.A.A.F.I. shall be entitled to import free of import duty 16 ounces of tobacco per member of the British Forces per month. They will, therefore, be entitled to import free of import duty each month, a total weight of tobacco, the amount of which shall be obtained by multiplying the average numbers of the British Forces during the month by 16 ounces. Import duty at the normal rate shall be paid on any imports in excess of this amount.

(b) Adjustments shall be made at the end of each half-year in the manner specified in paragraph (1). The first adjustment shall be made six months after the date of this Note.

(3) N.A.A.F.I. shall make at the time of importation a full declaration of value of all imported spirituous liquors and wines, their nature and quantity, and shall pay import duty at the rates in force on the value thereof (including insurance and freight) at the time of the withdrawal thereof from the Customs Zones.

(4) (a) No sales shall be made by N.A.A.F.I. except to members of the British Forces in Egypt.

(b) Goods purchased from N.A.A.F.I. shall not be resold to persons not entitled to deal with N.A.A.F.I.

PART II.—EXPORTS

All goods above mentioned imported by the British Service Authorities, N.A.A.F.I., other authorised service organisations and service messes, may be exported by them free of duty or other charges, but export duty shall be payable in respect of all dutiable products of Egyptian industry or produce of Egyptian soil. The nature and quantity of such products shall be declared by the consignors before loading.

PART III.—PETROLEUM

(1) All petroleum products imported into Egypt by the British Service Authorities are covered by Part I (A) of this Appendix.

(2) Petroleum products supplied to the British Service Authorities from bonded stocks in Egypt shall be declared to the Customs Administration at the time of delivery to the British Service Authorities as being for the use of the British Service Authorities in Egypt. Import duty shall be payable thereon at the first monthly settlement after such declaration. If, however, at the time of such settlement Certificate "E" is produced, showing that the products have been received by the British Service Authorities the import duty on the quantity shown to have been so received shall be credited and deducted from the amount of duty payable at the monthly settlement.

\* Copies of Certificates "A", "B" and "C" are attached.

PART IV.—DISPOSALS

(1) If goods (other than tobacco and spirituous liquors) imported free of duty into Egypt by the British Service Authorities are sold in Egypt, those Authorities shall pay import duty in respect of the goods sold by them at an inclusive flat ad valorem rate of 50.4 per cent. Since the amount paid by the purchasers includes import duty at the inclusive flat ad valorem rate, the amount of the import duty payable shall be calculated on the formula  $\frac{50.4}{150.4} \times$  the purchase price.

(2) In the case of fixed assets sold by the British Service Authorities, import duty shall be paid at the inclusive flat ad valorem rate of  $\frac{50.4}{150.4}$  on the following proportions of the purchase price:—

Category	Sold for demolition	Sold in situ
per cent.	per cent.	per cent.
Category I "Portable" or sectional constructions composed entirely of iron or steel	100	100
Category II All other types of building	50	40

(3) Notwithstanding the provisions of Part I (D) (4) (a) above, N.A.A.F.I. shall be allowed to dispose of surplus goods or fixed assets under the same conditions as the British Service Authorities, and subject to import duty at the same inclusive flat ad valorem rate, except in the case of tobacco and spirituous liquors, on which import duty (if not previously paid) shall be paid at the actual current rates.

(4) Notwithstanding the provisions of paragraphs (1) and (2):—

(a) If goods are sold to purchasers for immediate export, they shall be exempted from the payment of import duty, but shall be subject to prevailing export licence and exchange regulations.

(b) No duty, dues or other charges shall be payable in respect of sales to the Government of the Republic of Egypt or its Agencies.

(5) The British Service Authorities or N.A.A.F.I., as the case may be, shall, as soon as possible, give notice to G.H.Q., Egyptian Army and to the Customs Administration of any sale referred to in paragraphs (1), (2), (3) and (4), including details of the goods and materials which it is proposed to sell. Such information will, normally, be given to G.H.Q., Egyptian Army three weeks, and to the Customs Administration not less than seven days, before the date fixed for the sale.

(6) The Egyptian Military Authorities shall have the option to purchase, at such price as may be agreed, any items the sale of which has been notified to them under paragraph (5) but the option shall be exercised not less than seven days before the date fixed for the sale.

CERTIFICATE "A"

The Director-General of Customs is requested to give instructions for the free entry of the goods shown on the attached statement.

Arrived at ..... on the ..... 19 ..  
It is hereby declared that all the goods above-mentioned are the exclusive property of the British Service Authorities, and that they are intended for the sole use of the British Forces.

Date.....  
Signature of responsible officer registered with Customs.

Office stamp.

CERTIFICATE "B"

For the refund of Customs dues paid by (a) ..... on goods supplied to the British Service Authorities.

I certify that the under-mentioned goods have been supplied by ..... (b) for the sole use of the ..... (c) during the period ..... and these will be found taken on charge by Receipt Voucher No. .... in the ..... (d) Account for ..... (e).

The goods were imported via ..... (f).  
The Customs receipt for payment of Import dues is:—  
No. .... dated the ..... 19 ..

- (a) Name of firm or person who paid the Customs dues.
- (b) Name of contractor supplying the goods.
- (c) Navy, Army or Air Force.
- (d) Name of Department or Depot.
- (e) Period of Account.
- (f) Name of Port.

Station..... Appointment.....  
Date..... (Accounts Office Stamp)  
Signature of officer receiving the goods.

CERTIFICATE "C"

I hereby declare that the ..... marked ..... and bearing my address arrived by s.s. .... from ..... contain only articles as per annexed list.

For my own use .....  
For use of the ..... and not for sale, and that I am entitled to exemption in accordance with the terms of the Appendix annexed to the Exchange of Notes dated.....

Date..... Signature of owner or responsible officer.  
Orderly room stamp.

No. 2 (a)

Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs

British Embassy,  
Cairo, October 19, 1954.  
Your Excellency,  
With reference to paragraph (a) (ii) of Article I of the provisions annexed to your Excellency's Note of to-day's date concerning immunities to be enjoyed by the British Forces during the period of their withdrawal from Egypt, I have the honour to inform you that the following are the authorised service organisations (other than the Navy, Army and Air Force Institutes), mentioned in that paragraph:—

1. Combined Services Entertainment.
2. Army Kinema Corporation.
3. Royal Air Force Cinema Corporation.

(2) The British Service Authorities shall furnish to the Egyptian Customs Administration a list of the guns and vehicles referred to in the preceding sub-paragraph, with particulars of serial numbers or engine and chassis numbers, as appropriate, date of importation and the name of the owner.

(3) The owners of such guns or vehicles shall, within a period of three months from the date of signature of the Agreement, either pay customs duty, duties, and other charges, or deposit with the Egyptian Customs Administration a Banker's guarantee or other acceptable instrument in the sum of the duties, dues, and other charges applicable at the date of import.

(4) Re-export of such guns and vehicles from Egypt shall be permitted at any time up to the end of the period of withdrawal and, upon re-export of any such gun or vehicle, customs duty, dues and other charges shall, if paid, be refunded, or if not paid, the guarantee or other instrument referred to in sub-paragraph (3) above shall terminate.

**B.—Licence Fees for Privately-Owned Motor Vehicles**

(1) No fines or other penalties shall be exacted from members of the British Forces on account of non-payment since the 16th of October, 1951, of Egyptian licence fees in respect of privately-owned motor vehicles.

(2) The British Service Authorities shall furnish to the Egyptian Authorities a list of vehicles now requiring licences, together with the names of their owners. The Egyptian Authorities shall make special arrangements for the issue of licence plates for these vehicles effective from the date of this Note.

I have the honour to suggest that this Note and your Excellency's reply accepting the above-mentioned proposals shall constitute an agreement between the Government of the United Kingdom and the Government of the Republic of Egypt on the terms of those proposals.

I avail, &c.  
**MAHMOUD FAWZI**

No. 3 (b)  
 Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs  
 British Embassy,  
 Cairo, October 19, 1954.

Your Excellency,  
 I have the honour to acknowledge the receipt of your Excellency's Note of to-day's date recalling, with reference to Article 6 of the provisions concerning immunities to be enjoyed by the British Forces during the period of their withdrawal from Egypt, that, during the negotiations which have just concluded, consideration was given to certain problems arising out of the possession in Egypt by members of the British Forces of private guns and motor vehicles on which customs duty had not been paid and motor vehicles not regularly licensed by the Egyptian Authorities. Your Note also recalled that it was decided that there should be an amicable and final solution of those problems and, accordingly, made the following proposals:—

[As in A and B of No. 3 (a).]

I have the honour in accepting those proposals to confirm that your Excellency's Note, together with this Note in reply, shall constitute an Agreement in that sense between the Government of the United Kingdom and the Government of the Republic of Egypt.

I avail, &c.  
**RALPH SKRINE STEVENSON.**

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4. Services Central Book Depot.
5. Forces Broadcasting Service.
6. British Red Cross and Order of St. John.
7. Soldiers', Sailors' and Airmen's Families Association (S.S.A.F.A.).
8. Council of Voluntary Welfare Organisations (C.V.W.O.) and their subsidiaries.
9. Soldiers' and Airmen's Scripture Readers' Association.
10. Forces Help Society and Lord Roberts' Workshops.

I avail, &c.  
**RALPH SKRINE STEVENSON.**

No. 2 (b)  
 The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo

Ministry of Foreign Affairs,  
 Cairo, October 19, 1954.

Your Excellency,  
 I have the honour to acknowledge receipt of your Excellency's Note of to-day's date, with reference to paragraph (a) (ii) of Article 1 of the provisions annexed to my Note concerning immunities to be enjoyed by British Forces during the period of their withdrawal from Egypt, informing me that the following are the authorised service organisations (other than the Navy, Army and Air Force Institutes) mentioned in that paragraph:—

[As in 1-10 of No. 2 (a)]

I have taken due note of the above list.

I avail, &c.  
**MAHMOUD FAWZI**

No. 3 (a)  
 The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo

Ministry of Foreign Affairs,  
 Cairo, October 19, 1954.

Your Excellency,  
 With reference to Article 6 of the provisions annexed to my Note of to-day's date concerning immunities to be enjoyed by the British Forces during the period of their withdrawal from Egypt, I have the honour to recall that during the negotiations, which have just concluded, consideration was given to certain problems arising out of the possession in Egypt by members of the British Forces of private guns and motor vehicles on which customs duty had not been paid and motor vehicles not regularly licensed by the Egyptian Authorities, and that it was decided that there should be an amicable and final solution of those problems.

Accordingly, I have the honour to make the following proposals:—

**A.—Uncustomed Private Guns and Motor Vehicles**

(1) No fines or other penalties shall be exacted on account of the non-payment of Egyptian customs duty, dues or other charges, in respect of privately-owned guns and motor vehicles imported into Egypt by members of the British Forces since the 16th of October, 1951, provided that the owners comply with the provisions of paragraph (3).

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No. 4 (a)

*The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo*

Your Excellency,

*Ministry of Foreign Affairs,  
Cairo, October 19, 1954.*

I have the honour to inform your Excellency, with reference to Part I (D) (1) of the Appendix (Imports and Exports) to the provisions annexed to my Note of to-day's date concerning immunities to be enjoyed by the British Forces during the period of their withdrawal from Egypt, that, in addition to the exemption from import duty on beer imported by the Navy, Army and Air Force Institutes for sale to members of the British Forces, the Government of the Republic of Egypt consent to exemption from excise and other duties on beer produced in Egypt and purchased by the Navy, Army and Air Force Institutes for sale to members of the British Forces during the period of their withdrawal from Egypt.

Accordingly, I have the honour to propose that this Note, together with your Excellency's reply, shall constitute an agreement between our two Governments on the terms of that provision which shall come into force on this day's date, and shall remain in force for a period of twenty months.

I avail, &amp;c.

MAHMOUD FAWZI.

No. 4 (b)

*Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs*

Your Excellency,

*British Embassy,  
Cairo, October 19, 1954.*

I have the honour to acknowledge your Excellency's Note of to-day's date in the following terms:—

[As in No. 4 (a).]

I have the honour to inform you that the above-mentioned provision for exemption from excise duty is satisfactory to the Government of the United Kingdom and accordingly that your Note, together with this reply, shall constitute an agreement between our two Governments on the terms of that provision which shall come into force on this day's date and shall remain in force for a period of twenty months.

I avail, &amp;c.

RALPH SKRINE STEVENSON.

No. 5 (a)

*Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs*

Your Excellency,

*British Embassy,  
Cairo, October 19, 1954.*

I have the honour to refer to the negotiations leading to the signature this day of the Agreement between the Government of the United Kingdom and the Government of the Republic of Egypt, and to place on record that, during the negotiations, the Egyptian Delegation stated that, in accordance with Egyptian law:—

(a) No Egyptian death duty will be payable on the property or estate outside Egypt of any British technician;



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- (b) British technicians will not be prohibited from effecting policies of insurance with non-Egyptian Companies;
- (c) The chattels of British technicians will not be subject to compulsory acquisition;
- (d) British technicians will not be subject to Military or National Service.

The references to British technicians in the above sub-paragraphs are to those recruited outside Egypt.

I should be grateful for your Excellency's confirmation of the above-mentioned statements by the Egyptian Delegation.

I avail, &c.

RALPH SKRINE STEVENSON.

No. 5 (b)

*The Egyptian Minister for Foreign Affairs to Her Majesty's  
Ambassador at Cairo*

*Ministry of Foreign Affairs,  
Cairo, October 19, 1954.*

Your Excellency,

I have the honour to acknowledge receipt of your Excellency's Note of to-day's date with reference to the negotiations, leading to the signature this day of the Agreement between our two Governments, placing on record that during the negotiations the Egyptian Delegation stated, with reference to British technicians recruited outside Egypt, that in accordance with Egyptian law:—

[As in (a), (b), (c) and (d) of No. 5 (a).]

I have the honour to confirm the above-mentioned statements by the Egyptian Delegation.

I avail, &c.

MAHMOUD FAWZI.

No. 6 (a)

*Her Majesty's Ambassador at Cairo to the Egyptian Minister for  
Foreign Affairs*

*British Embassy,  
Cairo, October 19, 1954.*

Your Excellency,

With reference to Annex II to the Agreement signed this day between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Egypt, I have the honour to call your attention to the special nature of the installations and, in particular, the workshops to be maintained and operated in the Base, referred to in the Agreement. As you know these installations, including the workshops, being required for a special purpose, are not necessarily built in all respects in accordance with normal factory specifications or standards.

Accordingly it is the understanding of the Government of the United Kingdom that, having regard to those circumstances, the Egyptian laws relating to public health and public safety and for the protection of workers will be applied in a manner that will not hamper the operation of the workshops and other installations. These laws include in particular Law No. 13 of the 28th of August, 1904, and various related laws, and Article 26 of the Individual Contract of Service Law No. 317 of 1952.

I have the honour to request your confirmation that the above-mentioned understanding is also that of the Government of the Republic of Egypt.

I avail, &c.

RALPH SKRINE STEVENSON.

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No. 6 (b)  
The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo

Ministry of Foreign Affairs,  
Cairo, October 19, 1954.  
Your Excellency,  
I have the honour to acknowledge receipt of your Excellency's Note of to-day's date, with reference to Annex II to the Agreement signed this day between our two Governments, in which you state that, having regard to the circumstances mentioned in your Note, it is the understanding of the Government of the United Kingdom that the Egyptian laws relating to public health and public safety and for the protection of workers (including certain specified laws) will be applied in a manner that will not hamper the operation of the workshops and other installations to be maintained and operated in the Base.

I have the honour to confirm that the above-mentioned understanding is also that of the Government of the Republic of Egypt.  
I avail, &c.  
MAHMOUD FAWZI.

No. 7 (a)  
The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo

Ministry of Foreign Affairs,  
Cairo, October 19, 1954.  
Your Excellency,  
I have the honour to inform your Excellency that the Government of the Republic of Egypt have nominated the Shell Company of Egypt to operate and maintain the pipeline system running from Suez to Cairo under a management contract valid for seven years, the terms of which have been agreed and initialled in outline and which will be elaborated and concluded without delay.

I avail, &c.  
MAHMOUD FAWZI.

No. 7 (b)  
Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs

British Embassy,  
Cairo, October 19, 1954.  
Your Excellency,  
I have the honour to acknowledge receipt of your Excellency's Note of to-day's date in which you were so good as to inform me that the Government of the Republic of Egypt had nominated the Shell Company of Egypt to operate and maintain the pipeline system running from Suez to Cairo under a management contract valid for seven years, the terms of which have been agreed and initialled in outline and which will be elaborated and concluded without delay.

I have the honour to inform you that the Government of the United Kingdom will transfer to the Government of the Republic of Egypt, without payment, the ownership and possession of the installations listed in the enclosure to this Note. The transfer will take place not later than the conclusion of the contract to which you refer.

I avail, &c.  
RALPH SKRINE STEVENSON.

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No. 8 (a)  
The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo

Ministry of Foreign Affairs,  
Cairo, October 19, 1954.  
Your Excellency,  
I have the honour to inform your Excellency, with reference to Article 7 of the Agreement signed this day between the Government of the United Kingdom and the Government of the Republic of Egypt, that—

- (1) Applications for clearance of notified flights of aircraft under Royal Air Force control will be dealt with through operational channels. Requests for the clearance of such notified flights shall be made through operational channels normally at least 24 hours in advance. A reply to any such request shall be sent through the same operational channels within 24 hours of receipt of the request. Scheduled flights shall be notified as far in advance as possible; and
- (2) Abu Sueir airfield and Fanara flying-boat station, together with such airfield services as may be handed over therein, will be maintained in efficient working order and capable of immediate use in accordance with the provisions of Article 3 of the Agreement.
- (3) The services provided in respect of the landing, parking, housing and take-off of aircraft under Royal Air Force control will be charged for at the inclusive flat rate of £E.10 per aircraft.

I avail, &c.  
MAHMOUD FAWZI.

No. 8 (b)  
Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs

British Embassy,  
Cairo, October 19, 1954.  
Your Excellency,  
I have the honour to acknowledge receipt of your Excellency's Note of to-day's date informing me, with reference to Article 7 of the Agreement signed this day between the Government of the United Kingdom and the Government of the Republic of Egypt, that—

[As in (1), (2) and (3) of No. 8 (a).]  
I note these arrangements with satisfaction.

I avail, &c.  
RALPH SKRINE STEVENSON.

No. 9 (a)  
The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo

Ministry of Foreign Affairs,  
Cairo, October 19, 1954.  
Your Excellency,  
With reference to the Agreement signed this day between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Egypt, I have the honour to make the following proposals with respect to the application of Egyptian exchange control regulations to contractors and their British technicians engaged for the purposes of the Agreement:—

1. The contractors referred to in Annex II to the Agreement may open with banks in Egypt accounts which shall be designated "Sterling Area non-resident accounts."

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2. These accounts may be credited with:—  
 (a) funds remitted to Egypt from the Sterling Area;  
 (b) transfers from other Sterling Area non-resident accounts held in Egypt;  
 (c) the contractors' receipts in respect of:—

(i) sales of property of the Government of the United Kingdom falling in the categories of surplus stores, equipment and fixed assets in so far as the receipts therefrom qualify for sterling releases under the arrangements referred to in paragraph 4 and subject to the provisions of paragraph 5;  
 (ii) services rendered in the Base to the Egyptian authorities.  
 (d) such other sums as may be agreed by the Egyptian authorities.

3. The accounts may be debited with:—

(a) any payments to residents in Egypt;  
 (b) transfers to other Sterling Area non-resident accounts held in Egypt;  
 (c) direct remittances to the Sterling Area;  
 (d) such other payments as may be agreed by the Egyptian authorities.

4. Sales by the contractors of property of the Government of the United Kingdom falling in the categories of surplus stores, equipment, or fixed assets shall be regarded as equivalent to sales by the Government of the United Kingdom for the purposes of the Sterling Releases Agreement of 1951,<sup>(1)</sup> which provides that, subject to the limitation in Article 3 (3) of that Agreement, releases from the No. 2 Account to the No. 1 Account of the National Bank of Egypt shall be made in respect of such sales.

5. When the total of the receipts from the sales of property of the Government of the United Kingdom falling in the categories of surplus stores, equipment and fixed assets exceeds £5 million, calculated from the date of the Agreement signed this day, any receipts in excess of £5 million, shall be paid into the contractors' resident accounts except that, if in respect of such receipts in excess of £5 million, releases (which shall be subject to agreement with the Government of the Republic of Egypt) from the No. 2 Account to the No. 1 Account of the National Bank of Egypt are made under the Sterling Releases Agreement of 1951, the receipts shall then be paid into the contractors' non-resident accounts.

6. British technicians recruited outside Egypt, who are employed by the contractors, shall be permitted:—

(a) to transfer to the Sterling Area 50 per cent. of their earnings in any one year; and  
 (b) to transfer their reasonable savings at the end of their period of service.

7. The British technicians shall also be exempt from any obligation to transfer to Egypt their foreign exchange balances.

8. All transfers of currencies for the above-mentioned purposes by contractors or British technicians shall be at the current official rates of exchange.

9. The contractors' receipts in respect of services rendered outside the Base to the Egyptian authorities will be dealt with in accordance with prevailing Exchange Control Regulations.

<sup>(1)</sup> "Treaty Series No. 67 (1951)," Cmd. 8336.

I have the honour to suggest that this Note and your Excellency's reply accepting the above-mentioned proposals shall constitute an agreement between our two Governments on the terms of those proposals which shall come into force on this day's date and shall remain in force for a period of seven years.

I avail, &c.  
 MAHMOUD FAWZI

No. 9 (b)  
 Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs

British Embassy,  
 Cairo, October 19, 1954.

I have the honour to acknowledge receipt of your Excellency's Note of to-day's date, with reference to the Agreement signed this day between our two Governments in which you made the following proposals with respect to the application of Egyptian Exchange Control Regulations to contractors and their British technicians engaged for the purposes of the Agreement:—

[As in paragraphs 1 to 9 of No. 9 (a)]

I have the honour in accepting these proposals to confirm that your Excellency's Note, together with this Note in reply, shall constitute an agreement in that sense between our two Governments which shall come into force on this day's date and shall remain in force for a period of seven years.

I avail, &c.  
 RALPH SKRINE STEVENSON.

No. 10 (a)  
 Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs

British Embassy,  
 Cairo, October 19, 1954.

I have the honour to refer to the Agreement signed this day between the Government of the United Kingdom and the Government of the Republic of Egypt and to the negotiations leading thereto, and to propose a waiver of claims between the two Governments in the following terms:—

1.—(a) The two Contracting Governments waive all financial claims against one another outstanding at the date of signature of the Agreement:—

- (i) arising out of the interpretation or application of the 1936 Treaty of Alliance and the related documents mentioned in Article 2 of the Agreement;  
 (ii) arising out of or occasioned by the presence of British troops in Egypt;  
 (iii) in respect of services rendered and goods or property sold or transferred; and  
 (iv) for customs duties, dues or any other taxes.

(b) The waiver mentioned in sub-paragraph (a) extends to all such claims by one Government or any of their agencies against the other or any of their agencies but does not extend to any claims by or on behalf of Egyptian or British nationals, including both individuals and companies, or any claims against such nationals.

2.—(a) The above-mentioned waiver is intended to cover the claims listed in the final report of the Claims Sub-Committee, dated the 3rd of October, 1954, and similar claims within the limits of the waiver.

is the understanding of the Government of the United Kingdom that the waiver extends to all claims (private or governmental) arising in connection with the death or injury, since the 16th of October, 1951, of (a) British Service personnel and other Government employees, and (b) employees of the Government of the Republic of Egypt.

I should be grateful if your Excellency would confirm that the above-mentioned understanding is also that of the Government of the Republic of Egypt.

I avail, &c.  
RALPH SKRINE STEVENSON.

No. 11 (b)

*The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo*

*Ministry of Foreign Affairs,  
Cairo, October 19, 1954.*

Your Excellency,  
I have the honour to acknowledge receipt of your Excellency's Note of to-day's date informing me, with reference to the Notes exchanged between us concerning the waiver of claims, that it is the understanding of the Government of the United Kingdom that the waiver extends to all claims (private or governmental) arising in connection with the death or injury, since the 16th of October, 1951, of (a) British Service personnel and other Government employees, and (b) employees of the Government of the Republic of Egypt.

I have the honour to confirm that the above-mentioned understanding is also that of the Government of the Republic of Egypt.

I avail, &c.  
MAHMOUD FAWZI.

No. 12 (a)

*The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo*

*Ministry of Foreign Affairs,  
Cairo, October 19, 1954.*

Your Excellency,  
I have the honour, with reference to the matter of the claims of the British officials dismissed simultaneously at the end of 1951 to inform your Excellency that the Government of the Republic of Egypt have decided to set up forthwith an Egyptian Commission which will be charged with the assessment of the reparation, which they could have obtained in a Court of Law. The fact that they did not exercise their recourse to the Egyptian Courts within the delay specified in the law shall not be a bar to their right to reparation.

Further, it has been decided that the British Officials shall be entitled to present their claims to the Commission personally or by representatives, either orally or in writing. Egyptian nationals shall equally have the same right in connection with the application of paragraph 3 of the Annex to the Exchange of Notes of to-day's date concerning the immunities of the British Forces during the period of withdrawal.

I avail, &c.  
MAHMOUD FAWZI.

(b) The expression "agencies" as used in this Note, includes organisations as the Navy, Army and Air Force Institutes, the Egyptian State Railways and the Egyptian State Telegraphs and Telephone Services.  
(c) The waiver does not apply:—

- (i) to agreed debts which fall due for payment after the signature of the Agreement;
- (ii) to increased rates on the Egyptian State Railways which will be paid, with effect from the 1st of November, 1952, in accordance with the terms agreed between our respective Delegations during the negotiations;
- (iii) any payment due for goods or other property sold by or on behalf of the Government of the United Kingdom or any of their agencies to the Government of the Republic of Egypt or any of their agencies, after the 31st of August, 1954; or
- (iv) any customs duties, excise duty on imported goods or other dues payable in respect of any goods or property sold in Egypt by the Government of the United Kingdom or any of their agencies after the 31st of August, 1954.

Accordingly, I have the honour to suggest that if the above-mentioned proposal is acceptable to the Government of the Republic of Egypt, this Note, together with your Excellency's reply to that effect shall constitute an agreement between our two Governments on the terms of that proposal which shall come into force on this day's date.

I avail, &c.  
RALPH SKRINE STEVENSON.

No. 10 (b)

*The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo*

*Ministry of Foreign Affairs,  
Cairo, October 19, 1954.*

Your Excellency,  
I have the honour to acknowledge receipt of your Excellency's Note of to-day's date referring to the Agreement signed this day between the Government of the United Kingdom and the Government of the Republic of Egypt and the negotiations leading thereto, and proposing a waiver of claims between the two Governments in the following terms:—

[As in sub-paragraphs 1 and 2 of No. 10 (a)]

I have the honour to inform your Excellency that the above-mentioned proposal is acceptable to the Government of the Republic of Egypt and, accordingly, that your Note, together with this reply, shall constitute an agreement between our two Governments on the terms of that proposal which shall come into force on this day's date.

I avail, &c.  
MAHMOUD FAWZI.

No. 11 (a)

*Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs*

*British Embassy,  
Cairo, October 19, 1954.*

Your Excellency,  
I have the honour to inform your Excellency, with reference to the Note of to-day's date exchanged between us concerning the waiver of claims, that

therein as being attached to Her Majesty's Embassy in Cairo for the purpose of paying visits of inspection to the installations in the Base, shall wear civilian clothes.  
 I have the honour to confirm that the above-mentioned arrangements are acceptable to the Government of the United Kingdom.  
 I avail, &c.  
 RALPH SKRINE STEVENSON.

No. 14 (a)  
 The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo  
 Ministry of Foreign Affairs,  
 Cairo, October 19, 1954.

Your Excellency,  
 I have the honour to convey to your Excellency for your information with reference to Article 7 of the Agreement signed this day between the Government of the United Kingdom and the Government of the Republic of Egypt, that the Government of the Republic of Egypt will instruct their competent authorities to:—  
 (a) provide at Abu Sueir airfield and at Fanara flying-boat station customs and immigration facilities for the control of the procedure of entry into and exit from these airfields; and  
 (b) provide technical and domestic accommodation at the same places.  
 I avail, &c.  
 MAHMOUD FAWZI.

No. 14 (b)  
 Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs  
 British Embassy,  
 Cairo, October 19, 1954.

Your Excellency,  
 I have the honour to acknowledge receipt of your Excellency's Note of to-day's date, with reference to Article 7 of the Agreement signed this day between the Government of the United Kingdom and the Government of the Republic of Egypt, informing me that the Government of the Republic of Egypt will instruct their competent authorities to:—  
 [As in (a) and (b) of No. 14 (a).]  
 I avail, &c.  
 RALPH SKRINE STEVENSON.

No. 15 (a)  
 The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo  
 Ministry of Foreign Affairs,  
 Cairo, October 19, 1954.

Your Excellency,  
 With reference to Article 13 of the Agreement signed this day between the Government of the United Kingdom and the Government of the Republic of Egypt, I have the honour to request that your Excellency will confirm the understanding reached between us that the instruments of ratification of the above-mentioned Agreement shall be exchanged in Cairo not later than fifty days from the date of signature of that Agreement.  
 I avail, &c.  
 MAHMOUD FAWZI.

No. 12 (b)  
 Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs  
 British Embassy,  
 Cairo, October 19, 1954.

Your Excellency,  
 I have the honour to acknowledge receipt of your Excellency's Note of to-days date which reads as follows:—  
 [As in No. 12 (a).]

I note with satisfaction the above-mentioned decisions of the Government of the Republic of Egypt and have the honour to confirm that Egyptian nationals shall have the right mentioned in paragraph 2 of your Note.  
 I avail, &c.  
 RALPH SKRINE STEVENSON.

No. 13 (a)  
 The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo  
 Ministry of Foreign Affairs,  
 Cairo, October 19, 1954.

Your Excellency,  
 With reference to the Agreement signed this day between the Government of the United Kingdom and the Government of the Republic of Egypt, I have the honour to inform your Excellency that the Government of the United Kingdom may employ not more than ten civilian officials of supervisory grade to exercise financial supervision and control over the civilian contractors in the Base provided that these officials are attached to Her Majesty's Consulate at Ismailia.  
 I also have the honour, with reference to paragraph 9 of Part A of Annex II to the Agreement, to confirm our understanding that the personnel referred to therein and attached to Her Majesty's Embassy for the purpose of paying visits of inspection to the installations in the Base, shall wear civilian clothes.  
 I should be grateful for your Excellency's confirmation that the above-mentioned arrangements are acceptable to the Government of the United Kingdom.  
 I avail, &c.  
 MAHMOUD FAWZI.

No. 13 (b)  
 Her Majesty Ambassador at Cairo to the Egyptian Minister for Foreign Affairs  
 British Embassy,  
 Cairo, October 19, 1954.

Your Excellency,  
 I have the honour to acknowledge receipt of your Excellency's Note of to-day's date, with reference to the Agreement signed this day between the Government of the United Kingdom and the Government of the Republic of Egypt, informing me that the Government of the United Kingdom may employ not more than ten civilian officials of supervisory grade to exercise financial supervision and control over the civilian contractors in the Base provided that these officials are attached to Her Majesty's Consulate at Ismailia.  
 In your Note you also confirmed, with reference to paragraph 9 of Part A of Annex II to the Agreement, our understanding that the personnel referred

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Your Excellency is aware that the installations are situated upon a site leased from the Suez Maritime Canal Company, and it will be for the Government of the Republic of Egypt to arrange with that Company for the usage of the site for the installations when transferred to their ownership.  
 I avail, &c.  
**RALPH SKRINE STEVENSON.**

No. 17  
 Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs  
 British Embassy,  
 Cairo, October 19, 1954.

Your Excellency,  
 I have the honour to inform your Excellency that the engineering material mentioned in the attached list will be handed over to the Government of the Republic of Egypt, without payment, within twenty months of the signature of the Agreement signed this day between our two Governments. Details of the hand-over will be arranged between the appropriate Egyptian and British authorities.

I avail, &c.  
**RALPH SKRINE STEVENSON.**

LIST OF EQUIPMENT TO BE TRANSFERRED TO THE EGYPTIAN GOVERNMENT

Item	Quantity
<i>Telephone Equipment—</i>	
Crossed Poles	Approx. 50.
Slay Blocks	A few, assorted sizes.
Scrap Rail	Quantity to be agreed, within availability in Egypt.
Wires, various types	Approx. 2 tons.
Cables, various specifications	Approx. 10,000 yards.
<i>Railway Material—</i>	
Angle Channels, T-Beams	Approx. 2,000 tons, assorted.
Fig. Iron	10 tons.
White Metal	10 cwt.
Tool Steel	10 cwt.
Tyres, Railway	300 tons.
Boiler Copper, Copper and Steel Pipes	50 tons.
Railway Wagons	871
Locomotives, Main Line, 2-8-0	6
Locomotives, Steam, Shunting	7
Locomotives, Diesel, Shunting, 350 h.p.	5
Spares for Locomotives and Diesel Engines	Approx. £10,000 value.

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No. 15 (b)  
 Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs  
 British Embassy,  
 Cairo, October 19, 1954.

Your Excellency,  
 With reference to your Excellency's Note of 10-day's date, I have the honour to confirm the understanding reached between us that the instruments of ratification of the Agreement signed this day between the Government of the United Kingdom and the Government of the Republic of Egypt shall be exchanged in Cairo not later than fifty days from the date of signature of that Agreement.

I avail, &c.  
**RALPH SKRINE STEVENSON.**

No. 16 (a)  
 The Egyptian Minister for Foreign Affairs to Her Majesty's Ambassador at Cairo  
 Ministry of Foreign Affairs,  
 Cairo, October 19, 1954.

Your Excellency,  
 I have the honour to inform your Excellency that the Government of the Republic of Egypt are willing to arrange for the provision of refuelling facilities for ships of the Royal Navy following the transfer to the Government of the Republic of Egypt of the oil installations at Port Said at present owned by the Government of the United Kingdom.  
 To this end, the Government of the Republic of Egypt intend to lease the above-mentioned installations to the Shell Company of Egypt for a period of not less than 7 years from the date upon which ownership of the installations is transferred to them.

I avail, &c.  
**MAHMOUD FAWZI**

No. 16 (b)  
 Her Majesty's Ambassador at Cairo to the Egyptian Minister for Foreign Affairs  
 British Embassy,  
 Cairo, October 19, 1954.

Your Excellency,  
 I have the honour to acknowledge receipt of your Excellency's Note of today's date informing me that the Government of the Republic of Egypt are willing to arrange for the provision of refuelling facilities for ships of the Royal Navy following the transfer to the Government of the Republic of Egypt of the oil installations at Port Said at present owned by the Government of the United Kingdom.  
 I note that the Government of the Republic of Egypt intend, to this end, to lease the above-mentioned installations to the Shell Company of Egypt for a period of not less than 7 years from the date upon which ownership of the installations is transferred to them.

I accordingly have the honour to inform you that the Government of the United Kingdom will transfer ownership of the above-mentioned installations to the Government of the Republic of Egypt without charge, upon conclusion of a satisfactory contract of lease, between the Government of the Republic of Egypt and the Company. Details of the installations concerned will be furnished at the first opportunity.

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Item		Quantity
<i>Electrical Material</i>		
Circuit Breakers	Miscellaneous	
Voltages	...	Approx. £12,000 value.
Transformers	...	Approx. 100.
<i>Vessels and Stores</i>		
Mud Hopper	...	1
Motor Fishing Vessel	...	1
General Purpose Launches	...	22
Boat Stores	...	150 tons.

*Agreed Minute*

At the time of signature of the Agreement between the Government of the United Kingdom and the Government of the Republic of Egypt, the United Kingdom and Egyptian Delegations wish to record the following points of interpretation of the Agreement upon which they are agreed:—

- (1) By the provision that British Forces shall withdraw immediately upon the cessation of hostilities contained in Article 5 of the Agreement, the two Contracting Governments understand that the withdrawal will begin as soon as hostilities cease and that the withdrawal of forces, together with any material in excess of the level of supplies referred to in Article 9, will be completed without any delay.
- (2) The expression "outside Power" as used in Articles 4 and 6 of the Agreement means any country other than (i) the countries referred to in those Articles and (ii) Israel.

Signed at Cairo, this nineteenth day of October, 1954, in duplicate.

ANTHONY NUTTING.	GAMAL ABDEL NASSER.
RALPH SKRINE STEVENSON.	ABDEL HAKIM AMER.
E. R. BENSON.	ABDEL LATIF BAGHDADI.
	SALAH SALEM.
	MAHMOUD FAWZI.

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Middle East (Policy)  
Defence Negotiations  
Part 5.

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SECRET

FROM CAIRO TO FOREIGN OFFICE

Cypher/OTF

FOREIGN OFFICE AND  
WHITEHALL DISTRIBUTION

Sir R. Stevenson

No. 1475

October 9, 1954

D. 11.14 p.m. October 9, 1954

R. 11.45 p.m. October 9, 1954

IMMEDIATE

SECRET

Addressed to Foreign Office telegram No. 1475 of October 9.  
Repeated for information to B.M.E.O.

Following for Secretary of State from Nutting.

I regret to report that we have reached deadlock on only outstanding issue, Moascar. Ambassador and I saw Prime Minister and Foreign Minister today and after two and a quarter hours' argument failed to get him to give us H.Q., M.E.A.F. All he would offer was to "guarantee the provision in Ismailia of sufficient suitable accommodation (to be rented by Her Majesty's Government) both for residential and office purposes for technicians whose accommodation cannot be provided in Moascar." (Words in quotes were written down by Ambassador and agreed by Nasser).

2. As for the rest, Egyptian Prime Minister would not budge beyond offer in paragraph 4 of my telegram No. 1441.

3. Ambassador and I used all obvious arguments, and I warned Prime Minister that his unreasonable attitude might imperil whole agreement. Contractors' demands were reasonable and, if not satisfied, they might refuse to take on the job. We should then be back where we had started from and would have to re-negotiate heads of agreement. Nasser objected that an agreement of this importance could not be put in jeopardy by the whim of a group of contractors.

4. Nasser kept on insisting that accommodation was not mentioned in heads of agreement. Against his better judgment he had conceded us a share of Moascar, but to add H.Q., M.E.A.F. would be to invite local hostile reactions on the score that "the British were still occupying a military headquarters". It was in contractors' own best interests to go to Ismailia.

/5. I told

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SECRETCairo telegram No. 1475 to Foreign Office

-2-

5. I told Prime Minister that he had made a very serious statement indeed. If the feelings of the local populace were such as he had described, then I would have difficulty in urging contractors to come out to the base regardless of the question of accommodation. At this, he intervened to say that there would be no ill feeling towards our technicians if they were mixed up with the local civilian population.

6. I then raised the question of Her Majesty's Government paying rent. I said it was surely for the Egyptian Government to see that we were not put to any added expense if they would not let us have H.Q., M.E.A.F. where we should have housed the contractors and their offices free of charge. Nasser replied that he could not see his way to providing accommodation rent-free. It was not a question of money but of principle. The Egyptian Government could not pay one piastre towards what their enemies regarded as perpetuating a form of British occupation. He would, however, guarantee that rents would be held down and that there would be no profiteering. In any case what we would pay in rent would only be a small fraction of what it would cost the Egyptian Government to guard our installations. Nasser added that if sufficient suitable accommodation were not available already, Egyptian Government would see that it was built in good time.

7. I pointed out that there was a question of principle involved on our side too. The question of rents was not the concern of the contractors, but of Her Majesty's Government and therefore Parliament. The money would fall to Parliament to raise, and Parliament would take ill paying money to Egyptians for alternative accommodation in Ismailia, particularly if we could have got it free at H.Q. M.E.A.F. This on top of hand-over of several million pounds' worth of installations and equipment without payment. Egyptian Government were always lecturing us on the importance of creating confidence, but nothing that Colonel Nasser had said or proposed about accommodating our technicians would help to create confidence at home. Very much the reverse. However, he had left us with no alternative but to refer the matter to you and to the contractors. I had no idea what the reply would be, but his attitude would certainly make a most unhappy impression.

ADVANCE COPIES:

Sir I. Kirkpatrick  
Private Secretary  
Sir R. Roberts

Mr. Shuckburgh  
Head African Department  
Head News Department

Resident Clerk

0-0-0-

Middle East Policy  
Defence Negotiations:  
Part 5

SECRET

77

C.C. (54) 63rd Conclusions, Minute 1 Extract 5.10.54

Egypt:  
Defence  
Negotiations

(Previous  
Reference:  
C.C.(54) 55th  
Conclusions,  
Minute 2)

THE JOINT PARLIAMENTARY UNDER-SECRETARY OF STATE FOR FOREIGN AFFAIRS said that substantial progress had been made in the negotiations which Mr. Nutting was conducting with the Egyptian Government in Cairo. The Egyptians were, however, still most reluctant to accept the inclusion in the Agreement of a clause prescribing that the Agreement, after it was signed, would be subject to ratification by Her Majesty's Government. They were concerned lest a provision to this effect would result in delaying final confirmation of the Agreement and so afford an opportunity for discontented elements in Egypt to undermine the position of the Egyptian Government by provoking incidents, which in turn might induce Parliament in the United Kingdom to oppose ratification. Mr. Nutting had accordingly sought authority to give the Egyptian Government an assurance that arrangements would be made to afford Parliament an opportunity of debating the new Agreement before the end of October. The Cabinet would recall that Lord Reading had given an undertaking in the House of Lords on 15th December, 1953, that provision would be made in the Anglo-Egyptian Agreement for its ratification and that, before ratification took place, full opportunity would be afforded for debate in Parliament.

THE LORD PRIVY SEAL suggested that the Government's obligation to provide facilities for a debate might be held to have been already honoured by the debate which had taken place on the Heads of Agreement. He doubted whether the Government need take the initiative in arranging a further debate in Parliament before ratification, though a debate would, of course, have to be arranged if there were a demand for it in Parliament.

THE PRIME MINISTER said that it was important that the new treaty with Egypt should, in accordance with normal custom, include a ratification clause. The Government would clearly find it necessary to meet pressure for a debate on the new Agreement before ratification took place, but they need not take the initiative in the matter. If a debate should prove to be necessary - and he expected that it would be - arrangements could no doubt be made without undue difficulty. If necessary, an indication could be given to the Egyptian Government that Her Majesty's Government expected that ratification would have been effected by the end of November and possibly by the end of October.

The Cabinet -

Invited the Joint Parliamentary Under-Secretary of State for Foreign Affairs to arrange for guidance to be sent to Mr. Nutting in Cairo accordingly.

R. 7 25/9.54  
(The government are below) Middle East Policy  
Defence Negotiations (Part 5)  
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Printed for the Cabinet. September 1954

**SECRET**

Copy No. 2

C. (54) 299  
28th September, 1954

**CABINET**

**ANGLO-EGYPTIAN NEGOTIATIONS**

**MEMORANDUM BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS**

Negotiations have been in progress since the beginning of August for an Anglo-Egyptian Agreement based on the Heads of Agreement (Command Paper No. 9230) initialled in Cairo on 27th July.

2. The Agreement will take the form of:—
- (i) a Main Agreement, with a short Preamble placing on record the desire of the two Governments to establish Anglo-Egyptian relations on a new basis of mutual understanding and firm friendship;
  - (ii) a number of Annexes.

The Main Agreement will contain the most important provisions of the Heads of Agreement, including an Article expressing the determination of both parties to uphold the 1888 Convention on the Suez Canal. There will be Annexes dealing with the withdrawal of Her Majesty's Forces, the organisation of the Base, and financial matters, including the settlement of claims between the two Governments. These Annexes will be an integral part of the Agreement.

3. There will be published Exchanges of Letters or Agreed Minutes dealing with a number of points of detail. A published Agreed Minute will also record the understanding reached in Cairo at the time of the conclusion of the Heads of Agreement that the Base will not be available for reactivation in the event of an attack on the Arab States by Israel.

4. In addition to the published documents mentioned above, there will be unpublished Exchanges of Letters on matters of detail. These will concern the right of Her Majesty's Government to send a number of visiting inspectors to the Base, in addition to those permanently attached to Her Majesty's Embassy; the instructions to be given to the R.A.F. and the Egyptian Air Force in connexion with the clearance of flights; and certain points in connexion with the transfer of the ownership of the Suez-Cairo oil pipe-line to Egypt.

5. A good deal of progress has been made in drafting, but the Egyptians are being very difficult on a number of points. The main one are the following:—

- (i) *The Main Agreement.*—The Egyptians have declined to accept a ratification clause, on the ground that this would give a dangerous period of delay before entry into force, which could be exploited by troublemakers in Egypt. I consider that we are bound by previous assurances to Parliament to ratify the Agreement, and it will be necessary to find some formula which takes account both of the Egyptian difficulties and of our own.  
Other points still under discussion are the formula for recording the termination of the 1936 Treaty and the form of the Article on consultation about the future during the last year of the Agreement.
- (ii) *Inspectors.*—We have not yet reached agreement with the Egyptians about the number of inspectors whom Her Majesty's Government shall be entitled to have in the Base.
- (iii) *Installations.*—The Egyptians have complained that the list of installations to be handed over to them for upkeep is too short. Although we have come some way to meet them on this, they now argue that we should

be prepared to pay for the maintenance of certain items, including some handed over to them at their request. They are also asking that we should hand over to them a large part of the Headquarters' area at Moascar. This raises difficulties, since the area contains many of the amenities which are needed by the contractors.

(iv) *Transfer of Military Equipment.*—The Egyptians have asked for a gift of certain equipment for the local defence of airfields.

(v) *Status of the Contractors.*—There have been prolonged negotiations about legal immunities for the contracting firms. This has not yet been finally settled.

(vi) *Claims.*—The Egyptian claims are very large, but over £50 millions of them arises out of the purported abrogation, which we do not recognise, of the 1936 Treaty. We also have large claims, and there is a rough balance between the valid claims on each side. Our objective is to achieve a settlement under which each Government will waive its past claims against the other. The Egyptians do not exclude this in principle, but, since their claims have been much publicised, their prestige is to some extent involved in being able to show their own people that they have obtained some satisfaction. They have made it clear, therefore, that their agreement to the waiver is dependent on our meeting their requirements over the installations referred to at (iii) above.

6. The Egyptians maintain that the opposition to the Agreement in Egypt is gathering strength and that there is a growing risk of acts of violence which may wreck the negotiations. They said at an earlier stage that they wished the Agreement to be signed before the students returned to the Universities on 1st October. The reopening of the Universities has now been postponed indefinitely, but the Egyptians show no signs of making concessions in order to reach agreement. It is clear that there is an element of bluff in their attitude, and I consider that we ought to stand firm on the issues of real importance to us.

A. E.

Foreign Office, S.W. 1,  
27th September, 1954.



RF 17/9/54.

*Middle East (Iraq)*  
*(Defence Negotiation Com. Part 5)*

CONFIDENTIAL

FROM CAIRO TO FOREIGN OFFICE

F.O. *(Mum)*  
*informal copy*

Cypher/OTP

*The PM wishes to see  
 draft reply to this  
 before it is prepared.*

FOREIGN OFFICE AND  
 WHITEHALL DISTRIBUTION. 105

Sir R. Stevenson  
 No. 1269  
 September 14, 1954.

D. 6.46 p.m. September 14, 1954.  
 R. 8.17 p.m. September 14, 1954.

IMMEDIATE  
CONFIDENTIAL

Addressed to Foreign Office telegram No. 1269 of  
September 14

Repeated for information to: B.M.E.O.  
 Mideast  
 M.E.A.F.

Your telegram No. 1198: negotiations.

I had quite a useful meeting with Egyptian Prime Minister today. Egyptian Foreign Minister was present, and for part of the time Salah Salem (who has apparently been received back into favour) joined us. In view of the points which the Egyptian Prime Minister raised in connexion with the drafting of the main Agreement, and of the progress which we made in other directions (oil, Moascar and the claims wash-out), it was decided to postpone the delegation meeting arranged for September 16 (my telegram No. 1209). It was also agreed that the Egyptian Prime Minister and I should meet again as soon as I had received your reactions on the various points contained in my immediately following telegrams, and the sub-committee, which is going to examine the Moascar-Ismailia area, has reported.

2. I was encouraged by the Prime Minister's evident determination to make the Agreement work. He has I think genuinely abandoned his earlier suspicion of us and our motives, but the volume of criticism of the Agreement which has reached him, has convinced him that so much suspicion still exists, particularly among the politically conscious portion of the population, that if the Agreement is to have a chance of working, the greatest care must be taken not to give even apparent grounds for it. He is convinced that the only way of creating the new relationship which both Governments desire is to bring the Agreement into force as soon as possible, and to show results.

/3. I am

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CONFIDENTIALCairo telegram No. 1269 to Foreign Office

-2-

3. I am certain that he was speaking the truth when he assured me that the Egyptian Government were not trying to whittle away the heads of agreement. They would stand by every word and would hold to the spirit of them as well. He hoped however that we would be able to meet them in the drafting of the final Agreement, so as to obviate in this country any suspicions, however childish they might seem to us. He did not seek to deny or belittle your political difficulties, but emphasized the fact that 70 years of occupation had left an indelible stamp on Egyptian mentality and that, as a result, reason had little to do with their reactions.

4. I think Nasser's concern is genuine. The régime are making strenuous if clumsy efforts to discredit the Moslem Brotherhood in the Press, and to assert that the Agreement is acceptable to all good Egyptians, but the Brotherhood are apparently making great play with a tabulated criticism of considerable popular appeal and the Government are clearly rather startled at the success they are having. It is entirely to our advantage to shorten the period before the Agreement comes into force, during which the opposition has its best opportunities for agitation and the creation of incidents; it is also to our advantage to meet Nasser as far as possible over points in regard to opposition arguments which can be disarmed. I hope therefore that sympathetic consideration can so far as possible be given to the points which he has raised in this contact.

ADVANCE COPIES:

Sir I. Kirkpatrick  
Private Secretary  
Mr. Ward  
Head African Department  
Resident Clerk

: : : :

O-O-O-

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Middle East (Policy)  
Defence Negotiations - (P+S)  
107

Telephone  
1234

Treasury Chambers,  
Great George Street,  
S.W.1.

PRIME MINISTER

read  
me  
9.17p

EGYPT: REPORT IN TO-DAY'S DAILY TELEGRAPH

I attach a copy of my minute of August 13th, which I have looked up. *— below*

As I stated in that minute, the greater part of the Egyptian claim for £60 million represents claims for customs duties and other levies, the validity of which we strenuously dispute. Negotiations on these major issues are still in progress.

It seems clear that the report in yesterday's Daily Telegraph referring to Egypt's "final attitude" on points of difference holding up the signature of the agreement, and mentioning the £50 million claim by Egypt, was a tactical move by the Egyptian Foreign Minister. It was no doubt intended to put pressure on us to give up any idea of demanding payment for such installations as we are not ourselves continuing to occupy. *— below*

/It is

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Telephone,  
Whitehall 1234.

Treasury Chambers,  
Great George Street,  
S.W.1.

It is certainly not the case that agreement has been reached over the financial issues as a whole, or that we have agreed to pay the £50 million.

I am watching the position.

*REB*

R. 9th September, 1954.

*Duplicate noted and returned,  
S/9.*

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EXTRACT FROM THE DAILY TELEGRAPH8/9/54.**CAIRO MEETINGS  
HELD UP****EGYPTIAN DEMANDS**

CAIRO, Tuesday.  
Dr. Fawzy, Egyptian Foreign Minister, to-night communicated to Sir Ralph Stevenson, British Ambassador, Egypt's "final attitude" on points of difference holding up the signature of the Anglo-Egyptian Suez Canal agreement, a Foreign Affairs spokesman said to-night.

It was earlier reported that the canal talks had reached a deadlock on certain financial and administrative questions. Points discussed were said to have included claims by Egypt to more than £50 million during the period since 1951, when Egypt abrogated the 1936 treaty.

The claims related to duties on goods imported by the British Army and to the troops maintained in the Zone in excess of the 1936 treaty figures. The British side put its counter-claims on the score of expense and inconvenience through having to maintain so large a force in the Zone.

Another question is the legal immunity of the British forces during the 20-month evacuation period. For this a temporary immunity convention will be necessary. —Reuter.

COPY

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PRIME MINISTER

Your enquiry of 7th August on the Egyptian Foreign Minister's claim that we owe his Government £60 million.

This figure is grossly inflated, very largely by claims against us for customs duties and other levies which the Egyptians say we ought to have paid after their unilateral "abrogation" of the 1936 Treaty. We cannot of course accept that the Treaty was so "abrogated" or that we owe the Egyptians anything like this amount. We ourselves have claims totalling some £30 million against the Egyptians, about half of which can reasonably be substantiated.

The true state of affairs is probably that each side owes the other about £15 million of solid claims and our negotiations are therefore under instructions to work for a "wash out". The Egyptian desire for a quick settlement may assist our negotiators in their attempt but this sort of propaganda by Dr. Fawzi will not make their task easy.

A "wash out" on these lines is of course most important lest the Egyptians seek to offset a credit on claims against a liability on installations and equipment we hand over to them. As you know I fear that the decision to employ civilian contractors to run the Base for us may be very expensive. Unless therefore our negotiators are successful in getting a net payment for the installations the withdrawal from Egypt may be attacked on financial grounds.

(Intld.) R.A.B.

13th August, 1954.





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27854  
(for Defence Papers)

MIDDLE East (Political)  
(Defence Negotiations Parts)  
111

Foreign Office,  
S.W.1.

R August 23rd, 1954.

SECRET

Dear Colville

The Minister of State approved this minute to the Prime Minister before he left for Spain, but did not have time to sign it. He asked that it might be brought to the Prime Minister's attention.

Yours ever  
Richard Sykes

(R.A. Sykes)  
Private Secretary to  
Minister of State

J.R. Colville, Esq., C.V.O.,  
10, Downing Street,  
S.W. 1.

**SECRET**

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CABINET

DEFENCE COMMITTEE

ARMS FOR EGYPT

Memorandum by the Secretary of State  
for Foreign Affairs

Now that the Heads of Agreement have been initialled we must consider whether to relax our restriction on the export of arms to Egypt. At present we impose an embargo on the export of virtually all defence equipment except maintenance items, and we have persuaded N.A.T.O. and other friendly countries to impose corresponding restrictions.

2. It is already evident that we shall now be expected to lift this embargo. The Egyptian Government have raised the matter informally and have suggested the setting up of a committee to consider economic and military aid. The Belgians have approached us, and some countries may assume without consulting us that we no longer wish them to maintain the ban. The U.S. Ambassador in Cairo has authority to begin discussions with the Egyptians on the provision of American economic and military aid, and the State Department have asked what our own intentions are in these respects.

3. The possible courses are:-

- (a) to maintain the present partial embargo;
- (b) to relax it to some extent;
- (c) to end it.

4. The initialling of the Heads of Agreement commits us to the assumption that Anglo/~~Egyptian~~ relations will now be based on mutual confidence. To rebuff the Egyptian approach and maintain the present or even a modified embargo would argue such distrust as might prejudice the carrying out of the final Treaty. It would also, by making it more difficult for the Egyptian Government to defend the Agreement, weaken their domestic position. Moreover, it is unlikely that the maintenance of an embargo would be supported particularly by other European countries who have with difficulty been restrained hitherto in the interests of the safety of British troops. Finally, the Americans have declared their intention to go ahead with discussions on their economic and military aid proposals. They have asked whether we still wish to be considered as the "habitual supplier" of military equipment to Egypt.

5. The raising of the embargo would not mean that our sales of equipment to Egypt would be completely unrestricted. The normal security rules, coupled with our own military security requirements in the area, would operate against the sale of some advanced types of equipment. We, the Americans and the French are still bound by the tripartite declaration of 1950 to restrict the supply of arms to the Arab countries (including Egypt) and Israel, in order to discourage an arms race, and to maintain a reasonable

**SECRET**

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balance of power in the area. All significant new orders would therefore have to be cleared with the Tripartite Near East Arms Co-ordinating Committee in Washington.

6. As other countries seem likely to resume supply to Egypt, continuance by the U.K. of the present, or even a modified embargo, would simply lose us a traditional market. If the embargo is raised there is a risk that certain equipment may get into the hands of guerilla forces over whom the control of the present Egyptian Government might prove inadequate. If there was no other consideration but the need to safeguard our own forces there would be advantages in minimising this risk for as long as possible even after the signing of the final Treaty. But it is too much to hope that in present circumstances the Egyptian Government could not find sources of supply for equipment of this type if they intended to obtain it. The normal negotiating processes will, however, mean that it will be some time before major items of equipment begin to leave the U.K. If in the interval adverse developments in the Canal Zone made it desirable, it would always be possible to stop the exports. For all these reasons we conclude that although the ending of the embargo may result in some increased risk to our forces, this risk is one which has to be faced in order to obtain the goodwill essential if the arrangements are to have a chance to work.

7. If the embargo is ended it remains to consider what the procedure should be. A large number of orders were outstanding when the ban was imposed in 1951. In some cases advanced payments had been made. The most important of the items still outstanding are Meteor and Vampire aircraft, Centurion tanks, 25 pdr. guns, self-propelled guns, and various types of ammunition. In view of the time which has elapsed since these orders were placed, it is by no means certain that all the equipment is still required by the Egyptians, particularly as they have been obtaining substantial quantities of arms from elsewhere. The most up to date indications of their needs was supplied to us as long ago as March 1953, and it would be necessary to ask the Egyptians to re-examine and re-state their requirements. We would then examine the supply position. Egypt will, of course, have to pay for what she gets.

8. If it is decided to end the embargo the sequence of events should be as follows:-

- (a) to inform the Americans of our decision, and of our wish to remain the habitual suppliers of military equipment to Egypt both directly and under offshore arrangements;
- (b) to inform the N.A.T.O. Council and other Governments concerned of our decision;
- (c) to publish the decision, and at the same time reaffirm our adherence to the tripartite declaration (see para. 5);
- (d) to ask the Egyptians to re-examine and re-state their requests.

9. A problem may arise in regard to Israel. The Israelis are very sensitive to the advantages, real or imaginary, which will accrue to Egypt as a result of the evacuation

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of the Suez Base by our Forces and, if we begin making deliveries of war material to Egypt, we shall be under even greater pressure to release more arms to Israel. Their requests will be considered in the light of the balance of power in the area and subject to consultation with the French and the Americans in the N.E.A.C.C. We may have to be rather less restrictive than we have been in response to their requests.

10. Recommendations

I invite my colleagues to agree:-

- (a) that the embargo should be ended;
- (b) that, subject to paragraphs 5 and 6 above, Egypt should henceforth be treated as a normal arms customer;
- (c) that the action set out in paragraph 8 above be taken.

AUGUST, 1954

SECRET

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JOINT STATEMENT BY THE GOVERNMENTS OF THE  
UNITED KINGDOM, FRANCE AND THE UNITED STATES,  
MAY 25, 1950.

The Governments of the United Kingdom, France and the United States, having had occasion during the recent Foreign Ministers' meeting in London to review certain questions affecting the peace and stability of the Arab States and Israel, and particularly that of the supply of arms and war material to these states, have resolved to make the following statement:

1. The three Governments recognise that the Arab States and Israel all need to maintain a certain level of armed forces for the purposes of assuring their internal security and their legitimate self-defence and to permit them to play their part in the defence of the area as a whole. All applications for arms or war material for these countries will be considered in the light of these principles. In this connexion the three Governments wish to recall and reaffirm the terms of the statements made by their representatives on the Security Council on August 4, 1949, in which they declared their opposition to the development of an arms race between the Arab States and Israel.
2. The three Governments declare that assurances have been received from all the states in question to which they permit arms to be supplied from their countries that the purchasing states does not intend to undertake any act of aggression against any other state. Similar assurances will be requested from any other states in the area to which they permit arms to be supplied in the future.
3. The three Governments take this opportunity of declaring their deep interest in and their desire to promote the establishment and maintenance of peace and stability in the area and their unalterable opposition to the use of force or threat of force between any of the states in that area. The three Governments, should they find that any of these states was preparing to violate frontiers or armistice lines would, consistently with their obligations as members of the United Nations, immediately take action, both within and outside the United Nations, to prevent such violation.

Middle East (Policy)  
Defence Negotiations:  
Part 5

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PM/MS/54/151

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PRIME MINISTER

ARMS FOR EGYPT

✓  
As you know, we have had a ban on the supply of arms to Egypt ever since the Egyptians abrogated our Treaty in October 1951. The N.A.T.O. countries and a number of other friends have supported us by similar embargoes.

2. We have now been asked by the United States Government and certain others, including notably the Belgians, whether we are prepared to see the ban lifted. The Egyptians themselves have also raised the matter.

3. We recently prepared the attached paper, which has been seen and agreed to by the Minister of Defence and other Ministers directly concerned. Lord Alexander has agreed that I should forward it to you on his behalf and my own. It recommends, as you will see, that the ban should be lifted.

4. I hope you will agree. The Americans are already planning military aid for Egypt and other countries who have been suppliers in the past have shown quite clearly that they are not willing to maintain their embargo. If we keep ours, we shall not succeed in denying arms to the Egyptians but will prejudice our attempt to establish better relations with them.

Co-operation between our armed forces may have great

/value



value for general security and peace in that area. We shall also lose a traditional market of some importance.

5. If the embargo is raised there will not be any sudden flood of arms to Egypt. She would be treated as a normal customer, but supplies would be subject to the provisions of the Tripartite Declaration of 1950 (copy attached) so far as we, the French and the Americans are concerned. We have, as you know, machinery for ensuring that arms we supply to Arab States do not upset the balance of strength between them and Israel. This would of course continue.

*Extract on Arms for middle East by PORTS (October 1952) & also being up.*

(Selwyn Lloyd)  
August 23, 1954.

*Tell me about this.*

*Athenis as proposed.*

*LM*  
*23. 8. 54*

Duplicate noted and returned to F.O.

*T.H.*  
*24. 8. 54*

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Miss Randall

Mr. P. G. Glendon

would you  
please have a  
look at Washington  
telegram 1653  
(flagged) and  
the P.M.'s comment  
at the end.

The F.O. have  
been reminded

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Several times,  
and it is now  
three weeks old.  
Do you want to  
send them again?

T.E.P.

23.8.

A <sup>from the M/slate</sup> minute/on arms  
for Egypt was sent to the  
P.H. today

2032

23.8

Telephone,  
Whitehall 1234.

*Middle East (Policy)*  
*(Defense Negotiations, Part 5)*  
Creston Chambers,  
Great George Street, 120  
S.W.1.

PRIME MINISTER

Your enquiry of 7th August on the Egyptian Foreign Minister's claim that we owe his Government £60 million.

This figure is grossly inflated, very largely by claims against us for customs duties and other levies which the Egyptians say we ought to have paid after their unilateral "abrogation" of the 1936 Treaty. We cannot of course accept that the Treaty was so "abrogated" or that we owe the Egyptians anything like this amount. We ourselves have claims totalling some £30 million against the Egyptians, about half of which can reasonably be substantiated.

The true state of affairs is probably that each side owes the other about £15 million of solid claims and our negotiators are therefore under instructions to work for a "wash out". The Egyptian desire for a quick settlement may assist our negotiators in their attempt but this sort of propaganda by Dr. Fawzi will not make their task easy.

A "wash out" on these lines is of course most important lest the Egyptians seek to offset a credit on claims against a liability on installations and equipment we hand over to them. As you know I fear that the decision to employ

/civilian

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Telephone,  
Mitchell 1234.

Treasury Chambers,  
Great George Street,  
S.W.1.

civilian contractors to run the Base for us may be very expensive. Unless therefore our negotiators are successful in getting a net payment for the installations the withdrawal from Egypt may be attacked on financial grounds.

RAB

by  
16. viii

13th August, 1954

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16.8.54  
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EGYPT  
July 31, 1954  
Section 1

**REPORT ON THE INITIALLING OF THE HEADS OF AGREEMENT  
REGARDING THE FUTURE OF THE SUEZ CANAL BASE**

*Sir R. Stevenson to Mr. Eden. (Received July 31)*

(No. 155. Confidential) Cairo,  
Sir, July 29, 1954.

As reported in my telegram No. 886 the Heads of Agreement regarding the future of the Suez Canal Base were initialled by the British and Egyptian Delegations in the evening of the 27th of July at the Presidency of the Council in Cairo. I now have the honour to transmit the initialled copy of the agreement in question together with the initialled agreed minutes of a plenary meeting of the delegations referred to in my telegram No. 875, paragraph 3. These minutes clarify a number of matters of the Heads of Agreement and point to two additional ones—the relationship of the forthcoming agreement to the Anglo-Egyptian Treaty of 1936, and the withdrawal of our forces from Egypt after a war—for which provision should be made in the agreement which is now to be negotiated on the basis of these heads. It was agreed with the Egyptian Delegation that these minutes should be regarded as confidential. I also annex a copy of the joint communiqué which was issued when the documents were initialled.

2. The conclusion of this negotiation was brought about by the Cabinet decision of the 23rd of July, communicated to me by your telegram No. 1133, to send out immediately to Cairo the Right Honourable Antony Head, Secretary of State for War, armed with broad instructions. It will be recalled that, at the moment when the Cabinet reached this decision, the issues between the Egyptian and British Delegations here, apart from minor questions of drafting, had been narrowed down to those of the duration of the agreement—which the Egyptians wanted to be of seven years—and of the period for the withdrawal of British troops from the zone, which the Egyptians claimed should be of fifteen months. The British Delegation had received authority to agree to the omission of Persia from the reactivation

clause of the Heads of Agreement and also to agree that the agreement itself should run from the date of signature rather than from the date of ratification: but we had not yet used these concessions in negotiation. After consultation with myself and my co-delegate Major-General Benson, Mr. Head reached the conclusion that the internal difficulties besetting the Egyptian Government were such that agreement could only be achieved if we accepted a duration of seven years for the agreement, and that by accepting this we might not only gain an adequate withdrawal period of twenty months but create an atmosphere in which the main agreement could be drawn up to our satisfaction and set in motion with a fair prospect of its being carried out. Accordingly, at his first meeting with the Egyptian Delegation—which was held amid the saucy over-decoration of a former Royal rest-house at the foot of the great Pyramids of Giza—he put these proposals, together with the abandonment of the two points referred to above, fairly and squarely to the Egyptians as the maximum concessions which Her Majesty's Government were prepared to make towards the Egyptian point of view. After a short adjournment to allow the Egyptian Delegation to confer, the latter expressed their acceptance of these terms. They tried to make special conditions for the withdrawal but did not insist in face of Mr. Head's refusal to accept them. The rest was plain sailing.

3. The Cabinet's decision to despatch Mr. Head on this mission was doubtless dictated to some extent at least by considerations of a domestic political order as well as by a desire that a Minister of the Crown should assure himself in person of the rightness of the policy to be adopted in the conclusive steps of this negotiation. There is little doubt, however, that his descent upon this capital and his encounter with the Egyptian leaders had a profound

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effect upon the latter, and, I venture to say, may have beneficial repercussions for some time upon the attitude of the Egyptian Government towards ourselves. I refer in this not merely to the parliamentary ability and eloquence with which, if I may say so, he presented his proposals to the Egyptian Delegation but to the vivid sense of contact with Her Majesty's Government which his presence and personality communicated to his Egyptian interlocutors. Their swift acceptance of his terms was no doubt dictated not only by the agreeability of these terms in themselves—they could still have haggled over the withdrawal period—but also to their realisation that instead of haggling with deputed emissaries of a remote and enigmatic Power, they were in immediate contact with a live member of the British Government, as fresh and authoritative in his statement of Her Majesty's Government's policy as in his reflection of the domestic political factors alluded to above. This sensation, if I interpret it right, went beyond persuading the Egyptians to accept the terms of agreement; it did much to convince them of the honesty of our purpose and to diminish at least temporarily the suspicion which over so many years has characterised their dealings with us.

4. There is no doubt that the Egyptian Delegation were moved by deep and startled delight, when, as a result of Mr. Head's proposal, they realised that the prize of evacuation which had eluded so many of their predecessors was at last in their grasp, and that Her Majesty's Government seriously intended to carry out the agreement on that point. Once agreement was secure they made no secret of their pleasure and heaped upon Mr. Head and the rest of the British Delegation their assurances that a new era in Anglo-Egyptian relationships was opening. So deep was their emotion, indeed that, as I am reporting in detail separately, the Minister for National Guidance and the Egyptian Prime Minister individually and together acceded promptly to representations which Mr. Head and I made to him concerning Egyptian anti-British propaganda, and Major Salah Salem, in his other capacity of Minister for Sudan Affairs, volunteered to Mr. Shuckburgh that the coming year in the Sudan would not be characterised by constant bickering. The Heads of Agreement have been rapturously received by the well-controlled Egyptian press, in the

inspiration of which Lieutenant-Colonel Abdel Nasser has been better than his word: Mr. Head had adjured him not to celebrate the occasion by a flood of crowing abuse of the "imperialists," and he had agreed to do his best while making clear his own triumph.

5. This flood of emotion will of course shortly subside and give place to the complex motives which the peculiar problems awaiting Gamal Abdel Nasser's Government must inspire. It may then be possible to assess with some confidence the degree of Egyptian willingness to co-operate—I use the phrase advisedly in order to allow for the chronic disparity in the Egyptian people between impulse and fulfilment—which, unforeseen external factors apart, we may expect in carrying out the forthcoming agreement. Meanwhile it may be useful that I should briefly review the position reached under the Heads of Agreement.

6. In the first place, the Egyptian Government commits itself to accord us a right to maintain a base here—a right which the 1936 Treaty was far from conferring on us. Apart from the intrinsic value of this concession, it signals the defeat of the neutralist dangers here, and ranges this Government irrevocably on the side of the West. At the same time, our own undertaking to withdraw all British forces takes away a principal plank of Communist agitation here and should bid fair to disrupt the alliance of communism and nationalism in this respect.

7. Secondly, the manner in which this right is to be accorded is unequivocal. Taken in conjunction with the Annex, article 3 of the Heads of Agreement makes it clear that the base may be operated for peace-time requirements as well as reactivated in time of war; while article 6 of the Heads of Agreement, together with the gloss on it in paragraph 2 of the Agreed Minutes, places an acceptably light Egyptian control on the size the base may be.

8. As regards the operation of the base, it would be frivolous to pretend that the stipulations of the Annex ensure a smooth and satisfactory piece of machinery to regulate relations between our Service departments, the contractors and this embassy on the one hand, and the Egyptian Government, Base Authority and local authorities on the other. There will doubtless be misunderstandings, friction, frustrations and confusions to be overcome,

and it will be of the highest importance that the civilian contractors' personnel undertaking various tasks in the base should be prepared to face such a prospect with patience and wisdom. The paramount consideration, however, is that the scheme offers a prospect of obtaining Egyptian co-operation in services and labour.

9. As regards the reactivation clause—No. 4 of the Heads—no tears need be shed over the omission of Persia from subparagraph (i), since there is little doubt what the attitude of the Arab States would be if a Russian attack on Persia took place. The Egyptian Government felt itself, perhaps a little exaggeratedly, to be already in domestic difficulties over the inclusion in this clause of Turkey and it would have been very hard and rather pointless to have insisted on Persia's inclusion. In this connexion it is noteworthy that, in the final discussions before initialling, the Egyptian Delegation expressed the desire that it should be somehow established in the course of the forthcoming negotiations that an attack by Israel on one of the Arab States would not be an occasion for us to invoke the reactivation clause. Dr. Fawzi suggested that an exchange of notes in due course might cover this point.

10. A particularly satisfactory aspect of the Heads is the ninth article—which should be read in conjunction with paragraph 4 of the Agreed Minutes—whereby the Egyptian Government accord what are tantamount to over-flying and transit rights for aircraft under the Royal Air Force control. General Benson and I had feared that the Egyptians would seek to impose a most-favoured-nation limitation on this concession as a whole and that their *amour propre* would raise obstacles to our installing technicians at Abu Sueir for the purposes of air control as well as for servicing. That they should have agreed to mere operational clearance of all flights under the paragraph concerned is most advantageous.

11. It is not for me to comment on the adequacy or not of the twenty-month period for withdrawal of Her Majesty's forces, but in regard to the related question of the duration of seven years I may perhaps usefully restate the basic considerations which, as you know, Sir, lead me to believe that it was a wise decision on the part of Her Majesty's Government to accept such a duration and to conclude the negotiations on that basis. In the first place it had been made

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abundantly clear to us in the course of the negotiations that the Egyptian Government considered themselves deeply committed to their own supporters on this point, and that, representing as it did a considerable advance over their first figure of three years, it was the furthest they could go; secondly, they considered the point to have been already agreed in an earlier phase of the negotiations last year and that it was an act of bad faith on our part to re-open the issue. More important than these tactical obstacles to a longer duration, however, was the consideration that if, as the result of what must have been a prolonged and painful haggle, we obtained any concession it might well have been won only at the price of the Egyptian co-operation in carrying out the agreement, to gain which—all allowance being made for Egyptian congenital unreliability—was one of the principal objectives of the whole negotiation. As it is, we bid fair as a result of Mr. Head's handling of the matter, to lay the best possible basis for obtaining the official and popular co-operation we need. Finally and for the same reasons, if there is a chance of prolongation of the agreement it will be because a comparatively short-term agreement has worked satisfactorily.

12. I am sending copies of this despatch and enclosures to Her Majesty's Representatives in Washington, Paris, Ankara, Beirut, Baghdad, Damascus, Amman, Jedda, Taiz, Tel Aviv and Tehran, to the Head of the British Middle East Office, the United Kingdom Representative to the United Nations, the Permanent United Kingdom Representative on the North Atlantic Council and the United Kingdom Trade Commissioner, Khartoum.

I have, &amp;c.

R. S. STEVENSON.

## HEADS OF AGREEMENT

It is agreed between the Egyptian and British Delegations that with a view to establishing Anglo-Egyptian relations on a new basis of mutual understanding and firm friendship, and taking into account their obligations under the United Nations Charter, an agreement regarding the Suez Canal Base should now be drafted on the following lines.

2. The agreement will last until the expiry of seven years from the date of signature. During the last twelve months

B 2

of this period the two Governments will consult together to decide what arrangements are necessary upon the termination of the agreement.

3. Parts of the present Suez Canal Base will be kept in efficient working order in accordance with the requirements set forth in Annex I and capable of immediate use in accordance with the following paragraph.

4.—(i) In the event of an armed attack by an outside Power on Egypt, on any country which at the date of signature of the present agreement is a party to the Treaty of Joint Defence between Arab League States or on Turkey, Egypt will afford to the United Kingdom such facilities as may be necessary in order to place the base on a war footing and to operate it effectively. These facilities will include the use of Egyptian ports within the limits of what is strictly indispensable for the above-mentioned purposes.

(ii) In the event of a threat of an attack on any of the above-mentioned countries, there shall be immediate consultation between the United Kingdom and Egypt.

5. The organisation of the base will be in accordance with Annex I attached.

6. The United Kingdom will be accorded the right to move any British material into or out of the base at its discretion. There will be no increase above the level of supplies to be agreed upon without the consent of the Egyptian Government.

7. Her Majesty's forces will be completely withdrawn from Egyptian territory according to a schedule to be established in due course within a period of twenty months from the date of signature of this agreement. The Egyptian Government will afford all necessary facilities for the movement of men and material in this connexion.

8. The agreement will recognise that the Suez Maritime Canal which is an integral part of Egypt is a waterway economically, commercially and strategically of international importance, and will express the determination of both parties to uphold the 1888 Convention guaranteeing the freedom of navigation of the canal.

9. The Egyptian Government will afford over-flying, landing and servicing facilities for notified flights of aircraft under R.A.F. control. For the clearance of any flights the Egyptian Government will extend most-favoured-nation treatment.

10. There will be questions of detail to be covered in the drafting of the agreement including the storage of oil, the financial

arrangements necessary, and other detailed matters of importance to both sides. These will be settled by friendly agreement in negotiations which will begin forthwith.

#### ANNEX I

##### Organisation of the Base

Her Majesty's Government shall have the right to maintain certain agreed installations and to operate them for current requirements. Should Her Majesty's Government decide at any time no longer to maintain all these installations they will discuss with the Egyptian Government the disposal of any installation which they no longer require. The approval of the Egyptian Government must be obtained for any new construction.

2. Following the withdrawal of Her Majesty's forces the Egyptian Government will assume responsibility for the security of the base and of all equipment contained therein, or in transit on Egyptian territory to and from the base.

3. Her Majesty's Government will conclude contracts with one or more British or Egyptian commercial firms for the upkeep and operation of the installations referred to in paragraph 1 and the maintenance of the stores contained in these installations. Those commercial firms will have the right to engage British and Egyptian civilian technicians and personnel; the number of the British technicians employed by these commercial firms shall not exceed a figure which shall be agreed upon in the detailed negotiations. These commercial firms will have also the right to engage such local labour as they may require.

4. The Egyptian Government will give full support to the commercial firms referred to in paragraph 3 to enable them to carry out these tasks and will designate an authority with whom the contractors can co-operate for the discharge of their duties.

5. The Egyptian Government will maintain in good order such installations, public utilities, communications, bridges, pipelines and wharves, &c., as will be handed over to it according to agreement between the two Governments. The commercial firms referred to in paragraph 3 will be

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afforded such facilities as may be required in their operations.

6. Her Majesty's Government will be afforded facilities for the inspection of the installations referred to in paragraph 1 and the work being carried out therein. To facilitate this, personnel shall be attached to Her Majesty's Embassy in Cairo. The maximum number of such personnel will be agreed between the two Governments.

July 27, 1954.

MINUTES OF A PLENARY MEETING OF THE DELEGATIONS OF THE BRITISH AND EGYPTIAN GOVERNMENTS HELD IN THE PRESIDENCY OF THE COUNCIL OF MINISTERS, CAIRO, 27TH JULY, 1954

The delegations met for the purpose of initialling the Heads of Agreement concerning an agreement to be drafted regarding the Suez Canal Base.

There were present:—

Sir Ralph Skrine Stevenson, Her Majesty's Ambassador.  
The Right Hon. Antony Head.  
Major-General E. R. Benson.  
Lieutenant-Colonel Gamal Abdel Nasser, Prime Minister.  
Major-General Abdel Hakim Amer.  
Wing Commander Abdel Latif el Boghdadi.  
Major Salah Salem.  
Dr. Mahmoud Fawzi, Minister for Foreign Affairs.

With reference to paragraph 2 of the Heads of Agreement the delegations agreed that it was not the intention of either Government that the agreement should be "open-ended." Unless both the Egyptian and United Kingdom Governments agreed upon any extension for this agreement in whole or in part, it would terminate finally seven years after the date of signature and the United Kingdom Government would withdraw or otherwise dispose of the remaining British-owned property.

2. With reference to paragraph 6 of the Heads of Agreement it was accepted that the level of supplies to be agreed upon will be stated in broad terms, *i.e.*, the total tonnage of stores and equipment to be held in the depots and an upper limit to the

equipment and vehicles under repair in the base workshops.

3. With regard to paragraph 7 of the agreement the British Delegation pointed out that it would only be possible to produce a schedule of withdrawal along the broadest lines, *e.g.*, stating percentage of troops being moved in each four-monthly period. The Egyptian Delegation took note and agreed.

4. With reference to paragraph 9 of the Heads of Agreement, it was noted that the landing and servicing facilities referred to will be granted at Abu Sueir in the case of land planes and Fanara in the case of flying boats. This fact will be clarified in the agreement by means of a note in an appendix indicating that British civilian technicians will be located at Abu Sueir and Fanara for the purpose of assisting in the servicing of aircraft under Royal Air Force control and in the technical take-off, flying and landing procedures. The clearance of notified flights will be obtained through operational channels.

5. With reference to paragraph 4 of the Annex it is agreed that a Civilian Board of Management may be established in the base to co-ordinate the activities of the civilian contractors.

6. With reference to paragraph 6 of the Annex I to the Heads of Agreement, it was agreed that officers, who may be military or civilian may be attached temporarily to Her Majesty's Embassy in Cairo for the purpose of paying visits of inspection in civilian clothes to the installations provided that the maximum number of inspectors to be agreed upon is not exceeded.

7. The delegations agreed that in the agreement there should be a clause dealing with the 1936 Treaty. Provision will also be made to safeguard the status of the British troops pending their withdrawal.

8. The delegations also agreed that there should be included in the agreement a clause establishing that Her Majesty's forces would be immediately withdrawn from Egyptian territory when the circumstances envisaged in paragraph 4 (i) of the Heads of Agreement no longer applied.

LIEUT.-COLONEL W. MCB. STEPHEN,  
WING COMMANDER ALI SABRI,  
J. K. DRINKALL,

*Secretaries.*

RALPH SKRINE STEVENSON.  
MAHMOUD FAWZI.

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**Communiqué**

The Prime Minister of Egypt and the Secretary of State for War of the United Kingdom to-day initialled in Cairo Heads of Agreement embodying the principles upon which it is proposed to draw up an agreement regarding the Suez Canal Base.

The two Ministers have expressed on behalf of their Governments their conviction that this agreement, by removing

sources of friction and mistrust, will help to bring about growing improvement in the relations between their two countries. They declare that it has no aggressive purpose. On the contrary they believe that the arrangements contemplated under the Heads of Agreement will contribute to the maintenance of peace and security, which is the objective of both their Governments.

*27th July, 1954.*



Egypt No. 1 (1954)

**Heads of Agreement.  
Anglo-Egyptian Defence  
Negotiations regarding the  
Suez Canal Base**

Initialed at Cairo, July 27, 1954

*Presented by the Secretary of State for Foreign Affairs to Parliament  
by Command of Her Majesty  
July 1954*

LONDON  
HER MAJESTY'S STATIONERY OFFICE  
THREEPENCE NET

Cmd. 9230

*Ministry of Defence  
SUEZ CANAL BASE  
Middle East (1954)  
Defence Negotiations  
Paris  
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**HEADS OF AGREEMENT, ANGLO-EGYPTIAN DEFENCE  
NEGOTIATIONS REGARDING THE SUEZ CANAL BASE**

*Initialed at Cairo, July 27, 1954*

It is agreed between the Egyptian and British Delegations that, with a view to establishing Anglo-Egyptian relations on a new basis of mutual understanding and firm friendship, and taking into account their obligations under the United Nations Charter<sup>(1)</sup>, an agreement regarding the Suez Canal base should now be drafted on the following lines.

2. The agreement will last until the expiry of seven years from the date of signature. During the last twelve months of this period the two Governments will consult together to decide what arrangements are necessary upon the termination of the agreement.

3. Parts of the present Suez Canal base will be kept in efficient working order in accordance with the requirements set forth in Annex I and capable of immediate use in accordance with the following paragraph.

4.—(i) In the event of an armed attack by an outside Power on Egypt on any country which at the date of signature of the present agreement is a party to the Treaty of Joint Defence between Arab League States or on Turkey, Egypt will afford to the United Kingdom such facilities as may be necessary in order to place the base on a war footing and to operate it effectively. These facilities will include the use of Egyptian ports within the limits of what is strictly indispensable for the above-mentioned purposes.

(ii) In the event of a threat of an attack on any of the above-mentioned countries, there shall be immediate consultation between the United Kingdom and Egypt.

5. The organisation of the base will be in accordance with Annex I attached.

6. The United Kingdom will be accorded the right to move any British material into or out of the base at its discretion. There will be no increase above the level of supplies to be agreed upon without the consent of the Egyptian Government.

7. Her Majesty's forces will be completely withdrawn from Egyptian territory according to a schedule to be established in due course within a period of twenty months from the date of signature of this agreement. The Egyptian Government will afford all necessary facilities for the movement of men and material in this connexion.

8. The agreement will recognise that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially and strategically of international importance, and will express the determination of both parties to uphold the 1888 Convention guaranteeing the freedom of navigation of the Canal<sup>(2)</sup>.

9. The Egyptian Government will afford overflying, landing and servicing facilities for notified flights of aircraft under R.A.F. control. For the clearance of any flights the Egyptian Government will extend most-favoured-nation treatment.

<sup>(1)</sup> "Treaty Series No. 67 (1946)," Cmd. 7015.

<sup>(2)</sup> Commercial No. 2 (1889).

10. There will be questions of detail to be covered in the drafting of the agreement including the storage of oil, the financial arrangements necessary, and other detailed matters of importance to both sides. These will be settled by friendly agreement in negotiations which will begin forthwith.

ANNEX I

**Organisation of the Base**

Her Majesty's Government shall have the right to maintain certain agreed installations and to operate them for current requirements. Should Her Majesty's Government decide at any time no longer to maintain all these installations they will discuss with the Egyptian Government the disposal of any installation which they no longer require. The approval of the Egyptian Government must be obtained for any new construction.

2. Following the withdrawal of Her Majesty's forces the Egyptian Government will assume responsibility for the security of the base and of all equipment contained therein, or in transit on Egyptian territory to and from the base.

3. Her Majesty's Government will conclude contracts with one or more British or Egyptian commercial firms for the upkeep and operation of the installations referred to in paragraph 1 and the maintenance of the stores contained in these installations. These commercial firms will have the right to engage British and Egyptian civilian technicians and personnel; the number of the British technicians employed by these commercial firms shall not exceed a figure which shall be agreed upon in the detailed negotiations. These commercial firms will have also the right to engage such local labour as they may require.

4. The Egyptian Government will give full support to the commercial firms referred to in paragraph 3 to enable them to carry out these tasks and will designate an authority with whom the contractors can co-operate for the discharge of their duties.

5. The Egyptian Government will maintain in good order such installations, public utilities, communications, bridges, pipelines and wharves, &c., as will be handed over to it according to agreement between the two Governments. The commercial firms referred to in paragraph 3 will be afforded such facilities as may be required in their operations.

6. Her Majesty's Government will be afforded facilities for the inspection of the installations referred to in paragraph 1 and the work being carried out therein. To facilitate this, personnel shall be attached to Her Majesty's Embassy in Cairo. The maximum number of such personnel will be agreed between the two Governments.

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Sir Frederic Metcalfe,

29 JULY 1954

K.C.B. (Retirement)

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what Mr. Speaker had done. I am asking these questions in order that I may make up my mind whether any question of challenge arises. It is a little difficult for us to understand without explanation that a debate can be held to have been completed when there has been no speech made for or against the Motion and when the speeches on an Amendment which was held to cover the main Motion had not been replied to by the Government. I think it quite wrong—

**Mr. Speaker:** The hon. Member is putting the same point as he previously raised. I must again tell him that if he has any criticism to make he must make it in the form of a Motion.

**Mr. W. T. Proctor (Eccles):** On a further point of order. The hon. Member for Cardiff, West (Mr. G. Thomas) and myself put down an Amendment on which it was our intention to raise the question of the old-age pensioners. You informed me, Mr. Speaker, that I would be able to speak on the main Motion, as you did not intend to call our Amendment. Have we no opportunity now of raising that very important question?

**Mr. Speaker:** Certainly not. The hon. Member's Amendment was not selected.

**Sir C. Taylor:** Further to the point of order raised by the hon. Member for Nelson and Colne (Mr. S. Silverman). I am the hon. Member who raised the question of what the hon. Gentleman opposite said, which was "Clear the Chair". Most of us on this side of the House think that a graceful apology to you, Sir, would be more in keeping with his action than the speech he has now made.

**Mr. Speaker:** That is a matter for me. I have taken the course which I have taken. The hon. Member for Nelson and Colne did put another construction upon it. I am quite prepared to accept it.

**SIR FREDERIC WILLIAM METCALFE, K.C.B. (RETIREMENT)**

4.58 p.m.

**The Lord Privy Seal (Mr. Harry Crookshank):** I beg to move.

That Mr. Speaker be requested to convey to Sir Frederic William Metcalfe, K.C.B., on his retirement from the Office of Clerk of this House, the assurance of its just sense of the exemplary manner in which he has uniformly discharged the duties of his important office, and its appreciation of his thirty-five years of devoted service in different offices of the House, of which twenty-four were spent at the Table, where his experience and ready advice have rendered constant assistance to the House and its Members in the conduct of its business.

The Motion is on the Paper in the name of my right hon. Friend the Prime Minister and myself, and of the two right hon. Gentlemen opposite who are the Leaders of their parties. With his natural modesty, Sir Frederic himself would have preferred it that we should leave it at that today and make no personal references to him. He is essentially a modest man. I feel that the House, for the first time in many years, would be unwilling to take Sir Frederic's advice on that matter, even if he tendered it.

The resignation of a Clerk of the House inevitably marks the end of a Parliamentary chapter. Sir Frederic leaves us with the good wishes of everyone. He has served the House for 35 years, and at all times he has been a perfect model of patience with all those who sought his guidance. Courtesy was his hall-mark and friendliness his outstanding characteristic, and he joined us in other spheres besides his work. He was a private—there is the modesty again—in our Parliamentary Home Guard during the war. With some he played golf, and in earlier days he shone as a run-getter for the Lords and Commons on the cricket field.

Now he leaves us, his duty done, but young enough for us as a House—with confidence, I hope—to wish him a long and happy retirement. Today we want to thank him for his great services, and we shall all miss him from his place at the Table.

**Mr. C. R. Attlee (Walthamstow, West):** Only a few words are needed from me to associate very fully all hon. Members on this side of the House with what has

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before yesterday, and, secondly, on whether or not Her Majesty's Government are correct in the policy which they are pursuing towards Egypt and in initiating a step which will lead to a formal ratification of an agreement with Egypt.

I think that both those points depend to a very large extent on strategic considerations, and, in particular, on a strategic review which was carried out by the Chiefs of Staff and agreed by the Cabinet in the light of present conditions and circumstances. Although, obviously, I cannot go deeply into that, I think that I should bring to the notice of the House three considerations—comparatively recent—which apply particularly to policy in Egypt.

The first of these is the advent of the hydrogen bomb, together with other thermo-nuclear weapons. In war, I do not think that we can do other than expect the use of these weapons, and, in particular, their use on this country. In such circumstances, I think that all hon. Members would agree that our ability to mobilise, equip, train and dispatch overseas large quantities of troops would be restricted. Furthermore, our ability to maintain them at long distances from home would also be severely strained.

Not only that, but I think it equally true to say that the same considerations would apply to any Power, say, Russia, which attempted to maintain large forces in a campaign in the Middle East. It, too, would be hampered by long lines of communications running through difficult mountainous country, peculiarly vulnerable to this form of attack. The deduction, therefore—which I think hon. Members will agree is a fair one—is that the likelihood of large-scale land campaigns in the Middle East in any war in the future has been considerably reduced.

The second point to which I would draw the attention of hon. Members is the coming into N.A.T.O. of Turkey and the considerable progress which she has made in re-equipping her army with a lot of modern equipment which the United States have provided for her together with their technical advice. Turkey is determined to fight and to defend herself, and in the circumstances of the increased difficulty which I have mentioned regarding the lines of communication from Russia towards Turkey,

the chances of her succeeding have very considerably increased.

That being so, I think that hon. Members will appreciate that the likelihood of our being able to take part in a more forward strategy on Turkey's right flank in the defence of the Middle East is very much increased. That being so, hon. Members would see at once, if they looked at a map, that that places the base in Egypt very much more remote from the area in which we are most likely to fight in war. Therefore, not only is the importance of the base—I would not say done away with; but it is the case that the likelihood of subsidiary bases closer to that area would be necessary in war. Further, the advent of all these very powerful weapons puts a premium on dispersion and is very much against concentration.

In addition, should that be the position in war—and this is true to some extent in peace—the geographical position of Egypt as a country, with the double sea entry to Egypt, with the Canal which may well be shut in war, with the communications which run parallel to the Canal, and as a large source of labour—those facilities will be of very great importance indeed, especially in the event of either the Canal and/or the Mediterranean being closed.

Those facilities would be of little or no use to us in peace or in war with a hostile Egypt. Unless there is a better spirit and more co-operation in Egypt, it will be vain to expect that we can take any useful advantage of these facilities. I therefore think that that second point suggests that strategically we need a better spirit and more co-operation from the Egyptian people if we are to strengthen our strategic position in the Middle East.

The third point which I would make is one which has often come up in this House. It is the fact that with the size of our forces—and particularly is this true of the Army—we are overstretched and overstrained. Our commitments are too large for the forces which we have, and we lack a strategic reserve. Time and again in every debate on this subject to which I have listened hon. Members have urged upon the Government the need to reduce our commitments. But I think that those commitments are the consequence not so much of any failing on the part of Her Majesty's Government

that from the point of view of self-interest the Egyptian Government, which has to improve the economy and standard of living in Egypt, could gain any advantage whatsoever by continuing to abuse this country and remain on bad terms not only with us but with the United States of America.

I think that we have reason to hope for better relations in future. I was gratified to see that the initial statement of Colonel Nasser which, by what has gone before might have been very extreme, did show considerable moderation. To those who think that our future relations with Egypt may be bad, I say that they may or may not be right, but I would suggest that they await the events which they expect in silence rather than, by saying anything, spoil the chances that those relationships will improve.

I know that there are many hon. Members who may agree with the strategic considerations which I have put forward, who may agree in general with the contents of the Heads of Agreement, but who disagree very violently with this policy because of reasons of prestige. I think that everybody realises and appreciates those reasons for disagreeing with this policy. For a proud and great nation to take a step which looks as though she is being forced by duress to do something which she has been shouted at to do for a long time, and to do it deliberately, is always unpalatable for national pride. I think that everyone feels that, and I can assure hon. Members that I am aware of it myself. I can equally well assure them that I would not speak in this debate, still less go to Cairo, were I not unquestionably and absolutely sure that the policy being pursued by Her Majesty's Government is a right one.

I would ask hon. Members who have a reason for disliking this policy, "Have they carefully considered the alternatives?" What are the alternatives? First, we can remain there indefinitely with the 80,000 already there. Would they be prepared to ask the British Army to sit it out indefinitely in conditions in which I do not believe any other Army would have shown such good temper for so long a period? Are they prepared to accept that expense and that waste of effort, which makes no contribution whatever to our difficulties in the cold war?

The second point which differs from the original agreement is that the evacuation of the base will now be completed in 20 months whereas previously 15 months was the time allotted. I think that hon. Members will appreciate that now that we are reducing the base we shall have more to disperse and more to move both locally in the Middle East and back to this country. The question of this period has been looked into closely at the War Office, and I have personally discussed it at some length both there and with General Keightley. I am satisfied that those 20 months will give us the opportunity to carry out an orderly and efficient evacuation of the base, but, as hon. Members who have seen the base will realise, it will be an extremely difficult task.

The third point in the Heads of Agreement to which I think I should refer is the duration of the treaty, which is for seven years. There are some hon. Members who say that it should be for 20 or more years. There are other hon. Members who say that a treaty of this kind would not be worth the paper it is written on. There are still others who say both—which does not seem to me to be entirely logical. But I believe that both for the base itself and for the advantage of the use of Egypt as a place in the future, the main consideration, strategically, is our relations with the Egyptian people and with the Egyptian Government in the future.

In that seven years, we shall know full well whether or not our relations with Egypt have changed very considerably for the better. If they have not, then whether we have 80,000 men there or just a few technicians that base will never be a true asset. If they improve and if, as I believe, there is a gradual improvement in this way, we shall not only have the base of which we can take full opportunity, but have the use of Egypt as a place, which is of even greater value.

I know that there are many different opinions about our future relations with Egypt, but I would say this. Since the present Government has been in power in Egypt they have had one target and one target only. That target has been the British. "Get the British out of Egypt" has been their cry, and, whatever one may think of their policy and views, that target has gone. I cannot conceive

[MR. HEAD.]  
 but of the deliberate purpose of the Kremlin to stir up trouble for this country wherever it can. I think that it would be unwise of anybody to count on those commitments being reduced.

It is for those reasons that, if we are to balance the Army, we must attempt to build up in this country a strategic reserve. I think that if hon. Members surveyed the general situation today they would agree that the only possibility of achieving that is through being able to free the equivalent of the two and one-third divisions now locked up in the Canal Zone.

Those three points then, I think, come to this. We can afford to have a smaller base; we must aim at better co-operation with Egypt; we must aim at strategic reserves. It is, I think on reflection, the aim of those Heads of Agreement and of the policy now being pursued by Her Majesty's Government to reduce the size of the base, and to free those troops to build up a strategic reserve. Therefore, I would contend that on those considerations, strategically this policy is sound and justified up to the hilt.

Now I turn to the Heads of Agreement. I believe that the House would wish me briefly to consider those matters contained in the Heads of Agreement which are somewhat different from those which have been discussed at such length, and with such patience, by General Sir Brian Robertson and Sir Ralph Stevenson. The first, which is new, is that this reduced base should be manned by civilian technicians from this country. When the previous discussions were going on we aimed at a base which would require some 4,000 soldier technicians. Today, under the considerations which I have outlined, we consider that to retain the workshops, to keep the fixed installations in working order, with a minimum of stores necessary for local maintenance and some war reserves can be done with a very much smaller force—well under half the number of soldiers required. In such circumstances, and after examination, we believe it perfectly feasible to operate the base by civilians from this country. I would say, from my own point of view, that to have civilians is a very great deal better than to have soldiers disguised as civilians.

I have yet to hear an hon. Member on either side of the House who advocated that course.

What is the other alternative? My right hon. and gallant Friend the Member for Leicester, South-East (Captain Waterhouse) and one or two others have said that the correct course is to say to the Egyptians, "Until we get a proper treaty which we agree upon, we will sit it out with a force of 10,000 or 15,000 or 20,000 men." Because of difficulties which might arise, such a policy has been very carefully examined by the Chiefs-of-Staff.

It means that one would concentrate a proportion of the base at Fayid, including an airfield. In that portion one would have that force guarding itself, the base and the airfield, and from it one could afford a small force for the immediate port facilities and wharfrage at Port Said or Suez or whichever port one chooses. But one could not have sufficient forces to guard one's lines of communication from Fayid to the port. That being so, and accepting, as I think hon. Members must accept, that such a course would be provocative and would result in an increase of banditry and terrorism, what should we do? If that happened what would one do about one's lines of communication? One could either supply that force by air, as in the case of the Berlin airlift—but surely one would look rather stupid with a beleaguered garrison in Egypt being supplied by air; or one could reinforce with more troops in order to safeguard one's lines of communication.

I say to hon. Members: could there be a more provocative course of action than to bring reinforcements into Egypt, having previously stated the limitation on the number of one's troops and having no rights on that occasion to bring in the reinforcements? That solution has been turned down by the best military advice, and politically it is considered—and rightly so in my opinion—quite unacceptable.

What other alternatives are there? I have listened to all these debates, I have talked to many hon. Members and hon. Friends—in both senses of the word—on this subject; but I have yet to hear a practical proposal other than those two. That being the case, I suggest to hon. Members who oppose this policy that in



[Mr. Head:] I am afraid that the right hon. Gentleman proved rather too much because his colleague, the late Secretary of State for the Colonies, was at pains to explain the great importance of the base at Cyprus. Is Cyprus immune from the hydrogen bomb? The right hon. Gentleman's speech was a lot of special pleading to cover the fact that he and his colleagues have at last come to realise the rightness of the Labour Government's policy. While recognising the position in the base and the rest of it, I cannot accept that there has been this change. I much prefer to accept the Prime Minister's brief remark yesterday that it is a matter of necessity.

This is a historic occasion. It is the termination of the long presence of British troops in Egypt, and there are two aspects of the matter into which we must look closely. One concerns the merits of this Agreement, both in its entirety and in its detail, and the second is how it squares with the policy laid down year after year by leading members of the present Government who in the past were so bitter in their attack on the Labour Administration.

This is no new question. Negotiations have been prolonged over the years since the war. It will be remembered that in October, 1946, agreements were initialled between Mr. Bevin and Sikky Pasha providing for mutual arrangements for defence arrangements, for the evacuation and for the Sudan—terms which were infinitely better than those now laid before the House. Those arrangements broke down owing to the unwillingness of the Labour Government to sacrifice the people of the Sudan. Sudan has now been dealt with but in such a way that I fear that, through the dilatoriness and supineness of the present Government, in effect the Sudanese have been sold down the river. Owing to the period which was allowed to elapse before the election, the bribery and all the rest of it, I think there is a very great danger of the Sudan falling again into the hands of the Egyptians, and that is a very sad ending to a very great achievement by the British Administration.

I should like to recall to the House the statement which I made on 7th May, 1946, on the policy of the Labour Government. I said:

"It is the considered policy of His Majesty's Government in the United Kingdom to con-

solidate their alliance with Egypt as one between two equal nations having interests in common. In pursuance of this policy, negotiations have begun in an atmosphere of cordiality and good will. The Government of the United Kingdom have proposed the withdrawal of all British naval, military and air forces from Egyptian territory, and to settle in negotiation the stages and date of completion of this withdrawal, and the arrangements to be made by the Egyptian Government to make possible mutual assistance in time of war or imminent threat of war in accordance with the alliance."

How did the present Prime Minister react? He said:

"Things are built up with great labour and cast away with great shame and folly." [Official Report, 7th May, 1946; Vol. 422, c. 781-2.]

What would the right hon. Gentleman have said if the Labour Government had presented the present proposals?

The Adjournment of the House was moved and accepted, and the present Foreign Secretary said:

"... our troops are there for one purpose and one only, the defence of the Canal and its security." [Official Report, 7th May, 1946; Vol. 422, c. 830.]

The right hon. Gentleman called it "a British purpose," "an Imperial purpose," "an Anglo-Egyptian purpose" and "a world purpose." He said that the Canal was an essential artery to our imperial life.

In the right hon. Gentleman's speech today there was no mention of the Canal. It dropped out completely so far as I could see. However, on that previous occasion the present Prime Minister said:

"... we know that there is no satisfactory method of keeping the Canal open, and making sure that it is kept open, except by keeping troops there." [Official Report, 7th May, 1946; Vol. 422, c. 894.]

The right hon. Gentleman said over and over again that the British troops must be kept there.

When I announced the plan to withdraw our troops, the Prime Minister said that it was a most painful blow. He must have been in acute pain yesterday. Yet what we proposed then has the support of all informed military opinion. I am sure that the proposal to withdraw our troops from Egypt has been welcomed by all ranks in the Canal area. This has been pressed for a long time. There has been a great deal of cost in money, lives and discomfort for our troops before this Agreement has been reached. The Agree-

ment seems to be the result, eventually of accepting what has been refused month after month and almost year after year by the present Government.

Besides the defence of the Canal there was also the question of the Base. The Labour Government sought an agreement whereby, as I stated, mutual assistance should be available in time of war or imminent threat of war. I was pressed on this by the present Prime Minister. I said, in May, 1946:

"I am perfectly alive to the fact that under conditions of modern warfare we can only carry out our obligations if we have been put in a position by the Egyptian Government to bring our Forces into action in the area without loss of time in an emergency—"

Mr. CAURICILL: Before fighting begins?

THE PRIME MINISTER: Yes, certainly. [Official Report, 7th May, 1946; Vol. 422, c. 857.]

This was followed up by the present Foreign Secretary on 24th May, 1946. He said:

"It may be thought that if the necessary preparations can only be made in advance, the actual movement of Forces can await the sounding of the hour of menace. That may be strategically sound—I am not qualified to pronounce, although I have doubts about it—but I am quite sure that it is politically unsound and even politically very dangerous. What happens? When tension grows and peril menaces, it is not fair to put too much strain on a small country by saying at that very hour, 'You must agree that danger threatens and you must let us come, publicly before the world, into your country in order to share with you the averting of that danger.'"

[Official Report, 24th May, 1946; Vol. 423, c. 706.]

There was stress upon that point over and over again, that it was not fair to leave this to the last minute. But if we look at the White Paper we read:

"In the event of an armed attack by an outside Power on Egypt or any country which at the date of signature of the present agreement is a party to the Treaty of Joint Defence between Arab League States or on Turkey, Egypt will afford to the United Kingdom such facilities as may be necessary."

The war has then already broken out, which is just what was so roundly condemned previously by the right hon. Gentleman. It is true that the White Paper says:

"In the event of a threat of an attack on any of the above-mentioned countries, there shall be immediate consultation between the United Kingdom and Egypt."

That puts a small country in just the difficulties to which the right hon. Gentleman referred. The Labour Government

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let me say, was quite as abundantly plain in 1945 and 1946 as it is today, and that is why our policy was right then, and it is a pity that the Government, when they were in opposition, did not recognise it.

I am quite sorry for a number of hon. and right hon. Gentlemen opposite who are, naturally, upset by this Agreement, because they took the Prime Minister's speech to be an expression of serious strategic views. I am afraid that they do not recognise that there is an immense difference between the Prime Minister in office and the Prime Minister in opposition. When he comes into office he has to face realities; he has to take responsibility instead of indulging in merely factious attacks on those who are bearing responsibility. We have borne for years these accusations, freely thrown about, of "scuttling."

Now we come down to this Agreement that we have got, and we all hope that it will be carried out, but its terms are worse than any I have ever seen. The right hon. Gentleman knows this could have been settled on better terms, and in fact on these very terms two years ago, if he had stood up to his own back benches. He refrained from doing what was right. He has now to eat humble pie. We all hope that this may lead to a new and better era in the Middle East, but there is very little credit to the Government.

5.44 p.m.

**Captain Charles Waterhouse (Leicester, South-East):** It is never easy for a Member of this House to get up and take a view strongly opposed to that of a leader whom he highly respects and whom he has followed with loyalty for so many years. It is never an easy task for any back bencher to follow the speeches made from the Front Bench, but when we have had two speeches such as we have had today, one of very high oratory, the other both of oratory and very close argument, it is more difficult still, and the House will, I hope, have sympathy with me.

**Mr. R. H. S. Crossman (Coventry, East):** Which was which?

**Captain Waterhouse:** I always keep chronological order. The House will, perhaps, have sympathy with me when I am putting a view which is now, I know, definitely going to be disagreeable to my

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**[MR. ATTLEE:]** The Opposition entirely agree with the evacuation of our troops from Egypt. I can remember saying over and over again, and my right hon. Friends have also done so, how hopeless it was to try to have a base where there was a hostile population. We did not get much sympathy then, but that is acknowledged now. At all events, it is acknowledged today, but I do not think it was acknowledged by the Colonial Secretary yesterday because he was advocating putting troops and a base and everything else into Cyprus. At that time the right hon. Gentleman had not had his talk about the hydrogen bomb. I must point out that in all the talks that I have had with the military they have never thought that Cyprus was a satisfactory base, for obvious reasons.

However, we have our duties to the Arab States and to Turkey and to Israel—and, indeed, to Egypt. The question is, how are these to be carried out? What of the security of the Middle East? Let me remind the House of a statement by the late Ernest Bevin on 24th May, 1946: "There is one thing on which I will give the Committee an assurance. I will be no party to leaving a vacuum. There must not be a vacuum."—*OFFICIAL REPORT, 24th May, 1946; Vol. 423, c. 788.* That is exactly what we have got today—a vacuum.

We contended that this was an area of possible disturbance and that the right thing was that there should be an international force there. We wanted to build up, with others, in that area an international force for the preservation of peace. We have nothing at present. Apparently we are merely to shelter behind the Balkan Alliance of Yugoslavia, Greece and Turkey. That is not carrying out our obligations.

There is a case for a base of some kind. I wonder what the alternative is. We had to look at many alternatives, including the question of somewhere else in North Africa, and we actually looked at Cyprus. There is a possibility, and, I think, a much more likely possibility, of perhaps somewhere in Israel—say, at Haifa. There might be one possibly somewhere near Alexandria—with agreement, of course.

But none of these alternatives is possible without the full agreement of the people. The day has gone when we can put bases in other people's territory when the people do not want them. That,

What I am sure must have struck everybody is how curious it is that Palestine is left out. I was very surprised at that because the Prime Minister has always been a strong Zionist. There is no doubt that there is a great deal of apprehension, whether justified or not, in Palestine and in Israel.

The Labour Government envisaged an alliance in defence with the Egyptians, as we had had with the 1936 Treaty. We worked on from that and sought later to get a regional defence organisation. It was stated, and I believe it is true, that that it is necessary, in order to carry out our obligations and in order to keep the peace in that difficult area, that there should be some British troops somewhere in the region.

The right hon. Gentleman brushes it all away with his hydrogen bomb, but I do not believe that if there were trouble in hitherto undisturbed areas of the world we could use the hydrogen bomb. The Labour Party certainly do not want to use the hydrogen bomb. It is necessary, and has been stated over and over again, that there should be some troops there. There is nothing there now. There is only Wimpey's or some other contractor there.

What has become of all the talk about the Suez Canal as an international waterway which must be open and kept open? The Prime Minister has used that phrase over and over again. In the White Paper the 1888 Convention is invoked. We are all bound by that, it is said. But, of course, Egypt has been in default of that Convention for a number of years, and yet nothing has been done about it. It is not much good just affirming a convention which is not observed by one side.



[CAPTAIN WATERHOUSE.]  
 must be grave indeed for him now to have to take this decision. I am not saying that as a measure of blame; I have the very greatest sympathy, and I know how hard it must be for him to have so decided. I and my friends had feared that there would be a sell-out. This is not a sell-out. It is a give-away. Instead of having physical control of a great base, instead of having troops on the major waterway of the world, we have got this piece of paper in our hands. It is indeed a hard day for anybody on this side of the House to have to sit and support this Government which has, as we believe, not taken a wise decision on the Suez Canal.

My right hon. Friend the Secretary of State for War divided his speech into two portions; in one he discussed the terms, and in the other he discussed the reasons. I propose to follow him very closely in that. The terms are for the evacuation of all forces within 20 months. In other words, we have got to get out just as quick as our ships and our engineers can get us out. The stores, the equipment, installations, public utilities, communications, bridges, pipelines and wharves are to be handed over, and the Egyptian Government will assume responsibility for their security. We pay the bill.

Egyptian or British technicians will be sent in there under a contractor. That contractor will nominally be under the protection of the Egyptians. If any stuff is to be removed, we have got to discuss it with the Egyptians. If we want to do any building we have got to get their permission. We pay the bill for all this. We are actually to be allowed to use some of the airfields that we have built if we arrange when the flight is coming in and inform the Egyptians of the time of the flight, and if they give their consent.

What happens if these provisions are broken, as they may well be broken? We have got to be prepared for that. Are we going to re-enter forcibly? Do hon. Members opposite welcome that? I doubt whether all hon. Members on this side would welcome that. Are we going back there by force, in the face of everything that we have said, in the face of a hostile Egypt? I do not believe that that is feasible at all. Really and truly, we have handed over £500 million

worth of stores and buildings to the Egyptians, and if they like to use them against Palestine or against anybody else, who is going in to say "No, you will not"?

We have got the right of re-entry and a treaty for seven years. I do not mind whether this treaty is for seven years or 70 years. What do we mean by saying that we have gained a right of re-entry? If Egypt wants us in in some future emergency, as she wanted us in when she was threatened by the Italians, she will invite us in, treaty or no treaty. If she does not want us in when the time comes, this piece of paper is not going to get us in. We shall then have to fight our way in, with this treaty, just as we would have had to fight our way in without the treaty if Egypt at that time was not friendly to us.

In all such papers there is a little bit of light relief, and in this paper we find our light relief in Article 8 where we read that both parties express their "determination . . . to uphold the 1888 Convention . . ."

That really is a pretty good one, considering that Egypt has consistently been breaking it for the last four years. It is for those reasons that I think this piece of paper is not worth anything at all to us, and it is because of that that I say we have not sold out but we have cleared out.

During the last Election my right hon. and hon. Friends spoke from the platforms and pointed out what we believed to be the errors of Abadan. We pointed to the right hon. Member for Lewisham, South (Mr. H. Morrison) and told him that he had scuttled from Abadan. We pointed to my right hon. Friend the Foreign Secretary and said that, thank heaven, that policy would now be reversed. We said that the Canal would be re-opened and freed again. We said that we on this side of the House at least stood for a strong and a definite principle. It is with very great regret that I say that if the electorate of this country had seen or foreseen this paper in 1951, we would not now be sitting on this side of the House.

What are the arguments that have been adduced to persuade us to this course? One good argument is sufficient to convince anyone of any honourable course,

provided it is a good argument. If arguments are multiplied, doubts arise; but if arguments are changed, we have a right to have grave suspicions. When this proposal was started, when, as some hon. Members opposite suggested, we first thought of scuttling from Egypt under the preceding Government—and I do not hesitate to use the term—the main thing was nationality. It was wrong to fly in the face of Egyptian nationality.

I suggest that nationality is very like alcohol. It is extremely pleasant and it is definitely stimulating when it is taken in small quantities, and so is patriotism, but it is very dangerous and utterly besotting and misleading when it takes hold of a person, just as nationalism is when it takes hold of a nation. We have got to resist extreme nationalism because it is bad for the world and it is bad for the people who admire it. It leads to murders. It leads to wars.

The second argument was that a friendly Egypt was necessary. That may be so, but the Egyptians have already said that there are two things necessary for Egypt: one is possession of the Canal. They have that. The other is a free hand in the Sudan, and the Leader of the Opposition mentioned that in his speech. Have we finished with the Sudan? Are we now saying to the Sudan, "You have had your chance. You have not taken it. You can lump it"? If we are not doing that, then there is little chance immediately of a friendly Egypt. If we are doing that, then I say we are grossly betraying an almost sacred trust.

Then I come to the main argument, the strategic argument. Obviously, anything that I say will be considered against what my right hon. Friend has said. That is one of the troubles of this argument. Does my right hon. Friend come to the House as a very eminent, successful and fine soldier, a brigadier or a major-general? Does the Minister of Defence when he speaks in another place speak as the most respected soldier certainly in England and probably in the world? Or are they both speaking as representatives of the Cabinet putting over Cabinet policy? It is extremely difficult for us to decide, and in saying that, I am in no way attributing any dishonesty in motive or any dishonesty at all. But it is quite impossible to have at the head of a Department, in my view, a man who can take a Depart-

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[CAPTAIN WATERHOUSE.]  
 A third argument—and a recent one—is that of economy. I think that I can dismiss that in a few words. The Chancellor of the Exchequer answered a Question earlier this week, and said that if all the troops were brought back from the Canal to this country about £10 million would be saved. There is no question of bringing them all back. We shall be very fortunate if we get one-half back, so the saving will be about £5 million, and that has to be weighed against new installations, new barracks and new houses elsewhere. The economy argument is an utterly false one.

So we come to this most peculiar argument of the hydrogen bomb, on which "The Times" based a leading article quite recently, and which my right hon. Friend has expounded today. With great respect, I have to say to him that it is both the latest and the worst of all these arguments. If the hydrogen bomb is going to be awkward in the Canal, it is surely going to be a little more awkward in Cyprus.

Mr. Emrys Hughes (South Ayrshire):  
 And in London.

Captain Waterhouse: After all, Cyprus is 500 miles nearer to the airfields of the potential enemy. Along with this question of the hydrogen bomb, may I finally ask my right hon. Friend this? If the hydrogen bomb is making our position in the Suez Canal completely untenable, why have we been fiercely arguing for six, eight or 10 months about the power of re-entry?

I do not believe that these are the real reasons at all. It grieves me to have to say so. I believe that the real reasons on that side of the House—and I believe that they have been almost accepted by some on this side of the House—are that we are becoming weary of our responsibilities, that our burdens are becoming too irksome for us and we are really losing our will to rule. [HON. MEMBERS: "Oh, I. If that is really happening, then, indeed, it is a sorry day for Britain.

In this we have been urged along by the United States of America. I am not one of those who normally carp and criticise that great country. I believe that we need close friendship with them more than anything else in the whole world, but I think that we have to realise this

There is one other point before I come to my conclusion. In looking into the future, have my right hon. Friends considered the possibility of Communism in Egypt? We are told that some of their leaders are moving in that direction. What happens supposing Egypt were to go Communist? What is then our attitude? Is it going to be—"so far and no further," or is it going to be "peaceful co-existence"?

I want to close by asking my right hon. Friend four questions. The first is a comparatively small one, although it is of long-term importance. When the Egyptians denounced the treaty, they said that all goods going to our Army had to be subject to Customs. Already they have booked up some £20 or £30 million against us. There are other similar items to be dealt with. Is it the intention to deal with those in the treaty, or will they be left, as I hope they will not, to be a running sore in the future? The second question is: does our pledge of real independence to the Sudan still stand? Are we going to do any more about it, or do we feel that by the action we have already taken we are exonerated from that pledge?

The third question is this. We understand something of what the redeployment plans are to be to the north of the Canal. What is to be the position in the south? Is my right hon. Friend going to reinforce Africa or to reinforce any of the stations in the Persian Gulf? If we could get a reassuring statement on the position there, at least some of our fears would be removed.

My last question: What is to be the position if this treaty is broken like the others? I believe it would be an advantage if it were made clear that if this treaty goes the way of the other three, we will no longer tolerate it and that this treaty, such as it is, is our last word. If that is not made clear, I feel strongly that in signing it we may have opened the grave of British greatness.

6.11 p.m.

Mr. R. T. Paget (Northampton): I should be deeply interested to know what the right hon. and gallant Member for Leicester, South-East (Captain Waterhouse) means by "our last word." Does he mean war? Is it his view that if there be any breaches in the working out of the Agreement, the alternative is that

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[Mr. PAGET.] Any commander who puts a force deliberately into a position where it will be immediately beleaguered has the brains of a louse. That is the difference in the situation, and that is why what was sense before the war is lunacy afterwards. It is different circumstances.

So far as the H-bomb is concerned, there is no safety from it in Suez, in England, in Cyprus or anywhere else—that argument is irrelevant. The reason is that Suez is not a base. It cannot be a base. It is a tie-up; a commitment without profit; it gives no manoeuvrability of forces. The Secretary of State for War agrees. There were two alternatives. We could have moved out of the base by coming home or by going into Egypt.

In January, 1952, the opportunity arose to go into Egypt if we had wanted to. For a month our people were being murdered and Egyptians were being deliberately infiltrated into our lines as saboteurs and murderers under the guise of assistant police. This culminated in the Cairo riots in which, at the Turf Club, a number of our citizens were burnt alive by being thrown on a bonfire and between £10 million and £50 million—I do not think it has ever been ascertained—of our property was destroyed.

If the Government had meant to stay in Egypt and in the Canal Zone they had the opportunity to do it. It was an opportunity that would not recur. We could have gone into Egypt then and taught the pashas and the very small class of educated Egyptians a lesson which they would not have forgotten for a decade. We could have gone back and ruled Egypt, but it was only on those terms that we could have stayed in the Canal Zone. We decided not to do it, and I think that decision was right.

I would not have the least objection to ruling Egypt on any ethical grounds, because I do not regard it in the least moral to condemn the Egyptians to the horrible fate of being ruled by Egyptians. I do not regard the proposition that self-government is preferable to good government as being either a responsible or an ethical proposition, nor does even a Liberal if he has got a nursery.

This country has carried very formidable responsibilities throughout the world, and I believe that where we have gone we

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have conferred immense benefits upon the nations we have governed. I do not think we have any need to be ashamed of the contributions that we have made.

The decision not to go into Egypt was right because it would have involved a commitment which it was not in our interests to undertake. With Germany destroyed, we became committed on the continent of Europe to the defence of her marches. We cannot at the same time also carry the commitment of ruling Egypt. But once that decision was taken it was abundantly clear that we could not stay in the Canal zone. The right hon. Gentlemen the Secretary of State for Foreign Affairs and the Secretary of State for War know that full well and they knew it then.

We had an opportunity to get out on honourable and advantageous terms. General Neguib overthrew the wretched royal Government in Cairo and the people who had inflicted injuries upon us by their irresponsibility. I urged upon the right hon. Gentlemen at that time that we should have gone to Neguib then and said, "We are delighted to see you. We want, as Ernest Bevin once said, to get out of the Canal Zone. You will, of course, realise that while the wretched King's Government was here we had nobody to whom we could hand over the base. Now, of course, a responsible strong man is in charge. Now there is somebody to whom we can hand it over. All that there remains for us to do is to make our arrangements to leave."

Neguib's whole prestige would have been built up on the fact not that he was going to get rid of the British but that he had done so. From that point onwards he would have gone into the negotiations for the arrangements committed to their success. He could not go back to his people and say, "I have not got rid of the British after all." He would have been committed to the fact that he had got rid of us, and we could have had any terms we liked for our withdrawal with the very best of good will from the new Egyptian Government. Under those circumstances, we would have come out not damaged, but with our prestige enhanced.

Instead of that, by delay we are having to withdraw on miserable terms, having carried a burden which has gravely injured our Army, which has weakened

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recruitment, and has weakened our defence position. Why has it happened? For one reason only. It was not because the Secretary of State for Foreign Affairs did not know what was the right thing to do. It was not because the Secretary of State for War did not know, but it was because of a back bench cabal in the Conservative Party encouraged under the table by the Prime Minister.

**The Prime Minister (Sir Winston Churchill):** That is an absolute untruth.

**Mr. Paget:** Does the right hon. Gentleman say that he really was not obstructive in the Cabinet—and letting it be known to the people behind him—to the wish of the Service Departments and of the Foreign Office to conclude an agreement to get out of Egypt?

**Mr. Ralph Assheton (Blackburn, West):** That is absolutely untrue.

**The Prime Minister:** I behaved with perfect correctness in my relations with my colleagues and with Members of the House. I have not in the slightest degree concealed in public speech how much I regretted the course of events in Egypt. But I had not held my mind closed to the tremendous changes that have taken place in the whole strategic position in the world which make the thoughts, which were well-founded and well knit together a year ago, utterly obsolete, and which have changed the opinions of every competent soldier that I have been able to meet.

I am not going to attempt, in interrupting the hon. and learned Gentleman, to lay this argument before the House, but I should be prepared to do so and to show how utterly out of all proportion to the Suez Canal and the position which we held in Egypt are the appalling developments and the appalling spectacle which imagination raises before us. Merely to try to imagine in outline the first few weeks of a war under conditions about which we did not know when this Session commenced, and about which we had not been told—merely to portray that picture and submit it to the House would, I am sure, convince hon. Gentlemen of the obsolescence of the base and of the sense of proportion which is vitally needed at the present time, not only in military dispositions but in all our attempts to establish human relationships between nation and nation.



Mr. Emrys Hughes: The hon. and learned Member for Northampton (Mr. Paget) should try to answer that one.

Mr. Paget: I certainly do not disagree with what the Prime Minister has said.

Mr. Assheton: Then withdraw the previous remark.

Mr. Paget: What the Prime Minister has very clearly indicated is that he held one opinion until this Session began, when events which he has described in flowing language and which, I suppose, mean the hydrogen bomb, changed his view. That is all I was saying. The fact that he was wrong up to this Session encouraged back benchers to prevent the Foreign Office and the War Office taking the obvious and correct course which they could have taken honourably on good terms, a year before this Session started.

The right hon. Gentleman's action has compelled us to take worse terms, in circumstances vastly more injurious to our prestige. The reasons for leaving the Canal base were clear and evident to everybody two years ago except a group opposite and the Prime Minister. In this Session they have become obvious to the Prime Minister; they still are not obvious to a group on that side of the House.

Now I want to say something about the alternatives as to where we are going. It is said that we are going to Cyprus. Now what could be greater folly than to say, on the one hand, that it is necessary for us to leave Egypt because of a hostile population and then, on the other hand, to go into Cyprus where we challenge the Cypriot to show that he is at least as good a man as the Egyptian? What could be a crazier thing to do? The Cypriots showed their quality as guerilla fighters in the war. When we give them that sort of challenge, do we think they will not do it again? And it is totally unnecessary.

Let us look for a moment at the position in relation to Cyprus. In Cyprus, we have our interests, they are purely strategic ones. We require a base there and, apart from that, it does not matter the least to us who rules provided that there is a friendly population there for our base. Secondly, there are the Greeks and the supporters of Enosis. The Enosis movement is purely sentimental.

Its supporters do not pretend that jointure with Greece would give them any material or economic advantage. Their case is that they want to take their part in the heritage of Athens and Sparta and in the great stories of the past.

Thirdly, there is the interest of Turkey, which makes up 18 or 20 per cent. of the population and which has recently come into alliance with Greece. To deal unilaterally with Greece would blow wide open the new Turkish-Greek alliance. We have to come to terms on three matters: our strategic interest, which requires a base and control of a base such as Gibraltar or Malta; the sentiment of the Enosis population, which is tremendously strong—not the less strong for being sentimental; and the interests of the Greeks and the Turks.

I would urge that before we move any troops into Cyprus we should confer with the Greeks on this subject, with the Turks on this subject, and with local opinion in Cyprus. I beg the right hon. Gentleman the Foreign Secretary, and the Secretary of State for War, to take over these negotiations. The ham-handed way in which this was handled from the Colonial Office yesterday might well give us another war. We had a crazy display from that Box yesterday by the Colonial Office, showing utter misunderstanding of the sentimental position in Cyprus. For goodness' sake let these two right hon. Gentlemen, who have shown themselves such artists in negotiations, negotiate an agreement here which will please everybody. There is one available. We do not mind the jointure with Greece so long as we have our strategic control; it does not hurt us in the least. Do let us have some negotiation about this alternative. It will not be beyond our wit to devise safeguards for the Turks.

Finally, I ask them to consider whether Israel should be consulted as to whether she would like a brigade based there. I am informed that there is a good possibility that the Israelis would feel that it is a proposal which would add greatly to their security and which they would be willing to discuss. So before we make our new arrangements, let us consider that too, because English troops there would, I think, scotch any possibility of an Arab invasion, would stabilise that area and would provide us with a base from which we could move

and mobilise troops. Let us at least take the trouble to see we are welcome this time.

This has been done two years too late; it has been delayed as an act of appeasement to the 1922 Committee; it has been done, because of that, in circumstances of ignominy, and it has been done without consideration as to what that we do now. The Government have done ill in this and they are extremely lucky to have an Opposition which may be prepared to save their necks.

6.36 p.m.

Colonel Cyril Banks (Pudsey): I am sure that the hon. and learned Gentleman the Member for Northampton (Mr. Paget) will forgive me if I do not follow the line he has taken, because in many respects I find it too complicated. In my maiden speech in this House in 1950 I raised the issue of the Middle East and South-East Asia. I talked of conditions that I had found there after having made a study of the situation for about nine months and of the relation between those conditions and what we must face in the future.

During the course of that speech I cited Egypt and other countries surrounding Egypt and said that, unless we did something about them, we would be in serious trouble in a comparatively short space of time. I would not like the right hon. Gentleman the Leader of the Opposition to get by with the attitude he has shown towards the problem this afternoon, because I want to remind him that even during his time in office I wrote to his Government and asked for their help. Also I suggested what could be done to help those countries and probably to stave off something that is happening at this moment.

To my right hon. and gallant Friend the Member for Leicester, South-East (Captain Waterhouse), who has spoken against this Motion, I would only say that, if he saw conditions for himself in that part of the world, he would probably have a different viewpoint. I have been there four times in nine months and have visited the Palestinian refugees, of whom I have seen 400,000 in that time. I have seen their plight, I have seen how they live on the United Nations allowance for food and medical aid which is at the rate of only 6d. a day.

After seeing those conditions I made a visit to Egypt in April this year. I saw the Gaza district, where there are 200,000 refugees with no work to do and no possibility of work until schemes are started for them. Then I returned to Cairo to see what were the possibilities of employing refugees. Hon. Members opposite have said a lot about Israel this afternoon, and I spent three days there. I looked at the conditions that obtained in the whole of Egypt, where there are at the present time 100,000 people unemployed in light industries. In agriculture the minimum unemployed is a million, but the figure is probably far more than that.

I ask hon. Members opposite not to gloat over this, because it has been going on during their period of office, but the truth is that Egypt has been for many, many years a land of the haves and the have-nots. Something had to happen. We may take pride in many of the things which we as a country have achieved overseas, but I think that we should also be very cautious and take very great care when we talk about what we have achieved.

It is at that stage that I actually met Colonel Nasser. A great deal has been said about him in the Press. I would say this of him—that he is not someone who has just sprung up overnight. He has lived a dangerous life over a number of years planning to overthrow poverty in his country. He sat down with a group of people in his country and planned this revolution. As I saw him, he is a man of simple taste and is determined to rid Egypt of poverty. The more he does to that end the better it will be not only for Egypt but for the whole of the world.

He has been committed to the removal of our Forces from the Canal Zone from the start. On both sides of the House we know what it is to be committed at some time or another in our political life, and it would be wrong to judge Colonel Nasser as an individual merely because he says that British troops must leave the Canal Zone.

We have two alternatives in Egypt. The first is to agree to help the Egyptian people, to back the Egyptian Government in helping to feed the starving people, who are having a very bad time, and in getting on with land irrigation with water

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