

Giuseppe D'ANGELO – Jorge MARTINS RIBEIRO

Editors

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IN THE MEDITERRANEAN BASIN**



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Via Giovanni Paolo II n. 132, 84084 Fisciano, Italy



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Major and minor imperialist contradictions in the Middle East: the Suez affair (1956-1957) seen from Portugal

MACIEL SANTOS

Sixty years after the Suez crisis, is there anything else to be said about it? «Millions of words have been written about the causes and effects, the rights and wrongs» (Jackson, 2016:5) of this process. Yet, many of its secondary and even front line episodes remain obscure, not to mention some main evidences.¹

These gaps certainly result from the political embarrassment evolving most of its Western actors and the efficient policy of oblivion that followed the 9-months “crisis”. Nothing worth remembering and certainly nothing to commemorate, as the passing of its 60th anniversary will certainly show.

Still, the Suez “affair” is probably the most significant turning point the Middle East *political* history between the Second World War and the collapse of the Soviet Union. More than the 1967 war – another episode often referred as a hallmark– it meant the handover of hegemonic power in the region, from Britain to the United States. This outcome was immediately perceived by all. Many others were not, especially the fact that the major share of the Middle East oil had already slipped from British to American interests within the last previous years.

The main goal of this chapter is to highlight major and minor aspects of this conflict using the point of view of Portuguese diplomatic sources. Portugal was one of the “18 Powers” that played a direct role in the diplomatic engineering of the Suez Affair. Its Foreign Minister files of the “crisis” extend from July 1956 up to the re-opening and “normalisation” of the Canal use in May 1957. No documents corresponding to the period of the military operations and the subsequent United Nations display in the canal are considered here. The bias resulting from this approach – giving the time gaps and the narrowness of its scope - is perhaps offset by

¹ Such as the Sèvres Protocol, the minute of the secret conversations among the British, French and Israeli governments (22-24 October 1956) in order to invade Egypt. Of the original document three copies were made: the British one was immediately destroyed, the French one got “lost” and the Israeli one, kept for 40 years in the Ben-Gourion personal archive, was for the first time displayed in a 1996 BBC documentary film (Shlaim, 2001, pp. 238;748).

the focus on a few forgotten political issues.

To make the most of this information, the first three items aim to brief the broad lines of what was at stake in 1956: the control of the Middle Eastern oil, the geopolitical interests of the main state actors and the what the “Affair” meant up to the beginning the Israeli invasion (29 October). These items deal with what may be called the major imperialistic contradictions, such as they can be inferred from the Portuguese sources and cuttings of the main-stream press. The last items focus the events, again such as they can be inferred from the Portuguese sources and focus only in the issue that divided the most the Western allies – the boycott to the Canal. They allow nevertheless for grasping the minor imperialistic contradictions of some “junior partners”.

1 – Imperialism in the Middle East, 1956

1.1. The Middle Eastern oil

In 1956, the Middle East had already become the epicentre of the oil industry. The United States remained the major oil producer (42% of the crude output) but nearly half of its oil reserves were already used up. The future was elsewhere: it was estimated that «the discovered oil of the Middle East is nearly two-thirds of the proved reserves» of the Western world². In spite of this potential, in 1943 the Middle East produced only 5.7% of the world output. Then and now, the importance of the Middle Eastern oil was not just a matter of volumes but rather of its cost of production - and of the differential rents that could be made out of it³. Oil corporations operating in the Middle East usually get higher rates of return than the ones operating elsewhere⁴ and capital in the oil industry gets higher rates of return because of marginal energy producers, such as most of the coal corporations.

In 1944 an Anglo-American Petroleum Agreement had urged for a joint world exploitation but, as the US oil interests were openly against it, this protocol was never ratified (Dalemont & Carrié, 1993, p. 66). In 1947 the majority of the Middle Eastern crude (79%) still belonged to the British corporations (Cliff, 1947, p.190). American capital had already joined the big Iraqi syndicate (the Iraq Petroleum Company, former Turkish Petroleum Company) and had meanwhile gained the Saudi and Bahrain concessions. As the oil exports of the Arabian peninsula were still small the US corporations controlled just 16% of the Middle East output. These positions changed very fast:

² *Middle Eastern Oil, Core of the Suez Problem. The New York Times*, 23 September 1956. In 1947 the US petroleum Administration for War still estimated that the Middle East would just have 30.7% of the world proven reserves. (Cliff, 1947, p. 190).

³ The commodities whose marginal producers (operating with the highest individual costs of production) establish the market price provides an extra-profit (differential rent) to all the other capitals.

⁴ «More than 13,000 barrels of oil have been proved per foot drilled in the Middle East, compared with twenty and thirty barrels in the United States, and between 600 and 700 barrels in Venezuela. In short, Middle Eastern oil is unbeatable». *Middle Eastern Oil, Core of the Suez Problem. The New York Times*, 23 September 1956.

Table 1 – Middle Eastern Oil in 1956

Territory	Output - tons (100)	% of Middle Eastern Oil	Synstate	British Corporations	British Corporations share -%	US Corporations	US Corporations share -%	British share in total M.E. Output - %	US share in total M.E. Output - %
Kuwait	54 982	0.32	Kuwait Oil Company	D'Arcy Kuwait Oil Company (British Petroleum subsidiary)	0.50	Gulf Kuwait Oil Co. (Gulf Oil subsidiary)	0.50	0.16	0.16
Saudi Arabia	47 874	0.28	Aramco			Texas Oil, Standard Oil of California, Standard Oil of New Jersey (30% each), Mobil (10%)	1.00	0.00	0.28
Iraq	31 325	0.18	IPC	British Petroleum (23.75%) and Royal Dutch Shell (23.75%)	0.475	Near-East Development Corporation (Standard Oil of New Jersey, Mobil)	0.2375	0.09	0.04
Iran	26 530	0.16	IOP	British Petroleum (40%) and Royal Dutch Shell (14%)	0.54	Standard oil of New Jersey, Mobil, Standard Oil of California, Gulf Oil, Texas Oil (7% each)*+Independents* (5%)	0.40	0.08	0.06
Qatar	5 876	0.03	IPC	Petroleum Development Qatar (IPC associated),	0.475	Petroleum Development Qatar (IPC associated),	0.2375	0.02	0.01
Neutral Zone	1 600	0.01	AMINOIL, Getty Oil			10*Independents* and Getty Oil	1.00	0.00	0.01
Egypt	1 500	0.01	Aramco			Texas Oil, Standard Oil of California, Standard Oil of New Jersey (30% each), Mobil (10%)	1.00	0.00	0.01
Total Middle East	169 687	1						0.35	0.58

Sources: for oil outputs, Bervely, 1958: 236-237; for shares, Bervely, 1958; Dalemont and Carré, 1993.

*Excluding Egypt, Turkey and Israel.

Within the decade following the end of the Second World War, American corporations had come to own almost twice as the British⁵ share of the Middle Eastern oil.

⁵ The stock capital of Royal Dutch Shell was not fully British and so the British share of the oil output in Table 1 is overstated.

1.2. Imperialist contradictions in the region

The political control of the region did not change as fast as the oil output split. In 1956, the “security” of the region was still mainly in charge of the United Kingdom. Corporate control and political power were thus *unbalanced* in the Middle East.

In 1947 the Foreign Office had stated the US State Department that it could no longer cope with most of its responsibilities abroad (Isaacs & Taylor, 2008, p. 43). But the British withdrawal from the East Mediterranean (Greece, Turkey and Palestine) did not apply to the oil-strategic positions hold in the Middle East: Egypt (the Suez Canal), Jordan, Iraq, Kuwait and the Trucial Coast. The empire had just been repositioned though at a high cost: defence spending in the 1950’s amounted to about 10% of value of British exports (Cain & Hopkins, 2002, pp. 630-631). This could not last for long and some kind of adjustment was inevitable.

The French stand in the Middle East was simpler: the *Compagnie Française du Pétrole*’ percentage amounted just to 6% of the 1956 region’s oil output, due to small shares still hold in the Iraqi, Qatar and the Iranian syndicates. Yet it was in France that the Suez invasion plan was achieved; France ended the “affair” as the sole major western power determined not to compromise with the Egyptian government.

Thus, the Suez military option was a high-risk option taken by the 2nd and 3rd powers in the region, not by the first one. In fact, American interests in the region not only afforded but also required a more flexible approach to the rising nationalist forces in the Middle East. For instance, the “50-50” profit share formula implemented by Aramco⁶ in Saudi Arabia – made possible by the tax bonus granted to the American oil firms back home - could not be easily matched by their European competitors elsewhere. The experience of the Anglo-Iranian Oil Company in 1951 was there to show how much this handicap could cost to British capital (two years of Persian oil boycott and the allowance for the Americans to enter the I.O.P.⁷ syndicate). Moreover, the 50-50 split was soon to be overtaken: the agreements made by the “Independent” newcomers: American (Aminoil and Getty Oil in the Neutral Zone), the German C. Deilman Bergbau (in Yemen), the Japanese Arab Oil Exploration Company (in the Saudi off-shore) or the Italian ENI-Sirip (in Iran) were already pushing towards the 75-25 formula in “posted prices”. (Berreby, 1958, pp. 248-249).

The bargaining position of the Middle East *rentier* States towards the old oil syndicates such as the I.P.C.⁸ could only be strengthened by this harsh competition. To prevent “further damage”, the use of force was more and more the option to protect British interests. During the 1951 nationalisation of the Anglo-Iranian a military operation was not implemented just because the British Cabinet did not want to take the risk of breaking with the United States «on an issue of this kind» (Kyle, 1991, p. 8). But the price of American mediations was henceforth a factor to be considered in future threats to British stands. In the case of the Suez, as a Portuguese official put it:

⁶ Arabian American Oil Company.

⁷ Iranian Oil Participants, Ltd.

⁸ Iraq Petroleum Company, former Turkish Petroleum Company.

It was much to be feared that if Nasser's policies were to remain unpunished, great corporations such as the "Iraq Petroleum Company" or the "Kuwait Oil Company" might well consider embarking on nationalisation experiences⁹.

In fact, Britain was *already* militarily engaged not to let "unpunished" the interests of the I.P.C. against Saudi Arabia since 1952. The Bureimi border conflict that opposed the British client sheiks of Oman and Abu-Dhabi to the Saudis was in fact an I.P.C. versus Aramco conflict. But while the British were militarily present behind the I.P.C. the Americans could use their Saudi proxy (Berreby, 1958, pp. 188-199).

So, some often disregarded Middle East features of these years are:

-to face the pressure of rising nationalisms, British power was now too weak to deter defies and too tied to local interests to assure all-encompassing protection for the constellation of Western oil corporations;

-Saudi Arabia (Aramco) remained the *main* threat of the British oil interest in the Middle East during the years 1955-56. Saudi Arabia was the main Arab supporter of the Egyptian regime¹⁰. This was an important factor of the US policy towards Nasser in 1956;

-In spite of the United States military absence in the region, American oil firms (either the Major or the "independents") were already present in *every* Middle East oil-producing states, as table 1 clearly depicts.

American interests were therefore much more complex to handle than, for instance, the French one whose three priorities in the Arab countries were Algeria, Algeria and Algeria (Shlaim, 2001, p. 222). The big oil corporations, which had massively supported the Eisenhower election in 1952 and had placed two of his men as top officials (Allan Dulles in the CIA and J. Foster Dulles in the State Department)¹¹ were aware of that. In spite of all the anti-Soviet rhetoric, for instance, Washington preferred to let Britain expose herself alone to the rising Arab nationalism by forcing her Arab clients, Iraq and Jordan, to enter the CENTO¹² treaty (in which there was a *non-Arab* majority). The CENTO suited the US policy against the Soviet Union (and against Arab nationalism) but an American participation therein in the wrong time – that is, with Britain still holding general responsibilities in the region - would had the negative side effect of mixing American interests and British policies. As Dulles put it: «it would have been disastrous for us in any plan in the Middle East if it seemed to be inspired by the British» (Kyle, 1991, p. 526). Besides, American soft power worked well in frequent colonialism-disengagement

⁹ AHD-MNE- Lucena, *Relatório Anual*, 1956, p. 4.

¹⁰ The American press highlighted the support given to Nasser during the tripartite summit (Saudi Arabia, Syria and Egypt) of 22-24 September 1956. Communiqué of Three Arab Leaders. *The New York Times*, 25 September 1956.

¹¹ For the connections of the brother Dulles with the oil lobbies (Scott, 2015, pp. 53-55).

¹² Central Treaty Organisation, also known as the Baghdad Pact. It had been signed in 1955 by Turkey, Iraq, Iran, Pakistan and the United Kingdom.

statements which drove the British Establishment-press mad¹³. Shortly, for the United States, the Middle East in 1956 was suitable for the old T. Roosevelt policy of «gentle words and a big stick». For Britain and France, it was soon to be proven that by then not even a big stick was enough.

If the “junior” partners of the United States could not fully rely on the American support for their Middle East colonial interests, their strategies in the region were neither always convergent. British policy for Jordan, for instance, was one the frictional points. London wanted to secure the Hashemite monarchy and in 1956 this implied to have Iraqi troops entering in Jordan. Because of her Israeli connections and of her Syrian dwindling interests, France was not keen to accept it and Israeli stated that it would be considered as an act of war. Tension was rising on this issue *while* the three respective chiefs of staff were secretly negotiating the invasion of Egypt¹⁴. That in spite of such deep conflicts of interest the Suez operation could be launched shows the how much the British and French governments already depended on the military option to recover influence in the region.

1.3. *The real issue in the Suez affair*

On 19 July 1956 the US Secretary of State Dulles informed the Egyptian Embassy in Washington that the American Government had decided to withdraw the loan-offer of USD \$56 millions for the project of the Aswan Dam. This project stood at the core of Egyptian program of agrarian reform and industrialization; it had been resumed by the new Nasser regime and was supposed to grant it a wide social and political support. The following day the Egyptian Embassy in London was told that the British Government would also no longer hold the USD \$15 million loan due for the same purpose. On the 20 July the World Bank stated that on those conditions the USD \$200 million loan to Egypt was cancelled¹⁵.

The estimated cost of the Aswan project (including construction of the dam, power stations and land reclamation) by the Egyptian Government was of USD \$690 million but international appraisers estimated it at nearer USD \$1 million¹⁶. The State Department justified the American reverse of the loan-offer with doubts about whether Egyptian finances would be able to subscribe its capital share in the project. It was said that in April the Egyptian cotton output (roughly 75% of the country's

¹³ Such as the State Department Secretary Dulles made at the height of the Suez crisis: «that the US cannot be expected «to identify itself 100 per cent either with the colonial Powers or the Powers uniquely concerned with the problem of getting independence as rapidly, and as fully as possible». He admitted to differences of approach by the three nations to the Suez dispute and added that «any areas encroaching in some form or manner on the problem of so-called colonialism found the US playing a somewhat independent role». US Mediator Role in Shift from Colonialism. *The Times*, 03 October 1956.

¹⁴ AHD-MNE- Lucena, *Relatório Anual*, 1956, pp.31-33.

¹⁵ AHD-MNE- Lucena, *Relatório Anual*, 1956, pp.1-2.

¹⁶ Egypt Points with Pride to Smooth-Running Canal. *The New York Times*, 23 September 1956.

exports) had been mortgaged to pay for the arm deal with Czechoslovakia¹⁷. In fact, it was the deal *itself* (and the Cairo refusal to join the CENTO) rather than its impact on the Egyptian finances that irritated the State Department. Besides, being expected that left alone the Soviet Union would not keep her engagement to finance the Aswan Dam, this would cause either the Nasser's fall or, at least, the downgrading of the Soviets to the Non-aligned states. One week later, in the 26th of July, the Egyptian government found an alternative source of income by nationalizing the Suez Canal Company. Nasser's speech in Alexandria on the 26 July explicitly linked the two issues¹⁸. The American press agreed: the US loan refusal was the starting point of the "crisis", at least its detonator¹⁹. According to some French views, American responsibility had started even before and was much larger²⁰.

The Canal was owned by the "Compagnie Universelle du Canal Maritime du Suez", whose capital stock was mainly French and British; its headquarters were in Paris. Nevertheless, the "Compagnie Universelle" was an Egyptian registered corporation and had never had sovereignty rights over the canal. The seizure of its assets by the Egyptian Government against proper compensation to the shareholders was thus perfectly legal. It juts meant anticipating the end of a concession, due for 1968. This was known by all the parts involved even if not publicly admitted²¹ because, of course, that was not the point.

The point was neither the free navigation in the Canal. In 1888, imperial powers had signed the Constantinople Convention that guaranteed the freedom of navigation of the Suez Canal. The Egypt Government became explicitly engaged to abide by it when it signed the 1954 treaty (by which the British forces would withdraw from Egyptian soil two years later) and kept repeating it in every official state-

¹⁷ Paying the arms in cotton and rice was cheaper than paying in dollars or pounds. (Daumal and Leroy, 1971, p. 105)

¹⁸ «This year, from the \$100 million net return of the Canal, Egypt got \$ 3 million; the money will not keep flowing abroad; our money will build the Great Dam ...» (Daumal and Leroy, 1971, pp. 107-108)

¹⁹ «American action has been too little or too late. It has been a series of improvisations and inconsistencies (...) The State Department was well aware, from the reports of Ambassadors Caffery and Byroade, before the summit meeting in Geneva, that Nasser would seek arms and economic assistance where he could find it». *Too Little and Too Late*. *New York Herald Tribune*, .23 September 1956.

²⁰ «America's responsibility in the whole Affair can hardly be overstated. It was America that inflated Arab nationalism since 1951 making bids on British policy; it was America who pushed the British out of Egypt; it was American ambassadors who pushed Nasser to the top of the government; it was the State Department who changed tack about the Aswan Dam and gave the pretext for the nationalisation of the Suez Canal». Double Danger. *Le Monde*, 11 September 1956.

²¹ As the 27 July 1956 Cabinet Minute the British Government clearly states: «From a narrow legal point of view his (Nasser's) action amounted to no more than a decision to buy out the shareholders». (Jackson, 2016, p. 18). Publicly (and even in NATO meetings such as the one the 5th of September) the British Government claimed that the seizure was illegal for not having been made without prior notice and because of the international status of the Company. Britain' allies were aware of the juridical nullity of the arguments, as the confidential report of a Portuguese official confirms. AHD-MNE – Coutinho, *A Aventura do Suez*, p. 36.

ments after the 26 of July. Everyone knew that in the case of a boycott due to a single-country control of the canal, all the Western interests and especially Britain's would be severely damaged. In 1955, out of 14.666 ships going through the Canal, 4.538 were British-registered (over 30%). Moreover, 75% of Britain's oil consumption was carried along the Canal²². The British "principal requirement" (in official statements and in the main-stream press) was thus that «Canal should be insulated from politics of any one country»²³. But it was known that the Egyptian government would never take the initiative of a Canal boycott because it would mean the end of the Aswan project, even admitting that Suez revenues would ever be enough for paying for it²⁴. Besides, British allies were also aware that until 1954 the control of the canal had never been insulated from Britain's *own* policy:

It should be said that Great Britain never looked favourably upon the Constantinople Convention and only in 1905 [that after 23 years of British Condominium in Egypt] had abide by all its articles and only because of French pressure. During the two World Wars she did not respect the Convention, hindering passage to enemy's ships. She opposed twice to the project of internationalisation of the Canal. It was not easy to invoke the Convention unless Egypt repealed it and Nasser never showed any intention to do it²⁵.

The secondary argument that the Egyptian Government did not know how to run the Canal was even less suitable for a *casus belli* because it had yet to be proven (and it never was)²⁶.

For some Portuguese officials there were no doubts of what was at stake. The freedom of navigation in the Canal was a pretext: Britain and France wanted to occupy it *only* to overthrow the Egyptian regime. The Cairo's anti-imperialist influence irradiated eastwards (British CENTO client States) and westwards (French Algeria)²⁷. Both countries were running out of time to topple Nasser. By the 1954 agreement signed with Nasser, the last British troops were about to leave Egypt in June 1956. For the Foreign Office, the expectation that meanwhile CENTO could make pressure on Egypt was dashed by the 1955 anti-colonial rioting and the results of the 1956 election in Jordan. Instead of isolating the Nasser regime, Iraq had now become Britain's only "safe" State in the region, apart from the Gulf sheiks. For Paris, as the war against the FLN²⁸ entered into a political impasse, it became

²² AHD-MNE- Lucena, *Relatório Anual*, 1956, pg. 4.

²³ AHD-MNE – 2ºP, A.1, M. 478 - British Embassy in Lisbon, 29 April 1957.

²⁴ It was estimated if Egypt got all the canal tolls that were previously going to the Suez Company it would add USD \$32 million, - much less than the annual \$100 million referred by Nasser in his 26 of July speech and still too little for the funding of the Aswan Dam. *Canal Seizure Threatens Egypt's One-sided Economy*. The New York Times, 23 September 1956.

²⁵ AHD-MNE- Lucena, *Relatório Anual*, 1956, pp. 12-13.

²⁶ Two months after the nationalization of the Canal, the passage of ships through the waterway had been sped up by reintroducing the three-convoy a day system. *The Singapore Times*, 25 September 1956.

²⁷ AHD-MNE- Coutinho, *A Aventura do Suez*, pp. 44-46.

²⁸ *Front National de Libération*, a platform of political movements that started the anti-colonial war in French Algeria since November 1954.

urgent to topple the Cairo regime, seen as the main military and political supporter of the Algerian nationalists²⁹.

To achieve it, British and French policy towards Israel had to be changed. Their 1950 joint commitment with the United States in order to maintain the military *status quo* between the Arab States and Israel was no longer convenient. Less engaged than the British in the Middle East, the French could move faster in that sense. In October 1955, the Paris Government started delivering their *Mystère* aircrafts order to Israel³⁰. But it is now established that the secret summits between French and Israeli top military officials proceeded regularly since 1954. The Israeli Chief of Staff had been pushing for a “preventive” war against Egypt since at least the end of 1955. In September 1956 top Israeli officials (M. Dayan and S. Peres) were already trying to fit it into the French move against Nasser. The Challe plan³¹ was the natural outcome of this convergent evolution (Shlaim, 2001, pp. 224-225). For the British, the Challe plan also came at the right time because there was the risk of entering into two wars at the same time: against Egypt with Israel and against Israel with Jordan³². Of course none of these agreements were publicly known at the time but it could be noticed that the sequence of events was peculiar: «Israel began to mobilise [during the 3rd week of October] and there was the “feeling” that she would invade Jordan. On the 29 October the Israeli army invaded Egypt»³³.

2- The Suez diplomacy

2.1 – The London Conferences before the S.C.U.A.³⁴ (August-September 1956)

The British government's started planning the overthrow of the Egyptian regime at least from the 29 July. On the 2 August, the Prime Minister Eden informed that «measures of military nature were in course», reservists were called up and joint Mediterranean manoeuvres with the French fleet were under way. This was meant to pressure the Cairo but, of course, it was not bluff. The first setback was that by the end of that week the two Cabinets were told that they could not count

²⁹ «Nasser was the champion of the Arab world and if he could be toppled the psychological effect on the Algerian fighters would be decisive». AHD-MNE – Coutinho, *A Aventura do Suez*, p. 11. It was nevertheless unclear whether the Egyptian support to the FLN was more of an excuse to justify some of the French military upsets in Algeria. AHD-MNE, Lucena, *Relatório Anual*, 1956, p. 11

³⁰ That French's priorities were others than the maintenance of Israeli-Arab military balance is the fact that even after Nasser's arm deal with Czechoslovakia, France promised to sell arms to Egypt in the Cairo “Voice of the Arabs” broadcasts towards Algeria was silenced. (Jackson, 2012, pp. 14-15).

³¹ The French general Maurice Challe designed the plan of the “preventive” war of Israeli against Egypt and the “mediation” of Britain and France). Shlaim, 2001, pp. 199-240.

³² In that case, and if there was an American reaction to the Israeli aggression on Jordan/Arab side (which it was plausible considering the intimate connections of the USA and the Saudis), Britain «and the US would be fighting on opposite sides». (Jackson, 2016, pp. 42.)

³³ AHD-MNE – Coutinho, *A Aventura do Suez*, p. 39.

³⁴ Suez Canal User's Association.

on the American support for the «use of force». According to Portuguese sources the American stand in the forthcoming talks among the “three Powers” in London can be summarised like this:

- “yes” to sanctions and credit cuts to Egypt; “maybe” to American ships stop paying the Canal tolls directly to Egypt (though the US Government could not impose it to the shipping companies); “no” to a premature United Nations debate;

- a single step to be immediately taken: in order to mobilise public opinion and to give Britain and France a “majority mandate” to deal with the Nasser regime, an international conference of the Canal’s users should be called³⁵.

London and Paris expected more but they could use the idea of the Conference. The military operations could not be implemented before September; meanwhile an international conference could produce a legitimate but unacceptable note (“a virtual ultimatum”) to the Egyptian Government³⁶.

The Conference invited 24 States to gather in London and took place from August 16 to 23. Egypt and Greece refused to participate (Greece because of the Cyprus conflict with Britain). Eden later explained at a NATO summit the criterion used for the invitations: the 8 signatories of the Constantinople Convention, the 8 major users of the Canal (in tonnage) and the 8 countries with a major external trade dependence on the Canal³⁷. Portugal was probably invited under the last criterion but as regards oil supplies surely applied also to the third. Anyway, the invitations had been made just to assure a majority for the Anglo-American plan³⁸. This was the case: the approved resolution stood for 18 states and urged for «the establishment of international in place of Egyptian control over the Suez Canal, and stipulating for sanctions»³⁹. Dissidence came only from India, Ceylon and Indonesia – that demanded *direct* negotiations with Egypt - and from the Soviet Union. Nasser could not accept the «collective colonialism»⁴⁰ of the “18 Powers” and, as expected, the proposal was turned down. The Anglo-French had already their *casus belli*.

So far, so good but for Britain and France the next steps would be harder. There was a planned next step: «a users’ association to be organized by the 18 sponsors of the proposal» to run the Canal and collect the tolls⁴¹. Eden announced it in the

³⁵ AHD-MNE, Lucena, *Relatório Anual*, 1956, pp. 16-17.

³⁶ From the minute of the Egyptian Committee of the London Cabinet: «If Colonel Nasser refused to accept it, military operations would then proceed» (Jackson, 2016, p. 26).

³⁷ AHD-MNE – 2º P., A. 1, Mç 478. NATO - *Procès-verbal de la reunion du Conseil tenue au Palais de Chaillot*, 05 September 1956.

³⁸ AHD-MNE, Lucena, *Relatório Anual*, pp. 17-18.

³⁹ On 8 September the “proposal” was presented in Cairo by a five-power Committee that had a selected Afro-Asian majority (USA, Pakistan, Turkey, Iran and Ethiopia). It was headed by R. Menzies, the Australian Prime Minister. AHD-MNE – 2º P., A. 1, Mç 478. Egyptian Legacy in Lisbon – Diplomatic note.

⁴⁰ Menzies verbal report of the “5 Power-mission” stated that the failure of the mission should be laid upon Nasser’s prejudices and slogans such like this one. AHD-MNE – 2º P., A. 1, Mç 478. Portugal Embassy in London, 11 September 1956.

⁴¹ AHD-MNE - 2º P., A. 1, Mç 478. USA- Information Service., Dulles Press Conference of 13 September 1956.

British Parliament on the 12 September but it was not a secret that the plan had come from Washington⁴². The same day the British Embassy invited the “18 Powers” to join the new organisation and three days later invited them to a second London Conference⁴³.

From this moment onwards the main paths took different directions. The US Secretary Dulles had envisaged the two London conferences and the plan of the internationalisation of the canal «but for him that should be the basis for negotiating. Britain and France wanted that to be the minimum demand»⁴⁴. In short, for the Americans the London conferences and the user’s association that came out of it were a device to avoid war and for the Anglo-French a device for the legitimating of war. To make things worse the difference was now made public by the American Government through press-conferences of the President Eisenhower and of Dulles himself. From the one of 13 September in which the later gave details about the future user’s association, the press (and the Portuguese Embassy in Washington) took special note of the following excerpt:

Mr. Secretary, the British press today says that Britain plans to use an armed convoy to go through the Canal (...) Would the US support Britain in such a venture? - Well, I don’t know what you mean by “support”: I have said that the US did not intend itself to try to shoot its way through the Canal⁴⁵.

As soon as the agenda of the 2nd Conference was made public the Egyptian government stated its total rejection of a user’s association that implied «threats to peace»⁴⁶. In Cairo it was clear that the internationalisation of the canal was meant to by pass the payment of tolls to Egypt (and ultimately to cover military action). The Egyptian government was trying to organise a parallel international conference, which would force the canal users to choose camps. In a public speech Nasser had already spoken about guerrilla warfare in the Canal⁴⁷. No wonder that during the week of the call for the second London Conference the great majority of the “18 Powers” signatories of the Menzies proposal had serious doubts of what to do. The Portuguese Government, for instance, wanted primarily to know what consequences Washington would draw from an Egyptian blockade of the Canal⁴⁸. In a draft dispatch of questions to be made to the Foreign Office it was also asked, under the cover of juridical doubts about linking the 1888 Convention and the user’s association, if it was intended to go to war and what obligations this would imply

⁴² Dulles admitted publicly that «there has been given very intensive thought here in Washington, but not by just the Department of State». AHD-MNE - 2º P., A. 1, Mç USA- Information Service, Dulles Press Conference of 13 September 1956, p. 7.

⁴³ AHD-MNE - 2º P., A. 1, Mç 478, British Embassy in Lisbon, 12 and 15 September 1956.

⁴⁴ AHD-MNE, Lucena, *Relatório Anual*, p. 17.

⁴⁵ AHD-MNE - 2º P., A. 1, Mç 478. USA- Information Service, Dulles Press Conference of 13 September 1956, p. 12; Portugal Embassy in Washington, 13 September 1956.

⁴⁶ AHD-MNE - 2º P., A. 1, Mç 478, Egyptian Legacy in Lisbon, 17 September 1956.

⁴⁷ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Legacy in Cairo, 15 September 1956

⁴⁸ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Foreign Minister, 12 September 1956.

for the user's association members⁴⁹. That is why Dulles's reassurance that America would not go «shooting its way through the Canal» came as first deflator of the tension and certainly saved the 2nd London Conference. But by disengaging the United States from any military initiative, he was pushing the Anglo-French to a narrower path on which they could hardly “go along” for much more time⁵⁰.

Dulles just wanted of a «small operating staff which would be ready to assist our ships» and to collect tolls but kept the door open to negotiate with Nasser (the new body would assure the Egyptian government a share of the Canal revenue)⁵¹. The Anglo-French, who still had some time to waste in diplomatic solutions they did not care about (their planned landing, due for Alexandria the 15 September had been changed for a Port Said landing⁵²) still «went along». For all the others, the main issues before the Conference were:

- what if Egypt refused access to the ships that were not paying directly to the Suez Canal Authority (the Egyptian agency recently created to run the Canal)?
- did the belonging to the user's association implied adhering to the boycott of the Canal?
- was there going to be some sort of mutual compensation for those (States of ships companies) who decided not pay Egypt?
- how was to be funded the running expenditure of the user's association?

The second London Conference opened on 19 September. Four days before the Portuguese Ambassador Teotónio Pereira had a private conversation with Selwyn Lloyd, the British Foreign Minister, in which the Dulles reassuring statements were confirmed. Lloyd still expected that American ships would enter the Suez refusing to pay Egypt and were forced to reroute around the Cape so that another *casus belli* would arise⁵³. Pereira was therefore told that Dulles pacifist statements would not deter the Anglo-French. On the other hand, “nothing” (i.e., military duties) was expected from the allies⁵⁴. The Portuguese were also more aware of the deep gap between the Anglo-French and the Americans: their Ambassador in Washington was plainly told by Dulles that the user's association device was just meant to hinder the Anglo-French from having only two options, war or capitulation⁵⁵. The Confer-

⁴⁹ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Foreign Ministry, Draft Minute, Questions to be made in London, (...) 12 September 1956.

⁵⁰ Eden did not think much of the American idea of the User's association «but if it brings the Americans in, I can go along» (Jackson, 2016, p. 20).

⁵¹ «Is this association to be charged solely with the operation of the waterway or are Egyptian agencies to be recognised for operation of canal equipment on the land? I would say that there is no thought in my mind whatever that this agency would attempt to supersede the Egyptian authorities as they handle the canal equipment on land – the signalling stations, the operation of the draw bridges, and the like» AHD-MNE - 2º P., A. 1, Mç 478, USA- Information Service, Dulles 2nd Statement.

⁵² The change of plan took place only on the 10 of September. Jackson, 2016: 29-30.

⁵³ Certainly based on official sources, a pro-governmental Portuguese newspaper published the next day the description of a supposed plan of an American Guinea pig ship sent to the Canal to be blocked by the Egyptians. *Diário de Notícias*, 15 September 1956.

⁵⁴ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in London, 14 September 1956.

⁵⁵ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in Washington, 18 September 1956.

ence validated that the use of force was out of the question, approved the international operative body now labelled S.C.U.A., and ratified the toll refusal to Egypt⁵⁶.

2.2. *The S.C.U.A. and the failure of the first boycott (September-October 1956)*

If force was not to be used and Egypt refused to give way to ships not paying tolls to her authorities, there was going to be a boycott of the Canal. In that case, the costs would be very unequally shared.

As regards the Middle east oil producers, it was estimated that a blockade of the Suez would imply production cuts of about 0,5 out of an output of 3,5 millions barrels per day. British interests would be the most harmed: Saudi Arabia could always increase its exports to the Asian markets, Iran had assigned quotas because of the recent I.O.P. agreement, Iraq had its own pipelines to the Mediterranean and so the majority of cuts would be imposed on Kuwait (the Middle East major oil producer and special reserve of British Petroleum)⁵⁷.

As regards oil consumption, Britain would also suffer the most. In 1956 about 80% of European oil consumption depended on imports from the Middle East and more than half of it came through Suez. In Europe, the United Kingdom was the chief Middle East oil importer⁵⁸.

Table 2 – Middle Eastern Oil in Europe (millions of barrels per day) – year 1955

<i>A - Total Euro- pean consumption of oil</i>	<i>B - Oil Imports from the Middle East</i>	<i>C - Oil Imports from the Middle East passing the Canal</i>	<i>B / A (%)</i>	<i>C / A (%)</i>
2 364.1	1 880	1 100	80	47

Source: *The New York Times*, 23-09-1956

A boycott of the canal could be afforded by the United States, whose Middle Eastern oil imports were roughly 3% of the American consumption, but not by Britain. With the majority of the British press against it the London Government accepted the idea because, as it is known, it had *something else* going on. However if the boycott was to come, it had to be short and effective.

By then, British and French shipping companies were still paying dues to the old Suez Canal Company outside Egypt⁵⁹. Many others, such as the Portuguese

⁵⁶ AHD-MNE - 2° P., A. 1, Mç 478, Statement of the London Conference, 21 September 1956.

⁵⁷ *Es casi seguro que Egipto cerrara el Canal de Suez a la Asociacion de Usuarios. El Universal*, 01 October 1956.

⁵⁸ *Middle Eastern Oil – Core of the Suez Problem. The New York Times*, 23 September 1956.

⁵⁹ That was certainly a dangerous situation that urged Dulles to stop it: «So far President Nasser has been letting boats go through, although many of them are not paying effectively anything for the privilege of going through. How long will he allow that? I do not know». AHD-MNE - 2° P., A. 1, Mç 478, USA - Information Service, 19 September 1956.

ones, had already switched payments to the Egyptian Government account. About 35% of the tolls were already being paid in Egypt, directly or under clearance agreements such as Italy had. It was plain to see why: for a ship of 28,000 tons (an average oil tanker), the additional expenditure of the Cape route over the Suez tolls could be estimated in 32%.⁶⁰ Martino, the Italian Foreign Minister, reminded that 24% of the oil refining industry was now centred in Italy and that eight Italian shipping lines were using the Canal, «some of which could not possibly reroute round the Cape, and would go inevitably out of business if the canal was boycotted». The Scandinavian countries and West Germany presented similar objections⁶¹. The Greek and American ships flying the flags of the Panama (12% in 1955), Liberia (7% in 1955) would hardly follow the boycott.

It did not take long to realize that as long as the payment of tolls to the S.C.U.A. was not mandatory, the pressure of the boycott on the Egyptian Government would be irrelevant⁶². To counter this, the American engagement was at first expected to be decisive. Before going to London, Dulles had said that the United States would not «try to bring about a concerted boycotting of the Canal» but assured that:

- the American ships would be instructed to avoid the Canal;

-to the European countries boycotting and with a dollar-gap, the Export-Import Bank would provide loans for the purchase of American oil⁶³.

About the first pledge it is not likely that Dulles, an oil-man and who had already stated that the US Government had no power to force shipping companies, wanted to make much more than statements⁶⁴. But that was not clear at the time and for some of the 18-Powers dragged into the venture (by NATO commitments and by their own colonial policies, like Portugal) some difficult times involving double-standard statements were about to begin. The Portuguese diplomacy may be used as a proxy to most of the remaining 18.

Right at the end of the 2nd London Conference, Paulo Cunha, the Portuguese Foreign Minister that had personally attended, was pleased to point out that it had been possible,

by giving new features to the association and stressing the voluntarily character of the user members within it, to do away with the risk of a near canal boycott which, once in course, would cause serious upsets in oil

⁶⁰ Dulles urges Nasser to Help Effort. *The Baltimore Sun*, 23 September 1956.

⁶¹ 18-Power Declaration on Suez. *The Times*, 22 September 1956.

⁶² As Egypt's share of the tolls under the "Compagnie du Suez" administration amounted only to 7%, it was figured out that not even a full boycott would have impact upon the Egyptian budget. *El Universal*, 01 October 1956.

⁶³ AHD-MNE - 2° P., A. 1, Mç 478, USA- Information Service, Dulles Press Conference of 13 September 1956, pp. 4-5.

⁶⁴ Though some of these statements were masterpieces of diplomatic language: «Immediately upon my return steps will be taken with our Treasury officials and with the representatives of owners of American Flag vessels which largely transit the Suez Canal with a view to perfecting this co-operation in terms of actual operating practices». AHD-MNE - 2° P., A. 1, Mç 478, USA - Information Service, Dulles to Sewin Lloyd, 21 September 1956.

supplies; at least for now we can expect that our tankers will keep passing throughout the Canal⁶⁵.

However, on the 26 September the Portuguese Embassy in London reported about the pressure of the Anglo-French on the US Government to make it compel American ships not to pay tolls to Egypt. «So far there has been no reference to Portugal» but things could change fast. The Ambassador was alarmed enough to suggest that Portuguese shipping companies should centre their Egyptian accounts to zero and start paying as they did before, i.e., by cheques on London or Paris. Two days later a relief telegram was sent to Lisbon: the list published by the “Daily Telegraph” of countries paying tolls to Egypt «does not mention us»⁶⁶.

Paulo Cunha sustained his reassuring view: the matter should be let as it was (a private decision of the shipping companies). Considering that at the Conference neither the United States had moved forward any kind of boycott/support aid, nor the British Government had in any way pleaded for it, it would be «inconceivable» that once the Conference was over, «we were expected, on our own initiative and without aid assurances, to change the system of toll payments, risking the Egyptian objection»⁶⁷.

To keep it this way, the Portuguese Government had to be sure that the S.C.U.A. administration remained controlled by the prevailing will among the 18 – that is, a non-mandatory toll payment system.

A third London Conference was due for the 1 October to formally organise the S.C.U.A. Right on the note in which Lisbon confirmed accessing, it was added that the Portuguese Government «reserved the right to intervene in the redaction of the statutory rules»⁶⁸. Lisbon had no interest in be part of Executive bodies, in pointing out names for that purpose or in hosting the association but insisted in two principles:

-that all political resolutions should be of the exclusive responsibility of the Plenary Council (if the statutory norms were to be redacted by a small Committee the Plenary should have always the final word);

-«that nothing would be done to invalidate the doctrine, established at the 2nd London Conference, that the State members and it ships were fully free not to use the Association’s services for crossing the Canal and that toll payments to the Association would only occur voluntarily»⁶⁹.

⁶⁵ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Foreign Minister, 22 September 1956. In the first half of 1956, the Portuguese oil demand was supplied by 28 round –trips in the Canal (17 Portuguese and 11 freighted tankers) totalling 462,424 tons of crude, which must have corresponded to 95% of the oil consumption in that period. AHD-MNE - 2º P., A. 1, Mç 478, Informação, 08 January 1957, p. 2; SACOR, Relatório e Contas, 31 December 1956.

⁶⁶ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in London, 26 September 1956; 28 September 1956.

⁶⁷ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Foreign Minister, 28 September 1956.

⁶⁸ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Foreign Minister, 27 September 1956.

⁶⁹ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Foreign Minister, 29 September 1956. There was also a private avail: before going to London Dulles had already told the Portuguese Ambassador that ships of the User’s association might well continue passing the Canal because he was not all confident that a concerted boycott would make Nasser to give in. AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in Washington, 18 September 1956.

The focus put on Plenary decisions laid also on the argument that a «small Committee should not be allowed to decide about the financial contribution of each member, assessment system and magnitude of expenditure of the Association». The Portuguese Government suspected that the French wanted to transfer liabilities of the former “Compagnie Universelle” to the S.C.U.A., mainly the wage expenditure with her dismissed Canal pilots⁷⁰.

In his telegram reply, T. Pereira assured Lisbon that it would be feasible to oppose to the French debt transfer and to keep membership expenditure within the financial terms sent by Lisbon. However, he was not so sure about the tolls issue. Except for the United States ships and for dummy companies of Panama’s and Liberia, the only major fleets paying directly to Egypt were now the German and the Italian. His telegram hinted again a subtle disagreement with the Minister: «One may wonder if it was not preferable that our shipping companies had not rushed to accept the new regime. It is predictable that behind the scenes of the Conference a strong lobbying will be made upon the association members not to pay Egypt». Moreover, the who’s who of the boycott would soon become known: «S.C.U.A. staff will be called to closely look upon who, where and why such tolls (are being) paid. It will be seen that some of those who are paying directly could very easily do it otherwise if they really wanted». And to show that personal view was based on principles rather than on the fear of a Portuguese insulation, he added:

I do not believe that we will lack companionship for our two shipping companies stand but I just wonder if they could not voluntarily and gradually take another route⁷¹.

In Pereira’s dissent it is possible to grasp the traditional Salazar (and Portugal’s) traditional reliance on the Anglo-Portuguese alliance, which the new generation of the Minister and of his entourage tended to pragmatically downgrade⁷². But Pereira was right about the expected pressure. That was why the composition of the Executive bodies could not be completely indifferent to Lisbon. The discreet support given by the Portuguese delegate to the Italian appliance to the Board was thus a natural outcome. On 2 of October Pereira was asked by the Italian Ambassador to support it.

He told me that Italy was much more interested in the seat than in taking the S.C.U.A. headquarters to Rome. About the toll payments he told me that France was deeply outraged (as we already knew) because of Martino’s statements and that very strong pressures had been made on the Italian delegation. Italy was in a difficult situation because she had a clearance agreement with Egypt with a large deficit. Three years of payments would not be enough to cover it⁷³.

On the last day of the Conference, Italy got the seat in spite of the French open

⁷⁰ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Foreign Minister, 28 September 1956.

⁷¹ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in London, 29 September 1956.

⁷² T. Pereira was considered a close political proxy of Salazar while P. Cunha had been appointed by Marcelo Caetano, the future Salazar’s successor in 1968.

⁷³ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in London, 02 October 1956.

opposition and «we did not have to face much difficulties»⁷⁴. Almost a month later, the Portuguese Foreign Ministry «still had no elements» pointing to a change of stand and Portuguese companies kept paying only to the Egyptian Agency. Cunha justified it this way: «The problem of liquid fuel is so acute and delicate that only under exceptional circumstances, still not occurring, should the Government order those Companies to stop paying Egypt».

Besides, several of the “18 Powers” (including the United States) were doing the same and «since the main interested States had not yet undertaken actions with a new common solution, we must keep waiting». Thus, only if a massive Western platform was gathered with that purpose or under the framework of a formal demand, «we should consider this problem otherwise». And in that case, «we would require to be informed about the kind of aid that we could expect to find in those main interested countries as regards defaults in oil supplies». In short, «we do not exclude a change of policy» if all the others change it but «we must not get ahead»⁷⁵.

It is to be remarked that by then nobody no longer was paying attention to Dulles’s other pledge in the 2nd London Conference (and repeated in private conversations)⁷⁶: the American “aid” to the boycotters. Neither the State Department really wanted to sustain it because of the costs involved⁷⁷ nor did the majority of the “18 Powers” really wanted to use it, at least for a boycott.

On the 25 October, the Portuguese Ambassador in London still considered that the US stand remained the «principal open question»⁷⁸. But for the Anglo-French (Governments and main press) there were no doubts about it almost a month ago⁷⁹:

⁷⁴ «France demanded that Italy, by entering the Executive Body, took the engagement of stop paying tolls to Egypt. Italy escaped under the Machiavellian procedure of taking the engagement so far as every other executive members (which included the United States) proceed the same way. (...) It was relatively easy for us to avoid too much explanations about how we are paying tolls». AHD-MNE - 2° P., A. 1, Mç 478, Portuguese Embassy in London, 06 October 1956

⁷⁵ AHD-MNE - 2° P., A. 1, Mç 478, Portuguese Foreign Minister, 23 October 1956

⁷⁶ The charm operation before the 2nd London conference included conversations like the one in which a top American official requested the Portuguese Foreign Ministry a draft evaluation of the Portuguese demand for oil and tankers. «I asked what was the purpose. He told me – stressing the “confidential” and “personal level” of the information – that they had got a State Department cable asking for it». AHD-MNE - 2° P., A. 1, Mç 478, Portuguese Foreign Ministry, Note, 15 September 1956. Dulles had also told the Portuguese Ambassador before going to London that the Department of State had been studying for two months the device of the dollar-loans for oil. AHD-MNE - 2° P., A. 1, Mç 478, Portuguese Embassy in Washington, 18 September 1956.

⁷⁷ «As a US Senator commented recently: the cost of putting Nasser in his place seems to have skyrocketed from 40 million a year to half a million». Nimble Diplomacy in London. *New York Herald Tribune*, 24 September 1956. Nevertheless, the project interested Standard Oil of New Jersey and it was certainly not by Dulles’s fault that it did no go ahead: in times of an oil buyer’s market the prospect «of running down their East-coast deposits» (Kyle, 1991, p. 523) through Federal loans to the Europeans certainly pleased the big oil interests.

⁷⁸ AHD-MNE - 2° P., A. 1, Mç 478, Portuguese Embassy in London, 25 October 1956.

⁷⁹ Using the pretext of Dulles’s recent statements linking the Suez issue to “colonialism”, the Anglo-French were about to «abandon the existing alliance». AHD-MNE - 2° P., A. 1, Mç 478, Portuguese Embassy in Washington, 03 October 1956.

the State Department had deliberately turned the boycott plan into a stillbirth⁸⁰. On the 2 October Dulles had already felt obliged to deny any that the United States were trying a separate deal with Egypt⁸¹. London and Paris took their first public actions against the State Department, such as going to the United Nations. Therein they did not better because from the debate came out a quasi consensual Declaration (the Six Principles) that would drive them back into direct negotiations with Egypt⁸². They were now ready to try *something* different.

On 29 October the Israeli invasion of the Suez started and it was followed by the Canal wreckage obstruction. The toll issue would not be raised again until March 1957, when the Canal was reopened. When it did situation on the ground was much different.

2.3. *The S.C.U.A after the failed invasion (December 1956-May 1957)*

Until 1956, the imperialist *statu quo* in the Middle East suited the American big oil interests. They had been cheaply safeguarded under Britain's "security" while making advances at her expense. But Britain had been less and less able to hold the job⁸³ and her blunt Suez adventure jeopardized it definitely. After the Suez invasion, it was no longer possible to fit the interests of American oil corporations that were present in *every* oil-producing Middle Eastern States with the protection of the second most hated European power in the region (the French were probably the first). The 1957 Eisenhower doctrine⁸⁴ was designed to meet the requirements of the changing situation. By explicitly assuming military duties in the Middle East, the US Government readjusted the unbalanced oil share and political control that had lasted in the region for a decade. But "filling the vacuum" left (this time involuntarily) by the British also meant that the American policy was now able to focus in the anti-colonial Arab nationalism which so far had been left for the British to handle. That was not only possible but also necessary because the American's main client State, Saudi Arabia, could not stand *alone* against the rising tide that would come out of a Nasser's triumph. Thus, the handover of imperialist powers in the region implied also rebalancing the power among the Arab states. In short, the 1956-57 turning-points implied other adjustments, which would only be accomplished during the years 1967-70 (Corm, 1983, pp. 45-40). Portuguese officials

⁸⁰ «Since then [1st London Conference]Mr Dulles has indicated that in all essential matters, such as use of pilots, payment of dues, passage itself of the canal, the user's association is to have no real powers of collective bargaining but the master of each ship is in most cases to be left to fend for himself». *Distorting the Issues. The Times*, 03 October 1956.

⁸¹ *US Mediator Role in Shift From Colonialism. The Times*, 03 October 1956.

⁸²The 4th Princip read: «4. The manner of fixing tolls and charges shall be decided by agreement between Egypt and the users». AHD-MNE - 2^o P., A. 1, Mç 478, United Nations, Security Council, 13 October 1956.

⁸³ Dulles praised Britain's century-long action «against Czarist and now Soviet ambitions» (Kyle, 1991, p. 529) but the paradox of being such a "bulwark" for the protection of American interests was much recent.

⁸⁴ Labelled after the Eisenhower's speech of 5 January 1957, «Special Message to the Congress on the Situation in the Middle East».

could not but enjoy the change:

The so called “Eisenhower Doctrine” for the Middle East allows for the United States to follow the excellent precedent of the “Truman Doctrine” of 1947 (...) The revolt of the Nasserites in Jordan against the King was unexpectedly choked with the support provided by the Iraqis and mainly by King Saud (who so far seemed unable to counter Nasser). This was the first political defeat of the Soviet policy in the Middle East in recent times and it is expected that many others may follow⁸⁵.

Although the desired effect of countering the Arab nationalism was not as rapid as it looked⁸⁶, it was a fact that the American policy on the Suez issue was different immediately after the invasion. The Americans still had to keep distance from the Anglo-French but *some* pressure on Nasser was now at hand without endangering, rather pleasing, the Saudis. On the other hand, the Egyptian Government let it be known that it did not want tripartite negotiations (with Britain and France) and favoured a broader negotiating body «with two or three other countries, which should not be the Great Powers»⁸⁷. This asked for the reanimation of S.C.U.A. right from December 1956. So far the User’s Association had been useless to every interested part (it had neither prevented war as the State Department wanted nor achieved any Egyptian concession as the Anglo-French had for some time had expected). The Americans wanted to keep it anyway because it could be now used to press Egypt.

The second life of S.C.U.A. started with an American proposal for the Association «to undertake a study of the possible establishment of a priority system» once the shipping in the Canal was resumed. It was expected that at the outset only «a single channel will be opened to a depth of 25 feet throughout the length of the Canal» and so «only fifty percent of the pre-crisis volume of traffic should be accommodated»⁸⁸. This would affect Portugal’s oil traffic in the Canal because her full tankers in the return trip would exceed the 25th feet depth but not her Indian traffic⁸⁹. But more than the assessment system it was the mission of S.C.U.A. itself that caused much of the discussion. For the moment, the Americans wanted it as an advisory body⁹⁰ while the French were far from wanting «a passive body, whose

⁸⁵ AHD-MNE – Coutinho, *A Aventura do Suez*, pgs. 49-50.

⁸⁶ The optimistic point of view of this Portuguese Cairo report is worth quoting: «It should be considered that: the nationalization of the Canal produced in the Arab bourgeoisie a reaction that is pushing its Governments to insulate the Cairo; this way the old quarrels between the Saudis and Jordan and Iraqi dynasty are over; States that were apart such as Libya and Lebanon, Turkey and Sudan make arrangements among themselves without consulting the Egyptian Government; an African conference in Khartoum is being organized and the old claim that Egypt should lead is not increasing but fading away». AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Legacy in Cairo, 29-03-1957.

⁸⁷ Norway, owner of the one of the largest merchant navies, was to be one of those countries. AHD-MNE - 2º P., A. 1, Mç 478, SCUA/II/57PSR/1, 10 January 1957.

⁸⁸ AHD-MNE - 2º P., A. 1, Mç 478, American Embassy in London, 28 December 1956.

⁸⁹ AHD-MNE - 2º P., A. 1, Mç 478, Informação, 08 January 1957, pp. 2-3.

⁹⁰ «It is United States view that if SCUA is to continue, and prove important in the future of the canal, its best chance is by becoming the central source of all available information regarding the canal, its traffic and the service through it, which information should be made available as required to the United Nations and to interested parties». AHD-MNE - 2º P., A. 1, Mç 478, SCUA/II/57/D/4, 10-01-1957

mission would be one of study». They were now openly in collusion route with the Americans⁹¹.

The *cordon sanitaire* that the American Administration wanted to keep from the Anglo-French invasion passed also along the S.C.U.A. when it came to salvage operations in the Canal. A Memorandum presented by France and Britain assured that the «addition of Anglo-French vessels would at least double the working capacity immediately». However, the Egyptian refusal to accept it until the complete evacuation of the expeditionary forces was not disputed within the User's association and the Anglo-French proposal was archived⁹².

The salvage operations took less than expected and from March onwards the issue of the Canal boycott was raised again. The British Cabinet was aware that if the Canal clearance was achieved before an agreement with Egypt had been made, there would be no conditions «to give boycott any chance of success» (Kyle, 1991, p. 544). Forestalling any S.C.U.A. move, on the 18 of March the Egyptian Government issued a Note reiterating its commitment to abide by the Constantinople Convention, that rises of dues would also abide by the 1936 Agreement (i.e., not superior to 1% each year) and, of course, that «Canal tolls are to be paid in advance to the Suez Canal Authority in Egypt, or its nominees»⁹³. A few days later, talks conducted by the United Nations and the American Administration started in Cairo⁹⁴. A last (and necessarily short) push was on the way but this time the Anglo-French would enjoy some more American backing. The astonishment caused by the State Department's new approach on the most of the "18 powers" was considerable. In the telegram sent from the Portuguese Embassy in Washington informing about the Western reaction to the Egyptian Note, the excerpt: «Main idea United States is boycott Suez Canal. Under Trading Enemy Act Government may forbid US citizens, whatever flag ship-owners to pay tolls Egyptian Authorities» was in Lisbon underlined in red and sided with a huge question mark⁹⁵. But, surprising as it was, the Portuguese Ambassador was not wrong: from the 18 of March to the 27 of April a new tandem, this time Anglo-American, tried discretely to bluff a second boycott (the French were discreetly kept at bay). On the 9 April, the Portuguese Ambassador in London confirmed the Washington telegram: the Foreign Office secretary had informed him that they were doing «all they can to suspend all pas-

⁹¹ France wanted now to get back to Dulle's first idea: «The Suez Canal Users' Association should also undertake as was provided in The Declaration of 21 of September, Paragraph 6, the study of the means that may render it feasible to reduce dependence on the Canal and especially the building of new pipelines». The French delegate «recalled the reservation which his Government had made when they joined the Association, and added that present circumstances seemed to lend weight to these misgivings on the part of the French Government». AHD-MNE - 2° P., A. 1, Mç 478, SCUA/II/57/D/4, 10 January 1957.

⁹² AHD-MNE - 2° P., A. 1, Mç 478, SCUA/II/57/D/5, 10-01-1957. «The Representative of the United States said that it was his understanding that the French and British statements were submitted for information only». AHD-MNE - 2° P., A. 1, Mç 478, SCUA/II/57/PSR/1, 10 January 1957

⁹³ AHD-MNE - 2° P., A. 1, Mç 478, Egyptian Government, 18 March 1957.

⁹⁴ Nasser's Terms. *The Times*, 25 April 1957.

⁹⁵ AHD-MNE - 2° P., A. 1, Mç 478, Portuguese Embassy in Washington, 22 March 1957.

sages of the main countries for at least 10 to 15 days» and that the «United States have been pressing as much as possible their ship-owners flying Liberia or Panama flags to stop all passages»⁹⁶. According to the same Embassy, the International Chamber of Shipping could assure a boycott of around 80%, a figure never heard of during the September-October boycott attempts⁹⁷. These were alarming signals for the Portuguese Government although by then Lisbon already knew that this time the boycott *was planned to last only a couple of days*. Anyway, it was always possible to get back to old scheme, as the cabled instructions sent by the Minister to his London Ambassador on 10 April clearly show:

Your Excellency should mention that [Portuguese] shipping companies just accepted the Government plea to stop crossing [the Canal] for a short time. It must not be shown that the Government has the authority to impose it. In fact, it may occur that we need to let our ships go and pay Egypt under the cover that Companies proceed that way under no Government responsibility (as we did during the Suez crisis before the closure of the Canal); and so our explicit thesis must keep showing that what the Government can do is to appeal to the good will of the Companies.⁹⁸

On the next day, the British Ambassador in Lisbon acknowledged in a discreet “Bout de papier” that two Portuguese ships had already been instructed to reroute the Canal, that the Belgians were pressing her two shipping companies to do the same and, most important, that «talks conducted by the American Ambassador in Cairo» were on-going with the Egyptian Government. The “quasi-Note” ended like this:

We are not contemplating a formal boycott nor is it intended that the policy of restraint should continue for more than a limited time. But now is the time to exert all possible pressure on the Egyptian Government, and the coming days will be crucial for the long-term interest of the users⁹⁹.

To give the American talks enough time the S.C.U.A. meeting due for 17 of April was postponed. On the 20 of April there were rumours that something had been achieved in Cairo and that American ships would pass the Canal paying tolls to Egypt (though still under protest just like they had done from August to October last). Time was not on the Anglo-American side and it was feared that the Egyptian concessions made by Nasser’s «phraseology» were just meant to extend negotiations until the number of passages through the Canal afforded him to switch them off for good¹⁰⁰. In fact, the cracks were coming in: on the 19 April the first British ship, the “West Breeze” crossed the Canal paying tolls to the Egyptians authorities (worst still,

⁹⁶ AHD-MNE - 2° P., A. 1, Mç 478, Portuguese Embassy in London, 09 April 1957.

⁹⁷ AHD-MNE - 2° P., A. 1, Mç 478, Portuguese Embassy in London, 06 April 1957.

⁹⁸ Portuguese Foreign Minister, 10 April 1957.

⁹⁹ To make it less formal but no less credible, the Ambassador Stirling had crossed out “Aide-Memoire” and explained that unwittingly the Embassy staff had redacted as such. AHD-MNE - 2° P., A. 1, Mç 478, British Embassy in Lisbon, 11 April 1957.

¹⁰⁰ AHD-MNE - 2° P., A. 1, Mç 478, Portuguese Embassy in London, 20 April 1957.

in Swiss francs!) and a next one, the “Poplar Hill” was about to do the same¹⁰¹.

On the 24 of April, the Egyptian Government issued a revised version of the Suez Canal regime that came out of the “American talks” in Cairo. The most significant addition to the 18 of Mars Note was that the Suez Canal Authority and the National Bank of Egypt were negotiating with the Bank of International Settlement «to accept on its behalf payment of the Canal tolls»¹⁰². The Americans insistence on “something” to recognise the internationalisation of the Canal (Kyle, 1991, p. 544) in order to lessen the unilateral Egyptian settlement had achieved as much as this: to have the tolls deposit in a clearance institution owned by central banks. In fact, even this concession was already implicit in the 18 of March Egyptian Note¹⁰³.

Anyway this was enough for the State Department: Egypt had come closer to the “Six Principles” of the UN Declaration of 13 of October and that had been achieved through *bilateral and almost exclusive* American mediation.¹⁰⁴ That fitted the Eisenhower Doctrine and on the 27 of April Egypt was given a US “de facto acquiescence” (the Canal running could now enter a probationary period)¹⁰⁵. The American green light was followed by a landslide within S.C.U.A, whose most of its members were now decided to cross the Canal under the Egyptian terms¹⁰⁶.

But it was not enough for the Foreign Office. From the 27 of April to 13 of May the British Government continued its efforts to stop the crossings. It was not alone because it now formed a most unlikely new tandem with Portugal for that purpose (the French were unconditionally pro-boycott but were no longer concerting their action with London). The same day of the American “acquiescence” at the United Nations, the British Ambassador delivered the S.C.U.A. Members a sort of enquiry in which the first question suggested that the boycott attempt should proceed without United Nations and United States participation¹⁰⁷. Two days later the Minister Paulo Cunha replied that Portugal favoured negotiations without the United States

¹⁰¹ The Note of the British Embassy added that the «West Breeze (in spite of her reassuring name) was charter to a Hong Kong firm whose main function is trading with Communist China». AHD-MNE - 2º P., A. 1, Mç 478, British Embassy in Lisbon, 20 April 1957.

¹⁰² AHD-MNE - 2º P., A. 1, Mç 478, Egyptian Government, 24 April 1957.

¹⁰³ L. Fernandes, the Portuguese Ambassador had already remarked that the reference to «Canal authorities or its nominees (...) would allow Nasser a graceful way out before the Arab public opinion». AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in Washington, 22 March 1957. Brandeiro, in charge of the Cairo Legacy had also reported on 1 April that a Swiss-based bank would be selected. AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Legacy in Cairo, 1 April 1957.

¹⁰⁴ The United Nations financial negotiator had been John McCloy, chairman of the Chase Manhattan Bank, closely associated with the Standard Oil constellation (Kyle, 1991, p. 544)

¹⁰⁵ AHD-MNE - 2º P., A. 1, Mç 478, USA- Information Service, Statement of Ambassador Cabot Lodge at the UN Security Council, 27 April 1957.

¹⁰⁶ Italy and Spain openly acknowledge that their ships were already using the Canal. AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in London, 30 April 1957.

¹⁰⁷ «Do Users favour negotiations with Egypt? If so, what negotiating machinery would be appropriate? (Should it be done by Secretary General of the United Nations, by United States or by a negotiating committee, or under cover of future debates in Security Council?)» AHD-MNE - 2º P., A. 1, Mç 478, British Embassy in Lisbon, Aide-Memoire, 27 April 1957.

and so the continuation of the boycott until further agreement with Egypt¹⁰⁸. On the 1 of May, the British Embassy informed that London was calling for another United Nations debate for the 6 of May and so «will continue to urge Portuguese ship-owners to avoid use of the Canal»¹⁰⁹. That is, Britain asked for another week for a last round of *bilateral* talks with Egypt.

The S.C.U.A. was now useless for that purpose. Informing about the S.C.U.A. meeting of the 2 of May, in which Britain was left almost alone on the issue of extending the negotiations, the Portuguese Ambassador could say: «I am sure that all the resistance will end by next week»¹¹⁰. In fact, it did, at least in S.C.U.A. where prevailed a consensual will to settle the matter on the basis of the American proposal: that passing the Canal under protest did not imply to accept the Egyptian's terms. This did not prevent the Portuguese delegate from saying that Lisbon maintained the point of view that only through a tough and far-reaching stand with Egypt would be possible to get the «indispensable guarantees»¹¹¹.

The S.C.U.A. last episodes are apparently odd. Something had made Britain press Egypt again without her senior partner's agreement (and at a time the British Government was doing his best for a US-UK rapprochement)¹¹²; at the same time Portugal was holding hard-line positions in S.C.U.A. which were utterly against her previous low-profile of toll-payer to Egypt.

2.4. *Dual diplomacy at the S.C.U.A – two cases*

British and Portuguese foreign policies during the last period of the Suez “affair” are examples of dual diplomacy worth considering more closely.

The first one because it touches a crucial aspect of the imperialist power: the international currency. The dollar-pound competition is a least spoken factor of the Anglo-American policies in the Middle East and surely a forgotten item in the Suez crisis but it is a major element of understanding both of them¹¹³.

As Portuguese diplomatic sources were central to the selection of facts shown above, it seems consequent to give them further use by analysing Portuguese stand *itself*. Portugal had by then colonial territories and Portugal's main interest in Egyptian politics was directly linked with Portuguese colonial policy. This might be considered a minor aspect compared to the Anglo-American relationship. Still, connecting the Suez crisis to colonial policies other than the British and French ones may also contribute for a broader view on late colonialism. It is obvious that

¹⁰⁸ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Foreign Minister, 29 April 1957.

¹⁰⁹ AHD-MNE - 2º P., A. 1, Mç 478, British Embassy in Lisbon, 01 May 1957.

¹¹⁰ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in London, 02 May 1957.

¹¹¹ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in London, 08 May 1957.

¹¹² In Parliament Macmillan talked about «the closer association of the United States with the Baghdad Pact, and to what I hope will be fruitful and success cooperation between the great oil companies of the western world. So what has happened has led to greater, and not less, Anglo-American cooperation in the Middle East. (Opposition laughter.)» Prime Minister's Defence. *The Times*, 16-05-1957.

¹¹³ For a recent synthesis on petrodollars versus the euro, see Clark, 2006.

in both cases what follows in this last item is little more than the naming of subjects liable to further research.

a) Britain

Most of the dual diplomacy of the “Affair” was unsophisticated and did not work out well. Britain’s use of the UN and of the S.C.U.A. to cover military action was exposed in real time, with some relevant media exceptions¹¹⁴. But the later weeks of British dual diplomacy the goal was different and she got what it wanted.

Britain was aware that after the United States of the 27 of April at the UN no effective boycott was possible; still Egypt was not fully assured about the all the S.C.U.A. members and the situation could drag on. There was *something* that Egypt could give in exchange for a British final appeasement and for which Britain could never count on American backing: that the Suez Canal toll be paid in sterling.

The international recovering of the sterling was for the British ruling class (the City) more important than anything else «even the future of empire which, it was assumed, would fall into place once the prior financial problem was solved» British finance capital was trying once more to give London a chance to become the world market for non-dollar trade and this implied to hold the convertibility of the sterling, gradually introduced between 1955 and 1958 (Cain & Hopkins, 2001, p. 626). The payment of the canal dues in dollars or any other currency would cause a considerable drain of gold and currency for the British banking system that would certainly harm the sterling convertibility.

Delivered on the same day that the Americans gave Cairo a green light at the UN, the British 27 of April Aide-Memoire included this paragraph:

3. Her Majesty’s Government requires information on the question of the possible use of transferable Sterling for payment of the Canal Dues and has initiated a pure technical enquiry through Banking channels in terms which make it clear that it is made without prejudice to Her Majesty’s Government’s ultimate decision on the use of Canal by British shipping. This enquiry is of the most confidential nature¹¹⁵.

That is, Britain was counting pounds among her S.C.U.A. allies while urging them to boycott. Having settled the main lines of the “affair” with Egypt, the Foreign Office delivered the Portuguese Ministry another “Confidential” Note, two days before the Parliamentary debate in which the Prime Minister Macmillan let down Britain’s opposition to the use of the Canal. The Note thanked the «staunch support given by the Portuguese Government» but informed that the British Cabinet had given further consideration to the use of the Canal: boycott was no longer possible. Besides,

¹¹⁴ As this excerpt about the Anglo-French intervention in the United Nations shows: «This move is an earnest of the good faith and good intention of the Western powers. They are trying to exhaust every peaceful means of settlement». Suez and the U.N. *The New York Times*, 24 September 1956.

¹¹⁵ AHD-MNE - 2º P., A. 1, Mç 478, British Embassy in Lisbon, Aide-Memoire, 27 April 1957.

the United Kingdom has a particular problem which is not common to the members of the Suez Canal Users Association as a whole, namely that sterling was not specified by the Egyptian Government as a currency in which dues could be paid. Provided that this problem can be resolved, Her Majesty's Government propose to announce next Monday (May 13) the withdraw of their present advice to shipping.

The "problem" was solved on time. In Parliament, Macmillan made public that «Payments made in connexion with the canal – for canal dues and other purposes such as port dues, or water – will be made in sterling». And more: a new transferable account had been opened in the Bank of England in the name of the national Bank of Egypt¹¹⁶. In fact, even this time this last minute dual diplomacy did not go completely under covered in the press. After the Parliamentary debate, the Conservative but non-City connected Daily Telegraph put it bluntly:

Dues are to be paid in sterling, and a special transferable account has be opened from the purpose. Obviously, there is economy advantage to ourselves in not having to pay in hard currency, as had been feared; having decided that we must swallow the pill, we succeeded in getting it sugar-coated. But this does not detract from Nasser's political victory¹¹⁷.

b) Portugal

In 1955 the new Egyptian regime looked up for inspiration in the "New State" Portuguese Constitution¹¹⁸ but this could hardly lessen Lisbon's suspicion of the Egyptian Afro-Asian policies. It was not a coincidence that Portugal and Belgium were two of the European States more opposed to changes in their African colonies and more hostile to the Cairo "Voice of the Arabs" Radio. However, the stand of the Belgium towards the Egyptian Government corresponded more to what should be expected from a colonial metropolis¹¹⁹. Contrary to what Paul H. Spaak, the Belgium Foreign Minister demanded early in September 1956 (nothing less than NATO backing for a military operation against the Cairo)¹²⁰, the Portuguese diplomats made since the beginning of the Suez crisis reassuring statements towards Egypt.

Right after Portugal's entrance to the "18 Powers", Brandeiro, then in charge of the Cairo Legacy, was asked by the Egyptians if the Portuguese participation in such a scheme mean that «qu'il est pour la guerre». Brandeiro's reply was that decision about entering the S.C.U.A. was not yet taken but that if Portugal did enter,

¹¹⁶ This new account would be free from the British Government interference. The previous account of the National Bank of Egypt in the Bank of England had been frozen and remained so «until satisfactory arrangements covering all financial claims against Egypt. (Laughter.)» But even the older was now allowed to make payments for British exporters who had entered in contracts with Egypt before 28 July 1956. *British Ships to Use Suez. Payment in Sterling*. The Times, 14 May 1957.

¹¹⁷ *Humiliation and After. The Daily Telegraph*, 14 May 1957.

¹¹⁸ AHD-MNE - 2° P., A. 1, Mç 477, Portuguese Legacy in Cairo, 14 December 1955.

¹¹⁹ «(Mr. Spaak at the Belgium Senate.) He said that any kind of success, whatever small, of Colonel Nasser would bring serious consequences for the West (...) As for Belgium in particular, the problem of Congo will arise sooner or later. Nasser's self confidence, if inflated, will know no limits and the blow suffered by Western Powers will get to the heart of the African Continent (should be read: Congo)». AHD-MNE - 2° P., A. 1, Mç 478, Portuguese Embassy in Brussels, 21 September 1956.

¹²⁰ AHD-MNE - 2° P., A. 1, Mç 478, NATO, Minute of the Board Meeting, 9 September 1956.

«it would be because in our view such plan would not lead to war». Portugal was for a «peaceful solution»¹²¹.

That was not false and the Portuguese delegate in NATO was pleased to report the positive contribution of the British Labour Party (!) and the Soviet (!) statements had recently given to the peace cause¹²². It was seen *supra* the importance the Portuguese Government gave to prior guarantees that there would be no duties implicated by participation in the second London Conference. Paulo Cunha himself went to Paris before going to London because he wanted to meet Pineau [the French Foreign Minister] first, «considering the dubious character» of the London Conference (it was obvious that the French would be the most openly pro-war participants)¹²³. The Portuguese Government was also more than aware that a possible colonial turmoil could follow its entering into a war coalition against an Afro-Asian country¹²⁴.

In the Conference, the Portuguese Minister reiterated that Lisbon would join a User's Association only if it mean the «permanent continuity of the peaceful and legitimate action» of the first (!) Conference. The anti-war arguments used by Cunha were so emphatic (he said that at first he thought the association idea was “provocative” for Egypt)¹²⁵ that important international media, including the Asian press, highlighted them. It is hard to see this as a totally involuntarily effect because some of the versions issued by Portuguese colonial media were similar¹²⁶. This was *meant* to produce these results:

The intervention of our Minister at the second Suez conference caused a very good impression in Cairo, whose political “milieu” were pleased to see how highly Portugal considered Egypt's sovereignty. (...) The newspaper Al Goumorich, close to the Government and which is sometimes unpleasant for us says in banner headlines: Portugal supports Dulles's good faith on the condition there is collaboration with Egypt¹²⁷.

¹²¹ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Legacy in Cairo, 14 September 1956.

¹²² The question mark sided along this dispatch that was added by the Ministry staff was of the same size of the text. AHD-MNE - 2º P., A. 1, Mç 478, NATO, Portuguese Delegation in Paris, 15 September 1956.

¹²³ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Foreign Minister, 16 September 1956.

¹²⁴ The Soviet Note sent to the Portuguese Foreign Ministry later made it explicit: «If a foreign invasion of Egypt occurs, it is sure that (...) it would cause a deep outrage among the African and Asian peoples against the Governments of the countries involved in such aggression». AHD-MNE - 2º P., A. 1, Mç 478, Soviet Embassy in Paris, 17 September 1956.

¹²⁵ The Ministry felt obliged to ask to the London Embassy for the correct version because the Censorship Services (to which the Portuguese Press was obliged to undergo) had «contradictory versions» of the Minister's speech. AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in London, 20 September 1956; Portuguese Foreign Minister, 20 September 1956.

¹²⁶ The Portuguese-controlled Goa Radio today appealed to the Western Powers to «bury» the idea of a Suez Canal User's Association, which will surely lead to a world conflagration. The Radio, which was reviewing the Suez problem in its Gujarati broadcast, said Britain and France would do well to bury the user's plan once and for all and attempt to settle the problem through peaceful negotiations.. Lisbon Attacks West's Plan. *The Indian Express*, 20 September 1956.

¹²⁷ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Legacy in Cairo, 22 September 1956.

It was also seen *supra* how the Portuguese shipping companies had immediately switched their Suez toll payments to the Egyptian authorities and continued doing so until the blockade of the Canal in November. The Portuguese Government decision of not interfering was not only justified by the additional freights or the possible oil rationing. There was an additional cause for “upsets” in the Canal:

The liquid fuels are not the only sensitive issue for us: there is also the civil and military transit to Goa¹²⁸ and the problems arising from the fact that Egypt is currently our mediator in several of our difficult business with the Indian Union¹²⁹.

The Egypt Government was playing this broker role because the Indian Union was one of its main supporters and because the New Delhi claims over Portuguese colonial territories in India had led to the break of diplomatic relations in 1955. The Canal was of course a key factor: during the first semester of 1956, 10 round trips of Portuguese ships to Mormugão (the main port of Goa) had passed the Canal.

The Portuguese stand became difficult to hold in April 1957 during the second boycott attempt. On the eve of the troubles, Brandeiro had a conversation with Mahmoud Fawzi, the Egyptian Foreign Minister in which the Egyptian reassurances were too explicit and repeated to be just casual:

Referring explicitly to Portugal and after highlighting the Portugal’s moderate and sensitive stand in the Canal affair, he told me that he wanted to reassure me that the Egyptian Government, in spite of his good relations with the Indian Union would not hinder nor comment in any way the passage of ships transporting troops to Goa, because he was sure that the Portuguese Government did not nourish imperialist goals. He added that this statement would not be made public neither in Cairo nor in New Delhi but that he could fully reassure me that it would be so. He repeated me: «Egypt will not be against the passage of Portuguese troops throughout the Canal». I thanked the Minister.

Egypt knew that Portugal could be easily pressed on this issue and Portugal was now made aware that Egypt knew. This is an important factor to understand why the Portuguese Government tried so hard to extend the negotiations with Egypt beyond the point the American Administration and later the Foreign Office had walked out of it. The Portuguese colonial government did not want to be left alone to become dependent of a Canal «non insulated from one’s country politics». It was more than plausible that once there was no more international control of any sort over the Canal, the Egyptian close relations to India would sooner or later reverse Dr. Fawzi guarantees about the passage of Portuguese ships. So, after the 27 of April once again a dangerous double game had to be played by Portuguese diplomacy: to make her best to support whoever was pressing Egypt (until the 13 May it

¹²⁸ Goa was the capital of “Estado Português da Índia”, an ensemble of colonial territories in India that also included Damão and Diu in the Gujrat. In 1954 the Indian Union had already occupied two of those territories, Dadrá and Nagar-Haveli.

¹²⁹ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Foreign Minister, 22 September 1956; 28 September 1956. In the first half of 1956, 10 round trips of cargo and passenger ships were made between Lisbon and Goa. AHD-MNE - 2º P., A. 1, Mç 478, *Informação*, 08-01-1957, p. 2

was Britain) and to keep it as discreet as it could be. It is interesting to see how the argument used before to justify that Portuguese companies were paying tolls to Egypt «because the Portuguese Government had no authority to hinder it» (which was false) could be reverted if now, as it was the case, the boycott was to proceed. In a private note to Stirling, the British Ambassador in Lisbon, Cunha commented this way an episode of the late S.C.U.A. meeting:

According to what Ambassador Pereira told at the meeting we do not have in Portugal legal authority to force the companies to boycott the Canal but we do have the *moral* force to be sure that those Companies would abide by it. The Portuguese Government was ready to make this step if the great bulk of Users did the same¹³⁰.

This passage resembled the Italian stand during the S.C.U.A. meeting of October 1956 (see above 2.2) but this time it did not go so well. Egypt got his way, there was no boycott and worst still, the Cairo came to know about the Portuguese new stand. On the 10 of May the “Daily Express” published the following list of

which countries in the User’s Association will send their ships through Suez now:
Almost certainly – The U.S., Italy, Norway, Sweden, Denmark, Germany, Spain, Turkey, Persia and Holland.

Probably – Britain, Australia and New Zealand.

Probably not: Portugal.

Definitely not: France¹³¹.

Pereira tried to explain the leak, «certainly based on the statements we made at S.C.U.A and which strongly contrast with prevailing mildness of the majority»¹³². Anyway, Portugal was ending the Affair in a very bad company.

Conclusions

The Suez “Affair” allowed for the readjustment of hegemonic power in the Middle East. The American oil interests were progressing therein for the last three decades but until then the United States had no political or military responsibilities in the region proportional to its size. Henceforth American imperialism would be the umbrella for the minor European ones.

This was not to happen without frictions: the smaller any former colonial metropolis was the harder it became for her to rely on a super Power whose global interests had more complex issues to balance. Reporting what the American press said about a recent visit to France of Dulles, the Portuguese Ambassador selected this topic:

To the question raised by Mollet [the French Prime-Minister] that under the terms of the Egyptian

¹³⁰ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Foreign Minister, private note, 06 May 1957.

¹³¹ Who Goes? «The Daily Express», 10 May 1957.

¹³² AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in London, 10 May 1957.

Memorandum [of 24th April] Nasser will control the Canal, the American Secretary of State replied that the Suez problem is not vital and can be solved with big tankers around the Cape or by building new pipelines. The problem of Suez, added Dulles, is part of the Middle East problem which in turn is part of the general combat between East and West.

Fernandes added: «He seems not to have convinced Mollet and Pineau who insisted that such issue should be dealt separately»¹³³.

The French and Portuguese colonial withdrawals did not take long after the Suez (Argelia, 1962; Portuguese India, 1961). The problems of fading colonial empires were now lesser contradictions of a rising hyper-imperialism. That these minor contradictions were still important can be clearly seen when it comes to the erratic trend of the S.C.U.A. boycotts: only *national* strategies were followed, as the cases of Britain and Portugal show.

But the Suez crisis impacted the correlation of forces in the Middle East in a twofold way: if it consolidated the amalgamation of “Western interests” it also allowed for the breaking of any potential anti-Western front. By assuming the imperial delegation in full charge, the American Administration was freer from regional ties than the British had been. This allowed for a better selection of friends and foes that accelerated the class struggle within each Middle Eastern state; there would be no unified Arab bourgeoisie and no more conditions for a consensual pan-Arabism.

Sixty years later, both trends seem on going. It is hard to say for how much longer but the aftermath of Suez “affair” showed they are inversely correlated.

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¹³³ AHD-MNE - 2º P., A. 1, Mç 478, Portuguese Embassy in Washington, 08 May 1957.

