CHAPTER IV.
THE NATIONALIZATION OF THE SUEZ CANAL—ANGLO-FRENCH—ISRAELI
AGGRESSION—THE INDIAN REACTION.

The issue of Suez Canal was engaging the attention of Nasser for quite a long time. He thought that it was economically detrimental to the Egyptian interests and politically untenable to allow the erstwhile owners to continue to manage the affairs of the Suez Canal. On July 26, 1956 he nationalized the Suez Canal Company. He announced that he would compensate the shareholders fully, paying them at the rate of the last closing prices of the previous day on the Paris Bourse, and that he would use the 100,000,000 dollars annual revenue from the canal to build the Dam. The shareholders were, however, not very sure that he would keep his word. It caused a stir, in the political circles of the West and the countries which were in an advantageous position in the previous arrangement felt concerned. It would not be possible, for lack of space, to recapitulate the historical background and its political consequences. A few comments, however, would be necessary to maintain continuity in narration.

National feelings against Suez Canal company had been mounting in Egypt for many years before 1956. In order to blunt the edge of the sharp criticism going for years, royalties paid to Egypt had recently been increased, and the number of Egyptian Directors on the board increased from 4 out of 32 to 12 out of 40. In addition an undertaking had been given to employ more Egyptians, specially in higher posts. This concession was due to expire in 1968.

Under the Convention of 1888 governing the use of the canal, it was provided that it must be open to all vessels in peace and war, except
of those nations with which Egypt herself is at war at any time. Though
the British Government challenged the legality of this step as it was
could
international company, it was doubtful whether much support/have been
obtained for this view. It also contended that nationalization had altered
the circumstances existing when the Convention had been signed, which were
implicitly part of the Convention, so that in effect it had been nullified. For
some months it was in the air that the British contemplated a military
action. But, long before the military measures were actually precipitated
by Israel’s attack on Egypt, this design, if there was any, seems to
have been put aside. Efforts were being made to settle the issue through
diplomatic channels, mainly by the Suez Canal Users Association formed for
this purpose. Britain was demanding some form of international control and
operation of the canal. This proposal was of course unacceptable to Nasser.
The British could not obtain support from more than a handful of countries.
The United States, in particular, was unwilling to support British
insistance. Dulles was always prepared "to support Britain in negotiations
based on the proposal, but was ready to concede ground to achieve a compro-
mise settlement". The British Government, however, did not subscribe to
this view. If the matter were left to diplomacy, a settlement would have
been reached on the lines of the Indian proposal—Egyptian—with an
international Council available to hear appeals or complaints from Users
nations.

India was mainly interested for three reasons. Firstly, Indian
Government was very friendly to Egypt and wanted to extend all support,

1. Crowley D.W. - The background to current Affairs.
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moral and political to vindicate Egyptian stand. Secondly, India was always sympathetic to nations who were trying to stand on their own legs and vitiating all imperialists designs to keep some vestage of power. Thirdly, India being one of the chief user nations had intimate economic and commercial involvements in the proper functioning of the Suez Canal.

In November 1956, however, came Israel’s attack and the Anglo-French intervention followed immediately. Israel had naturally been growing increasingly nervous as communist supplies of arms were delivered to the Arab countries but she probably chose this moment to attack — even if we concede that there was no any collusion — in the knowledge that Egypt was not on good terms with France and Britain — two of the signatories of the Tripartite Declaration, which in normal circumstances bound them to take action against any act of aggression. The intervention was forcefully launched but the British Government was greatly surprised at the way the American Government reacted. It was also believed that they had infact concealed their evil intentions from the U.S. Government. Though the Arabs believe otherwise, it was apparently United States pressure, backed by indications, that appeals for aid over the dollar crisis that would obviously follow would not be sympathetically received unless there were rapid compliance, and not the Russian threat of action, that forced Britain and France to withdraw. In addition to the strongly anti-imperialist sentiment of the American people and the intervention, an attempt to impose ones will by force on a weaker power, had all the attributes of a tottering imperialism. The United States Government was probably motivated by fear of losing the good-will of the uncommitted Afro-Asian group of nations if it remained a silent and passive spectator. It may well have taken the view that to lose the friendly regard of this large group of countries was a fewer prospect to the West than the
endangering of the Suez passage. In other words, Britain and France had dealt a serious blow to a vital American interests.

Since Russia had achieved close relations with the Arab countries, it was a genuine fear at times clearly expressed that revival of warfare between the Arabs and the Jews would create real danger of a major war between the Communist world and the West. But on a closer analysis this seemed most unlikely. Though there was, and even at present is always a possibility of a prolonged and intensified tension or sporadic worsening of relations, neither of these two super powers would engage in a major, nuclear war for the sake of the Arabs.1. The Russians only go to the extent of creating embarrassing situations for the U.S.A. in the West Asian Region so as to rule out the possibility of the Americans obtaining any concessions, bases or a political foothold there.

Inaugurating the Indi-Arab Society at Bombay in October 1954, Mr. Nehru said that India's relations with the West Asian region were in fact more ancient than her ties with other parts of Asia. These relations are largely of cultural, commercial and religious character. Common European domination had snapped these relations and ties of friendship, and therefore, he urged that India should renew these ancient relations and old bonds of friendship.

Mr. Nehru visited Cairo several times, and had been to Damascus and Beirut and toured Saudi Arabia during the period 1954-56. The Shah of Iran and the King of Saudi Arabia, the Deputy Prime Minister of Egypt the Prime Minister of the Sudan were among the statesman of these countries who visited India during this period. This is indicative of

1. It has been more than proved during the recent Arab Israeil conflict (June 1967).
the keen interest India has been taking in this region.

The reaction of the Government and people of India to the Egyptian act of nationalization was just the opposite of that of the western Governments and press — except that many in India, including the Government had some reservations in respect of the timing and manner of nationalization in that a perfectly legitimate and dem-estic act had been to appear, or did appear, as an act of retaliation against the West's refusal to aid the construction of Aswan Dam.

Pandit Nehru speaking on the subject in the Indian Parliament characterised the attack as "International gangsterism" — rather a harsh and undiplomatic expression but it goes to reflect the intensity of anger which Mr. Nehru felt on this unwarranted act of naked aggression thinly disguised as 'intervention'. Indian opinion suspected that the extra-vagant reaction of Britain and France to the Egyptian act of nationalisation was largely due to a fear that Egyptian control of the canal might directly affect their own rights of free-navigation and indirectly their oil interests in the West Asian region.

India and Indians has deepest sympathy for, and support to, Egyptian aspirations, internal and external, and indeed, they had almost identical attitudes on most of the world issues — following a non-alignment policy, of adhering to the Panchshell and the Bandung principles. Therefore, Indians not merely supported the Egyptian action, but appreciated its large significance which, as always, late Prime-Minister Nehru voiced promptly and authentically. The nationalization of Suez Canal, said he on 1 August at a public meeting, was "symptomatic" of the weakening of the domination by the European Powers over West Asia which had lasted for over a hundred years. The anxiety felt in European countries over the question was due to European Oil interests in West Asia and the fact that their economies were based on oil
Both because of being an important user of the canal (about 70% of India's imports and 70% of her experts passed through the canal) especially at the time when India's economic development had reached a certain tempo, and even more because of the grave international situation created by western reactions and military measures, the Government was passionately interested in averting the conflict.

In a statement on 8 August 1956, to the Lok Sabha Mr. Nehru announced that the Government of India had decided to take part in the London Conference with a "sense of great responsibility", after receiving assurances from the British Government that India's participation would not imply her commitment to the principles set out in the Anglo-French American statement. The Indian Government were also satisfied that their participation would not injure the interests of the sovereign rights and dignity of Egypt.

In the course of his statement Mr. Nehru defended Egypt action of nationalizing the Suez Canal, and sharply criticised the western Powers for the Military and naval measures taken. The nationalisation of Suez Canal, he said, "had been precipitated by the decision not to assist in the construction of Aswan Dam, and there had arisen a grave crisis which, if not resolved peacefully, can lead to a conflict the extent and effects of which it is not easy to assess." 1

Mr. Nehru went on to say that British French Military and Naval movements had aggravated the situation, caused deep resentment in the Arab countries and throughout Asia generally, and aroused "Colonial memories".

The London conference on Suez Canal ended on 23 August 1956, after having lasted for seven days. Two plans for the future of the canal were put forward during the conference.

1. A U.S. plan, presented by Dr. Dulles and latter amended by Pakistan, Ethiopia, Persia and Turkey, for international control of the canal.

2. An Indian plan presented by Mr. Krishna Menon, for the operation of the canal by Egypt, assisted by an international advisory body representing user of the canal. This plan was supported by Soviet Union, Indonesia, Ceylon and India herself.

Defending Egypt’s right to nationalize the Suez Canal company, Mr. Krishna Menon maintained that the latter was "a concessionaire from the Egyptian Government" and that its status, "legal factual and otherwise" was "derived from the concession granted by Egypt in the exercise of her Sovereign rights". "It is necessary to bear in mind", he continued, "the the Suez Canal Company cannot be identified with the Suez Canal".

Again, in a statement on September 13, 1956, to the Lok Sabha, Mr. Nehru expressed his "surprise and regret at Sir Anthony Eden's speech and said that the establishment of a Canal user's association was full of dangerous potentialities and for reaching consequences".

"I have communicated to the Prime Minister of U.K. and the President of U.S.A., our view that the situation that emerged after the Menzies mission, and the statement made by the Egyptian Government accepting all international obligations and inviting negotiations, has


3. Ibid.
opened the way to a settlement...............

"The Government of India also regret to learn that pilots of British, French, Italian and other nationalities are being withdrawn. This action is not calculated to promote the use of Canal and is not in the interests of user-nations."3.

The following official statement was issued in New Delhi on 31 Oct. 1956:

The Government of India have learned with profound concern of the Israel aggression on Egyptian territory, and the subsequent ultimatum delivered by the U.K. and France to the Egyptian Government, which was to be followed by an Anglo-French invasion of Egyptian territory. They consider this a flagrant violation of the U.N. Charter and opposed to all the principles laid down by the Bandung Conference. This aggression is bound to have far-reaching consequences in Asia and Africa, and may even lead to war on an extended scale. The Government of India are conveying their views to the Governments concerned, and earnestly trust that, even at this late hour, this aggression will be halted and foreign troops withdrawn from Egyptian territory. They hope that the world community as represented in the U.N. will take effective action to this end"1.

In addition, the following message was sent by the (Late) Prime Minister, Mr. Nehru, to the U.N. Secretary-General.

"We have been profoundly shocked by the recent development in the Middle East and, more particularly, by the Anglo-French invasion of Egypt after their rejection of the Security Council resolution moved by the United States. It is clear that Israel has committed large-scale aggression against Egypt. Instead of trying to stop this aggression, the U.K. and France are

3. Ibid.

themselves invading Egyptian territory. This is not only an affront to the Security Council and the violation of the U.N. Charter, but also likely to lead to the gravest possible consequences all over the world. Egypt, which has suffered from Israeli aggression, has in addition to suffer grievously by the Anglo-French invasion of her territory. The argument that this invasion is meant to protect the canal to ensure free traffic has no force, as the first result of this invasion is for this traffic to cease. In view of the disastrous consequences of the invasion of the Egyptian territory, I earnestly trust the U.N. will take strong steps in this matter, to prevent the world plunging into war, and demand the immediate withdrawal of all foreign troops from Egypt. The procedures of the U.N. must be swifter than those of invasion and aggression. In sending you this message I am not reflecting the unanimous views of my Government and people but also, I am sure, of a large number of other people.  

"On 21 October an Egyptian newspaper 'Al-Gamhoria' published an Indian Plan for Suez compromise developed apparently through Menon's efforts with Nasser."

In a speech at Hyderabad on the same day (1 November 1956) Mr. Nehru described the Anglo-French action in Egypt as "Naked aggression" which would not be tolerated by "the self-respecting and independent nations of Asia and Africa". After declaring that India's sympathies were entirely with Egypt, he went on: "There has been the sudden invasion of Egypt by Israel in breach of an armistice and of the U.N. Charter. In these disputes our sympathies have been for the Arab nations. They have had a raw deal and this must be remedied. But we have no enmity towards Israel.


2. Finer Herman: Dulles over Suez (The Theory and Practice of his diplomacy) Page 339.
Every member of the U.N. should try to stop it and resist it. But Britain and France issued an ultimatum to Egypt. "The Suez Canal was functioning properly. If there was any danger to the Canal it was from Israel, which advanced 90 miles inside Egypt. Britain has been a force piece in the past two years, and because of this my sorrow and distress is all the greater for the amazing adventure which Britain and France have entered into." 1

During a day of intensive political activity in New Delhi Mr. Nehru had two meetings with the U.K. High Commissioner and also saw the U.S., Soviet and Egyptian Ambassadors. A message expressing India's full support for Egypt was sent by Mr. Nehru to President Nasser on 31 October 1956. India thus played a remarkable role in supporting Arab cause and in bringing the two parties to a negotiation table. It went a long way in strengthening the position of Egypt vis-à-vis the Western powers and also the world at large. Since then India's attitude has been consistently pro-Egypt on the Suez Canal issue and also with regard to its stand against Israeli aggression and encroachment on the Arab soil.