

CONSEIL DE L'ATLANTIQUE NORD
NORTH ATLANTIC COUNCIL

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~~NATO SECRET~~
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Summary Record of a meeting of the Council held
at the Palais de Chaillot, Paris, XVIe, on
Wednesday, 5th September at 3.30 p.m.

PRESENT

Chairman: The Lord Ismay

Mr. P. H. Spaak	} (Belgium)	Mr. A. Alessandrini	(Italy)
Mr. A. de Staercke		Mr. A. Philippe	(Luxembourg)
Mr. L. B. Pearson	} (Canada)	Mr. M.F. Vigoveno	(Netherlands)
Mr. K. J. Burbridge		Mr. J. Boyesen	(Norway)
Mr. S. Sandager Jeppesen	(Denmark)	Count de Tovar	(Portugal)
Mr. C. Pineau	} (France)	Mr. N. Birgi	} (Turkey)
Mr. A. Parodi		Mr. M.A. Tincy	
Mr. W. Hallstein	} (Germany)	Mr. J.B. Selwyn Lloyd	} (United Kingdom)
Mr. H. Schwörbel		Sir Christopher Steel	
Mr. M. Melas	(Greece)		
Mr. G. W. Perkins	(United States)		

INTERNATIONAL STAFF

Baron A. Bentinck	(Deputy Secretary General)
Mr. A. Casardi	(Assistant Secretary General for Political Affairs)
Mr. F. D. Grogh	(Assistant Secretary General for Economics and Finance)
Mr. J. Murray Mitchell	(Assistant Secretary General for Production and Logistics)
The Lord Coleridge	(Executive Secretary)

ALSO PRESENT

Major General T. W. Parker (Standing Group Representative)

CONTENTS

<u>Item</u>	<u>Subject</u>	<u>Page No.</u>
	Report on the Suez Conference held in London	2

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REPORT ON THE SUEZ CONFERENCE HELD IN LONDON

1. Mr. SELWYN LLOYD (United Kingdom) said that he had wished to report to the NATO Council on the Suez Conference held in London in the latter part of August, because, if consultation among NATO members in the spirit of Article 2 of the Treaty was to mean anything, it was essential that all members of the Alliance should have the chance of a frank and free discussion of problems like that of the Suez crisis. He stressed the fact that he had not come to press the Council for any resolution backing the British and French point of view. He thought it hardly necessary to stress the importance of the Canal, not only to the United Kingdom, to France and the rest of the West, but also to almost every nation of the world. The problem was certainly not simply an issue between Europe and Asia, but was of universal importance: India, Pakistan and Indonesia had as much at stake in ensuring free use of the Canal as the countries of the West.

2. The first point in the United Kingdom's view of the crisis was that the action taken by Egypt was illegal. It was illegal for the following reasons:

- (a) The concession granted to the international company in 1888 had been terminated without notice, without consultation, and without precise plans for compensation.
- (b) The Canal Company was not a normal domestic company which could be nationalised in the ordinary way. From the beginning it had been an international company, even though technically it might have been registered in Egypt.
- (c) There was a Treaty basis to the Company, the 1888 Convention.

3. His Government maintained that a company of this kind could not be nationalised without full consultation. The Egyptian action was therefore illegal and contrary to the rule of law.

4. Turning to the political issues, he pointed out that most of those present had bitter experience of the events of the 1930's. Egypt was now governed by a military dictatorship, and the dictator had outlined his intentions in a book recently published. The book made clear what he had in mind: the linking of Arab states, joining them with an Africa from which white influence would have disappeared, and then the creation of some form of Islam world state. The 1930's had given clear proof of the danger of not standing up to dictators. However, though the United Kingdom considered Egypt's action illegal and was concerned at the political dangers involved, his Government wished above all to reach a peaceful, sane settlement of the crisis. The first step taken by the United Kingdom and France to reach a peaceful solution was the convening of an international conference. In discussing the composition of the Conference it had been felt essential to limit the numbers attending. It had been difficult to decide who should

be included, and who excluded. Finally the formula of the "three eights" had been decided on: the eight signatories of the 1888 Convention, the eight countries with the highest tonnage passing through the Canal, and the eight countries whose pattern of trade would be most affected if passage through the Canal was interrupted. His Government had hoped that Egypt would be present at the Conference.

5. As the Council was aware, the Conference had made a smooth start, and the proposal put forward by the United States Representative had proved an admirable basis for discussion. His Government wholeheartedly supported the United States proposal and believed that the system outlined in it would be of advantage both to Egypt and to users of the Canal. It met the essential principle that an international waterway should be internationally controlled. The United States proposal had received overwhelming support. India, Ceylon and Indonesia had emphasised their agreement that users of the Canal should have a say in its administration, though they thought that any Board on which users would be represented should only be advisory. The only discordant note had been struck by the Soviet Representative, despite the fact that in 1946 the USSR had stated that international waterways like Suez should come under international control. The Russian aim seemed to be to prevent agreement being reached between the Egyptian Government and other interested parties. He thought the Russian attitude was important to NATO, since it made clear the fact that Soviet intentions at present seemed to be to avoid war but to create a maximum amount of trouble throughout the world. In this connection he associated himself fully with the comments recently made by Mr. Dulles with regard to Shepilov. Finally, the United States proposal had been accepted by eighteen out of the twenty two members of the Conference, the eighteen acceptors representing the countries owning 95% of the tonnage passing through the Canal.

6. The Conference had decided to transmit the United States proposal to Egypt by a committee to avoid any impression that they were sending an ultimatum. This was a further proof of the desire of the Conference to avoid hurting Egyptian susceptibilities. His Government earnestly hoped that Mr. Menzies would be successful, since the continued efficient operation of the Canal was a major Western interest as well as a major Asian interest.

7. The question then arose as to what could be done if Colonel Nasser refused to negotiate. As the Council was aware, his Government had been making military preparations: there were 13,000 British subjects in Egypt, a considerable number of British ships using the Canal, and a base maintained by British contractors. In these circumstances any responsible Government must make preparations. At the same time, the idea of a resort to force was abhorrent to his Government, which hoped above all for a peaceful solution. There was also the question of possible economic sanctions if the illegal action of the Egyptian Government continued. There UNO would have its part to play.

8. Finally, he asked the Council whether it seriously believed that the Canal would remain efficient under Egyptian

management alone. His Government firmly believed it would not. He urged the Council not to minimise the importance of the issue, and said once again that he had come to Paris to obtain the view of his colleagues and not to ask for any kind of commitments.

9. Mr. SPAAK (Belgium) said that he understood the reasons why Belgium had not been invited to the London Conference. The criteria by which certain countries had been invited seemed to him reasonable. Since Belgium had not been present he would like to make his views known. First, he thanked Mr. Selwyn Lloyd for his report on the Conference and for the chance of consultation between NATO members given at the present meeting. The only thing he regretted was the fact that it was only now that the meeting of the Council had been convened. He had believed, when Nasser first took the action he did, that a meeting of the NATO Council should have been called. In particular, now that the Committee of Three Ministers was considering, among other things, how political consultation among NATO members could be improved, it seemed to him unfortunate that the Council had not met to consider the crisis which Sir Anthony Eden had called "the most serious event since 1946".

10. Mr. Selwyn Lloyd had indicated the purpose of this meeting: that is, frank discussion on what had happened and what might happen, without any attempt to reach final decisions. With this he fully agreed. He also agreed with Mr. Selwyn Lloyd as to the gravity of the position. For him, the important point was not the legal issue as to whether or no Nasser had the right to nationalise the Canal: the vital question was whether or no the Egyptian Government had violated an international treaty. He believed that they had. This was extremely serious, and NATO Governments had to decide whether they could ignore such violation, or not. In his opinion there could be no peaceful co-existence in the world if international treaties could be violated in this lighthearted way. If the Council agreed with him that an international treaty had been violated, then NATO should consider what action it should take. The summoning of a conference had been a valuable first step, but what would follow if Nasser refused to negotiate or deliberately stalled? He thought that NATO Governments should not recognise a fait accompli. There were certain things which he believed could be done:

- (a) Countries might decide not to pay tolls for use of the Canal to the new Egyptian company until a solution had been reached.
- (b) If incidents followed such a refusal, there would be a real risk to peace. It was at that stage that the matter should be laid before the Security Council.
- (c) It was not possible to look further ahead at present or try to forecast what could be done suppose no solution emerged from the deliberations of the Security Council.

11. If the Governments of the West proceeded by stages, as he had suggested, there still remained hope of a satisfactory solution. But above all, he urged that a stand should be taken.

against the violation of an international treaty, and that there should be no recognition of a fait accompli.

12. Mr. BIRGI (Turkey) said that his government had been represented at London, and had fully supported the US proposal. He was grateful to Mr. Spaak for having stated the views of the Belgian Government. He thought that the London Conference had represented a loyal effort to settle, by peaceful means, an extremely grave dispute. He also thought that the results achieved had been satisfactory, since 18 countries had agreed on a text which safeguarded Egyptian rights and Egyptian prestige and, at the same time, safeguarded the users of the Canal.

13. So far as the future was concerned he agreed with Mr. Spaak that it was essential to proceed by steps. The first step was a sensible one, that is, contact between the Menzies Committee and Colonel Nasser. His Government had every confidence in the committee, but believed that it would be wise at the present stage to refrain from making strongly worded declarations of support. Such declarations might be used by Russia and other countries such as India to widen the rift between the West and the Middle East. He agreed that NATO countries should take a stand against the violation of international treaties. He thought that there was one piece of Russian propaganda which should be countered: that is, that certain Western countries were quite prepared to use force to settle the dispute, and that it was their military preparations which were making negotiations with Egypt impossible. Counter propaganda to explain the reason why certain military preparations were considered essential should be made.

14. Mr. HALLSTEIN (Germany) said he had not much to add, since his Government's position had been made clear at London, for the reasons explained by the German Representative there: i.e., that free passage through the Canal must be ensured for all countries, with the backing of institutional guarantees. He believed the matter was one of common concern and, for that reason, solidarity among NATO countries was essential. Finally, he was glad that the UK had taken the initiative in proposing the present meeting, since his Government was very anxious to see the Council develop into an effective forum for political consultation.

15. Mr. PINEAU (France), thought that Mr. Selwyn Lloyd's report on the London Conference had been clear and objective. He agreed with Mr. Spaak that there would be no point in the Committee of Three Ministers trying to see how the Alliance could be strengthened if the consultation in the Council on a problem so important as Suez had not taken place. Turning to the political issues, he urged that the book recently published outlining Nasser's intentions should not be regarded as a youthful error: he believed that Nasser intended to follow the policy outlined in it. One of the difficulties in negotiating with Nasser was the question of confidence: if the negotiators had any trust in Nasser, their task would be easier. The comparison of Nasser with Hitler was valid up to a point, but there was one additional element in Nasser's thinking: he was basing himself not only on racial ideology but also on the nationalist movement sweeping through Asia and Africa. France understood and sympathised with the desire of

Asian and African peoples for independence, but those peoples tended to confuse independence with anti-colonialism, and on alleged anti-colonialist grounds, claimed they were entitled to violate international treaties. There was not only the example of Nasser's nationalisation of the Canal, but also that of Indonesian repudiation of its debts to the Netherlands. That kind of action could not be tolerated, since it would lead to complete disregard for the rule of law.

16. He then turned to the question of military preparations by the UK and France. The reason which had led France to make certain military preparations was quite simple: in view of the inflammatory speeches made by Nasser, France believed that the safety of its nationals in Egypt was in danger. The position of the former Canal Company's employees was a case in point. They had been informed by the Egyptian authorities that either they must stay in their jobs or go to prison. Contrary to what had been said, the UK and France had made every effort to persuade the Canal pilots to stay in their jobs, despite the fact that many of them were anxious to leave. But this state of affairs could not continue long, and there might come a point when the pilots decided to leave. France could not allow Egypt to stop the pilots from leaving or to imprison them. Further, should certain countries decide not to pay tolls to the new Company, as Mr. Spaak had suggested in the event of Nasser refusing to negotiate, incidents would be likely to arise. To be in a position to deal with incidents, military preparations were essential. However, he wished to make it completely clear that France certainly did not desire to make use of force, but only to be prepared to use it as a last resort.

17. In this connection he thought NATO would be unwise to consider that the use of force was always bad. Sometimes a limit was reached when there was no other alternative to the use of force. There were two precedents which should be borne in mind:

- (a) The Korean War. True, many lives had been lost in it and much damage done. But what would have happened if President Truman had not taken the initiative he had, and given a lead in UNO? He believed that war on a far wider scale with far greater loss of life would inevitably have followed in a few years.
- (b) The re-occupation of the Rhineland by Germany in 1936. He believed that if force on a small scale had been used on that occasion, there might possibly have been a small loss of life, but that the appalling misery of the Second World War might have been avoided.

18. It was difficult for statesmen with internal political problems of their own to take the decision to use force, and they were always liable to bitter accusations of warmongering. But there were moments when the wise use of force was the only way to preserve peace. His Government therefore believed that every effort should be made to find a solution of the Suez crisis by peaceful means, but that countries should be prepared to use force as a last resort.

19. Mr. LESTER PEARSON (Canada) said that he was glad that the present meeting had been convened in connection with what might be called one of the non-military activities of the Alliance, that is, the strengthening of political consultation. He had also been glad to hear Mr. Selwyn Lloyd's report, and the comments by other members representing governments who were at the London Conference on the Suez. Like Belgium, Canada had not been present at the London Conference. Like Mr. Spaak, they had no complaint whatever about this, and recognised the validity of the criteria which had governed invitations to the London meeting. His Government was conscious of the importance of the Suez issue: that is, Nasser's attempt to bring an international waterway under national control. Nor did his Government underestimate the seriousness of the issue, especially to countries like France and the United Kingdom. Essentially the problem was a concrete one: to ensure efficient, impartial and non-political operation of the Canal. His Government had welcomed and supported the proposal endorsed by 18 members of the London Conference, and was glad that Nasser was willing to discuss it. However, it had no illusions, and realised that many difficulties still had to be overcome. He thought that the procedure followed by the Committee of Five representing the supporters of the London proposal, in merely trying to ascertain whether Nasser would accept it as a basis for negotiation was clear evidence that no attempt had been made to face Nasser with an ultimatum. He also believed that the 18-power proposal was a reasonable and satisfactory one, respecting as it did the sovereignty, interests and susceptibilities of Egypt, while safeguarding and preserving the international character of the canal through co-operative international arrangements to be associated in some appropriate way with the United Nations.

20. The great difficulty was to decide what action should be taken if the Cairo talks failed or were inconclusive. Force, he thought, must be ruled out, save as a last resort, and even then could be used only in conformity with principles and procedures laid down both in the UN Charter and the North Atlantic Pact. If force were ruled out what political action could be taken? Through UNO, and if so, how? If a majority opinion could be obtained in the Security Council for the 18-power proposals, he believed that that would be valuable support for future negotiations or action. There was also the question of possible economic action. Any such action taken, however, should clearly be of a kind that would not recoil to the disadvantage of the countries imposing it. Mr. Spaak had also made the interesting suggestion that the Egyptian action should not be accepted as a fait accompli; there should be non-recognition and non-payment of dues. Finally, what would happen if the effective operation of the Canal broke down before a solution was reached, or if non-Egyptian personnel were interfered with in their desire to leave their Canal duties? He could give no answer to these questions, but he was glad that the Governments most concerned were seeking those answers in a spirit of responsibility, both national and international. His Government would support them in their political and diplomatic endeavours to bring about an international solution which would recognise the vital importance of the Suez Canal to them and, indeed, to all states.

21. Mr. SELWYN LLOYD (United Kingdom) said that he had been grateful for the comments that had been made by Ministers. There was only one point on which he wished to reply: the observation of Mr. Spaak that it would have been better if the present meeting had been held earlier. He agreed that there was much to be said for Mr. Spaak's view, but his Government in the early days had been extremely anxious not to give the impression that the West was lining up against non-Western countries. His Government would most certainly take account of the views that had been expressed. It was aware of its responsibilities, and its primary object was to keep the Canal working. He agreed with Mr. Pineau that France and England had been most unjustly criticised with regard to the Canal pilots. In fact, the United Kingdom and France had made every effort to keep them at their posts. The Suez crisis was a vital one, since the impact on the economies of Western countries, if traffic in the Canal were stopped, would be fatal. It had been suggested that alternative routes, with larger tankers, should be devised, but such steps would be very costly, and interruption of Canal traffic would mean a severe fall in the standard of living in the West and elsewhere. He believed that international public opinion should be mobilised to appreciate this fact. This mobilisation had begun at the London Conference, and should be carried on. The Council would of course be kept fully informed of future developments. Finally, he assured the Council that his Government was approaching the problem in a spirit of sober responsibility.

22. A brief discussion then followed as to the publicity that should be given to the present meeting. It was agreed that the press should simply be informed that the Council, in accordance with its usual practice, had received a report from Mr. Selwyn Lloyd, Chairman of the London Conference on Suez, as to the proceedings at that Conference, with the particular object of giving a full picture to those members of NATO who had not been present at London. The press could also be informed that four other Foreign Ministers from NATO countries had been present at the meeting.

23. The COUNCIL:

- (1) thanked Mr. Selwyn Lloyd for the clear and objective report he had given of the proceedings at the London Conference;
- (2) took note of the comments made by other Ministers during the discussion.

Palais de Chaillot,
Paris, XV^{ie}.