

Record of the third session of tripartite talks on the Suez Crisis (London, 30 July 1956)

Caption: From 29 July to 2 August 1956, the French, British and US delegations meet in London for tripartite talks to establish a common position on the nationalisation of the Suez Canal Company. At the third session on 30 July, the talks focus on drawing up a list of participants for the forthcoming maritime conference on the Suez Canal.

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Nationalisation of the Suez Canal

Tripartite Talks between the French, United Kingdom and
United States Delegations

Record of the 3rd Meeting held in the Council Chamber, Foreign
Office on Monday July 30, 1956, at 12.00 noon.

Delegations were headed by

France

United Kingdom

United States

M. Pineau

Secretary of State

Mr. Robert Murphy

Foreign Office, S.W.1.

July 31, 1956.

RECORD OF MEETING HELD IN COUNCIL CHAMBER.
FOREIGN OFFICE AT NOON ON JULY 30, 1956.

The conference had before them a draft communiqué, which could also serve as an invitation to powers to the proposed conference of users. They also had a list of powers, which might be invited to the proposed conference, calculated on the basis of 1888 Convention powers, flag tonnage and trade. Mr. Ross explained that the communiqué did not cover all points. In particular the French delegation had wished it to be put on record that Nasser had indicated publicly that he was unable to run the Canal, except by forcing the employees of the Suez Canal Company to remain at work. This point had been omitted, since it was thought that it might lessen the chances of obtaining support for the communiqué and the ensuing conference.

The Foreign Secretary asked what was the advantage of the list prepared by the Working Party over a list based on membership of the International Chamber of Shipping. In reply it was stated that the Working Group had considered the International Chamber of Shipping list to be too strictly commercial and not to have any political flavour. The Foreign Secretary thought that the communiqué should cover the fact that Nasser had behaved badly as well as the desirability of international arrangements for operating the Canal. Mr. Murphy said he would prefer a reference to Article 8 of the 1888 Convention and this had been the preliminary reaction of his Secretary of State. The Foreign Secretary said that, whatever came out of the present meeting it seemed essential that there should be an indication of the conference's opinion that Nasser had behaved badly. In particular over:

- (i) Treatment of employees in the Suez Canal Company;
- (ii) His decision to use Canal revenues in the future to finance the Aswan Dam.

M. Pineau made the following points:-

- (i) This Egyptian action was abnormal and retaliatory. There was no reason why the Suez Canal should have been selected as a reaction to the United States decision not to finance the Aswan Dam.
- (ii) Egypt could not guarantee that the Canal would continue to function satisfactorily.
- (iii) The treatment of employees of the Canal Company was disgraceful.

The Foreign Secretary agreed with M. Pineau, particularly with the point that Nasser's action was retaliatory. He wished the condemnatory preamble to the communiqué to be further discussed by the Working Party in order to evolve a new form of words. Turning to the question of the Conference of Maritime Powers, the Foreign Secretary asked Mr. Murphy what he hoped Mr. Murphy hoped to get out of this conference.

/replied

replied that, apart from gaining some time, the principal United States object was to make a useful impact on the Egyptian attitude. It might also fortify our position with regard to Article 1 of the 1888 Convention. A three power approach to this problem was not enough and it was essential to broaden the base. Although the United States were not signatories to the 1888 Convention they nevertheless benefitted from the use of this international waterway and would insist on their right to this use. The Foreign Secretary said that if we were not very careful the Conference of Maritime Powers might limit our freedom of action. M. Pineau said that the conference had two purposes:

- (i) To gain time,
- (ii) To make clear that the Canal should be put on an international basis.

There was further discussion of the Conference of Maritime Powers and the possibility of Egyptian and Soviet participation. It was pointed out that the Russians gained some benefit from the Canal and it might be in their interest for it to be kept open. It seemed likely that Egypt would not participate in such a Conference. The Foreign Secretary stressed that such a Conference would only do good if the majority were to support our point of view. It might therefore be necessary to make diplomatic approaches in advance to the countries concerned. Mr. Murphy agreed and pointed out that most of the countries on the proposed list should be on our side. Apart from Egypt the only doubtful starters seemed to be Sweden and India. The Foreign Secretary said that India might suggest the problem being considered by the United Nations. He considered that this would be fatal. M. Pineau regretted that a list based on members of the International Chamber of Shipping had been abandoned. He thought it would be better to use that list as a starting point and reserve the decision to invite additional members if necessary. The Foreign Secretary agreed with M. Pineau. The method of selection of the new list made it difficult to know how to deal with new applications. Mr. Murphy said that while he had no reaction from his Government yet on this problem, he saw two objections to the International Chamber of Shipping:-

- (i) The average man had not heard of this and it had a commercial rather than a political flavour.
- (ii) It did not meet our interest in invoking the 1888 Convention.

He preferred the new list. After further discussion the Secretary of State said that the Prime Minister would like to raise this question with M. Pineau and Mr. Murphy at lunch.

M. Pineau said that our object was to have a conference of users which would decide on an international solution. We did not wish to invite countries which would oppose our ideas. If such countries were to be asked, this should be at a later stage, after we had attained our objectives. Mr. Murphy felt this might only be postponing the evil day.

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The question of payment of dues was then discussed. M. Chauvel said that the Egyptian Government had given shipping companies a week to comply with the new regulations.

Mr. Proctor said that the Minister of Transport was seeing British ship owners in the afternoon and it would be necessary to give them instructions soon.

M. Pineau pointed out that some shipping companies normally made advance payments to the Suez Canal Company. Such companies would be in danger of being forced to pay twice for the same service.

Sir Leslie Rowan said that, if a political decision were taken that ships were to be kept moving through the Canal at present, it would be necessary to decide how payment should be made. It was to be hoped, although this seemed unlikely, that ships would continue to transit the Canal, paying as they had done previously. If masters found they could not get through the Canal on this basis they would then need exchange control authority to enable them to pay. If such authority were given it would not be for payment either to the Egyptian Government or their new Suez Canal authority, but would be given to shipping companies for "ships' expenditure generally". As to the question of shipping companies paying twice for the same service this might be dealt with by a subsequent claim. This problem, however, was subordinate to the necessity of keeping ships moving through the Canal, provided that was the political decision. If shipping companies asked whether they might pay the Suez Canal authority, they would be given no specific advice but simply told that if they found it necessary to pay there would be no objection on exchange control grounds. Payment would be made "subject to reserve as to the right of the Egyptian Government to demand the payment of dues". If this system were to be continued for a long time it would considerably prejudice the Government position of trying to avoid the recognition of the new Suez Canal authority.

The Secretary of State asked what the consequences would be if we refused to let anyone pay this bogus authority. This might mean either keeping ships waiting at each end of the Canal or re-routing round the Cape. Sir Leslie Rowan mentioned that this might be a means of calling Nasser's bluff. As to the technicalities of how payment should be made it had been suggested that a transferable account might be set up in London or a neutral country on behalf of the Government of Egypt, to which dues could be paid by cheque. This idea did not appeal to Her Majesty's Government, since it would imply recognition of the Egyptian Government's action. M. Pineau said that he had noted the Foreign Secretary's point, made the previous day, about letting oil supplies come through the Canal as long as possible, in order to build up a reserve. However, while it might not be desirable to stop shipping going through the Canal immediately, the arrangements contemplated were bound to be provisional only. He also wished to emphasise his concern for those shipping companies who would have to pay twice. Mr. Proctor pointed out that the difficulty of having to pay twice should not last long, since many companies ran weekly accounts. The Foreign Secretary said that the International Chamber of Shipping was due to meet in London on August 1. They might consider some of the issues involved.

/The longer....

The longer payments were continued, so that the new authority obtained money, the more face we should lose and the more we should weaken our juridical position.

He also wished to raise the question of our nationals in Egypt and perhaps Jordan. It was possible that there might be unpleasant incidents and it was for consideration whether we should now take steps to thin them out. There were some 13,000 British nationals in Egypt, of whom about 7,000 were from the United Kingdom. M. Pineau agreed with the Foreign Secretary that people with nothing urgent to do in Egypt should leave. Mr. Murphy said there were 2,800 Americans in Egypt plus a number of tourists. The United States sixth fleet had been alerted, but no decision on evacuation had been taken. It was agreed that this question might be discussed with the Prime Minister at lunch.

M. Pineau said that he would have to leave for Paris at 9 p.m., but would be able to return the following day at 5 p.m.

It was agreed that, as the Prime Minister was seeing M. Pineau at 4.30 p.m. and Mr. Murphy at 5 p.m., the next plenary meeting of the conference should be held at 6 p.m.