

# Suez Crisis

## United States Response to Egyptian Nationalization of the Suez Canal Company and Related Arab-Israeli Developments, July 27–October 29, 1956<sup>1</sup>

INITIAL U.S. REACTION TO EGYPTIAN NATIONALIZATION OF THE SUEZ CANAL COMPANY, JULY 27–JULY 28

### 1. Editorial Note

On July 26, 1956, during a broadcast address delivered from Alexandria, Egyptian President Gamal Abdel Nasser announced that he had signed into law a presidential decree nationalizing the *Compagnie Universelle du Canal Maritime de Suez* (henceforth referred to as the Suez Canal Company), effective immediately, and that while he spoke, Egyptian officials were taking over the administration and management of the Company. The decree, which Nasser read, explained that an autonomous Egyptian agency, under the Ministry of Commerce, would operate the Canal, stipulated that all employees, under penalty of imprisonment, must continue to discharge their duties, and promised that all shareholders would be compensated according to the value of shares indicated at the close of business the previous day on the Paris Bourse. Nasser led up to this announcement by giving a long review of "imperialistic efforts [to] thwart Egyptian independence", and he particularly condemned past British actions and the United States refusal to finance the Aswan High Dam. Revenue gained from the Canal Company nationalization, Nasser explained, would enable Egypt to build the High Dam without American aid. An English translation of the Nationalization Decree, contained in despatch 188 from Cairo, September 5 (Department of State Central Files, 974.7301/9-556), and an extract from Nasser's speech, taken from an English translation of the complete text contained in despatch 97 from Cairo, July 31 (*ibid.*, 774.00/

<sup>1</sup> For previous documentation on this subject, see volumes XIV and XV.