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THE SUEZ
CANAL

Extracts From Nasser's

Suez Nationalization Speech: "Today we celebrate the threshold

of the fifth anniversary of the Revolution, after we spent four years striving, struggling and fighting to rid ourselves of the effects of the hated past as well as of the effects of imperialism under which we laboured for long centuries and of foreign and internal exploitation. We receive the fifth anniversary stronger and with firmer faith than ever before. We worked hand in hand, launched a Revolution, struggled and fought and achieved victory...

We resist imperialism and its supporters. There are before us long days of struggle for the sake of the dignity of our Fatherland. These battles will not end and we must be on the alert and beware the tricks of imperialists and their supporters. Imperialism attempted by all means to weaken our nationalism, enfeeble our Arabism and cause dissension in our ranks. With this object in view, imperialism has created Israel to be a tool in its hand... In effect the gangs which were converted into a State in 1948 are now being converted back to gangs, and it is a good omen that they should go back to what they were in 1948. This means that Victory Day is becoming near...

This fight in which we are engaged is against imperialism and its supporters and against imperialistic methods. It is a fight against Israel, the tool of imperialism, which was created in the heart of the Arab world to obliterate our nationalism the same as Palestine had been obliterated. But we will all defend our freedom and Arabism and struggle to see the Arab Motherland extend from the Atlantic Ocean to the Persian Gulf. Arab nationalism is advancing and will emerge victorious. Arab nationalism knows its way and is aware who are friends and who are enemies...

There is nothing new in what we declare loudly today, for we said the same thing on the first day of the Revolution. After that our struggle in the Canal Zone began. It is a struggle the story of which has not yet been fully told. In the struggle, the commandoes made the 80,000 British soldiers unable to defend themselves. Those unknown soldiers who sprang from among you and sacrificed their lives made the 80,000 British soldiers unable to defend themselves and this was the real reason for the evacuation... It was a long and bitter fight but it has not yet ended, for there are various forms of imperialism. Today, imperialism is embodied in the supporters of imperialism - the traitors.

IMPERIALISM:

Imperialism takes different colours and we have to combat it. Imperialism takes the forms of alliances and agreements. Imperialism began work to lay its hands on the Arab countries, but we resisted it, and at the same time Arab consciousness and Arab nationalism was awakening, and therefore

imperialism was unable to achieve its ends. Thus Arab nationalism emerged victorious and imperialism was badly defeated. It was defeated in Jordan when Templer tried to force the people of Jordan (which is composed of a million or a million and a half) to submit. But General Templer ran away from Jordan. Arab nationalism believes in its right to live and win and imperialism failed to achieve any of its aims. The Baghdad Pact failed to achieve anything and has been checked and frozen thanks to Arab public opinion and Arab patriotism.

We faced battles inside and outside. The imperialists helped France in Tunisia and Morocco and Tunisia and Algeria. NATO forces were moved to fight in Algeria. And America, the leader of the free world, supports France in the killing of the people of Algeria. Britain also supports, so do the states which made the Charter and the UN and self-determination. They have forgotten all this or try to forget it and have started to fight Arab nationalism in Algeria. All these forces are fighting ten million Algerians but Arab nationalism in Algeria has been able to defeat the allies of France ... Arms prepared for use against Russia could not stand in the face of Algerians... These battles which we are fighting, the battle of Jordan and Algeria, opposition to all pacts, all are our battles for our future, are interrelated with Jordan and the Sudan. The future of one is the future of all.

The imperialists want us to be their dependents and when they issue an order to respond to it... They want us to hear their orders about Israel which they say exists as a matter of fact, and they say that they will pay money to the Arabs of Palestine. We have pride in our Arabism and our land cannot be sold for money... We were denied arms supplies while arms were sent to Israel and she became a threat. Britain said she is ready to supply us with arms on condition that Abdul Nasser keep quiet at Bandung and left Britain to implement her policy of pacts. The arms question became an instrument to tie us and tie our freedom... We obtained arms and we signed the necessary contracts (referring to the Russian-Czech arms deal... America sent Mr. Allen with a letter from the U.S. Government... an official American visited me and said he was sorry about the situation which Egyptian-American relations had reached and advised me to accept the letter with cool nerves.. He said the letter will have no practical effects. It is only a letter. I said I am not a professional prime minister but have become a prime minister as a result of a revolution. If your representative comes and talks I will put him out of my office... He called on me again and said he reported this to Mr. Allen. He is now perplexed. If he calls on you, you will send him away, and if he informs Mr. Dulles of this, Dulles will expel him. What is the situation? I told him that all I know is that if he comes I will put him out of my office...

I was talking with courage as I knew that I was backed by you. This was my attitude... This was the motive which gave me strength and this is what made me tell the American representative that I would send him away... The people wanted that and were ready to struggle to the last drop of their blood. Thus the story of negotiations, alliances and of arms ended, and then began the story of the High Dam...

While talking to Mr. Black my memory went back to Ferdinand De Lesseps and what we used to read about 1854 when he arrived in Egypt and went and told the Khedive. We want to dig the Suez Canal which will benefit you. It is a mighty project which will restore to Egypt much. During my talks with Mr. Black (referring to talks about financing the Asswan Dam project) I used to feel the complexes of the past. His talks recalled to my memory the story of De Lesseps. I told him we would not like to have another Cromer in Egypt. I asked him to take that into consideration when he talked to me, because we suffered from certain complexes because of De Lesseps and Cromer.

De Lesseps arrived in Egypt on November 7, 1854. He went to Alexandria and began to work on December 30, 1854, after contacting the Khedive Mohamed Said who authorized him to dig the Canal. The Khedive said in the License that our friend De Lesseps has drawn our attention to the profits which Egypt would gain as a result of digging the canal between the two seas, and has informed us of the formation of a company of capitalists for this purpose. We authorized him to dig the Canal.

That was in 1854, a hundred years ago, when a company was established. Egypt owned 44 per cent of the shares of the company and undertook several obligations towards the company including supply of manpower by force. 120,000 Egyptian workmen died while digging the Canal. In other words we dug the Canal with our skulls, bones and blood and had to pay reparations to De Lesseps. Egypt was supposed to obtain 15 per cent of the profits in addition to the 44 per cent of the shares. But we gave up our rights; and the Canal which was dug for the Khedive did not belong to Egypt. On the contrary, Egypt belonged to the Canal. The Suez Canal Company did not observe the laws of Egypt. The company considered itself a state inside the state. Disputes were supposed to be dealt with by Egyptian courts of justice according to Egyptian laws. As a result of De Lesseps talks with the Khedive, of their friendship, and to debts, Egypt was occupied by the British in 1862 and was forced to sell her shares to the United Kingdom for L.E. 4,000,000; and Khedive Ismail signed an agreement giving up Egypt's share in the profits. In other words Britain obtained 44 per cent of the shares for nothing.

Would history repeat itself by treachery and deceit? Would exploitation and economic domination destroy our political freedom? Never, never my countrymen. We are not repeating the tragedies of the past. We are eradicating the traces of the evils of the past. We are rebuilding and reconstructing our country. The Suez Canal is an Egyptian canal built following great sacrifices. The Suez Company is an Egyptian company which was disappropriated from Egypt by the British who, since the Canal was dug, have been obtaining the profits of the company. The British and others are still obtaining the profits of the company.

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And yet the Suez Canal is an Egyptian limited liability company. The revenue of the Canal is L.E. 35 millions, or 100 million dollars. From this sum Egypt - which lost 120,000 workers in digging the Canal - takes one million pounds or 3 million dollars from the Company, which was established according to the Firman (decree) for the sake of Egypt's interest, and naturally, the revenue should go to them.

It is a shame that the blood of peoples be sucked, and it is no shame that we should borrow for construction. We will not allow the past to be repeated again, but we will cancel the past by restoring our rights in the Suez Canal. The Canal is the property of Egypt, and the Company is an Egyptian limited liability company. The Canal was dug by Egyptians and in the course of digging 120,000 Egyptian workers had died. This Company, which has its headquarters in Paris, is usurped. When Black comes to us he is like De Lesseps. We will build the High Dam and we will obtain our rights. We will build it as we wish, and we are determined to do so. The L.E. 35 millions which the Suez Canal Company collects each year will be collected by us for the benefit of Egypt ... We will not fear warmongers and we will rely on ourselves and our own blood. We were lenient about our right; but these rights will be restored by us step by step, and we will build a strong Arab-Egypt. Today, I signed the following law, and the Government has approved that Law.

Nationalization Law

"The Law concerning the nationalization of the Suez Canal company is contained in a Presidential decree which cites the firmans of Nov. 30 1854, and Jan. 5, 1856, concerning the concession for the passage of ships through the Suez Canal and the formation of an Egyptian limited liability company to manage it.

The decree goes on to list subsequent laws governing public utility concessions, the individual labour contract, and companies.

The decree then says that in accordance with what the State Council finds, the following law is issued.

ARTICLE I - The Suez Canal Maritime Company, S.A.E. is nationalised. All money, rights and obligations of the company are transferred to the state. All organisations, and committees now operating the company are dissolved.

Shareholders and holders of constituent shares shall be compensated in accordance with the value of the shares in the Paris Stock Market on the day preceding the coming into operation of this law.

Payment of compensation shall be paid once the state takes delivery of all the assets and property of the nationalized company.

ARTICLE 2 - The management of the Suez Canal traffic utility will be in the hands of an independent authority enjoying juristic personality and be attached to the Ministry of Commerce. The formation of the authority and the amount of compensation to be paid to its members shall be by order of the President of the Republic. The Authority, for the sake of managing the utility, shall exercise all the necessary powers without being limited by Government rules and systems.

Without prejudice to the control of the Audit Department over the balance sheet, the authority shall have an independent budget whose preparation shall be in accordance with commercial principles. The budget shall commence on July 1 and end on June 30 of every year. The budget and the balance sheet shall be approved by a decree of the President of the Republic. The first budget shall commence on the date this law comes into operation and end on June 30, 1957.

The authority can delegate one or more of its members to execute its decisions or perform any duty assigned to him.

It is also permissible to form from among its members or other technical committees to help in research and studies. The authority shall be represented before the courts, government and other authorities by its Chairman and shall represent it in dealing with others.

ARTICLE 3 - The money, property and rights of the nationalised company in Egypt and abroad are frozen. Banks, organisations and individuals are prohibited from disposing of those properties in any manner or spend any amount or pay any demands or obligations except by order of the Authority mentioned in Article 2.

ARTICLE 4 - The Authority shall retain all the employees and workers of the nationalised company. They will continue performing their duties and none can leave his work or give it up in any manner or for any reason except with the permission of the Authority mentioned in Article 2.

ARTICLE 5 - Any contravention of Article 3 is punishable with imprisonment and a fine equal to three times the value of the money in question. Every contravention of Article 4 shall be punishable with imprisonment in addition to denying the person concerned from any right to compensation, pension or end of service gratuity.

ARTICLE 6 - This decree shall be published in the Official Gazette, and will have the force of law and come into operation from the day it is published. The Ministry of Commerce is empowered to issue the necessary executory orders.

This decree shall bear the seal of the state and be executed as one of its laws."

All American Aid
Exploitation

"We will not allow imperialists and oppressors to dominate us. We will not accept that history shall repeat itself. We will build Egypt on a strong basis, and will advance towards political and economic independence. When we look back, we do so to demolish the relics of the past - the relics of enslavement, exploitation and domination.

The Suez Canal was one of the edifices of oppression. Now our funds are coming back to us and our rights are restored to us. The Revenue of the Suez Canal is L.E. 35 millions or 100 million dollars, and consequently we have no need to wait for the American assistance which amounted only to \$70 millions....

Whenever a statement emanates from Washington I will tell them 'die of your fury'. They do not want us to be an industrial country so that their trade may not stagnate. I have never seen any American aid leading towards industrialisation. All American aids were meant as a means of exploitation.

The people will stand united as one man to resist imperialist acts of treachery. We shall do whatever we like. When we restore all our rights, we shall become stronger, and our production will increase. At the moment, some of your brethren, the sons of Egypt, are now taking over the Egyptian Suez Canal Company, and directing it. We have taken this decision to restore part of the glories of the past and to safeguard our national dignity and pride. May God bless you and guide you to the path of righteousness."

("Egyptian Gazette", Cairo,
27 July 1956)

Dr. Nosseir
Explains

"Dr. Mohamed Abu Nosseir, Egyptian Minister of Commerce, yesterday charged the Suez Canal

Company with having failed to fulfil several of

its obligations. He said the obligations included the conversion of Lake Timsah near Ismailia into a harbour for the biggest ships. The company had also failed to develop the canal between Port Said and Suez for the passage of big ships, stated at a Press Conference in Cairo. The Minister added that the Company had also neglected to prepare Port Said for transit trade. There were no quays in Port Said where ships could berth, so that loading and unloading went on at sea, using obsolete methods involving tremendous expenses. Dr. Abu Nosseir also stressed that the Canal Company had run a public establishment closely linked to Egyptian economic and political life. It was doing so on behalf of the Government which had granted the concession.

Payment of Tolls: In reply to a question about the payment of tolls for steamers passing through the Canal, the Minister said, 'This is a question of detail and internal Administration would decide. There is a law providing for payment in Cairo or Paris.'

Told that Britain may resort to the International Court of Justice or the Security Council the Minister said, 'neither the Security Council nor any other organisation is entitled to consider such a dispute since it is connected with an internal question.' He gave as example Iran's oil.

asked what the Government would do if the banks refused to pay the company's frozen assets, the Minister replied. 'We will not pay compensation to stock-bearers.'

The Minister said ships refusing to pay tolls would not be allowed through the Canal.

Steps had been taken to ensure the smooth service of the Canal. Mr. Abu Nousseir said foreign employees of the Company would continue to enjoy the same privileges they have enjoyed so far.

Earlier, during the press conference, the Minister had said that Egypt had paid the greater part of the cost of digging the Canal. 'The Company', he said, 'started with a capital not exceeding half a million pounds whereas the cost totalled over sixteen million pounds. Egypt covered the difference' - Reuter.

Questions: Answering questions, the Minister said:

'The Canal is a public utility owned by the State and the company was administering it on behalf of the State. The State naturally, therefore, has a right to retake it at any time.'

'The Suez Canal Company is a Societe Anonyme Egyptienne and no foreign authority has a right to interfere in the nationalisation law. France and Britain have adopted similar measures with regard to companies which are of less importance than the Suez Canal Company.'

'The Security Council is a political body and has no right to deal with this matter. The International Court of Justice has no jurisdiction because it is the case of an Egyptian law affecting an Egyptian company. The Egyptian courts are the only courts with jurisdiction to deal with anything regarding the company as is stipulated in the concession.'

'Ownership of shares of the company came to an end as of Thursday and the value is now fixed at the price on the stock market on Thursday. The shares are now in the category of promissory notes. Stocks are only a loan and will be paid in the manner the loan was made. For this reason the nationalisation law did not refer to stocks. The manner of payment will be defined later by order of the Authority administering the company. All the necessary technical and administrative measures have been taken to administer this utility.'

'Every employee who leaves his work at the company without permission will be imprisoned. Imprisonment is by law from 3 to 15 years. The rights of employees, pilots and workers are protected and their salaries continue. Their position has not changed at all.'

'Payment will be affected once the Egyptian Government secures all the frozen assets abroad. The Authority set up by law to administer the company is a permanent and not a temporary body. Ownership of frozen assets has as of Thursday been transferred to the Egyptian Government.'