Chapter II

ANGLO - AMERICAN DIVIDE AND OTHER FACETS
Chapter-II

ANGLO-AMERICAN DIVIDE AND OTHER FACETS, 1953-1956

Since 1953 the United States Government under President Dwight D. Eisenhower saw Egypt from a different foreign policy angle than did the British. This difference in the perspectives led to an Anglo-American divide after 1956, which culminated in the British going into the Suez War of 1956, without even informing the United States, their closest ally. There were four reasons for this Anglo-American divide: the non-withdrawal of British forces from Egypt, the refusal of the United States to join the Baghdad Pact of 1955, arms and aid to Egypt by the Western nations and the withdrawal of the offer of aid for the construction of Egypt's Aswan Dam by the United States. The information in the sources available before 1970 and subsequently agree on these four reasons for the divide. The post 1970 documents stress these reasons even more with slight variations which will be further elaborated in this chapter.
THE TRICKY WITHDRAWAL

The process of the withdrawal of the British troops from Egypt had started since the end of the Second World War. However, it was only in the early 1950's that Egypt made a formal request for abolishing the Treaty of 1936, which gave the British the right to man and run the Suez Canal and maintain its Base in Port Said. The withdrawal of the British troops was a tricky and delicate matter. The United States wanted the British to leave. The British were, however, reluctant. And the United States could not pressurize them enough because its traditional ties with the British restricted it from doing so. Furthermore, President Eisenhower's new approach to the Middle East was another constraint. Of all the Middle East countries, Egypt attracted Eisenhower's attention the most. And the Egyptians were keen to see the British go too. Israel also played its role. It thwarted the Anglo-Egyptian accord on withdrawal from becoming a reality. The British did finally leave but the bitterness of the struggle for withdrawal left its deep
imprint on Anglo-American relationship.

Both the pre and post 1970 sources discuss the above issues and arrive at almost the same conclusions. However the post 1970 sources bring out certain aspects that were not stressed upon before. These include; American political solutions for the Base region once the British had departed and the role of Israel in placing hurdles on the smooth withdrawal of the British from the Suez region.

The Eisenhower administration was eager to resolve the impasse on the British withdrawal by proposals that would have favoured the Egyptians. Eisenhower wrote a letter to Prime Minister Naguib in March 1953, in which he said:

It has been my preoccupation since coming into office to ensure that the United States may be helpful in every way possible to render feasible the solution of the Suez Base question in a manner consistent with Egypt's natural aspirations and with the fundamental necessities of Near East defence against the communist threat.¹

This emphasis on 'Egypt's natural aspirations' and protection against a 'Communist threat' is something

which is much more evident in the recently declassified sources. Eisenhower further reiterated his Government's stand in a letter to Naguib dated March 24, 1953. He wrote:

America's desire in this situation is to see disappear a long misunderstanding between two friends and to see it supplanted by arrangements under which Egypt, as an equal partner, will take her key position with other members of the free world in building an effective defence of your area.²

Thus President Eisenhower was not only aware of Egypt's desire for a total British withdrawal but also supported its effort towards independance. Probably, the military man in the President saw the important role that Egypt could play in the defence of the the region as the key issue. References to Egypt's natural aspirations were perhaps only to please Egyptian leaders.

An historian Geoffrey Aronson writing quite recently characterizes the position of the United States towards Britain on the evacuation as "one of measured aloofness "³. But outwardly and markedly the United States continued to support the British stand as it was, "guided too much by

². Letter from Eisenhower to Naguib, March 24, 1953, AWDS-IS, File; Egypt(4), Box 8.
its loyalty to its greatest ally."\(^4\) However, a pre 1970 source, the memoirs of the British Prime Minister Anthony Eden (1955-57) reveals the opposite. Eden refers to pressure by the United States on Britain to withdraw from the Base region as the contrary might have jeopardized the existence of the Naguib Government. Said he:

At the end of March (1953) the United States government pressed us to hasten our discussions with Egypt. Our information, they told us leads us to believe that as each day passes without definite progress towards resolving outstanding issues, the eventual survival of the present government is placed increasingly in jeopardy. An immediate start on the withdrawal of our forces from Egypt was urged upon us.\(^5\)

Eden also says that the United States Government had been in favour of British withdrawal of forces even before 1953, when King Farouk was on the throne.\(^6\) Eden's statement of an American pressure on England to withdraw has been corroborated in an article by Winthrop W. Aldrich, the American Ambassador to Great Britain from early 1953 till February 1957. He wrote, "The British Government felt that but for this

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6. Ibid., p.228. Eden wrote that since king Farouk's Government was threatened by a revolution, the United States Government had requested the British to withdraw its forces, hoping that the withdrawal would bring Farouk the people's support, thereby preventing the revolution.

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pressure the British forces would have remained there.\textsuperscript{7} Recently declassified material, however, does not substantiate the British claim of an American pressure for withdrawal. What it does bring out though, is the importance of the apprehension of the expansion of Communist influence in the region in American thinking. The gist of the problem was not so much the actual withdrawal, because as President Eisenhower clarified in his memoirs, "...definitely the British agreed that they would eventually have to leave Egypt."\textsuperscript{8} The problem was, what would happen after the withdrawal of the British troops from the Suez Canal Base? "Subsequent authority after withdrawal of troops, over the gigantic Base, airstrip, depots and supplies was the matter at issue."\textsuperscript{9} Eisenhower made himself quite clear in a letter to Naguib in March 1953, on the importance of the Base as a security zone after the British had departed. He stated:

\begin{quote}
...carrying out this (withdrawal--must be our) intention in a manner consistent with area defence, and that the immensely costly Base facilities can be readily usable by the Free World in time of crises and that Egypt herself will stand militarily with the free world in defence against a possible communist aggression.\textsuperscript{10}
\end{quote}


\textsuperscript{9} Ibid., p.156.

\textsuperscript{10} Letter, AWDS-IS, n.2.
John Foster Dulles, Secretary of State, had a detailed conversation with the Egyptian Minister for Foreign Affairs Mahmoud Fawzi on this issue when on a visit to Cairo in May 1953. Explaining Eisenhower administration's view on the issue, Dulles said, "the new Administration's policies will be based on the Communist threat. The United States considers the Middle East to be a danger area which heretofore has been somewhat neglected by the United States."\textsuperscript{11} Again he emphasised that, "the change in the status of the Base should not affect its usability in war or (Sic) short notice."\textsuperscript{12} And finally pointing to the Communist interest in the Middle East Dulles sounded a warning to Fawzi. He emphasised:

The danger to the Middle East is 'more yours than ours.' Some people believe that the United States has an inescapable interest in the Middle East because of its oil. The truth is that the United States has surplus oil from Venezuela and can do without Middle East oil.\textsuperscript{13}

But for the Soviet Union, the Middle East oil was a "temptation" he argued\textsuperscript{14}.

The United States finally come up with a solution after the withdrawal agreement was signed on October 19,

\textsuperscript{12} Ibid.,p.15.
\textsuperscript{13} Ibid.,p.16.
\textsuperscript{14} Ibid
1954. The solution revealed a lack of confidence in Egypt's capabilities to run the Base and all the installations therein after the British had left. A Progress Report of the National Security Council stated:

It is doubtful that Egypt can maintain them (the installations) in a condition suitable for immediate emergency use. Further, Egypt cannot be counted upon to defend the Suez Canal unaided in the event of major hostilities. The acquisition of airbase rights in Egypt is of importance to United States plans. Therefore, it may be desirable to seek a United States-Egyptian agreement and provide for United States maintenance and use of certain Egyptian bases.15

The existence of such a suggestion that would have involved the United States in the Base area was not known before the declassification of papers.

In his memoirs, Eisenhower makes no mention of it. On the contrary, speaking about what the British wanted in the Base area after their formal withdrawal he wrote, "...they (the British) wanted to maintain a few installations in the Base area with the hope that they could be re-activated at any given time on a short notice."16

Post 1970 sources also reveal something else.


The Egyptians were surprised by the American insistence that after the departure of the British from the Base area a power vacuum will be created. Dulles during his visit to Cairo in May 1953 had put forward the same argument. And Naguib had wondered as to, "how a vacuum could take place because Egyptians would take the place of British troops?" 17 When Dulles persisted and went on to add that the British stores and installations require expert handling Naguib retorted, "Egyptian Air Force has its own technicians to manage its stores. In time the Egyptians could learn to do the job." 18 Colonel Gamal Abdel Nasser, who was then member of the Revolutionary Command Council of Egypt joined in on the discussions. A heated discussion then almost occurred between Dulles and Nasser. Dulles kept insisting on the retention of a few British technicians in the Base, which Nasser emphasised was not necessary. On the contrary he emphasised that, "the Egyptians can be trained to do everything the British are now doing. Egypt could and would maintain the depots for use at all times." 19 And thus he declared that, "Egypt did not want

17. Memo, n.11,p.16.
18. Ibid., p.17.
19. Ibid.,p.22.
any British technicians."\(^{20}\)

This is something that Fawzi had also made clear to the British Ambassador in Cairo, in a meeting on May 5, 1953. He had said:

... the sovereignty, prosperity and possession of Base should belong exclusively to Egypt. That British equipment left behind should be in Egyptian custody and to greatest possible extent handled by Egyptians, with aid from minimum number of non-Egyptians, who during their stay, should train Egyptians to take their place.\(^{21}\)

Dulles's position on the above becomes clear. He is seen as supporting the British in their effort to retain control over their stores in the Base after their withdrawal. He could not understand "how these stores could be useful if not under the instructions from their owner?"\(^{22}\) He drew comparisons with the American bases in England where, "...the United States technicians get United States orders and this is how it should be."\(^{23}\) Dulles also linked the British withdrawal with the formation of a Middle East Defence Organisation and expected the Egyptians to ask for control over the Base only on their acceptance of a Defence Organisation as well. He stressed, "...it would be irresponsible and

\(^{20}\) Memo, n.11, p.22.  
\(^{22}\) Memo, n.11,p.8  
\(^{23}\) Ibid.,
unfortunate for Egypt to ask for such a degree of control in the absence of any going defence organisation." 24 The crux of Dulles argument was that since the equipments in the stores were British, therefore these were their "property," one which could be properly utilized only, "if ...under the instructions from their owners." 25

It is much more evident now than before that the Egyptian Government was keen on an agreement and, therefore, more willing to compromise than were the British. As Fawzi said in reply to Dulles's query on control, "...Egypt was prepared to accept the idea that directives should come from London, but it was important that they pass through Egyptian hands." 26 The British, however, stalled on one pretext or the other. Who would man the installations? Who would give orders? Would the British technicians wear uniforms, as it was a

26. Memo, Ibid.
military Base? etc. These were some of the questions the British often raised to postpone withdrawal.

All these issues, however, were secondary to the actual acceptance by the British of letting go of their previous glories. The United States was keen that the British leave the canal area but "ending British occupation proved to be a difficult and bitter task ..."27 Because as Townshend Hoopes, historian and an official in the State Department, noted:

...actually the concern in England was not just for the passage of oil through the Suez Canal, but the psychological question of British power and prestige, creating emotional barriers to acceptance of an orderly reduction and transformation of the British role in the Middle East and indeed throughout the world.28

At that time, however, Prime Minister Churchill in addresses in the House of Commons made it seem differently. According to him the control of the Canal Base by the British was imperative for the entire world. He stated that, "this, let me point out is not an Imperialist or Colonial enterprise by the British but it is for purposes with which every member of NATO

28. Ibid., p.181.
...and also the countries of the East and Middle East area (are) directly concerned." 29

At the same time the linkage between the withdrawal and the organisation of a Middle East Defence Organisation, a feature which though known before is re-emphasised by recent declassified material. The British wanted to withdraw only after the Egyptian Government had agreed upon a viable Middle East Defence Organisation. The Egyptians on the other hand wanted the withdrawal first before any talks could even take place on a defence organization for the area. The United States Government wanted to help both to come to an agreement. But Eisenhower, did not want to interfere in the talks without first having an invitation from the Egyptian Government.

The British Government, however, wanted the American President to participate in the on-going talks on withdrawal even without a formal invitation. It was hoped that as a result of American participation, Egypt would acquiesce to accept a Middle East Defence Organisation as a price for withdrawal of the British troops from the Base area. Eden wrote in

his memoirs, "we were not prepared to discuss our exodus in isolation. There was, in consequence no basis on which to begin the negotiation."30 Commenting critically on the American insistence on an Egyptian invitation, he wrote:

It was unfortunate that the United States Government and in particular their Ambassador in Cairo, were not prepared to put any pressure upon the Egyptians to bring this about. In view of the help financial and other which the United States had given and was proposing to give to Egypt, it would, in my judgment, have been possible for them to make a firm request to attend without being accused of gate crashing.31

He also blamed Egypt for creating divisions. Egypt divided:

... both the discussions and the allies. The Egyptians rejected the idea that America should participate and the President had made Egyptian acceptance a condition for taking part. The Egyptian argument for their refusal was that an agreement must first be reached on evacuating British troops from Egypt. Middle East defence as whole could be considered afterwards. 32

Subsequently authors confirmed the views of Eden. Steven Z. Freiberger noted that:

The British wanted to withdraw its forces from the canal... but only after the Egyptians agreed to

31. Ibid.
32. Ibid.
Naguib felt that the future membership in a defence organisation depended on the effective withdrawal of British forces from Egyptian territory.

There is a reference to what President Eisenhower felt on the linking of the British withdrawal with the Middle East Defence in Eden's memoirs which, however, does not find confirmation in recently declassified material of the United States Government. Eden refers to a meeting he had with Eisenhower in Washington D.C. in January 1953 in which the President, Eden said, "agreed with me that it was essential to maintain the Base in Egypt and that if we were to evacuate the canal zone before making a Middle East defence arrangement we should be exposing ourselves to Egyptian blackmail." However, in all the declassified material the opposite emerges - American desire to bring about an amicable settlement between Britain and Egypt. There is no evidence to support Eden's contention that Eisenhower endorsed, in private at least, the British position.

President Eisenhower in his memoirs, makes it abundantly clear that he would not have liked to involve


34. Eden, n.5, p.249.
the United States in any "bilateral combination." The emphasis on an Egyptian invitation for the United States was one of the methods through which the Americans proposed to bring about normalcy in the United States - Arab relations. The United States did not want to give, "the impression that it was announcing an ultimatum." The American insistence on an Egyptian invitation comes out very clearly in the recently declassified sources as well. In letters to Anthony Eden and Winston Churchill, Eisenhower, shows his growing annoyance with the British Government on this issue. To Eden Eisenhower wrote:

You will recall I expressed a reluctance to get too far involved in the matter until the United States could be assured of the agreement of General Naguib-preferably an official invitation from him to participate in the negotiations... Now we are told that the proposal is not acceptable. I feel we have been clumsy.

Similarly, a few days later he wrote to Churchill "...a very awkward situation could result for our representative and indeed for the negotiations themselves, if an American should show up without some prior invitation and agreement..." And to Eden he

35. Eisenhower, n.8,p.152.
37. Letter from Eisenhower to Eden, March 16, 1953, Ann Whitman Diary Series, Dwight D. Eisenhower Diary Series, File; Dec 52-July 53 (3), Box 3. Henceforth cited as AWDS-DDEDS
38. Letter from Eisenhower to Churchill, March 1 1953 AWDS-DDEDS, File; Dec 52- July 53(3), Box 3.
further stressed:

My point is this: If the United States walks into a conference with you, against the wishes of the Egyptian government, then the only obvious interpretation would be that our two governments together are there to announce an ultimatum. An uninvited guest cannot possibly come into your house, be asked to leave, and then expect cordial and courteous treatment if he insists upon staying. 39

As the new sources reveal Eisenhower also made this position clear to Naguib. He wrote, "Lest there is any doubt in your mind, I wish to reaffirm that the United States government at no time ever entertained the thought of direct participation in these discussions except in response to your wish." 40 Naguib replied that, "... we want to go all the way through with you on road to cooperation." 41 But on the other hand he insisted that, "British occupation and British stubbornness are blocking our liberty..." 42 In another meeting in Cairo with Dulles in 1953, Nasser emphasised the Egyptian stand. He stated:

As long as British influence is in Egypt, there is a psychological block to setting up an area defence arrangement. The Egyptian people think of Middle East Defence Organisation as a 'perpetuation of occupation'. 43

40. Letter,n.2.
41. Telegram from Naguib to Eisenhower, April 11,1953,AWDS-IS File; Egypt (4), Box 8.
42. Memo, n.11, p.10.
43. Memo, n.11, p.21
On July 10, 1953 the Egyptian Government made a proposal for effective withdrawal, which incorporated most of the points that the British had been insisting on. As a consequence Eisenhower wrote to Naguib on July 15, 1953 and suggested, "...that the next step should now be taken through a resumption of contact between your government and the British representative in Egypt." He further emphasised, "I am prepared to see firm commitments entered into between our governments to assist you in your plans for Egypt's economic development and in the strengthening of your armed forces to discharge their increased responsibilities," on the conclusion of the Base withdrawal plan.

This aspect of the American linking of aid to Egypt to an Anglo-Egyptian accord, becomes more evident in latter sources. This linkage was deeply resented to by the British Government. In December 1953 when the withdrawal plan had still not been finalised Churchill wrote to Eisenhower, expressing his anger. He wrote: "I am very much worried at the idea of the grant of American economic aid to Egypt at a time when

44. Letter from Eisenhower to Naguib, July 11, 1953, p.2, AWDS-IS, File; Egypt (2), Box 8.
45. Ibid.
our differences with them are so acute." He also feared that not only would his Conservative Party not stand by him, but also that the Socialist party would urge the British Government to recognize China's inclusion in the United Nations. Expressing concern he said, "What I fear... is that the offended Conservatives might add their voices to that section of the Socialist party who criticise the United States." He also warned that, "we have not the slightest intention of making any more concessions to Egypt after all we have done in these long negotiations, and fighting might easily occur at any moment." Churchill was referring here to the attacks on British soldiers in the Base zone by the Egyptians, earlier on in the year. At that time too he made it clear that should such attacks continue, then the British would use force too. "We would have no choice... but to defend ourselves... we are entirely capable of doing this without requiring physical assistance from the United States or anyone else... " This was amply proved when the British attacked Egypt along with France and Israel in October


47. Ibid.

48. Letter, n.46.

49. The British position regarding the Suez Canal, n.29, p.365.
1956, without the assistance or even the knowledge of the United States.

As the declassified sources now indicate, Eisenhower though keen on giving aid to Egypt, had postponed it because Egypt had not been able to reach a solution of the Base problem acceptable to England. Friendship with Britain had led him to this, though this gesture was largely ignored by Britain. Neither the pre nor the post 1970 sources indicate any sense of gratitude on the part of the British towards the United States for having delayed aid to Egypt.

Thus in reply to Churchill's letter of December 19, 1953 Eisenhower not only justified the United States offer of aid to Egypt, but also emphasised the number of times that aid had been withheld to satisfy the British. He said:

Our aid programme for the Middle East was drawn up and was approved by the Congress on the basis that there would be reasonable division of aid between Israel and Arab countries. Since we have already made allocations to Israel, we have little excuse to avoid moving in the case of the Arab countries but as you know, at your request we have not only withheld military aid from Egypt, but have likewise postponed several times the initiation of economic aid.\(^50\)

Eisenhower also rejected Churchill's forewarning of opposition from the Socialists who would have resented American aid to Egypt and pressurized Britain for the acceptance of Red China in the United Nations. He questioned Churchill:

...by implication this would seem to mean that if we do not repeat, not extend economic aid to Egypt, you are prepared to stand firm with us in opposing the inclusion of the bloody Chinese aggressor into the councils of peaceful nations... could you confirm this to me?

He also chidingly reminded Churchill in the same letter of the fact that England, "has continued to carry on trade in non-strategic items with Red China..." despite Socialist opposition at home.

At length then, Eisenhower went on to express his Government's projection of Anglo-American friendship. He thus stated:

... in our actual dealings with Egypt, we have gone to great lengths to meet your convictions and opinions... Inspite of outrageous and irresponsible criticisms of each other on both sides of the Atlantic, American governmental policy and popular sentiment recognise the great value to the free world of keeping Anglo-American relationships coordinated with respect to the rest of the world.53

51. Letter, n.50,p.2.
52. Ibid.,p.1.
53. Ibid., p.2.
Churchill responded by sending an unfriendly and threatening letter. He replied:

... we do not think you ought to give to them (Egyptians) moral and material support while they threaten and assault our troops and conduct a campaign of hatred against us. No doubt the Egyptian issue seems petty to you in comparison to other great questions... It is nevertheless one which might well cause a deep and serious setback to relations between America and Great Britain...  

Far from Egypt blackmailing the United States as Eden referred to in his memoirs we have here the British Prime Minister blackmailing America as the following shows:

whether you take side against us in Egypt or not will not affect the support which we have thought it right to give you over China. It will, however, make it more difficult for Anthony and me to help you in the Far East if we have to do it in face, not only of Socialist opinion, but of general feelings of indigation through out the country. I earnestly hope that the United State Government will not so act as to let it be said that their intervention has wrecked any chances of agreement in Egypt and possibly has even caused bloodshed.

The audacity of Churchill's remarks was not known to scholars before.


55. See n.34

56. Letter, n.54, p.2
Eisenhower it seems from the recent material was really pushed to the limits of his patience and that the United States was made use of by all parties concerned. On the one hand was the British criticism and threats and on the other was the Egyptian pressure. The Egyptian pressure was known earlier too and perhaps that is why Eden terms it as 'blackmail' while their own blackmail is revealed only now! Eisenhower in his memoirs points that Naguib also openly refused to discuss the use of the Canal Base by the British in any sort of emergency, until he was promised of, "something more than vague assurance."\textsuperscript{57} Translated this meant shipment of more arms to Egypt.

In order to get over the impasse, President Eisenhower suggested to the British that the Base be open to all the Arab states. His suggestion only angered the British specially Churchill who felt, "the Americans were leaning far too much towards the Egyptian viewpoint."\textsuperscript{58} Though in retrospect the American attitude seems rather balanced and fair. While trying to build a better relationship with the Arab world they were trying hard to keep the British happy as well.

\textsuperscript{57} Eisenhower, n.s, p.158.

\textsuperscript{58} Ibid., p.157.
Ultimately as now it has become evident, the United States hoped to promote Egypt as a strong, independent nation of the Middle East, while slowly weaning Britain away from its colonial entrappings. And in the process it hoped that a workable Middle East Defence arrangement would come into being with Egypt, Britain and the United States as equal partners. Eisenhower wrote to Naguib confirming this as early as March 1953, when the discussions were still in an early stage.

It is my strong hope that after tentative agreement has been reached between Egypt and the United Kingdom regarding evacuation and future maintenance of the Canal Base, you will wish to discuss at once the broader problem of defence of the Middle East area. 59

He further clarified, "America will stand ready to assist Egypt materially in fulfilling its new role which nature has accorded her as a keystone in any structure which may be built for the defence of the Middle East." 60

There is one more aspect to the withdrawal tangle which has come to prominence recently. And that is the role Israel played in trying to prevent the culmination

59. Letter n.2, pp.3-4.
60. Ibid., p.4.
of an Anglo-Egyptian Base withdrawal accord. This role is discussed in some detail in the book *Israel's Sacred Terrorism* by Livia Rokach. This book is a study based on Israeli foreign and Prime Minister Moshe Sharett's (1953-56) personal diary. Popularly known as The Lavon Affair (named after the Defence Minister of Israel Pinhas Lavon, 1953-56), it was simply a plot to discredit the Egyptians in British and American eyes. An Israeli secret spy group had been stationed in Egypt sometime in late 1953 with orders to carry out sabotage and destruction of British and American men and buildings in Egypt. The hope Israel cherished was that the United States and British Governments would hold Egypt responsible for such monstrous acts. In turn, the Anglo-Egyptian accord would fall through or United States aid to Egypt would be stopped. Quoted in the book are parts of a secret cable sent in July 1954 to the Secret Israeli group in Egypt. It stated

One: Start immediate action to prevent or postpone Anglo-Egyptian Agreement. Objectives are: one, cultural and information centres, two, economic institutions, three cars of British representatives and other Britons, four, whichever target whose sabotage could bring about a worsening of diplomatic relations.

61. Livia Rokach is an Italian writer and also a journalist of Palestinian origin. This is the first translation of Sharett's diary from Hebrew to English and provides insights unknown before. Livia Rokach, *Israel's Sacred Terrorism* (Massachusetts: Association of Arab-American University Graduates Inc., 1980).

62. Rokach, n.61, p.37.
Rokach too notes that, "negotiations were at their height between Cairo and London for the evacuation of the Canal Zone, and between Cairo and Washington for arms supplies and other aid in connection with a possible United States - Egyptian alliance." 63

And therefore, the pressing need to stop these. The book quotes Sharett:

Our goal is to break the West's confidence in the existing (Egyptian) regime... The actions should cause arrests, demonstrations and expressions of revenge. The Israeli origin should be totally covered while attention should be shifted to any other possible factor. The purpose is to prevent economic and military aid from the West to Egypt." 64

And these orders points out Rokach were "carried out between July 2 and July 27, 1954 ... British and American cultural and information centres, British owned cinemas but also Egyptian public buildings (such as post offices) were bombed in Cairo and Alexandria." 65

Ultimately the spy ring was discovered and destroyed by July 27, 1954. Sharett did not come out openly and denounce the people who had actually ordered this scheme. Some say it was Colonel Benjamin Givli, head of Israel's military intelligence and others

63. Rokach, n. 61, p. 37.
64. Ibid.
65. Ibid.
say it was Lavon himself. Six years later it became
known that Dayan, Peres and Givli had been in on it. 66
Rokach emphasises, that had Sharett come out with the
full story, he "would have changed the history of the
Middle East."67 She further says that, "Ben Gurian who
was close to Dayan would not have then returned to
power and perhaps the Sinai-Suez war would never have
taken place."66 Mohamed Hassan Heikal in his book,
The Cairo Documents, too comments on the Lavon affair.
He says that an agreement between Britian and Egypt on
the withdrawal of the British forces:

... did not please the Israelis. They wanted the
British Army to remain in Egypt, for the British
were both a distraction, to the Egyptians and a
buffer along the Suez. And the Israelis did not
want the United States to remain on good terms
with Egypt. 68

This emphasises on Israel's role in the prevention
of an Anglo-Egyptian accord did not ofcourse bring the
desired results, but it shows the duplicity of Israel
like others, in befooling the United States specially and
the West in general. Such duplicity becomes more evident
in Chapter three which discusses the Suez crisis of
1956.

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66. Rokach, n.61.,

67. Ibid., p.39

68. Mohamed Hassan Heikal, The Cairo Documents
By mid 1954, Naguib had already left the helm of affairs having been replaced by Nasser in January 1954. But before he was ousted, Naguib finally made one concession— the British could reenter the Canal Zone if an aggressor attacked a member of the Arab League. The final settlement took place after April 1954, when Nasser had been installed in power.

Soon afterwards, as the new sources reveal Eisenhower expressed his happiness. In a letter to Anthony Eden he said, "I am glad to see that you have renewed talks with the Egyptians. I would indeed be happy if this friction could be settled and your forces in the Suez made available as a more flexible reserve."^69

The New York Times of July 29, 1954 carried a report on the Suez Agreement. The heading of the item was, "President Extols Suez Base Accord." It expressed the opinion that this agreement "paved the way for the inauguration of a substantial United States aid programme to Egypt, which has been deprived of major military and economic assistance while the Suez dispute

69. Letter from Eisenhower to Eden, July 12, 1954, Ann Whitman Diary Series, Dulles - Herter Series, File; John Foster Dulles, July 1954, Box 3 Henceforth cited as AWDS-DHS.
with Britian lasted." 70

On October 19, 1954, an arrangement was finally agreed upon. According to it the British were to withdraw from the Canal Zone over a period of 20 months, while leaving a few technicians behind who would work at the Canal Base, alongside Egyptian technicians. The British reserved the right to put the Base on a war footing, should any of the Arab States including Turkey be attacked by a non-Arab one. The Canal was to be freely open for use by everyone. (See Appendix-I).

In itself this agreement was laudable. Both the pre and post 1970 sources show the enthusiasm of the United States about it. Townsend Hoopes wrote that it was a, "responsible and salutary move towards an orderly dismantling of the old colonial structure and the arrival at new arrangements consistent with the aspirations of Egypt's newly won independence." 71 The most significant aspect of the arrangement was the non-presence of the United States in the whole affair. It meant two things. One, that the United States wanted the British to clarify their role in the Canal Zone on their

71. Hoopes, n.27, p. 318.
own. And two, that in doing so the United States Government wanted to impress upon its Egyptian counterpart its genuine desire to do good by the Egyptian nation. The United States was determined to prevent the replacement of British colonialism by "Communist influence," 72 in the region. From all this it is clear that, "British and American interests and priorities were not at all the same." 73

Thus the Anglo-Egyptian Suez withdrawal agreement of 1954 was also, "a catalyst generating new momentums and setting in motion a new concern." 74 John Foster Dulles in his statement in the American Congress over this agreement on October 19, 1954 expressed the feeling of the Eisenhower administration faithfully. He said that the United States was very happy over this agreement. He called it, "the successful resolution of a problem which has existed in some form for many years," 75 and that it would now help to "develop fully to the mutual advantage of all concerned and will strengthen the stability and security of the area." 76 As Dulles declared in a statement for the press on October 19, 1954, "Egypt now assumes new and fuller

72. Hoopes, n.27, p. 318.
73. Ibid
74. Ibid
76. Ibid
responsibilities as the Military Base in the Suez Canal zone passes from British to Egyptian control." 77 Eisenhower was also extremely happy that a worthy decision had been agreed upon on the withdrawal question. He had always been keen that a solution to this problem be arrived at so that it would not be an irritant between his country and England. Thus he was visibly relieved after the Anglo-Egyptian agreement was signed. He talked of it and said so in numerous public meetings afterwards. For instance, addressing the National Council of Catholic Women in November 1954, he said, "today the fathers and mothers of our land rejoice that the possibility of permanent peace is more promising than at any time in recent years. They are grateful for the... easing of tensions in... Suez..." 78

77. Statement by JFD, on the signing of the Suez Base Agreement, October 19, 1954, No. 594, John Foster Dulles Oral History Collection, Selected Correspondence and Related Material, File; Alphabetical. Eden (Cu-Er) 1954, Box 80. Henceforth cited as JFD-OHC-SCRM

The next issue which sharpened the Anglo-American differences was the Baghdad Pact of 1955. The insistence of the British on withdrawal from the Suez Canal region in their own way and the ambiguous, neutral stand the United States adopted, prevented the two from seeing eye to eye on the agreement on the Baghdad Pact of 1955. Added to this was the indifference that Nasser showed to this much publicised Western pact. As Hoopes has commented that:

The sudden crystalization of the Baghdad Pact had revealed the discrepancies in British and American objectives. Dulles aimed at blocking Communist penetration and assured this would require broad Arab sympathy and support. Eden aimed at maintaining British presence and power and accepted the hostility of the Arab nationalists led by Nasser. 79

The result was that the United States and Egypt drifted apart as a very "resentful Nasser" 80 placed the former in the pro-British, pro-imperialist group.

Eisenhower was interested in establishing a Western sponsored organisation to look after the defence of the Middle East. To the United States the possible

79. Hoopes, n.27.,p.322,
80. Ibid.
threat to the area was from the Soviet Union. The British on the other hand wanted to establish an organisation which would ensure the retention of their dominant position in the Middle East. With the result that while the United States was worried about the membership to such a pact, the British were not. For the United States having Egypt as a member was most important, keeping in mind its position as a leading Arab state. While the British wanted a pact with Iraq, since it got along better with it. Ultimately a British sponsored pact resulted, one that America never joined. But none of the parties really gave a thought to the actual danger to the Middle East, the Arab - Israeli conflict. Israel was more the enemy of the Arabs than Russia could ever be. But England and the United States perceived the Middle East region in the context of their own foreign policy goals. Thus the resultant conflict with each other and between the West and the Arab states.

To the United States the real danger to the security of the Middle East was Soviet expansionism. The Egyptians did not see it that way at all. The Eisenhower administration as well as the British Government failed
to recognise this. Egypt in fact, considered Israel as its first and main enemy and then the British to a certain degree. When discussions on the Middle East Organisation began in the early 1950's, the Egyptian Government was amazed by the suggestion of the Western powers for an alliance that would protect the Middle East against Communism.

On a visit to Cairo in May 1953, Dulles commented on the importance of such an organisation as a protection against the Soviet Union. Nasser was extremely surprised and questioned:

why? The Soviet Union is more than a 1000 miles away and we have never had any trouble with them. They have never attacked us. They have never occupied our territory. They have never had a Base here, but the British have been here for 70 years.81

Professor Manfred Halpern, in an interview recently confirmed the above when he said,"there was no danger of Communism in the Middle East ... Russia could never conquer these areas."82 He also asserted that Dulles was, "so seized by the spectre of Communism."83 To the Egyptians, therefore, the danger from the British -


82. **Professor Manfred Halpern**, is at present Professor of Comparative Politics at Princeton University, USA. He was the Special Assistant to the Chief of the Division for Research for North East, South Asia and Africa, during the Eisenhower period. He was interviewed by the researcher at Princeton, New Jersey, October 26, 1992.

83. **Ibid.**
and the Israelis had first to be eliminated before any Middle East Organisation could even be thought of. Said Nasser, "as long as British influence is in Egypt, there is a psychological block to setting up an area defence arrangement. The Egyptian people think of Middle East Defence Organisation as perpetuation of occupation."\(^84\)

At the same meeting Naguib said that the people of Egypt, "... are now so suspicious (of the British) that they will not consider any agreement on defence until they find themselves free."\(^85\)

And once the British had started to depart, the Israeli factor which had always been there in the background came to the forefront. The United States believed that more than the withdrawal of the British, the Arab-Israel dispute had a great deal to do with the tension in the defence of the Middle East. The United States, therefore, decided that their support to the Baghdad Pact would depend to a large extent on peace between the Arabs and the Israelis. "We have informed the British privately that our adherence (to the Baghdad Pact) depends on a relaxation in the Arab-Israel tension..."\(^86\)

\(^84\). Memo, n.11,p.21.
\(^85\). Ibid., p.10.
"hinder her flexibility to respond to sentitive Egyptian-Israeli relations." However, in actual terms the United States in the tussel between Britain and Egypt, failed to address itself to the above problem. Instead it always came back to the issue of a Communist threat to the region. The dilemma for the United States was clearly visible. On the one hand it accepted that unless and until Israeli-Egyptian tensions receded, no peace in the area would result and on the other it was unable to reduce that conflict. Pressure from Britain and Israel prevented the United States from following a totally unbiased policy.

The Eisenhower administration differed with Britain over the membership to the Middle East Defence Organisation. Even the names that Britain and the United States wanted for such an organisation differed. The British suggested names like the Allied Middle East Command and the Middle East Defence Organisation. And the United States suggested the Northern Tier Entente. The British wanted to have Turkey and Iraq as the leading members of the Pact, while the United States wanted Turkey and Pakistan with Egypt joining in later.

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The British suggestion was eventually accepted and on February 24, 1955 the Turko-Iraqi Pact was signed, commonly referred to as the Baghdad Pact. A few years later in 1957, Dulles was questioned by a reporter:

Would you explain why the United States after suggesting the formation of the Baghdad Pact withdrew from it?

Dulles: Well, it would be hardly, accurate to say we withdrew from it, because we were never a member of the Baghdad Pact. 88

Talking on the telephone in April 1956, Eisenhower and Dulles discussed the reasons for the United States not joining the Pact. The President stressed that originally, the United States was in favour of the Pact being formed. Dulles agreed but said that they had not been in favour of Iraq joining it. The President emphasised that they were in favour of a pact between Pakistan and Turkey. Dulles replied that, "the trouble was that the British have taken it over and run it as an instrument of British policy ..." 89 This telephonic exchange makes it clear that the United States had really wanted to establish a Middle East Defence Organisation and that the British had messed it up. Loy


89. Transcription of a Telephone call between Eisenhower and Dulles, April 7, 1956, AWDS-DDEEDS, File;April 56', phone calls, Box 15.
Henderson, a journalist affirmed America's reluctance to include Iraq in the Pact. In his interview which is part of the John Foster Dulles Oral History collection at Princeton University he said, "I don't think... our government was ever really comfortable about Iraq being in the Pact, we had doubts about an Arab country being included in it." 90

Though against Arab participation, Eisenhower did believe that, "Egyptian participation in regional defence would be necessary...", 91 considering its position in the rising tide of Arab nationalism. Also the United States in the process wanted to give some sort of power and recognition to Egypt. "Egypt"s... nationalist aspirations were to be pacified." 92 And the Eisenhower administration decided that if Egyptian participation was not possible then America would also not participate. Dulles believed that, "American membership would antagonise not only Nasser, but other Arab Leaders who shared his anti-British, anti-colonial sentiments." 93 The United States Government Progress Report of April 6, 1955 indicated that the, "...Egyptian policy is to insist that Arab


92. Ibid.

93. Hoopes, n.27, p.322.

participation in area of defence arrangements be based upon the Arab states acting as a bloc under Egyptian leadership." 94

As a result Nasser was extremely annoyed with Nuri-al-Said, ruler of Iraq for having joined the Pact. He was also angry that Iraq was trying to equal Egypt's position as the leader of the Middle East. "Egypt could have joined the Northern Tier, but Iraq was its member... a counter force to Egypt as the leading state of the Middle East." 95 So with Egypt out, the United States,"... drew back from wholehearted support of the Baghdad pact." 96 The other Arab states too were not inclined towards the Pact. Camile Chamoun, former President of Lebanon subsequently recalled "...with Saudi Arabia, Nasser and Syria being opposed to it...that meant that almost the majority of the Arab states were opposed to it and that's why the American attitude was not very enthusiastic about it." 97

Closely linked to all these reasons, there was yet another important reason for the United States not joining the Pact. It was the fear of annoying


96. Heikal, n.68, p.42.

97. Camille Chamoun, Former President of Lebanon, interviewed by Dr. R. Bayly Winder, Beirut, Lebanon, August 28, 1965, p.2, JFD-OHC
Israel. The United States was worried that Israel would insist on more arms from it as a security measure to guard off the repercussions of a West sponsored Middle East Defence Organisation, with Arab member in it. As Eisenhower put it, "while it seemed wise to increase our material and moral support for the pact, it did not appear feasible to join it formally without at the same time giving assurances of protection to Israel." Dulles once stated, "Sharett has taken the line that Israel would agree to the United States joining the Baghdad Pact if we simultaneously gave Israel a security treaty." He also said that this could not be done, "...until the borders had been agreed upon. The key to the whole problem is a settlement."

An interesting point which reveals itself in the recently declassified sources is that, Eisenhower once asked Dulles as to the reason for Israeli hostility to American participation in the Baghdad Pact. After all the Pact could actually have caused unrest in the Middle East. And the Israelis would have liked that. This, of course, the Pact did any way, even without the participation of the United States. Eisenhower asked:


100. Ibid.
"How can the Jews be so definitely hostile to us joining the Baghdad Pact while it is one of the big things... that would or could divide the Arab world,"¹⁰¹. Dulles replied,"they (the Jews) felt the Baghdad Pact would start an arms race. They think it was that thing that pushed Egypt into the deal with the Russians."¹⁰² Eisenhower disagreed and said, "Nasser's ambition did that."¹⁰³ Thus it seems that Israel was worried that a Middle East Defence Organisation would bring in more arms for the Arab nations which did not auger well for it and would leave it in a militarily vulnerable position.

On this issue, the translation of Moshe Sharett's personal Diary reveals a totally different story. Of course, the isolation Israel felt as a result of the Baghdad Pact is commonly known - it is only re-emphasised in Sharett's personal diary. About this Sharett wrote:

There is a feeling of isolation which prevails in Israel in view of the West's alliances with the Arab States, which are designed to arm them, the most recent example of which is the Iraq-Turkey pact whose anti-Israeli goals are particularly evident.¹⁰⁴

¹⁰¹. Telephone conversation, n.89.
¹⁰². Ibid.
¹⁰³. Ibid.
¹⁰⁴. Diary entry by Sharett,March 1,1955, Rokach, n.61., p.43.
The statement went on record that Israel was so flush with arms in comparison with its opponents that its security was under no threat. Sharett stated:

We face no danger at all of an Arab advantage of force for the next 8-10 years. Even if they receive massive military aid from the West, we shall maintain our military superiority thanks to our infinitely greater capacity to assimilate new armaments. 105

This perspective on Israel is totally missing in the contemporary analysis.

As as if to proclaim their strength, the Israeli's led a massive attack on Egypt on February 28, 1955 just four days after the Baghdad Pact was signed. It sent the Pact reeling backwards as most Arabs tended to link the attack to the British sponsored Pact. "It came so suddenly that many Egyptians saw the pact and the raid as deliberately coordinated double blow designed to humble Egypt and force peace on Israel's terms." 106 After this raid it became impossible for the United States to convince the Arab States of an anti-Communist defence Pact. On the other hand, it became easy for Egypt led anti-West propaganda to prevent other Arab

105. Diary entry by Sharett, June 26, 1955, Rokach, n. 61, p. 44.

states from even thinking about the Pact. The progress Report of the NSC noted this. It stated, "This unfortunate episode has had the effect of sharply increasing Arab-Israel tension and of strengthening the tendency of many Arabs to believe that Israel is their principle if not their only enemy." Thus they felt no need for an anti-Communist defence pact. It was probably due to this that there was a lack of enthusiasm for the Pact by the United States.

For the British none of these above arguments counted. To them, a Middle East Defence Organisation with Britain and United States as members representing the Western nations, would have enabled them to maintain their position of superiority in the Middle East. Britain was a declining power in the region and Iraq was willing to lend a helping hand. Eden was fully aware of Nasser's objection to the Pact. He said, "Nasser was strongly opposed... (But) I thought that we should give full support to this initiative even though the Egyptian government were putting pressure on the Iraqis to withdraw." Eden hoped, "...that the pact could grow into a N.A.T.O's for the Middle East."  

109. Ibid.
The United States Under Secretary of State Herbert Hoover stated, "... the British desired to assure themselves of command responsibility in the area in the event of difficulties ...(and) expected the United States to foot the bill required to place the area in some posture of defence."\textsuperscript{110} And this was not acceptable to the United States. This factor has been brought about in Humbaraci's 1958 publication as well. Humbaraci wrote:

Since Turkey, Iraq and Pakistan were all linked to Washington by military alliances and were all receiving United States aid, the irony of the invitation made by the British premier escaped no one, least of all the Americans. The United States refused not only to join the pact but also in not giving economic aid. Without strong economic backing the pact would not be viable... But only United States dollars could achieve this...\textsuperscript{111}

The United States Government perhaps felt cheated. Britain was taking it for granted. First it took too long to withdraw from the Suez Base, and then it refused to consider Egypt as a viable member of the Baghdad Pact. On the other hand, the British tilt towards Iraq could have been the result of its irritation with Egypt

\textsuperscript{110}. Herbert Hoover, 247th Meeting of the NSC, May 5, 1955, p.12, Ann Whitman Diary Series, National Security Council Series, Box 6, Henceforth cited as AWDS-NSCS.

\textsuperscript{111}. Arslam Humbraci, Middle East Indictment, from the Truman Doctrine, the Soviet penetration and Britain's downfall to the Eisenhower Doctrine (London : Robert Hale Limited, 1958), p.189.
over withdrawal from the Suez region. Egypt had hurt British pride and now was Britain taking revenge? And perhaps the United States in retaliation refused to accept a pact without Egypt in it. Besides the United States did not hold Iraq in very high regard.

The United States felt that the Pact did, "...not have a solid foundation..." as Iraq had no" ...great political stability ..."112 In the book entitled, Britain and the Suez Cries, by David Carlton, a different explanation is given for the American rejection of the Baghdad Pact. May be it was, "...due to envy of the British who had apparently seized the leadership role,113 in the Baghdad Pact? On this no definite conclusion can be arrived at except that the United States believed that Britain was failing to understand the need of a pact with Egypt in it.

The British as the sources reveal had to keep in mind other considerations before signing a Middle East Defence Pact. Firstly they were hesitant on how India would react to a West sponsored pact with Pakistan as a member. "...they were sure that India would resent


Pakistan entering into any arrangement which would have the blessing of the west."\textsuperscript{114} And secondly Turkey did not want Egypt to be its partner. "Turkey was opposed to any Middle East Defence Organisation grouping with Egypt as center."\textsuperscript{115} Turkey believed that of all the countries in the region, it itself was the weakest and most vulnerable and, therefore, in need of a Middle East Defence Organisation. "Turkey was most exposed and most interested in Middle East Defence, whereas Egypt was least exposed and least interested,"\textsuperscript{116} concluded Berry the American ambassador to Iraq.

On March 10, 1953 thus the American Ambassador in Iraq wrote to the Department of State, indicating the adament stand of Turkey on its participation in the Middle East Defence Organisation. He wrote:

If Egypt participates in Middle East Defence Organisation and wants headquarters of Middle East Defence Organisation in Egypt for purpose of giving substance to Egypt's claim to leadership of Arab world, then Turkey would not agree to the arrangement. Leader of Middle East Defence Organisation could only be Turkey.\textsuperscript{117}

Turkey's obstinacy could have motivated the British to chose Iraq over Pakistan and Egypt as the co-partner in

\textsuperscript{114} Henderson, n.90, p.14.

\textsuperscript{115} The United States ambassador in Iraq(Berry) to the Department of State, Baghdad, February 27, 1953, \textit{FRUS, VOL IX, Part I}, n.11, p.348.

\textsuperscript{116} Ibid.

\textsuperscript{117} Berry, to the Department of State, Baghdad, March 10, 1953, \textit{FRUS, VOL IX, Part I}, n.11, p.353.
the Middle East Defence Organisation. So, "Eden deliberately sacrificed the larger interests of Western defence in favour of preserving a British foothold, which proved to be a 'Will-o-the-wisp.'"

On February 24, 1955 the Baghdad Pact was finally signed without any prior intimation to the United States Government. Along with the Suez war this instance clearly show that Britain did not always confide in its so called greatest of friends. America and Egypt both were surprised at the British declaration of support to the Baghdad Pact. Only a few days earlier on February 20, Eden was in Cairo and had not given the slightest hint of what was to follow. Recently released sources show that when Dulles was given the cable of this news by Henry F. Byroade, the Assistant Secretary of State for Near Eastern Affairs, he expressed astonishment. He asked Byroade if he had known about it earlier. Byroade replied that if, "...anybody had asked about it 5 minutes earlier, he would have said they were crazy ... it was an unfortunate development." The British made use of American friendship here and later, for its own


119. Ibid. p.199.
interests. And it expected the United States to stand by it, which was greatly resented.

Since most Arab nations tended to link the United States with Britain, criticism and resentment towards Britain then tended to carry over to the United States as well. Recently declassified material indicates Eisenhower's irritation in this regard. As Eisenhower noted remorsefully in his diary, "the Arabs apparently take the assumption that Britain does nothing in the area without our approval. Nothing could be further from truth."120

The United States difference with Britain over membership to the Baghdad Pact was followed by even more profound differences on the extension of its membership. Previous and recent documents both point to the eagerness of the British to make Jordan a member of the Baghdad Pact. Jordan had close ties with Britain. The British paid $20 million per year for the upkeep of Jordan's fighting force, the Arab Legion. And Jordan had in its employment, Lieutenant General John Bagot Glubb, who had for long been the Commander of the Arab

League and a close advisor to the King of Jordan.

After Israel's Gaza raid on February 28, 1955. Eden and Nasser had reached a compromise. Accordingly Nasser was to give up his opposition to the Baghdad Pact provided Eden would agree to, "freeze the Baghdad Pact and make no efforts to join the Arab countries to it." But Eden did not keep his promise. He became Prime Minister on April 6th, 1955. And as Love says rather abruptly, "the moratorium agreement on the Baghdad Pact was thus perhaps Eden's last important action as a successful Foreign Secretary. His violation of the moratorium in December was his first important step towards disaster as Prime Minister". The United States was horrified at Britain's insistence on including Jordan in the Baghdad Pact. It knew that it would further antagonise both Egypt and Israel. Egypt because the British had promised a moratorium on membership and Israel because, one Arab nation in the Pact was already enough. In his diary Eisenhower wrote:

...we tried to make Britain see the danger of including or pressuring Jordan to join the 'Northern Tier' Pact. They went blindly ahead and only recently have been suffering one of the most severe diplomatic defeats Britain has taken in many years...

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122. Ibid.
123. Diary entry by Eisenhower, n.120,p.2.
In a meeting with the then British Foreign Secretary Harold Macmillan in Geneva in November 1955, Dulles expressed his opposition to Macmillan's proposal to include Jordan into the Pact. Dulles felt that no Arab country that had a common border with Israel should be pressurised to join the Pact, "... unless they were prepared to make peace with Israel..." 124

One should note here what Macmillan said in his memoirs on Jordan's membership to the Pact. He stated, "the Americans were anxious that we should persuade Jordan to join in order to relieve the isolation of Iraq, at present the only Arab member inside the pact." 125 This statement is not corroborated in any previous or recently declassified materials. In fact, it turns out that the truth was just the opposite. Even Eden in his memoirs, using almost the same words as his Foreign Secretary repeated what Macmillan had said. To quote Eden:

Mr. Macmillan was encouraged by his meeting at Baghdad and judged this to be the moment to get some other states to join the Pact. Iraq felt isolated as the only Arab present. The first new member, he considered should be Jordan." 126


Thus Macmillan's statement about American pressure seems incorrect particularly in the light of the fact that the *New York Times* of December 16, 1955 reported a statement by Macmillan that the Jordanian Government resigned as a result of the British pressure on it to join the Baghdad Pact.\(^{127}\)

In the recently released material, Dulles is shown to speak rather harshly of Britain's obstinacy to have Jordan as a member and then expecting America to stand by it, for the sake of old ties. Dulles said:

> If we don't give the British a blank check (sic) on the United States for whatever their policies are in the Middle East, then the British get upset...The British have committed a series of very grave errors in the Middle East in recent years. They tried to push Jordan into the Baghdad Pact... I said, 'you're crazy to try to get Jordan in the Pact. Already Iraq's being in the pact makes the pact not something which is primarily against the Soviet threat, but you are right in the Middle of Arab politics.' When the British get into that kind of a mess they say, 'well you must be true allies and back us up in everything we have done, and if you don't its terrible.'\(^{128}\)

In the same statement, he also recognised the weak position of America's allies, Britain and France in their erstwhile colonial empires. He stated, "their

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\(^{128}\) Unspecified statement by Dulles, April 21, 1956, pp.2-5, JFD-OHC-SCRM-AF, File; Alphabetical (Mar-Nat) 1956, Box 106.
colonial areas are melting away and with it many of their reserves... and they feel in a quite desperate position." Perhaps this realisation of the declining position of Britain as a major colonialist country, could have added to America's reluctance to join the Baghdad Pact. The British had no real standing left in the Middle East. And this became more apparent when General Glubb was dismissed from Jordan's service in early 1956 and the latter did not join the Pact.

Eden was shocked at Glubb's dismissal and at once linked Nasser with it. He also attributed Jordan's reluctant attitude towards the Pact to Nasser's anti-West campaign in Jordan. Probably, it was under intense the political pressure from Egypt that Jordan had dismissed Glubb. Though in his memoirs, King Hussein wrote, "... the dismissal of General Glubb was a strictly Jordanian affair ...")[130] But as Eisenhower pointed out, this dismissal was looked upon by all as a "slap at the British."[131]

However, in retrospect, it appears that had there

129. Unspecified statement, n.128.
131. Eisenhower, Waging Peace, n.98,p.27.
been more members in the Baghdad Pact, the better it would have been for the United States. The policy of maintaining a balance that Eisenhower wanted to follow towards Israel and Egypt would have gained credence with a solid Arab group, backed economically and militarily by the West. Sharett's acceptance in his dairy that there was absolutely no shortage of arms in Israel shows that the Arab states were militarily weaker. Thus open support from the United States to the Arabs would have been greatly welcomed by them. But at that time such things were not known. From recent sources it does become clear though, that the United States was considering having more members to the Baghdad Pact. A conference of the United States Chiefs of Mission in the Near East area held in May 1954 concluded:

It is the consensus of the conference that if the Arab countries lying behind the 'Northern Tier,' that is Saudi Arabia, Egypt, Libya, Syria, Lebanon and Jordan, should later individually or collectively ask to participate in this regional security arrangement, it would be in the interest of the United States for such request or requests to be considered sympathetically.132

However, the conference also cautioned that the United States should not loose sight of its

original goal,"...to strengthen Egypt firmly on the side of the West and to associate Egypt in some manner in the defence of the area..."

It seems the latter influenced the Eisenhower administration a good deal more than the first conclusion. And since Nasser was against the Baghdad Pact, the United States ended up giving it only lip service. While Eden in his memoirs expressed annoyance at the United States failure, "to put its weight behind its friends, in the hope of being popular with (its) foes." Eisenhower was a bit more explicit as his diary now reveals. He wrote that he was "a little afraid of the results of Baghdad Pact and that the British have never had any sense in the Middle East." The Baghdad Pact and British obstinacy on Iraq and Jordan to be its members explains Eisenhower's statement.

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133. Conference, n.132,p.4.


135. Diary entry by Eisenhower, Diary, December 16, 1956, AWDS-DDEDS, File; December 1955(3), Box 7.
The early years of Eisenhower's presidency, witnessed the emergence of a stark Anglo-American divide on the Middle East. The withdrawal of British soldiers from the Suez Base and the Baghdad Pact were followed by issues like arms and economic aid to Egypt and the construction of the Aswan Dam. These issues not only heightened and brought to a climax the negative side of Anglo-American relations, but also emphasised the vulnerability of the United States to a set of complex circumstances. England, Egypt, Israel and France became known and unknown, willing and unwilling partners in confusing the Eisenhower administration. Each had its self interest nearest to its heart, and the United States was no exception to this. But the pressure was most on Eisenhower to reconcile the necessity of following an amicable policy towards Egypt with the pursuit of traditional ties with Europe and Israel, that pulled him back each time he made a gesture of friendship towards Egypt. Fed up of pressures, threats and blackmail, the Eisenhower Administration in July 1956 took the rather unnecessary step of cancelling its
support to Egypt's Aswan Dam.

Previous sources do not differ from recently released ones on the desire of the United States to provide arms to Egypt, or to give it other types of aid, or on British opposition to it, or on the United States solution to that opposition. Neither are these sources divergent on the Arab-Israeli tensions and the American solutions and reactions, or on the Western need for supporting the Aswan Dam or their deciding to cancel it. The new sources only re-emphasise all the above.

A variance, however, is noticeable - but only on one issue: the responsibility for the cancellation of the Aswan Dam. Previous sources had blamed the United States for letting its allies down. These sources had criticized Dulles for the cancellation which in turn had led to the nationalization of the Suez Canal by Nasser. But newer declassified material tends to shift the blame to England and Egypt. These sources show that the idea to cancel the loan and that Nasser was going to nationalize the canal anyway originated in England. Some new sources do not blame Dulles for the cancellation at all, in fact these praise him. But
these do criticize the manner in which Dulles announced the cancellation which previous sources do as well. But the new sources reveal and stress that the abruptness in the cancellation gave Nasser the pretext he had been waiting for. And it gave England, France and Israel something and someone to blame, for their decision to attack Egypt. The new documents reveal that these nations had been planning an attack for quite some time.

On July 19, 1956 Dulles informed Ahmed Hussain, the Egyptian Ambassador to the United States that his Government was no longer, "disposed to proceed with its part of the projected plan." The Aswan Dam deal was off. A long struggle by Egypt for funds for its most important development project to date was over without positive results. New sources show that it was a struggle which goes back to 1953 when the then Egyptian Prime Minister Gen. Naguib had made a reference to it in a letter to President Eisenhower. Naguib had written:

Egypt has in mind a project for a second dam on the River Nile above Aswan... the advocates of the scheme claim it would increase the cultivable area of Egypt by as much as one-third and would provide

136. Statement by Dulles cancelling the Aswan Dam, July 19, 1956, AWDS-DHS, File; July '56, Box 17.
electric power and a supply of needed fertilizers. Egypt can and would raise a substantial amount of domestic capital for this project but the foreign exchange requirements would be far beyond Egypt's capacity to carry in the form of a repayable external debt...would it be possible for the United States (perhaps jointly with the United Kingdom) to consider an approach to Egypt with the offer of a 'package deal', namely, a financial programme... coupled with Egyptian support for a settlement of the urgent political issues mentioned?  

The political issues he was talking about included Sudan, Suez Canal, Middle East Defence, Israel and Arab refugees.

Till late 1955 things remained at a standstill on the Aswan Dam. In between issues like the British withdrawal from the Suez Base, the Baghdad Pact, Arab-Israeli tensions and arms sale to the Middle East had occupied the political thoughts of the Western and Middle East nations. However, in September 1955 the Egyptian Government purchased a huge pile of arms form the Czechs. This woke up the Western countries to the fact that something must be done immediately or Egypt would be lost to the Communists forever.

Nasser needed a great deal of arms to ward of

137. Letter from Naguib to Eisenhower, April 22, 1953, AWDS-IS, File; Egypt(4), Box 8.
Israeli offensive in the main and also to build up his own image in the Arab World. So the scurry for arms and that too from the United States. On the basis of the Tripartite Declaration of 1950 between Britain, the United States and France, the number of arms supplied to Egypt and Israel were to remain the same (see Appendix II). The United States was not averse,"...to consider request for arms needed for legitimate self defence..."\textsuperscript{138} But at the same time the President emphasised that, "we do not intend to contribute to an arms competition in the Near East because we do not think such a race would be in the true interest of any of the participants."\textsuperscript{139}

The United States had to keep both Britain and Israel in mind when it thought of selling arms or providing other types of aid to Egypt. According to an agreement signed between the United States and Britain on December 9, 1952 Egypt was promised military aid. But that aid was to be linked to an Anglo-Egyptian agreement for withdrawal from the Base region. "We would enter into firm commitments to provide Egypt grant, military and economic assistance simultaneously


\textsuperscript{139} \textit{Ibid}.  

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with the signature of an agreement in principle on the Suez Base."140

However, the United States earned the displeasure of the British Government even on such plain assurances offered by it to the Egyptian Government. The American Ambassador to the United Kingdom, Winthrop Aldrich wrote back to his Government in May 1953 that:

... they (the British) would much prefer... that no firm offers of equipment should be made to (the) Egyptian government until it is clear that (the) latter seriously intend to cooperate with free world in (the) defence of strategic area of Middle East."141

During December 1953, a volley of letters were exchanged between Churchill and Eisenhower. These letters reflected the displeasure of the British Government at,"...the idea of the grant of economic aid to Egypt at a time when our differences with them are so acute."142 Eisenhower replied, "...at your request we have not only withheld military aid from Egypt, but have likewise postponed several times the initiation of aid."143 American aid to Egypt now became a source of friction between the United States and the United Kingdom.144

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140. President Eisenhower as reported in a Memorandum, December 21, 1954, WHO-NSCP 1948-61, OCB. 091.4 File; Egypt 1954-Feb 1957, Box 28.


144. Freiberger, n.33, p.60
Though as Eden says in his memoirs that he looked upon economic aid to Egypt by the United States "...as a sweetener, pending the conclusion of our negotiations." However, he further clarified that any sale of arms to Egypt, "... would have the appearance of encouraging the Egyptians to stand out in their demand against us and it would remove an important inducement to them to reach an agreement with us."146

Despite the bad taste this generated between the United States and England, it was only after Britain and Egypt had come to an agreement in mid 1954 (though the actual accord was signed on October 19, 1954), on withdrawal that military and economic aid was offered to Egypt. The United States offered $40 million of economic aid to Egypt for the fiscal year 1954. The military aid never went through due to technical objections raised by Nasser. The United States offered, "...arms only for cash in dollars or accompanied by a military mission." Nasser rejected both.

As far as Israel was concerned, its thirst for arms never abated. The United States also refused them arms because as Dulles said:


any sale of arms to Israel would be misinterpreted in the Arab world as support for Israel against her Arab neighbours and would have had political repercussions, tending to drive the Arabs more and more into the arms of the Soviet Union.\textsuperscript{148}

Though this statement was made after the Egyptians had bought arms from Czechoslovakia, the United States held this view long before this development. In early 1953, it did not want to sell more arms to Israel due to a different reason. A paper at the seminar of the United States Chiefs of Mission in the Middle East stated:

Israel presently has the most capable military force in the Middle East. As a result, Israel is at present able to defend itself against any likely combination of Arab States. If at an appropriate later date a programme of arms aid to the Arab states should be instituted, it is believed that such aid will not materially change this power relationship for a considerable period after its initiation. A programme of military grant aid to Israel is, therefore, not now recommended.\textsuperscript{149}

This conclusion as stated earlier is confirmed by Sharett in his diary too.

Though the United States did not want to sell arms to Israel, it was not averse to their sale by Canada, Britain or France from selling them. As Dulles said,

\textsuperscript{148} Memo of conversation between the President and Dulles,' Camp David, December 8, 1955, JFDS,-White House Memoranda Series, File; Meetings with the President 1954(1), Box 1. Henceforth cited as JFDS-WHMS.

\textsuperscript{149} Summary Record of the Conference, n.132,p.4.
...there is no intention or desire of the United States to try to establish a world wide boycott of the Government of Israel as far as arms are concerned... certainly not a pattern which we are trying to impose upon other countries of the world. 150

So the Canadians provided Israel F-86 jets and the French provided Mystere fighters.

Despite Eisenhower's aim of maintaining an arms balance in the Middle East, Arab-Israeli tension did not decrease. Border skirmishes were followed by the Israeli attack on the Gaza strip on February 28, 1955. Then the Alpha plan, a secret plan of America to bring peace in the region by pressurising Israel to give up some territory for military security failed. And so did the Anderson Mission of March 1956. Nasser wanted to remain inactive and the Israelis were aggressively obstinate. They said that they would make "no concession whatsoever in order to obtain a peace. Their general slogan was 'not one inch of ground' and their incessant demand is for arms." 151 And they wanted arms from the United States only because as Eisenhower explained, "...they could get arms at lower prices from almost any European nation, but they want arms from us because they

150. Statement by Dulles, April 17, 1956, JFD-OHC-SCRH File; Alphabetical (Mar-Nat) 1956, Box. 106.

feel that in this case they have made us a virtual ally
in any trouble they might get into in the region."¹⁵²

In this tussle for arms, Egypt ultimately got
none from the United States. Fed up Nasser bought arms
from the Czechs. Nasser had, "made constant appeals to
the Americans for arms but had been constantly
rebuffed."¹⁵³ The United States was pulled in opposite
directions and did not do anything constructive. It was
perplexed and paralysed.

In contrast, the Soviet Union scored a victory
without, "agression or subversion but on the invitation
of a local government,"¹⁵⁴ the Communists gained entry
into the Middle East region. And with this, "one
stroke, the main objective of Dulle's Middle East Policy
and the principle he had laboured to establish the
'Northern tier' barrier at once fell through."¹⁵⁵

Thus it was after the Egyptian purchase of arms
from Czechoslovakia in September 1955, that the
United States Government turned its attention back to
the Aswan Dam. On December 1, 1955 in a meeting of the


¹⁵³. Hoopes, n.27, p.328.

¹⁵⁴. Ibid., p.289.

National Security Council, Dulles voiced the President's and his own opinion on the matter. He thus spoke:

The United States must contribute substantially to the financing of the proposed High Aswan Dam in Egypt...which would involve in addition of (sic) an IBRD loan of about $200 million, assistance by the United States and United Kingdom of the order of $200 million over a period estimated at about 10 years, with the hope that the United Kingdom share would represent about 20%.¹⁵⁶

The President gave his approval to these plans.

There are some who believe that the fear of Soviet Union drove the United States into supporting the Aswan Dam. The very fact that Nasser had purchased arms from the Communists had indeed created a doubt in Western minds. Reports in the New York Times criticized the Egyptian purchase of arms from Czechoslovakia and warned, "that this may really symbolize the start of Russian inroads into the Middle East"¹⁵⁷. It is interesting to note that President Eisenhower did not make any public statement of resentment against the Egyptian arms deal¹⁵⁸. Though we do have Vice-President Nixon deploring it and Dulles undermining the Communist arms by calling them second hand¹⁵⁹. Eden also


¹⁵⁸. Ibid., October 18, 1955, p.1.

¹⁵⁹. Ibid., October 19, 1955, P.10.
criticized Russia and Israel showed fear that these arms would give the Egyptians military superiority.\textsuperscript{160}

In the new material one finds Eisenhower, expressing his annoyance with Egypt. He wrote, "...the Arabs, absorbing major consignment of arms from the Soviets, are daily growing more arrogant and disregarding the interests of Western Europe and the United States in the Middle East region."\textsuperscript{161}

It was thus Egypt's purchase of arms from Communist Czechoslovakia that set the United States and United Kingdom rethinking on the Aswan Dam. In his interview Raymond Hare, Ambassador to Egypt (1956-1958), said, "remember it was after that (the Arms Deal) and not before. In a sense I suppose, Aswan was a counterbalance. The arms deal came first."\textsuperscript{162} The diplomat George Allen repeated "our formal offer was made after the arms purchase."\textsuperscript{163} Though at the time Dulles denied any link between the Soviet aid and the offer by Western powers for the Aswan Dam loan. He said so in a Press conference, stressing the fact that th


\textsuperscript{162.} Raymond Hare interviewed by John Luter, August 28, 1972, \textit{JFD-OHC}.


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matter had been under consideration by the World Bank for nearly two years.\textsuperscript{164}

Having once decided to support the construction of the Aswan Dam, the United States Government was eager to carry it through. In December 1955, a joint meeting was held in Washington D.C. In it, the United States and Britain gave their full assurance of the financing of the Aswan Dam project. The support was to be for the first phase of the construction. Later, in his interview Black said that he really encouraged the Aswan Dam scheme and spoke of it in high commendable terms in relation to the Egyptian economy. He said he stressed that the, "Aswan Dam was the most important thing that could be done in Egypt and it was the most important country there (Middle East).\textsuperscript{165}"

Again he added, "The Aswan Dam was the magnum opus and felt this to be a step in the direction of improving our relations with the Arab countries, specially with Egypt.\textsuperscript{166}

Eisenhower himself agreed and said so


\textsuperscript{165} Eugene Black, President of the World Bar interviewed by David Horrocks, May 13, 1975 New York, p.6, JFD-OHC.

\textsuperscript{166} Ibid., p.7.
to Nasser in a letter in February 1956, "the High Dam," he said, "represents in finest form the policy of peaceful developments for your people..."167

It was, therefore, very odd that despite such feelings and realization the United States called off the loan on July 19, 1956. What exactly went wrong? There are numerous explanations given in previous and recently declassified sources. It has come to light now that just after the United States approved of the loan for the Aswan Dam doubts had begun to creep in. Secretary of Treasury George Humphry expressed these at a meeting with the President at Camp David on December 8, 1955. He felt that the Congress would not be very supportive of the idea. He stated:

...If we went to congress for specific authorization on a project like the Aswan Dam, it would probably be defeated on the grounds that it would ultimately increase agricultural production and also that every congressman who wanted a dam for his district would press against giving a big loan for the Egyptians.168

Of course attempts were made throughout by others to dismiss these doubts. Herbert Hoover Jr. for instance, wrote to George Humphry, only a few days later,

167. Eisenhower to Nasser, February 27, 1956, AWDS-IS, File; Egypt (1), Box 8.

168. Memo of Conversation between Eisenhower, Sec. Humphry, Sec. Wilson, Dr. Snyder, and Dulles, Cam David, December 8, 1955, JFD, WHMS, File; Meetings with the President 1954(1), Box 3.
enumerating the positive features of such an enormous plan. He called the project, "economically feasible."\textsuperscript{169} He dismissed the doubts of the cotton growers of the United States. He warned:

...claims that the increase in irrigable land in Egypt would compete with United States agriculture are exaggerated. ...there is ample evidence that the Egyptians will proceed with construction by the help of the Russians if the IBRD, the United States and the United Kingdom do not respond favourably. \textsuperscript{170}

Black also emphatically concluded that Egypt could pay back the loan.\textsuperscript{171}

Two questions now need to be answered - One, what exactly led to the cancellation of the loan? and two, to what extent can the blame for the nationalization of the Suez Canal which followed the loan cancellation, be laid at the door of Secretary Dulles? There were various reasons which led to the cancellation like, Nasser's role, the financial incapability of Egypt to pay back the enormous loan, the pressure of certain groups within the United States which were against giving the loan and British influence on the final decision. Recently released sources bring out all the above in a

\textsuperscript{169} Herbert Hoover to George Humphry, December 14, 1955, DDE White House Central Files 1953-1961 (1 of 2), Confidential File, Subject Series, File; State Department of Nov. Dec 55, Box 70. Henceforth cited as WHCF.

\textsuperscript{170} Ibid.

\textsuperscript{171} Black, n.165, p.15.
clearer manner re-emphasising in the process, the polarization of factors that led to the calling off of the Aswan Deal by Dulles.

Eisenhower was perhaps disturbed most at Nasser's tilt towards the Communist bloc. The purchase of arms from the Czechs and the threat of a possible loan to finance the Aswan Dam from the Soviet Union made him quite angry. He even voiced his opinion that if Egypt was somehow isolated from its Arab friends it might then see sense. In his diary, he wrote:

...I am certain of one thing. If Egypt finds herself isolated from the rest of the Arab world, and with no ally in sight except Soviet Russia, she would very quickly get sick of that prospect and would join us in the search for a just and decent peace in that region. 172

But Nasser saw it differently. For him a middle course was the best. Nasser felt that, "it would be wise for the inhabitants of the Middle East to encourage both Russians and Americans, to provide all they would give or could be tricked into providing." 173 And that is exactly what both the United States and the Soviet Union did. In order to win over Nasser, the Soviet Union ignored the suppression of Communism in Egypt

173. Polk, n.155, p.90.
gave it or large quantity of arms and also later on financed the Aswan Dam. On the other hand the United States annoyed its closest ally Britain by not taking joint and forceful stands on the withdrawal issue and on the Baghdad Pact, in order to keep Egypt pro-West. But the Egyptian purchase of arms from the Communist block was perhaps the last straw on the camels back. In the meantime Egypt also recognised Red China. The last two - the purchase of arms from the Czechs and the recognition of a Communist Government in China, revealed to the United States a distinct pro-Soviet tilt. Even though Nasser did it on purpose as an assertion of independence. The actions provoked Dulles to no end and he was convinced that, "neutralism or non-alignment was a political fiction." 174 In turn he became, "cool to Nasser." 175

The New York Times of July 24, 1956 carried a press report entitled, 'Egypt answers West on Aswan. 176 In it the Egyptian press was quoted as, "bitterly attacking allegations by the United States and Britain that economic considerations led them to withdraw their six month old offer to help finance the High Dam". 177

174. Hoopes, n.27, p.331.
175. Ibid.
177. Ibid.
Instead other reasons were offered, reasons which the Egyptians felt made the West panicky and, therefore, they cancelled it in vengeance. It was reported:

The Western reaction was purely political. The Western reversal was brought on by Egypt's recently expanding trade with the Soviet bloc, her recognition of Communist China and her refusal to accept conditions in the aid offer that would have threatened her sovereignty.178

There are a number of recently released sources which support the Egyptian tilt towards the Soviet Union as a major reason for the cancellation. In his interview Dillion Anderson, Former Assistant to President Eisenhower for National Security Affairs said rather pointedly that,"...I think it was Nasser's precipitate action in getting into bed with the Russians ...that led to the cancellation, not the lobby at home."179 Author Richard E. Neustadt agreed with the assessment. He wrote "Nasser's arms deal with the Czechs is far more substantial...a reason for the decline of the Aswan Dam."180 According to Hoopes, Dulles was "enraged,"181 that Nasser had bought arms from the Communists. In the United States Congress, it was looked upon as an act of

"ideological treason."\(^{182}\)

In their feeling of outrage the Americans were forgetting that it was the arms deal that had pushed the United States and Britain into offering the loan for the Aswan Dam project. The arms deal by itself did not lead to the cancellation. "It is not true... to think that it was because of the arms deal that this happened. The arms deal was in September and this other thing was after...," pointed Raymond Hare \(^{183}\) Most have concluded that it was the way Egypt behaved after the deal, its highhanded attitude that had more to do with the cancellation. "The way the arms deal was being implemented looked as though it was going much further than was felt... It was quite a complex thing. The degree of Egyptian identification with the Soviets had grown larger than we'd anticipated."\(^{184}\)

Eugene Black, however, had an entirely different opinion which is now revealed in his interview. The interviewer posed a very important question to Black: was Nasser aware that he was baiting or antagonizing the United States with the Russian-Czechoslovak arms deal?

\(^{182}\) Hoopes, n.27, p.331.


\(^{184}\) Ibid.
And Black surprisingly answered:

Well, I don't think he did it in order to bait the United States. He made every effort to get arms assistance from the United States, and after he practically gave up, then he made a deal with the Czechs to get the arms. He did not do this to make us mad. He was very anxious to get the arms from us and we refused to give them to him. Now, I think that as a result of that, this pushed Nasser towards the Communist Nations and as a matter of fact, sometimes after that he recognised Communist China and that was very annoying to Mr. Dulles. 185

Thus the arms deal, recognition of Red China, Nasser's 'positive neutralism' and his supposed blackmailing contributed to Dulles' final decision. In the months before the cancellation, Nasser made it seem that if the United States did not offer him the money for the Dam then Soviet Union would. As all sources show that even when Ahmed Hussain met Dulles on July 19, 1956 he signalled that the Russian offer was right there in his pocket. That was what Dulles had been waiting for. Instead of getting scared and saying yes, which was what Nasser had hoped for, Dulles actually used that to let the deal go.

The financial incapability of Egypt in paying back the loan was another reason why America decided not to support it. Dulles felt that, "we were getting into pretty

sticky business." 186 Dr. William Aldens Professor of Political Science supported this argument. He said "Dulles had the impression that this money may be squandered, and that we would be deeply obliged to Egypt for many years to come. He was told that Nasser's regime may not be financially sound." 187 The United States believed that as a result of the barter of Egyptian cotton for Czech arms, the pressure on Egypt's economy was already tremendous. And its increasing trade links with the Soviet Union might obstruct it from fulfilling its financial commitments to the donors of the Aswan Dam loan. George Allen, reiterated this. "We did not think the Egyptian economy would stand it with the commitments they had already made." 188 It involved long term economic planning for Egypt, which most felt was not really possible given the aggressive, short term gain policy the country believed in. "The Egyptians for the next 15 years had to be very, very tight on their finances if this dam had to be built and to use local labours, local currency and local materials Nasser must have felt not inclined towards this." 189

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186. Sherman Adams, Former Assistant to the President, interviewed by Mr. Richard D. Challener, Lincoln New Hampshire, August 15, 1964, p.25, JFD-OHC.

187 Dr. William Aldens, Professor, Department of Political Science, Kansas State University, Manhattan, Kansas, USA, interviewed by the researcher, October 15, 1992.

188. George Allen, n.163.

189. Ibid., p.32.
The economic liabilities that the United States would have incurred, weighed too heavily upon it. Eden in his memoirs too confirmed the delicate economic position of Egypt. He wrote:

Her Majesty's government was prepared to help, we knew of Egypt's needs... But the scheme raised many problems, among them the division of the Nile waters between the Sudan and Egypt... It also raised intricate question of finance... Her balance of payments was precarious...190

Nasser it seems had been expecting the United States to cancel the loan. In an interview with Erskine Childers, he said,"I was sure that the United States was not at all willing for (the) development of our country."19 Nasser felt this was, since he had rejected the conditions attached to the loan (overseeing by the donor nations, no more buying of arms, gearing of local economy for the repayment of the loan etc. So he was sure that the United States would withdraw its offer. But the conditions placed on Egypt were the result of its low economic position. Robert Bowie, Assistant Secretary of State for Policy Planning said:

It became quite clear that very large arms purchase which Egypt had made from the Soviet


Union had mortgaged a large part of the resources which Egypt would otherwise have available for devotion to the dam. 192

Allen Dulles, John Foster Dulles's brother and Director of CIA, in the Eisenhower administration summed up the position of the United States on this issue when he stated that, ".... it was such a major project, involving so much money, with no clear assurance that it could be successful or realize the great hopes that they would place on it." 193 The United States thus felt that the citizens of Egypt might in the long run resent the encroachment into the Egyptian economy by Western powers, even though it was for their own benefit. It can be questioned that the decision to cancel the loan was an after thought, a change of mind. When the offer was made it was motivated by strategic considerations and when it was withdrawn it was becomes of economic consideration? Or, it was that hindsight provided an alibie for a failed policy?

There were other domestic pressures which also influenced Dulles's decision. Gulshan Deitl in her book enlists four groups in America which were against the


loan. First was the pressure from the cotton belt states which felt that should the dam be constructed, then it would increase Egypt's area under cultivation and would in turn give stiff competition to cotton exporters from the United States. Then the Democratic lobby in America, led by senators Wayne Morse (D, Ore,) and Richard, Lewis Neuberger (D, R.I.) had a complaint too. They pointed out that the Government of the United States had refused to construct the Hell's Canyon Dam in the State of Oregon, while they were agreeing to construct one at a great cost so far away in the Middle East. Then the anti-People's Republic of China Lobby was very annoyed with Nasser for having recognised Red China. And finally the Jewish Lobby in America was also against giving a loan to Egypt because of their traditional rivalry with the Arabs.

Congressional approval in the face of pressure from one group or another, was indeed a delicate matter. The later declassified sources and the oral history interviews attest that the support of the United States Congress was indeed a matter of concern to the

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Eisenhower administration because it was not easily forthcoming. In a meeting with the President on December 8, 1955 at Camp David, apprehensions were voiced on how to get the loan cleared from the Congress. The President himself said, "We want Egypt to build the canal Problem is to get Congress to deal sensibly."\textsuperscript{196} Senator George D. Aiken (R, Vt.), agreed about Congressional disapproval over the loan offer. He stated:

...There was quite a lot of criticism about the offer in the Senate... the final decision to withdraw the offer was prompted by the feeling that we would not get value received... It was a pretty expensive undertaking and a pretty daring undertaking and would undoubtedly have been subject to a great deal of criticism in the United States had we gone through with it. People think, 'Well, we should not help them. We lose our money and then they won't thank us for it. They won't do anything for us'.\textsuperscript{197}

Journalist Loy Henderson in his interview refers to an off the record meeting in Spring 1956, where Representative Clarence Cannon (D., Mo.) had warned of Congressional non-support on the Aswan Loan. Cannon was the Chairman of the House Committee on Appropriations.\textsuperscript{198} He warned, "I want you to understand, Mr. Secretary, that we will not approve one

\textsuperscript{196} Memo of Conversation between Eisenhower and Governor Dan Thornton, March 8, 1956, \textit{AWDS-DDEDS}, File; March 56 Miscellaneous (5), Box.14.

\textsuperscript{197} George D. Aiken, Interviewed by Philip A. Crowl, Washington D.C., February 5, 1966, \textit{JFD-OHC}.

\textsuperscript{198} Henderson, n.90, p.23
cent for any dam in Egypt. So please bear that in mind." 199 Thus concludes Henderson, "...it was clear that Congress would not grant appropriations for that propose." 200 George Allen states a bit more clearly in his interview about the difficulty in getting Congress's support for the project. He said:

...The project would bring into production a great deal more cotton. We were forbidden under the aid programme to go into projects, which were primarily for the purpose of adding to the world supply of commodities already in very great oversupply. Senator Knowland told Dulles that it was going to be very difficult for him to get enough votes for the Aswan project. Between the senators from South Carolina, which is a great cotton growing state and the senators who just did not like the cut of Nasser's jib (neutralism, buying his guns from Czechoslovakia etc.) plus the pro-Zionist group, who did not like him because of Israel, it was going to be a devilish job to get the votes through congress to support the project. 200

In his interview Abba Eban, at that time the Israeli Ambassador to the United States too recalled, "there was the cotton interest which did not look forward to Egypt growing more cotton to dump in American markets - that was the Southern Senators." 202 So the pressure of the American cotton growers was perhaps the most relevant influence from among other domestic factors.

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199. Henderson, n.90, p.23.
201. Allen, n.163, p.33.
202. Abba Eban, interviewed by Louis Gerson, Rehouth, Israel, May 28, 1964, p.29, JFD-OHC.
However, one recently released source does not seem to think so. Andrew Goodpaster, White House Staff Secretary (1954-61) says in his interview, that the opposition of the cotton growers, "...did not weigh in Dulles calculations." 203

Dulles of course understood the opinion of the Congress. In fact at that very time an Aid bill for Egypt was under approval and that too got stuck due to the Aswan Dam. Raymond Hare referred to it in his interview. He stated:

There was trouble over the aid bill. This was being opposed in Congress, particularly by the cotton people, and one of the committees put a rider on the aid bill, that if they did anything on the Aswan Dam they had to come back to the committee ... 204

The second question of importance is, on whom to lay the responsibility of cancellation which in turn triggered the nationalization of the canal by Nasser? America? Dulles? Britain? Eden? or Egypt and Nasser? Perhaps all can be blamed in one way or another. And the recently released material is perhaps most noteworthy in this respect. It shifts the blame which earlier rested solely on Dulles's shoulders to others. Dulles is not blamed now for calling off the loan. He is blamed only for the manner in which it was done.

203. Andrew Goodpaster, interviewed by Ed-Edwin, August 2, 1967, p.80, OH-37, OH-EI.

204. Hare, n.183, p.28.
George Humphry, Secretary of Treasury, was of the opinion that the whole Aswan Dam affair began in England, where business interests were keen on investing in the Aswan Dam for their own financial advantage. He revealed:

"It originated in Britain... It all started with Anthony Eden... There was a combination of European manufacturers and contractors... and British manufacturers... who wanted to supply all the equipment and they wanted us to pay for it."

The British desire for Western support for the dam was definitely there. "The British were anxious that the necessary financing be arranged." Humphry refers to a telegram from Eden, sometime in July 1956, in which Eden is quoted as having warned the United States of bad consequences if they did not agree to the loan. He stated:

"... A very sharp cablegram... it was a kind of half demand and half threat that if we did not join them in the building of this Aswan Dam that they could no longer restrict their trade. (with the Soviet Union) and the fat would be in the fire."

Pressure from Britain on the United States to

205. George Humphry, Secretary of Treasury and Herbet Hoover, Acting Secretary of State, interviewed by Philip A. Crowl, Cleveland, Ohio, May 5, 1964, p.24, JFD-OHC.

206. Herman Phleger, Former Legal Advisor, State Department, interviewed by Philip A. Crowl, San Francisco, California, July 21,1964, p.42, JFD-OHC.

support the Aswan loan, is something which is revealed only in the recently released sources.

That the British might have had a vested financial interest in the Aswan deal cannot be ignored. From the new material it is clear that Britain wanted the United States to give its part of the share to a consortium of United Kingdom-French-German combine of contractors. However, the United States wanted a proper bidding to take place. Herbert Hoover told the British Ambassador to the United States Roger Makins, of how difficult that would be. He said:

...there would be violent reaction in Congress to such a procedure, especially where it involved payment of United States Public Funds without competition to British-French-German combine... in which the United States would have no opportunity to evaluate soundness of propriety of the deal.  

In this regard Eisenhower even wrote to Anthony Eden, "I must tell you frankly that... it would not be feasible for the United States to put up its share out of the Public Treasury on any basis other than through competition."  

It has been noticed that by July 1956 the British


209. Eisenhower to Eden, December 16, 1955, DDE-WHCF.  
Ibid.
were in fact keen on dropping the whole plan and, "...London was advising Washington to let the Aswan project fade away."\textsuperscript{210} Arslam Humbaraci writing as early as 1958 also shifted the blame on to the British. He wrote:

I would like to challenge the general belief that the decision of withdrawing assistance for the high dam project was made by America alone. I learnt that the offer was to be withdrawn a month before it was announced. Had the decision been purely an American one, it is unlikely that it would have been known in London so far ahead. The fact that it was seems to indicate that London was also in the game.\textsuperscript{211}

To the Western nations, Nasser was getting out of hand and thus, "during secret negotiations in Washington in the beginning of June 1956, it was decided to use the Aswan High Dam project to bring Nasser to his senses."\textsuperscript{212} Humbaraci refers to his conversation with John R. Beal, the biographer of Dulles and the diplomatic correspondent of \textit{Time} magazine. When Beal was told by Humbaraci of his discovery that the decision to cancel the loan had been taken much earlier in London, Beal remarked, "you have... come too late. We know perfectly well that the decision was a London one

\textsuperscript{210} Neustadt, n.180, p.11.
\textsuperscript{211} Humbaraci,n.111, p.231.
\textsuperscript{212} Ibid.,p.233.
and we have already cabled the story to Washington, Sorry!"213 Humbaraci concludes that "once the false version had been put out, of course, it was easier to keep it than to correct it after the elections."214

Harold Macmillan, too pointed out that the British, along with the Americans were, "becoming increasingly dubious as the summer progressed as to the possibility or even desirability of concluding an agreement on the dam project."215 On June 2, 1956 Dulles and the British Secretary of State, Selwyn Lloyd met at Paris and decided to let the Aswan Dam go. A reference to this meeting was made in a telegram from the American Ambassador in Britain, Aldrich to Dulles, In it he referred to a conversation with Ivone Kirkpatrik Permanent Under Secretary of the Foreign Office in Britain. He reported that, "Kirpatrik mentioned a conversation between Secretary and Lloyd at Paris, which he said (the) British have summarized as two secretaries having concluded that (the) Aswan project should languish."216 And on July 19, 1956, just before Dulles met the Egyptian Ambassador, a telegram from Aldrich pointed out that, "withdrawal of the United States offer

214. Ibid., p.233.
216. Telegram from Aldrich to Dulles, June 2, 1956, Microfilm Transcripts Reel 139, Encrypted, Middle East, JFD-OHC-MT.
of support for (the) Aswan Dam project would in embassador's opinion be welcomed by HMG and British public." 217

The British it now seems were a part of the United States decision to cancel the Dam. But all the same the eventual cancellation shocked them. It "...came as a shock to us when we heard that on 19th July, Dulles bluntly told the Egyptian ambassador, Ahmed Hussain, that the United States had decided to withdraw their support for the scheme." 218 Eden too reflected on the suddenness of the action with remorse. He commented:

I would have preferred to play this long and not to have forced the issue. There was no need to hurry. We were sorry that the matter was carried through so abruptly, because it gave our two countries no chance to concert either timing or methods... At this moment Col. Nasser was in Brioni at a meeting with Marshal Tito and Mr. Nehru and the news was wounding to his pride. 219

He went on to conclude that, "we were informed but not consulted and so had no prior opportunity for criticism or comment." 220 Though at the time in a report in the New York Times, Eden defended the withdrawal by the United States and Britain on economic grounds, that it would not be possible for Egypt to pay back the loan. 221

217. Telegram from Aldrich to Dulles, July 19, 1956 Reel 139, Encrypted, Middle East, JFO-OHC-MT.
218. Macmillan, n.125,
219. Eden, n.5., p.422.
220. Ibid.
This brings us to what many authors and some sources, both previous and later ones have concluded, that the decision to cancel the loan was Dulles's "lone,"\(^{222}\) decision. In mid 1956, President Eisenhower had suffered a massive heart attack and for the large part of the year he was recuperating from it. "He had neither the energy nor the political desire to make the fight."\(^{223}\) But on both counts, that Dulles did not inform the British and Eisenhower, recently released material tells a different story. Says George Allen, "Dulles called in the British Ambassador, the day before and told him of our decision..."\(^{224}\) Neustadt in his book writes about Eisenhower knowing of it too. "Actually as his calendar discloses, Dulles met with Eisenhower first, then phoned the British Ambassador and then saw Nasser's envoy."\(^{225}\)

Dulles it seems was solely blamed for the cancellation because unfortunately he had the terrible job as Secretary of State to convey the news. George Humphry feels that Eden took it strongly. "When Foster closed the door to further discussion, Mr.Eden's great dream was over. Nasser closed the canal, and Eden made this ill-advised military move,"\(^{226}\) of attacking Egypt.

\(^{222}\) Hoopes, n.27, p.340.

\(^{223}\) Ibid., p. 331.

\(^{224}\) Allen, n.163, p.36.

\(^{225}\) Neustadt, n.180, p.155.

\(^{226}\) Humphry, n.205, p.28.
The abruptness and the callousness of cancellation chilled the political relationship between Nasser and the West. There are numerous previous and recent declassified sources on this. All confirm to Dulles' harsh manner of cancellation, though some recent ones justify his actions also.

The rejection was done it is said, "in a most cavalier and public fashion designed to humiliate Nasser personally and Egypt before the world." 227 Dulles made it apparent that Egypt's continuous, "long delays and impossible counterproposals," 228 made the support of the United States to the Aswan Dam ultimately not forthcoming. It was clearly, "meant to be a lesson to Nasser and the third world leaders." 229 Eisenhower did not stop Dulles. Only later he accepted that it had been tragic. Historians Nolte and Polk wrote:

"with the moral and material backing of the United States, Arab progress towards achieving...independence, unity, neutrality, economic development and social reform... could also (have) become progress towards securing American objectives." 230

And Eisenhower was the man who could have pushed through in this direction by supporting Egypt in its pet

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227. Marsot, n.181, p.112


229. Marsot, n.181, p.112

230. Nolte and Polk, n.147, p.653.
project - the Aswan Dam. In the New York Times of 1956 from August onwards, numerous reports were published on the abruptness of the cancellation. To cite a few, Senator H.A. Smith, (R,N.J.) while welcoming the withdrawal saw the abruptness linked to the seizure by Nasser of the Canal.231 Or as British M.P. T.Leather said, that Dulles's action led to the Suez Canal crisis.232

Afterwards Eisenhower did regret one thing. "I have never doubted the wisdom of cancelling our offer. But I am concerned that we might have been undiplomatic in the way the cancellation was handled."233 Andrew Goodpaster also mentions that Eisenhower always had doubts over the manner of cancellation. "President Eisenhower, I believe always wondered and was never quite assured in his own mind as to whether the turndown of support for the Aswan Dam had been unduly brusque..."234 Said Robert Murphy, Former Under Secretary of State for Public Affairs, "the cancellation no one doubts, only the abruptness... It was logical, but whether it had to be done so abruptly..." 235

Some people, however, praised the cancellation in

234. Goodpaster, n.203, p. 79.
235. Robert Murphy, Interviewed by Richard D. Challener, New York City, May 19, and June 8, 1965, p.34, JFD-OHC.
relation to the economic liabilities it would have brought for the United States but again criticized the manner. Assistant Secretary of State for Policy Planning, Robert Bowie said:

...far from getting any political advantage, from the making of the loan, over a period of time, it would create a source of friction and tension with the Egyptians because they would then claim that the West was trying to interfere with their handling of their own affairs and so on. In relation to that the rest of the money would have to be paid back from Egypt's own money and the other three would have to monitor and see to it... the decision not to go ahead under those conditions was probably well taken, but I saw no reason why we had to make it explicit... 236

Eugene Black, had been most enthusiastic about the project. And therefore, he felt that "the decision to not to go ahead with the Aswan Dam was a very serious mistake on the part of Mr. Dulles." 237 Loy Henderson, however, is less severe in his criticism, when he sums up that, "...Dulles may have told him (the Egyptian Ambassador) in a way that perhaps was not diplomatic at that time. Nevertheless, he was merely stating a fact." 238.

This brings us to some other interesting facets of the cancellation that are brought to light in recently


237. Black, n.165.

released sources. One is the open praise some contemporaries showered on Dulles for the bold stand he took. Another is the refutation of the long accepted link between cancellation of the loan by Dulles and the nationalization of the Canal by Nasser. A few days after the cancellation, the Mayor of Bennington, Vermont, Ferdinand Lathrop congratulated Dulles for cancelling the loan. Said he:

you have never acted more cleverly or more usefully for the benefit of the United States and indeed of the world generally than when you decided against going ahead at present with the Aswan Dam project. I hoped for years that we would get to the point of calling the Soviets bluff. This seems to be it. 239

He also exonerated Dulles and the United States from any responsibility. He is further supported by Hoover as the following conversation shows. The questions posed to Hoover by the interviewer of the oral History project were:

Mr. Dulles has been criticized... by the abrupt nature of his withdrawal of the offer. Under the circumstances of the time, do you think this criticism is warranted?

Answer: No, I don't think its warranted one bit, because we had made no commitment at that time... we never made a commitment... we had only talked with them. We never made a commitment of any kind.

239. Mayor Ferdinand Lathrop to Dulles, July 24, 1956, JFD-OHC-SCRM, File: Alphabetical Aswan Dam, 1956 (A-Bo), Box 100.
They knew that. They were trying to get a commitment.

Question: So it is a misnomer to call this a withdrawal?

Answer: Oh, absolutely. We only withdrew from further discussion. There was nothing else to withdraw from. 240

The immediate result of the cancellation was that on July 26, 1956 Nasser nationalized the Suez Canal Company, sending Britain into a furious rage both with Nasser and the United States. This linkage of the cancellation with the nationalization so explicitly known and accepted is also discredited by the newly released sources, though some previously known sources do mention it. Harold Macmillan writing in 1971, made a special point to delink the two issues. He layed the blame totally on Nasser for the nationalization. He stated:

Nasser was subsequently to claim that the failure of the negotiations of the Aswan Dam was his main reason for the seizure of the canal. This is manifestly false. The discussions were drawn out by the Egyptians over many months. Dulles's abrupt cancellation of the affair was a diplomatic error, but it was the occasion, not the cause of Nasser's illegal action... it is wrong and contrary to the facts to regard the ending of the negotiations as the real reason for Nasser's violent reply. 241

240. Hoover, n.205, pp 33-34.

Actually Nasser was more hurt and humiliated by the sudden cancellation than anything else. He himself said so in an interview, "I was surprised by the insulting attitude with which the refusal was declared. Not by the refusal itself." 242 Nasser had been contemplating the capture of the Canal for long now. It was one of the symbols with which British colonialism was still associated. And Nasser was keen to see it go. In a press conference on August 12, 1956 (Nasser said) that "... he had been discussing the move for two years but made the decision after the offer was withdrawn." 243

So it is possible that the cancellation of the loan which was an act of grave provocation no doubt provided Nasser with an excuse for the nationalization of the Canal, something he had been unsure of how to do. Aldrich confirms, "his principal desire was to get the British out of Egypt, but he also wanted to take over the canal... Nasser had no excuse to act... Now with this (cancellation) as an excuse, Nasser seized the canal... " 244

The consequences of the nationalization were


244. Winthrop Aldrich, interviewed by Mr. David Bertiner, October 16, 1972, OH-EI.

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unintentional. No one knew that such would be the case. Eugene Black, however, does say in his interview that he had told Dulles, "If you call it off - to think all hell will break loose." No one had ever dreamt of the chain of events that followed - nationalization and the tripartite military offensive against Egypt except of course the British, the French and the Israelis who for their own respective reasons were preparing for hostilities against Nasser. The nationalization provided them the justification for attack, just as the cancellation had given Nasser the push to nationalize. Where did it leave the United States? In the position of a highly misled country and a country that had blundered.