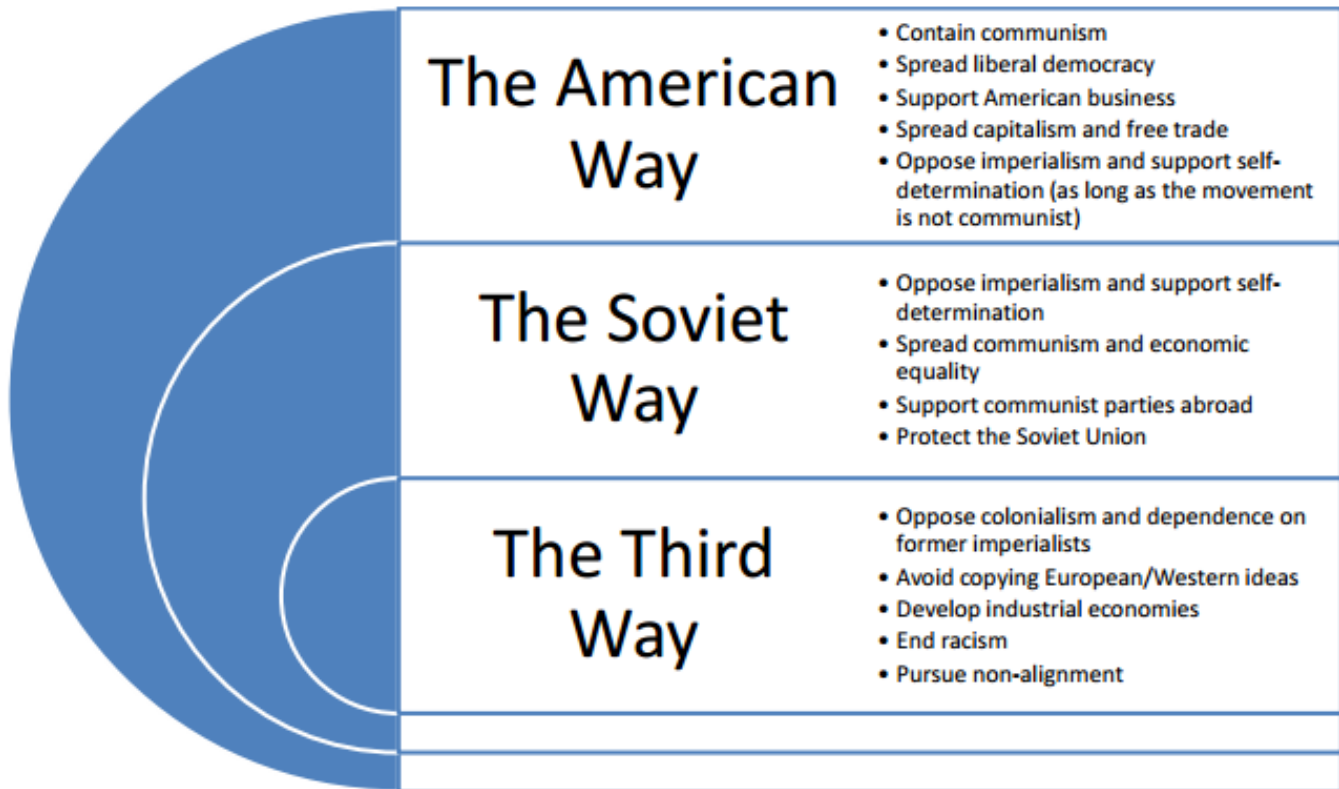


Day 131 – The Suez Crisis  
Mini Model UN  
**The Suez Crisis – Background Guide**

What Is a Third Way?

**CWW2.5 World Order Agendas Chart**



**Directions:** The Third Way was not just a theory – it was strategy employed by a number of countries during the Cold War to guide their foreign and domestic policy decisions. One of the best examples of this alternative path could be found in Egypt, where an independent and often controversial leader, Gamal Abd al-Nasser, pursued a policy of non-alignment, refusing to explicitly side with either the US or the Soviet Union. Read the following secondary source in order to answer the following question: “What was Egypt’s Third Way?”

Building the Suez Canal In 1854, what we now call Egypt was once a semiautonomous province of the Ottoman Empire. Egypt had its own ruler, a Khedive named Said Pasha. Because Said wanted to make Egypt more like a European country, he established relationships with European businessmen and gave them many concessions, or grants of rights and land. For example, these businessmen and the European nations that they lived in often pressured leaders of weaker nations, such as Egypt, to accept European control over a source of raw materials, such as cotton plantations, or a strategically located piece of land like the Isthmus of Suez. These concessions granted huge areas of land to the European nation or business and established long-term colonial relationships. Long after the leader had spent the money provided by the European country, the imperialists still exploited the concession. In Egypt, Britain and France had tremendous political and economic influence over Said. Said granted a French engineer named Ferdinand de Lesseps a concession to construct a canal across the Isthmus of Suez. Lesseps promised Said that the canal would make Egypt wealthy. The concession set up a private international company that would construct and operate the canal. The concession would last for 99 years after the canal opened. Egypt would receive 44% of the company stock, and the rest would be sold to European investors. Each year Egypt would receive 15% of the profits made by the Canal. Finally the concession said that 80% of the workers on the canals were to be Egyptians, who would be provided by the corvéé. The corvéé was a system of forced labor that had been used in Egypt for centuries. Peasants from villages were required to work for several months in between their farming responsibilities. The Canal Company had to pay the workers 2 or 3 piastres per day,

and children under 12 were to receive one piastre. In addition, the company was to provide food, water, tents, and transportation. In groups as large as 25,000 men at a single time, hundreds of thousands of Egyptian “fellahin,” or peasants, worked at manual labor, digging, hauling dirt, and building dikes.<sup>1</sup> While historians do not agree about how many laborers died while working on the canal, many Egyptians believe that 120,000 fellahin died during canal construction.

Lesseps raised the money to build the canal from wealthy European investors. He hired Frenchmen and other Europeans as engineers, supervisors, and technicians, and sometimes as manual laborers. As work on the canal progressed, the khedive contributed more money, until in the end Egypt paid more than half of the costs of construction. In 1869, the canal was complete. The Suez Canal rapidly became a major international waterway, because it made ship journeys from Europe to south and east Asia so much faster. Sailing through the canal instead of around Africa saved the British half the time of sailing from the port of London to Bombay (today: Mumbai) in their colony of India. By 1883, 80% of the ships that passed through the canal were British. The Suez Canal had become the “British lifeline.” In 1888, Britain, France, the Ottoman Empire and other countries signed a treaty, called a convention, for the international company to govern the Suez Canal.

### *Egypt under Imperialism*

The next ruler of Egypt was Ismail, who like Said, wanted to develop Egypt into a copy of a European country. Much of the agricultural land in Egypt belonged to small elite of wealthy landowners, and they began to grow more and more cotton to export to Great Britain. Khedive Ismail received lots of money, but he spent even more. To pay the difference, he borrowed huge amounts from British and French bankers. As Egypt’s debts grew, Ismail’s government sold its 44% interest in the Suez Canal Company for 4 million pounds. The buyer was the British government. When Egypt’s debts grew too large, the British seized control of Egypt’s finances and took over the Canal in 1879.<sup>3</sup> In 1884, the British army occupied Egypt, and for the next 54 years, the British controlled Egypt as its protectorate, or a weaker nation that kept its native ruler but was controlled by the imperialist power.

Egyptians continually rebelled against the British protectorate. Notably in 1881, Egyptian rebels developed the slogan “Egypt for the Egyptians,” as they tried to end foreign control of Egypt. Again in 1919, Egyptians rebelled against the British because they wanted independence. In 1924 the British granted Egypt independence, but the British kept control of the Suez Canal and stationed troops in the country to defend the canal zone. As the struggle to free Egypt continued, the Muslim Brotherhood gained popularity among the Egyptian common people, because this political organization called for independence for Egypt, protection of Islamic values and social reforms. By the 1950s, there was a huge inequality in land ownership in Egypt. While most lived in deep poverty, there was a small elite group of wealthy landowners who supported the king (when Egypt became independent, the khedive became the king).

### *Israel*

At the same time that the Egyptian nationalists were trying to get rid of British colonialism in Egypt, another colonial and nationalist conflict was growing in the country next door, the British mandate of Palestine. Jews believe that the area that is today Israel/Palestine was given to their ancestors, Abraham and Moses, by God. Most Jews did not live in that land, however, but instead lived in Europe and the United States. As demonstrations and riots against Jews increased in Eastern Europe in late 1800s, some Jewish leaders started a movement, called Zionism, to create a Jewish homeland in Palestine. Zionists campaigned for this homeland throughout the early 20th century, and many moved to Palestine. The Palestinians, people belonging to the Arab ethnic group who lived in Palestine, believed that the area was their homeland as well. These two competing claims for the same land caused huge conflicts and growing intolerance. After the Holocaust in World War II, the US and other Western nations thought that the Jews deserved a homeland of their own, but the Egyptians and other Arabs thought that the Palestinians deserved to keep the land. To the Egyptians and other Arabs, the Jews were not natives of the Middle East, but instead white colonists from Europe. Many Arabs thought that the US and other Western nations were setting up a new colony on Arab land. In 1947, the newly-formed United Nations divided British mandate of Palestine into a Jewish state and an Arab state, and in 1948 Jewish leaders proclaimed the state of Israel. War immediately broke out between Israel and its Arab neighbors, Egypt, Jordan, Syria, and Lebanon. Israel won the war and imposed an embarrassing defeat on its Arab neighbors, including Egypt.

## *Nasser's Revolution*

In 1952, a group of military officers led by Colonel Gamal Abd al-Nasser overthrew the king and took control of the Egyptian government in a coup d'état, a swift overthrow of a country's leaders. Nasser and his fellow "Free Officers" wanted to end British occupation and economic control, strengthen the Egyptian army, and make social reforms. They also wanted to avenge Egypt's defeat by Israel. They were very much against colonialism and any kind of foreign control, but they were not strong believers in any ideology, such as socialism, communism, or Muslim restoration. In 1953, Nasser abolished the monarchy and made Egypt a democracy (on paper.) Nasser ruled as a dictator, and the Nasser-led organization, the Revolutionary Command Council (RCC) was the only legal political party. Nasser's government outlawed both the Muslim Brotherhood and the Egyptian Communist Party and imprisoned their leaders. Nasser gained much popularity by introducing land reform, or the redistribution of farmland from the wealthy to the poor. In 1954, he negotiated a treaty with Great Britain to remove British troops from Egypt, including the Suez Canal zone. In 1955, the British pulled out their troops.

In the Cold War, Nasser wanted to follow a policy of non-alignment, meaning that he did not want to side with either the US or the Soviet Union. In the mid-1950s, the US was trying to form an alliance called the Baghdad Pact, to contain the Soviets from spreading into the Middle East. When the US invited Egypt to join the Pact, Nasser refused, charging that the Pact was just another form of imperialism and an attempt to keep Arabs dependent on the West. Nasser also publicly condemned the alliance and urged other Arab nations not to join. However, Nasser also wanted money, to buy weapons and build development projects, such as the Aswan dam on the Nile River. The US gave lots of weapons to its Baghdad Pact allies, Turkey, Iran, Pakistan and Iraq, but refused to give or sell any to Nasser. In 1955, Nasser approached the Soviet Union for weapons, and arranged to buy \$200 million worth of Soviet equipment from Czechoslovakia. The US was furious, and the British and French were very worried. It seemed to them that Nasser was a loose cannon who was only interested in inflaming Arab public opinion. Nasser had become a hero to many Arabs because he stood up to the imperialists of the West.

Early in Nasser's regime, Egypt had applied for World Bank funding to build a second dam at Aswan on the Nile River. The World Bank had approved a loan package which included funding from the US. In 1956, the US withdrew its loan offer, and used its influence with the World Bank to kill the entire loan. Now Nasser was furious. On July 26, 1956, Nasser nationalized the Suez Canal. This meant that the Suez Canal Company would become the property of the Egyptian government, which would control and operate the canal. Nasser promised that all ships would be able to use the canal freely, and that Egypt would compensate the foreign owners of company stock. He said he would use the money received to pay for the Aswan Dam and other development projects. Because they did not want Nasser to control the canal, the British and French protested that an international authority to control the Suez Canal. There were several International conferences held to try to find a resolution to the crisis. During those negotiations, Britain, France and Israel were secretly planning to invade Egypt, seize the canal and overthrow Nasser. In October 1956, the British, French and Israelis began bombing and invading Egypt. The United Nations organized a ceasefire agreement, and in early November, Britain and France agreed to stop fighting.

Both the US and Soviet Union opposed the attack on Egypt, which both saw as an act of imperialism. The US pressured its allies to withdraw from Egypt, leaving Nasser in possession of the canal. The Soviet Union provided weapons and aid money to Egypt. However, neither superpower was happy with Nasser, who spent the rest of his life (until his death in 1970) playing the US and the Soviet Union off against each other. Nasser's non-alignment policy was to use the strategic importance of his nation to get as much as he could from both sides in the Cold War, without committing Egypt to either side.

**Gamal Abd al-Nasser, "Speech at Alexandria, July 26, 1956"**

**Directions:** complete the analysis table as you read

**CWW2.8 Analyzing Nasser's 1956 Speech** (continued)

| Quote  | Is this statement accurate and fair? | Evidence to support your analysis? | Who would approve of this statement? Why? | Who would disapprove of this statement? Why? |
|--|--------------------------------------|------------------------------------|---|--|
| <p>"This Canal is an Egyptian canal. . . . Britain has forcibly grabbed our rights, our 44% of its shares. . . ."</p>  |                                      |                                    |   |  |
| <p>"Egypt undertook to supply labour to dig the Canal by corvée of which 120,000 died without getting paid."</p>   |                                      |                                    |   |  |
| <p>"Do you know how much assistance America and Britain were going to offer us over 5 years? 70 million dollars. Do you know who takes the 100 million dollars, the Company's income, every year? They take them of course. . . ."</p> |                                      |                                    |   |  |
| <p>"We shall not let imperialists or exploiters dominate us. We shall not let history repeat itself once more."</p>  |                                      |                                    |   |  |

|   |  |  |  |  |
|---|--|--|--|--|
| <p>"The Suez Canal was built for the sake of Egypt and for its benefit. But it was a source of exploitation and the draining of wealth. . ."</p>  |  |  |  |  |
| <p>"They [the Americans] do not want us to become an industrial country so that they can promote the sale of their products and market them in Egypt. I never saw any American aid directed towards industrialization as this would cause us to compete with them. American aid is everywhere directed towards exploitation."</p> |  |  |  |  |

Editor's note: Speaking of a meeting with Eugene R. Black, President of the International Bank for Reconstruction and Development, with which Egypt had been negotiating for a loan to help finance the construction of a high dam on the Nile at Aswan,

**Nasser said:** "I began to look at Mr. Black sitting in his chair imagining that I was sitting before Ferdinand de Lesseps. I recalled the words which we used to read. In 1854, Ferdinand de Lesseps arrived in Egypt. He went to Mohamed Said Pasha, the Khedive. He sat beside him and told him, "We want to dig the Suez Canal. This project will greatly benefit you. It is a great project and will bring excellent returns to Egypt. . . I am your friend, I have come to benefit you, and to dig a canal between the two seas for your advantage." The Suez Canal Company was formed, and Egypt got 44% of the shares. Egypt undertook to supply labour to dig the Canal by corv e of which 120,000 died without getting paid. We gave up the 15% of the profits which we were supposed to get over and above the profits of our 44% of the shares. Thus, contrary to the statements made by De Lesseps to the Khedive in which he said that the Canal was dug for Egypt, Egypt has become the property of the Canal... The result of the words of De Lesseps in 1856, the result of friendship and loans, was the occupation of Egypt in 1882.

Egypt then borrowed money. What happened? Egypt was obliged, during the reign of Ismail, to sell its 44% of the shares in the company. Immediately, England set out to purchase the shares. It bought them for 4 million pounds.... Is history to repeat itself again with treachery and deceit? ... Brothers, it is impossible that history should repeat itself... We are eradicating the traces of the past. We are building our country on strong and sound bases.... This Canal is an Egyptian canal. It is an Egyptian Joint Stock Company. Britain has forcibly grabbed our rights, our 44% of its shares....The income of the Suez Canal Company in 1955 reached 35 million pounds, or 100 million dollars. Of this sum, we, who have lost 120,000 persons, who have died in digging the Canal, take only one million pounds or three million dollars. This is the Suez Canal Company, which... was dug for the sake of Egypt and its benefit! Do you know how much assistance America and Britain were going to offer us over 5 years? 70 million dollars. Do you know who takes the 100 million dollars, the Company's income, every year? They take them of course. . . . We shall not repeat the past. We shall eradicate it by restoring our rights in the Suez Canal. This money is ours. This Canal is the property of Egypt... We shall not let imperialists or exploiters dominate us. We shall not let history repeat itself once more. We have gone forward to build a strong Egypt. We go forward towards political and economic independence... Today, citizens, rights have been restored to their owners. Our rights in the Suez Canal have been restored to us after 100 years. Today, we actually achieve true sovereignty, true dignity and true pride. The Suez Canal Company was a state within a state. It was an Egyptian Joint Stock Company, relying on imperialism and its stooges. The Suez Canal was built for the sake of Egypt and for its benefit. But it was a source of exploitation and the draining of wealth.... [I]t is no shame to be poor and work for the building of my country. But it is shameful to suck blood. They used to suck our blood, our rights and take them.

Today, fellow-countrymen, by our sweat, our tears, the souls of our martyrs and the skulls of those who died in 1856, a hundred years ago during the corvéé, we are able to develop this country. We shall work, produce and step up production despite all these intrigues and these talks. Whenever I hear talk from Washington, I shall say, "Die of your fury." We shall build up industry in Egypt and compete with them. They do not want us to become an industrial country so that they can promote the sale of their products and market them in Egypt. I never saw any American aid directed towards industrialization as this would cause us to compete with them. American aid is everywhere directed towards exploitation. We shall march forward united...one nation confident in itself, its motherland and its power, one nation relying on itself in work and in the sacred march towards construction, industrialization and creation...one nation...a solid bloc to hold out treason and aggression and resist imperialism and agents of imperialism. In this manner, we shall accomplish much and feel dignity and pride and feel that we are building up our country to suit ourselves... We build what we want and do what we want with nobody to account to.