Jarmo Oikarinen

THE MIDDLE EAST IN THE AMERICAN QUEST FOR WORLD ORDER

Ideas of Power, Economics, and Social Development in United States Foreign Policy, 1953–1961

B I B L I O T H E C A H I S T O R I C A 4 7

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Cover illustration: John Foster Dulles stepping out of the plane at the Dhahran Airfield, Saudi Arabia, May 1953. Photograph courtesy of the Seeley Mudd Manuscript Library, Princeton University.

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This world of nations has certainly been made by men, and its guise must therefore be found within the modifications of our own human mind.

Giambattista Vico

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Responsibility for the content rests with me, but this is the proper place to express my gratitude to those who have helped me along the way.

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Tampere, October 1999
Jarmo Oikarinen

Introduction: The Middle East and the American Idea of a World Order

> The development of a common set of principles to govern Western relationships with Asiatic Moslem populations.... It seems to me that we must develop a set of principles to be observed by all three nations [the United States, Britain, and France] in their relationships with these great areas – principles that will take into account both the legitimate aspirations of these people and the practicalities of earning a living in the modern world. We should develop a program that would at least eliminate differences in essentials in our several approaches to all these people and a program which would be appealing vis-a-vis the Russians, who are in effect offering nothing but political and social revolution.... These three countries might well expand this idea to include relationships with other important parts of the world.[1]
>
> Dwight D. Eisenhower, 2 January 1952

> President Eisenhower spoke at once to the American people and to the world, announcing that we could not have a dual standard of conduct – one for our friends and one for our enemies – but that there was to be a world order, one set of principles had to govern all.[2]
>
> John Foster Dulles, 11 November 1956

On January 14, 1959, three months before resigning from the position of United States Secretary of State, John Foster Dulles appeared for the last time before an executive session of the Senate Foreign Relations Committee. Whether or not it was consciously intended as a political testament by a politician mortally ill from cancer, the statement he made that day was nonetheless a vigorous defense of the foreign policy conducted during Dwight D. Eisenhower's presidency. At the same time it was a passionate declaration that United States foreign policy was not solely based on power political considerations or mere reactive containment of the Communist threat. "What attracts attention are the aggressive probings of the Communists and the Free World reactions thereto. That gives the impression that our foreign policy consists primarily of reacting

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1 Eisenhower to MacArthur II, 2 January 1952, in Galambos, Louis (ed.), *The Papers of Dwight David Eisenhower*, XII, *NATO and the Campaign of 1952* (Baltimore: Johns Hopkins University Press, 1989), 833–834.

2 Dulles, "Thoughts on a 'Big Three' Meeting," 11 November 1956, 'Top Secret, Personal and Private,' Dulles Papers, Subject Series, Box 7, 'Think Pieces - Drafts, 1956 [1],' Dwight D. Eisenhower Library, Abilene, Kansas.

to Communist initiatives. Nothing could be further from the truth," Dulles asserted. Instead Dulles argued that progress was being made toward "establishing a world order" for "the interdependent world community of which we are part" to move "steadily toward lasting peace, orderly freedom and growing opportunity."[3]

As Dulles went on to further elaborate on this concept of a world order, he specifically pointed to United States policy during the Middle Eastern Suez Crisis of 1956, arguing that it could "well prove to be a historical landmark" in the unfolding of a new world order.[4] During the Suez Crisis, in the early hours of November 4, 1956, the General Assembly of the United Nations engaged in a vote, which no doubt strikingly reflected the evolution of world politics after the Second World War. A resolution proposed by India and eighteen other mostly newly independent countries of Asia, the Middle East, and Africa demanded that two European great powers, France and Great Britain, end their military intervention in Egypt within the next twelve hours. The resolution was passed by an overwhelming majority of fifty-nine votes to five. Australia, New Zealand, and Israel voted with Britain and France; otherwise the world power and influence of the two great European imperial powers was not strong enough to gain any support. While Soviet tanks were gathering around Budapest to suppress the national uprising there, the United States representative found himself voting with the Soviet Union against NATO allies. "President Eisenhower spoke at once to the American people and to the world," Dulles reflected a week later on Eisenhower's speech at the height of the Suez Crisis, "announcing that we could not have a dual standard of conduct – one for our friends and one for our enemies – but that there was to be a world order, one set of principles had to govern all."[5]

As the Anglo-French attempt to regain control of the Suez Canal ended in failure, it was clear that the self-destruction of European power and authority in two world wars, global Cold War policies of the Soviet Union and the United States, and the rise of nationalism in the newly independent and remaining colonial areas had indeed changed the dynamics of world politics.[6] It was this context of global change which provided the setting for American foreign

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3 Briefing by Dulles at an Executive Session of United States Senate Committee on Foreign Relations, 14 January 1959, U. S. Congress, Senate, Committee on Foreign Relations, *Top-Secret Hearings by the U. S. Senate Committee on Foreign Relations: First Installment, 1959–1966* (Frederick, MD: University Publications of America, 1981), 1: 1–71.

4 *ibid.*

5 Dulles, "Thoughts on a 'Big Three' Meeting," 11 November 1956, *op.cit.*

6 On these large-scale changes, see e.g. Watt, D. Cameron, *Succeeding John Bull, America in Britain's Place 1900–1975, A Study of the Anglo-American Relationship and World Politics* (Cambridge: Cambridge University Press, 1984); Watson, Adam, *The Evolution of International Society* (London: Routledge, 1992), 288–298; Mommsen, Wolfgang J., "Einleitung," Mommsen, Wolfgang (Hrsg.), *Das Ende der Kolonialreiche: Dekolonisation und die Politik der Grossmächte* (Frankfurt: Fischer, 1990); and the essays in Mommsen, Wolfgang,and Osterhammel, Jürgen (eds.), *Imperialism and After: Continuities and Discontinuities* (London: George Allen and Unwin, 1986).

policy during the years of Dwight D. Eisenhower's presidency from 1953 to 1961. It was also against the backdrop of this world of Cold War and decolonization that the American idea of a world order developed.

World Order as a Conceptual Framework

This is a study about the concepts and categories of thought which lay behind United States foreign policy during Dwight D. Eisenhower's presidency, from 1953 to 1961. By seeking connections between conceptual beliefs and political action, it analyzes the extent to which a tendency existed to evaluate political alternatives in terms of a conception of a possible world order – beliefs and assumptions regarding potential international harmony. A closely related question is whether this idea of intervention for reform, which covered a wide range of issues in the U.S. foreign policy spectrum, acquired instrumental importance in the making of foreign policy both generally and more specifically with regard to the Middle East.

The concepts central to this study address the relationship between nation-state societies and the international system. Thematically, 'self-determination', 'collective security,' and 'leadership' primarily reflect the relationship between national sovereignty and international power relations, as well as the international position of the United States. 'Development', 'interdependence', and 'democracy' refer to the relationship between national economy and socio-political development on the one hand, and international economic interdependence on the other. These concepts were all contested both internationally and domestically within the United States. All of them were used as political arguments both in the Cold War context and in debates about the nature and scope of decolonization. As this study is focussed on the United States and top-level foreign policy decision-making, it makes no pretense to do justice to the whole of that discourse and to all different viewpoints presented. The thesis does seek to demonstrate, however, the relevance and significant impact of both the domestic and the international debate regarding the content of these ideas on U. S. policy making. Therefore, these concepts open an avenue toward understanding United States foreign policy.

The study is organized to reflect an argument about the evolution of United States foreign policy toward the Middle East, with a focus on concepts which tied America's Middle Eastern policies to the idea of world order. The central argument is that there existed a tendency to project this vision of a world order as a solution for perceived problems in given policy situations. In that process these concepts became problematic, required rethinking and also reoriented policy formation. The themes of self-determination, collective security, leadership, development, interdependence, and democracy run through the thesis, and in this sense the structure is chronological rather than thematic. The focus does, however, shift, reflecting the concurrent argument about the changing problematic of U.S. Middle Eastern policy as intertwined with the quest for principled international order.

I have sought to place this study at the intersection of political history and the history of ideas – between ideas and political action. It is consequently not intended as a study of abstract ideology or idealism. Rather, it studies the idea of a world order as it can be discerned in the actual political decision-making of U. S. foreign policy during the Eisenhower presidency. It is necessary to note that there never was any authoritative, comprehensive, and systematic exposition of the beliefs that made up the mentality of mid-twentieth-century American foreign policy makers. Therefore, by the strictest definitions of an ideological system, the idea of world order probably should not be called ideology. But if the persistence of the idea of world order is ignored, there is a risk of distorting and neglecting assumptions and aims that shaped mid-twentieth century United States foreign policies and activities in major ways. Even if one does not wish to establish causal determinacy between ideas and action, it seems plausible to argue that the intellectual matrix within which a given historical community operates, provides sources of action and parameters of policy.

The interpretative point of departure is that the meaning of a text or an act – political action – is not innate to that action, but dependent on the situation or context it is understood in. It is suggested here that the idea of world order can be understood as a such semantic mental map (or a series of overlapping mental maps) providing that horizon. As far as the purpose of studies covering political action is the retrieval of some of the historical identity of that action, then one should recognize that any act is bound to represent an individual response to a culturally specific constellation of issues. Culturally and socially bound conceptual conventions furnish means for assessment and choice, criteria by which judgments seem either problematic or coherent. These beliefs shape historical foresight, "horizons of expectation," marking the limits to the field of action in which, at the moment, it is possible to see a change in human affairs as possible, probable, or feasible, and to decide which goals could be realized (ambition), or should be defended (fear). The existence of such systemic beliefs gives the confidence and assurance that through interference it is possible to produce or prevent changes in the world. And conversely, systemic beliefs make it possible to let the world change without interference by providing a horizon of expectation as to where the change is going to lead.[7]

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7 On these points I have found useful Von Wright, G,. H., *Explanation and Understanding* (Ithaca: Cornell University Press 1971), especially 63–64; Skinner, Quentin, "Meaning and Context in the History of Ideas," [1969] in Tully, James, (ed.), *Meaning and Context: Quentin Skinner and His Critics* (Princeton: Princeton University Press, 1988); Berlin, Isaiah, *Concepts and Categories* (New York: Viking Press, 1979); Henrikson, Alan K., "The Geographical 'Mental Maps' of American Foreign Policy Makers," *International Political Science Review* 1 (1980), 495–530. The term 'horizon of expectations' comes from the work of Reinhart Koselleck, see his "Horizons of Expectation," *Futures Past: On the Semantics of Historical Time* (Cambridge, MA: MIT Press, 1985). For Koselleck, there is a definite power dimension involved. His theoretical premise is that conceptual structures tend towards intellectual regimes reflected in institutions (society's norms and rules and their organizational expressions) and political culture, providing the framework for the definition and interpretation of social problems and thus the horizon for potential action to solve them.

The importance of horizons of expectation for this study lies not so much in their accuracy in describing or forecasting political and social change (a related but distinct question), but their strength in serving as theoretical bases for practical political decisions. Such search for larger contexts was also something that Eisenhower and Dulles consciously pursued. Eisenhower noted that his method was "to strip each problem down to its simplest possible form," and "[h]aving gotten the issue well defined ... tr[ying] then in the next step to determine what answer would best serve the *long term* advantage and welfare of the United States and the free world."[8] Dulles was convinced that "oftentimes matters which are insoluble in isolation become soluble in a larger context."[9] The focus here is on the extent to which the ideas of world order created a view of 'available futures' or 'achievable futures' consisting both those futures likely to happen 'of themselves' and those that are perceived as ones that potentially could be 'made' to happen if appropriate measures were taken.

It is of course essential to distinguish between what people thought was happening and what was actually happening. It is, moreover, necessary to distinguish between actual phenomena and the meaning invested in those phenomena. The following thesis will be mainly concerned with the meaning, and with the mentality or *weltanschauung* in terms of which actual phenomena were understood. Consequently this is primarily a study of an American conception of international politics, which seeks to understand and explain the American 'reading' of the world.

Eisenhower, Dulles, and the Administrative Context

The focus of this study is on concepts and contexts rather than biographical history or interest-group behavior. In terms of its sources, however, it is centered on the top-level of the decision-making process with two persons, President Dwight D. Eisenhower and Secretary of State John Foster Dulles, standing out. Eisenhower was the hero general of the Allied forces during the Second World War, a military leader with almost unrivalled reputation and popularity. Born in Denison, Texas in 1890, he grew up in Abilene, Kansas, and

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See also Karl Mannheim's argument in *Ideology and Utopia* (New York: Harcourt, Brace and Company, 1936), 209–210, that "the innermost structure of a mentality of a group can never be as clearly grasped as when we attempt to understand its conception of time in the light of its hopes, yearnings, and purposes... Bare facts set themselves in perspective, and emphasis in meaning are distributed and apportioned to individual happenings in accordance with the fundamental directions in which the personality strives." From the perspective of cognitive theory, Susan Fiske and Shelley Taylor describe in *Social Cognition* (New York: Random House, 1984) how "consequences of alternative courses of action are assessed with the aide of causal beliefs. Belief systems serve the need for information, since expectations embedded in the belief system can be used to fill in gaps in information."

8 Eisenhower to Alfred M. Gruenther (Supreme Commander of NATO forces in Europe), 1 February 1955, Ann Whitman File, Eisenhower Diary Series, Box 9, 'DDE Diary (2), February 1955,' Dwight D. Eisenhower Library.

embarked on a military career after graduating from West Point in 1915. By the time of the Second World War, Eisenhower was an experienced staff officer, becoming the head of the war-plans division in Washington, before assuming the command of the Allied forces first in North Africa and later in Western Europe. He was Chief of Staff for the United States Army during the early stages of the Cold War, but retired to become President of Columbia University in 1948.

During his three years at Columbia University, Eisenhower remained an active participant in and public speaker on international affairs. He was on close terms with Defense Secretary James Forrestal, and chaired an influential study group on economic aid to Europe for the Council on Foreign Relations in New York. In 1951 Eisenhower accepted the offer to become the first NATO Supreme Commander in Western Europe. Within a year he accepted nomination as the Republican Party candidate for the presidency.[10]

Dulles' resume on the diplomatic side was equally impressive. As Eisenhower once remarked, Dulles had "spent his life in this work in one form or another."[11] Grandson of President Benjamin Harrison's secretary of state John Foster, and nephew of Robert Lansing who held the same post in Woodrow Wilson's administration, Dulles was born in 1888 in Washington D.C., while his grandfather was then Secretary of State. He grew up in northern New York state, in Watertown, and studied at Princeton, the Sorbonne, and George Washington University. Dulles accompanied his grandfather to the Hague peace conference of 1911 and went with his uncle to another peace conference at Versailles eight years later. During the First World War, Dulles operated as a liaison officer between the General Staff and the Work-Trade Board, becoming a specialist in economic diplomacy, working on issues related to the blockade of Germany during the war and dealing with war reparations as a counsel to Wilson's team in Versailles.[12]

Dulles entered the renown Wall Street legal firm Sullivan & Cromwell as a clerk. Before retiring as a senior partner in 1949, he had spent the interwar period working to a great extent on the economic stabilization and rehabilitation loans that were made between private U. S. banks and foreign countries, performing the type of service that was – as Dulles would later note to the Senate Foreign Relations Committee – performed after the Second World War by governmental and intergovernmental foreign aid agencies. As one of the lay leaders of the Presbyterian Church, Dulles also became well-known for his

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9 Memorandum of conversation, 11 January 1956, Dulles Papers, White House Memoranda Series, Box 4, 'Meetings with the President, January 1956 through July 1956 (5),' Dwight D. Eisenhower Library.

10 See especially Ambrose, Stephen, *Eisenhower: Soldier, General of the Army, President-elect, 1890-1952* (New York: Simon and Schuster, 1983).

11 Eisenhower Diary, 10 January 1956, Ann Whitman File, Eisenhower Diary Series, Box 12, 'Diary, January 1956,' Dwight D. Eisenhower Library.

12 For a fine treatment of Dulles' early career, see Pruessen, Ronald W., *John Foster Dulles: The Road to Power* (New York: Free Press, 1982).

activities in the world ecumenical movement.[13] After the outbreak of the Second World War, Dulles became Chair of the Commission for a Just and Durable Peace set up by the Federal Council of Churches. President Franklin D. Roosevelt asked him to work on the United Nations Charter at the San Francisco conference, which led to continued involvement in the making of United States foreign policy. In fact, by the time he became Secretary of State in January 1953 he had accompanied his four predecessors to their first international conferences as secretaries of state. He had been to San Francisco with Stettinius, London with Byrnes, Moscow with Marshall, and Paris with Acheson. After spending a year as Senator from New York, Dulles lost his seat in the 1950 elections. He was asked to come back to work at the State Department, and was later put in charge of peace treaty negotiations with Japan.[14]

As much as Eisenhower was the war hero and general, and Dulles the accomplished peace negotiator and diplomat, their public image after years in high political offices reflected that point of departure in ambiguous ways. Eisenhower, the military man, became known as the smiling, golf-playing president, who advocated fiscal restraint in military build-up and warned against the growth of the military-industrial complex in his farewell speech. His popularity had been demonstrated in two clear election victories, but actual policy questions had seemed hard for him to handle during press conferences. Dulles, the diplomat, had acquired a reputation as the quintessential intransigent cold warrior with an inclination toward tirades of crusading ideology. He had dominated the foreign policy decision making, it seemed, bringing concepts like 'massive retaliation', 'roll-back', and 'liberation' into the mainstream of American foreign policy discourse. He had publicly argued that diplomacy in the atomic age required the boldness to go to the brink of war, substituting 'brinksmanship' for 'statesmanship'.[15] Put together, these statements contributed to making Dulles one of the most notorious foreign policy leaders in American history. "[I]f only Dulles had not been Secretary of State," wrote historian Gaddis Smith in 1973, it "might have brought an early end to the cold war, reduced the level of bloody tragedy in the Middle East, created a lasting settlement in Indochina, and prevented damaging strains to the Atlantic alliance."[16] Dulles and Eisenhower seemed like an odd couple, "rain and shine" in the words of *Washington Post* cartoonist Herblock, or "the great golfer and the Presbyterian elder," as Dean Acheson once remarked.[17]

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13 *ibid.*; U. S. Congress, Senate, Committee on Foreign Relations, *Hearings on the Nomination of John Foster Dulles: Secretary of State-Designate, January 15, 1953*, 83rd Cong., 1st sess. (Washington: United States Government Printing Office, 1953), 1–3; For Dulles' role in the ecumenical movement, see Toulouse, Mark G., *Transformation of John Foster Dulles : From Prophet of Realism to Priest of Nationalism* (Macon: Mercer University Press, 1985).

14 *ibid.*

15 For a scathing contemporary view, see Graebner, Norman, *The New Isolationism: A Study in Politics and Foreign Policy Since 1950* (New York: Ronald Press, 1956).

16 Smith, Gaddis, "The Shadow of John Foster Dulles," *Foreign Affairs* 52 (1974), 403–408.

17 Acheson quoted in Brinkley, Douglas, *Dean Acheson: The Cold War Years, 1953–71* (New Haven: Yale University Press, 1992), 12.

This picture has considerably changed since the opening of the Eisenhower era archives. Eisenhower clearly was much more in charge of the conducted policy than what was believed to be the case. General policy lines and objectives were usually discussed and decided at the National Security Council (NSC) meetings which Eisenhower chaired, and during crisis periods the President assumed the responsibility and leadership in key decisions.[18] The image of Dulles has also gradually changed. Most new studies portray him as more flexible and nuanced in his approach to international affairs than formerly believed, bringing about another problem of explaining the discrepancies between Dulles' rhetoric and his apparently more cautious diplomatic practice. Dulles' performances have sometimes been interpreted as intentional. The perception of Dulles as Eisenhower's 'lightning rod', who attracted the majority of liberal criticism and secured right-wing support, should be coupled with frustrated remarks by Eisenhower and others about Dulles' public overstatements which made him look like an "international prosecuting attorney." Eisenhower's adviser and sympathetic observer, C. D. Jackson, lamented that while Dulles was able to put up "a superb performance" in small settings, "how tragic it was that he did not possess the qualities to externalize this ability."[19]

There is, however, little doubt as to the mutual admiration and close working relationship between Eisenhower and Dulles. "I admire tremendously his wisdom, his knowledge in the delicate and intricate field of foreign relations, and his tireless dedication to duty," Eisenhower wrote about Dulles to an old friend in 1958.[20] For the purpose of this study the much-discussed decision-making relationship between Dulles and Eisenhower is of secondary interest compared to the similarity or dissimilarity of their political and social thought. In most cases, moreover, it seems that Dulles and Eisenhower worked closely together.[21] Eisenhower himself noted that Dulles never made a serious pronouncement without "complete and exhaustive consultation with me in advance and, of course, my approval."[22] William Rountree, who was the longest serving assistant secretary of state for Middle Eastern affairs, concurred that Dulles consulted with the President on all matters of importance, being "quite meticulous in reporting to the President."[23]

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18 This emphasis is clearest in Greenstein, Fred I., *The Hidden-hand Presidency: Eisenhower as Leader* (New York: 1982); and Nelson, Anna Kasten, "'The Top of the Policy Hill': President Eisenhower and the National Security Council," *Diplomatic History* 7 (1983), 307–326.

19 C. D. Jackson Diary (Log), 20 July 1956, C. D. Jackson Papers, Box 69, 'Log – 1956,' Dwight D. Eisenhower Library.

20 Eisenhower to Swede Hazlett, 26 February 1958, Ann Whitman File, Name Series, Box 18, Dwight D. Eisenhower Library.

21 Immerman, Richard, "Introduction," in Immerman, Richard (ed.), *John Foster Dulles and the Diplomacy of the Cold War* (Princeton: Princeton University Press, 1990); Nelson, Anne Kasten, "'The Top of the Policy Hill'," 307-326.

22 Eisenhower to Swede Hazlett, 23 October 1954, Ann Whitman File, Name Series, Box 18, Dwight D. Eisenhower Library.

23 William Rountree Interview by Philip A. Crowl, 9 December 1965, John Foster Dulles Oral History Collection, Seeley G. Mudd Library, Princeton University, Princeton, New Jersey, 7.

According to Robert Bowie, the director of the State Department's Policy Planning Staff, Dulles worked closely with seven to nine people in the State Department, essentially drawn from the assistant secretaries assigned for different policy areas, and the head of the Policy Planning Staff. The normal routine was to have a paper prepared and circulated before a meeting was called. "Often the discussion would go on for an hour, or an hour and a half, or even two hours," Bowie later said. "In the course of it there would be very lively give and take and expression of views all around, contesting of views among the advisors and with him."[24] Both Bowie and Rountree were impressed with the extent to which Dulles sought advice and counsel, and looked for forceful dissenting views in order to define his own.[25]

The list of State Department officials dealing with the Middle East shows considerable continuity from Truman to Eisenhower. All the key places were occupied by men who had served in European or Middle Eastern sections of the Department throughout the post-war era either in Washington or in American embassies. This continuity in the Middle Eastern section of the State Department was emphasized by the fact that the only assistant-secretary-of-state-level official who retained his position during the transfer of power from Truman to Eisenhower was Henry Byroade, who was in charge of the Middle East and later took up an important position as ambassador in Cairo. Additionally, the two top CIA officials of the Truman era – Walter Bedell Smith and Allen Dulles – both received high-ranking positions in Eisenhower's administration. Smith moved to the State Department to become John Foster Dulles' deputy, while Allen Dulles was promoted to head the CIA. While most of the high profile "wise men" of the Truman administration opted out or were left out of the new one, such well known Truman era officials and later Kennedy/Johnson administration members as Dean Rusk (Rockefeller Foundation) and Walt Rostow (economist at MIT) were at times closely involved in policy planning during the Eisenhower years. If one adds Dulles' own experience as a member of Truman's foreign policy team and Eisenhower's tenure as commander of NATO's European forces, the foreign policy elite of that era obviously shared a great deal of collective experience from the pre-1953 Cold War.

Dulles did not have a high regard for the institutional planning groups which had been organized within the Government. "The various so-called idea mechanisms that we have, like my own Policy Planning Board, have become completely useless as producers of ideas," he complained in 1956, "because they have to spend all their time arguing in NSC Board Meetings, for the ultimate purpose of producing a piece of paper which represents the lowest

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24 Robert R. Bowie Interview by Richard D. Challener, 10 August 1964, Dulles Oral History Collection, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey, 3–4.

25 William Rountree Interview, 9 December 1965, *op.cit.*, 7; Robert R. Bowie Interview, 10 August 1964, *op.cit.*

common denominator of agreement."[26] Dulles was very active in cultivating a relationship with the representatives on Capitol Hill, but he was not sure whether Eisenhower's attitude toward Congress was effective.[27] Dulles noted that although Eisenhower himself would not move either way for personal political considerations, he became very careful in dealing with congressmen and senators in an election year.[28]

In analyzing the influence of ideas on political action, it is worth noting that Eisenhower and Dulles felt very differently about the relationship between the administrative process and policy planning. Eisenhower apparently felt at ease with his position and liked to portray himself as being in control.[29] Dulles complained, however, that bureaucratic regularities curtailed creative long-range policy planning. He admitted having found it difficult to reconcile long-term agendas with daily problems. "I have probably been better trained, and have trained myself better for this job than any living American," Dulles admitted to C. D. Jackson in 1958. "Furthermore, I have a capacity for a very fast continuous work ... [a]nd yet I am just barely able to keep abreast. There are some days when literally I just manage to squeak through ... Long-range policy planning is what I should be working on, but I cannot..."[30] Day-to-day demands could thus interfere with the search for a coherent policy.

Locating the Middle East in U. S. Foreign Policy

The post-World War II history of U.S. foreign policy toward the Middle East is by no means a new terrain for scholarly activity. On the contrary, recurrent international crises in the area have created a significant body of literature dealing with different aspects of international relations.[31] Despite scholarly interest, one aspect of the Middle East has remained ambiguous, and that is the term itself – the 'Middle East'. During the Second World War the concept of the 'Middle East' had actually become an issue of debate in Anglo-American attempts to create unified geographic terminology covering the whole world. In response to a British proposal to abandon the term 'Near East' altogether, and substitute wider 'Middle East' for it, the State Department's Geographer

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26 Notes on meeting between John Foster Dulles and C. D. Jackson on 14 April 1956, in C.D. Jackson to Henry Luce, 16 April 1956, C.D. Jackson Papers, Box 69, 'Log-1956', Dwight D. Eisenhower Library.

27 See Nelson, Anne Kasten, "John Foster Dulles and the Bipartisan Congress," *Political Science Quarterly* 102 (1987), 43–64.

28 Notes on meeting between John Foster Dulles and C. D. Jackson on April 14, 1956, in C.D. Jackson to Henry Luce, 16 April 1956, C.D. Jackson Papers, Box 69, 'Log-1956', Dwight D. Eisenhower Library.

29 See Greenstein, *The Hidden-hand Presidency*, *in passim.*; Ambrose, Stephen E., *Eisenhower: The President* (New York: Simon and Schuster, 1983), *in passim.*

30 C. D. Jackson Diary (Log), 11 January 1958, C. D. Jackson Papers, Box 69, 'Log – 1958,' Dwight D. Eisenhower Library.

31 For a historiographical review, see Little, Douglas, "Gideon's band: America and the Middle East since 1945," *Diplomatic History* 18 (1994), 513–40.

Locating the Middle East. Secretary of State John Foster Dulles reported on his tour of Middle Eastern capitals in a TV and radio speech on June 1, 1953. (Seeley Mudd Manuscript Library, Princeton, New Jersey)

considered it "quite unacceptable," arguing that however widespread its use, "there is probably no term more ambiguous than Middle East."[32] Testifying before the Senate Foreign Relations Committee in 1957, Dulles resorted to a two-year-old State Department definition, which stated that although it was necessary to be "somewhat arbitrary," it was "safe to say that when the American Government thinks in terms of the Middle East, it is thinking about the area lying between and including Libya on the west and Pakistan on the east and Turkey on the north and the Arabian peninsula to the south."[33] A month later, a memorandum by the State Department Policy Planning Staff provided a problem-oriented definition most useful for the purposes of this study, arguing that the Middle East was defined on the basis that "the problems of the area overlap geographically, interact politically and tend to ramify throughout the area." Moreover, "[n]o major area problem can be effectively dealt with in isolation from other area problems. In this context, Algeria and Kashmir are as much Middle Eastern problems as Palestine."[34]

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32 Quoted in State Department Memorandum, 'Middle East – Its Geographical Limits,' 8 January 1957, State Department Decimal File 780.00/1–857, Record Group [hereafter RG] 59, NARA; See also Farnie, D.H., *East and West of Suez, The Suez Canal in History 1854–1956* (Oxford: Clarendon Press, 1969), 450, 633; Allen, George V., "United States Policy in the Middle East," *Department of State Bulletin*, 31 October 1955, 683–686.

33 Dulles' statement before the Senate Foreign Relations Committee, 14 January 1957, U. S. Congress, Senate, Committee on Foreign Relations and Committee on Armed Services, *Hearings: The President's Proposal on the Middle East*, I (Washington, D.C.: United States Government Printing Office, 1957), 11.

34 State Department Policy Planning Staff Paper, 'Some Considerations Bearing Upon the U.S. Approach to the Middle East,' n.d., attached to Robert R. Bowie (Director, Policy Planning Staff) to William M. Rountree (Assistant Secretary of State, Near Eastern Affairs), 21 February 1957, State Department Decimal File 611.80/2–2157, RG 59, NARA.

Any interpretative overview of scholarship on U. S. policy toward the Middle East has to take into account the scholarly debate on the nature of U.S. foreign relations during the Cold War in general. While the intricacies of this debate, which has focussed on the origins of the Cold War, requires no elaboration here, the basic question of whether the postwar U. S. world role emerged as intervention for reform (for various purposes) or reaction to contain perceived threats (by various means) remains relevant for the purposes of this study too.[35] In general, while essentialist systemic explanations from both economics-oriented and power political (realist) viewpoints still remain influential in the background,[36] most historians tend to frame their interpretations in terms of beliefs or belief systems rather than objectivist structures.[37] Thus, despite emphases clearly linked to the above interpretative division, a 'corporatist synthesis' tends to follow the unfolding of an intellectual design for a new international economic order, while a 'postrevisionist synthesis' has been defined as analysis of geopolitical codes understood as assumptions about interests, potential threats and feasible responses.[38] In terms of this study, however, the most intriguing questions are whether and in what manner these designs or assumptions of economic and geopolitical order were interrelated - as various historians have suggested - through values, ideals, ideology, culture, or language.[39]

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35 For recent analyses of the debate between the 'traditionalists' and 'revisionists', see Hogan, Michael, "State of the Art," in Hogan, Michael (ed.), *America in the World: The Historiography of American Foreign Relations since 1941* (Cambridge: Cambridge University Press, 1995), 3–19; Leffler, Melvyn P., "The Interpretive Wars over the Cold War, 1945–1960," in Martel, Gordon (ed.), *American Foreign Relations Reconsidered, 1890–1993* (London: Routledge, 1994), 106–124.

36 The neorealism of Kenneth Waltz is a clear influence for much of Gaddis, John Lewis, *The Long Peace* (New York: Oxford University Press, 1987) as well as for Lundestad, Geir, *East, West, North, South: Major Developments in International Politics 1945–1986* (Oslo: Norwegian University Press, 1986). For Waltz's own work, see Waltz, Kenneth, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979). The influence of Immanuel Wallerstein's world system theory is evident in McCormick, Thomas J., *America's Half Century: United States Foreign Policy in the Cold War and After* (Baltimore: Johns Hopkins University Press, 1995). For Wallerstein himself, see e.g. Wallerstein, Immanuel, *Politics of the World Economy* (New York: Cambridge University Press, 1984) and *Geopolitics and Geoculture* (New York: Cambridge University Press, 1991).

37 For elaboration on the relationship between perception and reality in cold war historiography, see Hogan, "State of the Art," 15.

38 For 'corporatism' see Michael Hogan's chapter "Toward the Marshall Plan: From New Era Designs to New Deal Synthesis" in his *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947–1952* (Cambridge: Cambridge University Press, 1987), 1–27; For 'postrevisionism' in this respect, see John Lewis Gaddis' definition of a geopolitical code in Gaddis, John Lewis, *Strategies of Containment: A Critical Appraisal of Postwar American Security Policy* (New York: Oxford University Press, 1982), viii-ix.

39 There is an interesting discussion on the relationship between social values and definitions of national security in Leffler, Melvyn P., "National Security," *Journal of American History* 77 (June 1990), 143–152; Among analyses focusing on American liberalism I have found useful Lloyd Gardner's writings on connections and contradictions between visions of global order and liberal beliefs. See Lloyd C. Gardner, "Contradictions of Liberal Empire," in *Approaching Vietnam: From World War II through Dienbienphu, 1941–1954* (New York: Norton, 1988) and *A Covenant With Power: America and World Order from Wilson to Reagan* (New York: Oxford University Press, 1984). See also Warren Kimball's description

Consensus reigns among scholars that both the Truman and Eisenhower eras meant years of increasing American influence and diplomatic activity in the Middle East. Moreover, there exists a common awareness of the general course of the Cold War and decolonization as they affected the Middle East. The decolonization process led to the relative decline and near collapse of the 'old' Western influence of France and Britain. The presence of the West in the area was transformed as American power and influence succeeded that of European imperial powers. The Cold War in the Middle East arguably entered a new era with United States initiatives with respect to military alliances, Soviet arms sales to radical Arab countries, Khrushchev's nuclear threats during the Suez Crisis, the Eisenhower Doctrine, and United States intervention in Lebanon in 1958. These were also formative years for large scale foreign aid and development co-operation ventures in the Middle East, including encounters between intergovernmental financial institutions and local governments. Within the Middle East, new nationalist elites were gaining strength, characterized by mass following, distinctively more radical social programmes and more aggressive anti-colonialist rhetoric. These elites began asserting their power at the expense of more conservative rulers. Diverging views of the preferred nature of international society were manifested in the first large-scale nationalizations of Western-owned properties in Iran and Egypt, challenging and stretching Western conventions concerning international property rights and directly questioning the role of foreign investments in post-colonial societies.

Beyond these general trends, however, scholarly assessments of the Eisenhower Administration's record in the Middle East have been diverse on almost every aspect, ranging from policy foundations and objectives to commonplace normative judgments, whether Eisenhower-Dulles policy was good or bad, successful or unsuccessful – or simply right or wrong within a given framework. The debate has generally evolved around the so-called 'Eisenhower revisionism,' denoting a more positive account of the Eisenhower presidency, usually emphasizing both Eisenhower's restraint in crisis situations and his skills in decision-making.[40]

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of the belief in "progression toward a homogenous world – however unlikely full achievement might be," through "an extension of American social, economic, and political liberalism – what is better called Americanism." See Warren F. Kimball, "This Persistent Evangel of Americanism," in *The Juggler: Franklin D. Roosevelt as a Wartime Statesman* (Princeton: Princeton University Press, 1991), quotes on pages 186 and 187; See also the thesis on "liberal-developmentalism," in Emily Rosenberg, *Spreading the American Dream: American Economic and Cultural Expansion, 1890–1945* (New York: Hill & Wang, 1982); For more explicitly linguistic and conceptual approaches, see Stephanson, Anders, "Considerations on Culture and Theory," *Diplomatic History* 18 (1994), 107–119; Ninkovich, Frank, "Interest and Discourse in Diplomatic History," *Diplomatic History* 13 (1989), 135–161; Walker, R. B. J., *Inside/ Outside: International Relations as Political Theory* (Cambridge: Cambridge University Press, 1993); and Campbell, David, *Writing Security: United States Foreign Policy and the Politics of Identity* (Minneapolis: University of Minnesota Press, 1998).

40 For on overview of the debate, see Rabe, Stephen G., "Eisenhower Revisionism: The Scholarly Debate," *Diplomatic History* 17 (1993), 97–115. For the major works of 'Eisen-

Probably the most often quoted critical argument is that Eisenhower's policy reflected anticommunist Cold War reductionism, which resulted in failure to arrive "at a clear distinction between Communism and revolutionary Arab nationalism," a failure which in Robert J. McMahon's view led the United States to oppose both, not only in the Middle East but in Asia and Africa generally.[41] In his prize-winning biography on Dulles, Townsend Hoopes argued in 1973 that Dulles had been engaged in a "frenzied effort to stifle the flames of national rebellion and revolution in the Third World."[42] In a similar vein Stephen Freiberger went as far as to claim that the Eisenhower Administration operated on "a counter-revolutionary and antinationalist" platform, seeking commercial advantage as well as opportunity to "replace the British."[43] David Lesch has also criticized Eisenhower Administration for Cold War reductionism in its dealings with local radical governments in the Middle East,[44] prompting another area specialist, Diane Kunz, to note that new scholarship "should give pause to those scholars ready to canonize Eisenhower and find in Dulles a reconstructed pro-neutralist."[45]

Among those approaching the problem from a geopolitical standard, John Lewis Gaddis criticizes Eisenhower for putting undue emphasis on United States economic interests and requirements "in terms both worthy of and gratifying to future New Left critics of American capitalism." Moreover, although he acknowledges that the Eisenhower administration was much better aware of the problem of nationalism than was usually thought, Gaddis faults them for underestimating the 'staying power' of nationalism, and overestimating the tactical skills of the Communists.[46] H. W. Brands and Peter Hahn have a very different view of Eisenhower's geopolitical prowess. Brands argues contrary to Gaddis that the Eisenhower Administration worked in "a remarkably non-ideological fashion," reflecting "primarily a geopolitical interpretation of American strategic, military, diplomatic, and economic interests." In general, the United States showed insight and flexibility in its

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hower revisionism', see Divine, Robert, *Eisenhower and the Cold War* (New York: Oxford University Press, 1981); Ambrose, Stephen E., *Eisenhower: The President* (New York: Simon and Schuster, 1983); Schlesinger, Arthur M., Jr., *The Cycles of American History* (Boston: Houghton Mifflin, 1986), 387–405.

41 MacMahon, Robert J., "Eisenhower and Third World Nationalism: A Critique of the Revisionists," *Political Science Quarterly* 101 (1985-1986), 453–473; See also Stivers, William, *America's Confrontation with Revolutionary Change in the Middle East, 1948–83* (Basingstoke: Macmillan, 1983), 19–22; Stookey, Robert W., *America and the Arab States: An Uneasy Encounter* (New York: John Wiley and Sons, 1975), especially 149; Rabe, "Eisenhower Revisionism," 97–115.

42 Hoopes, Townsend, *The Devil and John Foster Dulles* (Boston: Little, Brown and Co., 1973), 489.

43 Freiberger, Steven G., *Dawn Over Suez: The Rise of American Power in the Middle East: The Rise of American Power in the Middle East, 1953–1957* (Chicago: Ivan R. Dee, 1992), 12.

44 Lesch, David, *Syria and the United States: Eisenhower's Cold War in the Middle East* (Boulder: Westview, 1992), 210–211.

45 Quoted from Diane Kunz's review of David Lesch's book *Syria and the United States: Eisenhower's Cold War in the Middle East* (Boulder: Westview 1992), in *International History Review* 16 (1994), 638–639.

46 Gaddis, *Strategies of Containment*, 132.

relationships with the Third World and "demonstrated a pragmatic ability to deal with neutralism on its merits."[47] Peter Hahn has argued in a similar vein against those who have seen Eisenhower and Dulles in the context of traditional American anticolonialism. Although U. S. policy worked in Egypt's favor during the Suez Crisis, Hahn writes, "the overriding objective during the crisis was containment of the Soviet Union, a strategic imperative, and not satisfaction of Egyptian aspirations." Anticolonialism was not an end in itself, but an element of a grand strategy to prevent radicalization of nationalism and thus to combat communism.[48]

Several scholars do, however, take anticolonialism seriously both as an ideological imperative and as an instrument for revising the prevailing international order. In stark contrast to Hahn's argument, Wm. Roger Louis has concluded that Eisenhower and Dulles never wanted to antagonize nationalist sentiment in the Middle East, and that they "did not want to be associated in any way with the antiquated system of British and French colonialism that the United States, in their view, had historic reason to oppose."[49] Lloyd Gardner argues in a similar fashion that Dulles was "determined to gain full credit with the nationalist forces," and pushed the British to make concessions with that in mind.[50] In that Anglo-American confrontation, W. Scott Lucas concludes in his study on the Suez Crisis that Britain "paid the price of permanent subservience to American policy" because of its failure at Suez.[51] Louis more or less agrees with this interpretation of the Anglo-American relationship. On the other hand, in an article published together with Ronald Robinson, he has emphasized that American anticolonialism was not intended primarily against Britain, but to channel decolonization in ways that would retain Western economic and strategic interests in the Middle East as well as in the rest of Asia and Africa in a reformed international order.[52]

Despite strikingly different interpretations, this debate serves to indicate how the Cold War and processes of decolonization seemed – from the American perspective – to create a fluid and contested situation in the Middle East, exposing and exploiting Western fears of vulnerability. The relevance of this debate in terms of this study concerns the extent to which the Eisenhower administration believed in creating, and trying to implement an agenda of world

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47 See Brands, H. W., *The Specter of Neutralism: The United States and the Emergence of the Third World, 1947–1960* (New York: Columbia University Press, 1989), 9, 308, 312–321; See also Wall, Irving M., "The United States, Algeria, and the Fall of the Fourth French Republic," *Diplomatic History* 18 (1994), 489–511.

48 Hahn, Peter L., *The United States, Great Britain, and Egypt, 1945–1956: Strategy and Diplomacy in the Early Cold War* (Chapel Hill, 1991), 180–247, quote on page 247.

49 Quoted from Louis, Wm. Roger, "Dulles, Suez, and the British," in Richard H. Immerman (ed.), *John Foster Dulles and the Diplomacy of the Cold War* (Princeton: Princeton University Press, 1990), 135.

50 Gardner, *Covenant with Power*, 141

51 Lucas, W. Scott, *Divided We Stand: Britain, the US and the Suez Crisis* (London: Hodder & Stoughton), 324.

52 Louis, Wm. Roger, and Robinson, Ronald, "The Imperialism of Decolonization," *The Journal of Imperial and Commonwealth History*, 22 (1994), 462–511.

order for the purpose of resolving the conflicts related to both the Cold War and decolonization. As Eisenhower argued in 1952, the question was whether the United States could create a program that would "take into account both the legitimate aspirations of these people and the practicalities of earning a living in the modern world," and at the same time remain "appealing vis-a-vis the Russians, who are in effect offering nothing but political and social revolution."[53]

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53 Eisenhower to MacArthur II, 2 January 1952, in Louis Galambos (ed.), *The Papers of Dwight David Eisenhower*, XII, *NATO and the Campaign of 1952*, Baltimore: Johns Hopkins UP 1989, 833–834.

The 'Mission' and the 'Challenge': Eisenhower, Dulles, and the World of the Cold War and Decolonization

> [T]he United States determined to protect its national prosperity by seeking world prosperity. It decided to prevent aggression against itself by striving toward collective international peace. It decided to work for freedom at home by helping the cause of freedom for all mankind.... [F]reedom cannot exist in one country only, not even in a country so rich and powerful as this. Until all the world has the economic, military, and political climate in which freedom can dwell in peace, all nations live in danger.[1]
>
> Dwight D. Eisenhower in his introduction to *The Economics of Freedom* (1950)

> The West cannot survive except as part of a free world which includes the non-white and the non-Western peoples, and we cannot maintain such a world if we treat these others as second-class expendables for whom we have only perfunctory concern.[2]
>
> John Foster Dulles in a speech before the American Political Science Association (1952)

Self-interest and the Common Good

In one of the most influential treatises of postwar American historical writing, *The American Political Tradition*, Richard Hofstadter argued in 1948 that the prevailing characteristic of American political thought had been a belief in the "natural evolution of self-interest and self-assertion, within broad legal limits, into a beneficent social order."[3] Dwight D. Eisenhower and John Foster Dulles reflected that belief to a great extent, but the question for both of them was a

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1 Eisenhower, Dwight D., "Introduction," in Ellis, Howard S., *The Economics of Freedom* (New York: Harper for the Council on Foreign Relations, 1950).

2 Dulles speech before the American Political Science Association, 27 August 1952, Dulles Papers, Box 63, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

3 Quote from the 1948 introduction to Hofstadter, Richard, *American Political Tradition and the Men Who Made It* (New York: Knopf, 1948).

problematic one. The social thought of both Dulles and Eisenhower was framed in terms of the problem of reconciling individualism and self-interest with liberal democracy and the common good in a sustainable social order. Their conception of international order was characterized by the analogies they drew with the development and maintenance of domestic social order.

Both Eisenhower and Dulles were convinced that the best possible answer to the problem of how to reconcile self-interest and the common good lay in the promotion of liberal capitalism accompanied by a strong sense of individual responsibility for the common good. Like many other internationally minded so-called 'corporate progressives' of the postwar era, Eisenhower and Dulles believed that the emergence of a beneficial social order depended on limiting the growth of paternalistic government, suppressing self-interested group and class influences in political life, and curtailing the unbridled pursuit of self-interest in the free enterprise economy.[4]

Dulles spoke of "the elemental fact that self-interest, be it individual, family or group, is the dominant human motive power" and, if that was repressed, very little happened. Because moral social life depended on having an economic foundation, acceptance of economic self-interest became a necessity. Human liberty, Dulles told a University of Pennsylvania audience in 1949, "to be a reality, requires an economic, as well as a political, foundation." Economic values were consequently essential to give reality to the moral values.[5] Eisenhower noted in a similar vein that unless each member of society had a real incentive to produce, the result would finally be a society that had nothing with which to reward. Like Dulles, Eisenhower concluded that unless each individual enjoyed "a maximum degree of economic freedom, his spiritual aspirations will likewise be ignored. All his cherished rights of free speech and free worship will soon disappear."[6]

On the other hand, both Eisenhower and Dulles considered it crucial that self-interest was only a means to create an economic base for a more elevated social order. Dulles was emphatic in noting the necessity of harnessing that natural motive power of self-interest with a "social consciousness and self-discipline so that, for the most part, the individual could not gain self-satisfaction without promoting the general good."[7] Eisenhower was equally convinced that the problems in democracy came about exactly because of the inability of men to forego immediate gain for "a long-time good."[8] This moral tension was not,

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4 Griffith, Robert, "Dwight D. Eisenhower and the Corporate Commonwealth," *American Historical Review* 87 (1982), 96–100.

5 Dulles, John Foster, "Evolution or Revolution," *The University of Pennsylvania General Magazine and Historical Chronicle* 51 (1949), 145–150.

6 Eisenhower to George Sloan (Chairman, the U.S. Council of the International Chamber of Commerce), 29 January 1952, in Galambos, Louis (ed.), *The Papers of Dwight David Eisenhower*, XII, *NATO and the Campaign of 1952* (Baltimore: Johns Hopkins University Press, 1989), 928–932

7 John Foster Dulles, "Evolution or Revolution," 145–150.

8 Eisenhower Diary, 2 July 1953, in Eisenhower, Dwight D., *The Eisenhower Diaries*, edited by Robert H. Ferrell (New York: Norton, 1981), 242–245.

however, insurmountable in his view. "I do not mean to say that programs and policies should assume that man is going to lose, overnight, all his traits of selfishness," Eisenhower wrote in a letter to his brother in 1952, "[b]ut it seems to me that there is a chance of making him see that his own selfish interests require moderation when excess would lead to disaster."[9]

Beyond morality and social consciousness the answer was tied to religiousness. "[E]ven if the free government were not originally based upon some form of deeply felt religious faith," Eisenhower noted in his diary, "then men should attempt to devise a religion that stresses the qualities of unselfishness, cooperation, and equality of men."[10] He also considered devotion to democracy an "essentially religious concept."[11] In a similar vein, Dulles once told a National Security Council meeting that religion, with its emphasis on "the rights and freedom of the individual under God," was at the core of American democracy, and that it was also its greatest bulwark against atheistic Communism.[12]

The threats to that vision were the growth of governmental control, increasing class conflict and class-based group behavior, together with unrestricted self-interest in business-labor relations. The aim of domestic politics, Dulles wrote, was "to assure a social fabric which is flexible, wherein opportunity is kept open and no class enabled arbitrarily to perpetuate acquired wealth and power."[13] Accordingly, he urged Americans to rely on their own efforts to solve social problems rather than lean on government.[14] "The complete amalgamation of government and economic life is socialism; a system of industrial and political organization which has been proved inefficient and unacceptable because of its effect in stifling individual initiative and in destroying efficiency in production," Eisenhower argued, and he went on to claim that this type of statism would lead inescapably to regimentation and dictatorship.[15]

Neither Dulles nor Eisenhower, however, advocated a return to *laissez-faire* economics. In a way comparable to many other Republican internationalists, the lessons of the economic depression had left their mark on the ideological outlook of both.[16] Eisenhower freely admitted that "masses of people have suffered under the injustices inflicted by people controlling means of

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9 Eisenhower to Milton Eisenhower, 2 March 1952, in Galambos (ed.), *The Papers of Dwight David Eisenhower*, XII, 1106–1108

10 Eisenhower Diary, 2 July 1953, Eisenhower, *The Eisenhower Diaries*, 242–245.

11 Eisenhower Diary, 26 May 1946, Eisenhower, *The Eisenhower Diaries*, 136–137.

12 Memorandum of Conversation, NSC Meeting, 22 May 1958, *Foreign Relations of the United States, 1958–1960*, V, 239–246.

13 Dulles, John Foster, "Peaceful Change," *International Conciliation*, April 1941, The Papers of John Foster Dulles, Box 282, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

14 Dulles, John Foster, "Faith in Individual Man," *Freedom & Union*, February 1950, 27–32.

15 Eisenhower to George Sloan, 1 March 1952, *op.cit.*

16 See especially Michael Hogan's chapter "Toward the Marshall Plan: From New Era Designs to New Deal Synthesis" in his *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947–1952* (Cambridge: Cambridge University Press, 1987), 1–27.

production, not only in our civilization but in past ones."[17] He criticized the right-wing of the Republican Party for treating labor merely as "an item in their cost sheets, ... guilty of effrontery when it questions the wisdom or authenticity of any statement of management or of financiers."[18] Eisenhower feared that this attitude could introduce serious class conflict to American society. "When mutual antagonisms and suspicion reach the unreasonable stage, they reflect the fatuous but vicious doctrine of class warfare and obviously ignore our common American destiny, with the dependence of every group upon the cooperative effort of the others."[19]

The future did not necessarily look that bleak. Dulles seemed satisfied that the United States had done much to humanize its economic order, and he was confident that "cold blooded *laissez faire* economics are on their way out."[20] He credited this development with showing by example that social justice could be had without travelling "the Communist road of violent revolution and materialism." More than that, he was convinced that "our capitalistic society has come to approach more nearly than the communist world, the ideal of production according to ability and distribution according to need."[21] Eisenhower's path to the future followed similar lines. "[W]eak government favors the predatory," he wrote, "too strong a government (dictatorship) regiments us all." Thus it was in the middle ground between the two extremes of complete *laissez faire* and governmental control that he hoped to find "that condition which best satisfies the aspirations of man as a spiritual and intellectual as well as a material being."[22]

Eisenhower and 'the Long-term Good of All'

The connection made by both Dulles and Eisenhower between domestic and world order was a very conscious choice. Recalling that "our policy in the foreign field is dictated by our own domestic needs in security and economic activity," Eisenhower went so far as to claim that "domestic action and foreign relations are in fact so closely related as to be in many respects inseparable."[23]

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17 Eisenhower Diary, 13 February 1953, Eisenhower, *The Eisenhower Diaries*, 228–230.
18 Eisenhower Diary, 20 November 1954, Eisenhower, *The Eisenhower Diaries*, 288–291.
19 Eisenhower to George Sloan, 1 March 1952, *op.cit.*
20 Dulles, John Foster, "Thoughts on Soviet Foreign Policy and What to Do About It," *Life*, 3 June 1946 and 10 June 1946; reprinted in *Reader's Digest*, August 1946, 1–22.
21 John Foster Dulles, "Where Are We?," Address at a dinner organized by the American Association for the United Nations, 29 December 1950, The Papers of John Foster Dulles, Box 48, 'Eisenhower, Dwight David,' Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.
22 Eisenhower to Robinson, 12 February 1952, in Galambos (ed.), *The Papers of Dwight David Eisenhower*, XII, 985–992.
23 Eisenhower to Martin Clement (Chairman, the Board of Trustees of the Pennsylvania Railroad Company), 9 January 1952, in Louis Galambos (ed.), *The Papers of Dwight David Eisenhower*, XII, *NATO and the Campaign of 1952*, Baltimore: Johns Hopkins UP 1989, 865–869.

This distinguished Eisenhower and Dulles from conservative 'realists', who made a fundamental distinction between orderly domestic society and international life characterized by the inherent anarchy of self-interested nation-states.[24] This mentality did, however, connect Eisenhower and Dulles to the twentieth-century American tradition of seeking a world order both compatible with and comparable to social order at home.[25] In keeping with their view of the central dilemma of domestic social order, both Eisenhower and Dulles saw international affairs characterized by an analogous struggle between self-interest and common good. Unrestrained international rivalries, autarkic national economic policies, and economic disparities between wealthy and poor nations combined to pose a threat to international peace and stability comparable to threats perceived domestically.

"Lenin held, of course, that capitalism contains within itself what he calls 'contradictions,'" Eisenhower noted in his diary in July 1953, reflecting on the critique of an ideological adversary. Lenin's world revolutionary intentions had "plausibility only when considered in terms of extremism," he stated, but the notion of contradictory and potentially destructive forces operating within capitalism resonated with some of Eisenhower's own ideas. He denied, however, that they would inevitably cause self-destruction. First, Lenin's definition of "the inevitable conflict between separate groups of capitalists struggling for the sources of raw materials and other means of production," had, in Eisenhower's view, been proven wrong because "capitalistic – that is to say, self-governing – nations have long ago foreseen that any kind of war is too high a price to pay for the hope of a piece of additional territory." Second, what Lenin saw as "the inherent conflict ... between the advanced, industrial nations of the world and the dependent masses of backward peoples" was not necessarily inevitable, since "in the high average of cases, industrialized countries approach[ed] the problem of relationships with backward areas on the basis of mutual benefit and advancement." And third, concerning Lenin's thesis on "the capital-labor contradiction," Eisenhower pointed to the historical experience of the United States as proof that "the true interests of labor and capital within society follow courses that are far more nearly parallel than conflicting."[26]

Despite these consensual answers, Eisenhower lamented that when "immediate and selfish" interests were at stake, there was not enough willingness to make the needed immediate sacrifice in favor of a long-term

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24 Knutsen, Torbjörn L., *A History of International Relations Theory* (Manchester: Manchester University Press, 1992), 213–233. For contemporary views, see Osgood, R. E., *Ideals and Self-Interest in America's Foreign Relations* (Chicago: University of Chicago Press, 1953); Hertz, John, *Political Realism and Political Idealism* (Chicago: University of Chicago Press, 1951).

25 See Hogan, Michael J., "Corporatism," in Hogan, Michael J. and Paterson, Thomas G. (eds.), *Explaining the History of American Foreign Relations* (Cambridge: Cambridge University Press, 1991), 229–231

26 Eisenhower Diary, 2 July 1953, in Eisenhower, *The Eisenhower Diaries*, 242–245.

interest of all. He complained about the prominent exponents of autarkic economic views in the Western world giving weight to arguments for isolationism and protectionist tariff policies. Moreover, the relative intransigence of Western European imperial powers in the face of what he considered an inevitable trend of decolonization seemed to open a dangerous rift between the industrialized nations and the global South. Another problem in that regard was that if the 'free world' failed to reform world trade in order to allow "backward people to make a decent living – even only a minimum one measured by American standards," Eisenhower averred, "then in the long run we must fall prey to the communistic attack." As it was, Eisenhower noted grimly, "the danger is very real and very great that even the so-called enlightened areas of Western Europe, Britain, the United States, and the other English-speaking peoples will, by stubborn adherence to the purpose of achieving maximum immediate gain, actually commit suicide."[27]

Against this threat Eisenhower argued for a reformed world order. "In the facets of our resources – material, scientific, human, and spiritual, there [wa]s ample assurance not only of security but of continued advance for all the free world in living standards if only we have sense enough to learn to cooperate for the long-term benefit of all of us." By opposing his consensual vision of the world to extremism and short-sighted self-interest, Eisenhower delineated his 'great middle way'. "All human experience," he contended, "tends to show that human progress ... is possible only as extremes are avoided and solutions to problems are found in a great middle way that has regard for the requirements, desires, and aspirations of the majority."As much as he lamented short-sighted self-interest, Eisenhower was none the less convinced that American internationalists did have the sense and ability to provide both "leadership" and vision to rise above and transcend petty self-interest, and define the path toward "the long-term good of all." Leadership, he concluded, "must find a way to bring men and nations to a point where they will give to the long-term promise the same value that they give to immediate and individual gains."[28]

Dulles and an International 'Regime of Flexibility'

Like Eisenhower, Dulles also incorporated the central dynamic between self-interest and the common good to his vision of an international order. "Self-interest is a dominant human motive," he noted in a speech he gave in February 1946. "It can serve as a cement which binds men together in fellowship. It can be repellent, which sets men one against the other. The art of peaceful statesmanship is to find ways whereby the general welfare of the members can be served better by working together than by working apart."[29] Equally strong

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27 *ibid.*
28 *ibid.*
29 Dulles' speech of 22 February 1946, quoted in Pruessen, *John Foster Dulles*, 300–301.

was the analogy he drew between domestic and international order. Dulles believed that the aim of domestic politics was to assure a social fabric which was "flexible, wherein opportunity is kept open and no class enabled arbitrarily to perpetuate acquired wealth and power."[30] Abroad he looked for an international 'regime of flexibility' where change would occur peacefully, opportunity was kept open and no nation-state was enabled to close off economic areas from others.[31]

In his 1930s book *War, Peace, and Change*, Dulles had described the world society as being inherently in a state of constant flux between static and dynamic elements. The static were the "haves," who saw the *status quo* as beneficial to their interests, while the dynamic – the "have-nots" – considered the situation unfair and sought to change it to their advantage. International order had to reflect that by maintaining "a reasonable balance between those opposing and partly irreconcilable desires." The best that could be hoped for was "collective security" for static powers, to protect their people and property, but also providing enough "insecurity" in the world order to avoid frustration and recourse to force by creating opportunities for peaceful change of the *status quo*, i.e. making a kind of international 'social mobility' between "the haves" and "have-nots" a possibility.[32]

Dulles argued that a sustainable world order had to take into account the fact that life was essentially dynamic, that change was inevitable, and that transformations were bound to occur violently unless ways of peaceful change were available. "Any world system is doomed if it identifies peace and morality with a mere maintenance of the *status quo*," Dulles wrote in 1941. "To do this is to breed, as we have bred, the forces of revolution and revolt."[33] Dulles' vision of a "regime of flexibility" would control processes of peaceful change in order to avoid the extremes of aggression-provoking 'non-change' on the one hand and unrestrained 'pure change' on the other. "But it must not be forgotten," he emphasized, "that the objective of a regime of flexibility is to assure a qualified conservation of the existing status. The so-called static peoples have rights which must be protected and conserved and which rank equally with those of the dynamic peoples."[34]

While the Second World War had a sobering effect on most international theorists with respect to the possibility of a principled world order, Dulles remained true to his ideas. It set him apart from the self-designated political realists of his generation, for whom international society was irredeemably the anarchic playground of self-interested states. For many of them war was a proof not only of self-interestedness but of evil in human nature. A prominent Presbyterian lay leader, Dulles did not doubt the existence of evil, but his

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30 Dulles, "Peaceful Change," *op.cit.*
31 Dulles, *War, Peace, and Change* (New York, Harper & Brothers, 1939), 164.
32 Dulles, *War, Peace, and Change*, 30 and 30n2.
33 Dulles, "Peaceful Change," *op. cit.*
34 Dulles, *War, Peace, and Change*, 164.

conception of international society did not concede the inevitability of its power. "It *is* evil, as are the germs which swarm from a stagnant pool," was the analogy he used in the spring of 1941, when practically all of continental Europe was under the rule of Hitler and Stalin. However, the cure was not to found "merely by periodically seeking to exterminate the germs," he continued. "We need not condone, and be unresistant in the face of, evil. But unless we are prepared to accept war as inevitably recurrent, we must seek a world order which does not breed such forces."[35]

Dulles repeatedly returned to a benevolent vision of the nineteenth-century "free enterprise system" as a possible model for mid-twentieth-century reform. If open opportunity were substituted for national self-interest, a sustainable and dynamic order could emerge. To this vision of an open interdependent world Dulles contrasted the collapse of that system into two world wars. Unlike the critics of capitalism, who considered world wars as systemic results of international capitalism, Dulles argued that it was the subversion of the nineteenth-century system by national self-interest which had inevitably led to war. Different national monopolies of advantage, most of all tariff walls and imperial preferences, were to be blamed. "Frontiers became converted into barriers," Dulles wrote in 1941, "designed to perpetuate, indefinitely and arbitrarily, areas of special privilege. These inevitably became the targets of attack."[36]

In his call for a regime of flexibility, the nineteenth-century model consequently remained for Dulles a potentially feasible alternative which balanced self-interest with common benefit. The nineteenth century appeared as an era when the sovereigns did not use their power to create and perpetuate their monopolies of advantages. Trade was relatively free, immigration was easy, and the gold system created in effect a world currency, Dulles wrote. "Opportunities anywhere could quite readily be availed of by peoples elsewhere," and there were "vast undeveloped areas of the world which welcomed those who were cramped elsewhere."[37] That international order was then underwritten by a system of international law designed to deter governments from making political intrusions which might upset the calculation on the basis of which private capital took long term risks.[38] From this perspective it was not surprising that when Dulles commented on a report written by publisher Henry Luce and a committee of editors from his major current affairs magazines *Time*, *Life*, and *Fortune*, he agreed with the basic goal set for the postwar 'New World', namely the goal of a far-reaching "free market

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35 Dulles, "Peaceful Change," *op.cit.*
36 *ibid.*
37 *ibid.*
38 Dulles' review of an advance proof of "The United States in a New World: A Report of the Findings of a Committee of Editors of *Time*, *Life*, and *Fortune*," 17 April 1942, The Papers of John Foster Dulles, Box 282, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

area," within which there was going to be no tariff barriers, freedom of migration and a currency tied to gold.[39]

World Order as America's 'Mission'

During and after the Second World War Dulles' outlook both influenced and was influenced by Henry Luce's well-known ideas regarding a coming "American Century." On the one hand Luce argued that the "only chance" to make American democracy work was to seek it "in terms of a vital international economy and in terms of an international moral order." On the other hand, Luce's ideas contained a distinct sense of world reform as America's manifest destiny. It was time for the Americans "to accept wholeheartedly our duty and our opportunity as the most powerful and vital nation in the world," he wrote in 1941, "and in consequence to exert upon the world the full impact of our influence, for such purposes as we see fit and by such means as we see fit." The United States would become "the powerhouse from which the ideals spread throughout the world ..."[40] In Luce's view the ultimate goal at which America and other nations should aim was to realize Tennyson's dream of "the Parliament of man, the Federation of the World." He considered allied victory inevitable and argued that "the worst offense which we could commit against the rest of mankind would be to arrive at victory without any common conviction among ourselves as to a program to which we would be willing to dedicate the power and influence of our nation."[41]

During the war, Luce became "very impressed" with the work of the Commission on a Just and Durable Peace, created by the Federal Council of Churches and chaired by John Foster Dulles. The two men cooperated, and Luce later noted that they were "very much in harmony" on the current issues regarding world affairs. More than anything, Luce considered that Dulles' foreign policy "was very much founded in what he considered to be the historic meaning of the whole American experience."[42] In his war-time speeches Dulles openly called for the American people to be filled with "a righteous faith and sense of mission in the world." Like 'Manifest Destiny' in the nineteenth century the United States needed a faith, Dulles argued, "a faith so profound that we, too, will feel that we have a mission to spread it through the world."[43]

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39 *ibid.*

40 Luce, Henry R., *American Century* (New York: Farrar & Rinehart, 1941), 23.

41 Luce, Henry R., "Preface," in the advance proof of "The United States in a New World: A Report of the Findings of a Committee of Editors of *Time*, *Life*, and *Fortune*," by Raymond Leslie Buell, n.d. [1942], The Papers of John Foster Dulles, Box 282, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

42 Henry R. Luce interview by Richard Challener, 28 July 1966, Dulles Oral History Collection, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey, 2–5.

43 John Foster Dulles, "A Christian Basis for Reconstruction," n.d. [August 1943], Dulles Papers, Box 291, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

The fact that the war had created a need for "a new society" almost everywhere was in that context not only "a calamity," but also "an opportunity, the like of which men never saw before."[44] The immediate postwar years and the crumbling of the war-time coalition did little to modify Dulles' basic beliefs. "By providence of God and the circumstance of history, the American people are now given a world opportunity and responsibility of unparalleled scope," Dulles declared in July 1947. "If we as a nation measure up to the task set before us, a better world order than mankind has known can come into being." If the United States should fail, the whole world would suffer "untold tragedies."[45]

As Eisenhower emerged as a commentator on international affairs after the war, he showed himself to be equally emphatic about America's mission. But in terms similar to those of Luce's arguments in *American Century*, Eisenhower also considered international order as a requirement for the United States. "[F]reedom cannot exist in one country only, not even in a country so rich and powerful as this," he wrote in 1950 and went on to state that "[u]ntil all the world has the economic, military, and political climate in which freedom can dwell in peace, all nations live in danger."[46] Eisenhower admitted that it would be "a long and rocky road toward a satisfactory world order, but the big thing is that we never give up for an instant."[47] He denounced any attempt to project order in the sense of the Roman Peace, where one nation, due to its dominant position in the world, ruled others.[48] However, his statement in 1950, concerning the objectives of United States foreign policy in the postwar years, left no doubts as to his commitment to seeking international order on the basis of enlightened self-interest. American policy, he argued, had been based on the determination "to protect its national prosperity by seeking world prosperity. It decided to prevent aggression against itself by striving toward collective international peace. It decided to work for freedom at home by helping the cause of freedom for all mankind."[49]

Challenge to Civilization and a 'Political Offense' in the Cold War

It was not rare to consider the United States as the inheritor, defender, leader, and reformer of the legacy of Western Civilization in the aftermath of the

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44 John Foster Dulles, "Christian Message Address," 4 November 1943, Dulles Papers, Box 291, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

45 John Foster Dulles, "Crossroads of American Foreign Policy," 1 July 1947, Dulles Papers, Box 294, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

46 Eisenhower, Dwight D., "Introduction," in Ellis, Howard S., *The Economics of Freedom: The Progress and Future of Aid to Europe* (New York: Harper for the Council on Foreign Relations, 1950).

47 Eisenhower to John Sheldon Doud, 23 August 1946, Galambos, Louis (ed.), *Papers of Dwight D. Eisenhower*, VIII, *The Chief of Staff* (Baltimore: Johns Hopkins University Press, 1978), 1249–1250.

48 Eisenhower to Dorothy Thompson, 25 June 1946, Galambos (ed.), *Papers of Dwight D. Eisenhower* VIII, 1149–1150.

49 Eisenhower, Dwight D., "Introduction," *op. cit.*

Second World War. It can be argued, however, that John Foster Dulles stressed that view probably more than any postwar foreign policy leader. In defining his ideas regarding the need to revive a "dynamic faith" in the ideals of American society, Dulles had been influenced by his reading of Arnold Toynbee's monumental *A Study of History*. In the early years of the Cold War, Toynbee's influence on the American perception of itself and the world was considerable even in more general terms. *A Study of History* became an unlikely bestseller in an abridged form, not least because of Henry Luce's decision to pick Whittaker Chambers' vivid portrayal of Toynbee as a cover story for *Time* in 1948, making the British historian a household name throughout the country.[50]

Toynbee's work was built around a neo-Spenglerian panorama of cyclical rises and falls of civilizations, but with a clear sense of the ascent of mankind through time, each cycle occurring on a somewhat higher level than its predecessor. Chambers took one of Toynbee's major themes, the emphasis that a civilization had to overcome successive challenges in order to survive, and appropriated it for contemporary purposes. "The U.S. must," Chambers urged, "consciously become what she had been, in reluctant fact, since the beginning of the World War II, the champion of Christian civilization against the forces that threatened it." The threat was a combination of totalitarianism and materialism, merging in the inherently expansive Soviet communist empire.[51]

"Every civilization faces, and ought to face, periodic challenges," Dulles paraphrased Toynbee's work in his postwar writings. "It is natural and even healthy that we should now have to evaluate again our place in history, to clear away some of the barnacles that have gathered and to reinvigorate the basic and worthy features of our historic faith.... Otherwise we shall be merely one great nation gone decadent and ripe to be plucked."[52] During the hearings on his nomination to the position of Secretary of State Dulles kept arguing that the threat of Soviet communism was not only the gravest threat that ever faced the United States, but "the gravest threat that has ever faced what we call western civilization, or, indeed, any civilization which was dominated by a spiritual faith."[53] Eisenhower's assessment was framed in similar terms. "The underlying, important thing," Eisenhower noted in his diary in May 1946, was "that we (our form of government) is under deadly, persistent, and constant attack."[54] The prevention of Western Europe from falling to Communist control was in that situation a *sine qua non* as about "the last remaining chance for the survival of Western civilization."[55]

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50 McNeil, William H, *Arnold J. Toynbee: A Life* (New York: Oxford University Press, 1989), 205–234; Goldman, Eric, *The Crucial Decade and After, America 1945–1960* (New York: Knopf, 1960), 60–61.

51 "The Challenge," *Time*, 17 March, 1947, 71–76.

52 Quoted in Pruessen, *John Foster Dulles*, 307.

53 U. S. Congress, Senate, Committee on Foreign Relations, *Hearings on the Nomination of John Foster Dulles: Secretary of State-Designate, January 15, 1953*, 83rd Cong., 1st sess. (Washington: USGPO, 1953), 10.

54 Eisenhower Diary, 26 May 1946, Eisenhower, *The Eisenhower Diaries*, 136-137.

55 Memorandum of Conversation, NSC Meeting, 7 October 1953, *Foreign Relations of the United States 1952–1954,* II, 528.

From this perspective it is understandable that the Cold War for both Dulles and Eisenhower was fundamentally an ideological conflict. "The central fact of today's life is that we are in a life and death struggle of ideologies," Eisenhower wrote in 1955. "It is freedom against dictatorship; communism against capitalism; concepts of human dignity against the materialistic dialectic."[56] The ideological emphasis is well illustrated in Dulles' article published in *Life* in 1946, when Dulles overruled the military option for ending the Soviet threat on the grounds that "[e]ven if we did crush it, that would prove nothing." On the contrary, it would have probably intensified the challenge, because "the Soviet experiment would then seem to have succumbed not to our merit, but to our might."[57]

This did not mean that Eisenhower and Dulles ignored the military dimensions of the Cold War. The Soviet challenge was for them "double-barreled" – both military and ideological – as Dulles once described it.[58] Both Dulles and Eisenhower had supported the key elements of the Truman-era containment policy also in military terms, but they were equally worried about the economic cost of trying to meet the possible Soviet expansion all along the Soviet perimeter.[59] A deterrent strategy based on the threat of 'massive retaliation' – nuclear reprisal in the event of Soviet aggression – seemed to provide the necessary solution to the military problem. At the same time, it was hoped that the deterrent strategy would facilitate a scaling-down of military expenditures, which remained a troubling concern for Eisenhower, who feared that military build-up might slowly increase the government's role in American society to the extent that it would begin to curtail democracy.[60]

This commitment notwithstanding, the deterrent strategy left open the question of communist advance through non-military political measures.[61] This aspect was nothing new to Dulles. Already in 1946 he had argued that Soviet

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56 Dwight D. Eisenhower to Lewis W. Douglas, 29 March 1955, Ann Whitman File, Eisenhower Diary Series, Box 10, 'DDE Diary (1) March 1955,' Dwight D. Eisenhower Library.

57 John Foster Dulles, "Thoughts on Soviet Foreign Policy and What to Do About It," *op. cit.*

58 Pruessen, *John Foster Dulles*, 303–304.

59 Eisenhower had advocated the Truman Doctrine and the Korean War based on his belief that accommodation would have led to domino effect - from Turkey to the Middle East and Africa; from Korea to South-East Asia and India - leaving the West vulnerable both strategically and in terms of raw materials. For Eisenhower, the Truman Doctrine, and oil, see Brands, H. W., *The Devil We Knew: The Americans and the Cold War* (New York: Oxford University Press, 1993), 18; For Eisenhower's thinking on the possible repercussions of North Korean advance to south, and his remark to the effect that "[i]f we had lost these areas, I do not know exactly how we would obtain some of the raw materials we now import from those regions," see Eisenhower Diary, 22 January 1952, Eisenhower, *The Eisenhower Diaries*, 209–213; Dulles had been more ambivalent in giving his support, questioning the wisdom of engagement in Greece, and faulting the Truman administration for allowing a "fuzzy situation" to develop in Korea. But even his criticism was directed against the method, not the principle of activist foreign policy. Pruessen, *John Foster Dulles*, 392–394.

60 Wells, Samuel F., Jr., "The Origins of Massive Retaliation," *Political Science Quarterly* 86 (Spring 1991), 31–52; Brands, H. W., "The Age of Vulnerability: Eisenhower and the National Insecurity State," *American Historical Review* 94 (1989), 963–989.

61 *Ibid.*

policy, "because it is dynamic, attracts those who think that radical change is needed to make the world better; it attracts those who think they can gain personal advantage from overturning the existing order; it attracts the many who are discontented with their lot." This dynamic aspect of Soviet foreign policy was the more effective because it moved "into a world which seem[ed] largely a vacuum, so far as faith and order [we]re concerned."[62] In 1953, in one his first published articles after becoming Secretary of State, Dulles looked back and emphasized that it had been "primarily through social ideas that Soviet Communism has won its victories. Almost no part of its expansion has been due to the old-fashioned method of open military aggression."[63]

In 1950, in his book *War and Peace*, Dulles was already arguing that commitment to a strong military establishment should "not mean that military considerations ought to dominate our foreign policy."[64] Eisenhower stated emphatically in 1952 that "we need the strength soon," but that strength was to be balanced between "moral power, economic power, and purely military power."[65] In January 1953, Dulles made that same observation to the Senate Foreign Relations Committee in terms that made clear his intention to fight back with social ideas. "Surely if they can use moral and psychological force, we can use it; and, to take a negative defeatist attitude is not an approach which is conducive to our own welfare, or in conformity with our own historical ideas."[66] He promised that "[a]s the free world establishes a military defense, it can undertake what has been too long delayed - a political offense."[67]

In the course of the 1952 campaign, Dulles criticized the Truman Administration's emphasis on 'containment' as being passive and negative, leading decision makers to "think more in terms of building barriers" rather than creating a dynamic policy.[68] Dulles remained adamant that the dynamic usually prevailed over the static; the active over the passive. "As between stone and water, which will prevail? The answer is whichever is in motion," he argued. "Today the Soviet Communism is the dynamic force in the world. We represent the static."[69] The critique of containment and the framing of 'political offense' within the rhetoric of 'mission' was bound to lead to a conflict with George F. Kennan, the eloquent conservative, who had been instrumental in defining the containment strategy of the Truman Administration. Undeterred by Kennan's personal letter and his influential book *American Diplomacy*, which

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62 Dulles, "Thoughts on Soviet Foreign Policy and What to Do About It," *op. cit.*

63 Dulles, John Foster, "America's Resposibility in Today's World," *Christian Advocate*, 16 April 1953, 5–6 and 26–27.

64 Dulles, John Foster, *War or Peace* (New York: Macmillan, 1950), 233.

65 Eisenhower Diary, 22 January, 1952, Eisenhower, *The Eisenhower Diaries*, 209–213.

66 U. S. Congress, Senate, Committee on Foreign Relations, *Hearings on the Nomination of John Foster Dulles: Secretary of State-Designate, January 15, 1953*, 83rd Cong., 1st sess. (Washington: United States Government Printing Office, 1953), 5–6.

67 Dulles, John Foster, "A New Foreign Policy," Reprint from *Life*, 19 May 1952.

68 *ibid.*; Dulles, John Foster, "The Danger in Our Defensive Mood," *Newsweek*, 26 May 1952, 39.

69 Dulles, "America's Resposibility in Today's World," 26–27.

was an all-out condemnation of what he considered legalistic and moralistic tendencies in United States foreign policy, Dulles wrote back to Kennan that he believed in "certain basic moral concepts which all peoples and nations can and do comprehend, and to which it is legitimate to appeal as providing some common standard of international conduct."[70]

Eisenhower had written as early as 1946 that "[o]ur most effective security step is to develop in every country, where there is any chance or opportunity, a democratic form of government to the extent that individualism rather than statism is the underlying concept of government."[71] Even after becoming the president in 1953, the degree of seriousness of the Communist threat remained directly linked in Eisenhower's mind to the soundness of the Western world order. "If we could get today the questions of world trade and world cooperation studied and settled on the basis of the long-term good of all," he noted in a diary entry in the summer of 1953, "we could laugh at the so-called contradictions in our system, and we could be so secure against the communist menace that it would gradually dry up and wither away."[72] At the same time the so called Jackson Committee, with Eisenhower's close advisers William H. Jackson and C. D. Jackson as its key members, were drafting a document on the 'United States Program for World Order' enunciating the same conviction in programmatic form:

> Only the collective strength and determination of the free world, under United States leadership, can eventually overcome the [Soviet] challenge ... The United States program, as developed and modified by the President and the National Security Council, is designed to build growing strength and cohesion in the free world, so that the free nations will have the unity of purpose and action, backed by power, to create a world order of free and peaceful nations. The ultimate objective of the United States program is the eventual inclusion of the countries now comprising the Soviet system in such a world order.[73]

Decolonization, Economics, and World Order

The United States had emerged from the Second World War as a world power in terms of both military strength and international prestige. Franklin D. Roosevelt had shown considerable conviction during the war in pursuing self-determination as a political concept in the face of ardent opposition from his

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70 Dulles to Kennan, 29 October 1952, Dulles Papers, Box 61, 'Kennan', Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey; Kennan's memorandum, 18 August 1952, in Kennan to Dulles, 22 October, 1952, Box 61, 'Kennan', Dulles Papers, Mudd Library, Princeton, NJ; Kennan, George F., *American Foreign Policy 1900–1950* (Chicago: University of Chicago Press, 1951), especially 95–101.

71 Eisenhower Diary, 26 May 1946, Eisenhower, *The Eisenhower Diaries*, 136-137.

72 Eisenhower Diary, 2 July 1953, Eisenhower, *The Eisenhower Diaries*, 242–245.

73 Jackson Committee Report, 'The United States Program for World Order' [1953], C.D. Jackson Papers, Box 63, 'Jackson Committee (2),' Dwight D. Eisenhower Library.

British and French allies.[74] In doing this, he had a broad political consensus backing him in the United States. The wording of the Atlantic Charter and of the Charter of the United Nations reflected this anti-colonialism and secured a commitment to the concept of self-determination of peoples. Eisenhower and Dulles were, in this respect, no exceptions. Dulles freely admitted that "the capitalistic centers, notably the British Empire and the United States, have developed some major defects. One of these is imperialism, with its by-product of racial intolerance."[75]

Dulles' anticolonialism, however, was mixed with a view of decolonization and political independence as the consummation of Western 'civilizing mission'. The meaning of the imperial role of the West – despite its flaws – had essentially been and remained a kind of "sacred trust to protect those peoples from exploitation and to develop self-government and free political institutions."[76] In 1949, he argued strongly that decolonization should not be considered a setback for the West: "Those who claim that the West has failed can prove it only by assuming that the goal of the West was world mastery. But suppose, on the contrary, that the goal of Western civilization was a universalizing of human liberty. If that were so, then the happenings I mention represent not failure, but success; not frustration, but consummation." Having worked in the forging of the United Nations Charter, Dulles emphasized that the pledge of universal respect for, and observance of, human rights and fundamental freedoms for all, was not imposed on the Western Powers, but was written *by* them. "Those attitudes of the West were natural and logical," Dulles claimed, "for liberation, not subjugation, was their goal." The development of political and economic independence in former colonial areas consequently should have been seen as representing the "success, not the failure, of Western civilization," even if it did end the political domination of the West.[77] Dulles still admitted that "some Westerners ... became arrogant in terms of race and ... some derived wealth from an unfair exploitation of subject peoples and sought to prolong that condition." However, he stressed that even if one took those flaws into account, "the religion of the West and the economic and social philosophy of the West" made Western empires different from the empires of the more distant past, and in the end would bring about a peaceful withering away of political rule by the West and its replacement by self-government.[78]

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74 On Roosevelt's anti-colonialism see Louis, Wm. Roger, *Imperialism at Bay: The United States and the Decolonization of the British Empire, 1941–1945* (Oxford: Clarendon Press, 1977); Thorne, Christopher, *Allies of A Kind: the United States, Britain, and the War against Japan* (New York: Oxford University Press, 1978). Kimball, Warren F., *The Juggler: Franklin D. Roosevelt as Wartime Statesman* (Princeton: Princeton University Press, 1991).

75 Dulles, "Thoughts on Soviet Foreign Policy and What to Do About It," *op. cit.*

76 John Foster Dulles, "Summary of Remarks Made by JFD to the Executive Committee of the Federal Council of Churches," 16 June 1945, Dulles Papers, Box 292, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

77 John Foster Dulles, "Evolution or Revolution," *The University of Pennsylvania General Magazine and Historical Chronicle* 51 (1949), 145–150.

78 John Foster Dulles, "Evolution or Revolution," 145–150; See also Dulles, *War or Peace*, 87.

In their wartime plans, both Luce and Dulles had also linked decolonization to global economic interdependence. "In the new world there can be growth without imperialism," Dulles had argued.[79] He affirmed that science and technological invention had overcome the separations imposed by geography, and consequently "what is done in one part of the world has repercussions which far extend beyond the national frontier." In effect, the world had become "an interdependent economic machine."[80] In practical terms, Luce's key ideas had to do with decolonization and the creation of an open world economy.[81] "The war-time marriage of a British Prime Minister and an American President might have produced potent 'responses' to the 'challenges' in our 'time of troubles,'" Luce wrote in a somewhat disillusioned letter to his closest associates in December 1945 ."On the one hand the American might have insisted that the Britisher enter upon an intelligent, dynamic liquidation of nineteenth century imperialism. On the other hand, the Britisher might have charged the American with the duty of carrying into a new age the responsibility for the intelligent management of a free worldwide economy. With these two concrete ideas, plus only the tiniest bit of Gladstonean morality or Lincolnian humility, in both of which both Churchill and Roosevelt were spectacularly lacking, there could have emerged a genuine program and pattern of world peace founded on justice."[82]

Eisenhower argued, in terms analogous to those used by Luce and Dulles, for a world order, where "all nations can enjoy the fruitfulness of the earth."[83] This also entailed sacrifices from Americans, as even the United States "could not continue to live in a world where it must, for the disposal of its products, export vast portions of its industrial and agricultural products unless it also imports a sufficiently great amount of foreign products to allow countries to pay for the surpluses they receive from us."[84] Eisenhower embraced the search for the kinds of formulae that would help the West to maintain its economic ties with the politically decolonized Asian and African states. There was no acceptable alternative, Eisenhower wrote to Dulles in June 1952. The "minimum requirement" for the U.S. cold war programs, the Republican candidate advised his future secretary of state, "is that we are able to trade freely, in spite of anything Russia may do, with those areas from which we obtain the raw materials that are vital to our country." Consequently, it was imperative that "no

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79 Dulles, John Foster, "Peace Without Platitudes," *Fortune*, January 1942, 42–43 and 87–90.

80 Dulles, "The Church's Role in Developing the Bases for Just and Durable Peace," 28 May 1941, 17, Dulles Papers, Box 282, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

81 Herzstein, Robert E., *Henry R. Luce: A Political Portrait of the Man Who Created the American Century* (New York: Scribner's, 1994), 269–270.

82 Henry Luce to the Senior List of Time-Life, 6 December 1945, C. D. Jackson Papers, Box 70, 'Luce,' Dwight D. Eisenhower Library.

83 Eisenhower speech at London Guildhall, 12 June 1945, quoted in Griffith, "Dwight D. Eisenhower and the Corporate Commonwealth," 94.

84 Eisenhower Diary, 2 July 1953, Eisenhower, *The Eisenhower Diaries*, 242–245.

foreign power will be allowed to cut us off from those areas of the world that are necessary to the health, strength and development of our economy."[85]

Eisenhower freely admitted that placing trade at the heart of foreign policy planning could seem "at first glance, a hard-boiled approach to a great question in which human values are inextricably bound up and moral standards are indispensable."[86] He did not, however, see any alternatives to an international order conducive to international trade.

> I believe that the simple rule that should dictate our relationships with other nations is to determine what countries and peoples we *must* preserve a friendly and mutually profitable trade with in order that our particular type of government can continue to flourish, and how to do it!.... As we proceed to the building of applicable programs in the simple purpose of maintaining the kind of trade necessary to us, we begin to think of Malaya in terms of available tin, rubber, and tungsten; of India in manganese and other valuable products; of Central Africa in cobalt and uranium; of the Mid-East in oil; of Chile in copper; of Bolivia in tin; and so on around the world. To trade with these countries, we need, of course, to maintain sure access to them and, after that, we must know that they *want* to trade with us. This last is assured through the existence of governments that are not antagonistic to us or to trading with us on a mutually profitable basis.[87]

Eisenhower was quick to emphasize that this focus on international trade was in his opinion not only in America's interest, but would be a cornerstone of an international order beneficial to all. Trade was fundamentally "a cooperative enterprise providing mutual benefit," he wrote in early 1952, and the means that were necessary to preserving trading opportunity should be "the *responsibility* of all." Consequently in preserving "our own opportunities for needed trade, we are doing something of as much value to others as to us – sometimes more." That these questions were debatable was not ignored by Eisenhower. He considered it "possibly one of the greatest difficulties in the world today ... that these simple truths are not understood and, in some instances, even where people are presumed to be fairly well enlightened, there is almost a studied effort to deny the facts.... I sometimes think that the most important direction in which [the United States] could exercise her influence is toward *informing people everywhere* of these basic truths."[88]

By 1950 Dulles had become confident that Western colonial empires were going to be subjected to orderly liquidation in the near future. The task for the

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85 Eisenhower to Dulles, 20 June 1952, Ann Whitman File, Dulles-Herter Series, Box 1, 'Dulles – Prior Inauguration,' Dwight D. Eisenhower Library; See also Rockefeller, Nelson, "Widening Boundaries of National Interest," *Foreign Affairs* 29 (1951), 527.

86 Eisenhower to Martin Clement, 9 January 1952, in Galambos (ed.), *The Papers of Dwight David Eisenhower*, XII, 865–869; See also Eisenhower Diary, 2 July 1953, Eisenhower, *The Eisenhower Diaries*, 242–245.

87 Eisenhower to Martin Clement, 9 January 1952, in Galambos (ed.), *The Papers of Dwight David Eisenhower*, XII, 865–869.

88 *ibid.*

United States was to help create a new world order by "building between men of different races, creeds and colors a new relationship of partnership and of equality."[89] In a campaign speech given in October 1952, Eisenhower stated his belief in that respect. The newly independent countries were "not so much areas of danger as areas of hope," he argued. They provided the United States with a new challenge "to prove again that the faith we hold is never weary but is ever new." Those countries should be enlisted to become a "vanguard" force in the Cold War struggle. "They should be the ones – from Israel to India, from Syria to Indonesia – whom we should be quickest to help," he concluded. "For they should be the quickest to share our faith in freedom's future – in the brotherhood of men under the fatherhood of God."[90]

Limits of Influence?

To become a politically feasible framework for action, these ideas required confidence in the potential difference that United States foreign policy could make. In general Eisenhower and Dulles shared a strong belief in American leadership in the world. They both were also very much aware of the potential pitfalls which might cause such leadership to falter in case the projection of American policies became too pronounced. Dulles once urged speechwriters to omit the phrase 'our world leadership' in one of Eisenhower's speeches, and "to search for a word other than 'leadership' – [because] abroad, there is sometimes resentment that we are the leader. 'World responsibility' might be better."[91] As NATO commander in Europe, Eisenhower had written about the necessity to stress the "*basic* political and social objectives of free countries." At the same time, however, he was worried that the intellectual climate made it difficult for an American to "publicly uphold the social and political principles he has been taught to respect and revere."[92] As president, he was convinced that a policy based on "saying we are out in front, we know all the answers, you boys come along" was bound to fail.[93]

"Our foreign policy is not something we can enact into world law or dictate to other peoples," Dulles explained to the Senate Foreign Relations Committee

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89 John Foster Dulles, "Where Are We?," Address at a dinner organized by the American Association for the United Nations, 29 December 1950, The Papers of John Foster Dulles, Box 48, 'Eisenhower, Dwight David,' Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

90 Eisenhower's Speech in New York, 16 October 1952, published as "The Free World Challenged by Communism: We Must Have Unity and Faith," *Vital Speeches of the Day* 19 (1952), 37–41.

91 Cabinet Memorandum to the President, 'State of the Union Message Comments by Cabinet Members,' 2 December 1955, Ann Whitman File, Cabinet Series, Box 6, Dwight D. Eisenhower Library.

92 Eisenhower to Harriman, 2 April 1951, in Galambos (ed.), *The Papers of Dwight David Eisenhower*, XII, 179–180.

93 Quoted in Gaddis, *Strategies of Containment*, 130.

in 1959. "It means rather constant adjustment to forces which, though beyond our control to direct, we can influence through wise statemanship and adherence to sound principles." However, "with our immense wealth and power, and even more because of our spiritual heritage of faith and freedom, we can exert a shaping influence on the world of the future."[94] That type of confidence was a hallmark of both Eisenhower and Dulles. "We have the ideals, we have the 'know-how,' we have the power," Dulles had declared in the aftermath of the war.[95] During and after the 1952 campaign, Dulles was hardly less confident in his words. The founders of the United States had acted under a sense of moral compulsion "as people who had a mission to perform in the world," he told a church audience in October 1952. "What they did became known as 'the Great American Experiment' ... designed not only for ourselves, but for others."[96] Now it was time to take back the ideas of 'mission' and 'destiny,' which had recently been used by "the Fascists, Nazis, and Communists." Those appeals could not be countered by "abstract discourses about liberty," and thus there was a need "for a spiritual revival, so that our people will demonstrate dramatically their righteous purpose, a purpose which will be universal in appeal, peaceful in its methods and intense in its dedication."[97]

Eisenhower's remarks made the same case. "America's position of strength enhances her natural capabilities for leadership in this necessary task," Eisenhower wrote about U. S. leadership in world affairs.[98] The final goal of universal peace might only be a vision, he had stated in a speech at Columbia University in 1950, but combined with a realistic appreciation of the present, it provided a path to follow:

> What then is the nature of the peace that we seek? ... [W]e constantly use the word 'peace' in two senses which differ sharply. One is the peace of our dreams – a peace founded in noble impulses, universally shared. It is always the ideal, the pole star that guides us on the proper path. The other peace is *something* of an armed truce; but today a half-loaf is better than none ... [W]e hope to reach the point where this peace becomes the starting point of the *real* peace we seek. But permanence, universality, and security cannot be achieved merely by covenant or agreement....

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94 Briefing by Secretary of State John Foster Dulles at an Executive Session of United States Senate Committee on Foreign Relations, 14 January 1959, U. S. Congress, Senate, Committee on Foreign Relations, *Top-Secret Hearings by the U. S. Senate Committee on Foreign Relations: First Installment, 1959–1966* (Frederick: University Publications of America, 1981), Microfilm Reel 1: 1–71.

95 Quoted in Pruessen, *John Foster Dulles*, 307n11.

96 Dulles, "America's Resposibility in Today's World," 26–27.

97 John Foster Dulles, "Freedom and Its Purpose," Address at the General Assembly of the National Council of Churches in the United States of America, 11 December 1952, Nationally broadcast by Columbia Broadcasting System, The Papers of John Foster Dulles, Box 62, ''Liberation' Policy (1952),' Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey

98 Eisenhower to Dulles, 20 June 1952, Ann Whitman File, Dulles-Herter Series, Box 1, 'Dulles – Prior Inauguration,' Dwight D. Eisenhower Library.

> There must be a universal urge of decency.... It is obvious that an enduring world-wide and secure peace must be founded on justice, opportunity, and freedom for all men of good will.[99]

After three years in office, in January 1956, Eisenhower still remained confident. "[I]f this country – with all its riches and might, and with its foreign relations directed by people so respected throughout the world as Foster and myself – cannot point to a single conclusive sign that the world is actually moving toward universal peace and disarmament," he noted in his diary, "then indeed it would appear that the world is on the verge of abyss."[100]

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99 Eisenhower's speech at Columbia University, 23 March 1950, published as Eisenhower, Dwight D., "World Peace – A Balance Sheet," [1950] in Eisenhower, Dwight D., *Peace with Justice*, edited by Kirk, Grayson (New York: Columbia University Press, 1961).

100 Eisenhower Diary, 10 January 1956, Eisenhower, *The Eisenhower Diaries*, 305–307.

‘Self Determination’: The Parameters of Nationalism, 1951–1954

> In this situation the two strongest Western powers must not appear before the world as a combination of forces to compel adherence to the *status quo*. The free world’s hope of defeating the communist aims does not include objecting to national aspirations.[1]
>
> Dwight D. Eisenhower (1953)

“Legitimate Aspirations”

The question of establishing a postwar international order in the Middle East emerged as an issue in United States foreign policy closely tied to the manner in which the Second World War and cooperation among the Allies had brought the United States to the Middle East on an unprecedented scale. Although the British carried the primary military responsibility in the area, Eisenhower’s troops entered the Arab world in North Africa, convoys of American supplies crossed Iran to aid the Soviet Union, and the U. S. government took an active role in the development of oil resources in the Arabian peninsula. The Americans also participated in the running of the area-wide Middle East Supply Center, which coordinated both the logistical support of the troops and the economic utilization of area resources for military and civilian purposes.[2]

In establishing their order in the area, the Allies also had their share of difficult encounters with local governments in the Middle East, and military expediency led the Allies to assert their authority over local powers on several occasions. The perceived threat of a pro-Nazi leadership in oil-rich Iran had convinced the Allied governments about the need to occupy Iran and substitute the 23-year-old Mohammed Reza Pahlevi for Shah Reza Khan as the ruler of the country. Britain used its power and influence to overthrow another government suspected of German connections in Iraq. And with the help of British armoured vehicles in the neighborhood of the royal palace in Cairo, the British Ambassador Miles Lampson got his wish of a pro-Allied government in

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1 Eisenhower Diary, 6 January 1953, Eisenhower, *The Eisenhower Diaries*, 222–224.

2 Kirk, George, *The Middle East in the War: Survey of International Affairs, 1939–1946* (London: Oxford University Press, 1952).

Egypt by presenting an ultimatum to King Farouk to either appoint Nahas Pasha as Prime Minister or abdicate.[3]

Military power and political influence were accompanied by an area-wide Allied economic organization and far-reaching plans to further rationalize and regulate Middle Eastern oil operations. Neither of these arrangements lasted, however, beyond the war. The Middle East Supply Center, which regulated and sought to stimulate intra-regional trade and, especially in the closing years, agricultural and industrial development, was denounced as an instrument of British economic imperialism by Middle Eastern countries and Americans alike, and amid British protests its operations ceased at U.S. insistence.[4] A similar fate awaited the Anglo-American war-time plan for an "international oil compact." As foreign oil resources – and especially Middle Eastern oil – were being rapidly developed and had a major effect upon the course of the war, a business-government consensus had emerged in the United States favoring steps to bring conflicting national oil policies into harmony. This was based to a considerable degree on the fear that the security of U. S. oil concessions in the Middle East and other important oil areas was in doubt. The most far-reaching result was a proposal by the Foreign Operations Committee of the Petroleum Administration for War to adopt an international oil compact. That proposal recognized – quoting an Eisenhower era State Department review – "that the U. S. would soon become partially dependent on oil imports, that U. S. national security would be enhanced by having adequate and strategically located sources of oil supplies throughout the world in the hands of U. S. nationals, and that the petroleum industry could be an invaluable agent for promoting postwar reconstruction." The international oil compact was consequently intended "to encourage national governments to bring their policies in accord with the basic principles of avoiding international friction and the growth of dangerous rivalries, promoting equal opportunity in foreign petroleum development, guaranteeing sanctity of contracts, and promoting the general application of advanced technical practices." A joint Anglo-American agreement was worked out in 1944, signed and submitted to the U. S. Senate in the form of a treaty for ratification, but it was never ratified.[5]

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3 *Ibid.*, 209; Louis, Wm. Roger, *The British Empire in the Middle East, 1945–1951: Arab Nationalism, the United States, and Postwar Imperialism* (Oxford: Clarendon Press, 1984), 124.

4 On Middle East Supply Center, see e.g. Baram, Phillip J., *The Department of State in the Middle East, 1919–1945* (Philadelphia: University of Pennsylvania Press, 1978), 159–166.

5 Quotes are from State Department Memorandum, 'International Oil Compact,' enclosed in 'Western Hemisphere Oil Compact,' 8 September 1958, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–1963, Box 4, RG 59, NARA; See also Anderson, Irvine H., "The American Oil Industry and the Fifty-fifty Agreement of 1950," in Bill, James A., and Louis, Wm. Roger, *Musaddiq, Iranian Nationalism and Oil* (London: Tauris, 1988), 151–152; Painter, David S., *Oil and the American Century* (Baltimore: Johns Hopkins University Press, 1986), 202–203; Gardner, Lloyd C., *Economic Aspects of New Deal Diplomacy* (Madison: University of Wisconsin Press, 1964), 235–236.

These were not the only Allied plans for the postwar Middle East which did not materialize in an intended way. Roosevelt and Churchill had assured Stalin during the war that the postwar settlement would acknowledge Soviet Union's interests in Iran. Churchill had gone even further, telling Stalin that the Soviet Union was "justified" in seeking access to the Mediterranean in light of Turkey's cooperation with Germany.[6] Another commitment was to respect local rights after the war. At the Teheran conference in 1943, the heads of the occupying powers, Roosevelt, Churchill, and Stalin, had pledged to respect Iran's territorial integrity and sovereignty, promising to withdraw troops from Iran within six months following the end of hostilities. By 1945, however, U.S. policy had turned toward another direction with regard to Soviet interests, the question of Iranian oil had begun to strain the alliance, and the Iranians themselves sought to juggle between occupying powers to create opportunities to shape their own future. In 1944 a United States-based company seemed to be on the verge of winning an oil concession in Iran, previously monopolized by the British, and that was soon followed by Soviet demands for oil concessions of its own. When the time came for the agreed withdrawal, another crisis ensued as Britain and the United States honored the agreement, but Soviet troops stayed in oil-rich northern-Iranian Azerbaijan. Western leaders feared that the Soviets were trying to inspire a revolt that would lead to the secession of the province and possible annexation to the Soviet Union itself.[7]

Behind these conflicts of interest were multifaceted structures of ideology. All the great powers saw themselves in one way or another as benefactors of the Middle Eastern countries. Stalin, who in 1940 had asked Hitler's permission for expansion toward the Persian Gulf, remained – at least in public – committed to denouncing Western powers as "imperialists" and presenting the Soviet Union as a revolutionary liberator of oppressed peoples in the area.[8] Ernest Bevin, the powerful foreign secretary of the postwar British Labour government, argued against any weakening of the British position in the greater Mediterranean area, not only because that would have meant a loss of prestige, but because it would have led "to the end of social democracy there" as opposed to "the red tooth and claw of American capitalism and the Communist dictatorship of Soviet Russia."[9] Meanwhile, the U.S. officials believed that in prevailing conditions a continued United States presence had become a requisite for Middle Eastern countries if they were to retain their independence and to counter the political and economic aims of Britain, France, and the Soviet Union.[10]

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6 LaFeber, Walter, *America, Russia, and the Cold War, 1945–1996* (New York: McGraw, 1997), 35–37.

7 There are several fine studies of the Iranian crisis, see e.g. Lytle, Mark H., *The Origins of the Iranian-American Alliance, 1941–1953* (New York: Holmes & Maier, 1987).

8 Behbehani, Hashim S. H., *The Soviet Union and Arab Nationalism, 1917–1966* (London: Kegan Paul, 1986).

9 Bevin to Cabinet Defence Committee, 'Defence in the Mediterranean, Middle East and Indian Ocean,' 13 March 1946, CAB 131/2, DO(46)40, PRO.

10 Louis, *The British Empire in the Middle East, 1945–1951*, 38, 164–172.

Because of their long-time involvement in the U. S. foreign policy process, both Dulles and Eisenhower were inevitably drawn to comment on the developing crisis in the Middle East. Already in 1946 Eisenhower had emphasized that "[a] great part of our military strength, as well as our standard of living, is based on oil." And the Middle East was "probably the one undeveloped reserve in a world which may come to the limits of its oil resources within this generation without having developed any substitute," making the "control of the oil of the Middle East" a crucial question.[11] At the same time, Dulles was urging the United States to enter into a competition of ideals with the Soviet Union for "the minds of men" in the Middle East, Africa, and Asia. "The Arab world is being wooed," Dulles argued in *Life*. In his view, the Soviets had gone to "extremes" by demanding France and Britain to evacuate their troops from Syria and Lebanon, and encouraging unrest in French Morocco, Algeria and Tunisia.[12]

The Soviet troops were finally withdrawn from Iran in May 1946, but the Soviets kept calling for joint Soviet-Turkish negotiations for organizing the defense of the Turkish straits, and the civil war in Greece seemed to be developing in favor of the Communists. When the Attlee government in London found Britain's economic foundation faltering, President Truman requested Congress to authorize the United States to take over Britain's role in the Eastern Mediterranean through a program of aid, and in March of 1947 laid down the 'Truman Doctrine,' declaring the U. S. commitment to oppose Communist takeovers anywhere. Eisenhower – in his role as Army Chief of Staff agreed. He feared that without affirmative United States action it was likely that Middle Eastern governments would collapse in the face of Soviet pressure, even if it remained non-military in character. "The danger remains that Turkey, unless given positive assurances, might so interpret the possibilities of the future as to yield to Soviet pressure short of direct military measures." If the Soviets should succeed in that, it was "highly probable that all the Middle Eastern countries would come rapidly under Soviet domination."[13]

In the context of such struggle for the minds of Middle Eastern nations, both Dulles and Eisenhower saw serious problems in supporting the creation of Israel. This was not, of course, in any way uncommon in the State Department and the U. S. military establishment during the postwar years. In June 1946 the Joint Chiefs of Staff adopted a memorandum drafted by Eisenhower emphasizing the need for caution as to U. S. participation in a Palestine trusteeship in order to avoid any action "which would ... [o]rient the peoples of the Middle East away from the Western Powers, as the U.S. has a vital security

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11 Eisenhower memorandum as quoted in editorial note in Eisenhower, Dwight D., *The Papers of Dwight David Eisenhower*, VII, *The Chief of Staff*, edited by Louis Galambos (Baltimore: The Johns Hopkins University Press, 1978), 950n5.

12 Gerson 38–46; Dulles, "Thoughts on Soviet Policy and What to Do About It," *Life* (6 June 1946).

13 Eisenhower to Forrestal, 13 March 1947, *Foreign Relations of the United States 1947*, V, 110–114.

interest in that area."[14] Dulles was equally emphatic that the Arab bloc at the United Nations had cooperated well with the United States on major Cold War questions,[15] and he worried about just how far the United States could go in support of Israel against the arguments advanced by the Arab countries.[16] Later on Dulles would fault the Truman Administration for the whole predicament in which the United States found itself in the Middle East. Secretary of State George Marshall had been overruled in "humiliating fashion."[17] Dulles argued in 1955 that the views of the State Department and Defense Department had generally been bypassed by the Truman White House on purely domestic political grounds, in order "to meet the wishes of the Zionists in this country ..."[18]

Another potentially explosive situation was in North Africa. Dulles warned the French foreign minister Robert Schuman that although there were in Africa vast resources which could more than make good the loss of Asiatic colonies to Western Europe, a beneficial "North-South development" required "friendly cooperation between the native peoples and the peoples of Europe and perhaps some financial and technological assistance from the United States." Dulles also feared that former Italian colonies in North Africa would be treated by the West in a manner which could incite "a Moslem Holy War or a race war of black against white," and the foundation for beneficent North-South economic development across the Mediterranean would disappear.[19]

The postwar situation among the Western powers was not, however, completely ridden with conflict. In December 1945 the British and French governments had entered into a secret "Non-Substitution Agreement,"[20] and although the United States was decidedly against any formal division of the Middle East into spheres of influence, there was a general understanding among the Western powers to avoid conflicts of interest. Anglo-American cooperation in the Middle East had been a recognized policy objective of the two Governments since first war-time reviews between the two governments in

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14 *Ibid.*

15 Dulles to Marshall, 29 November 1948, *Foreign Relations of the United States 1948*, V, 1635–6.

16 Dulles to Marshall, 30 November 1948, *Foreign Relations of the United States 1948*, V, 1636.

17 Memorandum of Conversation, NSC Meeting, 20 October 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 616–630.

18 Memorandum of Conversation, Dulles, Nixon, Wilson, Humphrey, Brownell, Hoover, 18 October 1955, Dulles Papers, Subject Series, Box 6, 'Nixon, Richard, Vice President [4],' Dwight D. Eisenhower Library.

19 Memorandum of Conversation, Dulles and Schuman, 12 April 1949 (New York), *Foreign Relations of the United States, 1949*, IV, *Western Europe*, 544–546; For an analysis of similar ideas on the other side of the Atlantic, see Kent, John, "Bevin's Imperialism and the Idea of Euro-Africa, 1945–49," in Dockrill, Michael, and Young, John W. (eds.), *British Foreign Policy 1945–56* (Basingstoke: Macmillan, 1989).

20 As late as in 1952, the British Government recognized the agreement of 1945 as valid. See Memorandum of Conversation, Jones and Greenhill, 'French Desire for 'Assurances' in Connection with the Middle East,' 25 March 1952, State Department Decimal File 780.00/3–2852, RG 59, NARA; McGhee to State Department, 31 March 1952, *Foreign Relations of the United States 1952–1954,* IX, 199–203.

1944. By 1948 informal discussions had led to directives sent to diplomatic posts in the Middle East affirming that "in a matter of such importance to both the United States and Great Britain, both Governments should endeavor to prevent other foreign countries, or commercial interests, or any other influences from making capital for themselves by playing Great Britain and the United States off against each other.... It should be contrary to their respective policies for either country to make efforts to strengthen itself or to increase its influence at the expense of the other."[21]

The so called Tripartite Declaration by the United States, Britain, and France in May 1950 was perhaps the most striking result of early postwar-era Western cooperation in the Middle East. The Western powers took on the responsibility for regulating arms supplies in the Middle East and limiting such supplies in line with the concept of 'legitimate self-defense'. The Three Powers committed themselves to taking immediate action if any of the states committed aggression in the area. At the same time – as Dulles would later note – the Tripartite Declaration "amounted to an assertion [by the three countries] that the Middle East was our exclusive interest."[22] But when the French proposed in late 1951 an exchange of letters to link the principle of non-substitution with respect to arms supply to the tripartite system of arms control, they were told by the State Department that the United States recognized no spheres of influence, although the United States "would not like to see the interests of any Western power in the Middle East diminished."[23]

By that time, however, both Eisenhower and Dulles had become very worried about the situation in the Middle East. The problem was the challenge to the British position in the Middle East. The British had extensive petroleum interests in the Persian Gulf and Iran, military bases in Egypt, Iraq, Jordan and Cyprus as well as stationed military units in Aden, Sudan, Eritrea, and Somalia. Two elements of the British presence, however, rose above anything else, both physically and symbolically. One was the British oil complex in Iran. The military base system in the Suez Canal Zone was the other. By 1951 these were not only the greatest Middle Eastern assets for Britain, but also the focal points for nationalist attacks.

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21 *Ibid.*; Ranney to Labouisse, 'Anglo-American Cooperation in the Near East,' 30 January 1950, State Department Decimal File 780.00/1–3050, RG 59, NARA.

22 Memorandum of Conversation, Dulles and Macmillan, 3 October 1955, FO 371/113676 JE1194/260, PRO.

23 Memorandum of Conversation, Jones and Luc, 16 November 1951, State Department Decimal File 780.00/11–1651, RG 59, NARA; Memorandum of Conversation, Jones and Greenhill, 'French Desire for 'Assurances' in Connection with the Middle East,' 25 March 1952, State Department Decimal File 780.00/3–2852, RG 59, NARA; Memorandum of Conversation, Jones and Benard, 'French Desire for 'Assurances' in Connection with the Middle East,' 25 March 1952, State Department Decimal File 780.00/3–2552, RG 59, NARA; McGhee to State Department, 31 March 1952, *Foreign Relations of the United States 1952–1954,* IX, 199–203.

The British economic complex in Iran contained the main oil fields in the southern part of the country. About 5,000 Britons lived there as a tight community, which had its own schools, hospitals, and fleet. They controlled a huge economic operation that was almost totally separated from the Iranian economy. Abadan was the largest oil refinery in the world, with a capacity of over 20 million tons of crude oil, extracted primarily from the surrounding *Anglo-Iranian Oil Company* [AIOC] concession area. Iran's total output constituted 32 million tons of the 90 million tons of oil produced annually in the Middle East. That was more than anywhere else in the Middle East, and practically all of it was controlled by the AIOC. Only the United States, Venezuela, and the Soviet Union produced more on the global scale.[24] The British presence in Iran was dominant, but from another perspective it was only a more striking case in the usual pattern of Western ownership and control of Middle Eastern oil production facilities (see TABLE 1).

After the assassination of the Iranian prime minister, General Razmara, in 1951, the Shah yielded to political pressure and appointed as new prime minister Mohammed Mossadeq, a European-educated seventy-year-old landowner, who had been a member of the Majlis, the Iranian legislature, since 1915. The British viewed Mossadeq with suspicion, not the least because of his criticism of the AIOC, which had obtained exclusive rights to Iranian oil in 1909. The Iranian government did earn half of its revenues from royalties paid by the AIOC, but the company was itself earning nearly five times that amount and paid the British government in taxes more than it was paying to Iran. By the 1950s this arrangement had become unpopular with most Iranian politicians irrespective of their political positions, both Mossadeq and the Shah included. The decision of the U. S.-owned Arabian-American Oil Company (ARAMCO) to extend a new 50/50 profit sharing arrangement – originally created for Venezuela – to Saudi Arabia, was being hailed at the same time as the one economic principle, which could placate the rising nationalist sentiment in oil producing countries.[25] It replaced the system of a fixed royalty payment. The U. S. companies had not suffered from that change as they were eligible for tax credit in the United States on tax payments made overseas,[26] but the AIOC refused to apply this principle in Iran, which only added to the disillusionment of the Iranians. On the same day he was appointed prime minister, Mossadeq presented a proposal to the Majlis calling for the nationalization of the AIOC. The nationalization law was passed immediately and unanimously, and was signed by the Shah a few days later.[27]

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24 Louis, Wm. Roger, *British Empire in the Middle East 1945–1951: Arab Nationalism, The United States, and Postwar Imperialism* (Oxford: Clarendon Press, 1984), 8–9; Elm, Mostafa, *Oil, Power, and Principle: Iran's Oil Nationalization and Its Aftermath* (New York: Syracuse University Press, 1992), 108.

25 Louis, *British Empire in the Middle East 1945–1951*, 595–601.

26 Mikdashi, Zuhayr, *A Financial Analysis of Middle Eastern Oil Concessions, 1901–1965* (New York: Praeger, 1966),135–145.

27 Elm, *Oil, Power, and Principle*, 81–93; Painter, *Oil and the American Century*, 172–173.

TABLE 1 [28]

Middle East Oil Holdings in 1950

Oil Company	Country	Ownership	Percentage
Anglo-Iranian Oil Company (AIOC)	Iran	British	
		British Government	56
		Burma Oil Company	22
		Private Interestes	22
Arabian-American Oil Company (ARAMCO)	Saudi Arabia	U. S.	
		Standard Oil of California	30
		Texas Company (Texaco)	30
		Standard Oil of New Jersey	30
		Socony-Vacuum (Mobil)	10
Iraq Petroleum Company (IPC)	Iraq	International	
		AIOC	23¾
		Royal Dutch-Shell	23¾
		C.I.E. Française des Pétroles	23¾
		Standard Oil of New Jersey	$11^{7}/_{8}$
		Socony-Vacuum (Mobil)	$11^{7}/_{8}$
		C.S. Gulbenkian	5
Kuwait Oil Company	Kuwait	Anglo-American	
		AIOC	50
		Gulf Exploration Company.	50
Bahrain Petroleum Company	Bahrain	U. S.	
		Standard Oil of California	50
		Texas Company (Texaco)	50
Petroleum Development Limited	Qatar	International	
		AIOC	23¾
		Royal Dutch-Shell	23¾
		C.I.E. Française des Pétroles	23¾
		Standard Oil of New Jersey	$11^{7}/_{8}$
		Socony-Vacuum (Mobil)	$11^{7}/_{8}$
		C.S. Gulbenkian	5

"The Moslem world grows restive," Eisenhower wrote to Averell Harriman already in April 1951 about this "particularly disturbing" crisis in Iran, which had the potential of depriving Western Europe of Iranian oil.[29] "Lord knows what we'd do without Iranian oil," he exclaimed in his diary.[30] Eisenhower was

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28 Adapted from Table 3 in Elm, *Oil, Power, and Principle*, 109.

29 Eisenhower to Harriman, 20 April 1951, in Eisenhower, *The Papers of Dwight David Eisenhower*, XII, 222–227

30 Eisenhower Diary, 23 April 1951, in Eisenhower, *The Papers of Dwight David Eisenhower*, XII, 239.

pulled between friends urging instant action to give the Iranians an acceptable contract, and others who sided squarely with the British against Iran.[31] There were many, he wrote, who believed "the entire trouble springs from British exploitation of nations." He was also personally more inclined to put the blame on the British and on Western policy in general. "[S]erious as is the attitude of a united Arab world," he reflected, "it is surprising how many people want to treat the Moslem nations with disdain, if not complete callousness." He confessed having sometimes "the uneasy feeling that in those countries our side deals primarily with the classes that have been exploiting their own people since time immemorial."[32]

The feared loss of Iranian oil was accompanied by fear of a Communist takeover. Eisenhower firmly believed that, the Soviets were "getting far closer to the masses than we are."[33] In June 1951 Eisenhower wrote to his old friend Swede Hazlett, comparing the Iranian situation to China. "The situation there has not yet gotten as bad a position as China, but sometimes I think it stands today at the same place that China did only a very few years ago. Now we have completely lost the latter nation - no matter how we explain it, how much we prove our position to have been fair and just, we *failed*. I most certainly hope that this calamity is not repeated in the case of Iran."[34] With the Labour government in Britain threatening to close the Abadan refinery in retaliation to the nationalization law, Eisenhower wrote to Winston Churchill, the opposition leader in Britain, urging support for an interim arrangement that would allow the oil to keep flowing.[35] That was to no avail. The Labour government finally decided against an armed intervention which had already been planned in detail, but Abadan refinery halted operations at the end of July, and in early October all British personnel were evacuated.[36] "In Iran, all of us (not just the British) have taken a bad set-back," Eisenhower wrote to publisher John Cowles.[37]

In Egypt, the key question was the military complex in the Suez Canal Zone. The huge base system stretched all the way from the Mediterranean to the Red Sea and from the Suez Canal to Cairo's surroundings, including several airfields and harbors, roads and railways, garrisons and storage depots. In the Western contingency plans for a general war, the operations along the frontier

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31 *ibid.*

32 Eisenhower to Harriman, 20 April 1951, in Eisenhower, *The Papers of Dwight David Eisenhower*, XII, 222–227

33 *ibid.*

34 Emphasis as in the source text, Eisenhower to Hazlett, 21 June 1951, in Eisenhower, Dwight D., *Ike's Letters to a Friend, 1941–1958*, ed. by Robert W. Griffith (Lawrence: University Press of Kansas, 1984), 84-89.

35 Eisenhower to Churchill, 11 July 1951. in Eisenhower, *The Papers of Dwight David Eisenhower*, XII, 414–415.

36 Louis, *British Empire in the Middle East 1945–1951*, 666, 668.

37 Eisenhower to Cowles, 3 October 1951, in Eisenhower, *The Papers of Dwight David Eisenhower*, XII, 602–604.

with the Soviet Union would be supplied from the base. One of the airfields, moreover, was designated as a base for strategic bombing missions against the Soviet Union.[38] The Anglo-Egyptian treaty of 1936 had limited the number of British troops to 10,000. At the end of the war there were more than 200,000 of them. Most of them were withdrawn in the aftermath of the war, but the relocation of British troops from Palestine after the British evacuation there raised the number of troops again to over 80,000. The base was the focal point for nationalist attacks along with the Anglo-Egyptian treaty itself, and the Labour government had sought to replace the treaty with a multilateral defense arrangement, whereby Britain could retain its position at Suez. On October 8, 1951 the Egyptian government unilaterally abrogated the Anglo-Egyptian Treaty of 1936, demanding that all British forces be evacuated from Egypt. The long-planned Western initiative for a Middle East Command, presented to Egypt on October 13 jointly by the United States, Britain, France, and Turkey, was swept away by Egypt in the same wave of nationalism.[39]

"The Egyptians seem ready to lead the Moslem world in still greater expressions of impatience with and of their dislike for the West," Eisenhower wrote at the time, linking Iran with Egypt.[40] Dulles, speaking before the National Council of Christians and Jews in November 1951 about "the Free East and the Free West," directly linked the Middle East to Western colonial legacy. "Western colonialism gives rise to fears ever more difficult to banish," he argued. In Dulles' view the Western failures in the Middle East were due to this "fear of Western colonial imperialism." He argued that while everyone seemed to understand that the age of empires was on its way out, the newly independent countries feared that there could not be any cooperation with the West on the basis of equality, and that cooperation would, in practice, subject them to "Western white man's sense of racial, cultural and material superiority." Dulles agreed that many Westerners had assumed that attitude of superiority and had "treated the Orientals as inferiors." He warned that the Soviet Union was capitalizing on that fear and trying to keep it alive. Accordingly, the only feasible solution to that problem was that "[w]e ... must realize that the free East and the free West are not going to join hands to preserve our common freedom unless our hand is a hand of fellowship which

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38 For a detailed account of Western contingency plans, see Cohen, Michael J., *Fighting World War Three from the Middle East: Allied Contingency Plans, 1945–54* (London: Frank Cass, 1997); See also Leffler, Melvyn P., *A Preponderance of Power: National Security, the Truman Administration and the Cold War, 1945–52* (Stanford: Stanford University Press, 1992), 286–287; Dulles' own vivid description of his overflight of the Suez Base can be found in U. S. Congress, Senate, Committee on Foreign Relations, *Executive Sessions of the Senate Foreign Relations Committee (Historical Series)*, V, *Eighty Third Congress: First Session 1953* (Washington D. C.: United States Government Printing Office, 1977), 440.

39 Leffler, *A Preponderance of Power*, 421–426; For the proposal presented to Egypt by the United States, Britain, France, and Turkey, 13 October 1951, see *Department of State Bulletin*, 22 October 1951, 647–648.

40 Eisenhower to Cowles, 3 October 1951, in Eisenhower, *The Papers of Dwight David Eisenhower*, XII, 602–604

clasps the hand of the Oriental as that of an equal."[41]

In a similar vein, Eisenhower was convinced of the need to "develop a set of principles to be observed by all three nations [Britain, France, and the United States] in their relationships with these great areas." These principles, he continued, had to "take into account both the legitimate aspirations of these people and the practicalities of earning a living in the modern world." Furthermore, as long as the West needed these areas and was in an ideological struggle with the Communists, "who are in effect offering nothing but political and social revolution," it was necessary to create a long-term plan of international order that would make association with the West more attractive than turning toward the Soviet Union.[42]

"Nationalism Is on the March"

The developments of 1951 thrust the Middle East to the forefront of the United States foreign policy debate. "Through all the hideous complexities of what is happening in the Middle East," Stewart Alsop wrote in his syndicated column in December, "this one fact stands out – the United States, the powerful leader of the Western alliance, is not greatly influencing the course of events in this vital area. And while the United States stands thus paralyzed, the Middle East is displaying almost all the symptoms of disintegration which China showed before China fell." Alsop emphasized that a Communist Tudeh-party takeover would be just as much a disaster to the West as an Iran seized by the Red Army. The disaster, moreover, could not possibly be limited to Iran.[43]

The situation seemed only to deteriorate. In January 1952 Iran ordered all British consulates closed. In March negotiations between the Iranian Government and the World Bank concerning the proposed operation of the Iranian oil industry, with the IBRD acting as trustee, broke down. Meanwhile, anti-British demonstrations and guerilla attacks against the Suez Canal Zone continued in Egypt. In an address before a joint session of United States Congress on January 17, the new British Prime Minister Winston Churchill suggested that token forces of the United States, France, or Turkey be sent to the Suez Canal. Within ten days a British cruiser fired on Port Said and British troops entered Ismailiya after clashes between the British troops and guerilla

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41 Dulles speech, 'The Free East and the Free West,' National Council of Christians and Jews, 26 November 1951, Dulles Papers, Box 56, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

42 Eisenhower to MacArthur II, 2 January 1952, Eisenhower, *The Papers of Dwight David Eisenhower*, XII, 833–834.

43 Alsop, Stewart, "New Peril to the Fore: Stewart Alsop Asserts Failure In Middle East Is No. 1 Hazard," *New York Herald Tribune*, 30 December 1951; On Alsop's fear of domino effects in the early Cold War years, see also Kennedy, Paul, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987), 382.

fighters. Demonstrations in Cairo led to the burning and pillaging of millions of dollars worth of British, French, and United States property. Over sixty people were reported killed, including several British citizens, and King Farouk declared martial law. Another declaration of martial law followed later in the year in Iraq as rioting demonstrators set fire to a United States Information Service building, destroying all USIS books and papers, attacked two police stations, and stoned the British Embassy. At the same time the French policies in North Africa were giving rise to a major international controversy. In March 1952, thirteen Asian and African countries agreed to place the Tunisian dispute before the UN Security Council as a threat to peace.[44]

The situation had a definite effect on the Truman Administration and its policy. In December a fact-finding mission to Egypt found a "terrible situation. The British are detested. The hatred against them is general and intense."[45] In 1952 the National Security Council, chaired by Truman, agreed on the need begin to actively "support or develop those leadership groups in the area which offered the greatest prospect of establishing political stability oriented toward the Free World."[46] Tacit United States support of the military-led Egyptian revolution in July 1952, which deposed King Farouk, already reflected this conviction.[47] With regard to Iran, Defense Secretary Robert Lovett openly argued that the risks of continuing the present policy there had become equally unacceptable. A revision of policy should have included "a willingness, if necessary, to displace British influence and responsibility in Iran as has occurred in Greece, Turkey, and Saudi Arabia."[48] Another reevaluation was underway concerning the decision in the 1948 Pentagon Talks to leave Middle East defense to the British in Western military strategy. "As we understand it," stated a memorandum from State Department's Policy Planning Staff headed by Paul Nitze, the British were no longer capable of defending the Middle East against Soviet aggression. At the time when American NATO commitments in Europe extended to Greece and Turkey, and "our intervention in Korea has brought at least a temporary check to the progress of aggression in that area," the general picture in the Middle East appeared to be one of such military weakness as to constitute "an invitation to a shift in the theater of primary pressure if further Communist progress were to be successfully blocked in other

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44 U. S. Congress, Senate, Committee on Foreign Affairs, *Chronology of International Events: January 1, 1952 – June 30, 1953* (Washington, D.C.: United States Government Printing Office, 1953), 21–25; Marr, Phebe, *The Modern History of Iraq* (Boulder: Westview, 1985), 112–113.

45 Quoted in Louis, *British Empire in the Middle East 1945–1951*, 742.

46 Lucas, W. Scott, *Divided We Stand: Britain, the US and the Suez Crisis* (London: Hodder & Stoughton, 1991), 17.

47 On U. S. involvement in the Free Officer's rise to power, see especially Morsy, Laila Amin, "American support for the 1952 Egyptian Coup: Why?," *Middle Eastern Studies* 31 (1995), 307–16; Lucas, *Divided We Stand*, 13–17; On the CIA involvement specifically, see Copeland, Miles, *The Game of Nations: The Amorality of Power Politics* (London: Weidenfeld and Nicolson, 1969), 47–55.

48 Lucas, *Divided We Stand*, 12.

areas."[49] Reflecting this perceived need for a more intensive U. S. engagement in the Middle East, the United States became more and more closely involved in Britain's negotiations both in Egypt and Iran.[50]

This shift in the Truman Administration's policy did not stop Dulles and Eisenhower from raising the Middle East crisis as an issue during the 1952 campaign. Dulles blamed the administration for "concentration upon Western Europe to the virtual exclusion of other areas," benefiting "the Soviet Communist program by enabling them to portray us as interested only in the white peoples of Western Europe." There was a rising threat, he continued, in the Middle East, Africa and South America which reflected a Soviet effort to turn nationalism into a weapon against the West. It was essential to recognize that the West could not survive "except as part of a free world which includes the non-white and the non-Western peoples, and we cannot maintain such a world if we treat these others as second class expendables for whom we have only perfunctory concern." Dulles noted that U. S. Secretaries of State had spent nearly 500 days on 19 trips to Europe since 1945, but during that period, no secretary of state had set foot in an Asian country. "Our policies and practices have involved race discrimination on a global scale," he claimed. "That is a wrong policy and, in the face of the Soviet program of encirclement, it is a suicidal policy."[51]

In line with Eisenhower's earlier call for a program toward Asia and the Middle East that would at least eliminate basic differences between the United States, Britain, and France,[52] Dulles suggested to British Foreign Secretary Anthony Eden in November 1952 that **"**when the Western nations had to face such non-Western problems as those of Colonial Africa, Iran, China, etc.," the West should seek create a united position.[53] Eden expressed his satisfaction at the idea, but a meeting in early January between Prime Minister Churchill and the president-elect indicated the extent to which the British Government had a diverging conception as to what that common outlook should entail. Before the meeting with Churchill, Dulles urged Eisenhower to withhold any promises of increased U. S. support for the British in Iran. He was equally clear that no commitments should be made concerning Churchill's hope of having U.S.

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49 State Department Policy Planning Staff Memorandum, 21 May 1952, *Foreign Relations of the United States, 1952–1954*, IX, 232–234; For a journalistic assessment to the same effect, see Baldwin, Hanson W., "Eisenhower's Vast Task," *New York Times*, 22 January 1953, 2.

50 Heiss, Mary Ann, *Empire and Nationhood: The United States, Great Britain, and Iranian Oil, 1950–1954* (New York: Columbia University Press, 1997), 135–166; Hahn, Peter L., *The United States, Great Britain, and Egypt, 1945–1956* (Chapel Hill: University of North Carolina Press, 1991), 139–152; Leffler, *A Preponderance of Power*, 484–485.

51 Dulles' speech before the American Political Science Association, 27 August 1952, Dulles Papers, Box 63, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

52 Eisenhower to MacArthur II, 2 January 1952, Eisenhower, *The Papers of Dwight David Eisenhower*, XII, 833–834.

53 Dulles to Eisenhower, 14 November 1952, Ann Whitman File, Dulles-Herter Series, Box 1, 'Dulles, John F. – Prior Inauguration,' Dwight D. Eisenhower Library.

troops sent to Suez to strengthen Britain's position in negotiations with Egypt.[54]

Eisenhower and Dulles were clearly in agreement. According to Eisenhower's diary, Churchill spoke "animatedly" about the Egyptian situation, but the president-elect was adamant in his response. He told Churchill that joint Anglo-American propositions to Iran were not a good policy. Instead, the British should have sought, "on a confidential basis, our good offices to get the matter proposed as a Persian proposition." All the British had been able to achieve, Eisenhower argued, was to "get Mossade[q] to accuse us of being a partner of the British in 'browbeating a weak nation.'"[55]

In Eisenhower's view, the Middle Eastern situation was only a reflection of a much larger problem. "Nationalism is on the march," he noted, "and world Communism is taking advantage of that spirit of nationalism to cause dissension in the free world." The decolonization process and the consequent loosening of ties between the West and former colonial areas combined with "the difficulties and uncertainties of disrupted trade, security and understandings," to make the situation a serious one from Eisenhower's perspective.[56]

> In this situation the two strongest Western powers must not appear before the world as a combination of forces to compel adherence to the *status quo*. The free world's hope of defeating the communist aims does not include objecting to national aspirations. We must show the wickedness of purpose in the communist promises and convince dependent peoples that their only hope of *maintaining* independence, once attained, is through cooperation with the free world.... All this we must prove by our deeds as well as our words.[57]

Eisenhower faulted Churchill for taking a "rather old-fashioned, paternalistic, approach that since we, with our experience and power, will be required to support and carry the burdens of decent international plans, as well as to aid infant nations toward self-dependence, other nations should recognize the wisdom of our suggestions, and follow them." Eisenhower could agree with that logic in the abstract, but argued that it would lead to failure unless the methods used were persuasion and example. "Long and patient negotiations, understanding and equality of treatment will have to be used," he claimed. Fearing that Churchill was not willing to adhere to those ideas, Eisenhower identified a great danger in the United States and Britain – the two most powerful Western nations presenting their case in a "take it or leave it fashion." He considered "completely fatuous" Churchill's suggestion that Anglo-

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54 Dulles to Eisenhower, 5 January 1953, included in Dulles memorandum, 6 January 1953 indicating that Eisenhower had expressed "general concurrence with the suggested US points of view." Dulles Papers, Subject Series, Pre-Inaugural Subseries, Box 8, 'Classified Material, 1950-1953,' Dwight D. Eisenhower Library.

55 Eisenhower Diary, 6 January 1953, Eisenhower, *The Eisenhower Diaries*, 222–224.

56 *Ibid.*

57 *Ibid.*

American global cooperation should be raised back to its wartime intensity. "Winston is trying to relive the days of World War II," Eisenhower noted in his diary. "In those days he had the enjoyable feeling that he and our President were sitting on some rather Olympian platform with respect to the rest of the world, and directing world affairs from that point of vantage."[58] Eisenhower did recognize the importance of the transatlantic relationship with Britain. However, he did not think that any "special relationship can be maintained or even suggested, publicly. In public relationships all nations are sovereign and equal." Because of diverging objectives, Eisenhower thought that "[s]ome hurt feelings will occasionally be inevitable – but as long as our hearts are in the right places and both sides are reasonably intelligent, we should be able to work for the common aim of a free and secure world based upon common sense among nations and decent respect for each other".[59]

Economic Nationalism

The nationalization of Iranian oil as an act of expropriation generated an additional problem with regard to the Eisenhower Administration's approach to nationalism. After the United States had tried and failed to include international property rights in the postwar international settlement, the General Assembly, the Economic and Social Council, and the Human Rights Commission of the United Nations became the forums where Asian, African and Latin American countries were concertedly able to force their proposals into the international agenda. The definitions of self determination became inextricably tied to the United Nations' efforts to draft covenants defining human rights. Although the major Western capital-exporting countries were opposed to the idea, the Human Rights Commission included in its draft articles on self-determination the principle of permanent sovereignty over natural wealth and resources, commonly referred as "economic self-determination."[60]

The Iranian crisis became inevitably involved in that controversy as the AIOC declared its proprietary rights to all oil included in its concessionary agreement, and threatened legal action against those who purchased Iranian oil. Much to the chagrin of the British, the legal specialists at the State Department were in agreement with Iran's basic argument that "no government can deny itself the sovereign rights to nationalize an industry within its territory," as long as that concept was coupled with the principle that a "breach of contract involved payment of damages or compensation." From this perspective

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58 *Ibid.*

59 Eisenhower Diary, 13 February 1956, Eisenhower, *The Eisenhower Diaries*, 230–33.

60 Green, J. F., *The United Nations and Human Rights* (Washington D. C.: Brookings Institution, 1956), 48–53; Eide, Asbjørn and Rosas, Allan, "Economic, Social and Cultural Rights: A Universal Challenge," in Eide, Asbjørn and Rosas, Allan, *Economic , Social and Cultural Rights* (Dordrecht: Martinus Nijhoff, 1992), 15–19.

Secretary of State Dean Acheson suggested from the very beginning of the Iranian crisis in 1951 that Britain should recognize the principle of nationalization and ask for negotiations.[61]

The issue of international property rights was not, however, an uncomplicated one. This was especially the case when the Asian, African and Latin American representatives consciously or unconsciously failed to mention responsibility for damages or compensation in the event of nationalization of foreign-owned property. The last Truman era NSC policy statement on world petroleum policy expressed this conflict plainly. With the lone exception of Iran, whose oil production and trade had been effectively stalled, the production of oil in the important oil producing areas outside the Communist bloc was "almost entirely in the hands of United States and United Kingdom nationals." Accordingly "the maintenance of, and avoiding harmful interference with, an activity so crucial to the well-being and security of the United States and the rest of the free world must be a major objective of United States Government policy." The problem in the Middle East was that the countries in the area had been "so long subjected to foreign political and economic control that the motives of any foreign enterprise [we]re still suspect." As both anti-Westernism and anti-Americanism were considered widespread in the Middle East, the NSC assessment was that in both Venezuela and the Middle East "a wave of economic nationalism which might endanger American interests" was considered entirely possible. The developments in Iran were cited as an example.[62] A National Intelligence Estimate in January 1953 elaborated on this point further. Although anti-Westernism and nationalism were growing threats to Western oil interests in the Middle East, the intelligence estimate was that "the Arab states [we]re unlikely to attempt to nationalize their oil industries unless they become convinced that Iran is profiting more as a result of oil nationalization than they are under existing contracts." Saudi Arabia and the small oil producing principalities in the Gulf were still seen as being generally aware of their inability to produce and market oil without the assistance of major Western oil companies.[63]

By the time the Human Rights Commission convened in the spring of 1952, it was clear that by withdrawing all its personnel and thus its technical expertise from Iran, the AIOC had been able to significantly diminish Iranian capacity to keep up the production of oil. Moreover, with help from other major international oil companies, AIOC's policy of blockading the sale of Iranian oil

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61 Quotes in Elm, *Oil, Power, and Principle*, 112; Sir Evelyn Shuckburgh Diary, 4 November 1951, Shuckburgh, Evelyn, *Descent to Suez: Diaries 1951–1956*, ed. by John Charmley (London: Weidenfeld and Nicolson, 1986), 26–27.

62 NSC Report, 'Security and International Issues Arising from the Current Situation in Petroleum,' NSC 138/1, 13 January 1953, *Foreign Relations of the United States, 1952–1954*, IX, 637–648.

63 National Intelligence Estimate, NIE-76, 'Conditions and Trends in the Middle East Affecting U.S. Security,' 15 January 1953, *Foreign Relations of the United States, 1952–1954*, IX, 334–343.

had proven almost totally effective in keeping any produced Iranian oil from entering the world market.[64] Increased production from other sources balanced international oil trade, while Iran was deprived of virtually all its foreign trade and government revenue. A major economic crisis had inevitably followed. Disagreements which arose at the May 1952 meeting of the Human Rights Commission were directly linked to the Iranian crisis. The Commission was able to agree on the basic principle that "all peoples and all nations shall have the right of self-determination, namely, the right freely to determine their political, economic, social and cultural status." Disagreements emerged, however, as soon as a proposal by Chile was put forward stating not only that "the right of the peoples to self-determination shall also include permanent sovereignty over their natural wealth and resources," but that "[i]n no case may a people be deprived of its own means of subsistence on the grounds of any rights that may be claimed by other states." The British representatives were quick to criticize the proposal on the grounds that it had nothing to do with human rights, and that it was an attempt to re-write international law. It was introduced, the frustrated British representative Gladwyn Jebb wrote to the Foreign Office, "with familiar references to the inaliable rights of the underdeveloped countries," and adopted by the votes of Asian, African, and Latin American countries. Only two other countries joined Britain, France, Australia, and the United States in voting against it.[65]

The question had now, at least theoretically, far-reaching ramifications, and consequently attracted more publicity. In the following summer of 1952 the International Relations Committee of the U. S. National Association of Manufacturers drafted a special "Statement on the Middle and Far East" approved by the Board of Directors on June 27, 1952. "In the pronouncement on the Middle and Far East," Earl Bunting, Managing Director of the National Association of Manufacturers, wrote to the State Department, "attention is called to the fact that the principles underlying our capitalistic system are not exploitative, do not involve domination of any country by another."[66] On the contrary, the report asserted, those principles – whether applied in the United States or to other countries – were based on "development of the resources for mutual benefit." Consequently it should have been the mutual responsibility of the Far and Middle Eastern countries and the United States to negotiate bilateral treaties providing for fair treatment of investments and industrial property rights, such as patents and copyrights, for the relaxation of trade controls, and for the maintaining of respect for contractual obiligations "as fundamental to

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64 Snodgrass, C. Stribling, and Kuhl, Arthur, "U. S. Petroleum's Response to Iranian Shutdown," *Middle East Journal* 5 (Autumn 1951), 501–504.

65 Jebb to Foreign Office, 23 April, 1952, FO 371/101433, US 1731/28, 'Human Rights Commission: General Debate on Item 3 – Self-Determination,' PRO.

66 Bunting to Webb, 2 July 1952, explaining the Statement on the Middle and Far East by the International Relations Committee, National Association of Manufacturers, approved by the Board of Directors, 27 June 1952, State Department Decimal File 611.80/7–252, NARA.

the growth of international trade and investment."[67]

In January 1953 a National Security Council statement on international oil policy more or less concurred with this view.

> The United States is waging a constant struggle to dispel the concept, very much alive not only among communists but also in non-communist circles of the free world, that capitalism is synonymous with predatory exploitation. On the more positive side we seek to make the point that freedom of competitive enterprise is the economic counterpart of the concept of freedom of the individual in the political and social spheres. We have sought to lead the way toward a wide acceptance of this American way of life, and one of our best arguments has been that the productive achievements of the American economy have been attained largely as a result of the competitive system.[68]

The situation was further complicated as the United States Federal Trade Commission completed its *Report on the International Petroleum Cartel* in early 1952. The report was a historical study of the cartel practices of the international oil companies aimed at controlling and dividing world markets. Previous studies in the same series on the sulphur cartel, the aluminum cartel and others had been published as soon as completed, but the oil report was classified as secret and only about fifty copies were initially distributed within the government for special consideration. "Many of the objectional practices have been discontinued or are being corrected," a State Department memorandum noted, "but the report concludes that in principle they are still in effect."[69] If the report had been published, a CIA memorandum claimed, it would have escalated the Iranian crisis, jeopardized present contractual arrangements regarding oil in the Middle East as well as other US commercial and industrial interests abroad, "including private mining arrangements in South America and elsewhere." Beyond that, it was feared that the publication of the report would have generally harmed the prestige and the position of the West, reduced the chances to create a collective security arrangements in the area, and "seriously embarrass[ed] certain governments in the area, thus increasing the likelihood of disorder and deterioration favorable to extreme nationalist and anti-Western elements, including Communists."[70]

After the 1952 elections, the Truman administration informed the incoming Secretary of State Dulles that Truman had decided to grant immunity from the

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67 The Statement on the Middle and Far East by the International Relations Committee, National Association of Manufacturers, approved by the Board of Directors, 27 June 1952, State Department Decimal File 611.80/7–252, NARA.

68 NSC Report, 'Security and International Issues Arising from the Current Situation in Petroleum,' NSC 138/1, 13 January 1953, *Foreign Relations of the United States, 1952–1954*, IX, 637–648.

69 Thorp to Acheson, 'Federal Trade Commission Report on the International Petroleum Cartel,' 31 March 1952, *Foreign Relations of the United States 1952–1954,* I, 1259–1261.

70 Smith to Truman, 8 May 1952, and attached Special Estimate (SE), 'Consequences of the Future Revelation of the Contents of Certain Government Documents', 6 May 1952, *Foreign Relations of the United States 1952–1954*, I, 1272–1274.

prohibitions of the antitrust laws with a view to a possible agreement in the Iranian negotiations. The reason was the likely need to request certain United States oil companies to take part in the new negotiated arrangement regarding the purchase and distribution of Iranian oil. Because the legal aspects involved in the decision extended beyond June 30, 1953, the Truman administration needed the president-elect's assurance that he would support that legislation. Dulles agreed on "the urgency and importance of this matter to the national security," and promised he would "advise the President-elect that he recommend to the Congress, and support, such legislation."[71] Less than two weeks before the end of his Administration, Truman announced that the criminal investigation was called off. It was, however, replaced by a civil case with equally far-stretching ramifications. The seven major international oil companies – Standard Oil of New Jersey, Socony Mobil, Texaco, Standard Oil of California (SOCAL), Gulf Oil, British Petroleum, and Royal Dutch-Shell – were on the list of defendants. They were named as "co-conspirators" with a continuing agreement since 1928 covering various fields of oil operations. The areas of concerted action listed in the Attorney General's civil action included agreement "to divide world producing and marketing territories, and to exclude and eliminate independent companies from foreign production and marketing."[72]

In December 1952 the question of economic self-determination again caught headlines as the United Nations General Assembly passed a resolution stating "the right of peoples freely to use and exploit their natural wealth and resources is inherent in their sovereignty ..."[73] The United States voted against the resolution, Isador Lubin of the U. S. delegation explained, because it contained no indication that states which nationalized private property should recognize the rights of private investors under international law, including treaties and other international agreements.[74] The Eisenhower Administration's incoming United Nations Ambassador Henry Cabot Lodge was informed by the State Department that although the resolution caused "considerable adverse comment in the US press and in financial circles," the final resolution had been "weakened to a point where it may prove to be comparatively harmless."[75] The problem nonetheless remained, and in February 1953 the new CIA director

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71 Dulles to Bruce, 3 December 1952, Dulles Papers, Subject Series, Pre-Inaugural Subseries, Box 8, 'Classified Material, 1950–1953,' Dwight D. Eisenhower Library.

72 Quoted from Attorney General's review of the case in Rogers to Gray, 'International Oil Cartel Case (United States v. Standard Oil Company (N.J.) et al., Civil Action No. 86–27,' 18 March 1960, Records of the NSC, 'Mill 222,' RG 273, NARA; Yergin, Daniel, *The Prize: The Epic Quest for Oil, Money and Power* (New York: Simon & Schuster, 1991), 475.

73 Quoted in Hyde, James N., "Permanent Sovereignty over Natural Wealth and Resources," *American Journal of International Law* 50 (October, 1956), 854.

74 Quoted in *ibid.*.

75 State Department memorandum, 'Outline of Issues in the Economic, Social and Human Rights Fields, Briefing Paper for Meeting with Ambassador Lodge,' n.d., attached to 'Items on the Agenda of the Resumed 7th Session of the General Assembly,' 17 January 1953, State Department Lot File 58 D 33, Office Files of the Assistant Secretary of State for United Nations Affairs, 1945–54, Box 1, RG 59, NARA.

Allen Dulles warned Eisenhower's National Security Council that recent developments in Latin America and Middle East were comparable, both showing inimical "trends in the direction of economic nationalism, regionalism, neutralism, and increasing Communist influence." The Iranian crisis remained the most crucial test-case in that respect.[76]

"Sovereignty is a Difficult Word"

The last Truman era National Intelligence Estimate on the Middle East, in January 1953, portrayed an area undergoing a deep social transition. Patterns of authority were "being undermined throughout the Middle East by rising discontent among nearly all social groups." Two basic forces were seen motivating the proponents of change. On the one hand there existed a growing demand for internal social, economic, and political reforms. On the other hand the report related this discontent to nationalist calls for elimination of all foreign influence. Despite these common trends, the countries of the Middle East differed significantly as to their social condition. In Saudi Arabia and Yemen tribal monarchies were in firm control. In Jordan non-tribal political activity was in its early stages. "The old guard" was still in control in Iraq, but the reformists were gaining strength. Measured by a standard of social development, Egypt and Syria were seen as being at the forefront of change with "military reformist regimes" dominated by "secular reformers." The Communist influence seemed insignificant compared to these more profound changes. However, although the Communist Parties were small, illegal, and with the possible exception of Iran not major political factors anywhere in the Middle East, Communism was seen contributing to and profiting from unrest in the area.[77]

The first NSC statement of policy of the Eisenhower Administration was based on the same assumptions. The danger consequently arose "not so much from the threat of direct Soviet military attack as from a continuation of the present unfavorable trends." Unless these trends were reversed, it was estimated the Middle East could be lost to the West within the next few years.[78] The hope for a reversal of those trends was heavily pinned on the new "military reformist" Egyptian government. Already in October 1952, the new government had declared to Jefferson Caffery, the United States ambassador, the intention of Egypt to stand by the Western powers in the Cold War.[79] When

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76 Quoted in Rabe, Stephen G., *Eisenhower and Latin America: The Foreign Policy of Anticommunism* (Chapel Hill: University of North Carolina Press, 1988), 31.

77 National Intelligence Estimate, NIE-76, 'Conditions and Trends in the Middle East Affecting U.S. Security,' 15 January 1953, *Foreign Relations of the United States, 1952–1954*, IX, 334–343.

78 NSC Statement of Policy, NSC 155/1, 'United States Objectives and Policies With Respect to the Near East,' 14 July 1953, *Foreign Relations of the United States, 1952–1954*, IX, 399–406.

79 Caffery to State Department, 12 October 1952, *Foreign Relations of the United States 1952–1954,* IX, 1868–1869; See also Leffler, *A Preponderance of Power*, 484.

Dulles was briefed by the State Department on the Egyptian situation, the message was that the new leadership led by General Neguib had created "perhaps the first opportunity for a reasonable settlement of the problems which threaten stability in the Near East."[80] Churchill's Conservative government in London, however, was less than enthusiastic about the ruling officer group, and its negotiations on the Suez Base had stalled almost completely. The British insisted on linking the new base treaty to a multilateral scheme for the defense of the Middle East. The name of the former Middle East Command initiative had been changed to Middle East Defense Organization (MEDO), but the contents of the concept remained basically the same. The British would evacuate its troops from Egypt, but only if Egypt would join the MEDO, leave technical control over the Suez Base facilities to the British, and make the base available to the West during future crises.[81]

The Americans, however, were enthusing about Neguib's seemingly conciliatory comments about permitting a certain number of 'technicians' to remain in the Canal Zone to maintain installations with a view to possible crisis situations, if the bulk of British forces were withdrawn.[82] By February, Dulles was ready to argue that it was "absolutely essential to our interests that General Neguib remain in power and be encouraged to co-operate with the West."[83] Churchill's view was decidedly different. In late February he wrote to Eisenhower advocating a joint approach on agreed terms to "the dictator Neguib," making a side remark about possible military operations.[84]

The British wished to involve the United States in the base negotiations,[85] but Dulles urged strongly the need for flexibility in view of his belief that the Egyptians were practically certain to reject Britain's terms. The Americans also made it plain that they would participate only if the Egyptians wished that to happen, and that they wanted to avoid the impression that there existed any prior Anglo-American agreement to that effect.[86] Eden and Churchill blamed the Americans for abandoning the common front and allowing the Egyptians to

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80 State Department memorandum, 'Egypt,' attached to Perkins to Dulles, 31 December 1952, *Foreign Relations of the United States 1952–1954,* IX, 1928–1931.

81 Gifford to State Department, 3 January 1953, *Foreign Relations of the United States 1952–1954,* IX, 1949–1950; Leffler, *A Preponderance of Power*, 481–482; Devereux, David R., "Britain and the Failure of Collective Defence in the Middle East 1948–1954," in Deighton, Anne (ed), *Britain and the Cold War* (Basingstoke: Macmillan, 1990), 247; Gilbert, Martin, *Winston S. Churchill*, VIII, *Never Despair, 1945–1965* (London: Heineman, 1988), 795–796.

82 State Department memorandum, 'Egypt,' attached to Perkins to Dulles, 31 December 1952, *Foreign Relations of the United States 1952–1954,* IX, 1928–1931.

83 Dulles to Stassen, 19 February 1953, *Foreign Relations of the United States 1952–1954*, IX, 1991–1992.

84 Churchill to Eisenhower, 18 February 1953, *Foreign Relations of the United States 1952–1954,* IX, 1989–1990.

85 Memorandum of Conversation, Eisenhower, Eden, and Dulles, 4 March 1953, *Foreign Relations of the United States 1952–1954*, IX, 349–350.

86 Dulles to the U. S. Embassy in London, 7 March 1953 (# 5956), *Foreign Relations of the United States 1952–1954,* IX, 2009–2010; Dulles to the U. S. Embassy in London, 7 March 1953 (# 5957), *Foreign Relations of the United States 1952–1954,* IX, 2010–2011.

refuse American participation without any negative consequences.[87] At the same time Eisenhower and Dulles were frustrated about the British intransigence. The situation was developing into a dispute over who would set the ground rules for the Western policy in the Middle East. [88] Instead of supporting the British position, Eisenhower sent a personal message to Neguib, stating the United States commitment to Egypt's territorial sovereignty.

> [T]his Government and the American people understand and appreciate the natural aspirations of Egypt for full sovereignty over its own territory. Similar aspirations have their deep roots in the traditions of America.

The United States, Eisenhower continued, hoped "to see disappear a long misunderstanding between two friends [Britain and Egypt], and to see it supplanted by arrangements under which Egypt, as an equal partner, will take her key position with other members of the Free World in building an effective defense of your area." In contrast to the British position Eisenhower emphasized that there was no defense organization plan, which Egypt should adhere to prior to a settlement on Suez.[89]

When Dulles began his tour of Middle Eastern countries in May 1953, becoming the first United States secretary of state to visit the region, his message was essentially the same. "The U.S. wants to see Egypt free," Dulles declared to Gamal Abdel Nasser, who was already an influential member of the Revolutionary Command Council, although he would emerge as Egypt's undisputed leader only a year later. Dulles made it very clear that the United States had "no desire to back the UK in 'imperialism' or 'colonialism'," and that the United States would pursue a policy to the effect that "the British troops will evacuate Egypt, and Egypt's sovereignty will be fully restored."[90] He nevertheless hoped that Egyptians would be willing to allow British maintenance of the base for the evacuation of military troops. "Sovereignty is a difficult word," Dulles told Mohammed Fawzi, a European-educated professional diplomat who was the only civilian member in a government consisting of young officers. "In a sense every treaty signed by a country

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87 Churchill to Eisenhower, 18 March 1953, *Foreign Relations of the United States 1952–1954*, IX, 1989–1990; C. L. Sulzberger Diary, 24 March 1953, Sulzberger, C. L., *A Long Row of Candles: Memoirs and Diaries 1934–1954* (Toronto: Macmillan, 1969), 848–849.

88 Eisenhower to Churchill, 19 March 1953, *Foreign Relations of the United States 1952–1954,* IX, 2027–2028; Eisenhower to Eden, 16 March 1953, *Foreign Relations of the United States, 1952–1954*, IX, 2020–2021; Telephone Conversation, Dulles and Byroade, 23 March 1953, Dulles Papers, Telephone Conversations Series, Box 1, Dwight D. Eisenhower Library; Memorandum of Conversation, Eisenhower and Dulles, 16 March 1953, Dulles Papers, Dulles Papers, Chronological Series, Box 2, Dwight D. Eisenhower Library; Telephone Conversation, Dulles and Eisenhower, 16 March 1953, Dulles Papers, Telephone Conversation Series, Box 10, Dwight D. Eisenhower Library.

89 Eisenhower to Neguib, 24 March 1953, *Foreign Relations of the United States 1952–1954*, IX, 2034–2036.

90 Memorandum of Conversation, Dulles and Nasser, 12 May 1953 (12:15 p.m.), *Foreign Relations of the United States 52–54*, IX, 19–25.

infringes its sovereignty," Dulles explained, and argued that consequently no individual and no nation were ever entirely sovereign. He pointed specifically to the relationship between Britain and the United States. When the United States had bases in Britain, "U.S. technicians [got] U.S. orders and this is as it should be." In a similar vein, the Egyptians should have now accepted the basic idea of letting Britain retain technical control of the base in return for the withdrawal of British troops. Fawzi turned down any such comparison. "England was England and Egypt was Egypt," he answered Dulles. The Egyptians could never understand such an arrangement to be an equal treaty situation.[91]

In meetings with Fawzi, Neguib, and Nasser, Dulles turned to another analogy. He made a comparison between the technical control of the Suez Base and the control which the Ford Motor Company had over its factories abroad. He referred to the great quantities of stores in the base which were British property, and wondered whether "these stores could be useful if not under the instructions from their owner."[92] The Egyptians should accordingly have dealt with the base as they did with Ford Motor Company. "The company could order the parts it wished and export them where they wished. The base was an analogy to this commercial arrangement," Dulles said, and quipped that although "the Ford Motor Company did not communicate its orders through the Egyptian Foreign Office," this in no way infringed Egyptian sovereignty.[93] "Could it be," Dulles asked Neguib, "that the great vision of a new Egypt could collapse over the problems of a few inventory-keepers."[94]

The Egyptians could not be swayed, although Fawzi replied in the affirmative that no one could say that the Ford Motor Company was infringing Egyptian sovereignty.[95] Nasser's answer was that the Egyptians did not want the base to operate like a Ford Motor Company, but like a bank. "The British can put in, and they can take out," he told Dulles. Egyptians could be trained to do everything necessary for that to happen.[96] Neguib spoke in similar terms, affirming that there could be no settlement based on the British insistence on having British technicians remain in the base to manage British equipment installations. "The Egyptian position is that Egypt must have full control of the base by Egyptians because otherwise this would be an infringement of Egypt's sovereignty," he asserted.[97]

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91 Memorandum of Conversation, Dulles and Fawzi, 11 May 1953 (4:00 p.m.), *Foreign Relations of the United States 52–54*, IX, 3–8.

92 *Ibid.*

93 Memorandum of Conversation, Dulles and Nasser, 12 May 1953 (12:15 p.m.), *Foreign Relations of the United States 52–54*, IX, 19–25.

94 Memorandum of Conversation, Dulles and Neguib, 11 May 1953 (5:00 p.m.), *Foreign Relations of the United States 52–54*, IX, 8–18.

95 Memorandum of Conversation, Dulles and Fawzi, 11 May 1953 (4:00 p.m.), *Foreign Relations of the United States 52–54*, IX, 3–8.

96 Memorandum of Conversation, Dulles and Nasser, 12 May 1953 (12:15 p.m.), *Foreign Relations of the United States 52–54*, IX, 19–25.

97 Memorandum of Conversation, Dulles and Neguib, 11 May 1953 (5:00 p.m.), *Foreign Relations of the United States 52–54*, IX, 8–18.

Dulles could not help feeling that it certainly should be possible to find a formula which would satisfy both the British and the Egyptians. The negotiations were stalled because of what looked like technical details to him, but mutual distrust magnified these minor points into major questions for both. The idea of trading evacuation for MEDO had become a "fixation" for the British, Dulles noted, while the Egyptians had described MEDO as "a perpetuation of occupation." Moreover, the chance for a compromise seemed far-fetched as long as the British attitude was "very tough," and the Egyptians seemed to be more ready to "go down as martyrs than concede."[98]

Dulles' conclusions were dramatic. The United States should avoid this confrontation with nationalism by disentangling the Suez Base question from collective security agreements. This meant abandoning any preconceived ideas about making Egypt the cornerstone of a military defense of the Middle East.[99] Although the Egyptians had gone to great lengths in assuring Dulles that their future lay on the side of the West, they clearly could not accept MEDO.[100] Dulles' conclusion was clear. The past concept of MEDO was not feasible under present conditions, and it did not have a chance. "In the beginning MEC was an obvious attempt to solve the Suez base problem by substituting international command for British command," Dulles reported. This had not worked, and there was "no point in attempting to force one of a particular type in the immediate future if it would be politically unacceptable." The Suez Base agreement could most likely be reached only by using other means.[101]

That was not an easy decision to make, however, not the least because MEC or MEDO had been policy objectives for the British since 1951. During Dulles' trip Walter Bedell Smith had in fact argued just the opposite that the United States had "no option but to support the British vis-à-vis the Egyptians." In his view the British troops in the Suez base and zone represented the only effective military force in the Middle East, and it was consequently necessary "to play along with the British for the time being, and take the beating which would inevitably result through our association with an ally whom the Egyptians and other Arab states hated as imperialists."[102] The base, which had been designated as one of those which strategic bombers could use for missions to the Soviet Union, had also made an impression on Dulles both because of its obvious

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98 Dulles (from Cairo) to Smith, 13 May 1953, #2423, *Foreign Relations of the United States 1952–1954,* IX, 26–28; Memorandum of Conversation, Dulles and Nasser, 12 May 1953 (12:15 p.m.), *Foreign Relations of the United States 52–54*, IX, 19–25; Memorandum of Conversation, NSC Meeting, 1 June 1953, *Foreign Relations of the United States, 1952–1954*, IX, 379–386.

99 Memorandum of Conversation, NSC Meeting, 1 June 1953, *Foreign Relations of the United States, 1952–1954*, IX, 379–386.

100 Dulles (from Cairo) to Smith, 13 May 1953, #2421, *Foreign Relations of the United States 1952–1954,* IX, 25–26.

101 Dulles (from Cairo) to Smith, 13 May 1953, #2423, *Foreign Relations of the United States 1952–1954,* IX, 26–28.

102 Memorandum of Conversation, NSC Meeting, 20 May 1953, *Foreign Relations of the United States 1952–1954,* IX, 2074–2076.

importance and its sheer magnitude.[103]

The importance of the base notwithstanding, Dulles was adamant that the MEDO concept, which would have retained the base under Western control, was impractical. "It was too complicated, too much like NATO, and it obviously would not work," Dulles argued at a NSC meeting.[104] Eisenhower was not so sure. He did not want to defend "all the details in the concept of MEDO," but he emphasized the "very great advantages which we derive from such multilateral defense arrangements in which the United States participated." The United States might well want bases in the area or it might even want to station troops in the area. "The great advantage of the NATO type of defense arrangement was in providing for such contingencies," Eisenhower emphasized. He urged Dulles not to allow the MEDO concept to disappear entirely from U. S. thinking.[105] In the end, Eisenhower did agree with the new policy outlined by Dulles. Travelling north and east from Egypt, Dulles had found what he called a "vague desire" for collective security, and based on that he started to envision a possible replacement plan for a defense organization in the so-called northern tier of Middle Eastern nations, stretching from Turkey to Pakistan.[106] At Suez, the new NSC policy paper on the Middle East in July sought only "the continued maintenance" – not British maintenance – of the Suez Canal Base, and a commitment from Egypt that the base would be available to the West in the event of hostilities or serious threats.[107]

In any case, a settlement should have provided for withdrawal of British forces, and, in the larger context of the new policy, this seemed to be the key ingredient – avoidance of conflict with the rising tide of nationalism. On his return to Washington, Dulles issued a statement lamenting that the United States was identified with materialism more than idealism and justice.[108] British and French colonial legacies were "millstones around our neck," he noted in a radio and television speech a few days later. The United States was suspect too, "because, it is reasoned, our NATO alliance with France and Britain requires us to try to preserve and restore the old colonial interests of our allies."[109] His

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103 John Foster Dulles Statement before the Senate Committee on Foreign Relations, 3 June 1953, U. S. Congress, Senate, Committee on Foreign Relations, *Executive Sessions of the Senate Foreign Relations Committee (Historical Series)*, V, *Eighty Third Congress: First Session 1953* (Washington D. C.: United States Government Printing Office, 1977), 440.

104 Memorandum of Conversation, NSC Meeting, 9 July 1953, *Foreign Relations of the United States, 1952–1954*, IX, 394–406.

105 *Ibid.*

106 Memorandum of Conversation, NSC Meeting, 1 June 1953, *Foreign Relations of the United States, 1952–1954*, IX, 379–386; Memorandum of Conversation, NSC Meeting, 9 July 1953, *Foreign Relations of the United States, 1952–1954*, IX, 394–406.

107 NSC Statement of Policy, NSC 155/1, 'United States Objectives and Policies With Respect to the Near East,' 14 July 1953, *Foreign Relations of the United States, 1952–1954*, IX, 399–406.

108 Dulles Statement, 29 May 1953, "Secretary Dulles, Mr. Stassen Return from Near Eastern Trip," *Department of State Bulletin*, 8 June 1953, 804.

109 Dulles radio and television speech, 1 June 1953, Dulles, John Foster, "Report on the Middle East," *Department of State Bulletin*, 15 June 1953, 831–835; See also "Traveller's Report," *Time*, 8 June 1953, 11; "Mr. Dulles' First Report" (editorial), *New York Times*, 31 May 1953, IV, 6.

message to Eisenhower's NSC was the same. The prestige of the Western powers in the Middle East was in serious decline in general, and the United States suffered from being linked with "British and French imperialism." Dulles emphasized, however, that the United States could regain lost influence if the Administration made a real effort.[110]

Most of the countries in the Middle East, Dulles told acting British Foreign Secretary Lord Salisbury, had "no deep feeling about the Soviet threat and were immediately concerned with other problems, such as getting the British out of the Suez base, getting the French out of Tunisia, the friction between Saudi Arabia and the British over Buraimi, the refugee problem and the subject of Israel."[111] After hearing Dulles' report, Eisenhower was emphatic that there should be a quick follow-up "to remove the causes of Arab hostility."[112] The NSC policy paper on the Near East was characterized by an equally alarmist tone. The Soviet military threat was secondary to the existing anti-Western trends which from the Western point of view could lead to the loss of the area "within the next few years." The Arab countries were "incensed" at U. S. support for Israel, but the multitude of factors contributing to the decline of the prestige and position of the West seemed to point to the opposition between rising nationalism and Western interests:

> The nations of the Near East are determined to assert their independence and are suspicious of outside interests in their affairs. In particular, the influence of the United Kingdom has been weakened, with distrust and hatred replacing the former colonial subservience. France is also disliked and distrusted because of her refusal to free Morocco and Tunisia and because of her former role as a mandate power in Syria and Lebanon. Some of the distrust of the United Kingdom and France has devolved upon the United States as an ally of both.[113]

Efforts to prevent the loss of the area seemed to "require increasing responsibility, initiative, and leadership by the United States."[114] First of all, there was a need to win the Arab states to the belief that the United States sympathized "with their legitimate aspirations and respect[ed] their interests." That was crucial for the main objective, which was to "guide the revolutionary and nationalistic pressures throughout the area into orderly channels not antagonistic to the West, rather than attempt merely to preserve the *status quo*." This mission was not, however, framed exclusively in terms of U. S. – Middle

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110 Memorandum of Conversation, NSC Meeting, 1 June 1953, *Foreign Relations of the United States, 1952–1954*, IX, 379–386.

111 Memorandum of Conversation, Dulles and Salisbury, 11 July 1953, *Foreign Relations of the United States*, V, 1631–1640.

112 Memorandum of Conversation, NSC Meeting, 1 June 1953, *Foreign Relations of the United States, 1952–1954*, IX, 379–386.

113 NSC Statement of Policy, NSC 155/1, 'United States Objectives and Policies With Respect to the Near East,' 14 July 1953, *Foreign Relations of the United States, 1952–1954*, IX, 399–406.

114 *Ibid.*

Eastern relations. The NSC statement left no doubt as to the necessity of creating a better common understanding about the meaning of sovereignty. It was thus crucial to develop "[w]ider recognition in the free world of the legitimate aspirations of the countries in the area to be recognized as, and have the status of, sovereign states" and combine that with "wider recognition by such countries of their responsibility toward the area and toward the free world generally."[115] Within the Administration these two were seen as intertwined, constituting the framework for a necessary reform, which would permit creating a new common ground between the Middle East and the West.

Specters of Nationalism and Communism in Iran

There were several reasons for the United States government to consider the nationalism and political developments of Iran in a different light from Egypt. In the context of an increasingly difficult economic crisis, a persistent question among U. S. policy makers concerned the likelihood of a Communist takeover, if social conditions continued to deteriorate in the absence of an oil agreement. In January 1953 a National Intelligence Estimate noted that the longer present trends in Iran continued unchecked, the more difficult it would become to prevent a complete breakdown of government authority. Under those conditions, the radical Tudeh party might be given a chance to seize power. Although such a breakdown was deemed unlikely during 1953, the Iranian situation contained so many elements of instability that it might occur "at any time."[116]

In early March 1953 there was an attempt to kill Mossadeq, and at a subsequent NSC meeting the CIA's new director, Allen Dulles, viewed that with concern. As long as Mossadeq stayed alive "there was but little danger, but if he were to be assassinated or otherwise to disappear from power, a political vacuum would occur in Iran and the Communists might easily take over." As was the case with the Administration's thinking regarding South-East Asia, the domino effect was seen as an inevitable consequence if Iran should fall. Not only would the West lose Iranian oil production and reserves, but if Iran succumbed to the Communists, the CIA predicted the loss in short order of the other areas of the Middle East with some 60% of the world's oil reserves. For Foster Dulles the fragility of Iran in the face of possible Soviet pressure was a foregone conclusion. He said he had been "unable to perceive any serious obstacle" to the loss of Iran if the Soviets were determined to take it over. He could only lament "the apparent hopelessness of Iran's ultimate fate."[117]

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115 NSC Statement of Policy, NSC 155/1, 'United States Objectives and Policies With Respect to the Near East,' 14 July 1953, *Foreign Relations of the United States, 1952–1954*, IX, 399–406.

116 National Intelligence Estimate, NIE-76, 'Conditions and Trends in the Middle East Affecting U.S. Security,' 15 January 1953, *Foreign Relations of the United States, 1952–1954*, IX, 334–343.

117 Memorandum of discussion at the NSC meeting, March 4, 1953, *Foreign Relations of the United States 1952–1954*, X, 692–701.

At the root of the problem, however, was oil. To reverse the perceived process of social disintegration in Iran, there was no alternative to the resumption of oil operations. "For almost two years the Iranian people have suffered acute distress and much misery merely because a company inspired by covetousness and a desire for profit supported by the British Government has been endeavoring to prevent them from obtaining their natural and elementary rights," Mohamed Mossadeq had cabled to Eisenhower before the inauguration ceremonies of January 1953. Mossadeq stressed that the Iranian Government had made it clear at the time of nationalization that it was willing to pay fair compensation to the former company. He also accused the AIOC and the British Government for trying to force "the Iranian people again to submit to the will of the former company [the AIOC] and to abandon their right to exploit and utilize their own natural resources."[118]

Although scholarly accounts of the Iranian oil crisis have almost invariably portrayed the Eisenhower administration as unresponsive to Mossadeq's wishes, this position is not tenable with respect to the spring of 1953. There was a real option, Dulles noted in March at a NSC meeting, to "disassociate" the United States from the British "to regain popularity on the merits of a policy of our own."[119] The Iranians feared, Dulles continued, that the level of compensation demanded by the British would require Iran to "undergo a protracted economic bondage to Great Britain." The United States might yet be able "to meet this Iranian dread of indefinite tutelage to the British," and in that context Dulles was inclined to think that even if the Mossadeq regime refused to accept the latest proposals, these were not necessarily the last possible terms.[120]

The idea of reforming the Middle Eastern oil regime had its supporters within the State Department. Assistant Secretary of State Henry Byroade considered it entirely possible that in the space of one or two decades the entire oil complex in the area might change from the pattern of private company operations to buyer/seller arrangements. The producing countries who owned the resources could then sell directly to distribution organizations.[121] Richard Funkhouser, a long-time petroleum adviser at the State Department, argued during the summer of 1953 that a policy of accommodation was the only alternative not only regarding Western oil concessions, but for the British Empire. "Concession contracts, like the British Empire, will continue to undergo 'surprise' attacks and 'crises,'" Funkhouser stated in July, "and, like the British Empire, probably

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118 Mossadeq to Eisenhower, 9 January 1953, Ann Whitman File, International Series, Box 32, 'Iran, 1953 through 1959 (9),' Dwight D. Eisenhower Library.

119 Memorandum of Conversation, NSC Meeting, 4 March 1953, *Foreign Relations of the United States*, X, 692–701.

120 Memorandum of Conversation, NSC Meeting, 11 March 1953, *Foreign Relations of the United States*, X, 711–714.

121 Memorandum of Conversation, Byroade and Beeley, 26 March 1953, *Foreign Relations of the United States, 1952–1954*, IX, 661–663.

cannot be protected by guns or governments but only by enlightened thought, understanding and compromise."[122]

At a NSC meeting in early March, Dulles affirmed that there existed a possibility to break the oil embargo and purchase oil from the National Iranian Oil Company and supply that company with the technicians it needed. Together with material support to the Mossadeq regime, that might have had the desired effect.[123] As Funkhouser would note in July, this also presented the United States oil companies with a potential opportunity to raise their share of practical control to about 90% of all Middle Eastern oil production.[124] Eisenhower contemplated the possibility of either the United States Government or the U. S. oil companies buying out the British oil assets in Iran. On the other hand, he "could see no way of convincing Congress that it was the part of wisdom for the United States Government or any American oil company to buy the bankrupt Anglo-Iranian."[125] As a practical matter, Eisenhower made it clear to Anthony Eden in March 1953 that he would not reject Iran's "moderate" requests for technical assistance, since he "did not want to appear small in the eyes of the Middle Eastern countries."[126]

At the same time, both Eisenhower and Dulles had their doubts. Eisenhower emphasized that "we have to respect the enormous investment which the British had in Iran, and we must moreover recognize that their latest proposals, unlike earlier ones to the Iranians, had been wholly reasonable." Dulles expressed his fear that it was too late to hope for a reasonable settlement based on anything other than "a complete British capitulation."[127] The British, moreover, seemed to be "involved deeply in concern for its own prestige, and this was a much more difficult thing to deal with than any mere matter of compensation." Because of recent "terrible blows" to that prestige, Dulles concluded, "we cannot force the British hand."[128] On top of this likely friction in Anglo-American relations, an independent U. S. approach to Iran might have had serious repercussions for U. S. concessions elsewhere. Eisenhower feared that the example of a settlement based on unilateral U. S. negotiations with Iran "might have very grave effects on United States oil concessions in other parts of the world."[129] Dulles agreed with Eisenhower's rejection of any independent move, the reason being "that

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122 Funkhouser to Hart, 'Middle East Oil Policy Considerations,' 3 July 1953, *Foreign Relations of the United States, 1952–1954*, IX, 679–687.

123 Memorandum of Conversation, NSC Meeting, 4 March 1953, *Foreign Relations of the United States*, X, 692–701.

124 Funkhouser to Hart, 'Middle East Oil Policy Considerations,' 3 July 1953, *Foreign Relations of the United States, 1952–1954*, IX, 679–687.

125 Memorandum of Conversation, NSC Meeting, 4 March 1953, *Foreign Relations of the United States*, X, 692–701.

126 Elm, *Oil, Power, and Principle*, 281.

127 Memorandum of Conversation, NSC Meeting, 4 March 1953, *Foreign Relations of the United States, 1952–1954*, X, 692–701.

128 Memorandum of Conversation, NSC Meeting, 11 March 1953, *Foreign Relations of the United States, 1952–1954*, X, 711–714.

129 *Ibid.*

the losses we might anticipate in other parts of the world were likely to overweigh any gain in Iran."[130]

The decision to refrain from an assertive independent initiative - in the face of likely British opposition, and feared consequences to the respect of property rights – left the situation adrift from the U. S. point of view. By the time Dulles returned from the Middle East in late May, the discussions on Iran had a distinctly different tone from those held in March. Dulles had not stopped in Iran, in order not to appear to take sides in the crisis. During his stay in Karachi, however, he had met with the influential U. S. Ambassador to Iran, Loy W. Henderson. The picture of Iran, as described by Henderson in May, left no room for speculation. "The frustration of practically all sections of the Iranian public, including those supporting as well as those opposing Dr. Mossadeq, as they note the deteriorating conditions of the country fan the embers of xenophobia," Henderson wrote in late May. "Only those sympathetic to the Soviet Union and to international communism have reasons to be pleased at what is taking place in Iran."[131] Speaking to the NSC after his return from the Middle East, Dulles took the position that even an oil settlement could not bring stability to Iran. The biggest problem now was that Iran "woefully lacked any prospect of effective political leadership."[132] Although Mossadeq moved during the summer to strengthen his hold on the country by assuming more authoritarian control on the basis of "'popular will' above constitution," these developments did not make an impression on American assessments. Mossadeq had been consistently portrayed as a relatively liberal leader on the verge of losing authority, and even his authoritarianism was seen plagued by weakness. Most of all, the U. S. Embassy in Teheran argued, he lacked the authoritarian organization needed for authoritarian governance.[133]

With a U. S. initiative in the oil dispute ruled out, and Mossadeq's credibility as a political leader lost in American eyes, the only route left was one of confrontation. In the course of the spring and summer of 1953 U.S. fears of a Communist takeover were fuelled by Mossadeq's own declarations of the Communist threat. Embassy reports from Teheran concluded that Mossadeq's efforts to suppress opposition were intended "to make reality of his theme to [the] West that it must choose between him and Tudeh."[134] If this indeed was Mossadeq's intention, it certainly was counterproductive. The elimination of non-Tudeh opposition did not make Mossadeq seem like an alternative to Tudeh, but, rather, susceptible of collusion with Tudeh due to his weak position.

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130 Memorandum of Conversation, NSC meeting, 4 March 1953, *Foreign Relations of the United States, 1952–1954*, X, 692–701.

131 Loy W. Henderson telegram quoted in Walter Bedell Smith to Eisenhower, 23 May 1953, Ann Whitman File, International Series, Box 32, 'Iran, 1953 through 1959 (9),' Dwight D. Eisenhower Library.

132 Memorandum of Conversation, NSC Meeting, 1 June 1953, *Foreign Relations of the United States, 1952–1954*, IX, 379–386.

133 Mattison (Chargé d'Affaires) to the Department of State, 12 August 1953, *Foreign Relations of the United States, 1952–1954*, X, 742–744.

134 *Ibid.*

In early July Dulles told Churchill's private secretary John Colville that "a wily oriental" like Mossadeq was possibly "trying to blackmail by using the Communist bogy," but that the United States could take no chances.[135] After that, the concept of self-determination had little importance for U. S. policy toward the Mossadeq government.

As early as April 1951 Averell Harriman had informed Eisenhower that the Central Intelligence Agency was increasing its activities in Iran, because of the oil dispute between Britain and Iran.[136] The British intelligence services moved further to plan for the possible removal of Mossadeq from power. According to the fast-paced memoirs of the two key intelligence officers from the British and American side respectively, the CIA was actively cooperating in the development of these plans by late 1952.[137] The outlook for such plans was not, however, necessarily very promising. On March 1, 1953, a day after Mossadeq's home had been attacked, the CIA reported to Eisenhower that "the elimination of Mossadeq by assassination or otherwise" might be decisive, but only in exposing Iran to a Communist takeover. Only "in the unlikely alternative that the Shah should regain courage and decisiveness" there was a chance that a coup attempt might succeed. Mossadeq was politically stronger and had a broader base of support than any of his opponents outside the Tudeh, the report noted. Of those having any credibility, Ayatollah Abol-Qasim Kashani was the most prominent religious leader and "a serious contender," but not an attractive option as he had consistently followed "a policy of extreme nationalism." General Fazlollah Zahedi was less suspect in that regard, but he was imprisoned and his success "unlikely."[138]

As other policy options were gradually ruled out in the spring and summer of 1953, the plans for a covert operation to depose Mossadeq remained. That option, moreover, was viewed with optimism. The U. S. Embassy in Iran reported that "under current conditions so long as security forces remain substantially unaffected by Tudeh infiltration, despite [the] latter's program designed to capture civil authority, that these forces, together with non-Communist elements in Iran, still could offer alternative to Mosadeq other than the Tudeh Party."[139] If the memoirs of the CIA operative Kermit Roosevelt are correct (the official documentation relating to the CIA plan to depose Mossadeq

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135 Quoted in Heiss, *Empire and Nationhood*, 180.

136 Harriman to Eisenhower, 26 April 1951, as quoted in an editorial note of Eisenhower, *The Papers of Dwight David Eisenhower*, XII, 226.

137 On the British side, the MI6 planning was headed by C. M. Woodhouse, later director of the Royal Institute of International Affairs. On the U. S. side, the so-called operation 'Ajax' was led by the head of the CIA's Middle Eastern section, Kermit Roosevelt. See Woodhouse, C. M, *Something Ventured* (London: Granada, 1982), 108–114; Roosevelt, Kermit, *Countercoup: The Struggle for Control in Iran* (New York: McGraw-Hill, 1979), 5–12. For a fine scholarly assessment, see Gasiorowski, Mark J., "The 1953 Coup d'Etat in Iran," *International Journal of Middle East Studies* 19 (1987), 267–268.

138 Memorandum of the Office of National Estimates, CIA to Eisenhower, March 1, 1953, *Foreign Relations of the United States 1952–1954*, X, 689.

139 Mattison to State Department, 12 August 1953, *Foreign Relations of the United States*, X, 742–744.

is still scarce), the CIA operation received its authorization from the Eisenhower administration in a June 25, 1953, meeting at the State Department.[140]

In early August it was suggested to Shah Reza Pahlevi that he sponsor a military coup. He accepted the idea, but had second thoughts very quickly, reverting to the idea of remaining formally within the framework of his constitutional power, and simply appointing General Zahedi to replace Mossadeq as prime minister. From his palace on the Caspian Sea the Shah sent his imperial order, *firman*, to Teheran, but to the chagrin of both himself and the Americans, Mossadeq found out about the plan and moved to assert his power and arrest his potential opponents. The Shah fled from his Caspian Sea Palace in a plane, with a pilot, one Palace official and his Queen, and landed in Baghdad. From there the Shah moved to Rome, where he was greeted by Allen Dulles.[141] Walter Bedell Smith reported to Eisenhower on August 17 that the plan had been a failure. "We now have to take a whole new look at the Iranian situation and probably have to snuggle up to Mossadeq if we're going to save anything there," he wrote to Eisenhower.[142] In a meeting the next day with the British Ambassador Roger Makins, Smith said he had wired Roosevelt to give up the scheme, and that the Americans were "inclined to make attempts to improve their relations with Mossadeq."[143] Roosevelt, however, was inclined to go on, and apparently received authorization to do so. This time the result was different. Through street demonstrations and army support Mossadeq was overthrown in another coup on August 19. The Shah returned to Teheran three days later.[144]

Eisenhower's reasons for authorizing the CIA operation in Iran have been heatedly debated, since earlier allegations of CIA involvement became too apparent to ignore after the publication of several memoirs disclosing details of the operation. The key question has been whether the Eisenhower administration acted because of the Communist threat or the oil dispute. Both answers miss part of the bigger picture. There is no doubt as to the gravity with which Eisenhower and Dulles viewed the Iranian situation in terms of a

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140 On the availability of CIA documents, see e.g. Edel, Wilbur, "Diplomatic History - State Department Style," *Political Science Quarterly* 106 (1991–1992), 695–712.

141 Berry to Dulles, 17 August 1953, attachment in Smith to Eisenhower, 18 August 1953, Ann Whitman File, International Series, Box 32, 'Iran, 1953 through 1959 (8),' Dwight D. Eisenhower Library.

142 Smith to Eisenhower, 18 August 1953, Ann Whitman File, International Series, Box 32, 'Iran, 1953 through 1959 (8),' Dwight D. Eisenhower Library.

143 Makins to Foreign Office, 18 August 1953, as quoted in Elm, *Oil, Power, and Principle*, 304.

144 Ambrose, Stephen E. with Immerman, Richard H. as associate, *Ike's Spies: Eisenhower and the Espionage Establishment* (Garden City: Doubleday, 1981), 199–214; Rubin, Barry, *Paved with Good Intentions, The American Experience and Iran* (New York: Oxford University Press), 77–89; Bill, James A., *The Eagle and the Lion: The Tragedy of American-Iranian Relations* (New Haven: Yale University Press, 1988), 91; Andrew, Christopher, *Her Majesty's Secret Service: The Making of the British Intelligence Community* (New York: Viking, 1985), 494; Jeffreys-Jones, Rhodri, *The CIA and American Democracy* (New Haven: Yale University Press, 1989), 89–90.

potential Communist takeover. On August 27 Dulles noted at a NSC meeting following the *coup d'etat* that "the United States now had a second chance in Iran when all hope of avoiding Communist Iran appeared to have vanished."[145] Later in 1954 Eisenhower would state that "we were in immediate danger of losing Iran, and sixty percent of the known oil reserves of the world [located in the Middle East]."[146]

However, the oil dispute remained a crucial factor in the build-up of the crisis. The disintegration of social authority in Iran was directly linked in U. S. assessments to the absence of a negotiated oil settlement. An independent initiative – viewed as a viable alternative in March 1953 – was turned down partly in deference to the British, but also to avoid detrimental effects with regard to international respect of property rights and concessionary contracts. And as much as Dulles considered the Iranian operation a victory over Communism, he was also very much aware that the development of the Iranian crisis – if not its ending in covert U. S. intervention – had a marked effect *vis-à-vis* the threat of other possible oil nationalizations in the area. When the fear of nationalization re-emerged after the Iraqi revolution in 1958, Dulles made this clear:

> [H]aving a pool of oil is not the only essential element ... [I]n addition to the oil deposits it is necessary to have marketing facilities, which is what the American and British companies provide. The Iranians had found this out, as revenues dry up immediately if the oil cannot be marketed...[147] Iran discovered, when it nationalized its oil industry, that striking a bargain with the West was not easy. This was because the West was able to increase production in other areas in the Near East ... It was demonstrated at the time of the Iranian oil nationalization that marketing facilities are the most important factors in oil production. The marketing organization is most intricate, and the cost of marketing is greater than that of producing oil.[148]

In a similar vein, as late as 1960, a National Intelligence Estimate on Middle East oil noted that large-scale nationalizations of existing oil company facilities were unlikely to occur during the next five years, because "the governments of producing countries remember[ed] the experience of Mossade[q] in Iran."[149]

It is necessary to note, however, that the U. S. intervention did not, as such, resolve the Iranian problem from the point of view of Dulles and Eisenhower. In his memoirs Kermit Roosevelt emphasized that the CIA operation left the

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145 Memorandum of Conversation, NSC Meeting, 27 August 1953, *Foreign Relations of the United States, 1952–1954*, X, 771–775.

146 Quoted in Griffith, "Eisenhower and the Corporate Commonwealth," 118.

147 Memorandum of Conversation, Dulles and Zorlu, 6 May 1958, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1953–1964, Box 8, RG 59, NARA.

148 Memorandum of Conversation, Dulles and Fanfani, 'The Middle East Situation,' 29 July 1958, State Department Decimal File 780.00/7–2958, RG 59, NARA.

149 National Intelligence Estimate, NIE 30-60, 'Middle East Oil', 13 December 1960, *Foreign Relations of the United States, 1958–1960*, IV, 665–679.

Shah "under *no* obligation. Not on petroleum, nor on anything else."[150] What followed, demonstrated that the confrontation between the British role and nationalist demands, retained its problematic nature in the eyes of American policy-makers. The Iranian coup did, nevertheless, fundamentally change the context in which an acceptable reform or revision of existing arrangements was sought. "I believe that if we can respond with something which involves a new look without abandoning the basic principles," Dulles said to the acting British Foreign Secretary Lord Salisbury in September 1953, "there is a good chance for a resumption of the old cordial relationship which used to exist between Persia and your country and mine."[151]

Self-determination and World Order

"Now if the British will be conciliatory and display some wisdom," Eisenhower reflected on the developing Middle Eastern situation in October 1953, "if the Shah and his new premier, General Zahedi will be only a little bit flexible, and the United States will stand by to help both financially and with wise counsel, we may really give a serious defeat to Russian intentions and plans in that area." In Egypt, there were also signs of an improving situation, and that only strengthened Eisenhower's conviction of the need to proceed through persuasion rather than pressure.[152] Much depended, however, on the British attitude, and that is where Eisenhower encountered mounting evidence that Churchill did not agree with the general American plan for the Middle East. When the two leaders met at the Western summit meeting in Bermuda in December 1953, it became apparent to Eisenhower that the Anglo-American problems in the Middle East reflected a deeper disagreement on world affairs.

> Winston had much to say about the need for Washington and London to coordinate and crystallize their views whenever they had common interests in any spot in the world – for example, India, Egypt, Iran – and then present a solid front, bordering, as I understood it, almost on an ultimatum to the third party to the dispute. I expressed the hope that it was possible that on occasion such an approach was the wisest particularly when we were sure that our own solution would be approved by world opinion as just, equitable and even considerate.... If the third party in the dispute ... had the slightest semblance of argument on its side, it now had the United Nations to which to appeal. It would be impossible for us to prevent a complete airing of the entire dispute before that body, and we could be made to look like rather arbitrary imperialists in many cases.[153]

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150 Roosevelt, *Countercoup*, 120.

151 Dulles to Salisbury, 8 September 1953, *Foreign Relations of the United States, 1952–1954*, X, *Iran 1951–1954*, 790–791.

152 Eisenhower Diary, 8 October 1953, Ann Whitman File, Eisenhower Diary Series, Box 9, 'Diary – Copies of Dwight D. Eisenhower Personal (2), 1953–1954,' Dwight D. Eisenhower Library.

153 Eisenhower Diary, 4 December 1953, 'Bermuda', EDS, Box 9, 'Diary–Copies of DDE Personal (1), 1953–1954,' Dwight D. Eisenhower Library.

These exchanges repeated in many respects repeated the arguments which had taken place between the two men in the previous January, when Eisenhower had met Churchill as a president-elect. Seen from the point of view of Anglo-American relations, the Middle Eastern situation seemed inextricable from the broader questions about the future of the British Empire, decolonization, and the concept of self-determination. During 1953, C. D. Jackson, one of Eisenhower's closest advisers, had advocated a much stronger stance on these major questions which loomed large in the background of individual crises. "[T]he British refuse to budge because of their dying but still stiff-upper-lip imperialism, while the French produce the same result because of their impotent and terrified colonialism," he had written to NSC director Robert Cutler in May. He urged adoption of a new "global approach – not tied in to Abadan, or Suez, or Indo-China, or Morocco, but rather an overall approach within which each of these tactical situations would automatically fall into proper perspective and be susceptible to reasonably prompt solution." The British simply had to be persuaded, he continued, "that if they are to have any hope of preserving their commercial advantage through their crumbling world, they must allow us occasionally to take a front position."[154]

That type of arrangement did not appeal to Churchill, even if he was aware of the importance and necessity of Anglo-American cooperation. Having been turned down by the Eisenhower Administration in regard to his appeals for a common negotiating front against Egypt and Iran, Churchill now became opposed to "always running for the Americans for help," calling it "undignified." Instead of taking the flexible approach the Americans had urged him to take in the Suez dispute, Churchill told his chief negotiator to be a "patient, sulky pig" in the negotiations. He was "not afraid of physical trouble," and would "in some ways welcome it."[155] In December, Eisenhower assured Churchill that he was deeply sympathetic with the British problem in the Middle East, even if he did not agree with the methods that had been used. He pointed directly to the American role in the Iranian coup to push Churchill toward accepting a more flexible attitude in Egypt. "I repeat that in our actual dealings with Egypt, we have gone to great lengths to meet your convictions and opinions," he asserted. "We certainly want to continue to do so. We think we proved that in Persia, and I hope we shall together make that effort seem worthwhile."[156]

It was not easy for the British to acquiesce in granting the U. S. the right to assume the role of leader. On Iran, Foreign Secretary Anthony Eden wavered between a settlement based on the U. S. led consortium, and the hope of getting

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154 Jackson to Cutler, 11 May 1953, C. D. Jackson Papers, Box 45, 'Cutler,' Dwight D. Eisenhower Library.

155 Memorandum of the meeting with Churchill by Roger Hankey, 22 May 1953, FO 371/102 765 JE 1052/121G, PRO.

156 Eisenhower to Churchill, 20 December 1953, *Foreign Relations of the United States 1952–1954*, IX, 2178–2180.

the Anglo-Iranian Oil Company back in its own right.[157] Eden was irritated by the role given to U.S. oil companies in the plans of Herbert Hoover, Jr., the U. S. chief negotiator in the Iranian dispute.[158] As the right wing of the governing Conservative Party – the so called Suez Group – stepped up its campaign to thwart any evacuation agreement with Egypt, it seemed increasingly difficult for even a moderate like Eden to make any concessions with regard to the Suez base, especially on a matter of symbolic character like uniforms, which he had publicly declared to be a non-negotiable requirement.[159]

The tough line had found an influential supporter in Roger Hankey, the British negotiator on the Suez question. In his view, the Americans seemed "rather starry-eyed about present Egyptian Government," whom he referred to as "henchmen." The Egyptian policy was to get Britain out of the Middle East entirely, Hankey argued, and he did not think Britain could do without the Suez base. "I am sure that without an effective base here we should lose our influence not only in Egypt, but in [the] whole Middle East, with incalculable results on our strategic and commercial communications with India and South-East Asia and east coast of Africa, to say nothing of effect on political, economic and social future of Egypt itself," he wrote to Eden in late 1953. He urged Eden to consider issuing a declaration – possibly unilaterally – that Britain would stay, govern the Canal Zone, bring in workers from the outside, and retain enough military forces in the base to protect from possible interference by Egypt.[160] Churchill was more than willing to consider that option, when there seemed "no alternative except a prolonged humiliating scuttle before all, without advantage, goodwill or fidelity from those Egyptian usurpers to whom victory is being accorded."[161] Sir Evelyn Shuckburgh, who was Eden's private secretary at the time, and later that year became the head of the Middle Eastern section of the Foreign Office, was convinced that Churchill worked actively to prevent a negotiated settlement, preferring either leaving troops on the base for an indefinite period, or a show of military strength which would be followed by unilateral British withdrawal.[162]

Eden and Shuckburgh were nevertheless strongly inclined to go ahead with negotiations. "On balance, disagreeable as all this undoubtedly is," Eden replied to Churchill's criticism, "to go for the treaty still seems to be the only course." Unilateral evacuation would not have been good from the point of view of continuing British authority in the Middle East. Although the British would have to give up "a good deal" to get a treaty with Egypt, Eden was convinced that the general message of that treaty would be that the British

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157 Shuckburgh Diary, 31 December 1953, Shuckburgh, *Descent to Suez*, 125–126.
158 Shuckburgh Diary, 5 October 1953, Shuckburgh, *Descent to Suez*, 105.
159 Shuckburgh Diary, 30 January 1954, Shuckburgh, *Descent to Suez*, 130–131.
160 Hankey (from Cairo) to Foreign Office, 5 July 1953, FO 371/102811 JE1192/375, PRO; Hankey to Eden, 23 November 1953, FO 371/102822/JE1192/625, PRO.
161 Churchill to Eden, 11 December 1953, FO 371/102823 JE1192/656, PRO.
162 Shuckburgh Diary, 17 December 1953, 29 December 1953, 7 February 1954, and 25 February 1954, Shuckburgh, *Descent to Suez*, 121–122, 124–125, 132, 136.

"were still holding on."[163] John Hardinge, the Chief of the Imperial General Staff, gave his support to Eden's political considerations from the military viewpoint. He agreed with Hankey as far as the importance of the Suez Base was concerned. Because of its geographical position, as well as its transportation, utility and other existing facilities, and the availability of labor force, the Suez Canal Zone was simply the best location for a British Middle East base. Hardinge was convinced, however, that Britain could not afford the resources needed to protect it against an actively hostile Egypt, nor would it be of any use under such conditions. "We must either get a working agreement with Egypt, or set up another less useful base elsewhere at great expense, or give up our ability to intervene in the Middle East in war," he concluded in December 1953.[164] The unpopularity of the government's policy within the Conservative Party was nevertheless making even Eden's support for continued negotiations questionable.[165]

At that same time, the Iranian negotiations had deteriorated into a deadlock situation. There were two major problems. The first of these was the problem of defining reasonable compensation to the Anglo-Iranian Oil Company. The second was whether the Anglo-Iranian Oil Company would regain its operational control. The U. S. suggestion was that the AIOC concession be replaced by an international consortium acting under agreement with the National Iranian Oil Company, which formally controlled the oil.[166] In January 1954, after strained Anglo-American negotiations, the British Cabinet conceded and accepted a minority position for British interests in the new oil consortium created to market Iranian oil.[167] As for "reasonable compensation," Dulles thought the British were trying to get far more than what was fair.[168] The Iranians refused to budge, and the negotiations stalled. In February the NSC decided, with reference to national security, that the United States had to maintain a firm position to achieve a prompt settlement.[169]

Based on U. S. assessments of the situation inside Iran, a quick agreement was more than necessary, although on the surface things seemed calm in Iran.

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163 Eden to Churchill, 12 December 1953, FO 371/102823 JE1192/656, PRO.

164 Hardinge memorandum, 'Suez Canal base: Note by C.I.G.S. for Minister of Defence,' 9 December 1953, FO 371/104823/ JE1192/666G, PRO; See also Eden to Mallalieu, 1 January 1954, FO 371/104823/ JE1192/625, PRO.

165 Shuckburgh Diary, 15 March, 16 March, and 20 March 1954, Shuckburgh, *Descent to Suez*, 148–149, 151.

166 Memorandum of Conversation, NSC Meeting, 30 December 1953, Ann Whitman File, National Security Council Series, Box 4, Dwight D. Eisenhower Library.

167 Memorandum of Conversation, NSC Meeting, 14 January 1954, Ann Whitman File, National Security Council Series, Box 5, Dwight D. Eisenhower Library.

168 Telephone Conversation, Dulles and Wilson, 17 March 1954, Dulles Papers, Telephone Conversations Series, Box 2, Dwight D. Eisenhower Library; Telephone Conversation, Dulles and Wilson, 24 March 1954, Dulles Papers, Telephone Conversations Series, Box 2, Dwight D. Eisenhower Library.

169 Memorandum of Conversation, NSC Meeting, 11 February 1954, Ann Whitman File, National Security Council Series, Box 5, Dwight D. Eisenhower Library.

The resumption of diplomatic relations with the British had not led to serious disturbances, and with the help of $51 million in U. S. emergency aid, the Iranian economy had been kept afloat. The opposition, both nationalists and Tudeh, remained weak and divided. The new Majlis had a "hand-picked character" as it was almost completely made up of government-supported candidates, and it was likely to ratify any oil settlement acceptable to the government as long as it was within the framework of the existing oil nationalization law.[170] The new Iranian leaders also seemed to have acquired "a greater understanding of the complexities and realities of the international oil business during the past months of 'education'" by U. S. officials in Iran. It also helped that a former chairman of Texaco, Torkild Rieber, had been hired by the Iranian Government as a special adviser.[171]

The situation was not, however, all that positive according to U. S. assessments. In December 1953, Allen Dulles had noted that in the four months since Mossadeq's removal from office, the Shah and Prime Minister Zahedi had put many of the leaders of the Tudeh Party in jail, but they had made "little or no progress in the crucial area of social and economic reform."[172] The CIA assessment was that the Majlis contained few men who could be relied on to support the government in difficulties. "[T]he forces of latent nationalism remain strong," a report stated.[173] Despite the generally positive outlook, these were still "great political and psychological factors" which could destroy "any oil agreement which would appear reasonable to international oil companies ..."[174]

In mid-March of 1954 Dulles decided that the British intransigence could not be tolerated. Evelyn Shuckburgh was shocked after being informed about "hair-raising" comments by Dulles to the effect that if the consortium plan broke down owing to British "greed and folly," the United States would leave Britain "to stew in our own juice, abandon co-operation with us throughout the Middle East, etc."[175] Later in March, the CIA was already preparing for the contingency

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170 Central Intelligence Agency Memorandum, 'Probable Consequences in Iran of Failure to Achieve an Early Oil Settlement,' 29 March 1954, attached to Record of Actions of NSC Meeting of 29 April 1954, Ann Whitman File, National Security Council Series, Box 1, Dwight D. Eisenhower Library.

171 Operations Coordinating Board, 'Progress Report on NSC 5402, "United States Policy Toward Iran",' 15 April 1954, attached to Record of Actions of NSC Meeting of 29 April 1954, Ann Whitman File, National Security Council Series, Box 1, Dwight D. Eisenhower Library.

172 Memorandum of Conversation, NSC Meeting, 30 December 1953, Ann Whitman File, National Security Council Series, Box 4, Dwight D. Eisenhower Library.

173 Central Intelligence Agency Memorandum, 'Probable Consequences in Iran of Failure to Achieve an Early Oil Settlement,' 29 March 1954, attached to Record of Actions of NSC Meeting of 29 April 1954, Ann Whitman File, National Security Council Series, Box 1, Dwight D. Eisenhower Library.

174 Operations Coordinating Board, 'Progress Report on NSC 5402, "United States Policy Toward Iran",' 15 April 1954, attached to Record of Actions of NSC Meeting of 29 April 1954, Ann Whitman File, National Security Council Series, Box 1, Dwight D. Eisenhower Library.

175 Evelyn Shuckburgh Diary, 17 March 1954, Shuckburgh, *Descent to Suez*, 149–150.

that an oil agreement involving Britain might not be forthcoming, and that it would be necessary for the United States to negotiate a separate oil arrangement with Iran to help the Iranian government survive. That contingency was, in effect, the same one that had been contemplated a year earlier to save the Mossadeq government.[176] Dulles put the blame squarely on Churchill, and his perceived tendency to take matters of foreign policy out of the hands of Eden on issues such as the Iranian oil settlement and the issue of uniforms in the negotiations between the British and the Egyptians. The British attitude toward the oil negotiations had been counterproductive, Dulles argued, and he pointed out that the British had recently failed in general to cooperate with the United States on matters concerning the Middle East. Dulles therefore urged the United States to try to build up Eden rather than to play up to Churchill.[177]

Eisenhower once again saw the Middle Eastern situation against a broader background. "As he grew older," he described Churchill to the NSC, "the Prime Minister was more and more vulnerable to any and all who advised him to take the strongest possible stand in support of Britain's colonial and imperial prestige. After all, we should not forget his famous observation that he had not become the King's First Minister in order to preside over the dissolution of the British Empire. Essentially, his attitude toward the British Empire was Victorian in many respects, and the vanished grandeur of the Empire became, as he grew older, more and more compelling." Dulles declared that "this Government had done its utmost to be loyal to its partnership with Britain in solving the serious problems of the Middle East." If, however, the British intended to go on "pursuing courses of action in the Middle East which always ended in failure, it would be obviously necessary for us to reconsider our whole approach to the Middle East problem."[178]

The British attitude became more difficult for Eisenhower and Dulles to ignore in the spring of 1954. Moreover, the British were not the only cause for worry as the world also seemed to be witnessing – in Dulles' words – "the collapse or evaporation of France as a great power in most areas of the world." The remaining great question was who should fill the void left by the collapse of France, particularly in Asia and Africa. "Would it be the Communists, or must it be the U. S.?"[179] Eisenhower was convinced that the collapse of the French war effort in Indochina would lead to the fall of all of Southeast Asia to the

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176 Central Intelligence Agency Memorandum, 'Probable Consequences in Iran of Failure to Achieve an Early Oil Settlement,' 29 March 1954, attached to Record of Actions of NSC Meeting of 29 April 1954, Ann Whitman File, National Security Council Series, Box 1, Dwight D. Eisenhower Library.

177 Memorandum of Conversation, NSC Meeting, 19 March 1954, Ann Whitman File, National Security Council Series, Box 5, Dwight D. Eisenhower Library.

178 *Ibid.*

179 Memorandum of Conversation, NSC Meeting, 25 March 1954, Ann Whitman File, National Security Council Series, Box 5, Dwight D. Eisenhower Library.

Communists.[180] The problem now was to find a way to prevent that. Dulles had vowed to C. L. Sulzberger of the *New York Times* that the United States would not embrace any cooperative agreement with France and Britain in Asia, which would leave America vulnerable to the charge of imperialism.[181] Eisenhower had been equally emphatic in noting that "no Western power can go to Asia militarily, except as one of a concert of powers ... includ[ing] local Asiatic peoples. To contemplate anything else is to lay ourselves open to the charge of imperialism and colonialism or – at the very least – of objectionable paternalism."[182] Dulles' plan was to circumvent this problem by creating a regional organization, and by demanding that "the French must agree to accelerate their independence program for the Associated States so that there could be no question of U. S. support of French colonialism." The regional grouping – aside from operating as a political framework for Western intervention – was also intended as "a means of compelling the British and some of the others to reexamine their colonial policy, which had proved so ruinous to our objectives, not only in Asia, but in Egypt, Iran, and elsewhere."[183]

From that point of view, the developments in Indochina in the spring of 1954 were a catastrophe. The British refused to join in the American plan, the French military effort collapsed, and the United States was tainted by accusations of imperialism during the Indochina Conference in Geneva. Dulles was furious. "[I]t was particularly galling to the United States to have to accept this attack on it as being an 'imperialist' power," he told Eden. "[T]he United States was eager to beat the Communists in their own game and to sponsor nationalism in the independent colonial areas, which was in accordance with our historic tradition, but ... we were restrained from doing so by a desire to cooperate with Britain and France in Asia, in North Africa and in the Near and Middle East. This, however, did not seem to be paying any dividends because when the chips were down there was no cohesion between us."[184] Eden was not swayed. "All the Americans want to do is to replace France and run Indochina themselves," he told Shuckburgh three days later. "They want to replace us in Egypt too. They want to run the world."[185] In May Dulles phoned his old friend and future Secretary of State Dean Rusk inviting him to Washington for a Sunday dinner

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180 *Ibid*.; For the U. S. policy on Indochina in general, see Gardner, Lloyd C., *Approaching Vietnam: From World War II Through Dienbienphu, 1941-1954* (New York: Norton 1988); Herring, George C., "'A Good Stout Effort': John Foster Dulles and the Indochina Crisis, 1954–1955," in Immerman, Richard H. (ed.), *John Foster Dulles and the Diplomacy of the Cold War* (Princeton: Princeton University Press, 1990), 213-219.

181 C.L. Sulzberger Diary, 24 November 1953, Sulzberger, *A Long Row of Candles*, 926–928.

182 Quoted in Gaddis, *Strategies of Containment*, 179.

183 Memorandum of Conversation, NSC Meeting, 6 April 1954, Ann Whitman File, National Security Council Series, Box 5, Dwight D. Eisenhower Library.

184 Memorandum of Conversation, Dulles and Eden, 30 April 1954, Dulles Papers, Subject Series, Box 9, 'Mr. Merchant TOP SECRET, Indochina, 1954; 1960 [2],' Dwight D. Eisenhower Library.

185 Shuckburgh Diary, 2 May 1954, Shuckburgh, *Descent to Suez*, 186–188.

to assess the need "to make critical decisions in relation to [the] British and French – whether we go alone or allow ourselves to be bogged down."[186] Dulles was perplexed. "I do not think that any adequate thought has been given to the implications of our so-called 'alliances,'" he wrote to Rusk afterwards. "How much should it in fact tie our hands with respect to many areas as to which there is no agreement."[187]

The situation was further complicated by the re-emergence of the issue of self-determination at the U.N. Human Rights Commission in April. A resolution proposed jointly by Chile, the Republic of China, Egypt, India, and Pakistan suggested the creation of two special commissions to study the question of self-determination. One was to conduct a full survey of the status of permanent sovereignty over natural wealth and resources – now described as "a basic constituent of the right to self-determination" – with the added task of making recommendations for its strengthening. The second special commission was to examine any situation "resulting from alleged denial or inadequate realization of the right to self-determination..." The Egyptian representative made a special appeal "to the country which had set up the statue of liberty, the country that had made a gift of that statue, and the country that was the mother of Parliaments." This was to no avail. The United States, France, and Britain withheld their support from the proposal. The British argued that self-determination was essentially "a political principle whose implementation could not be achieved by short cuts nor by the process of converting it into a human right." Mary Pillsbury Lord, who was the United States representative, stressed the complexity of the problem. She urged the Commission to content itself with the simple recommendation that U.N. bodies and specialized agencies should give particular attention in their work to this right. The sponsors of the resolutions, the British noted, "made no response to the suggestion of deferment, preferring to rely on their automatic majority." Britain, the United States, Australia, Belgium, France, and Turkey abstained from voting. The other 11 representatives of the Human Rights Commission supported the resolutions.[188]

The reemergence of the debate concerning self-determination and economic nationalism created a delicate situation with regard to the planned Iranian

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186 Telephone Conversation, Dulles and Rusk, 14 May 1954, Dulles Papers, Telephone Conversations Series, Box 7, Dwight D. Eisenhower Library; Telephone Conversation, Dulles and Rusk, 14 May 1954, Telephone Conversations Series, Dulles Papers, Telephone Conversation Series, Box 2, Dwight D. Eisenhower Library; See also Brands, Henry W., Jr., *Cold Warriors: Eisenhower's Generation and American Foreign Policy* (New York: Columbia University Press, 1988), 24-25; Neff, Donald, *Warriors at Suez, Eisenhower Takes America to the Middle East* (New York: Simon and Schuster, 1981), 145–147.

187 Dulles to Rusk, 24 May 1954, Dulles Papers, White House Memoranda Series, Box 8, Dwight D. Eisenhower Library.

188 Pierson Dixon (British Permanent Representative, UN) to Foreign Office, 'Human Rights Commission: Recommendations on Self-Determination: Joint Chile, China, Egypt, India, Pakistan Draft Resolution Proposing the Setting Up of Two Commissions,' 22 April 1954, FO 371/112493 US 1736/7 PRO.

consortium, which had its tie-ins to the alleged cartel practices of the international oil companies. Herbert Hoover, Jr., who had been picked by Dulles to supervise the negotiations, had required from the start that "[t]he Iranian oil situation must be considered in its world-wide setting, rather than as an isolated problem." This meant, among other things, that a contract between the planned new consortium and the Iranian Government had to avoid setting any precedents "which would have injurious repercussions in other producing countries in either Hemisphere." In order to reintroduce Iranian oil into the world market in an orderly way, the companies participating in an Iranian settlement had to be in a position to distribute Iranian oil in the Eastern Hemisphere, and to have enough power to proportionately reduce production from other areas in the Middle East. The awkward consequence of these requirements was that the five U. S. companies that were considered the only American ones which met such criteria were also companies named in the Attorney General's antitrust case.[189]

There were influential Americans, such as former high-ranking State Department official A. A. Berle, who openly argued in 1954 that it was perhaps time to allow cooperative agreements between companies based on the idea that "unless nations themselves are able to work together in a sort of planned economy - which they frequently are not able to do - best let the producing units themselves do the planning."[190] No such change in principle was contemplated by the Eisenhower Administration, but the principle was circumvented by appealing to national security. Attorney General Herbert Brownell noted candidly during a NSC meeting that the approval of the consortium plan "amounted to adopting a policy in the interest of national security which was contrary to the anti-trust laws of the United States." Dulles admitted that this was substantially, if not literally, true.[191]

Eisenhower insisted that the legal case against cartel practices had to be totally separated from the new consortium. Walter Bedell Smith emphasized his conviction that the oil companies could expect no immediate profit from the new plan, and that their participation in it was thus motivated, at least initially, "only by concern for the national security." Eisenhower, concurring with Smith's position, decided against the suggestion of demanding the consortium companies to surrender documents in the cartel case as a prerequisite to an Iranian agreement. Eisenhower wished the National Security Council record to indicate that "there was no relation whatsoever between the consortium plan and the cartel suit." While the heads of many of the oil companies were his

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189 Hoover to Dulles, 'Iranian Oil Situation,' 21 January 1954, enclosed in the Action records of the NSC meeting on January 21, 1954, NSC Action No. 102, 21 January 1954, Ann Whitman File, National Security Council Series, Box 1, Dwight D. Eisenhower Library.

190 Berle, A. A., Jr., *The Twentieth Century Capitalist Revolution* (New York: Harcourt, Brace, 1954), 122–123.

191 Memorandum of Conversation, NSC Meeting, 30 December 1953, Ann Whitman File, National Security Council Series, Box 4, Dwight D. Eisenhower Library.

"personal friends," Eisenhower stated that he "did not propose to allow the American people to be gouged by the price-fixing practices of the oil cartel."[192] By late April, however, this view of the oil companies as acting as disinterested chosen instruments of national security policy in Iran had become difficult to maintain. Walter Bedell Smith then admitted that negotiations had entered "a very rugged stage of bazaar bargaining," and the companies composing the oil consortium were now insisting on, "no matter how it is dressed up, a new concession to them from the Iranian Government." The Shah himself had told Americans that he too was shocked at this "recrudescence of imperialism."[193]

In May 1954, Dulles gave a speech stressing U. S. support for self-determination, but emphasized that "in truth, a system of political liberty and national sovereignty is orderly and tolerable only if the citizens exercise self-restraint and self-control in accordance with the dictates of the moral law."[194] In a meeting with Sir Roger Makins, the British Ambassador, Dulles lamented that the United States had weakened "her leadership and her mission in the world" by supporting or appearing to support British and French policies in the Middle East and North Africa. He said candidly to Makins that a way had to be found of "reestablishing American moral position on the issue of colonialism and taking the initiative rather than remaining on the defensive."[195] At the United Nations the United States representatives were also hoping to avoid "a purely negative attitude" with regard to the Asian, African, and Latin American suggestions to strengthen the concept of self-determination. The United States contemplated a parallel initiative to set up a study group on permanent sovereignty over natural wealth and resources, which would deal not only with "this right but also ... the obligations of countries, taking into account their international relations." This, the United States representatives told the British, would put the underdeveloped countries "somewhat on the spot." When the Western European representatives of the Brussels Treaty Powers met in London in May 1954, they agreed that any official UN study group, even if concerned with the political right of peoples to self-determination, "would probably be dangerous," and they agreed on applying concerted diplomatic pressure on those members of the Human Rights Commission who still might be swayed.[196]

As the United Nations Economic and Social Council (ECOSOC) was about to discuss the proposals presented by the Human Rights Commission in the summer of 1954, the Western powers were generally in agreement on the

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192 Memorandum of Conversation, NSC Meeting, 21 January 1954, Ann Whitman File, National Security Council Series, Box 5, Dwight D. Eisenhower Library; Memorandum of Conversation, NSC Meeting, 14 January 1954, Ann Whitman File, National Security Council Series, Box 5, Dwight D. Eisenhower Library.

193 Memorandum of Conversation, NSC Meeting, 29 April 1954, Ann Whitman File, National Security Council Series, Box 5, Dwight D. Eisenhower Library.

194 Dulles speech, 'The Challenge to Freedom,' 15 May 1954, C. D. Jackson Papers, Box 49, 'Dulles (4),' Dwight D. Eisenhower Library.

195 Quoted in Lucas, *Divided We Stand*, 36.

196 Meade to Warner, 'Self-Determination: Regarding U.S. Suggestion for a Study Group of Some Kind on Self-Determination,' 2 June 1954, FO 371/112493 US 1736/8, PRO.

intention to halt this development. The British delegation at the UN reported to the Foreign Office that the State Department now agreed that "our first aim should be to secure the rejection of these proposals by ECOSOC." If that would prove impossible despite diplomatic measures to sway votes, the State Department had prepared "a second line of defence" by drawing up amendment proposals to the resolutions, "the effect of which would be to eliminate these two Commissions, at any rate for the time being, and refer the subject back to the Human Rights Commission for further study."[197]

Although the State Department had assured the British Foreign Office of support in opposing both Commissions, the British were anxious about press reports – confirmed by the British Embassy – that Dulles intended to take a more independent line on issues related to decolonization. A major change of direction by the United States with regard to economic nationalism was deemed unlikely, however, because a special UN commission on the permanent right to natural resources "of course concerns all investors in overseas development of primary products."[198] Doubts about U. S. intentions remained strong, nonetheless, as M. A. Wenner of the Foreign Office duly noted.

> The Americans are of course traditionally opposed to colonialism – and the State Department never feel very happy in supporting even our own colonial policies, except as [a] lesser evil than Communist control of the territories concerned. It may be that Mr. Dulles, nettled at what he evidently views as British prevarications over 'united action' in South-East Asia and the consequent thwarting of his plans there, is reverting to a theme which, however shortsighted it may turn out in practice, is one which is assured of widespread support at home and which can hardly fail to evoke answering cries of support in the Middle East.[199]

The pressure was thus mounting on the eve of the planned summit meeting between Eisenhower and Churchill in Washington in late June 1954. On top of this came another Anglo-American dispute about the policy toward Guatemala. Six months after the United Nations General Assembly declaration on economic self-determination in December 1952, the Guatemalan government – headed by Jacobo Arbenz – had appealed to that resolution as a supporting argument for its position in nationalizing the property of the United Fruit Company in Guatemala.[200] By April 1954 Eisenhower was convinced that "the Reds are in control and they are trying to spread their influence to San Salvador as a first step of the breaking out in Guatemala to other South American countries."[201] In mid-June Eisenhower authorized a successful CIA-directed

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197 Salt to Warner, 12 June 1954, FO 371/112493 US 1736/9, PRO.
198 Foreign Office Circular telegram, 22 June 1954, FO 371/112493 US 1736/10, PRO.
199 Wenner minute, 22 June 1954, FO 371/112493, US 1736/10, PRO.
200 See the official U.S. statements in *Department of State Bulletin*, 14 September 1953, 357–360.
201 James C. Hagerty Diary, 26 April 1954, Hagerty, James C., *The Diary of James C. Hagerty, Eisenhower in Midcourse, 1954–1955*, ed. by Robert H. Ferrell (Bloomington: Indiana University Press, 1983), 48–49.

operation to depose the Arbenz government. The British view of the Guatemalan situation was different, and they doubted the communist nature of Arbenz's rule which was taken for granted by Eisenhower. As a result, on the eve of Churchill's visit, the British indicated a willingness to support the Guatemalan wish to have the matter discussed at the UN Security Council.[202] Eisenhower was more than irritated. He authorized the use of the U. S. veto in the United Nations as a last resort to "show the British that they have no right to stick their nose into matters which concern this hemisphere entirely."[203] The matter was immediately brought into the same larger picture concerning Britain's world role, and Dulles advised UN Ambassador Henry Cabot Lodge to "let the British know that if they took an independent line backing the Guatemalan move in this matter, it would mean we would feel entirely free without regard to their position in relation to any such matters as any of their colonial problems in Egypt, Cypr[us], etc."[204]

As Churchill and Eden embarked on their journey to the United States, Dulles stated at a NSC meeting that forcing Britain to change its "unrealistic policies" in Iran, Egypt and elsewhere could "have the effect of tearing the free world coalition to pieces," but that the United States could not "go on forever" avoiding these issues.[205] To Lodge he confessed that it would have been "the happiest day" his life if the United States did not have to modify its policies "to keep up a façade of unity."[206] In the end, however, the Eisenhower-Churchill meeting and what followed was surprisingly consensual in comparison to the views that preceded the Anglo-American summit. The British acquiesced in U. S. wishes with regard to Guatemala.[207] Dulles took a position against the United States continuing work on UN covenants, especially economic covenants.[208]

The Middle Eastern questions were brought closer to resolution along similar lines. Churchill made the commitment to a plan urged by Eden and avidly supported by Eisenhower and Dulles on the Suez Base question. In short, Churchill gave in on his demands. In his public pronouncements, the British Prime Minister explained that his changed policy was due to a changed strategic assessment after the destructive powers of hydrogen weapons had been revealed in the spring of 1954. There are reasons to believe that this was serious,

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202 Young, John W., "Great Britain's Latin American Dilemma, The Foreign Office and the Overthrow of 'Communist' Guatemala, June 1954," *International History Review*, 8 (1986), 583–584.

203 Hagerty Diary, 24 June 1954, Hagerty, *The Diary of James C. Hagerty*, 74–76.

204 Hagerty Diary, 24 June 1954, Hagerty Papers, Box 1, Dwight D. Eisenhower Library.

205 Memorandum of Conversation, NSC meeting, 24 June 1954, Ann Whitman File, National Security Council Series, Box 5, Dwight D. Eisenhower Library.

206 Telephone Conversation, Dulles and Lodge, 25 June 1954, Dulles Papers, Telephone Conversation Series, Box 2, Dulles Papers, Dwight D. Eisenhower Library.

207 Hagerty Diary, 26 June 1954, Hagerty, *The Diary of James C. Hagerty*, 77–79; Memorandum of Conversation, Cabinet Meeting, 9 July 1954, Ann Whitman File, Cabinet Series, Box 3, Dwight D. Eisenhower Library.

208 Mary Pillsbury Lord (Mrs. Oswald B. Lord) Oral History Interview by Richard D. Challener, 21 June 1966, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

but there is evidence also pointing elsewhere.[209] It was a grim discussion in March 1954 about the financial position of Britain which first prompted Churchill to give his support to the evacuation treaty. Everything seemed to point to a higher estimated expenditure than ever in British history and there existed "no possibility of making substantial savings – except by evacuating the Canal Zone."[210] By mid-April Churchill had indicated a willingness to settle for Eden's plan of giving up the demand of having uniformed British technicians remain at the base, if the United States would join Britain in declaring in a joint Anglo-US statement that the two countries had a joint interest in Middle East defence, freedom of the Suez Canal, and maintenance of the base.[211] This was not, however, an easy shift of policy for Churchill. When Dulles complimented Churchill on this new approach to the Egyptian problem, and said that the idea of substituting civilian technicians for military ones was "a statesmanlike and resourceful solution," Churchill "merely grimaced to show his distaste for the proposal."[212]

The situation was essentially the same in the negotiations during the Washington summit. Dulles and Eisenhower urged Churchill to accept Eden's plan for real, promising U. S. support to get an agreement with Egypt based on a saleable proposal such as Eden's.[213] Churchill kept talking about the graves of 500,000 British soldiers in Egypt, which made withdrawal an awkward thing to contemplate, but he finally agreed to proceed on the basis of Eden's plan.[214] Even after making that concession to the Americans, Churchill was saying privately that he hoped "there won't be an agreement; he would prefer to march out fighting." In the end, when the decision to seek an agreement was made, the British came close to total capitulation to Egyptian demands. Their primary objective was only to avoid an unnecessary loss of prestige. When Anthony Head, the Minister of Defence, left for Cairo for negotiations, he only wanted to avoid the risk of the British position "appearing like the last stage of a piecemeal surrender." Head decided to seek a solution which "could be made to look like an act of will" on the part of the British government. In order to achieve immediate acceptance, the British made important concessions from

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209 Devereux, David R., *The Formulation of British Defence Policy Towards the Middle East 1948–1956* (London: MacMillan, 1990), 117–120, 141–147; For a sceptical view, see Kent, John, "The Egyptian Base and the Defence of the Middle East, 1945–54," *Journal of Imperial and Commonwealth History* 21 (1993), 62.

210 Shuckburgh Diary 3 March 1954, Shuckburgh, *Descent to Suez*, 138–140.

211 Shuckburgh Diary 15 April 1954, Shuckburgh, *Descent to Suez*, 165–166.

212 Memorandum of Conversation, Churchill, Eden, and Dulles, 12 April 1954, Dulles Papers, White House Memoranda Series, Box 1, 'Meetings with the President, 1954 (4),' Dwight D. Eisenhower Library.

213 Devereux, *The Formulation of British Defence Policy towards the Middle East*, 140.

214 Memorandum of Conversationm Eisenhower and Churchill, 25 June 1954, Ann Whitman File, International Series, Box 20, 'Great Britain – Churchill Visit, June 1954 (1),' Dwight D. Eisenhower Library; Colville Diary, 25, 26, 27, and 28 June 1954, Colville, John, *The Fringes of Power: Downing Street Diaries*, II, *1941–April 1955* (London: Sceptre, 1986), 358–361; Shuckburgh Diary, 29 June 1954, Shuckburgh, *Descent to Suez*, 221; Gilbert, *Winston S. Churchill*, VIII, 995–1000.

the outset of negotiations, and suggested a treaty which met practically all Egyptian demands. The treaty would guarantee British evacuation within twenty months. It would be a of seven years' duration and include provision for Western re-entry only in the event of a threat to peace. There would be no British technicians, no British uniforms. The Egyptians were happy to agree and an agreement on the major questions was signed in late July 1954.[215]

The Iranian negotiations received a similar consensual ending. Here too, the United States seemed to overcome the difficult dilemma of reconciling nationalist demands without causing serious damage to Anglo-American relations. In the negotiations between the oil companies, Britain, and Iran – arbitrated by the U. S. government – a consensus emerged based on formal acceptance of the Iranian nationalization law, and the authority of the National Iranian Oil Company. A new international consortium would take over the practical control of the production and refining of oil, but the companies agreed to state explicitly that they were acting as agents of the Iranian government. The dispute between Iran and Britain on the legal nationality of the new operating companies was resolved by U. S. opposition to both British and Iranian nationality in favor of 'neutral' Dutch nationality. The new profit-sharing arrangement followed the 50/50 principle adopted by U. S. companies in Venezuela and Saudi Arabia. By late July the Iranians had agreed to make a net payment of twenty-five million pounds to the AIOC in final settlement of all claims and counter-claims. Having originally aimed at a far higher sum, the British were still trying to get Iran to pay thirty million pounds, but soon gave up. The Iranian government and an international oil consortium signed an agreement on the operation of Iran's oil industry on August 5, 1954, approved by the U. S. oil companies after the U. S. Attorney General had decided not to prosecute the companies for cartel practices.[216]

The Suez agreement was met with severe public criticism on military-strategic grounds by retired Admiral Richard L. Conolly, who had been instrumental in the development of Western military strategy in the Middle East in the Truman years, and who had maintained an influential role in strategic planning during the Eisenhower years.[217] In general, however, the Suez base agreement and the Iran oil consortium were hailed by both the Eisenhower Administration and the American press as the beginning of a new era.[218] Public

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215 Shuckburgh Diary, 14 July, 25 July, 26 July, and 27 July 1954, Shuckburgh, *Descent to Suez,* 224, 228–234; Blake, Robert, and Louis Wm. Roger (eds.), *Churchill* (Oxford: Oxford University Press, 1994), 488–489.

216 Shuckburgh Diary, 14 and 30 July 1954, Shuckburgh, 235–236; Shuckburgh Diary, , Shuckburgh, 224; Heiss, 187–220; Hangen, Welles, "Iran and Oil Group Initial Agreement to Resume Output," *New York Times* 6 August 1954, 1; On the anti-trust case, see especially Kaufman, Burton I., "Mideast Multinational Oil, U. S. Foreign Policy, and Antitrust: The 1950s," *Journal of American History* 63 (1977), 937–959; Kaufman, Burton I, "Oil and Antitrust: The Oil Cartel Case and the Cold War," *Business History Review* 51 (1977), 35–36.

217 "Conolly Criticizes Loss of Suez," *New York Times*,10 August 1954, 4; Baldwin, Hanson W., "Suez Marks End of Era," *New York Times*, 18 July 1954; For Conolly's role during the Truman years, see Leffler, *A Preponderance of Power*, 286–291.

218 "Middle Eastern Agreements" (editorial), *New York Times*, 28 July 1954, 22.

sentiment echoed traditional American anti-colonialism. For C. D. Jackson – now formally outside the government but still in close touch with both Dulles and Eisenhower – this was not an entirely sound development. He could easily agree that the basic task for the United States was to encourage orderly decolonization by convincing those under colonial rule "that it is to their advantage as well as to the advantage of the occupying power to go through a long-term plan at the end of which they will be able to stand on their own political, social, and economic free feet ..." But the concept of self-determination, he wrote to Henry Luce only a few days after the Iranian agreement, contained various "semantic booby traps" dangerously ignored by American public opinion.

> Too many Americans, and for that matter quite a few 'liberal' Europeans, still think in terms of Woodrow Wilson's self-determination ... We simply must get over our complex that every little brown or black man with a tommy gun in his hand is automatically a 16-carat patriot on his way to becoming the local George Washington. In our American eagerness to encourage anti-colonialism and to applaud progress, we should be very careful not to fall into semantic booby traps. This is already happening in the U. S. press. Item: The Suez settlement should not be hailed as a milestone of anti-colonialism. A canal constructed under contract and operated under a legal lease is not colonialism. And in case you miss my point, we too have a Canal acquired under somewhat less legal methods, and we do not want to be in a position of arguing in the United Nations and elsewhere, or listening to Radio Moscow, defending ourselves against the charge of colonialism in the Panama Canal Zone. Item: An air base legally contracted, constructed, and maintained, is not colonialism, which is a trap beginning to open its jaws in Cyprus. Item: An oil concession is not colonialism, and the use of that word in connection with Iran is deplorable, as we may some day discover in Venezuela and in Saudi Arabia.[219]

Eisenhower and Dulles had shown keen awareness of these distinctions while pursuing their policy in the Middle East, but that awareness did little to diminish their commitment to what they thought was America's calling. "At the present time, there is occurring a very definite loosening of the ties that unite Great Britain, France and the United States in the field of foreign policy," Dulles wrote in a personal 'think-piece' in late July 1954. "The causes of this are not superficial, such as disagreements about tactics or clashes of personalities, but they are fundamental, and need to be understood if our policies are to be wise and adequate." There were disagreements about nuclear weapons and policy toward the Soviet Union, but the key questions were related to global questions. France was "so greatly weakened" that it could hardly be "rated as one of the 'Big Three' carrying important world-wide responsibilities." Britain's world

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219 C. D. Jackson to Henry R. Luce, 11 August 1954, C. D. Jackson Papers, Box 68, Dwight D. Eisenhower Library.

role subjected it to "many influences which militate[d] against a close partnership of world-wide scope with the U.S." But fundamentally it was the traditions of the United States which tended to divorce it from "a permanent close alliance with powers such as the U.K. and France."[220]

> The American people, far more than the people of either Britain or France, are a religious people who like to feel that their international policies have a moral quality. By and large throughout our history we have stood for policies which could be expressed in moral terms. Perhaps there has been an element of hypocrisy in this respect but also there is a very genuine dedication to moral principles as contributing the element of 'enlightenment' to what is called 'enlightened self-interest.' There is a particular antipathy in the American people to the so-called 'colonial' policies of the Western European powers. The U.S. is the first colony to win independence and feels sympathetic to the aspirations of colonial and dependent peoples and is strongly vexed at the leadership which communism is giving to these aspirations, while we seem inhibited from giving that leadership because of our alliance with colonial powers.[221]

Dulles was torn, however, between the two main strands of his historical thought; the above concept of American exceptionalism and his tendency to see the United States as the new vanguard force in the great chain of Western civilization. He combined his description of American separateness and the transatlantic divide with references to the civilizational layer of unifying influences, which he considered even more basic than the divisive influences. "There are ties of race, religion, and tradition, which often seem to be submerged but which nevertheless persist," he wrote. Therefore, even if the United States could not possibly agree to identical policies with Britain and France, "as for a time we assumed possible, nevertheless we should not have any policies which would be lacking in the sympathy and broad understanding of the other members of Western civilization of which we form a part or which would be designed unnecessarily to bruise or weaken them."[222]

The search for an international order meant, however, that this question created a constant dilemma. Returning from a meeting with Nasser in Cairo, Malcolm Muir, publisher of *Newsweek*, told Eisenhower that Nasser had said he "did not see how America – which was founded after a war with England – could support the colonial ambitions of either England or France." Eisenhower characteristically replied that he "couldn't agree more with Nasser." The United States had to "work with these peoples and then they themselves will soon find out that we are their friends and that they can't live without us."[223]

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220 Dulles Memorandum, "The 'Big Three' Alliance," 19 July 1954, Dulles Papers, Subject Series, Box 7, 'Think Pieces – Drafts, 1956 [2],' Dwight D. Eisenhower Library.
221 *Ibid.*
222 *Ibid.*
223 Hagerty Diary, 22 July 1954, Hagerty, *The Diary of James C. Hagerty*, 95–97.

‘Collective Security’: Alliance Building and the Challenge of Neutralism, 1954–1955

> Take leadership in bringing the countries of the area into an organization in which the Western powers participate (or with which they are associated) and which is designed to influence the political orientation, increase the internal stability, and strengthen the defense of the area, recognizing that the political base for such an organization does not now exist and must first be brought into being.[1]
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> National Security Council policy paper
> NSC 155/1 on the Near East, July 1953

Collective Security and the Political Orientation of Nation-Building

In the post-World War II American usage, ‘collective security’ has generally denoted alliances in which the United States participated, but that was not, as Henry Kissinger has noted, how the term was originally conceived. In the interwar period the concepts of collective security and of alliances were almost diametrically opposed. Traditional alliances were directed against specific threats and defined precise obligations for member countries. Theoretically ‘collective security’ meant defending an abstract international code of conduct, and resisting any threat to the international peace - the nature of which was left to the collective judgment of the international community - no matter who was the aggressor and against whom the aggression was directed. Thus, the concept was inextricably tied to the existence of an international order and normative standard.[2]

Dulles – whose record paradoxically includes a public condemnation of both neutralism and containment strategy as “immoral” – did retain a view of the Cold War as an *implementation* of the concept of collective security. He stressed the collective character of international society, whose norms had been

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1 NSC Statement of Policy, NSC 155/1, ‘United States Objectives and Policies With Respect to the Near East,’ 14 July 1953, *Foreign Relations of the United States, 1952–1954*, IX, 399–406.

2 For a discerning Realist description of these distinctions, see Kissinger, Henry, *Diplomacy* (New York: Simon and Schuster, 1994), 246–248.

violated by the Soviet Union, and consequently it had become crucial to maintain "a certain social ostracism toward them – and I stress the word 'social'."

> The whole post-war relationship between ourselves and our allies and the Russians can be analyzed and described with great accuracy in terms of how a society, a community, a family, responds to the behavior of an obvious bad egg. The man who spits in your eye, puts poison in your soup, has impossible table manners, is the kind of person you don't want around.... And behind that social ostracism, which everybody understood even though some did not necessarily applaud, it was possible fairly quickly and easily to reach mutual defensive agreements in order to see to it that this socially impossible person was kept out – and if he did threaten to break down the door or set fire to the house, that there would be sufficient friends and neighbors around to make him think twice.[3]

In the Cold War, however, the term 'collective security' had quickly lost much of its neutral, idealistic flavor. In fact, the concept of 'neutrality' itself was considered by many United States policy makers either as redundant or even objectionable. "The whole struggle has developed such a level of intensity that the word 'neutrality' has become almost meaningless," Eisenhower wrote in January 1952.

> Magnetically, our globe is one whole; if a magnetic needle anywhere in the world does not point specifically to North or South, then it is untrustworthy and useless. Almost in the same way, if any country in the world today is not oriented toward Communism-and most of those so oriented have been the victims of force-then it must be specifically a part of the organization of free nations, determined to preserve its integrity against a Communistic threat. To attempt to do otherwise is silly and suicidal. I think that most of our American irritation with other countries, including some with whom we have the closest of blood and cultural ties, comes from the fact that too often they want to put many other and lesser objectives above the simple and stark necessity of recognizing this polarity of world power and, on our side, establishing a collective and effective security.[4]

'Collective security' had thus begun to approximate alliance. In a major foreign policy article published in the April 1954 edition of *Foreign Affairs*, Dulles listed alliances as the main pillar of Western strategy along with nuclear deterrent. He noted the development of both South-East Asian and Middle Eastern initiatives for regional defense organization, but he carefully

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3 Notes on meeting between Dulles and Jackson on April 14, 1956, in C. D. Jackson to Henry Luce, 16 April 1956, C. D. Jackson Papers, Box 69, 'Log-1956', Dwight D. Eisenhower Library.

4 Eisenhower to Clement, 9 January 1952, in Eisenhower, *The Papers of Dwight David Eisenhower*, XII, 865–869.

distinguished these plans from NATO. Western Europe's position was special, Dulles argued, because it constituted a major factor in the world balance of power, and thus might become too enticing for the potential aggressor despite the risks involved. Moreover, "the West European countries ha[d] both a military tradition and a large military potential, ... so that ... with the support by the United States and Britain, they can create an adequate defense of the Continent." Outside Europe, however, most areas were in Dulles' view likely to offer less value than the loss the aggressor would suffer from retaliatory measures. In such non-European areas the key was not defense against direct Soviet attack, but "local defense." Dulles called for a sufficient military establishment "to maintain order against subversion and to resist other forms of indirect aggression and minor satellite aggressions." But in practice, those areas outside Europe had to put their main reliance on "the power of the free community to retaliate with great force by mobile means at places of its own choice." In other words, the threat of massive retaliation should operate to deter direct Soviet aggression, while regional organizations were needed for local stability.[5]

In the context of Asia and the Middle East, collective security thinking became closely tied to ideas about nation-building, internal political stability. For example, when the New York based Council on Foreign Relations set up a study group to analyze the defense of the Middle East, the group adopted a definition of 'defense' which included "not merely the protective and preventive measures required as a reaction to Soviet initiative, but also such positive policies as will strengthen and stabilize the area and bring the Middle Eastern nations into mutually beneficial relationships with the United States and the rest of the free world."[6]

Such a broader definition of the workings of collective security arrangements was clearly evident in the first Eisenhower-era policy statements on the building of defense alliances. In July 1953 a NSC policy statement on the Near East clearly indicated that the United States should take the lead in inducing the countries of the area to form a regional defense organization in which the Western countries could participate or otherwise associate themselves. The organization would be "designed to influence the political orientation, increase the internal stability, and strengthen the defense of the area." Accordingly, the objectives were characterized by a clear positive connection made between Western-oriented nation-building and the defense of the area.[7] In line with the

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5 Dulles, John Foster, "Policy for Security and Peace," *Foreign Affairs* 32 (April, 1954), 358–359.

6 Scope of Study and Program of the Meetings, Working paper No. 1, 18 October, 1955, Records of Study Groups, Vol LXIII, The Defense of the Middle East (1955/57), Council on Foreign Relations Archives, Harold Pratt House, New York.

7 NSC Statement of Policy, NSC 155/1, 'United States Objectives and Policies With Respect to the Near East,' 14 July 1953, *Foreign Relations of the United States, 1952–1954*, IX, 399–406.

appraisal of the political situation Dulles had made during his tour of the Middle East, the focus was now on the so-called Northern Tier of states, Turkey, Iraq, Syria, Iran, and Pakistan. It was hoped that the development of this Northern Tier concept into something concrete could be initiated by U. S. offers of limited military assistance intended "to increase confidence in the United States, and to help in developing indigenous forces which can improve political stability, internal security, and the maintenance of pro-Western regimes, and ultimately contribute to area defense."[8] While the Northern Tier approach was chosen to a great degree in order to avoid the dispute between Egypt and Britain over the Suez Base, the plan seems in hindsight to have been fraught with potential problems from the very start. By including Syria and Iraq, the Arab-Israeli conflict would inevitably come up. The presence of Pakistan was almost certain to lead to difficulties with India. The plan also included one of the leading leadership contenders of the Arab League – Iraq – while it excluded Egypt. And it pushed the United States to pursue military aid policies in an area previously dominated militarily by Britain. In this context the decisions made in the regional meeting of U. S. ambassadors in August 1953 were all the more remarkable. The meeting held in Cairo accepted a proposal for $30 million worth of military aid to be directed to Israel and Arab States other than Egypt. As much as two-thirds of that sum was to be allocated to Iraq and Syria, but the intention was to offer some military aid to almost all Arab states. The Arab-Israeli conflict received surprisingly little attention. The formula for preventing American aid being used for local aggression was going to be based on joint planning with United States.[9] Dulles moved this plan forward to Defense Secretary Charles E. Wilson without any significant changes, noting that the suggestions were on firm ground in political terms.[10]

The starting point for the plan was not, however, in the Arab states, but in the north between Turkey and Pakistan.[11] Turkey was a member of NATO, and it had been one of the signatories of the MEC and MEDO initiatives in the Middle East.[12] Both Britain and the United States had considered Pakistan a potential ally since that country's independence in 1947, but the perpetuation of the Kashmir conflict and continuously strained relations with India had caused the

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8 *Ibid.*

9 Caffery to State Department, 30 August 1953, *Foreign Relations of the United States, 1952–1954*, IX, 413–414.

10 Dulles to Wilson 8 September 1953, *Foreign Relations of the United States, 1952–1954*, IX, 416–417.

11 Caffery to State Department 30 August 1953, *Foreign Relations of the United States, 1952–1954* IX, 413–414.

12 Barnds, Willam J., *India, Pakistan and the Great Powers*, (New York: Praeger for Council on Foreign Relations, 1972), 91–92; Memorandum of Conversation, Dulles and Mohamed Ali, 24 May 1953, *Foreign Relations of the United States 1952–1954,* IX, 134–136; Memorandum of Conversation, Dulles and Adnan Menderes, 26 May 1953, *Foreign Relations of the United States 1952–1954,* IX, 137–147.

Western powers to move carefully.[13] This time, however, the negotiations led to full-fledged plans in December 1953 to offer Pakistan military aid on condition that it would sign a defense cooperation agreement with Turkey.[14] The question of India's reaction was a difficult one. India's Prime Minister Jawaharlal Nehru declared that U. S. military aid to Pakistan would bring the Cold War to India's borders.[15] Adverse reactions in India were characterized by *Time* as a "psychosis of fear."[16] The State Department was less concerned, even if it expected "quite a storm from India" following the creation of a military program for Pakistan. The general perception was that there would be no fatal effect on US-Indian relations.[17] Intelligence estimates did not indicate that India would move significantly closer to the Soviet Union because of U. S. military aid.[18]

By mid-January 1954, the U. S. embassy in Ankara received detailed plans from the State Department according to which the Turkish and Pakistani governments would take center stage while the United States would remain in the background acting as a midwife.[19] Accoringly, on February 19, 1954, Turkey and Pakistan published a communiqué on negotiations leading to defense cooperation.[20] A week later Mohammed Ali announced that the United States would provide Pakistan with military aid.[21] Nehru's opposition could not prevent the Turkish-Pakistani treaty, which was finally signed in April, but it was an indication of the kinds of problems and rhetoric the United States would begin to encounter with regard to neutralist countries of the Middle East and Asia. "We have thought in terms of freeing our countries, and one of the symbols of freedom has been the withdrawal of foreign armed forces," Nehru declared in a speech on February 24. "I say the return of armed forces from any

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13 Brands, Henry W., "India and Pakistan in American Strategic Planning 1947–1954: The Commonwealth as Collaborator," *Journal of Imperial and Commonwealth History* 15 (1986), 45–49; MacMahon, Robert J., United States Cold War Strategy in South Asia: Making a Military Commitment to Pakistan, 1947–1954, *Journal of American History* 75 (1988), 812–840.

14 Dulles U. S. Embassy in Ankara, 24 December 1953, *Foreign Relations of the United States, 1952–1954*, IX, 439–441; Byroade to Nash, 15 October 1953, *Foreign Relations of the United States, 1952–1954*, IX, 421–423.

15 "Arms for Pakistan" (editorial), *New York Times*, 2 January 1954, 10.

16 "Psychosis of Fear," *Time*, 4 January 1954, 23.

17 State Department memorandum, 'Military Aid to Pakistan,' n.d. [January 1954], Dulles Papers, White House Memoranda Series, Box 1, 'Meetings with the President, 1954 (4),' Dwight D. Eisenhower Library. 1:829

18 National Intelligence Estimate (NIE 30-54), 'Prospects for Creation of a Middle East Defense Grouping and Probable Consequences of Such a Development,' 22 June 1954, *Foreign Relations of the United States, 1952–1954*, IX, 516–520; Gopal, Sarvepalli, *Jawaharlal Nehru: A Biography*, II, *1947–1956*, (London: Jonathan Cape, 1979), 190.

19 Dulles to U. S. Embassy in Ankara, 16 January 1954, *Foreign Relations of the United States, 1952–1954*, IX, 454–457.

20 Turco-Pakistani statement on cooperation, 19 February 1954, Folliott, Denise (ed.), *Documents on International Affairs 1954* (London: Oxford University Press for Royal Institute for International Affairs, 1957), 177–178.

21 Bell, Coral, *Survey of International Affairs 1954* (London: Oxford University Press for Royal Institute for International Affairs, 1957), 203.

European or American country is a reversal of the history of the countries of Asia, whatever the motive."[22]

In the spring of 1954, the U. S. plans seemed nonetheless to proceed with striking ease. Burton Berry, the U. S. Ambassador to Iraq, had already sounded out the Iraqi Government's views on possible adherence to the planned Turco-Pakistani treaty.[23] The Lebanese President Camille Chamoun considered it likely that the Arab States in general would be inclined to join the treaty.[24] In Syria, Adib Shishakli's regime was overthrown, and the new government not only disclosed plans to return to civilian democracy but declared support for the Turco-Iraqi treaty, and reserved the right to give up the policy of neutrality in foreign affairs.[25]

This was, however, only part of the picture. U. S. offers to provide military aid based on military assistance agreements with the United States had not led to positive results except in Iraq. The Arab-Israeli dispute, which had remained in the background, flared into border fighting, and the Turco-Pakistani agreement was caught in the middle. When the Arab League held a meeting in early April, the Egyptians took a strong position against any defense agreements with the West. The pressure to show a common front had a definite effect on the Conference, and the wording of the final communiqué on April 1 amounted to an attempt to thwart the continuation of U. S. policy. The contrast with the earlier positive signals from the Arab world was manifest.[26]

> The first question examined by the Committee concerned the rumors recently circulated on the possible adherence of one of the Arab States to the Turco-Pakistan alliance and concerning the early conclusion of a Military Aid Agreement between certain Arab States on the one hand and the United States of America on the other. All the representatives of the Arab States on the Committee proclaimed these rumors are false and have no foundation in truth. As to the Turco-Pakistan alliance, the Iraqi representative affirmed in the name of his Government what the President of the Iraqi Council of Ministers had proclaimed, namely that Iraq has not been invited to join this alliance, that it has not considered joining and that everything which has been said concerning the connection of Iraq with this alliance is without foundation.[27]

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22 Nehru's speech, 22 February 1954, Government of India, *Jawaharlal Nehru's Speeches*, III, *March, 1953–August, 1957* (New Delhi: Ministry of Information and Broadcasting, 1958), 344–346.

23 Berry to State Department 17 February 1954, *Foreign Relations of the United States, 1952–1954*, IX, 486–487; Warren to State Department 25 February 1954, *Foreign Relations of the United States, 1952–1954*, IX, 487–488.

24 Hare to State Department, 17 March 1953, State Department Decimal File 780.5/3-1754, RG 59, NARA.

25 Doty, Robert C., "Middle East Changes Outlook: Policies More Favorable to Defense Pact May Follow," *New York Times*, 7 March 1954, IV, 6; "Syria Backs Turk-Pakistani Pact," *New York Times*, 5 March 1954, 1.

26 "No Western Ties, Arab States Say: Members of Cairo Conference Agree to Stay Aloof from Defense Pacts," *New York Times,* 2 April 1954, 8; Berry to State Department 9 April 1954, *Foreign Relations of the United States, 1952–1954*, IX, 1505–1506.

27 Arab League Communiqué, 1 April 1954, quoted in Dulles to U. S. Embassy in Baghdad, 8 April 1954, IX, 2375–2377.

Dulles' response was adamant. "It seems to us," Dulles cabled to Baghdad, "that if the Iraqis are so unwilling to stand up and be counted on [the] side of [the] free world that at this late stage in negotiations they subscribe to statements such as foregoing, we should reflect very carefully before concluding [an] agreement."[28] The military aid negotiations were frozen by the State Department on April 15, prompting Berry to urge Washington to rethink. The importance of the military assistance agreement went beyond any military calculation. The Iraqi Government would be the first Arab country to join in the U. S. plans, and open the path to nation building and a stable order in the Middle East. "By means of our influence, exercised increasingly as Iraqis knit closer to us, we would bring Iraqi attention to focus more and more on the dangers of communism and the need to combat such danger through internal reforms. This approach, applied with skill and perseverance, can crack the hostile Arab ring around Israel and, with Israeli cooperation, can assure the peaceful survival of that country."[29]

Dulles took up the question with Eisenhower, emphasizing the potential problems not only with regard to Iraqi policy, but also concerning the impact of the arms agreement on the pro-Israel lobby and consequently on the Congressional election in the fall. Eisenhower agreed fully with Dulles' suggestion. The United States would conclude the mutual security agreement with Iraq on the condition that the actual aid would be dependent on the developing international situation. Pointing to the need of continuing a neutral policy with regard to the Arab-Israeli dispute, Eisenhower urged continuation of the Northern Tier alliance plan, hoping "very much that the agreement would in fact lead to identification of agreement with Turkey-Pakistan."[30] Two days later, on April 21, the Military Assistance Agreement between the United States and Iraq was signed.[31] The Iraqi Government announced in public that it had signed the agreement with no strings attached, neither political nor military.[32]

Despite problems, the reviews of the Middle Eastern situation within the Eisenhower administration during the summer of 1954 showed clear confidence in the policy being conducted. The Northern Tier approach had successfully avoided the appearance of being dominated by the Western powers. It was consequently deemed quite possible that the security

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28 Dulles to U.S. Embassy in Baghdad, 8 April 1954, IX, 2375–2377.

29 Smith to U. S. Embassy in Baghdad, 15 April 1954, *Foreign Relations of the United States, 1952–1954*, IX, 2377–2378; Berry to State Department 16 April 1954, *Foreign Relations of the United States, 1952–1954*, IX, 2378–2380.

30 Memorandum of Conversation, Eisenhower and Dulles, 19 April 1954 (Augusta), Dulles Papers, White House Memoranda Series, Box 1, 'Meetings with the President, 1954 (3),' Dwight D. Eisenhower Library.

31 Dulles to U.S. Embassy in Baghdad, 19 April 1954, *Foreign Relations of the United States, 1952–1954*, IX, 2381–2383; Military Assistance Agreement between the United States and Iraq, 21 April 1954, *United States Treaties and Other International Agreements*, V, *1954* (Washington, D.C.: United States Government Printing Office, 1956), 2496–2501.

32 "Iraq Will Receive U.S. Military Help," *New York Times*, 26 April 1954, 1.

arrangement could be extended from the Northern Tier toward the heart of the Arab world. As the Anglo-Egyptian Suez agreement became apparent, the Turco-Iraqi agreement was considered a possible base for a loose area-wide organization, if the United States was prepared to use its economic and military aid to make that an attractive option.[33] The new policy paper on the Middle Eastern policy in the summer of 1954 followed these suggestions. To achieve greater coherence in the early stages, the NSC 5428 urged that defense arrangements should be limited to Turkey, Pakistan, Iran, and Iraq, but it was also the intention to have "a desirable pull away from the negative Arab League." The immediate effects were expected to be primarily political and psychological rather than military. The hope was to strengthen Western-oriented elements and to bring about greater awareness of the Soviet threat and greater willingness to cooperate both regionally and with the West. In order to achieve these results, the "indigenous nature of the organization [wa]s an essential feature." The association of Western powers (except through Turkey) was not considered a viable alternative, before changes in the political climate made this practicable.[34]

The political climate seemed indeed to turn toward a favorable direction from the U. S. perspective. "Near East Heartens U. S.," the *New York Times* titled its review of the situation in August. In Cairo, a government memorandum declaring the Egyptian intention to stand by the West in the Cold War was distributed to Western correspondents. The authenticity of the memorandum was later disputed, but it contributed to the general feeling among Western journalists in the Middle East that the area was slowly turning toward the West.[35] The Egyptian thinking on defense arrangements for the area had not, however, significantly changed. Nasser and Neguib had told Dulles in their May 1953 meetings that Egypt favored building up the Arab states under the Arab League Collective Security Pact (ALCSP). "They stress the theme that the US and UK already have treaty arrangements with members of the Arab League which provides the necessary Western tie-in," Dulles then reported to Washington.[36]

No matter how strongly the NSC 5428 stressed the "indigenous nature" of the defense organization as an essential element of any prospective collective security arrangement, the Egyptian advocacy of the Arab League Collective

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33 Paper Approved by the Chiefs of Mission Conference at Istanbul, 'Conference Statement on Middle East Defence Commenting on OIR Contribution to NIE 30–54,' 14 May 1954, *Foreign Relations of the United States, 1952–1954*, IX, 510–512.

34 NSC 5428, 'United States Objectives and Policies With Respect to the Near East,' 23 July 1954, National Security Council Records, RG 273, NARA.

35 "Dulles Foreign Policy: An Appraisal to Date; His Record as Successor to Acheson Shows Both Victories and Setbacks," *New York Times,* 12 September 1954, IV, 4; Doty, Robert C., "Egypt Affirms Support for West," *New York Times*, 3 September 1954, 3; "Near East Heartens U.S.: Conditions in Area Better then Foreseen Despite Israel-Arab Tension," *New York Times*, 8 August 1954, 2.

36 Dulles (from Cairo) to Smith, 13 May 1953, #2423, *Foreign Relations of the United States 1952–1954,* IX, 26–28.

Security Pact was not an acceptable alternative for the Eisenhower administration. The State Department had studied the possibility of using the ALCSP as a "backdoor" option and alternative to MEDO in the spring of 1953. The ALCSP was, however, an integral part of the Arab League and its several organs were ultimately responsible to the Arab League Council. This posed a serious problem as long as the Israelis were "convinced that the A[L]CSP is dedicated to the destruction of Israel." Adherence to the ALCSP would have also involved commitments amounting to a full military alliance with the Arab states.[37] The meeting of area Ambassadors held in Cairo in August 1953 considered ALCSP a "pure propaganda document," which could play no useful role.[38]

As the Suez Base dispute and the Iranian oil crisis receded, this was the dilemma which began to haunt U. S. plans for collective security in the Middle East. Nuri es-Said had once again taken over the position of Prime Minister in August, and the U. S. embassy in Baghdad was soon informed about Nuri's plans to redirect Iraq's foreign policy orientation. Before discussions with Saleh Salem, a member of the ruling revolutionary council in Egypt, Nuri informed the Americans of his intention to proceed with Middle Eastern defense plans together with Egypt on the basis of the Arab League treaty. That was startling news both in the context of the traditional rivalry in the area between Iraq and Egypt, and in terms of the public perception of revolutionary reformist Egypt as a counterforce to a conservative and traditionalist Iraq.[39] On the question of Arab nationalism, however, there existed a certain level of concurrence, as Nuri did have his own aspirations of becoming a pre-eminent pan-Arab statesman. However, Nuri envisaged the extension of Arab unity more in terms of the merging of the Levant countries into one state under the Hashemite dynasty than in the context of Nasserist type of social reformism.[40] It was thus a major surprise when Nuri es-Said and Saleh Salem affirmed on August 21 in Sarsank the intention of Egypt and Iraq to proceed with the strengthening of the Arab League Collective Security Pact.[41] The State Department received a message from the U. S. Embassy in Baghdad that Nuri es-Said had shelved the Northern Tier plan.[42]

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37 State Department memorandum, 'An Alternative Approach to Middle East Defense Arrangements,' n.d. [1953], attached to State Department Circular Telegram, 1 May 1953, State Department Decimal File 780.5/5–153, RG 59, NARA. According to Mohammed Heikal, the ALCSP option was also discussed during the meeting between Dulles and Nasser in Cairo, Heikal, Mohamed Hasanayn, *Cutting the Lion's Tail: Suez Through Egyptian Eyes* (London: Deutsch, 1986), 39.

38 Caffery to State Department, 30 August 1953, *Foreign Relations of the United States, 1952–1954*, IX, 413–414.

39 Seale, Patrick, *The Struggle for Syria: A Study of Post-War Arab Politics 1945–1958* (London: Oxford University Press, 1965), 200–201.

40 Hourani, *Arabic Thought in the Liberal Age*, 274; Louis, *The British Empire in the Middle East, 1945–1951*, 307–311.

41 *Keesing's Contemporary Archives*, IX, 1952–1954, 13787A.

42 Ireland to State Department, 22 August 1954, *Foreign Relations of the United States, 1952–1954*, IX, 541–543.

Dulles was ready to revoke the military aid agreement altogether if the Iraqi government would stay true to this change of policy. "I am greatly disturbed over the report that Iraq is planning a security pact with Egypt and is moving away from the idea of joining up with Turkey and Pakistan," he wrote to Assistant Secretary of State Henry Byroade. "We bought the idea of military aid to Iraq on the theory that it was going to tie up with the northern tier countries and not merely build up the Arab League as against Israel."[43] The Egyptians, however, were the first to renege from the Sarsank agreement, which had vaguely referred to the possibility of Western countries joining the ALCSP at some further stage.[44] New negotiations between Nasser and Nuri in Cairo did not change the situation as Nasser made it clear he could not accept the "old imperialist" – Britain – as Egypt's ally for the foreseeable future.[45]

There was no such antagonism between Nuri es-Said and Britain. Nuri's policies in Iraq since the inception of Iraqi independence had been based on close cooperation with Britain, and in this sense he had been – in the words of historian William Roger Louis – "a pillar of British strength in the Middle East."[46] At the same time, the British were getting anxious about the U. S. military aid and alliance plans, especially because of their potential influence on the political orientation *within* the non-Communist world as opposed to the American primary concern over political orientation *vis-à-vis* the Soviet Union. Foreign Secretary Anthony Eden had become convinced that if Britain were to have "any position in the Middle East, our authority must be based on close relations with Jordan and Iraq."[47] The loosely defined Turkish-Pakistani pact seemed harmful in the sense that it did not provide for Western membership and might thus pose future problems for the maintenance of a British military presence.[48] Beyond this there was "understandable suspicion that the Americans are out to take our place in the Middle East," British ambassador Roger Makins reported from Washington in February 1954. "Their influence has greatly expanded there since the end of the Second World War, and they are now firmly established as the paramount foreign influence in Turkey and Saudi Arabia. They are gaining similar ascendancy in Persia, and it now seems that

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43 Dulles to Byroade, 23 August 1954, *Foreign Relations of the United States, 1952–1954*, IX, 545. Telephone Conversation, Dulles and Byroade, 24 August 1954, Telephone Conversation Series, Box 2, Dwight D. Eisenhower Library.

44 Aldrich to State Department, 1 September 1954, 780.5/9-154, RG 59, NARA; For a detailed analysis of the Sarsank talks and their aftermath, see Seale, *The Struggle for Syria*, 201–204.

45 Caffery to State Department, 16 September 1954, *Foreign Relations of the United States, 1952–1954*, IX, 648–649; Heikal, *Cutting the Lion's Tail*, 53–54; Love, Kennett, *Suez: The Twice Fought War* (London: Longman, 1970), 196.

46 Louis, *The British Empire in the Middle East, 1945–1951*, 307–311.

47 Anthony Eden minute, 12 January 1954, FO 371/110819 V1193/8, PRO.

48 Memorandum of Conversation, Jernegan and Beeley, 6 January 1954, *Foreign Relations of the United States, 1952–1954*, IX, 463–464; Hangen, Welles, "Mid-East Defense Splits U.S., Britain," *New York Times*, 6 December 1954, 10; Seale, *The Struggle for Syria*, 186–187; Watt, D. Cameron, *Succeeding John Bull: America in Britain's Place 1900–1975* (Cambridge: Cambridge University Press, 1984), 131.

Pakistan may to some extent be drawn into their orbit.... Are the Americans consciously trying to substitute their influence for ours in the Middle East?"[49] In this vein, Roger Hankey had noted that the U. S. policy of "securing bases and facilities all over the Mediterranean ... and in the Persian Gulf is very striking."[50] The problem, John Powell-Jones of the Foreign Office's Levant Department pointed out, was how to prevent the grants of U.S. aid from undermining British position and interests.[51]

In early 1954 the State Department and Foreign Office were able to agree on certain guidelines which would allow them to avoid conflicts of interest.[52] In July a NSC Staff Study attached to the NSC 5428 stressed the importance of avoiding Anglo-American friction. As much as the U. S. policy papers emphasized the need to find solutions to local problems associated with British special positions and interests, they commonly urged the United States also to "steadily be on guard, however, in the process not to go worsen our relations with the U.K., as to unduly weaken or dissolve the main strength of the free world toward Soviet Russia represented by the NATO alliance."[53]

Nuri es-Said's initiatives on the Middle Eastern defense did, however, expose the differences of outlook between Washington and London. The British military strategy had been shifted from the Suez base to British positions in Cyprus, Jordan, and Iraq.[54] When Nuri appeared with his own plans and vowed continued cooperation with Britain, the Foreign Office responded very positively.[55] The Anglo-Iraqi agreement, which facilitated the maintenance of British bases in Iraq, was about to expire in 1957. In that context even the idea of strengthening ALCSP while allowing Western powers to join it seemed like a positive option, because it contained a clear defense alliance and defined precise obligations.[56] When Nuri arrived in London after his unsuccessful talks with Nasser in Cairo, he reiterated Iraq's determination to move ahead in one

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49 Makins to Foreign Office, 25 January 1954, CAB 129/66 C(54)53, PRO; Memorandum of Conversation, Jernegan and Beeley, 6 January 1954, *Foreign Relations of the United States, 1952–1954*, IX, 463–464.

50 Hankey to Eden, 23 November 1953, FO 371/102822/JE1192/625, PRO.

51 Powell-Jones memorandum, 'United States military aid to the Middle East,' 8 October 1953, FO 371/104240 E1199/22; Devereux, David R., *The Formulation of British Defence Policy Towards the Middle East 1948–1956*, (London: MacMillan, 1990), 158.

52 Memorandum of Conversation, Jernegan and Beeley, 6 January 1954, *Foreign Relations of the United States, 1952-1954*, IX, 463–464; Memorandum of Understanding between the United States and Britain, 'Memorandum of Understanding Concerning the Provision of Military Aid to Iraq by the Government of the United States,' 26 February 1954, *Foreign Relations of the United States 1952–1954,* IX, 2371–2374.

53 NSC Staff Study, 'United States Objectives and Policies with Respect to the Near East,' Appendix in NSC 5428, 'United States Objectives and Policies with Respect to the Near East,' 23 July 1954, National Security Council Records, RG 273, NARA.

54 Devereux, *The Formulation of British Defence Policy towards the Middle East*, 142–149.

55 Shuckburgh Diary 15 July 1954, Shuckburgh, *Descent to Suez*, 224; "Nuri as-Said Runs Iraq Regime Again," *New York Times,* 5 August 1954, 3; Monroe, Elizabeth, *Britain's Moment in the Middle East 1914–1971* (London: Chatto & Windus, 1981), 181; Nutting, Anthony, *Nasser* (London: Constable, 1972), 77–78; Vatikiotis, Panayiotis Jerasimos, *Nasser and His Generation* (London: Croom Helm, 1978), 220.

56 Devereux, *The Formulation of British Defence Policy Towards the Middle East*, 142–149.

way or another. Turkey, Pakistan, Iran, Syria, and Lebanon were all potential allies, Nuri argued.[57] The British could easily agree with Nuri's suggestion to revise the Anglo-Iraqi agreement under the umbrella of the planned new organization. The Foreign Office also saw in the situation an opportunity to take the initiative in the creation of a Middle Eastern defense organization, after developments had been mostly directed from Washington.[58] During his return flight to Baghdad, Nuri made a stop in Ankara, ostensibly reaching a consensus on regional organization.[59]

In the meantime, the United States kept urging all the countries involved to bring Iraq to the Turco-Iraqi treaty, which could not possibly in itself provide a basis for the continued presence of British bases in Iraq. Dulles' messages repeated the argument that the regional organization should be an indigenous organization, and that the United States would not be willing to join it from the outset.[60] The U. S. policy toward the Middle East was in this comparable to the policy on the South-East Asia Treaty Organization, which was formally set up in September 1954. With regard to SEATO, Dulles was not willing to envisage the security pact developing into a NATO-type organization, to which the United States would have to commit its own forces. "On [the] contrary," he noted, the United States envisaged a security pact which would deter Communist overt aggression and, importantly, permit the United States "to assist in increasing stability in local areas, improving effectiveness of local forces, both military and police, and hence [the] ability of local governments to prevent Communist infiltration and subversion which seems more probable than overt aggression."[61] Assistant Secretary of State Henry A. Byroade made a similar definition of the Northern Tier scheme to a Council on Foreign Relations study group. The key in the Turko-Pakistani Pact was "to achieve internal security, stability of government, and to give the people of the region something positive to hope for." Byroade admitted that there was a longer term defense purpose involved too, but that was limited to the training of a small

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57 Caffery to State Department, 16 September 1954, *Foreign Relations of the United States 1952–1954,* IX, 548–549; On Cairo discussions between Nasser and Nuri es-Said, see also Heikal, *Cutting the Lion's Tail*, 53–54, Seale, *The Struggle for Syria*, 206–207.

58 Shuckburgh Diary, 27 September, and 4 October 1954, Shuckburgh, *Descent to Suez*, 237, 263; Lucas, W. Scott, "The Path to Suez," in Deighton, Anne (ed.), *Britain and the First Cold War* (Basingstoke: MacMillan, 1990), 263.

59 Ireland to State Department, 2 November 1954, *Foreign Relations of the United States, 1952–1954*, IX, 2392–2393. Warren to State Department, 23 October 1954, *Foreign Relations of the United States, 1952–1954*, IX, 554–555.

60 Dulles to U. S. Embassy in Baghdad, 31 August 1954, *Foreign Relations of the United States, 1952–1954*, IX, 546; Dulles to U. S. Embassy in Ankara, 7 October 1954, *Foreign Relations of the United States, 1952–1954*, IX, 549–550. Dulles to U. S. Embassy in Baghdad, 31 December 1954, *Foreign Relations of the United States, 1952–1954*, IX, 563–565.

61 Dulles to U. S. Embassy in London, 28 July 1954, *Foreign Relations of the United States, 1952–1954*, XII, 680–681; Hess, Gary R., "Redefining the American Position in Southeast Asia: The United States and the Geneva and Manila Conferences," in Kaplan, Lawrence S., Artaud, Denise, and Rubin, Mark R. (eds.), *Dien Bien Phu and the Crisis of Franco-American Relations, 1954–55* (Lanham: SR Books, 1990), 140–144.

force of strategically placed soldiers to delay the enemy in case of attack. But this military program takes time to achieve. Meanwhile, the establishment of political stability in the area was the most important goal.[62] A plan for collective security was a means to move forward toward that stability and internal nation-building.

Arabs, Israelis, and Collective Insecurity?

As the consummation of the British and American drives for a regional defense organization seemed to draw closer, the intensity with which the opponents of that development viewed the situation grew correspondingly. This was clear in the fall of 1954, when the Arab-Israeli conflict became intertwined with Middle Eastern collective security arrangements in the political campaign leading up to the U. S. Congressional elections in November 1954. The Israeli factor as a domestic aspect of U. S. concern over collective security arrangements in the Middle East had gained strength as soon as the *New York Times* had published a news story in January 1954 on State Department plans to assist Iraq as part of a regional organization of Pakistan, Turkey and Iraq.[63] Israel protested immediately, followed by most major Jewish organizations. Rabbi Abba Hillel Silver - one of the leading spokesmen for Jewish concerns and former head of both the American Zionist Emergency Council and the American section of the Jewish Agency - issued a polemic statement that arming Arabs was a dangerous policy, because they would fight the Soviets no more than the Nazis.[64] Jacob Javits, an influential Republican Senator from New York, led a group of pro-Israel congressmen to the State Department, arguing in vain for a change of policy.[65]

NSC policy paper NSC 155/1 of July 1953, which had laid out the plan for the regional defense organization, had also called for "objective impartiality" between Arab countries and Israel. The long-term U. S. objectives in the area made it imperative that the United States be able to convince the Arab states of its capability of "acting independently of other Western states and Israel." Accordingly it also had to be made clear to Israel that there would be no preferential treatment of Israel over Arab states "merely because of its Jewish population," and that U. S. policy was "limited to assisting Israel in becoming a viable state living in amity with the Arab states and that our interest in the well-

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62 Discussion Meeting Report, Council on Foreign Relations Study Group, "The Defense of the Middle East," 19 January 1955, Records of Study Groups, Vol LX, Defense of the Middle East (1954/55), Council on Foreign Relations Archives, Harold Pratt House, New York.

63 Waggoner, Walter H., "U.S. Pushing Defense Pact of Pakistan, Turkey and Iraq," *New York Times,* 6 January 1954, 1.

64 Adams Schmidt, Dana, "Israelis and Afghans Protest U.S. Plans to Arm Neighbors," *New York Times,* 16 January 1954, 1; "Silver Warns on Arming Arabs," *New York Times,* 15 January 1954, 13.

65 Adams Schmidt, Dana, "Only 'Token' Help Is Set for Arabs; Dulles Aides Tell Congress Group Arms Plan Looks to Political Benefits," *New York Times*, 7 March 1953, 2.

being of each of the Arab states corresponds substantially with our interest in Israel."[66] When the conclusion of the U. S.-Iraqi assistance agreement drew nearer and the Arab-Israeli conflict simultaneously escalated in April to exchanges of artillery fire on the border between Egypt and Israel, Dulles and the State Department considered it possible that "the Israeli might be deliberately trying to break the armistice open on the theory that that was the only way to get a better arrangement." On the other hand, he said that because the Arab states still refused to move to a more conciliatory position, he would refuse the State Department suggestion that the U. S. should issue an ultimatum demanding Israel to change its policy. In a meeting with Eisenhower, Dulles expressed his belief that the Iraqi agreement would be met by "strong political opposition from elements subject to Zionist influence." Eisenhower nevertheless agreed that the United States should continue the "present policy of impartiality and should not be deterred by political pressures which might generate in connection with the forthcoming elections."[67]

Instead of trying to placate pro-Israeli opinion, the Administration shifted to the offense, and assigned Byroade to give two widely publicized speeches in April and May. "You should drop the attitude of the conqueror and the conviction that force and a policy of retaliatory killings is the only policy that your neighbors will understand," Byroade urged the Israelis before the Dayton World Affairs Council. At the same time, he told the Arabs to recognize the state of Israel as "an accomplished fact."[68] In early May he reiterated the same arguments before the American Council for Judaism, which was one of the main Jewish forums in the United States critical of Zionist ideas.[69] Byroade's speeches, together with the U. S.-Iraqi agreement raised a storm of protest in the United States, as Dulles had expected.[70] Eisenhower refused to yield, and insisted publicly that the U. S. military aid was intended for defense against the Soviet Union, not to wage a regional conflict.[71] Abba Eban, the Israeli

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66 NSC Statement of Policy, NSC 155/1, 14 July 1953, 'United States Objectives and Policies With Respect to the Near East,' *Foreign Relations of the United States, 1952–1954*, IX, 399–406.

67 Memorandum of Conversation, Dwight D. Eisenhower and Dulles, 19 April 1954 (Augusta), Dulles Papers, White House Memoranda Series, Box 1, 'Meetings with the President, 1954 (4),' Dwight D. Eisenhower Library; Oren, Michael B., "Escalation to Suez: The Egypt-Israel Border War, 1949–1956," *Journal of Contemporary History* 24 (1989), 354–355; Byroade to Dulles, 7 April 1954, *Foreign Relations of the United States, 1952–1954*, IX, 1502–1505; Dulles to Byroade 10 April 1954, *Foreign Relations of the United States, 1952–1954*. IX,1508–1509.

68 Henry A. Byroade's speech in Dayton, Ohio, 9 April 1954, published as "The Middle East in New Perspective," *Department of State Bulletin* 30 (26 April 1954), 632.

69 Henry A. Byroade speech before the American Council of Judaism, New York, 1 May 1954, Byroade, Henry A., "Facing Realities in the Arab-Israeli Dispute," *Department of State Bulletin*, 10 May 1954, 711–712.

70 "Israel Protests U.S Aid for Iraq," *New York Times,* 27 April 1954, 9; "U.S Aid Is Decried," *New York Times,* 28 April 1954, 12; "Zionist Body Urges U.S. Study Iraq Aid," *New York Times,* 30 April 1954, 6; "Sharett Scores Arms Aid to Iraq," *New York Times,* 18 May 1954, 11.

71 Dwight D. Eisenhower Press Conference, 29 April 1954, Eisenhower, Dwight D., *Public Papers of the President of the United States 1954* (Washington, D.C.: United States Government Printing Office, 1960), 436.

Ambassador, summarized his position in a meeting with Dulles in May by noting that Israel believed in "the good will of the donor but question[ed] the good will of the recipient."[72]

One of the crucial characteristics of the NSC policy paper NSC 5428 was that the Israeli question was still not considered a serious impediment to the development of a regional defense organization, although the Israeli comments were duly noted.[73] But as the Congressional election approached, the domestic pressure mounted. The Israeli Government was also changing its policy, and sought a treaty with the United States that would have formally guaranteed U. S. support for Israel's security.[74] In early August, Dulles seemed genuinely concerned about "the apparently genuine distress of the Israeli Government and people at the idea that the strength of the Arab countries was being steadily built up by various measures such as U. S. arms aid to Iraq, the turnover of the Suez base to Egypt, the U. S. military aid program to Egypt, etc., whereas there was no military aid to Israel, and they felt they were encircled with hostile forces being strengthened by the U. S. and U. K." Dulles told Eisenhower about the possibility of advising Israel that the United States was "determined to stand against aggression from any quarter in that area ..." He was also ready to consider asking Congress for military aid funds, if it seemed that a military imbalance was emerging in the area which could endanger Israel. Eisenhower agreed with the idea, but still wanted to have it "clearly understood that the U. S. Government was not taking such [a] course on account of political considerations or in an effort to get votes."[75] By early October, Thomas Dewey, the outgoing Republican Governor of New York State, was urging the Administration to take an immediate initiative to affirm the Administration's resolve to defend Israel. Dulles told Dewey he was willing to consider an exchange of notes to affirm the U. S. intention to help defend Israel, but he had second thoughts about doing that on the eve of elections.[76]

Dulles acknowledged that Republicans would lose Jewish votes because of the Administration's policy. "[I]t is a question of how far you want to go in seeming to placate the Jews before [the] election," he told Eisenhower.[77] Eisenhower agreed that no security guarantee was to going to be announced,

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72 Memorandum of Conversation, Dulles and Eban, 13 May 1954, *Foreign Relations of the United States, 1952–1954*, IX, 1557–1561.

73 NSC 5428, 'United States Objectives and Policies With Respect to the Near East,' 23 July 1954, National Security Council Records, RG 273, NARA.

74 Bialer, Uri, *Between East and West: Israel's Foreign Policy Orientation 1948–1956* (Cambridge: Cambridge University Press, 1990), 262–264.

75 Memorandum of Conversation, Dwight D. Eisenhower and Dulles, 7 August 1954, Dulles Papers, White House Memoranda Series, Box 1, 'Meetings with the President, 1954 (2),' Dwight D. Eisenhower Library.

76 Telephone Conversation, Dulles and Dewey, 7 October 1954, Dulles Papers, Telephone Conversations Series, Box 3, Dwight D. Eisenhower Library.

77 Telephone Conversation, Eisenhower and Dulles, 19 October 1954, Dulles Papers, Telephone Conversations Series, Box 10, Dwight D. Eisenhower Library; Telephone Conversation, Dulles and Dean, 18 October 1954, Dulles Papers, Telephone Conversations Series, Box 3, Dwight D. Eisenhower Library.

but the Administration did try its best to sway voters by other means. Eisenhower defended the Administration's Middle Eastern policy at the Jewish Tercentenary Dinner in New York, once again stressing that regional defense arrangements and military aid were intended to defend the free world, and were not directed against Israel.[78] Alexander Wiley, the Republican chairman of the Senate Foreign Relations Committee, lauded Irving Ives as a "friend of Israel."[79] Dulles was nevertheless irritated about the pro-Israeli campaign. "[T]he Israelis themselves in speeches have been urging the Jews in this country to put the heat on us," he complained.[80] In late October there was a full-page advertisement in the *New York Times* criticizing the Eisenhower Administration's Middle Eastern policy. A news story that same day reported that a number of the most influential Jewish organizations were joining forces to compile a list of those Congressional candidates who opposed arms deliveries to the Arab states.[81] On October 24 the Israeli Ambassador Abba Eban spoke before a major Jewish gathering declaring that the Western policy was unsettling the military balance in the Middle East, and thus endangering peace in the whole region.[82] Two days later Dulles arranged a meeting with Eban. "He came privately through the private elevator and he and I were alone," Dulles reported to Eisenhower about the unusual circumstances. He told Eban candidly that the U. S. government "knew that there were Israeli Embassy activities which seemed to go beyond the bounds of what was proper for a foreign government in that they involved domestic political action."[83]

Less than a week before the election, Jewish organizations announced that they had compiled a list of 315 candidates, who opposed arms aid to the Arab states.[84] The State Department had a smaller number, but could only lament that "there was no discreet way of obtaining the names of the alleged 140 Congressional candidates who associated themselves with the Zionists' campaign against the Administration's Near East policy ..."[85] C. L. Sulzberger of the *New York Times* noted in his election-day column that Israel had put its bet on a Democratic victory, raising the Middle Eastern situation to the position of being the only significant foreign policy question during the campaign.[86] The

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78 Eisenhower Speech in New York, 20 October 1954, "Text of Eisenhower's Talk at Jewish Tercentenary Dinner Here," *New York Times,* 21 October 1954, 14.

79 White, William S., "Wiley Terms Ives Friend Of Israel; Foreign Relations Chairman Also Praises Administration's Policy Towards Tel Aviv," *New York Times,* 27 October 1954, 24.

80 Telephone Conversation, Dulles and Dean, 18 October 1954, Dulles Papers, Telephone Conversations Series, Box 3, Dwight D. Eisenhower Library.

81 Paid advertisement in the *New York Times*, "An Open Letter to the Secretary of State," *New York Times,* 21 October 1954, 10; "Nominees Polled On Aid For Israel: Zionists, Seeking A Reversal of U.S. Policy On Arms, Ask Candidates For Views," *New York Times,* 21 October 1954, 19.

82 Spiegel, Irwing, "Bigger Peace Role Urged For Israel: United Jewish Appeal Group Is Told Western Policy Is Threat To Security," *New York Times,* 24 October 1954, 13.

83 Memorandum of Conversation, Dulles and Eban, 26 October 1954, *Foreign Relations of the United States, 1952–1954*, IX, 1676.

84 "315 U.S.Nominees Oppose Arab Arms," *New York Times,* 31 October 1954, 22.

85 Bergus to Hart, 'Voting Record on Foreign Aid of Selected Senators and Representatives,' 3 November 1954, State Department Decimal File 611.80/10–2854, RG 59, NARA.

86 Sulzberger, C.L., "Israels's Bet on the U.S.Elections," *New York Times,* 3 November 1954, 28.

election result seemed to confirm that. The Republicans lost their majority in Congress, with particularly severe losses on the east coast. Four of the seven lost House seats were in New York and Pennsylvania. In the heated race for the governorship of New York, Harriman beat Ives.[87] The only Republican victory in the North-East was due to Jacob Javits' election to the position of Attorney General in New York, and Javits was an ardent pro-Israel advocate and one of the severest critics of Eisenhower's policy on the Middle East.[88] In this context it was not surprising, then, that when the United States and Britain began planning for a Middle Eastern settlement between Arabs and Israelis, Dulles thought they "had just about twelve months to do something in, before another election looms up and makes all action impossible."[89]

After the election, however, the worry over the Arab-Israeli conflict was superseded by the anxiety over the Egyptian reaction to the Turco-Iraqi communiqué. The general trend in U.S.-Egyptian relations had been a positive one. The United States had offered to grant military aid to Egypt in early August 1954, immediately following the conclusion of the Suez Base Heads of Agreement in late July. An economic assistance agreement including $40 million in U. S. aid was concluded in November. The offer of military aid was kept open and it was avidly pushed by Kermit Roosevelt in the CIA, with the State Department's full concurrence.[90] The U. S. ambassador to Egypt, veteran diplomat Jefferson Caffery, declared that the future in American-Egyptian relations looked "brighter than at any time in the past," and he lauded Nasser's regime as "honest, sincere, progressive and intelligent."[91] Speaking before a Council on Foreign Relations study group in January 1955, Assistant Secretary of State Henry A. Byroade concurred in that view. "The situation could not be better," he declared. Egypt did not seem to close itself off from foreign influences. On the contrary, Byroade noted with satisfaction that Nasser's government had enacted a more liberal foreign investment law to encourage the entry of foreign capital into the country. Although the U.S. opposed Arab League based alliance there was no need for Egypt to view U. S. policy as "a

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87 Reston, James, "Vital Races Close; Democrats Get 7 Seats For Edge In House - Senate About Even," *New York Times,* 3 November 1954, 1.; Leviero, Anthony, "5 Governorships Lost by the G.O.P.," *New York Times,* 3 November 1954, 19.

88 "The Javits Victory" (editorial), *New York Times,* 4 November 1954, 30; Ingalls, Leonard, "Late Javits Surge Beats Roosevelt," *New York Times,* 3 November 1954, 1.; On Javits' leading role in the pro-Israel group in Congress, see Schmidt, Dana Adams, "Only 'Token' Help Set For Arabs; Dulles Aides Tell Congress Group Arms Plan Looks To Political Benefits," *New York Times*, 7 March 1954, 2.

89 Shuckburgh Diary, 16 December 1954, Shuckburgh, *Descent to Suez*, 242–243. Memorandum of Conversation, Dulles, Charles Malik, George V. Allen, 'The "Northern Tier" Defense Organization and the Relation to it of the Arab States,' 9 February 1955, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1954–1964, Box 3, RG 59, NARA.

90 O'Connor to Dulles, 1 November 1954, Dulles Papers, Special Assistants' Correspondence Series, Box 11, Dwight D. Eisenhower Library.

91 Love, Kennett,"U.S. Envoy Lauds Egyptian Regime: Caffery Declares Future Looks Brighter Than at Any Time in the Past," *New York Times*, 6 December 1954, 1.

challenge to her leadership" in the Arab world.[92] Nasser himself in an article published in the January 1955 edition of *Foreign Affairs* had indicated willingness to consider some kind of role for Western powers in the Middle East defense, although he emphasized the importance of indigenous forces.[93]

When Turkey and Iraq formally announced their intention to create a defense agreement in January 1955, Dulles' preliminary reaction was that he would favor "eventual US association with the Pact provided it was on the same lines as United States association with the Manila Pact [SEATO], i.e. the US would only be involved from outside the area."[94] The divergence between the U. S. and British approaches in this respect had been perceptively captured by the London *Economist* in November 1954.

> The vulnerable, covetable area between Egypt and Iran consists of lands in which the virus of neutralism is strong, of peoples who seldom give thought for the day after tomorrow.... In the course of modern western policy-making in the Middle East there have emerged two methods of securing allies. One – long favoured by Britain, and also adopted by the United States where it is feasible – is to lease bases in return for such military or economic benefits as may be acceptable to needy countries.... The other is to encourage any tendencies that the Middle Eastern countries may show to form alliances among themselves and then, moving with the stream of local inclination, to furnish those alliances with aid.... As matters stand in November, 1954, Mr Dulles' smiling technique is certainly paying dividends....[95]

That divergence was one of the questions which required rethinking after January 13, 1955, when Nuri es-Said and Adnan Menderes issued a communiqué declaring the intention of Iraq and Turkey to sign a defense agreement, and opened the door of membership to the United States, Britain, all the Arab states, Pakistan, and Iran.[96]

The Egyptian reaction to the Turco-Iraqi announcement of the creation of a defense organization was one of total denunciation.[97] The situation quickly developed into an intra-Arab rivalry. The Nasser government publicly declared that it had turned down American military aid because the price would have

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92 Discussion Meeting Report, Council on Foreign Relations Study Group, "The Defense of the Middle East," 19 January 1955, Records of Study Groups, Vol LX, Defense of the Middle East (1954/55), Council on Foreign Relations Archives, Harold Pratt House, New York.

93 Nasser, Gamal Abdel, "The Egyptian Revolution," *Foreign Affairs* 33 (1955), 210.

94 Shuckburgh to Foreign Office, 28 January 1955, FO 371/115469 V1023/3G, PRO.

95 "The Middle East Gap," *The Economist*, 20 November 1954, 623–625.

96 Communqué issued by Iraq and Turkey, 13 January 1955, in Frankland, Noble (ed.), *Documents on International Affairs 1955* (London: Oxford University Press for Royal Institute for International Affairs, 1958), 286; Seale, *The Struggle for Syria*, 211; Reid, Brian Holden, "The 'Northern Tier' and the Baghdad Pact," in Young, John W. (ed.), *The Foreign Policy of Churchill's Peacetime Administration 1951–1955* (Leicester: Leicester University Press, 1988), 162.

97 Stephens, Robert, *Nasser: A Political Biography* (London: Allen Lane, 1971), 150.

been acceptance of mutual obligations. A strong propaganda campaign was followed by an Egyptian initiative to set up a rival organization to the Turco-Iraqi one, if necessary.[98] The vehemence of Egyptian hostility led to serious doubts in the West as to the stability of pro-Western regimes in the area. Jordan, Syria, and Lebanon had indicated interest in responding to the Turco-Iraqi call to join the planned defense arrangement, but in early February the situation seemed to change dramatically.[99] The coalition government in Syria was dissolved, and the new Prime Minister Sabri al-Asali quickly announced that Syria would remain outside the new organization.[100] The British Foreign Office warned of the growing instability in Iraq itself, noting the growing disenchantment of "the younger generation of townsmen who are not represented in the present Iraqi parliament and who ... believe passionately in Arab unity and are almost certainly more in sympathy with Nasser than with Nuri over this issue [Turco-Iraqi treaty]." That these people were not out on the street demonstrating, was "probably only because Nuri has a strong Minister of Interior."[101]

A report by the London *Economist* in late February reflected the general puzzlement in the West about Egypt's policy:

> In short, before the crisis, the difference between Iraq and Egypt was largely a question of the speed of advance towards co-operation with the West. There was no irreconcilable conflict or policy to justify the violence of the Egyptian campaign against Iraq and its prime minister. . . . It is true that Egypt's behaviour has run counter to the westernly trend of its own policy and that the logic of its position dictates that it cannot abandon that policy; but, for the moment, the course set fair for the emergence of the Arab world from its relative isolation has been severely disturbed.[102]

As the signing of the Baghdad Pact was being prepared in Iraq, Anthony Eden met with Nasser in Cairo. It was a puzzling meeting for Eden. Nasser entirely agreed with the presentation of the strategic situation given by John Hardinge, the Chief of the Imperial General Staff. Nasser also made it plain that his interest and sympathy were with the West. At the same time, however, he argued that the Baghdad Pact, "by its bad timing and its unfortunate content,

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98 "Turk Among the Arabs," *The Economist*, 22 January 1955, 254–255; Dulles to State Department 24 February.1955, *Foreign Relations of the United States, 1955–1957*, XIV, 71–72; Dessouki, Ali E., "Nasser and the Struggle for Independence," in Louis, Wm. Roger and Owen, Roger (eds.), *Suez 1956: The Crisis and Its Consequences* (Oxford: Clarendon Press 1989), 35–37. Doty, Robert C., "Egypt Threatens to Quit Arab Pact," *New York Times,* 3 February 1955, 1.

99 Mallory to State Department, 7 February 1955, *Foreign Relations of the United States, 1955–1957*, XIII, 1–2; Heikal, *Cutting the Lion's Tail*, 56–59; Darwin, John, *Britain and Decolonization: The Retreat from Empire in the Post-War World* (London: MacMillan, 1988), 210; Dessouki, "Nasser and the Struggle for Independence," 36.

100 Seale, *The Struggle for Syria*, 218–224.

101 Foreign Office minutes, 3 February 1955, FO 371/115487 V 1073/131, PRO.

102 "The Arabs and the West," *The Economist*, 19 February 1955, 633–634.

had seriously set back the development of effective collaboration with the West by Arab states."[103]

The United States policy with respect to the Turco-Iraqi communiqué and the signing of the Baghdad Pact on February 25, 1955, flowed with the stream of Arab opinion. During January, United States officials considered Egyptian policy a temporary overreaction. Dulles told the British that he would favor eventual U.S. participation on the same basis as United States association with SEATO, thus excluding specific commitments on the ground as well as partisanship in regional conflicts.[104] As late as early February, U. S. confidence in the Northern Tier strategy as a panacea for creating a collective security arrangement for the Middle East was unshaken in the U. S. memorandum on Middle East Defence as given to Britain and Lebanon.

> After defence organizations are further developed we foresee distinct possibility that Lebanon, and other Arab States located in what in military terms is 'rear areas' behind 'northern tier' states, could assume important role in relation to defense organization. Under these circumstances, and if Lebanon should desire associate herself with such organization, we should be disposed give every consideration to strengthening her defenses as well as those of other Arab States, including Egypt, which might similarly desire associate themselves with realistic defense plans.[105]

The State Department's directives to the United States Ambassadors at Ankara and Baghdad went along the same lines. All the essential elements of the NSC 5428 policy were in place. The United States reiterated its strong support for the Pact, but questioned the advisability of United States membership at an early date, because that might suggest that the Pact was imposed from outside the area. Both the initial Egyptian reaction and the hope that other Middle East countries would eventually accede made this imperative. The Eisenhower Administration had, however, made one crucial change by acknowledging that the mentioned qualities of an indigenous organization were largely inapplicable in the case of Britain, because of her special link with Iraq. "The United States understands that the United Kingdom prefers to accede after signature of the proposed Pact," the State Department directive noted, "and the United States concurs in this view."[106] In fact, the State Department seemed more worried about keeping up the momentum than about the details of content, telling the British that the United States preferred agreement on an unsatisfactory text to a deadlock.[107]

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103 Eden (from Cairo) to Churchill, 21 February 1955, FO 371/115492 V1073/289, PRO.
104 Makins to FO, 28 January 1955, FO 371/115487 V 1073/120; Evelyn Shuckburgh to Foreign Office, 28 January 1955, FO 371/115469 V1023/3G, PRO.
105 Telegram from State Department to U. S. Embassy in Beirut quoted in Evelyn Shuckburgh (FO) Minute, 5 February 1955, FO 371/115489 V1073/208, PRO.
106 Quoted in Makins to Foreign Office, 9 February 1955 (#387), FO 371/115489, V1073/196, PRO.
107 Stevenson to Foreign Office, 8 February 1955, FO 371/115489 V1073/184, PRO.

The British made the practical treaty-making situation easier by separating the Anglo-Iraqi treaty from the Baghdad Pact. This provided the additional political benefit of avoiding "a single document which might become a lightning conductor for criticism."[108] On February 22, Britain and Iraq signed a secret agreement on the British bases.[109] Two days later Turkey and Iraq signed the five-year defense treaty known as the Baghdad Pact with a clause allowing for the future adherence of other countries.[110] Within days, Egypt responded by announcing that it would seek to form an all-Arab defense organization to counter the Baghdad Pact. In early March, Egypt, Syria, and Saudi Arabia concluded a preliminary agreement.[111] Britain led the countermove to recruit additional Arab members for the Baghdad Pact. That corresponded with the Foreign Office assessment that without Syrian co-operation the Baghdad Pact could never be an effective defense arrangement for the Middle East.[112]

"It looks as though the UK has grabbed the ball on the northern-tier policy and running away with it," Dulles asserted during a State Department meeting on March 24. In early February Dulles had confessed to being surprised at the vehemence of the Egyptian attack, since he had "supposed that it had been widely understood throughout the Arab world that the association of Iraq with the Northern Tier was a logical and reasonable development."[113] The British-led efforts to expand the Baghdad Pact in the prevailing conflictual context of the Arab world were, however, something Dulles could not consider logical or reasonable. The Baghdad Pact would receive U. S. support, but it had to be limited to the northern tier of countries. Jordan, Syria, and Lebanon had to be left out, because of their adverse effect on both Egypt and Israel. This U. S. policy would be balanced by policies which would help build up Nasser "and will give us the opportunity to say to him that we are prepared to cooperate with him strengthening his position but that it must be accompanied by his cooperation."[114]

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108 Quoted in Wright (Baghdad) to Foreign Office, 4 February 1955, FO 371/115488 V1073/158, PRO.

109 Devereux, The Formulation of the British Defense Policy in the Middle East, 164.

110 The Baghdad Pact Treaty, 24 February 1955, in Frankland (ed.), *Documents on International Affairs 1955*, 287–289.

111 Doty, Robert C., "Three Arab States Join in Military Economic Plan," *New York Times,* 7 March 1955, 1.

112 Rose memorandum, 'Turco-Iraqi Agreement,' 28 February 1955, FO371/115495 V1073/379, PRO; Aldrich to State Department 10 March 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 93–94.

113 Memorandum of Conversation, Dulles and Malik, 'The "Northern Tier" Defense Organization and the Relation to it of the Arab States," 9 February 1955, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1954–1964, Box 3, RG 59, NARA.

114 Memorandum of Conversation, Dulles and Allen, 24 March 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 118–119; Welles, Benjamin, "U.S. Holding Back," *New York Times,* 4 April 1955, 7; "Middle East Security" (editorial), *New York Times,* 27 February 1955, IV, 8. "British Seeking A New Iraq Pact: Hope to Be Tied to Baghdad Accord With Turks," *New York Times,* 9 March 1955, 2.

The area, where Dulles wanted Nasser's cooperation most urgently was the Arab-Israeli peace plan, which had gained further importance after the Israeli army on February 28 had made a military strike at Egyptian positions in Gaza on a scale not seen after the 1949 armistice agreement.[115] Both the British and the Americans found it difficult to find a reason for the Israeli action. Despite Israeli worries over the development of the northern tier arrangement, the general agreement in U. S. and British government circles seemed to be that the dominant military position of Israel had not been significantly changed. In 1953 Dulles had flatly stated that the Israeli military strength was "greater than the combined military strength of all the Arab states."[116] A British Foreign Office memorandum stated in early 1955 that everyone knew "that only Israel is capable at present of making an attack."[117] It was also known to United States policy makers that representatives of Egypt and Israel had held tentative talks to sound out one another on possible relaxation of tensions.[118] Dulles himself had asked Israelis for restraint with a view to a planned Anglo-American proposal to resolve salient issues between the Arabs and Israelis, stressing only two weeks before the Gaza events "how essential it is that the approach to this problem take place in a period of relative calm."[119] Allen Dulles of the CIA was just as puzzled, but guessed that the strike could reflect the return of David Ben-Gurion to the government as Defense Minister, and his increased power in relation to Prime Minister Moshe Sharett, who was generally considered more moderate.[120] The UN Security Council condemned the Israeli operation unanimously.[121] Foster Dulles was furious, and sent a message Sharett declaring that it was collective security, not Israeli insecurity, which formed the foundation for U. S. defense policy in the Middle East.

> I had been led to believe that the present Government of Israel was sincerely interested in the reduction of tension in the area and to that end pursued a policy of restraint and moderation. The recent incident in Gaza raises questions as to the validity of this assumption ... I have

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115 Memorandum of Conversation, Dulles and Allen, 24 March 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 118–119; Morris, Benny, *Israel's Border Wars, 1949–1956* (Oxford: Clarendon Press, 1993), 324–325; Oren, "Escalation to Suez," 357; Byroade to State Department 1 March 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 73–74; Lawson to State Department 1 March 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 75–76; "Egypt Blamed in Raids," *New York Times,* 1 March 1955, 2.

116 Memorandum of Conversation, NSC Meeting, 9 July 1953, *Foreign Relations of the United States, 1952–1954*, IX, 394–406.

117 Shuckburgh to Kirkpatrick, 17 January 1955 FO 371/115486 V 1073/67, PRO.

118 Shamir, Shimon, "The Collapse of Project Alpha," in Louis, Wm. Roger and Owen, Roger (eds.), *Suez 1956: The Crisis and its Consequences* (Oxford: Clarendon Press, 1989), 77–78.

119 Dulles to Sharett, 14 February 1955, in Dulles to U. S. Embassy in Tel Aviv, 14 February 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 55–56; Memorandum of Conversation, Dulles and State Department officials, 11 February 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 49–51.

120 Memorandum of Conversation, NSC Meeting, 3 March 1955, Ann Whitman File, National Security Council Series, Box 6, Dwight D. Eisenhower Library.

121 UN Security Council Resolution, 'Security Council Resolution on the Gaza Raid,' 29 March 1955, reprinted in Fraser, T. G. (ed.), *The Middle East 1914-1979* (London: Edward Arnold, 1980), 85.

> personally engaged in the study of possible measures looking toward the alleviation of the feelings of apprehension and isolation which, according to the Israel Government, were besetting the people of Israel.... Our common interest requires that there be a reduction of tension in the Near East as a means of strengthening the area against the Communist threat. It is the firm intention of the U.S. Government to continue to work toward these objectives and our policy toward Israel will be formulated in the light of this intention.[122]

Dulles had chosen to try and hold on to the concept of collective security by balancing between the Arabs and the Israelis, between the British and the Egyptians, and between the Baghdad Pact and the Egyptian hopes for an all-Arab regional arrangement. That appealed to few if any of the other actors in the Middle Eastern scene for whom the U. S. plan was intended. Sharett sent an angry reply to Dulles' message, arguing that the Middle East had begun to look like "a network of pacts from which Israel is excluded not only as a participant but even as a candidate for participation." All the Arab states linked to the defense arrangements were Israel's enemies, he continued. "We fully agree that the region's defences against the possibility of outside aggression must be buttressed, but we cannot contemplate with equanimity when this is being attempted at the expense of our security and international position within the region."[123]

Those supporting the Baghdad Pact were not in a better mood. Winthrop Aldrich, the U. S. Ambassador in London, reported that the British considered it "extremely unwise" to inform Nasser that the United States was thinking of advising Jordan and other Arab states against joining the Baghdad Pact.[124] Avra Warren gave his own views from Ankara in even stronger language. "I cannot avoid feeling we are letting them down badly," he said of United States policy with respect to the Baghdad Pact countries, "and against our own interest." The kinds of assurances that were given to Egypt about a balanced U. S. policy not intended to enlarge the Baghdad Pact were in his opinion likely to undercut the position of Turkey in the Middle East, extend the lifetime of a hostile Syrian government, and encourage Egypt to move to neutralist, or even actively anti-Western policy.[125]

And in Cairo, Nasser told the new U. S. Ambassador Henry A. Byroade that he had been betrayed by the West. "There is no doubt in my mind," Byroade reported, "that Nasser sincerely feels he was cast aside by the United States in favor of Nuri of Iraq.... I believe he had conceived that his task was to bring all

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122 Dulles to Sharett 9 March 1955, enclosed in Dulles to U. S. Embassy in Tel Aviv, 9 March 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 92–93.

123 Sharett to Dulles, 12 April 1955, enclosed in Lawson to Dulles 12 April 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 149–151.

124 Aldrich to State Department, 1 April 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 128–129.

125 Warren to State Department, 1 April 1955, *Foreign Relations of the United States, 1955–1957*, XXIV, 629–630.

the Arab States as a bloc towards the West as quickly as Egyptian and Arab public opinion would permit.... This bloc would gain strength with our assistance and we would rely upon our trust in them as individuals to assure ourselves that they would be on our side in the event of war."[126]

After three months of continuous crisis, the State Department still hoped to straighten things out on the basis of an area-wide system of collective security arrangements. In late March, a top level departmental meeting decided to suggest a three point program to form a basis for cooperation between Egypt, the United States, and Britain. First, the Baghdad Pact concept would remain within the northern tier of Turkey, Iraq, Iran, and Pakistan. Second, Egypt would be encouraged to participate in Middle East defense through the earlier Turco-Pakistani agreement, which was more loosely worded, and posed fewer specific obligations likely to be opposed by Egypt. And third, the Anglo-American peace plan, code named Alpha, had to be given every opportunity to succeed in order to exclude the Palestine question from the collective security equation.[127]

The Bandung Conference and the Challenge of Neutralism

In the midst of the fiercest stage of the debate on the Baghdad Pact, the Indian Prime Minister Jawaharlal Nehru arrived in Cairo on February 16, 1955. Nasser and Nehru easily found a common objective in opposing the new Western military alliances. Nasser had his reasons for opposing the Baghdad Pact. Pakistan's membership in SEATO and contemplated adherence to the new Middle Eastern pact brought Nehru's views close to those held by Nasser. "Military alliances and concentrations of forces do not contribute to the lessening of international tension, and the acceleration of the arms race cannot assure peace in any country," declared the final communiqué issued at the end of their talks.[128] Already at the time the two leaders knew they would meet again two months later in Bandung, Indonesia, to attend the first gathering of Asian and African countries without the official participation of Western powers. It was – and still is – considered a landmark in the history of decolonization.

The Indonesian government initiated the proposal for an Afro-Asian Conference in early 1954 "to solve Asian problems without the intervention of Western nations." It was discussed at a Colombo Group meeting between

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126 Byroade to State Department 1 March 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 78–79.

127 Dulles to U. S. Embassy in Cairo, 31 March 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 127–128.

128 Communiqué on the Talks between Jawaharlal Nehru and Gamal Abdel Nasser, 16 February 1955 (Cairo), in Frankland (ed.), *Documents on International Affairs, 1955*, 331–332. "Nehru in Cairo," *New York Times*, 16 February 1955, 8; Doty, Robert C., "Egyptian Premier Backs Nehru View; Joint Statement Condemns Policy of Military Blocs and Arms Rivalry," *New York Times*, 17 February 1955, 2.

Bandung Conference and the Challenge of Neutralism. A map published in the New York Times pointed out the Bandung countries and remaining colonies as well as U.S., British, and Soviet military bases. (New York Times, October 9, 1955).

Burma, Ceylon, India, Indonesia, and Pakistan in April, and the official invitations were issued by the same group of nations in December 1954 in Bogor, Indonesia. The State Department's interim reports considered it likely that the agenda would deal with "'common problems,' of which the most likely items seemed to be: colonialism, closer cooperation amongst nations, which regard themselves as not committed to either the US or the USSR blocs, and some degree of economic 'protection' for the traditional raw materials producers."[129]

Dulles was alarmed at the prospect of an Asian-African bloc upsetting the international situation. If the nations invited to Bandung acquired the habit of meeting from time to time without Western participation, Dulles told a high level meeting at the State Department in January 1955, it would mean that "India and China because of their vast populations will very certainly dominate the scene and that one by-product will be a very solid block of anti-Western votes in the United Nations." If the Bandung Conference would set a precedent for similar meetings in Europe, Asia and Africa, with the United States excluded, "then the Communist engulfment of these nations will be comparatively easy." He was inclined to agree with a policy aimed at trying to prevent the Conference from taking place, but that had to be done without

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129 State Department memorandum , 'Afro-Asian Conference,' attached to Robertson to Murphy, 13 January 1955, State Department Decimal File 670.901/1-1355, NARA; see also the Joint Communiqué by the Prime Ministers of Burma, Ceylon, India, Indonesia and Pakistan, 29 December 1954, attached to Crowe to State Departmen, 5 January 1955, State Department Decimal File 670.901/1-555, NARA.

threats, public opposition to it, or recourse to "strong-arm methods," in order to avoid an unwanted counter-reaction.[130]

Allen Dulles thought that if a considerable number of nations declined the offer to attend, the sponsoring nations would be forced to postpone it. Although the Middle Eastern countries were not those arranging the meeting, the State Department considered the Arab response crucial to the success of the Conference. The nine Arab states were the ones who could tip the balance. Moreover, the chances for the Arab countries attending *en bloc* were thought to be almost even, which gave Egypt a special position in American calculations. CIA representatives Allen Dulles and Kermit Roosevelt were against exerting any pressure on Egypt, because it was already rather late to do that and if the United States were to use its influence to induce Egyptian abstention, "we might cause considerable difficulty for the Nasser Government and expose our hand by so doing." Foster Dulles agreed with the CIA assessment that the "the price for wrecking the Afro-Asian Conference by using our influence in Egypt might be extremely high."[131]

While the Arab world had not yet made its decision, Dulles urged the State Department to prepare for different contingencies.

> We believe the Arab states are the key to the success of the Conference, and that Egypt is the key to the final position taken by the Arab states. If the Arab bloc decides to attend the Conference, their decision will tip the balance, and many other states such as Thailand and Japan will want to attend. Should this occur, the U. S. should establish as many contacts as possible with the friendly countries attending and with their delegations at the Bandung Conference in an effort to propose courses of action which would embarrass Communist China and minimize the danger that the Conference might lead to the formation of an Asian-African bloc which could ultimately weaken relations between non-Communist Asia and the United States.[132]

By late January the question of Arab attendance had become redundant. The Arab states had decided to attend, and it seemed certain that the conference would be held. All friendly nations would now be encouraged to attend. The worst scenario in the minds of the State Department officials had been that the Bandung meeting would provide Zhou Enlai with a forum "to broadcast Communist ideology to a naive audience in the guise of anti-colonialism."[133] On January 25, Dulles agreed to the establishment of an Interdepartmental Working Group to "knock down or take over" the Bandung Conference.[134] To

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130 Memorandum of Conversation, Dulles, Allen Dulles, Bowie, and State Department and CIA officials, 'Afro-Asian Conference,' 7 January 1955, memorandum dated 14 January 1955, State Department Decimal File 670.901/1-1455, NARA.

131 *Ibid.*

132 *Ibid.*

133 *Ibid.*

134 Memorandum of Conversation, Dulles, and State Department officials, 'Afro-Asian Conference,' 25 January 1955 [memorandum dated 27 January 1955], State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Undersecretary's Memoranda of Conversation, 1953–1964, Box 3, RG 59, NARA.

the extent that the major division in the Conference was going to be "between Communist countries and all others, not (as Communists will try to have it) between 'U.S. stooges' and all others," the Bandung Conference would be a success from the U. S. point of view," the State Department summarized the tactical play. With planning and cooperation, the non-Communist nations might not only be able to prevent effective Communist exploitation of the Conference, but also turn the Conference to positive benefit.[135]

For that purpose Dulles wanted a more positive theme to present to the Conference, "something less vague than 'free world views'." The basic objective was to avoid the precedent of having the Africans and the Asians deal with outside powers as a bloc. To counter that threat, Dulles urged the drafting of resolutions including "references to the fraternity of men and to cooperation on the basis of sovereign equality."[136] A subsequent State Department memorandum noted that the resolutions that were going to be adopted by the conference on peace, self-determination, economic development, and arms control were likely to be written in highly generalized language which could lend themselves to re-interpretation and utilization as propaganda not only by Communists but by the West as well.[137]

This was the platform from which the United States approached the Bandung Conference. The State Department's circular telegram confidently declared that the risks inherent in the Conference could be overcome by the clear presentation of the view that "fraternity of peoples must not be divided by arbitrary geographical or racial distinctions."[138] Dulles used the SEATO Conference in March to launch a campaign aimed at influencing the atmosphere which would surround the Bandung meeting. A resolution adopted by the SEATO members addressed the Bandung Conference directly, stating – in Dulles' free summary – that "you had better get behind our business because we are all dedicated to this principle of independence and self-determination and better social and economic conditions, and we want you to back us." The U. S. delegates even got the Moslem members of SEATO to agree to introduce the resolution in order to maximize its effect and make it a "useful card" for pro-Western countries at the Bandung gathering.[139]

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135 State Department Circular Telegram, 25 February 1955, State Department Decimal File 670.901/2-2555, RG 59, NARA.

136 Memorandum of Conversation, Dulles, and State Department officials, 'Afro-Asian Conference,' 25 January 1955 [memorandum dated 27 January 1955], State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Undersecretary's Memoranda of Conversation, 1953–1964, Box 3, RG 59, NARA.

137 W. Park Armstrong (Special Assistant to the Secretary of State Department) to Dulles (S), 'The Conference of Afro-Asian States: Probable Issues and Outcome,' 4 February 1955, State Department Decimal File 670.901/2-155, RG 59, NARA.

138 State Department Circular Telegram, 25 January 1955, State Department Decimal File 670.901/1-2555, RG 59, NARA.

139 Dulles statement before the U. S. Senate Committee on Foreign Relations, 8 March 1955, U. S. Congress, Senate, Committee on Foreign Relations, *Executive Sessions of the Senate Foreign Relations Committee (Historical Series)*, VII, *Eighty-Fourth Congress, First Session, 1955* (Washington, D.C.: United States Government Printing Office, 1978), 394.

This agenda was not, however, merely a tactical ploy. In his discussions in early April Dulles seemed to show a genuine concern about a divide emerging between the West and the Asian-African world. He told British Ambassador Roger Makins that he had been "considerably depressed" over the general situation in Asia, because of clear signs that "Asian solidarity in an anti-Western sense might be hardening." Dulles was especially irritated by Nehru's campaign against SEATO and the Baghdad Pact. In spirit, though not content, Nehru's remarks on the eve of the Bandung Conference reminded Dulles of the postwar intellectual debate as to whether Western Civilization had failed and some new type of civilization was therefore necessary to replace it. "Nehru's speech had the same general ring," Dulles told Makins. If those Asian elements that were pushing for a pan-Asian movement prevailed, that could lead to the emergence of a very anti-Western Asia.[140]

From January to April, Dulles met several times with his old Middle Eastern friend, Lebanese Ambassador Charles Malik, to whom he confided his thoughts. Apart from the specific current issues at the conference, Dulles told Malik in early April, there was "a very real danger" that it might establish a tendency to follow "an anti-Western and 'anti-white' course," jeopardizing "the whole concept of human brotherhood, of equality among men, the fundamental concepts of the United Nations." Dulles' approach to the problem was essentially the same as it had been before becoming Secretary of State. He admitted that the record of the Western powers in Asia included "regrettable faults." The West had been dynamic and aggressive and had shown a sense of racial superiority. On the other hand, Dulles maintained his ideal of Western civilizing mission, stressing contributions to human welfare in technical and material progress, and that the West had also carried with it "the Christian outlook on the nature of man." Dulles thought it would be tragic if Asian and African countries were to "fall into same faults, particularly the fault of racialism, in the opposite direction. The West has carried good things as well as bad to Asia. It would be tragic if the Asians should select only the bad things in the record of the West, such as racialism, to imitate."[141]

The Bandung Conference opened on April 18, 1955, with 29 Asian and Africa nations attending. Both Koreas and Israel had been excluded, but members from both sides of the Cold War blocs were present, most noticeably Communist China, whose Foreign Minister Zhou Enlai was the focus of attention because of the ongoing crisis regarding the small offshore islands of Quemoy and Matsu, located between Formosa and the Asian mainland.[142] In

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140 Memorandum of Conversation, Dulles and Makins, 7 April 1955, State Department Decimal File 670.901/4-755, RG 59, NARA.

141 Memorandum of Conversation, Dulles and Malik, 9 April 1955, State Department Decimal File 670.901/4-955, RG 59, NARA.

142 Kahin, George McT., *The Asian-African Conference* (Ithaca: Cornell University Press, 1956), 2–8, 19–20; Kimche, David, *The Afro-Asian Movement* (Jerusalem: IUP, 1973); Gopal, *Jawaharlal Nehru*, 239–240.

comparison to U. S. fears, the Bandung Conference turned out to be an amiable event from the U. S. point of view. Indonesia's leader Sukarno began his opening speech with a short reference to 1776 and to Paul Revere's ride. At the end, Dulles was able to tell a Cabinet meeting that the conference had been dominated by a group of friendly Asian nations who believed in association with the West. Moreover, the final communiqué of the conference, except for the mention of the Palestine question, "was a document which we ourselves could subscribe to." Even the denouncing of colonialism in all its manifestations, as an evil which should be speedily brought to an end, was "in accord with what we feel in our hearts (though we are unable to say them publicly)."[143]

Dulles was especially enthusiastic about the level of cooperation among the pro-Western countries at the Conference, and at the forefront of that cooperation had been a bloc of five Middle Eastern states – Turkey, Iran, Iraq, Pakistan, and Lebanon. The Saudis took no active part, Charles Malik reported to Dulles, while Egypt and Syria leaned toward "at least the neutralist if not the Communist orbit."[144] But even Nasser seemed to steer clear of any trouble in U. S. analyses. "It was too much to hope for that Nasser would have associated himself with the pro-Western position taken by Turkey, Iraq, and Pakistan," Byroade reported from Cairo, "in view of Nasser's growing antipathy towards these countries as a result of their present or proposed association with 'pacts' affecting Egypt's position in the Middle East." In Byroade's view, Nasser had nevertheless not allowed his dislike to affect his thinking on the general Cold War problems, "particularly that of Communist imperialism, against which he spoke in unmistakable terms."[145]

Nasser's public stature had nonetheless risen, not in the context of the pro-Western bloc but, rather, within neutralist circles. Byroade commented that Nasser had apparently succeeded in his effort to restore Egyptian prestige in the Arab world and increase his prestige in Asia, while at the same time being careful not to alienate himself completely from the West. He had followed "a middle path neither pro-West nor pro-Communist, and he appeared to have enhanced his prestige with the uncommitted Asian states."[146] With regard to collective security arrangements, however, Nasser had clearly aligned himself with neutralists at the Conference. Egypt had not tied itself to "either of the two blocs," Nasser had declared, "because it believed that such ties might increase the state of tension instead of lessening it." He had demanded an end to "power politics" and "respect of the right of small states to follow their own policy

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143 Memorandum of Conversation, Cabinet Meeting, 29 April 1955, Ann Whitman File, Cabinet Series, Box 5, Dwight D. Eisenhower Library.

144 *Ibid.*; Memorandum of Conversation, Dulles and Malik, 5 May 1955, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Undersecretary's Memoranda of Conversation, 1953–1964, Box 3, RG 59, NARA.

145 Nasser's speech at the Bandung Conference, 18 April 1955, text attached to Byroade to Dulles, 28 April 1955, State Department Decimal File 670.901/4-2855, RG 59, NARA.

146 Byroade to Dulles, 28 April 1955, State Department Decimal File 670.901/4-2855, RG 59, NARA.

without intervention ..."[147] This aligned him closely with Nehru, whose own Bandung speeches reiterated the basic theses of Indian neutralism:

> I submit to you, every pact has brought insecurity and not security to the countries which have entered into them. They have brought the danger of atomic bombs and the rest of it nearer to them than would have been the case otherwise. They have not added to the strength of any country ... It may have produced some idea of security, but it is false security.... Two big colossuses stand face to face with each other, afraid of each other. Today in the world, I do submit, not only because of the presence of these two colossuses but also because of the coming of the atomic and hydrogen-bomb age, the whole concept of war, of peace, of politics, has changed.[148]

Nehru visited Cairo again in the summer of 1955. Their joint statement repeated the conviction that "involvement in military pacts or alignments with Great Powers does not serve the cause of peace, and indeed, often has the opposite effect."[149] Egypt, Syria and Saudi Arabia "covet neutralism," Dulles wrote in a memorandum at the same time.[150]

A New Phase in the Cold War

On August 20, 1955, Dulles appeared before the Council on Foreign Relations in New York to give his first foreign policy address on the Middle East since the summer of 1953. The major objective of that speech was to define broad outlines of a possible resolution of outstanding problems between the Arabs and the Israelis. The speech also included a call for the Middle Eastern nations to embrace the Geneva spirit that had led to relaxation of tensions between the Soviet Union and the West, and to use it as a source of inspiration for peace in the Middle East.[151] That was not mere rhetoric. A secretly honed Anglo-American 'Alpha' peace plan – based primarily on Israeli territorial concessions in the Negev desert and $280 million worth of compensations for the Palestinian refugees – had become an integral part of the Eisenhower Administration's policy. Dulles was worried, however, that the connection between the somewhat better Soviet-American relations and the chance of a

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147 Nasser's speech at the Bandung Conference, 18 April 1955, text attached to Byroade to Dulles, 28 April 1955, State Department Decimal File 670.901/4–2855, RG 59, NARA.

148 Nehru's speech before the Political Committee of the Bandung Conference, 22 April 1955, in Government of Indonesia, Ministry of Foreign Affairs, *Asia-Africa Speaks from Bandung* (Djakarta: Ministry of Foreign Affairs, 1955), 64–72.

149 Joint Statement by Nehru and Nasser, 12 July 1955 (Cairo), in Frankland (ed.), *Documents on International Affairs, 1955* (London: Oxford University Press for the Royal Institute for International Affairs, 1958), 334–336.

150 Dulles to Allen, 4 June 1955, State Department Decimal File 611.80/6-455, RG 59, NARA.

151 Dulles Speech in New York, 20 August 1955, published as Dulles, John Foster, "Progress in Resolving Major Policy Issues," *Department of State Bulletin*, 5 September 1955, 378–380.

Middle Eastern settlement might not necessarily be a positive one. "[W]hile at the moment there is relative tranquility," Dulles told Eisenhower before his speech, "events could happen in terms of a Soviet-Arab rapprochement so that we would have to back Israel much more strongly and drop our role of impartiality. If 'Alpha' is to be done at all, it should be done while we can speak as the friend of both."[152]

The Alpha plan had begun to look like the crucial part of the three point program developed in March. The idea of supporting Egypt, Israel, and the Baghdad Pact with the intention of drawing them closer together, seemed tenable only if Arab-Israeli tension could be reduced. In the summer of 1955, the United States was under constant pressure by the Baghdad Pact countries to join the organization, and in July the Eisenhower Administration made the Alpha plan even more central to its Middle Eastern policy by promising to join the Baghdad Pact if the Alpha Plan succeeded.[153] Neither Nasser nor Israeli Prime Minister Moshe Sharett went so far as to openly denounce Dulles' carefully-worded invitation to search for a settlement of outstanding disputes.[154] By the end of August, however, open fighting had broken out on the border between Israel and Egypt, in effect making the Alpha plan seem a very remote possibility at best.[155]

As the hope of the Geneva spirit extending to the Arab-Israeli situation in the Middle East dimmed, the feared collusion between the Soviet Union and the Arab states seemed to become a more likely prospect. As early as in June 1955 Nasser had indicated the possibility of Egypt purchasing Soviet weaponry. Byroade was willing to believe in Nasser's sincerity, when he stated that the Egyptian defenses needed to be strengthened after the Israeli strike at Gaza in

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152 Dulles to Eisenhower, 19 August 1955, Dulles Papers, Chronological Series, Box 12, Dwight D. Eisenhower Library; For the development of the Alpha Plan, see Russell to Dulles, 4 February 1955, 'US-UK Discussions on Arab-Israeli Settlement,' *Foreign Relations of the United States, 1955–1957*, XIV, 45-47; Hoover to Dulles, 5 May 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 175–176;

153 Memorandum of Conversation, Dulles and MacMillan (Paris), 14 July 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 295–298; See also Hoover to Dulles (in Geneva), 21 July 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 309. Dulles to MacMillan, 19 August 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 366–368; Allen to Dulles, 'Comments on Alpha Proposals,' 13 July 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 293–295.

154 Telephone Conversation, Eisenhower and Dulles, 29 August 1955, Dulles Papers, Telephone Conversations Series, White House Telephone Conversations, Box 10, Dwight D. Eisenhower Library; Shuckburgh Diary, 18 April 1955, Shuckburgh, *Descent to Suez*, 256. For Nasser's comments, see Byroade to State Department 27 August 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 402–403. For Sharett's response, see Lawson to State Department 10 September 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 457–461.

155 For the background of the Egypt-Israeli border situation, and the Israeli strike at Khan Yunis, see Morris, *Israel's Border Wars*, 349–351; Levey, Zach, *Israel and the Western Powers, 1952–1960* (Chapel Hill: University of North Carolina Press, 1998), 24; For the U. S. reaction, see Telephone Conversation, Dwight D. Eisenhower and Dulles, 29 August 1955, Dulles Papers, Telephone Conversations Series, Box 10, Dwight D. Eisenhower Library; Dulles to Eisenhower, 1 September 1955, Dulles Papers, White House Memoranda Series, Box 3, 'Meetings with the President, 1955 (2),' Dwight D. Eisenhower Library.

February had revealed the military weakness of the country. "Nasser and I were able to agree upon general policy objectives in the Middle East," Byroade reported from Cairo. "He wishes the Middle East to be spared from Communism and wants to see adequate defense against Russian overt or covert activity." But although Nasser admitted that Soviet motives were dangerous in the long run, he claimed that the "Russians at least would not blockade Arab world attempt to get arms."[156]

The Eisenhower Administration moved in June 1955 to approve in principle an Egyptian purchase of arms. It was once again a delicate situation of balancing between the Baghdad Pact and Egypt. The British urged Washington to show that aligning with the West was worthwhile by providing Iraq with significant military aid, which had not been forthcoming despite the military assistance agreement and the country's membership in the Baghdad Pact. The British argument was that without U. S. aid, Nuri es-Said's pro-Western policy in Iraq would become increasingly unpopular.[157] The Eisenhower Administration wanted to keep the Baghdad Pact afloat and agreed to fulfill part of Britain's request for Iraq, but it was no longer keen to acknowledge any special U. S. responsibility.[158] A State Department memorandum specifically denied U. S. responsibility and argued that Iraq had signed the Baghdad Pact based on its own self-interest.[159]

By early August the State Department had agreed to sell Egypt $27 million worth of arms based on Egypt's request.[160] When Nasser requested special credit arrangements, the United States government promised to explore all possibilities with respect to financing. By that time, however, the Egyptians had already informed the Americans that negotiations with the Soviets were well advanced.[161] That made Nasser's relationship with Communism seem paradoxical. At home, Nasser had imprisoned 750 Communist Party members in the first half of 1955 alone, a fact which he also used as an argument with the Americans.[162] When Byroade asked about the danger of Communism in Egypt, Nasser could simply retort by asking whether the Ambassador knew of the new

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156 Byroade to State Department, 9 June 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 237–240.

157 Eden to Eisenhower, 17 July 1955, in Dulles (from Geneva) to State Department, 17 July 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 300-301; Anderson to Hoover, 'Centurion Tanks for Iraq,' 26 July 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 320–323.

158 Memorandum of Conversation, Dulles and Eisenhower, 5 August 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 339–340.

159 Memorandum of Conversation, Hoover, CIA officials, and representatives of Defense Department, 27 July 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 323–325.

160 memorandum of Conversation, Eisenhower and Eden (in Geneva), 20 July 1955, *Foreign Relations of the United States, 1955–1957*, V, 398–403.

161 Byroade to State Department, 15 August 1955 [#234], *Foreign Relations of the United States 1955–1957*, XIV, 355–358.

162 Beinin, Joel, "The Communist Movement and Nationalist Political Discourse in Nasirist Egypt," *Middle Eastern Studies* (Autumn, 1987), 568–584.

arrests of the day.[163] The U. S. assessment was that the Communist influence in the army was negligible. The Communists did form a visible group among the politically articulate and therefore influential segment of the population. There were, however, no more than a thousand persons formally affiliated with Communist organizations, according to U. S. estimates, and no more than two thousand could be counted as former members or communist sympathizers.[164] On the other hand, Byroade had written to the State Department in July that the Soviet Union and its allies enjoyed a great political advantage in Egypt, because their public pronouncements on the key questions regarding the Baghdad Pact, Israel, neutralism, and decolonization seemed to parallel those taken by the Egyptian government.[165]

Having heard about secret negotiations in Moscow concerning a possible barter trade of arms for cotton, Byroade urged the State Department to let Egypt pay for U. S. arms with Egyptian currency instead of scarce U. S. dollars. The CIA estimate was that the Egyptians might well be negotiating with the Soviets only to get better terms from the United States.[166] The State Department gambled by demanding Nasser's cooperation and initiative in the Alpha plan in return for allowing Egypt to pay in its own currency.[167]

In Cairo, Byroade did not believe in the policy of *quid pro quo* as a means of effecting change in Egyptian policy. In the light of a probable Soviet entry into Middle Eastern politics, he argued, it was time to rethink the whole set-up of U. S. policy in the area. "If Egypt is to take desired lead there must be some overt recognition on the part of U. S. of Egypt's position in the Middle East," Byroade wrote. "This probably could be most effectively accomplished through some manipulation of our concept of Middle East defense."[168] With respect to area defense arrangements, Nasser's attitude had remained substantially the same, but he had indicated the possibility of accepting an Arab Pact which would substitute for the Baghdad Pact.[169]

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163 Byroade to State Department 17 June 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 255–256.

164 Byroade to State Department, 'Evaluation of Egyptian-Soviet Relations,' 20 July 1955, State Department Decimal File 661.74/7–2055, RG 59, NARA. .

165 *Ibid.*; Byroade to State Department 2 July 1955 [#12], *Foreign Relations of the United States, 1955–1957*, XIV, 275–276; See also, Soviet Note on the Baghdad Pact, 16 April 1955, in Dmytryshin, Basil, and Cox, Frederick (ed.), *The Soviet Union and the Middle East: A Documentary Record of Afghanistan, Iran and Turkey, 1917–1985* (Princeton: Kingston Press, 1987), 22–29; Jernegan to Murphy, 'Possible Egyptian Purchase of Arms from the USSR; Egyptian-USSR Relations in General,' 21 June 1955, *Foreign Relations of the United States 1955–1957*, XIV, 261–262; Byroade to State Department 2 July 1955 [#10], *Foreign Relations of the United States, 1955–1957*, XIV, 270–273.

166 Cabell to Dulles, 25 August 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 390–391.

167 Hoover to U. S. Embassy in Cairo, 15 September 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 471–472.

168 Byroade to State Department, 11 September 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 461–463.

169 Byroade to State Department, 17 August 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 363–364.

Washington's response was adamant. "We cannot change these policies," Under Secretary of State Herbert Hoover, Jr., replied to Byroade. The United States could not go any further than the balancing policy adopted in March. The Baghdad Pact could not be dissolved after the United States had both publicly and privately supported it. It was possible to envisage a southern grouping, but that would only complement and support, not rival, the northern tier arrangement.[170] On September 20, Dulles sent a personal message to Byroade affirming this position. The Egyptian suggestions were "nebulous at best and regardless of how presented appear to involve either isolation of Iraq from Arab world or *de facto* abandonment by Iraq of northern tier." In all, it was inadvisable to alter U. S. policy.[171] Later that day, Dulles traveled to New York to attend the General Assembly meeting of the United Nations, where he received a message informing him of the Egyptian decision to sign an arms agreement with the Soviet Union.[172]

Egypt's arms agreement with the Soviet Union – which later turned out to be formally signed between Egypt and Czechoslovakia – for exchanging arms for Egyptian cotton was publicly announced on September 27, 1955. The news had already spread a week earlier among the participants at the UN General Assembly meeting and had a startling effect. It was the first large-scale arms agreement between the Soviet bloc and a non-Communist Asian or African government, and it thus set a precedent beyond the threat of a likely extension of Soviet influence to Egypt and the Middle East. The initial discussions between Dulles and the new British Foreign Secretary Harold Macmillan were permeated by the prospect of forcing Egypt in one way or another to break that agreement. "We could even make life impossible for Nasser," Macmillan argued, "and ultimately bring about his fall by various pressures."[173] Dulles was ready to consider that. "We have a lot of cards to play with Nasser although they are mostly negative," he reported to the State Department. "The waters of Upper Nile – we can strangle him if we want to. We can develop the Baghdad group and ruin the cotton market. We can switch this year's economic aid from Egypt to Iraq."[174]

The British Foreign Office produced a memorandum on 'Alternatives to Nasser's Government.' The situation did not seem promising for plans to oust Nasser. At best, a Syrian pattern of rival military figures rising and falling rapidly was likely to evolve. Moreover, although religious activists of the Moslem Brotherhood and the Communists were not in a position to take over

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170 Hoover to U. S. Embassy in Cairo, 15 September 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 471–472.

171 Dulles to U. S. Embassy in Cairo, 20 September 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 482.

172 Hoover to Dulles (in New York), 20 September 1955, *Foreign Relations of the United States, 1955–1957*, XIV, 481.

173 Quoted in Lucas, *Divided We Stand*, 61.

174 Telephone Conversation, Dulles and Hoover, 27 September 1955, Dulles Papers, Telephone Conversations Series, Box 4, Dwight D. Eisenhower Library.

Egypt, in a period of weakened central authority both could be expected to increase their strength.[175] Raymond Hare's presentation of State Department views was framed in similar terms. "In the first instance we could work against Nasser himself; at a later stage we might try to isolate Egypt. This raised problems: Who could replace Nasser? Was it desirable to isolate Egypt? Was it desirable to split the Arab world, with the West backing one group and the Communists the other?"[176] With Eisenhower sidelined because of a heart attack, Dulles moved slowly to word a more conciliatory position. Nasser himself had been adamant that his policy was one of independence, and that he was not going to subject Egypt to the influence of the Russians, the British, the Americans or anyone else. "The British had dominated Egypt for seventy years," Nasser told Americans, and he had "no intention of substituting Russian for British domination."[177]

In late September Dulles called Eisenhower, and expressed some understanding of Nasser's position. "The Army will overthrow him if he refuses to take it," Dulles said.[178] Having ruled out a policy of direct confrontation, Dulles placed the Egyptian situation in the larger context of the evolving Cold War after the Geneva Conference in the summer of 1955.

> [W]e have to take into account that this development in Egypt might take place elsewhere. It may flow from a change in Soviet policy. Up until the time of Geneva, Soviet policy was based on intolerance which was the keynote of Soviet doctrine. Soviet policy is now based on tolerance, which includes good relations with everyone and basically alters many other things.... Perhaps this Soviet move in the Near East is the first example of a policy with which we must deal. It may be that internal changes are taking place in the Soviet Union which we will find welcome. As long as we accept visits between ourselves, we cannot object if Egypt does. We cannot be very stern with Nasser for accepting the fruits of change in Soviet policy. It may be necessary for us to accept the desire of Near Eastern countries to deal with both the East and the West, otherwise a stern Western position may force them to deal only with the Soviet bloc.[179]

As early as May 1955, after the signing of the Austrian state treaty and the agreement to organize the first 'Big Four' summit meeting since 1945, Dulles had declared at a NSC meeting that the Cold War had entered a new phase. The

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175 Wilton memorandum, 'Alternatives to Nasser's Government,' 27 September 1955, FO 371/113676 JE 1194/248(A), PRO.

176 Memorandum of Conversation, Dulles and Macmillan (in Washington D.C.), 3 October 1955, FO 371/113676 JE1194/260, PRO.

177 Trevelyan to Foreign Office, 26 September 1955, FO 371/113674, JE 1194/163, PRO.

178 Telephone Conversation, Dulles and Eisenhower, 23 September 1955, Dulles Papers, Telephone Conversations Series, Box 10, Dwight D. Eisenhower Library.

179 Memorandum of Conversation, Dulles and Macmillan, 3 October 3, 1955, *Foreign Relations of the United States,1955–1957*, XIV, 542–549; For the British memorandum of conversation, see Memorandum of Conversation, 3 October 1955, FO 371/113676 JE1194/260, PRO; See also Evelyn Shuckburgh's summary in Shuckburgh Diary, 3 October 1955, Shuckburgh, *Descent to Suez*, 286–287.

Soviets had effected "a complete alteration of their policy." The Soviet policy had been hard, but it was becoming soft. "The Iron Curtain is going to disappear," Dulles argued, not implying the physical disappearance of the Iron Curtain, but rather that the Soviets would "fuzz up the old line." The United States had to recognize that the Soviets had a chance to achieve considerable success if they managed to avoid violence. In those circumstances it would be very hard to prevent the Western European nations from more active exchanges with the Soviet bloc. "Our only hope to counter this Soviet move would be to push more strongly the very same theses," Dulles concluded. While the danger of open warfare in Europe had now greatly diminished, "the psychological struggle would grow in force."[180] On the eve of the Geneva Conference in June, Eisenhower put forward a similar view. "The Russians were not deserting their Marxian ideology nor their ultimate objectives of world revolution and Communist domination," he said, but they now sought them "without recourse to war." If the United States rejected this attitude and appeared to support military confrontation, it would lose the support of the world. The biggest problem was consequently how to "achieve a stalemate *vis-à-vis* the Russians in the area of the non-military struggle as we have already achieved such a stalemate in the military field."[181] After the Conference Eisenhower called Geneva "our recognition of the fact that a blurring of the distinction between the USSR and the free world was taking place."[182]

Dulles and Eisenhower had hoped that the new situation might also produce positive agreements with the Soviet Union. One of those hopes was to achieve a *modus vivendi* in the Middle East. Americans had suggested at Geneva that the Middle East be considered a neutral zone, but that had brought no response.[183] After Dulles had decided on a more flexible approach toward the Soviet-Egyptian arms deal, he also wondered whether it would be possible to ameliorate its effects on U. S. – Soviet relations in general. The adherence of Iran to the Baghdad Pact, contemplated from the very beginning of the northern tier plan, and imminent in early October 1955, suddenly seemed of doubtful value in Dulles' view. He told Allen Dulles that it was not wise to give any assurances to Iran now, because "Russia might regard it as a reprisal against Egypt and any hopes of quieting the situation would disappear and it would lead to a step against us and things would be worse."[184] Dulles finally acquiesced in giving the go-ahead for Iran's membership, but the anxiety remained.

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180 Memorandum of Conversation, NSC Meeting, 19 May 1955, Ann Whitman File, National Security Council Series, Box 5, Dwight D. Eisenhower Library.

181 Memorandum of Conversation, NSC Meeting, 30 June 1955, Ann Whitman File, National Security Council Series, Box 5, Dwight D. Eisenhower Library.

182 Memorandum of Conversation, NSC Meeting, 28 July 1955, Ann Whitman File, National Security Council Series, Box 5, Dwight D. Eisenhower Library; See also Pruessen, Ronald W., "Beyond the Cold War – Again: 1955 and the 1990's," *Political Science Quarterly* 108 (1993), 59–84.

183 Dulles to U. S. Embassy in London, 20 August 1955, State Department Decimal File 661.86A/8–2055, RG 59, NARA.

184 Telephone Conversation, Dulles and Allen Dulles, 6 October 1955, Dulles Papers, Telephone Conversations Series, Box 4, Dwight D. Eisenhower Library. 4:257

When the Big Four foreign ministers reconvened in Geneva for a Conference in late October and early November, Dulles told that to the British. The public U.S. position had not changed significantly, and the United States announced that while it did not intend to adhere to the Baghdad Pact, it did not rule out future adherence.[185] In private, however, Dulles said candidly that the West should not rule out "the possibility even of a *modus vivendi* with the Soviets" in the Middle East, although he did not consider that likely. He noted that he had not been "very keen on Iran joining the Baghdad pact at this particular time," but he had "acquiesced because the alternative would have been to hold up a tendency towards co-operation with the West which had already got under way." It seemed to Dulles that the West now had to decide whether to start developing the Baghdad Pact into a NATO type organization or to let it simmer. The answer seemed like a foregone conclusion. "It had to be remembered that these Middle Eastern countries were very unstable and did not present a good foundation on which to build anything in the nature of NATO," he said to Macmillan.[186] Dulles repeated his fear that the build-up of the Baghdad Pact could seriously upset the Soviet Union. All things considered, Dulles seemed bent on bringing the development of the Northern Tier concept to a close as a serious effort. In the end, he suggested to startled British officials that "it might be better to keep it a paper pact."[187]

Collective Security Reconsidered

The Anglo-American differences on the Baghdad Pact were brought to a head in late 1955 and early 1956 by developments in Jordan. Despite Dulles' advocacy of restraint, the British decided to move and try to get Jordan to join the Baghdad Pact.[188] Behind this more forceful British policy was a fundamental review carried out in the fall of 1955 of the British Middle Eastern policy. Prime Minister Anthony Eden had made it clear in a Cabinet meeting in October that Britain should follow a more independent line in the Middle East with respect to U. S. wishes.[189]

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185 Lesch, David W., *Syria and the United States: Eisenhower's Cold War in the Middle East* (Boulder: Westview, 1992), 82.

186 'Record of meeting between Mr. Macmillan and Mr. Dulles at Geneva,' 9 November 1955, FO 371/115469 V1023/24, PRO.

187 Shuckburgh Diary, 10 November 1955, Shuckburgh, *Descent to Suez*, 299; Interestingly, the British Government seemed equally bent on opposing the development of the Baghdad Pact to a NATO type structure, albeit mostly for economic reasons. Herbert Brittain to Roger Makins, 14 January 1956 and attached Memorandum "General Middle East Policy," T 236/ 5153 OF 74/01 'Middle East: U.K. Future Policy,' PRO.

188 Shuckburgh Diary, 6 December 1955, Shuckburgh, *Descent to Suez*, 308.

189 Dimbleby, David & Reynolds, David, *An Ocean Apart: The Relationship Between Britain and America in the Twentieth Century* (London: Hodder & Stoughton, 1988), 213–214; Horne, Alistair, *Harold Macmillan*, I, *1894–1956* (New York: Viking, 1988), 369–370.

> Our interests in the Middle East were greater than those of the United States because of our dependence on Middle East oil, and our experience in the area was greater than theirs. We should not therefore allow ourselves to be restricted overmuch by reluctance to act without full American concurrence and support. We should frame our own policy in the light of our interests in the area and get the Americans to support it to the extent we could induce them to do so.[190]

The more assertive British policy was evident already in October 1955, when the British Cabinet decided to use force in a protracted border dispute between Saudi Arabia and the British protectorates on the Persian Gulf. The principal dispute concerned the so-called Buraimi Oasis in the Trucial Coast area of the southeastern Arabian peninsula, now part of the United Arab Emirates. The border area had never been formally defined. The Saudi Arabian Government regarded the people as "independent but under Saudi tutelage." The British Government recognized the claims of the Sultans of Muscat and Abu Dhabi.[191] A State Department memorandum noted that "prospecting indicate[d] there are very large deposits of oil underneath."[192]

Negotiations for settlement between Saudi Arabia and Britain had broken down in mid-October 1949. The State Department and the directors of the Arabian American Oil Company (ARAMCO) - which controlled Saudi Arabian oil – had held meetings on the Buraimi Issue from time to time since then.[193] The State Department had consistently advocated mutual restraint. From 1950 on there existed a so-called 'standstill' agreement, which provided for no activity by either side in disputed areas.[194] In 1953 Saudi Arabia accepted a British proposal of impartial arbitration, and the Buraimi dispute was submitted to international arbitration in 1954 with the United States exercising "its good offices in arranging arbitration."[195] During the second meeting of the Buraimi arbitration tribunal in September 1955 in Geneva, the British brought forward extensive charges of Saudi bribery. On September 16, in the midst of the review of the charges, the British member of the tribunal resigned.[196] Subsequently, in late October the British announced that they had reoccupied the Buraimi Oasis.[197]

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190 Cabinet Minutes, 4 October 1955, C.M. 34 (55) 8, CAB 128/29, PRO.

191 State Department memorandum, 'The Buraimi Situation,' 6 October 1952, State Department Decimal File 780.022/10-652, RG 59, NARA.

192 White House memorandum, 'Buraimi,' 1 November 1955, Ann Whitman File, Dulles-Herter Series, Box 6, 'Dulles – Nov. 1955,' Dwight D. Eisenhower Library.

193 Memorandum of Conversation, 'Meeting with Aramco on Boundary Dispute in Southeastern Arabia,' 19 March 1951, State Department Decimal File 780.022/3-1951, RG 59, NARA.

194 State Department memorandum, 'The Buraimi Situation,' 6 October 1952, State Department Decimal File 780.022/10-652, RG 59, NARA. Memorandum of Conversation, 'Meeting with Aramco on Boundary Dispute in Southeastern Arabia,' 19 March 1951, State Department Decimal File 780.022/3-1951, RG 59, NARA.

195 Byroade to Dulles, 'Buraimi Boundary Dispute between the Saudis and the U.K.,' 30 June 1953, State Department Decimal File 780.022/6–3053, RG 59, NARA. State Department memorandum, 'Border Problems of Southeastern Arabia,' attached to Allen (NEA) to Dulles (S), 'Current Problems of the Arabian Peninsula and Persian Gulf,' 4 January 1956, State Department Decimal File 780.00/1-456, RG 59, NARA.

196 *Ibid.*

197 *Ibid.*

The Americans were dismayed. Allen Dulles noted that the "forceable occupation of Buraimi" negated five years of U. S. Government effort to get Saudi Arabia and Britain to resolve the boundary questions. "It creates particularly bad impression, and undermines confidence in arbitration as a means of settlement, because of the manner in which the British appear to have sabotaged arbitration and resorted to force when arbitration appeared to be going somewhat against them."[198] A State Department memorandum expressed concern that the British use of force might give further opportunity to anti-Western elements to attack the Western position in the area. If Saudi Arabia were to bring the matter to the UN Security Council as it threatened, that "might ultimately open a way for Soviet participation in disputes in the Peninsula and Gulf."[199]

Eisenhower's close adviser Andrew Goodpaster feared that the British action might "drive the Saudis and Egyptians together in the Gulf area."[200] Dulles thought it could disrupt U. S.-Saudi Arabian relations.[201] It was indicative of the state of Anglo-American relations that in a discussion with Eugene Holman of Standard Oil of New Jersey, Dulles even speculated as to whether the British might be intentionally aggravating the situation. The motive could have been to provoke "the Saudis to cancel the ARAMCO concession," which would "redound in benefit to the British in that the slack in world production would be taken up by other areas where the British had a substantial interest whereas they had none in ARAMCO." Holman agreed that this scenario might prove right to some extent, but he did not believe that British commercial interests were in any way plotting against ARAMCO. Dulles admitted to having no indication that there was such plotting by the British business community, but he noted that he had detected "in the views of the British Government the likelihood of a strong urge upon us to align ourselves with them in a way which the Saudis would undoubtedly consider as unfriendly and violative of the understandings upon which the oil concessions and the base rights were granted."[202]

The lack of cooperation and understanding between the United States and Britain was equally manifest when Sir Gerald Templar, Chief of the Imperial General Staff, flew to Amman and asked Jordan to sign a secret letter of intent to join the Baghdad Pact.[203] After the current government declined from the

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198 Allen Dulles to Dulles, n.d. [November 1955], Dulles Papers, White House Memoranda Series, Intelligence Subseries, Box 8, Dwight D. Eisenhower Library.

199 State Department memorandum, 'Border Problems of Southeastern Arabia,' attached to Allen to Dulles (S), 'Current Problems of the Arabian Peninsula and Persian Gulf,' 4 January 1956, State Department Decimal File 780.00/1–456, RG 59, NARA.

200 Goodpaster to Adams, 1 November 1955, Ann Whitman File, Dulles-Herter Series, Box 6, 'Dulles – Nov 1955,' Dwight D. Eisenhower Library.

201 Shuckburgh Diary 26 October 1955, Shuckburgh, *Descent to Suez*, 292–293.

202 Memorandum of Conversation, Dulles and Holman, 19 January 1956, Dulles Papers, General Correspondence and Memoranda Series, Box 1, 'E through I,' Dwight D. Eisenhower Library.

203 Persson, Magnus, *Great Britain, the United States, and the Security of the Middle East: The Formation of the Baghdad Pact* (Lund: Lund University Press, 1998), 278; Podeh, Elie, *The Quest for Hegemony in the Arab World: The Struggle over the Baghdad Pact* (Leiden: E. J.

offer, King Hussein nominated a new government headed by Hazza Majali, who was in favor of joining the Pact.[204] This led to a stream of demonstrations against the Baghdad Pact, Britain, and the West in general. Eisenhower declared that "[t]he British have never had any sense in the Middle East."[205] The Majali Government resigned quickly, but mass demonstrations and rioting continued. On January 7, 1956, in the Jordan controlled sector of Jerusalem, demonstrators tore down the United States flag and threw stones at the United States Consulate. They were dispersed by U.S. Marine guards who used teargas. Anti-American demonstrations also took place in Amman, Hebron, and Nablus, all attributed in the American press to the Baghdad Pact.[206] Eisenhower could not hide his frustration.

> Britain and ourselves have not seen eye to eye in a number of instances [in the Middle East] ... [W]e tried to make Britain see the danger of inducing or pressuring Jordan to join the 'Northern Tier' Pact. They went blindly ahead and only recently have been suffering one of the most severe diplomatic defeats Britain has taken for many years. Jordan has not only withdrawn from the Pact, but did so under a compulsion of riots, etc. that, incidentally, was directed against this nation as well as against Britain. The Arabs apparently take the assumption that Britain does nothing in the area without our approval. Nothing could be further from the truth.[207]

And at the same time the French had been equally intransigent in North Africa, and the Algerian situation seemed ready to erupt. "Long ago we tried to get France to make the kind of timely concessions that would have eased the whole situation for years to come. As usual, the concern of the French about their so-called empire and its standing in the world was repeated over and over, and in the meantime the situation grew from bad to worse ... In the meantime, the French – likewise supposed to be our great friends – had antagonized almost every Arab in North Africa and will probably be hated for centuries."[208] These sentiments about a revival of British imperial policies were echoed both within

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Brill, 1995), 182–187; Oren, Michael B., "A Winter of Discontent: Britain's Crisis in Jordan, December 1955 – March 1956," *International Journal of Middle East Studies* 22 (1990), 176–177.

204 Shuckburgh Diary, 14 December 1955, Shuckburgh, *Descent to Suez*, 311.

205 Eisenhower Diary, 16 December 1955, Ann Whitman File, Eisenhower Diary Series, Box 11, 'DDE Diary (2),' Dwight D. Eisenhower Library; Oren, "A Winter of Discontent," 175-178; Devereux, *The Formulation of British Defence Policy Towards the Middle East*, 172; "Jordanians Riot on Baghdad Pact," *New York Times,* 19 December 1955, 13.

206 Gilroy, Harry, "Rioters in Jordan Stone U.S. Center, Burn Aid Building: Mob at Jerusalem Consulate Tears Down Flag – Routed After Breaking Windows," *New York Times,* 8 January 1956, 1; Hansen Harry (ed.), *The World Almanac and Book of Facts for 1957* (New York: New York World-Telegram and the Sun, 1957), 151; Telephone Conversation, Dulles and Allen, 8 January 1956, Dulles Papers, Telephone Conversations Series, Box 11, Dwight D. Eisenhower Library.

207 Eisenhower Diary, 10 January 1956, Ann Whitman File, Eisenhower Diary Series, Box 12, 'Diary, January 1956,' Dwight D. Eisenhower Library.

208 *Ibid.*

the Administration and in the American press.[209]

Such situations, where the United States was made to appear alongside its Western European allies to carry the burden of aggressive British and French policies, were increasingly difficult to tolerate. The year 1955 had ended in November and December with Khrushchev and Bulganin touring neutralist India, signing contracts, cheered at times by hundreds of thousands of spectators as they denounced Western imperialism and colonialism.[210] As the veteran *New York Times* columnist C. L. Sulzberger noted, the situation had developed into a "contest for men's minds," and the United States did not seem to fare very well in it.[211] Dulles was acutely worried about the situation. Facing the Soviet challenge for leadership in the Middle East, Dulles presented the whole scenario of a possible domino effect: "[W]e have to monitor the situation [in the Middle East] very carefully, he told the NSC in November 1955.

> We watched for 25 years as the Communists worked to gain power in China. We did nothing before it was too late. We can not afford to repeat this mistake in the Middle East.... The loss of oil of the Middle East would be almost catastrophic for the West. Moreover, Egypt was the gateway to Africa, the retention of which was so very important for us. If Europe were to lose Africa, little would be left of Europe in a short time.[212]

Reliance on collective security as the means of orienting the Middle East politically toward the West seemed an increasingly doubtful basis for a policy. The State Department's Office of Intelligence and Research attributed the current increase in Soviet political efforts in the Near East partly to the stimulus of U. S. endeavors to establish a Northern Tier defense structure.[213] The Cairo Embassy urged the State Department to shift focus. It proposed an Anglo-American declaration on self-determination in order to direct attention to pro-Western direction, and away from Soviet depictions of Western inter-area pacts such as the Baghdad Pact and SEATO as "instruments to maintain 'Western imperialism' even at [the] risk of involving Arabs and Asians in [a] war which [is] not in their interest."[214]

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209 Adams, Sherman, *Firsthand Report: The Story of the Eisenhower Administration* (New York: Harper & Brothers 1961), 247; Middleton, Drew, "Eden's Policy Follows Tradition," *New York Times*, 5 February 1956, IV, 5.

210 Rosenthal, A.M, "Bulganin Tells 200,000 Indians West Seeks to Push Asia into War," *New York Times,* 29 November 1955, 1; "Soviet Attack on Colonialism, Mr. Khrushchev's New Charges," *The Times*, 3 December 1955, 6; "Baghdad Pact Deplorable," *The Times*, 6 December 1955, 7; "Mr. Khrushchev's Speech," *The Times*, 12 December 1955.

211 Sulzberger, C. L., "The Pitfalls in Asia and the Contest for Men's Minds," *New York Times*, 26 November 1955, 18.

212 Memorandum of Conversation, NSC Meeting, 21 November 1955, Ann Whitman File, National Security Council Series, Box 7, Dwight D. Eisenhower Library

213 Office of Intelligence Research, 'The New Soviet Approach to Syria: Diplomacy Rather than Ideology,' 15 December 1955, enclosed in Armstrong to Hoover, 21 December 1955, State Department Decimal File 661.83/2-2155, RG 59, NARA.

214 Hart to Byroade, 14 January 1956, State Department Decimal File 611.80/1-1456, RG 59, NARA.

Dulles had acknowledged in October that "Egypt as a neutralist would be more tolerable than as a Soviet satellite."[215] The neutralist challenge, moreover, only seemed to intensify. Tito and Nasser issued a joint statement in Cairo on January 5, 1956. They pledged support for newly independent and underdeveloped countries and announced "a non-alignment policy" in foreign relations, which would "constitute no passivity but a positive, active and constructive policy aimed at realizing general collective security and the expansion of the area of peace." They condemned military blocs and pacts, and favored cooperation between nations in independence and full equality.[216] When Sir Evelyn Shuckburgh of the British Foreign Office arrived in Washington to prepare for the Anglo-American summit meeting scheduled for late January, he was told that "a shift of emphasis on Western policies was needed to meet this new Soviet threat.... Whilst giving full support to those who had committed themselves to us, we should have to 'learn to live with neutralism.' We should not, for example, overtly object to the establishment of diplomatic relations between the Soviet Union and Arab/Asian countries nor publicly warn those countries against the acceptance of Soviet aid when it seemed that the offer of aid was genuine."[217]

In early 1956 Dulles spoke on TV urging Americans to remember "that while *we* think first of the danger that stems from international communism, many of *them* think first of possible enroachments from the West, for that is the rule they have actually known at first hand."[218] In December 1955 Eisenhower had emphasized to Dulles the changing nature of the Cold War:

> During the Stalin regime, the Soviets seemed to prefer the use of force – or the threat of force – to gain their ends.... So long as they [the Soviet Union under Stalin] used force and the threat of force, we had the world's natural reaction of fear to aid us in building consolidations of power and strength to resist Soviet advances. In this way, we were able – at the least – to convince the Soviets that there was for them little to gain unless they were ready to resort to a major war. I believe they want none of this. More recently, they have seemed to challenge with economic weapons.[219]

Dulles agreed. "Guns have given way to economic aid," he told C. D. Jackson in the spring of 1956. "I don't think anyone wants to try to turn the clock back and recreate Stalin's Russia, and furthermore I doubt if anyone could if he tried. We

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215 Dulles quoted in Kyle, Keith, *Suez* (London: Weidenfeld & Nicolson, 1991), 78.

216 Hansen (ed.), *The World Almanac and Book of Facts for 1957*, 151.

217 Shuckburgh to Foreign Office, 20 January 1956, FO 371/121270 V1075/G, PRO.

218 Dulles television and radio address, 23 March 1956, *Department of State Bulletin*, 2 April 1956, 540.

219 Eisenhower to Dulles, 5 December 1955, Dulles Papers, White House Memoranda Series, Box 3, 'White House Correspondence – General, 1955 (1),' Dwight D. Eisenhower Library; See also National Intelligence Estimate, NIE 11-4-55, 'Review of Current Communist Attitudes toward General War,' 15 February 1955, Records of the CIA, Intelligence Publications File, NIE's regarding the Soviet Union, Box 2, NARA.

may be in very grave long-term danger because of the Soviets' new economic competition, but I would rather be trying to work out the answers to that one instead of trying to find answers to H-Bomb competition."[220] On the other side of the Atlantic, Sir Evelyn Shuckburgh thought along the same lines. "[I]n the lucid watches of the night," he wrote in his diary, "I could not avoid the conclusion that all Asia is moving steadily out of our ambit and that our Western Civilization will be seen strangled and subjected, with its bombs in its pocket."[221]

The United States had agreed to liaison arrangements with the Baghdad Pact in the first meeting of the Baghdad Pact Council in November 1955. In the spring of 1956 the Eisenhower Administration had sought to strengthen the Pact members' resolve by accepting the U. S. participation in the work of its economic and countersubversive subcommittees. The idea of using collective security as the basis of U. S. policy in the Middle East was nonetheless gone. "We could acquiesce in a gradual loss of interest and vitality in the military aspects of the Pact, but should it fall apart suddenly amid public charges that the US had failed to support the Pact, seriously adverse effects on our influence and prestige in the area would ensue," a State Department Policy Planning Staff memorandum noted in the spring of 1956. "We should maintain the alliance status quo in the Middle East.... This *status quo* policy should be made known privately to the interested governments and, if necessary, confirmed publicly."[222] The period during which the Eisenhower Administration considered collective security a dynamic aspect of its policy in the Middle East was over.

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220 Notes on meeting between Dulles and Jackson on April 14, 1956, in Jackson to Luce, 16 April 1956, C. D. Jackson Papers, Box 69, 'Log-1956', Dwight D. Eisenhower Library.

221 Shuckburgh Diary, 12 December 1955, Shuckburgh, *Descent to Suez*, 310–311.

222 State Department Policy Planning Staff memorandum, 'US Policy in the Middle East,' 18 July 1956, State Department Decimal File 611.80/7-1856, RG 59, NARA.

‘Development’: Politics of Aid and Trade, 1955–1956

> Now we have always boasted that the productivity of free men in a free society would overwhelmingly excel the productivity of regimented labor. So at first glance, we are being challenged in the area of our greatest strength.... What would be even more effective, would be the opportunity to plan together *over the long term*. Long term planning would give every individual nation a *stake* in *cooperation* with the United States.[1]
>
> Dwight D. Eisenhower to John Foster Dulles, December 1955

The Aswan Dam and the Prospect of World Economic Policy

Foreign aid was not supposed to become a major aspect of Eisenhower’s foreign policy. The Marshall Plan that had included some funds earmarked for the Asian and African colonies, was no longer a factor,[2] and the rather modest steps taken within the American Point Four program during the Truman presidency were already deemed to be basically unnecessary or misguided by the incoming Republican administration.[3] The conviction that the federal budget had to be significantly cut had featured prominently during the presidential campaign, and Eisenhower himself, as a firm fiscal conservative, considered this as one of the principal aims of his candidacy. Accordingly, a cutback in foreign aid and an expanded program of foreign trade and private investment abroad, he explained to Congress, would be the right way to provide the Asian, African, and Latin American economies with the capital they

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1 Eisenhower to Dulles, 5 December 1955, Dulles Papers, White House Memoranda Series, Box 3, Dwight D. Eisenhower Library.

2 For these early developments, see Wood, Robert E., *From the Marshall Plan to Debt Crisis: Foreign Aid and Development Choices in World Economy* (Berkeley: University of California Press, 1986), 29–60; Falkner, Robert, *Auslandshilfe und Containment: Anfänge amerikanischer Auslandshilfepolitik in der Dritten Welt 1945–1952* (Münster: Lit, 1994).

3 Paterson, Thomas G., “Beginning to Meet the Threat in the Third World: The Point Four Program”, *Meeting the Communist: From Truman to Reagan* (New York: Oxford University Press, 1988), 146–158; The Middle Eastern situation is covered in Qaimmaqami, Linda Wills, “The Catalyst of Nationalization: Max Thornburg and the Failure of Private Sector Developmentalism in Iran, 1947–1951,” *Diplomatic History* 19 (1995), 1–31; and Kingston, Paul W. T., “The ‘Ambassador for the Arabs:’ The Locke Mission and the Unmaking of U.S. Development Diplomacy in the Near East, 1952–1953,” in Lesch, David W. (ed.), *The Middle East and the United States: A Historical and Political Reassessment* (Boulder: Westview, 1996).

required for sound economic growth.[4] As the NSC policy paper on Basic National Security Policy noted in 1954, because "(a) the industrialized areas require expanding markets and (b) the underdeveloped areas seek to develop and modernize their economies ... [i]t should be within the capacity of the free world, with U. S. initiative and leadership, to turn these two problems into mutually supporting assets for the promotion of appropriate economic strength and growth" – primarily through a higher level of international trade.[5]

The political developments in the non-Western world did, however, prompt rethinking as early as in 1954. C. D. Jackson, one of Eisenhower closest advisers, was moving back to his position at Time Incorporated, but promised to develop a suggestion for what he called "a big, imaginative, and dramatic foreign policy proposition."[6] The Jackson project, worked out with the help of two MIT economists, Max Millikan and W. W. Rostow, was titled World Economic Policy, and it would have amounted to $3,000,000,000 a year for five years.[7] Eisenhower wrote to Jackson that the cynic would describe the program as "bigger and better give-aways."[8] Dulles was not sure either whether the plan was adequate, but he said that some type of investment program was gradually becoming absolutely necessary. "I have become personally convinced that it is going to be very difficult to stop Communism in much of the world if we cannot in some way duplicate the intensive Communist effort to raise productivity standards," he wrote to Jackson.[9] By November 1954, Dulles was waging a battle against the proponents of purely neoclassical international economic policy, who argued for development through trade, not aid. Dulles stressed "the impossibility of adhering strictly to classical economics when international considerations are brought to bear." He recalled that sound economics are laid aside in time of war, and candidly stated that the United States "cannot win the cold war on the sole basis of sound economics."[10]

The opposition within the Eisenhower Administration was nonetheless considerable. Joseph Dodge, who was named to coordinate foreign economic policy in late 1954, was a Detroit banker and former director of the budget bureau. He also had impressive credentials from his administrative work related to both Japanese and Western European reconstruction. However, his views on expanded U. S. foreign aid to the non-Western world outside Japan were very

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4 Kaufman, Burton I., *Trade and Aid: Eisenhower's Foreign Economic Policy 1953–1961* (Baltimore: Johns Hopkins University Press, 1982), 14, 44–48.

5 NSC 5440, 'Basic National Security Policy,' 13 December 1954, Draft, National Security Council Records, RG 273, NARA.

6 Jackson to Eisenhower, 13 August 1954, C. D. Jackson Papers, Box 50, 'Eisenhower,' Dwight D. Eisenhower Library.

7 Memorandum of Conversation, Eisenhower and Dulles, 7 August 1954, Dulles Papers, White House Memoranda Series, Box 1, Dwight D. Eisenhower Library.

8 Eisenhower to Jackson, 16 August 1954, Ann Whitman File, Eisenhower Diary Series, Box 8, 'Dwight D. Eisenhower Diary (1), August 1954,' Dwight D. Eisenhower Library.

9 Dulles to Jackson, 24 August 1954, C. D. Jackson Papers, Box 48, 'Dulles,' Dwight D. Eisenhower Library.

10 Memorandum of Conversation, Cabinet Meeting, 5 November 1954, Ann Whitman File, Cabinet Series, Box 3, Dwight D. Eisenhower Library.

different from those held by Dulles. "There is a fundamental difference between the problem of reconstruction in Europe and the problem of stimulating the economic development of Asia," he wrote to Eisenhower. Europe was a problem of reconstructing "a long established and existing pattern of government, social, business, and economic life." From his point of view, economic development and progress depended primarily on an internal environment, and the reason why some countries were economically advanced was that they had the elements of their economic progress within them. "Underdeveloped" countries were in an early stage of economic development, but outside help could not be a primary means for creating growth. "Progress grows from within, cannot be imposed from without," he argued, and it "cannot be imported like a finished industrial product, or supplied merely by massive injections of dollars." Dodge claimed that large costly aid projects were frequently only symbols of progress to local governments rather than productive of actual progress for the people.[11]

The intellectual trend within the Eisenhower Administration moved, however, toward a more active foreign aid policy.[12] Eisenhower's old friend Paul Hoffman, former chairman of Studebaker and administrator of the Marshall plan, held an opinion almost exactly the opposite of Dodge. "The great recovery in Europe, which nobody thought could take place, has already had a big 'echo effect' on the Russians, despite the Iron Curtain," Hoffman wrote in *Life* at the time of the Geneva Conference. "Transpose these conditions to Asia," he urged. If the West could prove there too that "freedom moves faster and accomplishes more," then the impact upon all Asia would be enormous. "These are the conditions for winning the peace," he declared.[13] Hoffman was not the only one to talk about victory in the summer of 1955. C. D. Jackson, together with Millikan and Rostow, had further developed their World Economic Policy program, and in June 1955 Eisenhower, Dulles, Rostow, and Henry Luce all received Jackson's "Victory Memorandum."

> Our World Economic Policy is still non-existent. Instead of being thought out globally, it has degenerated to a patchwork of piecemeal projects by Agency enthusiasts.... I am talking about the carefully

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11 Joseph M. Dodge, 'Fundamental Factors Related to the Economic Progress of Underdeveloped Areas, and in Particular, South and Southeast Asia,' n.d. [April 1955], enclosed in Dodge to Eisenhower, 28 April 1955, Ann Whitman File, Administration Series, Box 12, 'Dodge, Joseph M. 1954–56 (2),' Dwight D. Eisenhower Library; For a similar argument in the Middle Eastern context, see McGhee, George C., "The Challenges to Middle East Development," in Hall, Harvey P. (ed.), *Middle East Resources: Problems and Prospects* (Washington: Middle East Institute, 1954).

12 For the intellectual climate on social development in the mid-1950s, see Myrdal, Gunnar, "Development and Under-development: A Note on the Mechanism of National and International Economic Inequality," *National Bank of Egypt Fiftieth Anniversary Commemoration Lectures* (Cairo: National Bank of Egypt, 1956). James, Harold, *International Monetary Cooperation since Bretton Woods* (Oxford: Oxford University Press for International Monetary Fund, 1996).

13 Hoffman, Paul G., "The Peace We Fought For Is In Sight," *Life*, 18 July 1955, 94–107.

> planned long-term use of America's great economic weapon to create the kind of physical, mental, and emotional conditions in many areas of the world which will make the grass on our side look greener, not just to a Government functionary, but to the tens of millions who live on the grass.[14]

As the Soviet economic offensive began to gain ground in the summer and fall of 1955, these viewpoints were considered in a much more serious context (see TABLE 2).[15] "[T]he Communists were very astute in their approach to the governments of these backward states," Allen Dulles noted at a NSC meeting in November 1955. More important than astuteness, however, was that many of these countries had been "enormously impressed by what the Soviet Union had accomplished, virtually unaided, in developing its industrialization over a very brief period of time." Since this success was largely attributed to the Communist system, the CIA director said, "the governments of many underdeveloped countries drew the deduction that a Communist system would likewise prove most efficient in accomplishing their own industrialization."[16]

TABLE 2[17]

Trade with the Sino-Soviet Bloc as a Percentage of Total Trade
Selected Countries, 1954–1956
(CIA estimates)

Country	1954	1955	1956*
Egypt	9.6	15.4	22.9
Yugoslavia.....	1.7	9.8	20.6
Burma.....	0.8	11.6	16.3
Turkey.....	12.3	19.7	16.1
Iran.....	12.4	11.4	7.0
Indonesia.....	1.6	4.8	4.5
Pakistan.....	5.6	5.8	4.5
India.....	1.3	1.9	3.8

*Partial year, generally six to eight months

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14 The memorandum attached to Jackson's letter to Eisenhower. Jackson to Whitman, 23 June 1955, C. D. Jackson Papers, Box 50, 'Eisenhower,' Dwight D. Eisenhower Library; Eisenhower to Jackson, 29 June 1955, C. D. Jackson Papers, Box 50, 'Eisenhower,' Dwight D. Eisenhower Library.

15 On the new Soviet emphasis on economic cooperation, and the subsequent reassessment of U. S. policies, see Kaufman, *Trade and Aid*, 58–65; Merrill, Dennis, *Bread and the Ballot: The United States and India's Economic Development, 1947–1963* (Chapel Hill: University of North Carolina Press, 1990), 102–136; Golan, Galia, *Soviet Policies in the Middle East from World War Two to Gorbachev* (Cambridge: Cambridge University Press, 1990), 44–45.

16 Memorandum of Conversation, NSC Meeting, 21 November 1955, Ann Whitman File, National Security Council Series, Box 7, Dwight D. Eisenhower Library.

17 Adapted from a table in National Intelligence Estimate, NIE 100-57, 'Sino-Soviet Foreign Economic Policies and Their Probable Effects in Underdeveloped Areas,' 26 March 1957, Records of the Central Intelligence Agency, Intelligence Publications File HRP 92–4/002, Box 2, 'NIE's re Soviet Union,' RG 263, NARA.

Meeting this new Soviet economic threat was the main mission of the so called Quantico Group, a gathering of 'wise men' organized by Eisenhower's adviser Nelson Rockefeller to develop a framework for U. S. psychological strategy in the new situation. It was an impressive group, which included Henry Kissinger of Harvard, Philip Mosely of the Council on Foreign Relations, and Max Millikan of MIT. C. D. Jackson's presence at Quantico was nevertheless probably the most noticeable one in the policy suggestions regarding social development. The final report advocated initiation of a long-range program of social development in order to counter the feared threat of the Soviet model being adopted in an increasing number of developing societies in Asia and Africa. "A society that is economically viable and democratic in the sense that power, initiative, responsibility, and opportunity for advancement are widely distributed," the report concluded, "will give Communism fewer opportunities to seize power except by overt external aggression. The latter is the easiest form of aggression to combat."[18]

When Eisenhower returned to carry out his duties as head of state after his heart attack in the fall of 1955, his outlook had decidedly changed, and he was eager to discover means which could be helpful in developing "a well thought out global program" in foreign economic policy.[19] In early December 1955, he wrote to Dulles arguing the need for long term planning, which would give "every individual nation a *stake* in *cooperation* with the United States."

> As you know, I am by no means one of those people who believes that the United States can continue to pile up bonded indebtness and fail to suffer dire consequences both economically and, eventually, in our basic institutions. But we do have the picture today of America, with a constantly expanding economy, with everything moving forward on a higher level of prosperity than ever before, challenged by an economy which in its overall productivity is not more than one-third as effective as ours. If we, at such a time, cannot organize to protect and advance our own interests and those of our friends in the world, then I must say it becomes time to begin thinking of 'despairing of the Republic.' I believe if we plan and organize properly, we can do these things without going broke, and that we can do them effectively and with the kind of selectivity and smoothness that will largely rob the Soviets of the initiative.[20]

Dulles agreed wholeheartedly. In December 1955 he wrote to UN Ambassador Henry Cabot Lodge that he shared the UN delegation's views about "economic and social factors moving to the forefront in the struggle between Communism and

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18 Quantico Group Panel Report, *Psychological Aspects of United States Strategy*, 29 November 1955,'Secret,' C. D. Jackson Papers, Box 88, 'Quantico Meeting (13),' Dwight D. Eisenhower Library.

19 Eisenhower to Cowles, 7 December 1955, Ann Whitman File, Administration Series, Box 10, 'Cowles, John,' Dwight D. Eisenhower Library.

20 Eisenhower to Dulles, 5 December 1955, Dulles Papers, White House Memoranda Series, Box 3, Dwight D. Eisenhower Library.

freedom." The need was now to convince the newly independent countries that "they can best fulfill their destiny within the community of free nations, and that because of our proven experience in economic and educational endeavors, we have no reason to fear this kind of emphasis in our struggle against Communism."[21]

This was the context in which the ambitious Egyptian plan to build a high dam on the Nile at Aswan became a major foreign policy question in late November 1955. Information about an impending Soviet offer to finance the Aswan Dam shook the British Foreign Office, and led to Prime Minister Eden's urgent message to Eisenhower to quickly plan a counter-offer for Egypt in order to exclude the Soviet Union from that gigantic venture.[22] There could hardly have been a more challenging development plan to enter the political equation, both in terms of the specific Middle Eastern situation and with regard to U. S. policy toward development aid in general. The Egyptian plan to build a high dam near Aswan had been studied by two groups of consultants during 1953 and 1954, and in August 1955, following technical and economic reports, the World Bank informed the Egyptian Government that it was satisfied that the project was technically sound. The dimensions of the dam were staggering. It would store water at 600 feet above sea level. The structure itself would be over three miles long between abutments. The base of the dam would extend almost a mile along the river bed of the Nile. The reservoir of the proposed dam was going to be three times the size of Lake Mead behind Hoover Dam, which was at that time the largest existing man-made reservoir.[23]

In terms of the evolution of development aid, the picture was no less startling. From the very beginning, the Anglo-American plan was to combine $70 million from the U. S. and British governments with $200 million from the World Bank. Such figures had never before been seen in connection with a single developmental venture. By far the biggest recipient of World Bank loans, either in Asia or Africa, had been India, but even the *total* of all World Bank loans to India during the preceding decade had amounted only to $140 million. Egypt's prospective $200 million loan would be equivalent to over a fourth of the IBRD's total reconstruction loans granted to Western Europe between 1946 and 1955 (see TABLE 3).[24] If one wanted to make a statement about a change in international development policy, there was no better choice.

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21 Dulles to Lodge, 19 December 1955, RG 59 - General Records of the Department of State, Misc. Lot Files, Lot File 60 D 113, Office Files of Francis O. Wilcox, 1954–57, Box 1, 'Ambassador Lodge-Wilcox, Aug.-Dec. 1955,' NARA, College Park, MD, USA.

22 Evelyn Shuckburgh Diary, 28 and 29 November 1955, Shuckburgh, *Descent to Suez*, 305–306.

23 Rountree to John Hollister, 'High Aswan Dam,' 23 April 1956, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs, 1956–62, Box 2, RG 59, NARA.

24 Treasury Department Memorandum, 'International Bank and Export-Import Bank Loan Authorizations,' attached to George Humphrey to Herbert Hoover Jr., 3 June 1955, State Department Decimal File 398.14/6-355, RG 59, NARA; International Bank for Reconstruction and Development, *Tenth Annual Report, 1954–1955* (Washington, D. C.: IBRD, 1955), 26–34.

TABLE 3 [25]

Loan Authorizations by the IBRD and the United States Export – Import Bank Selected Areas and Countries, July 1, 1946 to March 31, 1955
[in millions of United States dollars]

	IBRD	EX-IM	TOTAL
EUROPE	771	806	1,577
WESTERN HEMISPHERE	562	1,789	2,351
ASIA & THE MIDDLE EAST	354	708	1,062
Afghanistan	–	40	40
Ceylon	19	–	19
Egypt	–	7	7
India	140	–	140
Indonesia	–	100	100
Iran	–	78	78
Iraq	13	–	13
Israel	–	135	135
Jordan	–	–	–
Lebanon	–	–	–
Saudi Arabia	–	19	19
Syria	–	–	–
Turkey	63	40	103
AFRICA	224	203	427

*authorized by Congress under the Mutual Security Act and implemented by the International Cooperation Administration and its predecessor agencies

Internally, Henry Byroade reported from Cairo, the Aswan Dam project could potentially be developed into "the single most important factor influencing Egyptian economy during the latter half of this century, a development which might well have correspondingly important implications in creating atmosphere conducive to greater political stability."[26] Despite its gigantic size and the potential for major gains both in cultivable area and electric power, the benefits of the Aswan Dam in the long run seemed dimmed by the estimated population growth. Even with the Aswan Dam, the rise in population might have actually made the land-man ratio more critical in the next fifteen years regardless of a 25 percent increase in cultivable area. But even if it appeared in Western analyses that the main objective was modestly going to be how to keep the standard of

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25 'International Bank and Export-Import Bank Loan Authorizations,' enclosed in George Humphrey to Herbert Hoover Jr., 3 June 1955, State Department Decimal File 398.14/6–355, RG 59, NARA.

26 Byroade to Allen, 27 July 1955, State Department Decimal File 661.74/7–2755, RG 59, NARA.

living from falling too fast, the High Aswan complex was considered the key element in any development effort to achieve that goal.[27]

When Eden's urgent message arrived in Washington, Eisenhower asked Dulles whether there was any reason not to go "all out for the Dam in Egypt." Dulles was wondering whether Nasser was "playing an honest game or is in the Communist pocket," but that was a risk he was willing to take.[28] Dulles presented the issue at a NSC meeting on December 1, emphasizing the impact of the Aswan Dam on Egypt's future. "If the Egyptians accepted, it would certainly be highly impractical for Egypt to switch to a Soviet satellite status, at least while the project was under construction. Moreover, the presence of so many engineers, technicians, and other people from the free world in Egypt, would constitute a strong influence in keeping Egypt on the side of the free world."[29]

But even if Dulles' introduction was framed in terms of Egypt, the debate that followed was distinctively ideological. Secretary of Treasury George M. Humphrey, who was the leading proponent of trade over aid along with Joseph Dodge, had a very clear idea of the implications connected with the proposed offer. First, there was an economic problem involved. Humphrey argued that the Aswan Dam constituted a major precedent for numerous other countries, who "would insist that the projects for which they sought U. S. assistance were every bit as meritorious as the Egyptian project." If aid on this level was adopted as a general policy principle, such ventures would become a serious burden for the American government.[30] Even more important in Humphrey's opinion was that the idea of United States supporting a plan such as that of the Aswan Dam constituted a serious breach of American values.

> [T]here was another fundamental fact which the National Security Council would do well to ponder. All of us here were believers in a free society based on free economic competition. But what we would be doing in Egypt would be tantamount to creating a completely nationalized project which would have the effect of handing over the economy of Egypt entirely into the hands of the Egyptian Government ... [T]he results of this move could not be more completely Communistic if it had been the deliberate attempt of the United States to make it so ... This fashion of assisting in the building of the High Aswan Dam amounted to a terrific example of the United States devoting itself to building up a socialized economy in Egypt for all the world to look at. All this was going to have enduring repercussions. Is this ... how we propose to compete with the Soviet Union in the forthcoming economic struggle?[31]

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27 Memorandum of Conversation, Bennsky and de Wilde, 'Mr. de Wilde's Current Views re Egypt's External and Internal Economic and Financial Prospects and Credit-Worthiness,' 28 February 1955, enclosed in Ellis to State Department, 8 March 1955, State Department Decimal File 398.14/3-855, RG 59, NARA.

28 Telephone Conversation, Eisenhower and Dulles, 29 November 1955, Dulles Papers, Telephone Conversations Series, Box 11, Dwight D. Eisenhower Library.

29 Memorandum of Conversation, NSC Meeting,1 December 1955, Ann Whitman File, National Security Council Series, Box 7, Dwight D. Eisenhower Library.

30 *Ibid.*

31 *Ibid.*

Humphrey's statement moved the debate on to quite another plane, which continued through December 1955 and the spring of 1956, even if Eisenhower and Dulles were able to quickly push through the practical decision that the United States together with the British Government would make an offer to Egypt on December 16, 1955 of $70 million aid grant toward defraying the foreign exchange cost of the first stages of the work on the dam. The World Bank would join in to provide an additional $200 million.[32] In fact, the debate on the Aswan Dam gradually became intertwined with the efforts to create a global economic policy. In order to gain the initiative from Humphrey, Eisenhower and Dulles had to make their position clear.

Eisenhower tried to counter Humphrey's claim of ideological impropriety by noting that the United States itself "had never and would never venture on any enterprise of the scale of the High Aswan Dam except through the instrumentality of the Government and Government financing." He showed his 'middle of the road' inclination by referring to the New Deal-era building of the Hoover Dam and other similar projects. In that context, Eisenhower argued, it did not seem that the United States was actually departing from its traditional principles in assisting in the building of the Aswan Dam.[33] He further reminded Humphrey that there were "all kinds and degrees of socialized societies throughout the world."

> There was even some socialization in the United States itself. We did not need to fear a socialized state as something inimical to us in itself. Sweden was a highly socialized state and Norway only less so. Both were warm friends of the United States. What we must guard against is socialization which goes the whole way and uses totalitarian methods so that the state in question ultimately comes under the control of Moscow. If this should happen in enough instances, the United States itself would finally 'go down the drain.'[34]

Humphrey did not defer easily. A United States policy based on ventures like the Aswan Dam ran the risk that "by virtue of our assistance programs" the United States would "create and maintain other government-controlled economies in the underdeveloped nations of Asia and Africa." It would be self-defeating for the United States, he declared, to "build up a whole series of Moscow[s] in the backward countries we were assisting." Instead, the United States should have based its policy on the freedom of the individual and private enterprise. USIA Director Theodore Streibert concurred with Humphrey's points and stressed the need to consider ideas as well as pure economics. "The Soviets had been assiduously and successfully planting in Asia the idea that

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32 *Ibid.*; Rountree to Hollister, 'High Aswan Dam,' 23 April 1956, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs, 1956–62, Box 2, RG 59, NARA.

33 *Ibid.*

34 Memorandum of Conversation, NSC Meeting, 18 January 1956, Ann Whitman File, National Security Council Series, Box 7, Dwight D. Eisenhower Library.

Communism was the wave of the future and that capitalism was dying," Streibert noted, and argued for a policy of supporting "the ideals of free enterprise and enlightened capitalism."[35]

Eisenhower was convinced that such a policy alone would be fatal from the point of view of U. S. policy. "We must try to bring the patient along," he argued. "We cannot let these Asian nations go down the drain and be swallowed up by the Soviet Union while we are engaged in a campaign to promote the ideals of free enterprise."[36] Vice President Richard Nixon agreed that the United States would have to work in Asia with what it found there, and that it was illusory to try and keep up an ideological standard. Moreover, Allen Dulles pointed out that regrettable as it might be, most of the free countries of Asia had in his view "such primitive societies" that no private investment base existed upon which to build a constructive program.[37]

The one thing everyone agreed on though, was that the United States and the Soviet Union were now in a major race of social developmental models. Foster Dulles left no doubt about that. "Under Communism the Soviet Union has developed from an almost wholly agricultural 'Kulak' state into a state which now ranks as one of the important industrial powers with a capability in terms of modern developments, such as peacetime uses of atomic energy, etc., enabling it to challenge the Western powers," he wrote in a personal 'think-piece' in January 1956. The developing nations were clearly attracted by the prospect of similar development in their own countries. They felt, Dulles wrote, "that they have not wholly achieved their independence unless, in addition to political independence, they gain [a] corresponding measure of industrial power which will free them from dependence upon their former colonial rulers." Although the Soviet policy and propaganda were largely false, it contained "sufficient elements of reality and sufficient glamor to be attractive."[38] At a subsequent NSC meeting, Dulles envisaged a struggle between the Soviet model and the "Great American Experiment."

> [T]he United States had very largely failed to appreciate the impact on the underdeveloped areas of the world of the phenomenon of Russia's rapid industrialization. This transformation of Russia from an agrarian to a modern industrial state was an historical event of absolutely first class importance. It challenged the political and industrial supremacy that up until now the West could maintain over the underdeveloped nations of the world. Now, however, these nations and especially those in Asia were being enormously impressed with the transformation which had been accomplished by the Soviet Union. The prestige of the 'Great

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35 *Ibid.*
36 *Ibid.*
37 *Ibid.*
38 Dulles draft memorandum, 16 January 1956, Dulles Papers, Subject Series, Box 7, 'Think Pieces – Drafts, 1956 [2],' Dwight D. Eisenhower Library; Memorandum of Conversation, Dulles (S) and Waugh, 'Activities of the Export-Import Bank,' 18 January 1956, State Department Lot File 64 D 199, Executive Secreteriat, The Secretary's and Under Secretary's Memoranda of Conversation, Box 4, RG 59, NARA.

> American Experiment' which had begun a hundred years ago was being diminished in the light of the 'Great Russian Experiment' which had been achieved in some 30 years. Moreover ... these underdeveloped countries either forget or are indifferent to the terrible cruelties and hardships which have accompanied the transformation of the Russian state. All they see are the results of Russia's industrialization and all they want is for the Russians to show them how they too can achieve it. We can ill afford to ignore the enormous impact on Asians and other underdeveloped areas which the Russians have made. It constitutes a very serious problem which we are not adequately meeting at the present ... [I]f the United States failed to solve the problem, the Soviet Union would end by dominating all of Asia.[39]

Dulles was convinced that this threat could not be countered only by giving certain amount of economic aid. To effect a change in public sentiment, it was necessary to create "long-range projects which will help [the recipient countries to] move toward a better balanced and somewhat more industrial economy." Dulles was also convinced that without major projects "which can catch the imagination of peoples," the U. S. development aid policy was bound to fail "in its propaganda and political purpose."[40] This was exactly what he told Humphrey with regard to the Aswan Dam. The project could and should be dealt with as a precedent to a new general policy direction. "[T]here was no sound reason why the United States could not assist in financing projects similar to the Dam in various other underdeveloped countries," he stated, "provided the International Bank would assist, provided our contribution was no greater proportionately, and provided the projects which we were to undertake to assist in construction were as sound and useful projects as the Dam."[41]

The two practical elements that in Dulles' view were lacking from U. S. policy were flexibility and continuity. What was needed was a 'soft loan' capital lending institution to complement the World Bank's 'hard' loans, which had tougher terms. Dulles developed an idea based on the Marshall Plan precedent, asking Congress for authority to use not more than 100 million dollars a year for 10 years for 'soft' local currency loans based on annual appropriations. This would avoid the situation where Congress needed to vote on every specific project. Such avoidance of political debate was deemed necessary for the government to "dependably support major projects which were of a character to catch the popular imagination and produce the psychological results we sought."[42] In his State of the Union Address in January

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39 Memorandum of Conversation, NSC Meeting, 18 January 1956, Ann Whitman File, National Security Council Series, Box 7, Dwight D. Eisenhower Library.

40 Dulles draft memorandum, 16 January 1956, Dulles Papers, Subject Series, Box 7, 'Think Pieces - Drafts, 1956 [2],' Dwight D. Eisenhower Library.

41 Memorandum of Conversation, NSC Meeting,1 December 1955, Ann Whitman File, National Security Council Series, Box 7, Dwight D. Eisenhower Library.

42 Memorandum of Conversation, Eisenhower, Dulles, Humphrey, Wilson, 8 December 1955, Dulles Papers, White House Memoranda Series, Chronological Subseries, Box 3, 'Meetings with the President, 1955(1),' Dwight D. Eisenhower Library.

1956, Eisenhower duly took up the issue of having "limited authority to make longer term commitments to such projects, to be fulfilled from appropriations to be made in future fiscal years."[43]

Treasury Secretary Humphrey doubted the political viability of the idea, but he saw even less chance for individual large-scale projects like the Aswan Dam. "[I]f we went to Congress for specific authorization on a project like the Aswan Dam," Humphrey argued in December, "it would probably be defeated on the grounds that it would ultimately increase agriculture production and also that every Congressman who wanted a dam for his district would press against giving a big dam to the Egyptians."[44] In a meeting with Walter F. George, the chairman of the Senate Foreign Relations Committee, Eisenhower made a plea for supporting a U.S. program "needed to give some hope from our side to the countries which were tempted by Soviet promises to develop their economies." George replied that he thought there would be no problem about military aid and economic programs needed to sustain military forces, but economic aid was a tougher question, although he felt confident about finding a formula which would enable the administration to proceed on "some of these long-range projects that you feel necessary."[45]

Dulles and Eisenhower tried their best to change the public mood on economic aid. In January 1956 Dulles published a "warning" drafted by Cabot Lodge declaring that the present period might well be a turning point in the struggle between communism and freedom, since the Soviet Union was using economic and social collaboration as a means of "jumping military as well as political barriers," as in Egypt, India and Burma. "We are in a contest in the field of economic development of underdeveloped countries which is bitterly competitive. Defeat in this contest could be as disastrous as defeat in an armaments race." The United States should accordingly make "newly independent and newly articulate peoples feel that they can best satisfy their wants by becoming and remaining part of the community of free nations." Dulles stated that this warning supported the President's program on a long-term basis. Year-to-year aid, Dulles argued, did not give foreign nations assurance that they could embark on long range projects.[46]

The advocates of an international economic policy were thrilled. "Naturally I was pleased," C. D. Jackson wrote to Dulles, "also surprised and intrigued, to read last night's headline, 'Wake to Red Peril, Ike, Dulles Plead,' and then this morning

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43 Eisenhower's State of the Union, 5 January 1956, U.S. Government, *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1956* (Washington D. C.: United States Government Printing Office, 1958), 1–27.

44 Memorandum of Conversation, Eisenhower, Dulles, Humphrey, Wilson, 8 December 1955, Dulles Papers, White House Memoranda Series, Chronological Subseries, Box 3, 'Meetings with the President, 1955(1),' Dwight D. Eisenhower Library.

45 Memorandum of Conversation, Eisenhower, Dulles, George, 23 January 1956, Dulles Papers, Chronological Series, Box 13, 'January 24–31, 1956 (1),' Dwight D. Eisenhower Library.

46 Hansen, Harry (ed.), *The World Almanac and Book of Facts for 1957* (New York: New York World-Telegram and the Sun, 1957), 151.

the *New York Times*, 'Dulles Spurs the U. S. in Economic War With Soviet Union,' with the full text of the US-UN Delegation statement, which included, 'We could lose this economic contest unless the country as a whole wakes up to its implications.'"[47] Dulles also met with Paul Hoffman, who agreed with Jackson's idea of organizing a citizens' committee along the lines of the committee which had been created to sponsor the Marshall Plan.[48] Dulles picked up the suggestion and started work on the formation of a Presidential Citizens Committee, which would "dramatize United States activities in the economic field." On March 19, Eisenhower asked Congress for nearly $4.86 billion in foreign aid for the fiscal year beginning July 1, 1956. He stressed the need for expansion, instead of proposed cuts, to secure long-term commitments and flexibility.[49]

The Aswan Dam and the Politics of Cotton and International Trade

It was somewhat paradoxical that Humphrey, who mounted the ideological *laissez faire* challenge to the idea of assisting Egypt – and other developing countries in the future – was also the first to bring up the protectionist argument against helping Egypt to increase its cultivable land, and consequently its production of cotton, which competed against U. S. produced cotton in the world market. Already in December 1955, Humphrey argued that the by-product of the Aswan Dam, "in the shape of additional cotton and other products from the newly developed agricultural lands would result in additional competition with the U.S. for markets."[50] He also predicted that this would cause problems in Congress.[51] When the Administration's new foreign aid policy agenda was placed before Congress in January 1956, this indeed was the case. John Stennis – Democratic Senator from Mississippi – made it very clear from the very beginning of the Congressional hearings that enlargement of Egypt's cotton producing land was "not only of deep concern to me but to all of these gentlemen representing cotton producing states."[52]

This was a difficult situation for the Eisenhower Administration. Even the Basic National Security Strategy stressed the need to press "strongly for a general reduction of trade barriers," and urged the United States to "take the lead by reducing further its own tariffs and other trade restrictions over the next

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47 Jackson to Dulles, 12 January 1956, C. D. Jackson Papers, Box 49, 'Dulles,' Dwight D. Eisenhower Library.

48 Memorandum of Conversation, Dulles and Hoffmann, 27 January 1956, Dulles Papers, General Correspondence and Memoranda Series, Box 1, Dwight D. Eisenhower Library.

49 Hansen (ed.), *The World Almanac and Book of Facts for 1957*, 151.

50 Memorandum of Conversation, NSC Meeting,1 December 1955, Ann Whitman File, National Security Council Series, Box 7, Dwight D. Eisenhower Library; See also

51 *Ibid.*

52 Quoted in Burns, *Economic Aid and American Policy toward Egypt*, 69; See the statements in U. S. Congress, Senate, Committee on Appropriations, Hearings, *Financing of the Aswan High Dam in Egypt*, 84th Cong. 2nd sess. (Washington, D. C.: United States Government Printing Office, 1957).

few years." This was considered a prerequisite in welding together the fact that "industrialized areas require[d] further international growth and expanded trade; and ... the less developed areas s[ought] to develop and modernize their economies and must also maintain a substantial volume of exports of primary products."[53] This was in part an attempt to answer the increasing demands by the Bandung Conference countries to work out a method to stabilize the volatile international commodity markets, which were further disoriented by different types of protectionist measures and surplus disposal programs. The Economic Committee of the Bandung Conference had presented a report stressing continuing price instability of primary commodities as a serious problem for participating countries.[54] The Final Communiqué of the Bandung Conference had duly recommended that collective action be taken by participating countries in stabilizing the international prices of and demand for primary commodities through bilateral and multilateral arrangements.[55]

Egypt's problems with regard to cotton was a case in point. Cotton was not a negligible commodity either for Egypt or for the United States. In a broader perspective, cotton was consistently among the top four dollar-earning commodities for the developing countries in the world trade during the 1950s (see TABLE 4). The State Department was acutely aware that Egypt was especially dependent on its agricultural exports – particularly cotton, which accounted for about 85 percent of its total exports – to pay for its essential imports. The U. S. market accounted for about $16 million of those exports annually. Uncertainty regarding future U. S. pricing policy had reduced world trade in cotton in mid-1955 to a "hand-to-mouth" basis and, at the same time, disposal of American surplus cotton for foreign currencies had "the effect of limiting, even in this shrunken market, the scope in which Egypt may compete." Moreover, this was not only a reason for the growing criticism of the West and the United States, but it clearly offered a tempting situation for Soviet economic diplomacy. Increased Soviet trade with Egypt was directly linked with the Egyptian Government's foreign trade dilemma, and the Soviet-Egyptian deal in September 1955 further underlined the potential Cold War threat for the West, if unstability in the world market for primary products continued. There was no doubt as to Soviet willingness to use this opportunity. It was reported that the pricing tactics of Soviet bloc state industries had enabled Eastern Europeans to underbid Egyptian distributors of American and Western European manufactures in some cases by as much as 35 percent.[56]

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53 NSC 5602, 'Basic National Security Policy,' 3 February 1956, NSC Records, RG 273, NARA.

54 Cumming (U.S. Ambassador in Djakarta) to John Foster Dulles (S), 22 April 1955, State Department Decimal File 670.901/4–2255, RG 59, NARA.

55 Final Communiqué of the Bandung Asian-African Conference, 24 April 1955, Government of Indonesia, Ministry of Foreign Affairs, *Asia-Africa Speaks from Bandung* (Djakarta: Ministry of Foreign Affairs, 1955), 161–169.

56 Byroade to State Department, 'Evaluation of Egyptian-Soviet Relations,' 20 July 1955, State Department Decimal File 661.74/7-2055, RG 59, NARA; Dulles to Hague, 'Comments on the Agriculture Department Proposal for Section 22 Action on Extra Long Staple Cotton,' 30 December 1955, *Foreign Relations of the United States, 1955–1957*, IX, 167–168.

TABLE 4 [57]

Value of the Six Most Important Commodities in World Trade Exported by Developing Countries, 1953–1956

[in billions of United States dollars]

Year	Petroleum	Coffee	Cotton	Sugar	Rubber	Copper
1953	3.34	2.38	1.30	1.03	0.94	0.70
1954	4.00	2.48	1.33	0.92	0.94	0.66
1955	4.45	2.21	1.36	1.01	1.57	0.92
1956	4.75	2.44	1.04	1.04	1.39	1.12

By the end of 1955, the State Department was emphasizing that the question was not only about Egypt and cotton, but concerned a wider threat. The most alarming case was the increase of Communist influence in Burma which had culminated in the Bulganin-Khrushchev visit to Rangoon in December. The Burmese repeatedly and officially requested the United States to stop disposing surplus wheat and rice in Burma's normal market area Asia and, "right or wrong, *believe that it has been U. S. agricultural surplus disposal policy which has forced them into the arms of the Communists.*"[58]

Regardless of the foreign policy problems involved, the domestic pressure within the United States left little room for maneuver. "[M]arkets we have spent generations in creating have been surrendered to foreign producers who have priced their cotton just under ours, with a resultant loss in grave proportions of the markets for American-grown cotton," a memorandum on alternative sales policies of cotton noted in mid-1955. While world's cotton-growing acreage had expanded faster than the consuming market during the postwar year, it was the U. S. producer who had "virtually borne the entire acreage reduction for the world. His sacrifice has maintained the world price at a high level, and encouraged foreign producers to expand acreage, and capture historical American markets in which he has been denied full participation because of his curtailed acreage." World trade in cotton had been running at about 12.5 million bales per year. In the years preceding World War II the United States had exported from 5 to 7 million bales per year. Despite exporting approximately 5 million bales a year and thus controlling about 40 percent of the world trade in cotton, the United States had built up stores of almost 10 million bales by 1955. The agreed export sales policy in the summer of 1955 strongly emphasized that the United States could not be satisfied with the position of withholding its own

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57 Adapted from Table 4.7. in International Bank for Reconstruction and Development, *Trends in Developing Countries* (Washington D.C.: IBRD, 1970).

58 Robertson to Hoover, 'Countries Where Agricultural Surplus Disposal Creates Foreign Policy Problems,' 8 December 1955, *Foreign Relations of the United States, 1955–1957*, IX, 165–167.

supplies from the market and accumulating surpluses while other countries disposed of their entire production. Accordingly, the United States would price its products to be competitive. At the same time, the United States made a promise "not [to] use its agricultural surpluses to impair the traditional competitive position of friendly countries by disrupting world prices of agricultural commodities."[59]

On August 13, 1955, the U. S. announced that there would be no basic change in U. S. cotton export policy before 1956. Thereafter, there might be, "within narrow limits, a subsidization of certain low grade cotton carefully administered to avoid disturbing world cotton markets."[60] This was an uneasy compromise between continuous attempts by the Agriculture Department to use U. S. surplus disposal policy to regain lost ground on the world market on the one hand, and the State Department's strong opposition to any such move on the other. "[I]f, for example, there was a projected cotton policy which would gravely disrupt the economy of Mexico and which, because of its effect on Pakistan and Egypt, would jeopardize the oil situation in the Middle East," Dulles wrote to Eisenhower, "then I thought there was a duty to point that fact out."[61] Only after a heated Cabinet discussion – during which Defense Secretary Charles Wilson suggested that "somebody has simply got to be squeezed out of this business" – Eisenhower decided that the United States was not going to make any attempt to restore its formerly dominant market position.[62]

As the decision to help finance the Aswan Dam was made in early December 1955, the Agriculture Department almost simultaneously reopened the question of commodity disposal policies with regard to cotton, suggesting a three year program which included import restriction measures favoring "the domestic textile industry from imports based on lower-priced cotton abroad," and a decision "to subsidize the raw cotton content of textile exports."[63] At the same time, the United States agricultural surplus disposal policy and the use of U. S. surpluses for foreign food aid – based on Public Law 480 (PL 480) – had generally come in for increased international criticism. Major countries involved in the international agricultural trade, including Canada, Australia, Argentina, the Netherlands and Denmark, gained most of the attention. There

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59 'Review of Alternative Sales Policies for CCC Owned Cotton,' n.d. enclosed in Cullen to the Members of Council on Foreign Economic Policy, 31 May 1955, *Foreign Relations of the United States, 1955–1957*, IX, 120–124.

60 Operations Coordinating Board, Progress Report on NSC 5428, 'United States Objectives and Policies with Respect to the Near East,' 2 November 1955, NSC Records, RG 273, NARA.

61 Dulles to Eisenhower, 2 August 1955, Dulles Papers, Chronological Series, Box 12, Dwight D. Eisenhower Library.

62 Memorandum of Conversation, Cabinet Meeting, 12 August 1955, Ann Whitman File, Cabinet Series, Box 5, Dwight D. Eisenhower Library.

63 Prochnow to Hoover, 'Discussion in Council on Foreign Economic Policy on an Export Subsidy for Cotton,' 5 December 1955, *Foreign Relations of the United States, 1955–1957*, IX, 161–163.

were, however, also problems with regard to Asia and the Middle East. The agricultural aid program based on PL 480 had been used "to good effect to improve our political relations with Indonesia, Pakistan, and possibly, Japan." The situation of major cotton producers Egypt and Turkey was markedly different. Both countries had been "extremely unhappy about our disposals of cotton," but they had welcomed aid through the PL 480 program in other commodities. The State Department argued that without the imminent Communist threat, the United States could probably withstand the criticism, but in these circumstances an aggressive surplus disposal policy could be fatal. "We are ... extremely vulnerable to political attack encouraged by Communists," a State Department memorandum argued, "for example, for wrecking the economies of Pakistan, India, Brazil, Turkey, and Egypt by dumping cotton, and we are vulnerable to a comparable attack with respect to the impact of our rice sales on Thailand and Burma." In a political sense, then, there was need for extreme caution with regard to rice and cotton, which from the standpoint of U. S. foreign policy were the key commodities included in the commodity surplus program.[64] This was the case Dulles laid out for Gabriel Hauge – one of Eisenhower's key advisers on economic matters – in late December 1955.

> We have been trying to build up good will with Egypt in an effort to counteract Soviet pressures in the area, to influence the settling of the Arab-Israeli dispute, and in view of Egypt's position of leadership among the Arab States. Our efforts would be gravely prejudiced by action to restrict imports of their cotton. If we restrict the ability of Egypt to sell cotton here, it will increase the need for Egypt to sell elsewhere. Cotton represents 85 percent of Egypt's exports and is its major dollar earner. Egypt exports about $16 million of cotton to the U. S. annually, half of which would be lost under the Agriculture [Department's] proposal. Egypt has increased its cotton exports to the Soviet Bloc recently because its traditional free world markets have reduced their cotton imports. We believe, therefore, that the proposed action would markedly increase the orientation of Egypt toward the Soviet Bloc. The importance of Egypt, in relation to Mid-Eastern oil, and Africa, needs, I think, no elaboration here.[65]

Meanwhile, the Soviet economic offensive in the Middle East only seemed to accelerate. Biweekly reporting on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" was begun in early 1956. In the second half of February alone, the Soviet Bloc was reported to have agreed to deliver several complete industrial plants to countries in the Middle East and South Asia. Hungary was constructing a power station in Egypt, the East Germans were

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64 Kalijarvi to Hoover, 'Political Impact of Disposal Policies,' 8 December 1955, *Foreign Relations of the United States, 1955–1957*, IX, 164–165.

65 Dulles to Hague, 'Comments on the Agriculture Department Proposal for Section 22 Action on Extra Long Staple Cotton,' 30 December 1955, *Foreign Relations of the United States, 1955–1957*, IX, 167–168.

setting up chemical laboratories in Cairo and helping in the construction of a sugar factory. The Soviet Union had offered traditionally pro-Western Lebanon Soviet technical assistance in the fields of road construction, irrigation, transportation, and communications, in a barter trade for Lebanese products.[66]

In mid-April Dulles told C. D. Jackson that this "economic competition is terribly serious, and frankly, I don't know the answer." Dulles did not think there was an adequate formula to counter the centrally planned Soviet trade offensive by means available to Western countries restricted by the market mechanisms and pricing conventions of the world economy. The price of Egyptian cotton was in this sense just part of a bigger picture.

> One of the reasons that it is so serious is that ever since the dawn of industry – that is, for several hundred years – the West has had a real monopoly on industrial products, and it set what it called world price on those products, and the underdeveloped areas just had to pay that price. Today, for the first time in industrial history, there is a new and potentially tremendous industrial center - the Soviet Union - which has announced that it is prepared to compete. I know that the Western industrial nations compete among themselves, but this Russian competition is a different kind of competition. The Western industrial nations all have certain economic common denominators. There is such a thing as a profit. There are interest rates. There are all kinds of commonly accepted rules and techniques which establish not only a certain uniformity of trading procedures, but also a fairly narrow price range – which is why I said earlier that to the underdeveloped world this looks like a monopoly, and as you know, nobody likes to buy from a monopoly if he can help it. So these underdeveloped countries are very pleased to see this new competition spring up. It satisfies both their emotions and their pocketbooks. This new competitor, because of his economic setup, which includes slave labor, does not play according to any of the rules. If an interest rate is 5%, he can offer 2%. If he takes some Egyptian cotton in payment for some arms from Czechoslovakia, he doesn't have to worry about the Liverpool Cotton Exchange when he wants to unload his cotton.[67]

The domestic scene offered no respite for Dulles or Eisenhower in this respect. The U. S. textile industry – with the support of the National Cotton Council representing the growers and handlers of raw cotton – issued statements that increased imports of cotton would constitute a serious menace to its own welfare and also to the domestic market for raw cotton. The Eisenhower Administration could find no support for this contention in "the available

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66 Working Group on Sino-Soviet Bloc Economic Activities in Underdeveloped Areas, Economic Intelligence Committee, 'Biweekly Report: Sino-Soviet Bloc Economic Activities in Underdeveloped Areas,' 5 March 1956 (classification 'secret'), Ann Whitman File, Administration Series, Box 12, 'Dodge, Joseph M. 1954–56 (1),' Dwight D. Eisenhower Library

67 Notes on meeting between John Foster Dulles and C. D. Jackson on April 14, 1956, in Jackson to Luce, 16 April 1956, C.D. Jackson Papers, Box 69, 'Log-1956', Dwight D. Eisenhower Library.

evidence,"[68] but that did not stop the U. S. House of Representatives from passing a resolution calling for import quotas and price regulation intended to "re-gain a fair share of the world cotton market." Dulles wrote to Eisenhower that if enacted into law, this motion could "seriously injure the economies of Mexico, Brazil, Turkey, Pakistan, Peru, Egypt and other countries, and hence would jeopardize our relations with them."[69] In the end, the State Department had to agree to the reduction of the import quota for extra long-staple cotton, which had a direct effect on Egyptian exports to the United States.[70] The measure was mild compared to what had been suggested, but it did constitute a marked breach in the idea of development through free trade, carried out despite State Department opposition.

The Failure of the Aswan Dam Plan and World Economic Policy

The Eisenhower Administration had pinned great hopes on the Aswan Dam not only in terms of foreign aid policy, but also for developing better cooperation with Egypt in trying to solve the pressing problems of the Middle East. By January 1956, the Eisenhower Administration had decided to make one more effort to get the Anglo-American 'Alpha' peace plan started between Egypt and Israel. Former Deputy Defense Secretary Robert Anderson was chosen as Eisenhower's special emissary to conduct secret negotiations in Cairo and Tel Aviv. Dulles was willing to offer Egypt support for its continued "hegemony of the Arab countries," and to promise to freeze the Baghdad Pact to its present membership. Along with the Aswan Dam, Dulles told Anderson that another project which "might be hinted at was that if good relations continued and developed between the Arab States and the West, this would undoubtedly call for paralleling the Suez Canal with another canal which could be financed by the oil companies and could increase Egypt's revenues."[71] In discussions with the British in mid-January, State Department officials went so far as to show "a disposition to favor a long-term policy of encouraging Arab unity under Egyptian leadership."[72]

Negotiations in Cairo between the Egyptian Government and a World Bank delegation headed by the Bank's President Eugene Black began on January 28

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68 Council on Foreign Economic Policy, Subcommittee on Cotton, 'United States Policy Regarding Import Restrictions and Export Subsidies on Cotton,' 20 April 1956, *Foreign Relations of the United States 1955–1957*, IX, 179–182.

69 Dulles to Eisenhower, 'Section 203 of HR 10875,' 18 May 1956, Dulles Papers, Chronological Series, Box 13, Dwight D. Eisenhower Library.

70 Rockwell to Rountree, 'Import Quota for Extra Long Staple Cotton,' 3 April 1959, State Department Lot File 61 D 43, Office Files Relating to Middle Eastern Affairs, 1958-1959, Box 14, RG 59, NARA.

71 Memorandum of Conversation, Eisenhower, Dulles, and Anderson, 11 January 1956, Dulles Papers, White House Memoranda Series, Box 4, 'Meetings with the President, January 1956 through July 1956 (6),' Dwight D. Eisenhower Library.

72 Shuckburgh to Foreign Office, 14 January 1956, FO 371/121270 V1041, PRO.

and on February 9, 1956, the negotiating parties made a joint statement affirming that "substantial agreement had been reached concerning the basis of the Bank's participation ... in the financing of the exchange cost of the High Dam project, in an amount equivalent to $200 million." In late February 1956 Eisenhower wrote to Nasser that "the present time may offer the best opportunity to work out a settlement which will make it possible for the United States to give increasing assistance in achieving the aspirations of the Arab people."[73]

Anderson, who had already had preliminary talks in January, returned to Egypt and Israel to get Nasser and Israeli Prime Minister David Ben-Gurion to move closer to agreement on the crucial features of the Anglo-American plan. That plan remained based on Israeli area concessions in the Negev desert in return for the Arab recognition of Israel, and removal of all economic boycott measures against Israel, including the blockade of the Suez Canal. Western powers would provide compensations for the Palestinian refugees. The result of the Anderson mission was a huge disappointment for Eisenhower. "It is a very sorry situation," he noted in his diary. "To both Ben-Gurion and Nasser, Anderson held out every pledge of assistance and association that the United States could logically make in return for a genuine effort on the part of both to obtain a peace." Anderson had made "no progress whatsoever." Nasser was not willing to consider a meeting with the Israelis. On the other side, Israeli officials had indicated willingness to talk with Egypt, but they were "completely adamant in their attitude of making no concessions whatsoever to obtain a peace."[74]

The British were now hoping for a full reversal of policy against Nasser, who seemed inclined to pursue ever closer economic ties with the Soviet Union. Nasser was also suspected of having far-flung plans to end all British influence in the Middle East, and create a unified Arab state with Egypt and Nasser himself as its leader. The British aggressiveness was intensified when the young Jordanian King Hussein dismissed the long-standing British commander of the Arab Legion, General John Bagot Glubb on March 1, 1956.[75] Eden believed that Nasser was behind Glubb's dismissal. He compared the Egyptian leader with Mussolini, and told the Foreign Office to "consider reoccupation of Suez as a move to counteract the blow to our prestige which Glubb's dismissal means."[76] In a meeting with Guy Mollet, the new Socialist Prime Minister of France, Eden found the French in an equally irritated mood. Mollet blamed France's problems in Algeria on Nasser's designs. "What we now saw in North Africa was the alliance between Pan-Slavism and Pan-Islam," Mollet told Eden.

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73 Burns, William J., *Economic Aid and American Policy toward Egypt, 1955–1981* (Albany: State University of New York Press, 1985), 55, 70–71.

74 Eisenhower Diary, 8 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, 'Diary, March 1956,' Dwight D. Eisenhower Library; Eisenhower Diary, 13 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, Dwight D. Eisenhower Library.

75 Burns, *Economic Aid and American Policy toward Egypt*, 65–66.

76 Shuckburgh Diary, 3 March 1956, Shuckburgh, 340–343; See also Rhodes James, Robert, *Anthony Eden* (London: Weidenfeld and Nicolson, 1986), 432–433, 446–447.

"All this was in the works of Nasser, just as Hitler's policy had been written down in *Mein Kampf*."[77] After that meeting, Eden was "quite emphatic that Nasser must be got rid of."[78] The Eisenhower Administration seemed inclined to follow this line of argument to a considerable extent, and Arthur Radford, the chairman of the Joint Chiefs of Staff, affirmed that arms were apparently passing from the Egyptians into French North Africa through Libya.[79]

Radford brought up the possibility of the United States joining the Baghdad Pact in order to strengthen pro-Western Arab governments against the spread of Nasser's influence. "If the U. S. does not join the Baghdad Pact," Radford told Eisenhower, "there are signs the Pact may disintegrate."[80] Dulles thwarted any such idea based on his conviction that British dominance had diminished the Pact's credibility beyond repair. "The trouble was that the British have taken it over," Dulles explained to Eisenhower, "and run it as an instrument of British policy – that has drawn upon it a tremendous amount of criticism."[81] By the summer of 1956 the State Department was ready to acquiesce in a gradual loss of interest and vitality in the military aspects of the Pact, although "should it fall apart suddenly amid public charges that the US had failed to support the Pact, seriously adverse effects on our influence and prestige in the area would ensue."[82]

The need to counter the ambitions Nasser was believed to be harboring nevertheless remained a major question for the Eisenhower Administration, and it began to receive more and more publicity in the American press. As early as February, *Washington Post* columnist Drew Pearson pointed to the new Egyptian constitution which proclaimed Egypt "an integral part of the Arab nation," and argued that "Premier Nasser" planned "building up an Arab super-state" dominated by Egypt and stretching from the Atlantic coast to the Persian Gulf.[83] Vera Micheles Dean, the research director of the New York based Foreign Policy Association, wrote in the *Christian Century*, a mainstream protestant newspaper, that Nasser was a leader who wanted to modernize his country with aid from the West, but hoped "to use his strengthened position to challenge the West in the Muslim world, from French North Africa to Kenya."[84]

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77 Quoted in Kyle, Keith, *Suez* (London: Weidenfeld & Nicolson, 1991), 115.
78 Shuckburgh Diary, 12 March 1956, Shuckburgh, *Descent to Suez*, 346.
79 Memorandum of Conversation, Eisenhower, Radford, and other members of the Joint Chiefs of Staff, 16 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, 'Goodpaster, March 1956,' Dwight D. Eisenhower Library.
80 *Ibid.* Admiral Arthur Radford, Chairman of the Joint Chiefs of Staff, continued to push Eisenhower to that direction. See Memorandum of Conversation, Eisenhower, Dulles, Hoover, Allen, Rountree, Wilson, and Radford, 28 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, 'Diary, March 1956,' Dwight D. Eisenhower Library.
81 Telephone Conversation, Eisenhower and Dulles, 7 April 1956, Ann Whitman File, Eisenhower Diary Series, Box 11, Dwight D. Eisenhower Library.
82 State Department Policy Planning Staff memorandum, 'US Policy in the Middle East,' 18 July 1956, State Department Decimal File 611.80/7–1856, RG 59, NARA.
83 Pearson, Drew, "18 Tanks Feared Going To Egypt," *Washington Post*, 23 February 1956, 39.
84 Dean, Vera Micheles, "Anti-Westernism: Cause and Cure," *The Christian Century*, 9 May 1956, 576–578.

These fears were fuelled by the increased cooperation between oil-rich Saudi Arabia and Egypt. Drew Pearson had hinted in his column in February that collusion between Nasser's political agenda and Saudi financial strength could have a devastating effect on the Western position in the area. On April 21 these fears seemed warranted as Egypt, Saudi Arabia, and Yemen signed an agreement on a five-year military alliance. "What we are up against in the Middle East is a triple threat: Saudi money, Egyptian propaganda and Communist organization," Under Secretary of State Loy Henderson told Henry Luce a few days later.[85] A State Department Policy Planning Staff assessment was less dramatic, but expressed similar concern about the consequences of the Czech-Egyptian arms deal, which had provided Egypt "a dramatic diplomatic victory over the West," and enabled Nasser to acquire "unprecedented Egyptian influence in the other Arab states." Nasser had seized the leadership of Arab nationalism, substantially abetted by Saudi money. His success was considered obvious, as Syria, Saudi Arabia and Yemen had become linked to Egypt by treaties providing for a common military command under an Egyptian general.[86]

Eisenhower agreed that Nasser was evidently developing "aggressive plans" and seeking recognition as the political leader of the Arab world. He wondered whether any other area leader could be built up to challenge Nasser's growing stature in the Middle East. "Moreover," Eisenhower continued, "the Arabs, absorbing major consignments of arms from the Soviets, are daily growing more arrogant and disregarding the interests of Western Europe and the United States in the Middle East region."[87] In late March, a high level meeting at the White House decided on the new so-called 'Omega' policy with regard to Egypt. It was a clear move to a more confrontational position. There would be no export licenses for arms shipments to Egypt, no decision on the continuation of the PL 480 agricultural aid, and no conclusion of the Aswan Dam negotiations. If this proved insufficient to move Nasser toward a more pro-Western policy, the Omega plan also contemplated that "planning should be undertaken at once with a view to possibly more drastic action in the event that the above courses of action do not have the desired effect." On the other hand, the new policy also sought to "avoid any open break which would throw Nasser irrevocably into a Soviet satellite status and we would want to leave Nasser a bridge back to good relations with the West if he so desires."[88]

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85 Henderson quoted in Luce to Jackson, 21 April 1956, C. D. Jackson Papers, Box 71, 'Luce,' C. D. Jackson Papers.

86 State Department Policy Planning Staff Memorandum, 'Current US Policy in the Middle East,' 17 May 1956, enclosed in Bowie to Rountree, 'Middle East Paper for NSC Planning Board,' 24 May 1956, State Department Decimal File 611.80/5-2456, RG 59, NARA.

87 Eisenhower Diary, 8 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, 'Diary, March 1956,' Dwight D. Eisenhower Library; Eisenhower Diary, 13 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, Dwight D. Eisenhower Library; Eisenhower Diary, 28 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, 'Diary, March 1956,' Dwight D. Eisenhower Library.

88 Dulles to Eisenhower, 'Near Eastern Policies,' 28 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, 'Diary, March 1956,' Dwight D. Eisenhower Library;

As Nasser's reputation dwindled in the American public opinion, it became correspondingly more difficult for the Eisenhower Administration to offset the political pressures deriving from the tensions between Egypt and Israel on the one hand, and the dealings between Egypt and the Soviet Union on the other. Already in October 1955, a few weeks after the Czech-Egyptian arms deal, Dulles had feared the difficulty of handling the political situation in the United States, "if the pro-Jewish lobby were to join with the extreme anti-Communist lobby in urging support for Israel against the 'Communist-aided' Egyptians and Arabs."[89] By February 1956, the Eisenhower Administration was engaged in a struggle to fight off demands by the major Jewish organizations, pro-Israeli Congressmen, and the Israeli Government aimed at pressuring the Eisenhower Administration to provide arms for Israel to counter Soviet shipments of arms to Egypt.[90] In early March, Dulles met with Abba Eban, the Israeli Ambassador, and criticized Israel for what he considered a "political campaign being waged by Israelis" in the United States against the Eisenhower administration, including "the paid advertisements, the mass meetings, the resolutions, the demands of Zionist organizations, [and] the veiled threats of domestic political reprisals."[91] The State Department tried to circumvent the problem by making it clear to all major NATO allies – Britain, France, Italy and Canada – that the U. S. decision not to supply weapons to Israel "should not be taken as United States opposition to other friendly Western powers doing so."[92] There was not much enthusiasm among the U. S. allies, but the French finally answered to American call in May after the United States agreed to a temporary interruption of the NATO aircraft program in France in order to complete the delivery of Israel's planes.[93]

Eisenhower and Dulles tried to quiet the increasingly pro-Israeli and anti-Egyptian sentiment by appealing directly to Jewish leaders. Dulles told Fred Lazarus, the owner of Federated Department Stores and Eisenhower's personal friend, that "the Zionist groups should know that the meetings and other forms of public pressure which they engage in make it more difficult for this

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John Gaddis has argued that the aim of the new U. S. policy was to drive a 'wedge' between Egypt and the Soviet Union by clearly showing U. S. resolve to severe relations in the event of close Egyptian-Soviet intercourse. While this idea is clearly present in the U. S. policy in the spring of 1956, it is questionable whether this 'wedge strategy' actually amounted to a consistent new policy. See Gaddis, John Lewis, *The Long Peace: Inquiries into the History of the Cold War* (New York: Oxford University Press, 1987), 192.

89 Shuckburgh Diary 26 October 1955, Shuckburgh, *Descent to Suez*, 292–293.

90 Kyle, *Suez*, 98; On themounting pressure against the Eisenhower Administration to provide arms for Israel, see Alexander, Charles C., *Holding the Line: The Eisenhower Era, 1952–1961* (Bloomington: Indiana University Press, 1976), 173ff.

91 Memorandum of Conversation, Dulles and Eban, 2 March 1956, *Foreign Relations of the United States, 1955–1957*, XV, 276–281.

92 Allen to Dulles, 'Latest Developments in the Near East – Your Discussion with the President, April 16, 1956,' 16 April 1956, State Department Decimal File 780.00/4-1656, RG 59, NARA; Kyle, *Suez*, 99–100.

93 Kyle, *Suez*, 117–118. Dulles to Eisenhower, 3 May 1956 (from Paris), Ann Whitman File, Dulles-Herter Series, Box 7, 'Dulles, Foster, May '56,' Dwight D. Eisenhower Library.

government to do things which it would like to do because the Arabs would then feel that the Zionists run American foreign policy."[94] Eisenhower argued to Abba Hillel Silver that the pro-Israeli political campaign was useless, if it was thought that the Administration would back off because of upcoming Presidential elections. "I was not going to be influenced at all by political considerations," Eisenhower declared to Silver, "and that if doing what I thought right resulted in not being elected, that would be quite agreeable to me."[95]

The anti-Communist denouncements of Egypt gained strength after Egypt recognized the Beijing government of the People's Republic of China on May 16, 1956. A week later Nasser was reported to be planning a visit to China. It has been argued that these moves considerably hardened the Administration's attitude toward Nasser, but relations with Mao's government were not a matter of principle for either Dulles or Eisenhower. It entered, however, a potentially explosive ingredient into the matter in a U.S. domestic political context. The Administration's agreed on public position was that the recognition of the Beijing government "was an action we regret," and the United States did not "look with favor upon such action."[96] Egypt was the first country to recognize the Mao Government after the Korean War, but Dulles doubted that there would be any mass Arab recognition of Communist China, although Syria was likely to take action following Egypt. For Dulles, the question was of minor importance, and he privately pointed out that such U. S. allies as Pakistan had long since recognized Communist China. "Of course, Israel also recognizes Red China," he reminded his old friend Arthur Dean.[97]

Despite increasingly adverse press reports, the State Department's Office of Intelligence and Research maintained as late as July 1956 that "despite increasingly close ties, the Egyptian government has maintained its freedom of action and is in no sense a Soviet satellite." The Soviet Bloc had not been given any privileges that were not also enjoyed by the West. "Egyptians remember their recent hampering dependence on the British Commonwealth for cotton purchases and arms," the report concluded, "and they are reluctant to substitute the U.S.S.R. for Britain in the equation."[98]

The re-evaluation Egypt's international position nevertheless had a marked effect on the U. S. policy on U. S.–Egyptian development cooperation. "The primary purpose would be to let Colonel Nasser realize that he cannot cooperate as he is doing with the Soviet Union and at the same time enjoy most-favored-

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94 Memorandum of Conversation, Dulles and Lazarus, 'U. S. Policy in the Middle East,' 17 April 1956, State Department Decimal File 611.80/4-1756, RG 59, NARA.

95 Memorandum of Conversation, Eisenhower, Dulles, and Silver, 26 April 1956, Dulles Papers, White House Memoranda Series, Box 4, Dwight D. Eisenhower Library.

96 Telephone Conversation, Dulles, and Rountree, 22 May 1956, Dulles Papers, Telephone Conversations Series, Box 5, Dwight D. Eisenhower Library.

97 Dulles to Dean, 25 May 1956, Dulles Papers, Chronological Series, Box 13, Dwight D. Eisenhower Library.

98 Quoted in Brands, H. W., *The Specter of Neutralism: The United States and the Emergence of the Third World*, (New York: Columbia University Press 1989), 267.

nation treatment from the United States," was the new U. S. policy line on Egypt adopted in late March 1956. The order to convey that message, the United States and Britain would "continue to delay the conclusion of current negotiations on the High Aswan Dam." At the same time, the United States continued to delay any decisions on the future of the American agricultural aid offered through the PL 480 program.[99]

As the Aswan Dam plan now seemed on the verge of coming apart, the prospect of a working world economic policy was becoming equally dim. UN Ambassador Henry Cabot Lodge tied it all together, and began arguing for a United Nations multilateral program as the one basis for international economic policy which might yet save the Middle East. "If we do not gain and hold the initiative in the field of economic aid," Lodge wrote, "our position in the Middle East will be jeopardized because it will appear in those countries that the Soviets have us on the run and that our present programs are a rear-guard action. This would, of course, endanger our stake in the Middle East, with all that that implies, as regards petroleum, etc." Lodge assured Humphrey that the U. S. could control such a UN program and that "capable Americans could be placed at the top of its administration." Key for Lodge was that it should be done under the aegis of the United Nations "in order to avoid having it look like mere cold war debating tactics."[100]

Lodge's initiative was a modified version of the long-standing initiative for a 'soft loan' development aid organization. The idea of a Special United Nations Fund for Economic Development (SUNFED) had originated in a report by a group of experts appointed by Secretary General Trygve Lie to study "Measures for the Economic Development of Underdeveloped Countries." The recommendation of that report sought establishment of an international fund to make grants to the governments of developing countries. The United States had consistently opposed such a 'soft loan' fund under the auspices of the United Nations,[101] but in the spring of 1956 U. S. advocates of a multilateral fund made a serious try to turn that idea into an acceptable alternative for U. S. international economic policy.

In late March 1956, Francis Wilcox, the Assistant Secretary of State for United Nations affairs, made the issues very clear.

> The Case for SUNFED. 1. The underdeveloped countries want SUNFED.... It is entirely understandable that they should be devoted to SUNFED. They would be partners in the allocation and distribution of aid rather than dependent recipients; they could avoid the political

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99 Dulles to Eisenhower, 'Near Eastern Policies,' 28 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, 'Diary, March 1956,' Dwight D. Eisenhower Library.

100 Lodge to Humphrey, 19 March 1956, RG 59 - General Records of the Department of State, Misc. Lot Files, Lot File 60 D 113, 'Office Files of Francis O. Wilcox, 1954–57, Box 4, 'SUNFED'

101 State Department Memorandum, 'United States Position Paper on the Special United Nations Fund for Economic Development", 23 June 1955, *Foreign Relations of the United States 1955–1957*, IX, 338–340.

> entanglements they believe to be implicit in bilateral aid; by institutionalizing aid they could assure continuity. Moreover they value the UN. It has given them prestige and position. It is their forum. They want to strengthen the UN by giving it an active positive role in promoting economic and social welfare. By withholding support for SUNFED, we have been thwarting the underdeveloped countries in the realization of an important aspiration...
>
> The Case Against SUNFED. 1. We provide aid on a bilateral basis. We control the funds; we determine the priorities. The recipient knows that we are the source of aid. When our funds are merged in the common pool, our contribution loses its identity, and such good will as the aid creates is directed toward the United Nations rather than to us.[102]

Lodge did his best to sway the Eisenhower Administration to support a multilateral aid policy, and he devised a plan to use the World Bank as a means to exert more U. S. control over the use of funds – an issue that had been used to great effect by those Administration members opposed to SUNFED. Lodge stressed that the plan for 'UN Multilateral' was in this sense markedly dissimilar from SUNFED. The Lodge plan for 'UN Multilateral' specifically provided that no project would go into effect without the approval of the World Bank, which guaranteed "that we [the United States] would retain a large measure of control." Another major question was that the Soviets seemed to gain better political results with less money, and Lodge saw a chance for the United States to get more credit for its aid by operating through the United Nations."The important question as far as economic aid abroad is concerned is not 'how much' but 'how?,'" Lodge wrote. The aim of 'UN Multilateral,' he argued, was "to spend what we do spend differently, exercising actual control, but gaining all the credit which comes from helping an apparently unselfish international program which supplies no cover for penetration."[103]

Dulles did his best to move the opponents of any multilateral program – most importantly George Humphrey and Joseph Dodge – toward a more positive attitude.

> I certainly agree that we must manage our foreign economic aid in such ways as will best serve our national interest. No element of foreign policy could possibly be built on any other premise. At the present time it is vitally important that the impulse towards economic development in many lands should neither be channelled in directions prejudicial to our security nor frustrated so as to make the aspiring peoples easy prey to the illusory promises of those hostile to us. Our capabilities of furthering our

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102 Wilcox to MacArthur, 'Arguments for and against SUNFED', 30 March 1956, *Foreign Relations of the United States 1955–1957*, IX, 372–377.

103 Lodge to Eisenhower, 11 May 1956, State Department Lot File 60 D 113, Office Files of Francis O. Wilcox, 1954–57, Box 4, RG 59, NARA; Lodge to Wilcox, 10 July 1956, RG 59 – General Records of the Department of State, Misc. Lot Files, Lot File 60 D 113, Office Files of Francis O. Wilcox, 1954–57, Box 1, 'Ambassador Lodge, 1956,' NARA, College Park, MD, USA.

> objectives along this line by sheer argument or diplomatic intervention are limited. For this reason, among others, we have resorted to economic programs of both bilateral and multilateral in nature. We have achieved some measure of success and have obtained much credit and goodwill from both types of programs. The increasing impatience of many Afro-Asian peoples to achieve rapid economic development and their corresponding receptivity to the new Soviet tactics have made it all the more urgent that we seek the instruments or methods most likely, on the one hand, to build internal political and economic institutions oriented toward the free world and, on the other, to imbue in these countries the desire and the will to resist Communist subversion.[104]

By mid-April, however, the battle for a world economic policy had begun to look like a losing battle. Paul Hoffman told Dulles that Joseph Dodge's chairmanship at the Council on Foreign Economic Policy was "the 'kiss of death' for any imaginative economic program."[105] Dulles was losing his hope too. "The really effective axis in Washington today is the Humphrey - Dodge axis, and Dodge's committee - another one of those coordinating things - is a disaster as far as getting any of the things I want done," he complained to C. D. Jackson.[106] The proceedings related to the Administration's foreign aid legislation in Congress seemed to prove that to be correct. In the summer of 1956, Congress slashed $1 billion off Eisenhower's aid budget. Congress was in an "ugly mood," it was noted at the time, and the decision practically made the Administration's plans for major expansion of an international aid policy disintegrate.[107]

As those crucial budget decisions approached in the summer of 1956, the Aswan Dam plan became once again embroiled in the general controversy over international aid policy. After the reorientation of U. S. policy toward Egypt in March, it was agreed between Dulles and British Foreign Secretary Selwyn Lloyd that the United States and Britain "should keep the Egyptians in play, though our ultimate intention is to let the project 'languish.'"[108] However, the Anglo-American offer remained formally in force, and the State Department was willing to leave the door open to an accommodation with Nasser. "We are utilizing suitable means and opportunities to convey to Nasser our dissatisfaction with present trends of Egyptian policy and action," a Policy Planning Staff memorandum noted in late May. "Should he [Nasser] show a

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104 Dulles to Humphrey, April 16, 1956, *Foreign Relations of the United States 1955–1957*, IX, 377–378.

105 Memorandum of Conversation, Dulles and Hoffman, 9 April 1956, Dulles Papers, General Correspondence and Memoranda Series, Box 1, 'E through I,' Dwight D. Eisenhower Library.

106 Notes on meeting between John Foster Dulles and C. D. Jackson on April 14, 1956, in Jackson to Luce, 16 April 1956, C.D. Jackson Papers, Box 69, 'Log-1956', Dwight D. Eisenhower Library.

107 Cook, Blanche Wiesen, *Declassified Eisenhower: A Divided Legacy* (Garden City: Doubleday, 1981), 313.

108 Shuckburgh, Foreign Office minute, 7 May 1956, FO 371/119055 JE 1422/191, PRO.

disposition to modify these trends in ways acceptable to us, we are prepared to explore the bases for a lasting accommodation with him."[109]

In late June, this possibility seemed far-fetched as it was reported that Egypt had received an offer from the Soviet Union to finance the Aswan Dam. George Humphrey, the fierce opponent of the Anglo-American offer, noted characteristically that he was happy about the Soviet offer, hoped the Egyptians would take it, and called it the best thing that could have happened from the U. S point of view.[110] However, the situation did not develop as many had anticipated. The visit to Egypt by Soviet Foreign Minister Dmitri Shepilov did not lead to a Soviet proposal to build the dam, and the Egyptian representatives came back to the British and Americans saying they would agree to the Anglo-American proposal on the original terms and withdraw their own counter proposals. Dulles was surprised, and told the Egyptians that the United States was not in a position to deal with this matter because of the uncertain legislative situation. He also mentioned that U. S. views on the merits of the plan had altered.[111]

"We were moving in the direction of wondering whether we could go ahead with the project on the present scale," Dulles told British Ambassador Roger Makins on July 13. The project had begun to appear too big for Egypt to carry out, and, more alarmingly, a threat had emerged that the Congress might add a specific note to the appropriations legislation disallowing the use of budget funds for the Aswan project.[112] Three days later the Senate Appropriations Committee report on the aid act for fiscal year 1957 was released with exactly the kind of directive that had been feared.

> The committee directs that none of the funds provided for in this act shall be used for assistance in connection with the construction of the Aswan Dam, nor shall any of the funds heretofore provided under the Mutual Security Act as amended be used on this dam without prior approval of the Committee on Appropriations.[113]

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109 State Department Policy Planning Staff Memorandum, 'Current US Policy in the Middle East,' 17 May 1956, enclosed in Bowie to Rountree, 'Middle East Paper for NSC Planning Board,' 24 May 1956, State Department Decimal File 611.80/5-2456, RG 59, NARA.

110 Memorandum of Conversation, NSC Meeting, 28 June 1956, Ann Whitman File, National Security Council Series, Box 8, Dwight D. Eisenhower Library; See also Allen Dulles to Foster Dulles, 'Shepilov's Visit to Egypt', 27 June 1956, *Foreign Relations of the United States 1955–1957*, XV, 751–4; Makins to FO, 15 June 1956, FO 371/119055 JE 1422/199, PRO; Shuckburgh Diary, 20 June 1956, Shuckburgh, *Descent to Suez*, 356–358; Kyle, *Suez*,127.

111 Memorandum of Conversation, Eisenhower and Dulles (S), 13 July 1956 (Gettysburg), Dulles Papers, White House Memoranda Series, Box 4, Dwight D. Eisenhower Library.

112 Memorandum of Conversation, Dulles and Makins, 'Aswan Dam,' 13 July 1956, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs, 1956–62, Box 2, RG 59, NARA; For Makins' report of the meeting, see Roger Makins to FO, 13 July 1956, FO 371/119056/JE 1422/229G, PRO.

113 U. S. Congress, Senate, Committee on Appropriations, *Hearings: Mutual Security Act of 1957* (Washington, D. C.: United States Government Printing Office, 1957), 23–25; Burns, *Economic Aid and American Policy toward Egypt*, 87.

The Aswan Dam plan, which was intended as a ground-breaking precedent for a major revision of United States foreign aid policy, had thus become a possible precedent for Congress curtailing the operational freedom of the Executive Branch in its aid policy. The *New York Times* reported that the Senate Appropriations Committee had "flatly ordered the Eisenhower Administration to spend no mutual security money on the Aswan High Dam in Egypt."[114] Calling Senator William Knowland, the leading Republican on the Senate Appropriations Committee, Dulles said he was "pretty sure we are not going ahead [with the Aswan Dam plan] but think it is a grave constitutional question as to the right of any committee to direct that nothing should be done without approval of a committee." In a meeting with the Senate leadership, Eisenhower and Dulles emphasized the need to maintain Executive freedom of action in foreign policy.[115]

In agreement with the British Government,[116] Dulles decided to move quickly to cancel the Anglo-American offer of the previous December to finance the building of the High Aswan Dam. On July 19, Dulles presented his decision to the Egyptian Ambassador Ahmed Hussein. He emphasized the economic burden that the huge construction project would inflict upon Egypt, but he was blunt about the impact of U. S. domestic policy on the Administration's final decision. Dulles blamed the Egyptian policy for the change in rank and file attitudes in the United States against Egypt. Dulles could only lament that no single project in the Mutual Security Program was so unpopular as the Aswan Dam. He admitted that this lack of popularity of the Dam project derived in part from opposition by those envisaging "a possible increase in Egyptian cotton production in competition with American cotton growers." However, Dulles attributed the difficult situation primarily to a widespread feeling that the Egyptian Government "was working closely with those hostile to us who sought to injure us wherever they could." In all, it had become doubtful whether the Administration "could obtain funds from Congress to carry out the work even if the Executive Branch wished to do so ..."[117]

In a meeting with C. D. Jackson the following day, Dulles tried to think positively about the situation. "Nasser [is] in a hell of a spot, and no matter what he does it can be used to U. S. advantage," he asserted. If Nasser were to turn to the Soviets for finance, and they declined, that would mean trouble for the

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114 Quoted in Burns, *Economic Aid and American Policy toward Egypt,* 87-88.

115 *Ibid.*, 88–89.

116 For the British view, see the Cabinet minutes of the British Cabinet Meeting, 17 July 1956, CAB 128/30 C.M. 50(56)2, PRO; Foreign Office to Makins, 19 July 1956, FO 371/119056 JE 1422/230, PRO.

117 Memorandum of Conversation, Dulles, Hussein, Hoover, Allen, and Rountree, 'High Aswan Dam,' 19 July 1956, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1953–1964, Box 5, RG 59, NARA; For Makins' report to the British Foreign Office on the Dulles-Hussein meeting, see Makins to FO, 19 July 1956, FO 371/119056 JE 1422/242, PRO.

credibility of the Soviet economic offensive in Asia and Africa. If the Soviets agreed to give Egypt the financing it needed, then the United States could use that in its political warfare in Eastern Europe, by raising the question of "why their living conditions are so miserable with the Soviets dishing out hundreds of millions to Egypt which the satellites have sweated out."[118]

In the end, however, Dulles could not hide his disillusionment. "Well, if we hadn't turned the Egyptians down yesterday, Congress would have turned them down today," he said to Jackson and admitted that he viewed "World Economic Policy as an Administration failure."[119] When Eisenhower wanted Dulles to rethink whether the U. S. withdrawal from the Aswan Dam project could properly be deemed 'abrupt,' Dulles made clear the lack of any alternative in the face of Congressional opposition.

> The Senate Appropriations Committee had already passed a resolution directing that there should be no support for the Aswan Dam without the approval of the Committee - an action which, while it was probably not constitutional, indicated a Congressional attitude, in the face of which it would have been impossible to finance the Dam. If I had not announced our withdrawal when I did, the Congress would certainly have imposed it on us, almost unanimously. As it was, we retained some flexibility.[120]

The Western powers were aware that an adverse reaction by Egypt was likely to occur. A U.S.- French meeting contemplated the possibility that Nasser might eject the American Point IV Mission from Egypt.[121] Archibald Ross, who led the Middle Eastern section of the Foreign Office, had warned in June that the withdrawal of the Aswan Dam offer could "jeopardize our considerable financial and economic interests in Egypt and particularly in the Suez Canal."[122] Nasser's defiant speech in Cairo on July 24 gave an indication of what would follow.

> We will not permit the dollar to rule us.... No imperialist will ever be able to hook us politically, economically, or militarily.... Let the West swallow its frustration, Egypt is going ahead with the High Dam. You can make false announcements from Washington; we announce that if these statements are based on the belief that Egypt's economy is not sound – that is a tragedy.... But if these statements are misleading, then

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118 C. D. Jackson Diary (Log), 20 July 1956, C. D. Jackson Papers, Box 69, 'Log – 1956,' Dwight D. Eisenhower Library.

119 *Ibid.*

120 Dulles to Eisenhower, 15 September 1956, Dulles Papers, Chronological Series, Box 14, Dwight D. Eisenhower Library.

121 Allen to Hoover, 24 July 1956, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs, 1956-62, Box 2, RG 59, NARA.

122 Kyle, *Suez*,126; Trevelyan to Watson, 23 June 1956, FO 371/119055 JE 1422/211; Ross, 'High Aswan Dam', 22 June 1956, FO 371/119057 JE 1422/269.

> the tragedy is bigger, especially coming from a country that is the so-called leader of the Free World and which calls for freedom.[123]

Two days later, in a marathon speech that lasted well over two hours, Nasser announced the nationalization of the Suez Canal Company.[124]

It was ironic that only a day before the withdrawal of the Aswan Dam offer, the State Department Policy Planning Staff had argued that "the field in which the West, and particularly the U.S., can compete most effectively with the Soviet bloc is economic development - the prerequisite of the better conditions of life desired by the area's people."[125] A few days after the nationalization of the Suez Canal Company, Eisenhower expressed his frustration not only about the current crisis, but also about the failed international economic policy which he saw behind the troubles. "One of the frustrating facts of my daily existence is the seeming inability of our people to understand our position and role in the world and what our own best interest demands of us," he wrote in a letter to his old friend Swede Hazlett. He could only wonder at the number of people who thought of securing American welfare through higher tariffs, and who failed to see the "absolute necessity" of creating a more equitable international economic order. The Americans had been able to reform their domestic economic order in that direction – now it was time to duplicate that internationally.[126]

> Many years ago someone wrote a little novel or story, the central theme of which was that the rich owner of a factory could not forever live on top of the hill in luxury and serenity, while all around him at the bottom of the hill his workmen lived in misery, privation and resentment. In comparatively recent years we learned this lesson nationally. As a result, we have the greatest middle class in the world because there is practically nobody in the lowest or 'edge of starvation' group. Now we must learn the same lesson internationally - and once having learned the lesson we must study the best ways to bring about better standards for the underdeveloped nations. It cannot be done by grants, it will not be the result of any one specific action. We must pursue a broad and intelligent program of loans, trade, technical assistance and, under current conditions, mutual guarantees of security. We must stop talking about 'give aways.' We must understand that our foreign expenditures are investments in America's future.... Unless we are careful to build up and maintain a great group of international friends ready to trade with us,

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123 Excerpts of Nasser's Speech in Cairo, 24 July 1956, included in Allen to Hoover, 24 July 1956, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs, 1956–62, Box 2, RG 59, NARA.

124 Burns, *Economic Aid and American Policy toward Egypt,* 100.

125 State Department Policy Planning Staff Memorandum, 'U.S. Policy in the Middle East,' 18 July 1956, State Department Decimal File 611.80/7–1856, RG 59, NARA.

126 Eisenhower to Hazlett, 3 August 1956, Ann Whitman File, Name Series, Box 18, 'Hazlett, Swede,' Dwight D. Eisenhower Library.

> where do we hope to get all the materials that we will one day need as our rate of consumption continues and accelerates?[127]

It was characteristic for Eisenhower that this was the perspective from which he chose to view the Suez Crisis. "[A]t least you will see that in the approach to such great difficulties as the Suez Crisis," Eisenhower concluded his letter to Hazlett, "there is a great need for keeping in the back of the mind the understanding of these broader, long-term issues in the international world."[128]

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127 *Ibid.*
128 *Ibid.*

'Leadership': Decolonization and the Suez Crisis, 1956

> [I]f we were not now prepared to assert our leadership in this cause, leadership would certainly be seized by the Soviet Union....[B]asically we had almost reached the point of deciding today whether we think the future lies with a policy of reasserting by force control over the less developed nations, or whether we will oppose such a course of action by every appropriate means.... It is nothing less than tragic that at this very time, when we are on the point of winning an immense and long-hoped-for victory over Soviet colonialism in Eastern Europe, we should be forced to choose between following in the footsteps of Anglo-French colonialism in Asia and Africa, or splitting our course away from their course.[1]
>
> John Foster Dulles at a NSC Meeting, 1 November 1956

Decolonization and U. S. Leadership

"The success of American foreign policy in the non-white areas of the world," John Foster Dulles wrote in the summer of 1955, "has long rested upon the confidence of the peoples in those areas in our basic and unshakeable devotion to the right of peoples to a government of their own choosing under law, and to the dignity and freedom of the individual. To the extent that we appear to abandon or compromise these principles, to that extent we run the risk of alienating the great mass of mankind which is non-white and non-European."[2] By late 1955, it had become a wide-spread feeling within the Eisenhower Administration that this dilemma accounted for much of the trouble the United States was encountering in the Middle East.

In January 1956, the Cairo Embassy suggested a declaration of self-determination to re-establish the position of the United States as a champion of anti-colonial causes by "dramatically associating the United States with the principal philosophic and political goals of the people of Africa and Asia." In the Middle Eastern context, as Chargé d'Affaires Parker Hart described the

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1 Memorandum of Conversation, NSC Meeting, 1 November 1956, Ann Whitman File, National Security Council Series, Box 8, Dwight D. Eisenhower Library.

2 Dulles to Holmes, 18 July 1955, Dulles Papers, Subject Series, Box 6, 'North African Survey, 1955,' Dwight D. Eisenhower Library.

Embassy proposal, such a declaration was considered likely to be a prerequisite in any effort to "establish common grounds within which our objectives and those of the people of the area could be harmonized and thus to bar [to] the Soviets one of their principal weapons in their campaign in the newly independent and colonial territories."

> It is often said that Americans are the real 'revolutionaries' in the present era. If the Western States have the courage to act as revolutionaries in this as yet uncommitted area of the world, we need have no fear of the Soviets, for it is we who have the political and economic means to lead this area if we will only use them to develop a free world, whose peoples are held together not by formal documents but by a common and deeply rooted admiration expressed in mutual cooperation in reaching each other's goals.[3]

Dulles had shown similar eagerness to capture the initiative in the colonial question. In the fall of 1955 he began developing the idea of a "Bandung Conference in reverse," where the colonial and former colonial powers would "get together in a dramatic way to lay out an independence program." This kind of idea, he emphasized, "would capture the imagination of the peoples of the world if it were handled right" and "enable us to take the initiative away from the Soviets and Communists in this matter."[4] Dulles talked his old friend and future Secretary of State Dean Rusk into taking a planning assignment as head of an informal high-level study group at the Council for Foreign Relations in New York, and by late 1955 Dulles had persuaded British Foreign Secretary Harold Macmillan to give a vague promise to create a parallel group in Britain under the auspices of the Chatham House.[5]

In a meeting in late December, Rusk and Robert Bowie – director of the State Department's Policy Planning Staff – were able to agree on the dual nature of the colonial problem. First, there was the problem of the colonial areas, largely limited to Africa, but that was of limited importance compared to the problem as seen in the wider North-South context.

> The second problem is the larger and more pressing one of relations with the uncommitted areas. Here the issue of colonialism is only a part of a picture in that it colors the attitudes of these [Asian and African] nations

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3 Hart to State Department, 'Recommendations as to United States Policy in the Middle East,' 11 January 1956 (No.748), State Department Decimal File 611.80/1-1156, RG 59, NARA.

4 Dulles to Hoover, 23 November 1955, Dulles Papers, Chronological Correspondence Series, Box 12, 'November 23–30, 1955 (1),' Dwight D. Eisenhower Library; For the development of the idea of 'Bandung in reverse,' see Memorandum of Conversation, Dulles and Lange, 25 October 1955, Dulles Papers, Subject Series, Box 6, 'Policy of Independence for Colonial Peoples, 1955–1958,' Dwight D. Eisenhower Library; Memorandum of conversation, Dulles and Macmillan, 10 November 1955, Dulles Papers, Subject Series, Box 6, 'Policy of Independence for Colonial Peoples, 1955–1958,' Dwight D. Eisenhower Library.

5 Telephone conversation, Dulles and Rusk, 21 November 1955, Dulles Papers, Telephone Conversations Series, Box 4, Dwight D. Eisenhower Library; Telephone Conversation, Dulles and Rusk, 28 December 1955, Dulles Papers, Telephone Conversations Series, Box 4, Dwight D. Eisenhower Library.

> toward the United States both because of their own past and because of their strongly held views on the emancipation of presently dependent territories. The problem is a very immediate one now because of the success which the Russians have had in this area.... Colonialism is not the only issue here. What is involved is the whole complex of relationships with free Asia and Africa, and their effect on our position in relation to the Soviet bloc.[6]

This was the message that Rusk brought to the first meetings of the study group. It was now self-evident, Rusk noted, that colonialism had become "a divisive element between the United States and the peoples of Asia, the Middle East and Africa." Although the United States had played "a crucial role" in securing the independence countries like India, Indonesia and the Philippines, in the view of many of the Asian and African countries the United States remained "solidly linked" with the European colonial powers. George McGhee – former Assistant Secretary of State for Middle Eastern affairs – argued that there were two distinct elements in the problem that had to be isolated. The first one was the aspect of racial superiority assumed by the West, the second one was the actual Western superiority in material terms. Both factors contributed to a sense of inferiority among Asians and Africans bordering "almost pathological sensitivity," McGhee claimed. It was difficult for Americans to escape from criticism, because "the two aspects of, first, a sense of superiority, and second, a real economic and military superiority, have ... been mixed up." Even if the Americans, as McGhee saw it, did not "participate in the feeling of social or racial superiority," the weight of American cultural achievements was also "tinged, in their view, by the shade of Kipling."[7] In all, the study seemed to agree that the colonial question had begun to color the whole spectrum of United States relations with its "North Atlantic Allies, on the one side, and the Arab-Asian-African bloc on the other."[8]

In the course of 1956, the emergence of the United States as a target for rising anti-Westernism in Asia and Africa gradually became an item for public discussion as well. Vera Micheles Dean of the Foreign Policy Association disagreed with those who related the growth of anti-Westernism and anti-Americanism directly to Communist propaganda. "Have all these people – devout Muslims like the Arab leaders and Western-trained sophisticates like Nehru – become victims of communist propaganda?" she asked. Dean argued that although the Americans found it difficult to believe anti-Westernism could exist and flourish without the help of communism, this was "the harsh reality

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6 Memorandum of Conversation, Rusk and Bowie, 'The Question of Colonialism,' 30 December 1955, Records of Study Groups, Vol LXII, Colonialism (1955/56), Council on Foreign Relations Archives, Harold Pratt House, New York.

7 Discussion Meeting Report, Council on Foreign Relations Study Group, 'Colonialism,' 24 January 1956, Records of Study Groups, Vol LXII, Colonialism (1955/56), Council on Foreign Relations Archives, Harold Pratt House, New York.

8 Agenda for the Meeting on 8 February 1956, Council on Foreign Relations Study Group, 'Colonialism,' 8 February 1956, Records of Study Groups, Vol LXII, Colonialism (1955/56), Council on Foreign Relations Archives, Harold Pratt House, New York.

we must face in Asia, the Middle East and Africa ... The Russians did not need to lift a finger, fire a gun or spend a single ruble to foment anti-Westernism in Egypt or Saudi Arabia, in Indonesia or Jordan." She argued that the "essence" of anti-Westernism was resistance to the assumption that Western civilization was superior to all others, and represented a norm which should be the ideal goal of Asians, Arabs and Africans. In Dean's opinion, to avoid defeat "in the new cold-war phase of "competitive coexistence," the United States now had to display modesty and "stop long enough to hear from the Arabs and Indians, the Africans and Indonesians, just what it is that they find unpalatable about the West and what they think might constructively be done to improve our mutual relations." By so doing, Dean concluded, it was still possible to seek common ground based on "westernization without arrogance."[9]

This search for a new approach was echoed within the Administration. In May 1956, Under Secretary of State Herbert Hoover, Jr. stressed to Henry Luce that there existed a fundamental difference between the U. S. and British approaches to Asia and Africa. "The British approach to the problem of developing resources in backward countries is basically different from the American," Hoover said. "They believe that political influence (domination) is essential. The U. S. on the other hand proceeds in a genuine partnership basis through private enterprise."[10] A month later, UN Ambassador Henry Cabot Lodge wrote a letter to Eisenhower "occasioned by the recent rather spectacular Soviet strides in the Near East - notably Syria, Lebanon, Egypt and Yemen." Lodge lamented that the United States as a nation, was not appealing to the young people in the world. "In countries as far apart as France and Japan there is evidence that the young people think that we are supporting outgoing regimes – the Colonel Blimps," he noted. In order to counteract this trend Lodge recommended taking a much stronger anti-colonial position in world affairs. "The colonial powers have really nowhere else to go," he argued, and tried to convince Eisenhower that the youth of the world could be "made to like the United States without its costing us a nickel – merely a different policy position, a somewhat different line of talk."[11]

After the Egyptian Government nationalized the Suez Canal Company on July 26, 1956, the divergent U. S. and British views were easily noticeable. Both the British and the French Governments were ready for immediate military action. "Regardless of international legal aspects," the British argued, the Western powers now had to consider possible economic, political, and military measures

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9 Dean, Vera Micheles, "Anti-Westernism: Cause and Cure," *The Christian Century*, 9 May 1956, 576–578.

10 Parentheses as in the source text. Hoover quoted in Luce to Jackson, 29 May 1956, C. D. Jackson Papers, Box 91, 'Luce,' Dwight D. Eisenhower Library.

11 Lodge to Eisenhower, 'New Anti-Colonial Statement by You,' 26 June 1956, State Department Lot File 60 D 113, Office Files of Francis O. Wilcox, 1954–57, Box 1, 'Ambassador Lodge, 1956,' RG 59, NARA.

against Egypt.[12] The French Position was equally tough. "We are not confronted with [a] juridical question but [a] political one," the Mollet Government told the Americans. If Nasser succeeded with the support of the Soviet Union, that would affect the entire Western position in the Middle East and North Africa, making it useless for France to continue fighting in Algeria. When Douglas Dillon, the U. S. Ambassador to France, met with Mollet, the French Prime Minister picked up a copy of Nasser's book *The Philosophy of Revolution*, which he had on his desk, and called it "a perfect parallel to *Mein Kampf*." If Nasser could get away with the nationalization, Mollet concluded, "all Western positions in the Middle East and North Africa will be lost within the next 12 months."[13]

Dulles' position was decidedly different. He was careful to distinguish between the takeover of a company concession – an issue of property rights – and the possible breach of the international convention defining the rights of navigation in the Suez Canal. He told the British Ambassador Roger Makins on July 30 that "[t]he United States government thought it necessary to distinguish between the Suez Canal Convention of 1888, which was concluded in perpetuity, and the Canal Company concession, which had been granted for a fixed term." Only possible infractions of the Convention could serve as an appropriate base for forceful action. The termination of the Suez Canal Company concession was another matter. "We fully agree that Suez Canal Company, its shareholders and employees should be fairly treated," Dulles cabled to London, but this did not affect the broad policy considerations involved. As long as there was "no interference with the navigation of the canal, and no threats to foreign nationals in Egypt," he declared to Makins, "there was no basis for military action."[14]

Eisenhower recognized British anxiety over possible loss of their international position through other Middle Eastern countries challenging British interests in the area. Armed intervention, however, could not be justified on those terms. Only if Egypt were to turn to the use of force, a military intervention might be "justified before world opinion."[15] A very different view was taken by members of the Joint Chiefs of Staff in a meeting with Eisenhower. Arleigh Burke – the Navy representative in the Joint Chiefs of Staff – held that Nasser must be broken, by economic or political means if possible, or by backing the British in military action if necessary. Eisenhower

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12 Foster (from London) to Dulles, 27 July 1956, Ann Whitman File, Dulles-Herter Series, Box 7, Dwight D. Eisenhower Library.

13 Dillon (from Paris) to Dulles, 31 July 1958, Ann Whitman File, Dulles-Herter Series, Box 7, Dwight D. Eisenhower Library; Foster to Dulles, 29 July 1956, Ann Whitman File, Dulles-Herter Series, Box 7, Dwight D. Eisenhower Library.

14 Makins to Lloyd, 30 July 1956, PREM 11/1098, PRO; Dulles to U. S. Embassy in London, 30 July 1956, Ann Whitman File, Dulles-Herter Series, Box 7, Dwight D. Eisenhower Library; On the legal aspects involved, see especially Bowie, Robert, *Suez 1956: International Crisis and the Rule of Law* (New York: Oxford University Press, 1974).

15 Memorandum of Conversation, Eisenhower, Hoover, and Murphy, 28 July 1956, Ann Whitman File, Dulles-Herter Series, Box 7, Dwight D. Eisenhower Library.

rejected that idea, referring to the stature of Nasser as a symbol of the African and Asian demands for "slapping the White Man down." Military action against Egypt could accordingly have grave repercussions for the United States position "from Dakar to the Philippines."[16] In effect, it was Dulles' position which defined the course of U. S. policy. "We believe we should proceed on a more moderate though firm basis designed to bring about a stable and technically adequate administration of [the] Canal and to bring this about through pressures other than an Anglo-French ultimatum which could be misinterpreted as being motivated by factors other than the Canal problem itself," Dulles reported to London. If the Egyptian Government should refuse to negotiate or should reject reasonable internationally accepted proposals, there would be a broader basis for different types of pressure, without the added burden of charges that the United States was "backing French and British for purposes not directly related to [the] operation of Canal."[17]

When Dulles arrived in London for the Tripartite Conference on the Suez Canal, this was the message that he presented. "A way had to be found to make Nasser *disgorge* what he was trying to swallow," Dulles told the British and the French. If a military operation were needed to achieve that, it would be necessary to first create "a world opinion so adverse to Nasser that he would be isolated." In those conditions, a possible military operation would have "less grave repercussions than if it had been undertaken precipitately."[18] This was the line that Dulles took in the following International Conference on the Suez Canal in London, attended by 22 countries, including the Soviet Union, and the major neutralist countries of Asia. The strategy of building up an international consensus around the principle of freedom of navigation through the Canal seemed to work, and the United States was able to persuade – importantly – a good number of Asian and African countries to back the U. S. proposal to this effect. "The big achievement was that we got four Asian-African countries – Ethiopia, Iran, Pakistan and Turkey – to introduce as their own the United States proposal with some very nominal amendments," Dulles reported to Eisenhower at the break-through point of the Conference, "so they are now definitely committed to our program, and the program becomes not just a Western program but one with Asian and African support." The United States was able to get 18 of the 22 attending countries to support the proposals with only the Soviet Union, India, Indonesia, and Ceylon not joining in. "This is a more impressive result than we had anticipated," Dulles wrote. The only disappointing aspect was that the Soviet Union continued charging the United States with devising the plan as "a maneuver of colonialism" designed to reimpose Western control over Egypt. Dulles could only lament that the Soviet

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16 Memorandum of Conversation, Eisenhower, Hoover, Burke, and others, 31 July 1956, Ann Whitman File, Eisenhower Diary Series, Box 16, Dwight D. Eisenhower Library.

17 Dulles to U. S. Embassy in London, 30 July 1956, Ann Whitman File, Dulles-Herter Series, Box 7, Dwight D. Eisenhower Library.

18 Dulles quoted in Kyle, *Suez*, 159.

statement would be widely circulated throughout the Arab world, and make it "difficult for Nasser now ... to accept our program unless it is heavily disguised." In his opinion, the Soviet policy revealed the intent to prevent a settlement and to "become themselves dominant in the Arab world, by bribing it into hostility toward the West which will make the Arabs ever more dependent upon the Soviet Union."[19]

Even if Dulles celebrated the successful conclusion of the London Conference, he was aware that a major section of the British Cabinet still favored military intervention. Dulles considered Macmillan and Salisbury the most influential activists, both "thoroughly imbued with the tradition of British greatness."[20] Dulles told Eisenhower that he could not see any end to the situation that might be created if the British and the French really went ahead and occupied the Suez Canal and parts of Egypt.

> They would make bitter enemies of the entire population of the Middle East and much of Africa. Everywhere they would be compelled to maintain themselves by force and in the end their own economy would be weakened virtually beyond repair and the influence of the West in the Middle East and most of Africa lost for a generation, if not a century. The Soviet Union would reap the benefit of a greatly weakened Western Europe and would move into a position of predominant influence in the Middle East and Africa.[21]

Eisenhower made the same case in a letter to Eden in early September. He emphasized that there was no divergence between American and British estimates regarding Nasser's ambitious intentions and purposes. Eisenhower made it nevertheless equally clear that he did not agree with the assumptions that the British had about the probable effects in the Arab world of the various possible Western measures.

> I believe that as this quarrel now stands before the world, we can expect the Arabs to rally firmly to Nasser's support in either of two eventualities. The first of these is that there should be a resort to force without thoroughly exploring and exhausting every possible peaceful means of settling the issue, regardless of the time consumed, and when there is no evidence before the world that Nasser intends to do more than to nationalize the Canal Company. Unless it can be shown to the world that he is an actual aggressor, then I think all Arabs would be forced to support him, even though some of the ruling monarchs might very much like to see him toppled. The second would be what seemed like a

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19 Dulles to Eisenhower, 21 August 1956 (from London), Ann Whitman File, Dulles-Herter Series, Box 7, Dwight D. Eisenhower Library.

20 Kyle, Keith, *Suez* (London: Weidenfeld & Nicolson, 1991); Memorandum of Conversation, NSC Meeting, 30 August 1956, Ann Whitman File, National Security Council Series, Box 8, Dwight D. Eisenhower Library.

21 Memorandum of Conversation, Eisenhower and Dulles, 30 August 1956, Dulles Papers, White House Memoranda Series, 'Meetings with the President, August-December 1956 (6),' Box 4, Dwight D. Eisenhower Library.

> capitulation to Nasser and complete acceptance of his rule of the canal traffic.... There are Arab rivalries to be exploited and which can be exploited if we do not make Nasser an Arab hero.[22]

In early September, Dulles devised a plan for an international Suez Canal Users Association (SCUA) to be set up to oversee Canal operations. Eden adopted the plan, but presented it to Parliament in a manner which Dulles considered inappropriately "bellicose."[23] In mid-September Dulles received a critical note on the SCUA plan from the Indian Prime Minister Jawaharlal Nehru, prompting an immediate reply. Dulles admitted that a difference of opinion existed as to just what Egypt's rights were with respect to the Canal. He nevertheless maintained that the Treaty of 1888 created "what we lawyers would call an 'easement' across Egyptian territory and the right to use is, in fact, internationalized." However, Dulles explicitly promised Nehru that as far as the United States was concerned, "there would be no attempt to impose forcibly upon Egypt any international regime that does not have the backing of the United Nations."[24]

In early October, Dulles decided to come out in the open, and make a public statement about the differences between the U. S. and British outlook. "There is some difference in the approaches to the Suez Canal problem," he noted in a press conference in London.

> That difference relates perhaps to some rather fundamental things. In some areas the three nations are bound together by treaties, such as the Atlantic pact area.... In those [areas] the three [Britain, France, and the United States].... stand together. Other problems relate to other areas and touch the so-called problem of colonialism in some way or other. On these problems the United States plays a somewhat independent role.[25]

Moreover, Dulles stated, the United States could not be expected to "identify itself 100 per cent either with the colonial Power or the Powers uniquely concerned with the problem of getting independence as rapidly, and as fully, as possible." The objective of the United States was "to see that this process moves forward in a constructive, evolutionary way, and does not come to a halt or go

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22 Eisenhower to Eden, 9 September 1956, FO 800/726, 'Messages between the PM and the President and the Secretary of State and Mr Dulles, July 26, 1956 – November 12, 1956, Suez,' PRO.

23 Memorandum of Conversation, Dulles' briefing on Suez situation with members of the Senate Foreign Relations Committee, 27 September 1956, Dulles Papers, Subject Series, Box 7, 'Suez Problem, July-Nov. 1956, Feb.-Mar. 1957 [6],' Dwight D. Eisenhower Library; For a detailed account on the background of the SCUA Plan, see Kyle, *Suez*, 223-230, 254–260.

24 Dulles to Nehru, 16 September 1956, Dulles Papers, Subject Series, Box 7, 'Suez Problem, July-Nov. 1956, Feb.-Mar. 1957 [7],' Dwight D. Eisenhower Library; On Nehru's views, see Gopal, Sarvepalli, "India, the Crisis and the Non-aligned Nations," in Louis, Wm. Roger and Owen, Roger (eds.), *Suez 1956: The Crisis and Its Consequences* (Oxford: Clarendon Press, 1989).

25 Dulles' press conference statements on 2 October 1956, as reported in *New York Times*, 3 October 1956, 8.

forward through violent, revolutionary processes."[26] The perspective from which the United States policy in the Suez Crisis was unfolding, was now plain to see.

Influence, Force, and World Order

The U. S. opposition to military intervention did not mean that the Eisenhower Administration had no sympathy for the predicament of France and Britain. Dulles could relate to the Anglo-French belligerency, noting that it was tough to oppose their views, "since, after all, the British and the French would be finished as first-rate Powers if they didn't somehow manage to check Nasser and nullify his schemes."[27] In early September, Dulles told a group of Congressmen that the reason behind British anxiety was that they felt "that if Nasser gets away with it, it will start a chain of events in the Near East that will reduce the U.K. to another Netherlands or Portugal in a very few years." Dulles also acknowledged that the French for their part felt that they were already at war with Nasser in North Africa, and under those circumstances there was some merit in extending that war "to the real heart of opposition, namely Cairo."[28]

The Eisenhower Administration had, moreover, not been averse to contemplating the possibility of U. S. military intervention, if that represented the only means for safeguarding the flow of oil from the Middle East to Western Europe. In April 1956, Dulles had told British Ambassador Roger Makins that "if fighting came about after every effort had been exhausted to find a peaceful solution of the Middle East problem, which would not deprive Britain and Western Europe of the oil of the area ... we would find, in one way or another, a way to be with you."[29] In July, a State Department Policy Planning Staff memorandum noted in a similar vein that the United States could not accept the loss of Western access to Middle East oil resources. This contingency was considered a very remote possibility, because that would require a concerted effort by all of the major Middle East producing centers to withhold oil from the West. "Should such concerted action nevertheless become possible and imminent and should diplomatic measures to avert it fail," the policy paper nevertheless concluded, "we should have to support, and very probably

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26 Dulles' press conference statements on 2 October 1956, as reported in *The Times*, 3 October 1956.

27 Kyle, *Suez*, 209.

28 Memorandum of conversation, Dulles' meeting with Congressional representatives, 6 September 1956, Dulles Papers, Subject Series, Box 7, 'Suez Problem, July-Nov. 1956, Feb.-Mar. 1957 [7],' Dwight D. Eisenhower Library.

29 Memorandum of Conversation, Dulles and Makins, 13 April 1956, Dulles Papers, White House Memoranda Series, Box 4, Dwight D. Eisenhower Library; For Eisenhower's concurrence with this view, see Memorandum of Conversation, Eisenhower and Dulles, 16 April 1956, Dulles Papers, White House Memoranda Series, Box 4, Dwight D. Eisenhower Library.

participate in, Western military action to remedy that failure."[30] In the immediate aftermath of the nationalization of Suez Canal Company, Eisenhower had equally "stressed the importance to Europe of free transit of the Canal to provide the necessary supplies of oil."[31] But as noted earlier, the United States took the position that there was no basis for military action as long as there was no Egyptian interference with movement of ships through the canal.[32]

The question of possible covert action was a distinct issue as far as there existed a possibility that the Western hand could remain hidden. The White House meeting on the 'Omega' program in March 1956 had urged planning "with a view to possibly more drastic action" for the contingency that Egypt could not be persuaded to change its course through political and diplomatic measures.[33] By July, the State Department was already considering the overthrow of Nasser in more detail, but the conclusion that was reached went against any covert action.

> We should find the cost of overthrowing Nasser prohibitive. Should we attempt to displace the well-entrenched Nasser regime, our hand could hardly remain hidden, particularly if – as is not improbable – it were necessary to instigate and support an uprising in Egypt. Our involvement in Nasser's overthrow would confirm throughout the Arab and Asian areas widespread suspicion of our imperialist intentions. Moreover, unless we are prepared to re-impose direct, although perhaps camouflaged, Western control in Egypt, there is little prospect that Nasser would be succeeded by a stable, pro-Western government.[34]

This was also essentially the position taken by Eisenhower against CIA action after the nationalization of the Canal Company, although he did not rule out a future covert operation, once the Suez controversy had been removed from the focus of international political attention.[35] However, while Dulles worked hard to deter the British and French from implementing their plans for military intervention, he began simultaneously to make references to the possibility of a

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30 State Department Policy Planning Staff Memorandum, 'US Policy in the Middle East,' 18 July 1956, State Department Decimal File 611.80/7-1856, RG 59, NARA.

31 Memorandum of Conversation, Cabinet Meeting, 27 July 1956, Ann Whitman File, Cabinet Series, Box 7, Dwight D. Eisenhower Library.

32 Makins to Lloyd, 30 July 1956, PREM 11/1098, PRO; Dulles to U. S. Embassy in London, 30 July 1956, Ann Whitman File, Dulles-Herter Series, Box 7, Dwight D. Eisenhower Library.

33 Dulles to Eisenhower, 'Near Eastern Policies,' 28 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, 'Diary, March 1956,' Dwight D. Eisenhower Library; Thomas Paterson has interpreted this phrase as indicating the possibility of covert action to remove Nasser from power, see Paterson, Thomas G., *Meeting the Communist Threat: Truman to Reagan* (New York: Oxford University Press, 1988), 170–171.

34 State Department Policy Planning Staff Memorandum, 'US Policy in the Middle East,' 18 July 1956, State Department Decimal File 611.80/7–1856, RG 59, NARA.

35 Ambrose, Stephen E. with Immerman, Richard H. as associate, *Ike's Spies: Eisenhower and the Espionage Establishment* (Garden City: Doubleday, 1981), 239–241; Memorandum of Conversation, Eisenhower's Meeting with Legislative Leaders, 12 August 1956, Legislative Meetings Series, Box 2, 'Legislative Leaders Meeting 1956 (4),' Dwight D. Eisenhower Library.

joint Anglo-American political warfare unit designed to destabilize and depose the Nasser regime by combining diplomatic denouncements and economic sanctions with covert support to domestic opposition. The timeframe for Nasser's downfall, Dulles suggested to the British Foreign Secretary Selwyn Lloyd, could be as short as six months.[36]

Dulles' efforts to turn British belligerency into a longer-term covert operation against Nasser did little to change the British attitude.[37] "There is no doubt in our minds that Nasser, whether he likes it or not, is now effectively in Russian hands, just as Mussolini was in Hitler's," Eden wrote Eisenhower in early October. "It would be as ineffective to show weakness to Nasser now in order to placate him as it was to show weakness to Mussolini."[38] Dulles could only note that neither the British nor the French believed there was any peaceful way of finding a solution, and both argued that use of force was the only means available to restore Western prestige in the Middle East and Africa. "I said I thought it would be just the contrary," Dulles reported to Eisenhower after meeting with Selwyn Lloyd and the French Foreign Minister Christian Pineau. "I concluded that all of Africa, the Middle East and Asia would be inflamed against the West and that Soviet Russia would have an easy time to pick up the pieces."[39] It was somewhat paradoxical that the British military leadership had strongly advocated restraint in dealing with the Middle East. In May 1956 a Joint Planning Staff memorandum stated that "[i]n an age of rising nationalism the concept of the British serviceman as our best ambassador is out of date." The memorandum argued that measures to attain Cold War requirements could not and should not be based on military force. A war, whatever its result, would only further Communist aims. The prevention of even a limited war in the Middle East was therefore considered "of the utmost importance."[40] In the fall of 1956, the military planners were told by the Eden Cabinet that while Britain's "ultimate purpose was to place the Canal under international control, our immediate objective was to bring about the downfall of the present Egyptian Government."[41]

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36 Kyle, *Suez*, 254–257; Macmillan, Harold, *Riding the Storm, 1956–1959* (London: Macmillan, 1969), 136. For U. S. covert plans with respect to Egypt and especially Syria in 1956, see also Gorst, Anthony, and W. Scott Lucas, "The Other Collusion: Operation Straggle and Anglo-American Intervention in Syria, 1955–56," *Intelligence and National Security* 4 (1989), 584–591.

37 Dillon to Dulles, 'Estimate of Objectives Sought by Macmillan and Salisbury,' 19 September 1956, Dulles Papers, Subject Series, Box 7, 'Suez Problem, July-Nov. 1956, Feb.-Mar. 1957 [6],' Dwight D. Eisenhower Library. Eden to Eisenhower,6 September 1956, FO 800/726, PRO; Memorandum of Conversation, Dulles and Alphand, 27 September 1956, Dulles Papers, General Correspondence and Memoranda Series, Box 1, 'A through D (1),' Dwight D. Eisenhower Library; Adamthwaite, Anthony, "Suez Revisited," in Dockrill, Michael, and Young, John W. (eds.), *British Foreign Policy 1945–56* (Basingstoke: Macmillan 1989).

38 Eden to Eisenhower, 1 October 1956, FO 800/726, PRO.

39 Dulles to Eisenhower, 6 October 1956 (from New York), Ann Whitman File, Dulles-Herter Series, Box 7, Dwight D. Eisenhower Library.

40 Joint Planning Staff Report, "United Kingdom Requirements in the Middle East," 10 May 1956, enclosed in Chiefs of Staff Committee, Minutes of Meeting, 15 May 1956, COS (56) 50, DEFE 4/86, PRO

41 Cabinet Memorandum quoted in Reynolds, David, *Britannia Overruled: British Policy and World Power in the Twentieth Century* (London: Longman, 1991), 204.

Eisenhower and Dulles nevertheless tried to keep up the pressure on Britain and France to delay military operations. In mid-October, on the eve of a session of the UN Security Council, Eisenhower predicted that "if the United States could just keep the lid on a little longer, some kind of compromise plan could be worked out for a settlement of the Suez problem."[42] After France and Britain had agreed to the U. S. proposal regarding the set of principles on which to negotiate with Egypt, Eisenhower went so far as to announce on TV that "it looks like here is a very great crisis that is behind us."[43] A day later, the UN Security Council did indeed pass a resolution on the six general principles for settling the Suez Canal question.

It soon became evident, however, that the situation was far from resolved. Within days of the UN Security Council decision – partly due to the overflights of U2 reconnaissance aircraft which had just entered service – Eisenhower was informed of the heightened Israeli military readiness. High definition pictures taken by U2s also revealed the number of French-produced jet fighters in Israeli bases to be closer to 60 than to the 24 mentioned in official reports and U.S. assessments. The Israeli jet fighters, Eisenhower remarked wryly in his diary, seemed to have "a rabbitlike capacity for multiplication."[44] Dulles had already noted in September that the Suez Canal crisis had resulted in upsetting the balance of power which had helped to maintain a precarious peace between Israel and the Arab states. "The deterrents to Israeli military action have in several instances already disappeared," Dulles argued, and there was "growing evidence of a more belligerent Israeli mood."[45]

After the Israeli army struck across the Jordanian border in mid-October, Eisenhower began to wonder whether these "savage blows of the Israeli border armies against the strong points within Jordan territory" indicated a tendency from the part of Prime Minister Ben-Gurion to rely on the assumption that Eisenhower would refrain from undertaking any U. S. action because of the approaching Presidential elections in November. Eisenhower instructed Dulles to inform the Israeli government that "no considerations of partisan politics will keep this government from pursuing a course dictated by justice and international decency in the circumstances."[46]

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42 Memorandum of Conversation, NSC Meeting, 12 October 1956, Ann Whitman File, National Security Council Series, Box 8, Dwight D. Eisenhower Library.

43 Eisenhower Statement, 12 October 1956, U. S. Government, *Public Papers of the Presidents of the United States*, 1956 (Washington: United States Government Printing Office, 1957), 903.

44 Eisenhower Diary, 15 October 1956, Eisenhower, *The Eisenhower Diaries*, 330–332; Dwight D. Eisenhower, 'Memorandum for the Record,' 15 October 1956, Ann Whitman File, Eisenhower Diary Series, Box 8, 'Diary – Copies of DDE Personal (1) 1955–1956,' Dwight D. Eisenhower Library.

45 NSC Meeting, 28 September 1956, Ann Whitman File, National Security Council Series, Box 8, Dwight D. Eisenhower Library.

46 Memorandum of Conversation, 15 October 1956, Ann Whitman File, Eisenhower Diary Series, Box 8, 'Diary – Copies of DDE Personal (1) 1955–1956,' Dwight D. Eisenhower Library.

Only three days later, on October 18, Eisenhower received information from Paris that the Anglo-French preparations for an attack against Egypt were proceeding.[47] During the following week, Dulles was still holding out hope that the United States could at least "'unhook' the British from the French."[48] That possibility disappeared when the Israeli invasion of the Sinai peninsula on October 29 was followed by an Anglo-French twelve-hour ultimatum to the government of Egypt requiring, under the threat of forceful intervention, the occupation of key positions in the Suez Canal Zone by Anglo-French military forces.

In a meeting at the White House on October 30, Eisenhower immediately denounced the military intervention. He could only wonder why the British and the French had gone this far. As he saw it, the British had been practically in agreement with Egypt about the means to resolve the Suez dispute after the UN Security Council meeting. Now it appeared as if the Eden Government had decided to confront the United States with a *de facto* situation, assuming that "the U.S. could not sit by and let them go under economically," even if the United States did not approve of the intervention. Eisenhower agreed that the French and the British did not have adequate cause for war. The nationalization of the Canal Company did not justify a military intervention.[49] In fact, Eisenhower went further, arguing that "no one could question the legal right of Egypt to nationalize the Canal *Company*."[50] In all, Eisenhower did not see much value "in an unworthy and unreliable ally and the necessity to support them might not be as great as they believed."[51]

Eisenhower and Dulles were equally emphatic that the Anglo-French intervention was clearly in line with the historical record of the European empires. Dulles could only regret the identification of the United States with countries pursuing such colonial policies. He warned Eisenhower about the danger of the United States being drawn into a war in which "the British and the French might well be considered the aggressors in the eyes of the world, engaged in an anti-Arab, anti-Asian war." Eisenhower even wondered "if the hand of Churchill might not be behind this – inasmuch as this action is in the mid-Victorian style."[52] He believed that the real reason for the Anglo-French policy was simply to remove or deflate Nasser, whom the two countries

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47 Kyle, *Suez*, 310.

48 Memorandum of Conversation, 29 October 1956, White House Memoranda Series, 'Meetings with the President, August-December 1956 (3),' Dulles Papers, Dwight D. Eisenhower Library.

49 Memorandum of Conversation, Eisenhower, Dulles, and Hoover, 30 October 1956, 'United Kingdom – Misc. Paper – UK 1956; 1960 [1],' Dulles Papers, Subject Series, Box 11, Dwight D. Eisenhower Library.

50 Eisenhower to Hazlett, 2 November 1956, Ann Whitman File, Name Series, Box 18, 'Hazlett, Swede,' Dwight D. Eisenhower Library.

51 Memorandum of Conversation, Eisenhower, Dulles, and Hoover, 30 October 1956, 'United Kingdom – Misc. Paper – UK 1956; 1960 [1],' Dulles Papers, Subject Series, Box 11, Dwight D. Eisenhower Library.

52 *Ibid.*

considered the primary enemy of Western interests in the area. France especially had been "perfectly cold-blooded about the matter," in Eisenhower's opinion. "She has a war on her hands in Algeria, and she was anxious to get someone else fighting the Arabs on her Eastern flank so she was ready to do anything to get England and Israel in that affair."[53] Dulles told the British representatives in Washington that the military intervention by France and Britain was a great tragedy not only in terms of Anglo-American relations, but also with regard to the Soviet problems in Hungary and Poland. "Just when the Soviet orbit was crumbling and we could point to a contrast between the Western world and the Soviet," Dulles complained, "it now looked as though the West was producing a similar situation."[54]

Although the Suez invasion posed a problem for the United States, it quickly became apparent that the situation also opened an opportunity to exert leadership with respect to the Asian and African countries. "Now, at least as I analyze the situation," Eisenhower's adviser Carl McCardle argued, "the Asian-African bloc is with us, not only because of the fair-minded stand we have taken but because of the naked imperialist stand of our two principal allies."[55] That was almost exactly the line Dulles took at a crucial NSC meeting on November 1. After years of "walking a tightrope" between maintaining a close relationship with Britain on the one hand and trying to provide leadership for the newly independent countries on the other, Dulles said that the United States now had "reached the point of deciding today whether we think the future lies with a policy of reasserting by force control over the less developed nations, or whether we will oppose such a course of action by every appropriate means." He considered it tragic that at a time when a significant change in Eastern Europe seemed like a real possibility, the United States was "forced to choose between following in the footsteps of Anglo-French colonialism in Asia and Africa, or splitting our course away from their course."[56]

The United States took the Suez issue to the United Nations, and Eisenhower declared on television that the United States did not accept the use of force as "a wise and proper instrument for the settlement of international disputes."[57] On

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53 Dwight D. Eisenhower to Swede Hazlett, 2 November 1956, Ann Whitman File, Name Series, Box 18, 'Hazlett, Swede,' Dwight D. Eisenhower Library.

54 Memorandum of Conversation, Dulles and Coulson, 30 October 1956, State Department Decimal File 684A.86/10-3056, RG 59, NARA; British Embassy in Washington to Foreign Office, 30 October 1956, FO 800/741, PRO; On Hungary, see especially Campbell, John C., "The Soviet Union, the United States and the Twin Crises of Hungary and Suez," in Louis, Wm. Roger and Owen, Roger (eds.), *Suez 1956: The Crisis and Its Consequences* (Oxford: Clarendon Press, 1989).

55 McCardle to Dulles, 31 October 1956, Dulles Papers, Subject Series, Box 7, 'Suez Problem, July-Nov. 1956, Feb.-Mar. 1957 [5],' Dwight D. Eisenhower Library.

56 Memorandum of Conversation, NSC Meeting, 1 November 1956, Ann Whitman File, National Security Council Series, Box 8, Dwight D. Eisenhower Library.

57 Dwight D. Eisenhower, "Radio and Television Report to the American People on the Developments in Eastern Europe and the Middle East," in U. S. Government, *Public Papers of the Presidents of the United States*, 1956 (Washington D.C.: United States Government Printing Office, 1957), 1064.

November 2, in one of the last rallies before the Presidential election, Vice President Richard Nixon talked about the "second declaration of independence" in referring to the overwhelming support for the U. S. resolution at the United Nations calling for a peaceful resolution of the conflict. According to Nixon, this constituted "a worldwide vote of confidence" for the United States. "For the first time in history we have shown independence of Anglo-French policies toward Asia and Africa which seemed to us to reflect the colonial tradition. That declaration of independence has had an electrifying effect throughout the world."[58]

The top U. S. policy makers felt the United States was now standing on a moral summit. "President Eisenhower spoke at once to the American people and to the world," Dulles wrote of Eisenhower's speech, "announcing that we could not have a dual standard of conduct – one for our friends and one for our enemies – but that there was to be a world order, one set of principles had to govern all."[59] Eisenhower's landslide victory in the Presidential election on November 6, and the prompt Anglo-French deference to the United States demand of a cease-fire less than a day after Eisenhower's election further strengthened these sentiments. "Everyone in the world says that in the last six weeks the United States has gained a place she hasn't held since World War II," Eisenhower noted in mid-November. "To retain it, policies must be correct and moral."[60] Paul Hoffman agreed. "The position which you took in the Middle East crisis brought the East and West much closer together," he told Eisenhower. "You proved Kipling wrong when he said, 'Never the twain shall meet.' Another dramatic move by you and the free world will be united as it never has been before."[61]

From the Age of Empires to American Leadership?

Even the mainstream of U. S. public opinion was divided over the Eisenhower Administration's handling of the Suez Crisis. Most of the liberal press coverage nevertheless followed the lead of the *Washington Post* in denouncing the British and French action which could "fasten on the West, or at least the British-French segment, the stigma of a new and virulent form of colonialism."[62] However, for a good number of influential commentators like Walter Lippmann, George Kennan, and Stewart Alsop, the idea of the United States opposing its closest NATO allies and partners in the Cold War, was too

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58 Quoted in Finer, Herman, *Dulles Over Suez: The Theory and Practice of His Diplomacy* (London: Heinemann 1964), 397.

59 Dulles, "Thoughts on a 'Big Three' Meeting," 11 November 1956, 'Top Secret, Personal and Private,' Dulles Papers, Subject Series, Box 7, 'Think Pieces – Drafts, 1956 [1],' Dwight D. Eisenhower Library, Abilene, Kansas.

60 Quoted in Kyle, *Suez*, 527.

61 Hoffman to Eisenhower, 17 December 1956, *Foreign Relations of the United States 1955–1957*, IX, 404–405.

62 *Washington Post*, Editorial, 31 October 1956.

much to contemplate. Lippmann, the doyen of American political columnists, urged the United States to refrain from moral judgement. "However much we may wish they had not started, we cannot now wish that they should fail," Lippmann wrote of the Anglo-French military intervention. "We have fumbled on certain past occasions; and our friends have not turned against us," George F. Kennan wrote in similar vein. In his view, the Eisenhower Administration bore a heavy measure of responsibility for "the desperation which has driven the French and British Governments to this ill-conceived and pathetic action."[63] Within the Jewish community, the arguments could be – as expected – more extreme. "Cease to appease Nasser, and act realistically toward Nasserism as the Middle East equivalent to Hitlerism," declared Philip S. Bernstein, chairman of the American Zionist Committee.[64]

Eisenhower and Dulles were not moved by the public criticism. "From what I am told," Eisenhower wrote in a letter during the crisis, "Walter Lippmann and the Alsops have lots of ideas, but they are far from good – about what you would expect from your youngest grandchild."[65] Dulles, who had been hospitalized soon after the Anglo-French invasion, met with Eisenhower in the hospital on November 7, and maintained that "the British and French going into Egypt was a 'crazy act.'"[66] Four days later Dulles drafted a personal memorandum, which he later sent to Eisenhower, on the future of the Western alliance in the present international situation.

> Even a cover-up of disagreement, by an outward appearance of agreement, would gravely prejudice our position in the world and would seem to tie us to policies which will be doomed to failure and would expose the Middle East and Africa to almost certain Soviet penetration and domination. The only chance of saving these areas from Soviet domination lies in adhering to and developing recent policies of the United States and retrogression in this respect, while it might salve difficulties with the British and the French, would in the long run be tragically costly both to them and to us.[67]

The big question was how to ensure British and French cooperation with this policy and the evacuation of their troops from Egypt as soon as possible without damaging transatlantic relations beyond repair.[68] An even more urgent question

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63 Quoted in Kyle, *Suez*, 426–427.

64 Bernstein, Philip S., "What Kind of Peace Settlement for Middle East," *Foreign Policy Bulletin* 36 (15 December 1956), 52–54.

65 Eisenhower to Hazlett, 2 November 1956, Ann Whitman File, Name Series, Box 18, 'Hazlett, Swede,' Dwight D. Eisenhower Library.

66 Memorandum of Conversation, Eisenhower, Dulles, Hoover, 7 November 1956, Dulles Papers, White House Memoranda Series, Box 4, 'Meetings with the President, August 1956 through December 1956,' Dwight D. Eisenhower Library.

67 Dulles, "Thoughts on a 'Big Three' Meeting," 11 November 1956, 'Top Secret, Personal and Private,' Dulles Papers, Subject Series, Box 7, 'Think Pieces – Drafts, 1956 [1],' Dwight D. Eisenhower Library.

68 Memorandum of Conversation, Eisenhower, Dulles, Hoover, 7 November 1956, Dulles Papers, White House Memoranda Series, Box 4, 'Meetings with the President, August 1956 through December 1956,' Dwight D. Eisenhower Library.

was how to prevent Britain from going bankrupt and Western European economies in general from collapsing as a result of oil shortages caused by the Suez Crisis. As early as November 7, the British Treasury had reported that Britain had lost $85 million in its efforts to protect the pound sterling.[69] On that same day, Britain had had to order a 10 percent reduction in oil and gasoline consumption because of the oil shortage stemming from Egypt's blockade of the Suez Canal, and the cut-off of one of the Levant oil-pipelines in Syria. Saudi Arabia's decision to break off diplomatic relations with Britain and to prohibit the offloading of any ships containing oil destined for Britain or France worsened the situation further. On November 20, Harold Macmillan – then Chancellor of the Exchequer – told the British Cabinet that there was a need to cut oil consumption by as much as 25 percent. Later that day, the British government announced the beginning of compulsory gasoline rationing. Other Western European nations ordered cuts in gasoline and oil use, and France established stringent rationing on November 29, with the basic ration for automobiles being about 5 gallons monthly.[70]

After the nationalization of the Suez Canal Company, the U. S. Government had cooperated with the major international oil companies to form the Middle East Emergency Committee to perfect plans which would enable Western Europe to meet precisely those problems which could emanate from the closure of the Suez Canal and the diminution of the volume of Middle Eastern oil available to Western Europe. The plan was to effect a major rerouting of oil traffic, avoiding Middle Eastern aversion to Britain and France by moving the Middle Eastern oil round the Cape of Good Hope to South America, while releasing a similar amount of Venezuelan oil to supply Western Europe.[71]

In the immediate aftermath of the Anglo-French military invasion, however, it was difficult to put these plans into effect, because U. S. Government participation in getting oil to Europe could be regarded by the Arab nations as tantamount to U. S. support for aggression against Egypt. There was also a general feeling within the Administration that the United States should not act and assist in getting oil to the European countries until an agreement on Anglo-

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69 Treasury Meeting Notes, 7 November 1956, T 236/4189, 'Measures to Protect Sterling, Autumn 1956,' PRO.

70 OEEC, *Europe's Need for Oil: Implications and Lessons of the Suez Crisis* (Paris: Organization for European Economic Cooperation, 1957); Lucas, *Divided We Stand*, 311; Hansen (ed.), *The World Almanac and Book of Facts for 1957* (New York: New York World-Telegram and the Sun, 1957), 189.

71 Dulles' old friend from Sullivan & Cromwell, Arthur H. Dean, acted as Dulles' informal liaison in these negotiations, see Telephone Conversation, Dulles and Dean, 6 August 1956, Dulles Papers, Telephone Conversations Series, Box 5, Dwight D. Eisenhower Library; Telephone Conversation, Dulles and Dean, 7 August 1956 (11:40 a.m.), Dulles Papers, Telephone Conversations Series, Box 5, Dwight D. Eisenhower Library; Telephone Conversation, Dulles and Dean, 7 August 1956 (5:43 p.m.), Dulles Papers, Telephone Conversations Series, Box 5, Dwight D. Eisenhower Library; See also Organization for European Economic Development, *Europe's Need for Oil: Implications and Lessons of the Suez Crisis* (Paris: O.E.E.C., 1958); Kyle, *Suez*, 524.

French evacuation from the Suez Canal had been achieved.[72] The Eisenhower Administration exerted additional economic pressure by refraining from providing Britain with any financial support in its rapidly deteriorating financial situation. Help from the U. S. Government or from the international financial institutions would be forthcoming only after Britain had consented to American policy.[73]

The Eisenhower Administration was painfully aware, however, that the use of oil and dollar sanctions to get Britain and France to accept American terms for evacuation from the Suez could go too far. In mid-November, the U. S. assessment was that all of Western Europe would be in a serious situation within thirty to forty-five days, because of energy shortages.[74] A week later, Treasury Secretary George Humphrey told the NSC that Britain would face a financial crisis within ten days. "We must prevent the dissolution of Western Europe," Eisenhower emphasized. By then, however, the British had agreed to evacuation, and the major problem for the NSC was to coordinate U. S. assistance in the fields of oil and finance.[75] The Middle East Emergency Committee stepped in to begin shipments of oil. By mid-December the IMF had approved, with decisive U. S. support, a loan of $560 million Britain and reserved an additional standby loan of $740 million. A week later, a U. S. Export-Import Bank loan of $500 million was made available.[76]

Britain, France, and Western Europe in general, had been saved from economic collapse, but the manner in which the United States had used its economic power had left no doubt about the relative power positions of Britain and France *vis-à-vis* the United States. The public mood in both Britain and France was nonetheless defiant. More than 100 Conservative members of the British Parliament signed a motion on November 27 declaring that the House of Commons deplored "both the resolution of the General Assembly calling for an immediate and unconditional withdrawal of British and French troops ... and the attitude of the United States of America." French Foreign Minister Christian Pineau said on the same day that France was bitter over U.S. "aid to Nasser" although France could not "renounce American friendship or the Atlantic alliance."[77]

Following a NATO meeting in Paris in December, Macmillan was in a much sober mood when he met with Dulles. "The British action was the last gasp of a

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72 Memorandum of Conversation, NSC Meeting, 8 November 1956, Ann Whitman File, National Security Council Series, Box 8, Dwight D. Eisenhower Library.

73 Kunz, Diane B., *The Economic Diplomacy of the Suez Crisis* (Chapel Hill: University of North Carolina Press 1991), 116–152.

74 Memorandum of Conversation, Cabinet Meeting, 15 November 1956, Ann Whitman File, Cabinet Series, Box 8, Dwight D. Eisenhower Library.

75 Memorandum of Conversation, Eisenhower, Hoover, Allen Dulles, Radford, Rountree, Bowie, 21 November 1956, Ann Whitman File, Eisenhower Diary Series, Box 19, 'Diary-Staff Notes, November 1956,' Dwight D. Eisenhower Library.

76 Kunz, *The Economic Diplomacy of the Suez Crisis*, 153–185.

77 Hansen (ed.), *The World Almanac and Book of Facts for 1957* (New York: New York World-Telegram and the Sun, 1957), 189.

declining power," Macmillan stated, but "perhaps in two hundred years the United States would know how we felt."[78] Dulles could fully agree with the assessment that the world power role of the two major Western European empires seemed to be coming to a close. France was definitely "deteriorating as a great power," Dulles told Eisenhower in early December.[79] "Suez had demonstrated their incapacity to act independently as a Great Power," he reported to the President on Britain a fortnight later.[80] In the Middle East specifically, both countries had encountered a "sudden and total bankruptcy."[81] The United States, in effect, stood increasingly alone as the leader of the Western world.

The emphasis on U. S. leadership and the apparent willingness to appear as a champion of anti-colonial causes understandably prompted very different views among the British. After hearing Dulles' testimony on the Middle East before the U. S. Congress, Willie Morris of the British Embassy in Washington, argued that it was "impossible not to conclude that major elements in his thinking are a sanctimonius, subjective *moral* judgement that America would be besmirched by association with the justly tarnished reputation of the ex-colonial powers; and a *political* judgement that, simply by disassociating herself from the actions of countries who have hitherto looked after western interests in the Middle East, America can operate an effective policy in the area without acquiring the stigma of imperialism."[82] In some respects, he was not too far off the mark.

Such an effective policy was definitely what the State Department set out to create in the aftermath of the Suez Crisis. As had happened throughout the Suez Crisis, Cold War considerations heightened the urgency of U. S. initiatives. "Soviet prestige and influence, particularly in Syria and Egypt, have attained disturbing proportions," Assistant Secretary of State William Rountree wrote to Dulles, "and an excellent opportunity exists for the USSR to move politically into the vacuum which has been created by the recent and drastic decline in Western authority in the Middle East."[83] The first drafts of a long-term U. S. policy in the area duly emphasized "strong leadership and increased commitments by the United States" in carrying out an integrated program

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78 Memorandum of Conversation, Dulles and Macmillan, 12 December 1956 (Paris), Dulles Papers, General Correspondence and Memoranda, Conversation Subseries, Box 1, 'Memos of Conversation, General L-M [2],' Dwight D. Eisenhower Library.

79 Memorandum of Conversation, Eisenhower and Dulles, 3 December 1956, Dulles Papers, White House Memoranda Series, Box 3, 'White House Correspondence–General,' Dwight D. Eisenhower Library.

80 Memorandum of Conversation, Eisenhower and Dulles, 15 December 1956, Dulles Papers, White House Memoranda Series, Box 4, 'Meetings with the President, August 1956 through December 1956,' Dwight D. Eisenhower Library.

81 Dulles quoted in Jackson to Luce, 24 January 1957, C. D. Jackson Papers, Box 69, 'Log – 1957,' Dwight D. Eisenhower Library.

82 Morris to Hadow, 27 February 1957, FO 371/127741 V 10345/83, PRO.

83 Rountree to Dulles , 'U. S. Position on Middle East Problems,' 7 December 1956, State Department Decimal File 780.00/12-756, RG 59, NARA.

aimed at dislodging the Soviet Union from its foothold in the Middle East, while retaining the area resources, especially petroleum, for the West. A strong emphasis was placed on economic and social progress as paths to area stability and as means of satisfying "the legitimate aspirations of the peoples of the area."[84]

On the basis of these ideas, the State Department suggested a Middle East charter, in which both the Middle Eastern countries and the North Atlantic community would make a pledge to strengthen "the independence, security, and social and economic progress" of the Middle East. The suggested text also emphasized a determination "to resist any form of intervention or interference in the internal affairs" of Middle Eastern countries and upholding of the "inherent right of self-determination against imperialism in any of its manifestations."[85] The charter plan was thought of as a new panacea for the U. S. policy toward the Middle East. The issuance of the charter of the Middle East was to be followed by the establishment of an organization with a wide membership "extending from Pakistan to Morocco." Israel would have to be excluded from the organization, and the Baghdad Pact would be dissolved in the process. The creation of such "a more cohesive organization" might also move Egypt and Syria to "(1) either change their present policies or (2) eventually adhere to the organization in order not to fall further under Soviet domination." To underline the new U. S. commitment, the United States would publish a unilateral 'Declaration of Protection' and pledge to back the organization economically, psychologically and militarily.[86]

The plan for the Middle East charter was in many respects a logical outgrowth of the ideas concerning world order and U. S. leadership which had dominated policy discourse within the Administration during and after the Suez Crisis. It was, however, not considered a viable framework for practical policy by Dulles, although he agreed with the long-term objective of getting all the Arab states together to commit themselves to such a common program with the West. He also agreed that it was necessary to "ride a rising tide of Arab nationalism" by endorsing the Arab efforts "to maintain their independence and security against international communism and Western imperialism." Moreover, he considered it possible that the United States would give financial support to an economic development organization of Arab countries through a mechanism analogous to that of the Marshall Plan.[87]

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84 Wilkins to Eisenhower, 'Near East Policy,' 21 November 1956, and enclosed memorandum, 'An Outline of Short-Term and Long-Term United States Plans in the Middle East,' State Department Decimal File 611.80/11-2156, RG 59, NARA.

85 State Department Memorandum, 'Middle East Charter,' n.d. [December 1956], State Department Decimal File 611.80/12-356, RG 59, NARA.

86 State Department Memorandum, 'Summary of Proposal for a New Grouping of Middle Eastern States,' 6 December 1956, enclosed in Rountree to Dulles , 'U. S. Position on Middle East Problems,' 7 December 1956, State Department Decimal File 780.00/12-756, RG 59, NARA.

87 Memorandum of Conversation, Dulles, Hoover, Murphy, Henderson, Rountree, Bowie, 3 December 1956, State Department Decimal File 780.00/12-356, RG 59, NARA.

It was essentially the problem of Nasser which prevented Dulles from agreeing with the Middle East Charter plan. Eisenhower called Nasser "an evil influence" in a letter to Dulles,[88] and he had written to Churchill about sharing the opinion that Nasser was likely a Soviet tool and had "probably begun to see himself as an Egyptian Mussolini."[89] Dulles was no less negative in his attitude. "The British, having gone in, should not have stopped until they had toppled Nasser," Dulles said at one point in November, because the British had already received all the criticism possible from world opinion for making the move.[90] "Nasser must go," Dulles said in equally clear terms to C. D. Jackson. He was quite prepared to have a "more troublesome character" to succeed Nasser "so long as the Nasser symbolism of successful defiance to the West is removed from the Arab world."[91] In this context, it was understandable that Dulles stated that it was overly ambitious to try to establish a general Middle East Charter, when Nasser's growing stature in the Middle East might make him aspire to take over the leadership of the new grouping planned on the basis of the Charter. Accordingly, Dulles decided that it "might prove desirable as a preliminary step" to exclude and isolate Egypt and Syria as a means of diminishing Nasser's influence.[92] The United States "should not try the Charter idea yet," Dulles told a State Department meeting on December 7.[93]

On December 8, Dulles laid out to Eisenhower the three alternatives he had been "studying intensively." The first one was that the U. S. would revert to the Baghdad Pact concept and finally adhere to the Pact. The second was the idea of a new wider grouping under the proposed Middle East charter. The third one was to deal on a nation-to-nation basis under authority granted by Congress. Although considerable support remained for the Baghdad Pact within the Administration, Dulles refused to think about U. S. membership in the Pact, because its reputation had been irrevocably damaged through British and Arab politics, and because the pro-Israeli lobby was in any case likely to be able to mount an effective campaign in Congress to stop the ratification of U. S. membership. Eisenhower said he was "looking for a 'package deal' that would combine various factors, economic, etc. to allow us to get on a little better basis

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88 Burns, *Economic Aid and American Policy Toward Egypt*, 109.

89 Eisenhower to Churchill, 27 November 1956, Ann Whitman File, International Series, Box 20, 'Churchill, Winston, April 8, 1955 through December 31, 1957 (3),' Dwight D. Eisenhower Library.

90 Memorandum of Conversation, Eisenhower and Dulles, 12 November 1956, Dulles Papers, White House Memoranda Series, Box 4, 'Meetings with the President, August-December 1956 (3),' Dwight D. Eisenhower Library; Later in November Dulles would deplore that the British "had not managed to bring down Nasser." See Caccia to Foreign Office, 28 November 1956, FO 800/742, PRO.

91 Jackson to Luce, 24 January 1957, C. D. Jackson Papers, Box 69, 'Log - 1957,' Dwight D. Eisenhower Library.

92 Memorandum of Conversation, Dulles, Hoover, Murphy, Henderson, Rountree, Bowie, 3 December 1956, State Department Decimal File 780.00/12-356, RG 59, NARA.

93 Memorandum of Conversation, Dulles , Hoover, Murphy, Henderson, Bowie, Rountree, Allen Dulles, 7 December 1956, State Department Decimal File 611.80/12-756, RG 59, NARA.

with these people." The Middle East Charter was nevertheless rejected by both. Dulles advocated the bilateral nation-to-nation approach, because then "you wouldn't get in trouble with the troublemakers" – Egypt and Syria. In order to make the bilateral approach work, Dulles felt it necessary for the President to seek Congressional authority to strengthen the Administration's position. Eisenhower agreed.[94]

Dulles told a White House meeting that a major assertion of U. S. leadership through a Congressionally authorized program had become absolutely necessary. "A vacuum has been created in the area with the virtual elimination of British influence and the Soviets are trying to move in," he argued. "[I]f we do not act, the Soviets are likely to take over the area, and they could thereby control Europe through the oil on which Europe is dependent and even Africa as well." By late December, the plan was ready. Eisenhower was going to Congress to ask for a resolution authorizing the means for "building our position in the Middle East."[95] The ambitious multilateral plan for a Middle East Charter that had reflected the feeling of heightened moral stature during the Suez Crisis had been shelved. Despite the increased confidence in American leadership, a wide Middle Eastern grouping had begun to seem equally unmanageable. What took its place was the Eisenhower Doctrine – a less ambitious bilateral approach backed up by a unilateral declaration of protection against the Communist threat in the Middle East. Compared to the enthusiastic enunciations of world order at the height of the Suez Crisis, the Eisenhower Doctrine was a striking return to Cold War containment.

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94 Telephone Conversation, Eisenhower and Dulles, 8 December 1956 (11:53 a.m.), Dulles Papers, Telephone Conversations Series, Box 11, Dwight D. Eisenhower Library; For supporting arguments within the Administration with regard to the U. S. membership in the Baghdad Pact, see State Department Memoranda, 'Summary of NEA Position Paper on the Baghdad Pact,' 6 December 1956, 'Summary of Mr. Henderson's Memorandum to the Secretary,' 6 December 1956, , 'Summary of Letter to the Secretary of State from the Secretary of Defence,' 4 December 1956, all enclosed in Rountree to Dulles , 'U. S. Position on Middle East Problems,' 7 December 1956, State Department Decimal File 780.00/12-756, RG 59, NARA; Telephone Conversation, Dulles and Hoover, 8 December 1956 (11:45 a.m.), Dulles Papers, Telephone Conversations Series, Box 5, Dwight D. Eisenhower Library; Memorandum of Conversation, Dulles , Hoover, Murphy, Henderson, Bowie, Rountree, Allen Dulles, 7 December 1956, State Department Decimal File 611.80/12-756, RG 59, NARA.

95 Memorandum of Conversation, Eisenhower, Dulles, Hoover, 20 December 1956, Ann Whitman File, Eisenhower Diary Series, Box 20, Dwight D. Eisenhower Library.

‘Interdependence’: Oil – Opportunity and Necessity, 1957–1958

> Since 1945 we have been trying to maintain the opportunity to reach vitally needed petroleum supplies peaceably, without hindrance on the part of any one. The present incident comes about by the struggle of Nasser to get control of these supplies – to get the income and power to destroy the Western world. Somewhere along the line we have got to face up to the issue. It is too bad. You see the mistakes that were made.[1]
>
> Dwight D. Eisenhower, 15 July 1958

Oil and Interdependence

Although the Suez Crisis has rarely been thought of as a precursor to the oil crisis of the 1970s, it nevertheless served as an important eye-opener in terms of revealing Western Europe’s dependence on Middle Eastern oil. The oil shortage that hit Western Europe did, moreover, underline the conviction of many who believed that the future of the industrialized West was closely tied to continued economic ties with the non-industrialized non-Western world. New York-based consulting economist Stacy May – who served in several advising positions in the Eisenhower Administration – made this very clear at a Council on Foreign Relations Study Group meeting in December 1956. “The present oil crisis is but a dramatic example of the type of possible pressure that the underdeveloped areas could bring on the nexus of trade of the industrialized West,” he stated in his opening remarks as the group chairman. “The economy of the industrialized West has been a growth economy; all our economic institutions are based on this assumption. Growth must continue if we are to survive.” Although the developing areas of the world absorbed only about 25% of the exports of the industrialized West and were the source of about 25% of the imports, it was hard for May to contemplate how economic growth could be maintained without the maintenance of these links to the “underdeveloped areas” of the world.[2]

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1 Memorandum of Conversation, Eisenhower and Nixon, 15 July 1958 (9 a.m.), *Foreign Relations of the United States, 1958–1960*, XI, 244–245.

2 Discussion Meeting Report, Council on Foreign Relations Study Group, ‘New Soviet Foreign Economic Policy,’ 6 December 1956, Records of Study Groups, Vol LXVI, The New Soviet Economic Policy (1956/57), Council on Foreign Relations Archives, Harold Pratt House, New York.

Oil and Interdependence. The dependence of Western Europe on Middle Eastern oil, and the dependence of Middle Eastern producers on Western European markets was striking in the pattern of international oil trade in 1958. (Records of the Department of State, RG 59, NARA).

Within the Eisenhower Administration, the tie between Western Europe's industry and Middle Eastern oil was the primary concern. Discussion as to the relative importance of the Middle East and Western Europe was seen as redundant. Western Europe was the great industrial engine, the Middle East was its fuel, and the two simply could not be considered separately. "[T]he two must be considered together," Eisenhower insisted, "and are together the most strategic area in the world - Western Europe requires Middle Eastern oil, and Middle Eastern oil is of importance mainly through its contribution to the Western European economy."[3]

Beyond the necessity of oil, the Administration nevertheless recognized a potential sphere of wider economic opportunity for growth. This was in line with the general outlook of the internationalist wing of the Eisenhower-era foreign economic policy makers. In January 1957, Eisenhower's State of the Union message declared that "the economic need of all nations – in mutual dependence – makes isolation an impossibility. Not even American prosperity could long survive if other nations did not prosper"[4] This was an easily discernible strain of thought among policy makers stressing the opportunities inherent in global and regional interdependence. Clarence Randall, the director

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3 Memorandum of Conversation, Eisenhower, Hoover, Allen Dulles, and others, 21 November 1956, Ann Whitman File, Eisenhower Diary Series, Box 19, 'Diary-Staff Notes, November 1956,' Dwight D. Eisenhower Library.

4 Eisenhower, Second Inaugural Address, 21 January 1957, U. S. Government, *Public Papers of the President of the United States: Dwight D. Eisenhower*, 1957, (Washington D.C.: U. S. Government Printing Office, 1958), 60–65.

of the Administration's Council on Foreign Economic Policy, enthused in early 1957 about the possibilities of creating an Asian economic community with Japan as its key member to facilitate "triangular Asian economic cooperation between food producing countries, raw material producing countries, and manufacturing countries."[5] A similar relationship was envisioned between Western Europe and Africa as well. In February 1957, Dulles himself told Heinz Krekeler, the German Ambassador and one of the pioneers in forming the European Community, that while it was, of course, possible to have a unified Europe standing alone, "Europe needed the resources of Africa." Dulles drew a parallel between the Euro-African relationship and the relationship that had existed between the Eastern United States and the West; a relationship which had connected industrializing areas to the natural resources of the West in a way necessary to sustained industrial growth. "If Europe could work out proper relations with Africa, it could develop into one of the greatest forces in the world," Dulles said to Krekeler. "The concept of a relationship with Africa opened up vistas which were new and exciting and should be immensely challenging to people with forward looking ideas."[6]

Although the dependence of Western Europe on Middle Eastern oil dwarfed other aspects of economic interaction with the Middle East, the same optimism about economic growth based on interdependence permeated the official mindset also with regard to the Middle East. The interdependence of Western Europe and the Middle East was so obvious with respect to petroleum, the State Department's Policy Planning Staff argued in February 1957, "that the importance of the area as a source of other raw materials and as a market for Western European production tends to be overlooked."[7] In arguing its case during the Congressional hearings on the Eisenhower Doctrine, the Administration took basically a similar position with respect to U. S. economic interests in the Middle East. The book value of American investments in Middle Eastern oil was estimated at slightly over $1 billion, representing 47 percent of the total investment of $2,750 million in Middle Eastern oil.[8] While oil investments dwarfed investments in all other enterprises, the Eisenhower

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5 Randall quoted in Jackson to Luce, 24 January 1957, C. D. Jackson Papers, Box 69, 'Log – 1957,' Dwight D. Eisenhower Library. For the background of this type of thinking in East Asia, see Schaller, Michael, "Securing the Great Crescent: Occupied Japan and the Origins of Containment in Southeast Asia," *Journal of American History* 69 (1982), 392–414.

6 Memorandum of Conversation, Dulles and Krekeler, 'Relationship of Overseas Territories to the Proposed European Common Market,' 11 February 1957, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Undersecretary's Memoranda of Conversation, 1953-1964, Box 6, RG 59, NARA.

7 State Department Policy Planning Staff Paper, 'Some Considerations Bearing Upon the US Approach to the Middle East,' n.d., attached to Bowie to Rountree, 21 February 1957, State Department Decimal File 611.80/2-2157, RG 59, NARA.

8 Answers provided by the Administration to questions of the Senate Foreign Relations Committee for hearings on the President's proposal on the Middle East, 14 January 1957, U. S. Congress, Senate, Committee on Foreign Relations and Committee on Armed Services, *Hearings: The President's Proposal on the Middle East*, I (Washington, D.C.: United States Government Printing Office, 1957), 32–37.

Administration emphasized that the United States economic interest in the area did extend beyond petroleum. A half dozen American shipping companies and several aviation companies operated into and via the Middle East. On the average, the United States supplied about 18 percent of the total imports of the Middle East and purchased about 10 percent of Middle East exports including oil. Such basic raw materials as chrome ore, manganese ore, long staple cotton, and gum arabic were imported from the Middle East. Moreover, prospects for expansion of U. S. exports appeared promising. Large-scale economic development projects such as "port and harbor projects, highway programs, and river control and irrigation projects all provide opportunities for American contractors and manufacturers." And the Congress was told that as standards of living increased in the Middle East, new markets were developing for American consumer goods.[9]

In a widely publicized speech in May 1957, David Rockefeller – Vice Chairman of the Chase Manhattan Bank and an influential member of the Council on Foreign Relations – defined America's stake in the Middle East in essentially similar but perhaps even more positive terms. "The Suez crisis emphasized how vulnerable future growth prospects in both Europe and the United States are to the shifting political tides in the Middle East," he noted, but emphasized the prospect of positive change in the future.[10]

> [I]t could be that this very disparity between the countries having the big petroleum reserves and those which are the big consumers of petroleum will prove to be the basis for the development of sound and lasting economic relationships between the industrialized countries of the West and the underdeveloped nations of the Middle East.... By meeting this need [of the United States and Western Europe], the Middle East can earn the funds and the foreign exchange necessary to support its general economic development.... As Middle East oil production expands, the area could become one of the fastest growing markets for the United States machinery, equipment and other goods. Our total trade with this region, both exports and imports, now exceed a billion dollars. But if we keep our share of the market, our exports to the Middle East could go up almost 10% per year in the next decade ... The problems we face offer us a challenging opportunity to demonstrate what can be accomplished through private foreign investment supplemented by a realistic program of government technical assistance and development aid.[11]

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9 Answers provided by the Administration to questions of the Senate Foreign Relations Committee for hearings on the President's proposal on the Middle East, 14 January 1957, U. S. Congress, Senate, Committee on Foreign Relations and Committee on Armed Services, *Hearings: The President's Proposal on the Middle East*, I (Washington, D.C.: United States Government Printing Office, 1957), 32–37. For a country-by-country description of U. S. investment in the Middle East, see Shaw to Kretzmann, 29 July 1958, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs 1947–63 , Box 2, RG 59, NARA.

10 David Rockefeller, 'Our Stake in the Middle East,' Speech Before the Annual Convention of the Arkansas Bankers Association, 22 May 1957, enclosed in Rockefeller to Murphy, 29 May 1957, State Department Decimal File 611.80/2957, RG 59, NARA; See also Murphy to Rockefeller, 4 June 1957, State Department Decimal File 611.80/5-2957, RG 59, NARA.

11 *Ibid.*

That was very much in line what Dulles had told his lawyer friend Arthur Dean already in early February 1957. "[T]he Br[itish] are having to cut sharply in all directions," he told Dean over the phone. That was "going to lead to increasing responsibilities on the part of US business and an organization like the Bankers Trust should get geared up to assuming them."[12] One of the proponents of such active policy was easily found in C. D. Jackson. He simply could not believe that the United States would go on ignoring the results of the postwar resurgence of world trade, and the potential of increased economic interdependence as an asset in the Cold War. Overcoming the postwar market dislocation had in his view been a miracle comparable to or even greater than the economic and industrial reconstruction of Western Europe.

> That is, that even more serious than the war's destruction was the post-war's market dislocation. Central and Eastern Europe were removed as a trading area, for the West. The Chinese Mainland was removed as a trading area for Japan and the West. And in Southeast Asia, Japan is only just beginning to overcome local wartime hatred. With these great chunks of real estate, resources, and humanity out of the running, to have been able to readjust and redirect the flow of world trade to its present level is an extraordinary accomplishment.... U. S. diplomacy should be devoting far more thought, time, and energy to creating more and better investment 'climate' in a great many areas of the world.... If we step up the magnetic potential of the economic well-being of the Free World area by increasing it where it exists through private investment backed by effective diplomacy, and spread it to other areas where it hardly yet exists, we can say with considerable assurance today that there is a good chance of peeling off, or getting the Russians to spin off, some of their subjugated areas which they have turned from assets to liabilities.[13]

Such an improvement in the investment climate was part of the Anglo-American discussions at Bermuda in March 1957. The State Department and the Foreign Office had developed a plan to avoid future disruptions in the flow of oil through the Levant pipelines by constructing a new pipeline from Iraq to Turkey. The avoidance of further ruptures was also in the minds of the directors of the major international oil companies, who met in late January 1957 to review the situation in the Middle East. The international oil companies were basically in agreement with the Governments, they devised plans for a new $900 million pipeline system from the Persian Gulf principally through Iraq and Turkey to the Eastern Mediterranean. In return, the companies demanded better treaty protection of investment in the Middle East. At the very least, the companies wanted a "reasonable minimum of international protection" which they would be entitled to seek before committing to Iraq and Turkey "the very substantial sums which will be involved in the construction of the pipeline."[14]

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12 Telephone Conversation, Dulles and Dean, 7 February 1957, Dulles Papers, Telephone Conversations Series, Box 7, Dwight D. Eisenhower Library.

13 Jackson to Jessup, 30 September 1957, C. D. Jackson Papers, Box 63, 'Jessup,' Dwight D. Eisenhower Library.

In discussions at the British Foreign Office, Sir Francis Hopwood, the Chairman of the Shell Oil Company emphasized "the importance to the companies of any future concession agreements being confirmed by intergovernmental treaty."[15] At the Anglo-American talks in Bermuda, Prime Minister Harold Macmillan raised the proposal of an 'umbrella plan' to protect investments in the area, but the Eisenhower Administration was convinced that such assurances would be difficult to obtain.[16] "Such treaty guarantees are likely to be opposed in some of the local states involved as increasing the threat of foreign governmental interference and derogating from their sovereignty," a NSC report noted. There was strong opposition in some of the Arab states, who argued that oil from Arab states should move through pipelines in Arab countries.[17] The prospect of a general treaty – a multilateral treaty, which would contain general provisions for the protection of foreign property and contractual rights, covering all classes of foreign property – seemed an even more distant possibility, even if the oil companies favored that option.[18]

Western Oil Dependence and the Shocks of Nasserism and Sputnik

Despite these far-reaching visions and recurrent declarations about interdependence as a source of strength, the post-Suez Crisis U. S. policy in the Middle East became increasingly tied to the view of economic interdependence as an element of Western vulnerability. Allen W. Dulles noted before the Senate Foreign Relations Committee in November 1956 that the oil-rich Middle East had become "an even greater prize, not only for its own sake, because Russia is now self-sufficient in oil, but more importantly because this is the Achilles heel of oil-poor Europe."[19] John Foster Dulles had stated the same in equally strong words even before the Suez Crisis:

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14 Oil Company Note, 'Treaties of Protection', 17 April 1957, State Department Lot File, Office of the Legal Adviser, Division of UN Affairs, 1945–1959, RG 59, NARA; See also the oil company memoranda to the legal adviser of the State Department, Monaghan to Becker, 17 September 1957, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 1, RG 59, NARA.

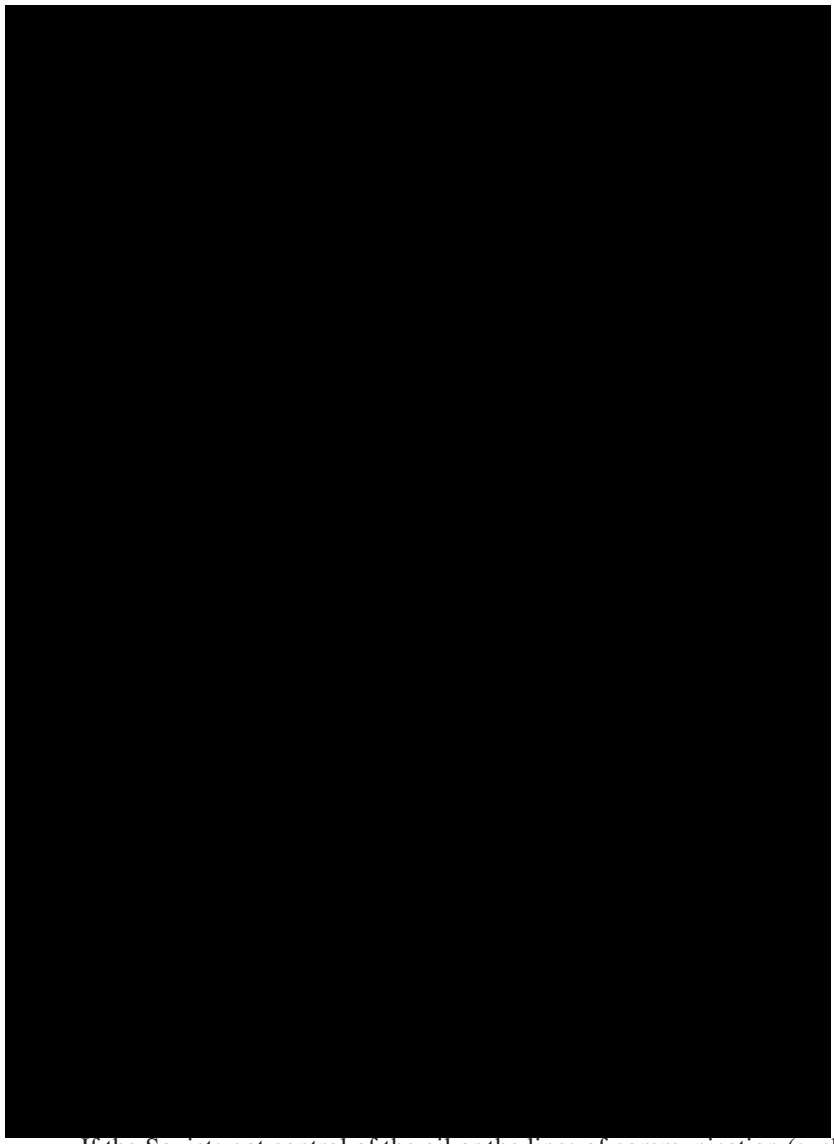
15 Memorandum of Conversation, Gore-Booth, Hopwood, and Gass, 'Oil,' 10 Jan 1957, CAB 134/2339 OME 1957 Middle East Official Committee, PRO.

16 Memorandum of Conversation, Eisenhower, Macmillan, Dulles, and Lloyd, 21 March 1957, 10:30 a.m., State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1953–1964, Box 6, Dwight D. Eisenhower Library.

17 Operations Coordinating Board, 'Progress Report on United States Objectives and Policies with Respect to the Near East (NSC 5428),' 7 August 1957, Records of the Office of the Special Assistant for National Security Affairs, NSC Series, 'NSC 5428,' Dwight D. Eisenhower Library.

18 Oil Company Note, 'Treaties of Protection', 17 April 1957, State Department Lot File, Office of the Legal Adviser, Division of UN Affairs, 1945–1959, RG 59, NARA.

19 Statement by Allen Dulles before the Senate Committee on Foreign Relations, 12 November 1956, U. S. Congress, Senate, *Executive Sessions of the Senate Foreign Relations Committee*, VIII, *Eighty-Fourth Congress, Second Session, 1956* (Washington, D.C.: United States Government Printing Office, 1978), 617–625.



The Sputnik Shock and Middle East's Political Orientation. The launching of the first Soviet intercontinental missile in September 1957, followed shortly afterward by the launch of Sputnik, startled the Western world. The doubts about the future of the West were fuelled by a simultaneous move by Syria toward closer cooperation with the Soviet Union, which was feared to indicate a general trend in the Middle East. "Call to Prayer" by Washington Post cartoonist Herblock reflected this anxiety. (Washington Post, October 13, 1958)

> If the Soviets got control of the oil or the lines of communication (such as the pipeline or the Suez Canal) in the Middle East, Western Europe would be immobilized in a few days and hostile forces would have a grip on the jugular vein of Europe. The countries of Western Europe have largely converted from coal to oil and their oil consumption is increasing at the rate of 15 percent a year. There are not enough tankers to carry the oil if the pipeline should be cut. If it were necessary to carry the oil around Africa, it would cut the supply to a fraction.... We do not want to talk publicly about the great dependence of Western Europe on the Middle East because it would make the Arabs think that they can throttle the West and they would become all the more difficult to deal with.[20]

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20 Memorandum of Conversation, Dulles and Lazarus, 'U. S. Policy in the Middle East,' 17 April 1956, State Department Decimal File 611.80/4-1756, RG 59, NARA.

There were several analysts who argued in the aftermath of the Suez Crisis that U. S. policy during the crisis dangerously indicated to Arab countries that they could interfere with the oil trade without paying a price for it. This was the basic message of an intelligence report made for ARAMCO by William Eddy – the company's consultant and former U. S. Ambassador to Saudi Arabia. Eddy believed that the governments of the Arab states thought they had "located the Achilles' heel of the West, i.e., the transit of oil, and that in case of a serious flare-up of trouble in the area one can expect the Suez Canal to be closed again and the pipelines to be cut."[21] Samuel Kopper, another former State Department official now assistant to ARAMCO's chairman of the board, argued along similar lines, only adding the fear of future nationalizations in the wake of Nasser's successful defense of Egypt's nationalization of the Suez Canal Company.[22] In his William L. Clayton Lectures at the Fletcher School of Law and Diplomacy, former Secretary of State Dean Acheson blamed the Eisenhower Administration for endangering Western interests and diluting the respect for property rights by its policy during the Suez Crisis.

> The United States government, with its 'loins girt about with truth, and having on the breastplate of righteousness' – as St. Paul admonished – joined the Arab-Asian bloc in raising the hue and cry against its friends. Under this pressure Sir Anthony Eden and M. Mollet collapsed; and Colonel Nasser was 'able to quench all the fiery darts of the wicked' and don the 'helmet of salvation'.... Our allies were taught that, not only would we make no sacrifice to help them in a matter of vital interest, but that we would join the opposition to them. The Middle Eastern states discovered that their bargaining power with their European customers was enhanced, since no matter what they did to the property or rights of others, they would not be restrained by force.[23]

This pessimism was not shared by all commentators. David Rockefeller emphasized that it was already clear to see that in the long run "no nation (not even Egypt) has a true monopoly of the means of transport for oil, or even of oil production." The evolution of oil tanker technology was pointing inevitably toward adoption of new super-tankers, designed for economically sound operation via the Cape route around Africa. A number of such huge tankers were already being built, and they were in any case too big to pass through the Suez Canal. "Given time and sufficient capital investment in huge tankers, pipelines and the search for new oil reserves," Rockefeller concluded, "the Western World could by-pass any artificial barriers such as Egypt is using in

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21 Lewis to State Department, 'Transmittal of Intelligence Report Made to Aramco by Colonel W. A. Eddy,' 17 April 1957, State Department Decimal File 780.00/4-1757, RG 59, NARA.

22 Samuel K. C. Kopper, "The United States and the Middle East - Realities and Prospects," Speech before the New England Council for Economic Development, 4 April 1957, enclosed in Kopper to Murphy, 4 April 1957, State Department Decimal File 611.80/4-457, RG 59, NARA.

23 Acheson, Dean G., *Power and Diplomacy* (Cambridge: Harvard University Press, 1958), 113–114.

Suez – barriers that are imposed under the influence of short-sighted political pressures."[24] Similar measures were emphasized in the Anglo-American discussions during the Bermuda Conference in March 1957. Greater flexibility was imperative, and in order to achieve it the oil company initiatives for new pipelines and orders for new tankers, particularly super-tankers, were to be encouraged.[25]

This was also the basic line that Eisenhower's national security adviser Dillon Anderson took, when he set out to define ways to alleviate Western dependence on Middle Eastern oil. Anderson argued that well adjusted policy could make the dynamics of oil operations more self-regulating and thus more stable before the next crisis would appear. In case the Western oil supply could be diversified, the West could rely on the market mechanism – the economic interest of oil producing and transit countries in keeping the oil moving – and "sweat out" the nation or nations which threatened to cut off supply, or interrupt transportation. By pursuing a policy of developing alternative sources of oil and "keeping all outside sources more dependent on us than we are on them," the United States could ride out prospective crises without either resorting to force to retain access to oil, or suffering the effects of its loss.[26]

According to Anderson, there were "various ways in which we can ensure that such producing areas are dependent on our (and our Allies') taking their oil." Tax and tariff policies could encourage the building of refining and processing plants outside the area of production and in the consuming countries, rather than in the production areas. Anderson urged Western companies to follow the ARAMCO procedure in Saudi Arabia rather than the AIOC method in Iran, because "[a] handful of Russian technicians could have operated the Iranian producing areas and the big refinery at Abadan; on the other hand Arabia with limited refining capacity at hand is greatly dependent for continued production upon consuming nations of the world." Anderson was a firm believer in the market mechanism as a stabilizing factor. "[W]e can count on the flow of Middle East oil for a long time if we do not allow the degree of dependence (and that of our allies) on that single source to become too great," he concluded. "Then we can probably ride out all crises short of Russian intervention; and as to Russia's intervention in the picture, we have a sound and settled doctrine."[27]

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24 David Rockefeller, "Our Stake in the Middle East," Speech Before the Annual Convention of the Arkansas Bankers Association, 22 May 1957, enclosed in Rockefeller to Murphy, 29 May 1957, State Department Decimal File 611.80/5-2957, RG 59, NARA. See also Murphy to Rockefeller, 4 June 1957, State Department Decimal File 611.80/5-2957, RG 59, NARA.

25 Operations Coordinating Board, 'Progress Report on United States Objectives and Policies with Respect to the Near East (NSC 5428),' 7 August 1957, Records of the Office of the Special Assistant for National Security Affairs, NSC Series, 'NSC 5428,' Dwight D. Eisenhower Library.

26 Dillon Anderson to Eisenhower, August 9, 1957, *Foreign Relations of the United States 1955–1957*, X, 736–738.

27 *Ibid*.

However, the diversification of oil sources, the building of new pipelines, and the construction of new super-tankers all would take time. For the time being, then, the apparent vulnerability of the West to blockades of Middle Eastern oil flows seemed to challenge U. S. policy toward non-coercion only months after the height of the Suez crisis, when Dulles had spoken eloquently against the British and French quest for control through use of force. In July 1957, Eisenhower made it clear to Dillon Anderson that "should a crisis arise threatening to cut the Western world off from Mid-East oil, we would *have* to use force ... [A]n adequate supply of oil to Western Europe ranks almost equal in priority with an adequate supply for ourselves.... The facts of the petroleum world are such that the West must, for self-preservation, retain access to Mid-East oil."[28]

The greatest perceived threat in that respect was Nasser, whose pan-Arab political agenda was becoming alarmingly popular across the Arab world. Egypt was now recognized as a *bona fide* threat by the Eisenhower administration. "Egypt is, and is likely to remain, a center of anti-Western influence and revolutionary tendencies affecting the whole of the Arab world," Assistant Secretary of State William Rountree wrote to Dulles in May 1957, "It is therefore advisable to consider what can best be done to neutralize this influence." After the Suez Canal had been blocked and the Levant oil pipelines cut off by the Egyptians and the Syrians, the question of how to secure Western access to oil entered the equation. The oil crisis had revealed the "free world dependence upon Middle East transport facilities" controlled by "the countries in which Soviet influence is most extensive, Arab nationalism most extreme and involvement in the Arab-Israeli dispute currently most immediate," Rountree's memorandum noted. Egypt had the ability to block the Suez Canal, and Syria alone could cut the existing and operating IPC and Trans-Arabian pipelines which stretched across the Levant.[29]

The alarm felt because of Nasser's increasing influence was made worse by the prevalent perception that "Nasserism" was in fact furthering the expansion of Communism in the Middle East despite its guise as radical nationalism. Dulles, in trying to convince the Congress of the Communist threat in the Middle East during the Eisenhower doctrine hearings, had repeatedly emphasized the nature of communism as an international "conspiracy" seeking to control the world. He argued that there existed ample evidence of Communist infiltration into certain sectors of Middle Eastern societies, particularly organized labor, and their activities included "plottings of assassinations and sabotage."[30] Dulles' message was amplified by several studies that appeared at

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28 Eisenhower to Dillon Anderson, July 30, 1957, *Foreign Relations of the United States 1955–1957,* X, , 733.

29 Rountree to Dulles, May 14, 1957, *Foreign Relations of the United States 1955–1957,* X, 680–689.

30 Dulles statement before the Senate Foreign Relations Committee, 14 January 1957, U. S. Congress, Senate, Committee on Foreign Relations and Committee on Armed Services, *Hearings: The President's Proposal on the Middle East*, I (Washington, D.C.: United States Government Printing Office, 1957), 6–11; See also Gardner, Lloyd C., "Commentary" in May, Ernest (ed.), *American Cold War Strategy*, 146–151.

the time. A Washington-based Public Affairs Institute published a study describing Egypt as a "Communist base" and "Nasserism" as an instrument for Communist expansion in the Middle East. It advocated rejection of any "appeasement" and adoption of a firm policy.[31] Walter Laqueur, one of the most prominent academic area specialists on the Middle East, envisaged an eventual conflict between Islam and indigenous Arab nationalism on the one hand, and Communists and Marxism-Leninism on the other. Laqueur asserted that Islam could not offer serious resistance to Marxism-Leninism. Because of a more attractive and sophisticated ideology and superior organization, Communism would win out over the social and economic ideas of Arab nationalism, leading to "gradual acceptance of Communist ideas and techniques ... through the medium of the nationalist movement itself."[32] Henry Kissinger, who rose to prominence in 1957 with his book *Nuclear Weapons and Foreign Policy*, even considered the Suez Crisis to be part of an unfolding Soviet design. "Each successive Soviet move is designed to make our moral position that much more difficult," Kissinger argued. "Indo-China was more ambiguous than Korea; the Soviet arms deal with Egypt more ambiguous than Indo-China; the Middle Eastern crisis more ambiguous than the arms deal with Egypt."[33]

This was not, however, an uncontested view. The State Department's Policy Planning Staff had a very different assessment of the relationship between the Soviet Union and radical Middle Eastern nationalism. "The essence of the Soviet campaign has been identification with Middle Eastern nationalism," a Policy Planning Staff memorandum noted in February 1957. This had undoubtedly proven to be of positive value to the Soviet Union in "indirectly weakening the West by jeopardizing the Western access to the petroleum and transport and communications facilities of the area." However, in contrast to Dulles and the above-mentioned views from outside the Administration, the Policy Planning Staff considered subversive activities a relatively minor part of the Soviet campaign. Similarly, there was little evidence that the latent threat of Soviet military power had played any great part. The report went on even further to question whether the Soviet Union at this stage even sought to establish a satellite government in the Middle East, since that was likely to undermine the Soviet influence that had been built up through identification with the demands of local nationalists.[34]

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31 Public Affairs Institute, *Regional Development for Regional Peace: A New Policy to Counter the Soviet Menace in the Middle East* (Washington: Public Affairs Institute, 1957).

32 Laqueur, Walter Z., *Communism and Nationalism in the Middle East* (New York: Praeger, 1956); Laqueur, Walter Z., "The Prospects of Communism in the Middle East," in Thayer, Philip W., *Tensions in the Middle East* (Baltimore: Johns Hopkins, 1958); See also Bernstein, Marver H., "The Appeal of Communism in the Arab Countries," *World Politics* 9 (July 1957), 623-629.

33 Kissinger, Henry, *Nuclear Weapons and Foreign Policy* (New York: Harper & Row for Council on Foreign Relations, 1957), 428.

34 State Department Policy Planning Staff, 'Some Considerations Bearing Upon the US Approach to the Middle East,' n.d., enclosed in Bowie to Rountree, 21 February 1957, State Department Decimal File 611.80/2-2157, RG 59, NARA.

Even without the Communist connection, there were influential commentators like Dean Acheson and George Kennan who urged a firm policy aimed at restraining and containing radical Asian and African nationalists and their rising demands in the aftermath of the Suez Crisis and the Western European energy and financial crisis.[35] In his BBC Reith lectures in 1957, better known for their controversial call for disengagement in Europe, Kennan defined a containment project which seemed in some ways even more urgent than the containment of the Soviet threat.

> Let us not exaggerate the difference between sixty million people [of Britain] and a hundred and sixty million [of the United States] in the face of the enormous and growing population of Asia and Africa.... We ... are faced with the task of defending a high standard of living and all the luxuries of a permissive society against the jealousies and resentments of countless millions who are just awakening to an awareness of world affairs, and who would witness without pity or regret the disappearance of much that we value.[36]

This was also the message that was brought to the Americans by the new British Prime Minister Harold Macmillan. "[T]here really was no place for the neutral in the present struggle where the survival of classical civilization as we know it was at stake, being threatened even by the revolutions in Asia and Africa which had their origins in Europe,"[37] he told Eisenhower and Dulles.

This predicament of Western civilization was brought into a new and even more threatening context, when the Soviet Union announced the launching of its first inter-continental ballistic missile (ICBM) in September 1957. Less than three weeks later, the real shock came, as *Sputnik*, the first space satellite, was launched by the Soviet Union. It was going to open "a grim new chapter in the cold war," *Time* magazine wrote.[38] *Newsweek* described it as "red conquest" with "all the mastery it implies in the affairs of men on earth."[39]

The relationship between the new Soviet stature before the world and the Western anxiety over the political orientation of the Middle East was quickly captured by the *Washington Post* cartoonist Herblock. A cartoon titled "A Call to Prayer" portrayed Nikita Khrushchev speaking from the top of a mosque – drawn in the shape of a rocket – to traditionally-clad Arabs below, who bowed their heads in front of the Soviet Premier.[40]

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35 On Acheson, see Acheson, Dean G., *Power and Diplomacy* (Cambridge: Harvard University Press, 1958), 113–114.

36 The quote is from the published version of Kennan's Reith lectures, Kennan, George F., "Anglo-American Relations," *Russia, the Atom, and the West* (New York: Harper & Brothers, 1958), 112.

37 Memorandum of Conversation, Eisenhower, Macmillan, Dulles, and Lloyd, 21 March 1957, 10:30 a.m., State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1953–1964, Box 6, Dwight D. Eisenhower Library.

38 "Red Moon over U.S.," *Time*, 14 October 1957, 27.

39 "The Red Conquest," *Newsweek*, 14 October 1957, 38.

40 Herblock, "A Call to a Prayer," *Washington Post*, 13 October 1957.

The Middle Eastern crisis that gave rise to the sentiments reflected in Herblock's cartoon had developed in Syria. On August 6, Syria and the Soviet Union had announced agreement on a large-scale economic cooperation agreement. Together with the revival of Soviet loan agreements with Yugoslavia, the Soviet-Syrian agreement was immediately considered to be a new stage in the Soviet economic offensive. Credits extended since 1954 by the Communist bloc had now reached $1½ billion, and a major portion of these credits had been extended to six strategically located countries – India, Egypt, Afghanistan, Syria, Yugoslavia, and Indonesia.[41] In terms of establishing Communist regimes, the Soviet economic offensive had not brought tangible results, but the Syrian Government was seen by the State Department as more susceptible of accepting Soviet influence blindly than any other major Soviet target.[42]

The economic agreement was followed by a Syrian Government announcement that it had discovered – probably correctly – a covert U. S. plot to carry out a *coup d'etat* in Syria. Within two weeks the Syrian government had deported the accused U. S. diplomats as *personae non grata*, accused Israel and Turkey of aggressive moves on its borders, and named Afif al-Bizri – long suspected of pro-Soviet views in the West – as the new Commander of Chief of the Syrian armed forces.[43] Several conservative and pro-Western politicians fled from the country. According to U. S. assessments, based on "such indications as there are," the government, civilian bureaucracy, internal security forces, and the Army were all effectively controlled by the extreme left.[44] At the same time, intelligence reports indicated that the Syrians had received large quantities of all general types of military equipment from the Soviet Union, including planes, tanks, artillery, rocket launchers, and radar equipment. The dollar value according to the best information available was in the neighborhood of $150 million.[45] The State Department's Office of Intelligence and Research quoted U. S. Army's intelligence assessment to the effect that Syria was rapidly coming under Communist domination and might even become a Soviet satellite. "If the present trends in the Middle East remain unchecked," the Army intelligence estimate grimly concluded, "open hostilities in this area, directly involving Western and Soviet interests, are probable in the

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41 State Department Memorandum, 'Soviet Economic Penetration,' n.d., enclosed in Dulles to Eisenhower, 6 August 1957, Dulles Papers, White House Memoranda Series, Box 5, 'White House Correspondence–General, 1957 (5),' Dwight D. Eisenhower Library.

42 Operations Coordinating Board, 'Progress Report on United States Objectives and Policies with Respect to the Near East (NSC 5428),' 7 August 1957, Records of the Office of the Special Assistant for National Security Affairs, NSC Series, 'NSC 5428,' Dwight D. Eisenhower Library.

43 On U. S. plans for covert action in Syria, see Little, Douglas, "Cold War and Covert Action: The United States and Syria, 1945–1958," *The Middle East Journal* 44 (1990), 51–77; Ashton, Nigel John, *Eisenhower, Macmillan and the Problem of Nasser: Anglo-American Relations and Arab Nationalism* (Basingstoke: Macmillan, 1996), 125; Seale, *The Struggle for Syria*, 296.

44 Rockwell to Rountree, 'Syro-Soviet Relations,' 22 August 1957, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs 1956–1962, Box 2, RG 59, NARA.

45 *Ibid.*

next few months." The State Department disagreed with that assessment, albeit admitting that the inimical trends "*might lead to* open hostilities in the area, with the possibility of direct involvement of Western and Soviet interests."[46]

The probable effects on the flow of oil were of particular concern for the British. Prime Minister Macmillan emphasized the importance of not taking any action which might provoke Syria to cut the oil pipelines running across its territory, "unless it formed part of a considered plan, which the United States Government were prepared to carry through, for restoring the whole position in the Middle East in favour of the Western Powers." He also pointed out that any action which would lead the Syrians to interfere with the pipelines "might also cause the Egyptian Government to restrict the passage of oil through the Suez Canal."[47] Dulles and Eisenhower were nevertheless alarmed. In late August, Dulles told General Nathan Twining, Chairman of the Joint Chiefs of Staff, that the United States was considering "the possibility of fairly drastic action."[48] In a letter to British Foreign Secretary Selwyn Lloyd, Dulles noted that there was now little hope of "correction from within and that we must think in terms of the external assets." Dulles emphasized the possible need to "be prepared to take some serious risks to avoid even greater risks and dangers later on."[49]

Under Secretary of State Loy Henderson was nonetheless dispatched to Turkey to negotiate with the leaders of pro-Western governments in the area about possible counteraction. After those negotiations, in early September, Dulles told Eisenhower that it might be necessary to let Turkey to make a military move against Syria "unless one of the Arab states was prepared."[50] A new intelligence estimate was issued on September 4, pointing out that most Syrians would oppose unilateral Turkish intervention. On the other hand, "intervention by one or more Arab states would be favored by members of the opposition." The degree of support inside Syria for such intervention would depend, however, "in some measure on the effectiveness with which Turkish initiative could be concealed and more importantly on indications of the likelihood of the success of the intervention."[51]

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46 Cumming to Dulles , 'Syria,' 23 August 1957, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs 1956–1962, Box 2, RG 59, NARA.

47 Ashton, *Eisenhower, Macmillan and the Problem of Nasser*, 127.

48 Lesch, David W., *Syria and the United States: Eisenhower's Cold War in the Middle East* (Boulder: Westview, 1992), 141.

49 Dulles to Lloyd, 21 August 1957, Ann Whitman File, Dulles-Herter Series, Box 7, Dwight D. Eisenhower Library.

50 Memorandum of Conversation, Eisenhower and Dulles, 2 September 1957, Dulles Papers, White House Memoranda Series, Box 5, Dwight D. Eisenhower Library; Henderson to Dulles, 28 August 1957, Ann Whitman File, Ann Whitman File, Dulles-Herter Series, Box 7, Dwight D. Eisenhower Library; Gerges, Fawaz, *The Superpowers and the Middle East: Regional and International Politics, 1955–1967* (Boulder: Westview, 1994), 86; Lesch, *Syria and the United States*, 147–149; Ashton, *Eisenhower, Macmillan and the Problem of Nasser*, 126–127.

51 Cumming to Dulles, 'Conclusions Reached in SNIE 36.7-57: Developments in the Syrian Situation,' 4 September 1957, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs 1956–1962, Box 2, RG 59, NARA.

The stakes were further heightened by Soviet diplomacy. Soviet Foreign Minister Andrei Gromyko and Prime Minister Nikolai Bulganin repeatedly accused Turkey and the United States of plans to attack Syria, and warned that military invasion of Syria "would not be limited to that area alone."[52] However, in the course of September, the support in the area for pro-Western intervention seemed to dwindle, and the likelihood of a military intervention correspondingly waned. The Arab states were moving behind Saudi Arabia's King Saud, who had taken on a role of conciliator. In Turkey, the military leadership seemed to be holding back the Menderes Government. By early October Eisenhower could only note the "difficulty of rationalizing the support of Turkey if there was no real provocation." Dulles agreed and emphasized that even "if the Turks did find provocation to move against Syria, there would be great difficulty in winding up the affairs..." In effect, Dulles and Eisenhower decided against taking affirmative steps toward a military solution.[53] On October 3, Eisenhower stated publicly that the "original alarm of countries like Lebanon, Jordan, and Iraq and, to some extent Saudi Arabia, seems to have been quieted by what we have learned."[54]

The crisis seemed to be over, and its final resolution was intrusted to the United Nations. However, the shock of Sputnik in mid-October brought the Syrian situation back to the forefront of U. S. policy when Eisenhower met with Macmillan later that month. But the ramifications were much wider than had been conceived of earlier. "These days may well be decisive for the next few centuries," Dulles stated in opening a long elaboration of his view of the post-Sputnik world situation. In his opinion, the West had now been put on the defensive.

> For several hundred years the Christian West had dominated the world. Now it faced the question of whether that kind of society would be submerged for several centuries by 'Communist Socialism' with Communist Parties working underground as super-governments.... [I]n the past a great strength of the West had been this dynamic quality illustrated by the history of both countries [Britain and the United States]. Leaders of the West had felt that they had a mission and destiny. The problem today is to find ways the ways to rid much of the free world of its state of semi-paralysis.... [I]t might now be given to our two countries to set the example and to mobilize their assets to meet the great challenge.... [We] should hold the free world together as now constituted, ... we should not give up hope of attracting others to our

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52 Glidden to Rockwell, 'Soviet Exploitation of the Situation in Syria in 1957,' 26 February 1958, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs 1956–1962, Box 2, RG 59, NARA; Gerges, *The Superpowers and the Middle East*, 86.

53 Memorandum of Conversation, Eisenhower and Dulles, 1 October 1957, Dulles Papers, White House Memoranda Series, Box 5, Dwight D. Eisenhower Library; Ashton, *Eisenhower, Macmillan and the Problem of Nasser*, 130–131; Gerges, *The Superpowers and the Middle East*, 88.

54 *New York Times*, 4 October 1957.

side. There should be room in our plans for India and countries like Burma which seemed to be becoming somewhat less neutral.... We must give freedom an appeal which would attract. We must go on the offensive, not by copying the force, terror and fraud of the Soviets but by showing the fruits which freedom can produce.... All these thoughts ... were not new ones ... but in a sense they had come to climax with Sputnik."[55]

Eisenhower agreed that "the whole free world needs a 'shot in the arm.'" In response, Deputy Secretary of Defense Donald Quarles listed recent achievements of the U. S. missile program in the face of Sputnik's launch: a successful flight of the Army's Jupiter intermediate range missile, a successful test of the main stage rocket designed as the vehicle for the earth satellite, and a successful test launch of an Air Force research rocket. Quarles considered all of these "dramatic examples" U. S. advancement in missile development. Eisenhower insisted that he was not "not thinking mainly of this sort of achievement, not something tied to scientific or material development, but of the spiritual, ethical values which support our type of society." Eisenhower was looking for something "that would 'lift up the chins of our people' over a long period, something which can 'light a fire' that will burn steadily for as long as necessary."[56]

The Sputnik shock had a clear effect on Dulles' estimate of the Middle Eastern situation as well. "Nuclear power is going to play an ever-increasing role both in offense and defense," he told the British.[57] He wondered whether the situation in the Middle East might in that sense present the West with a unique opportunity. Dulles interpreted the strong Soviet information and propaganda campaign "as being due to a genuine fear on their part that they might be confronted with either backing down or fighting in the Middle East, and that they did not want to fight at the present time." In the wake of Sputnik, Dulles thought that in two or three years the situation might well be different. As long as the U. S. still had a marked military advantage, the Middle Eastern crisis "offered a tempting opportunity to force upon the Russians a serious loss of prestige." On the other hand, Dulles acknowledged that such a move could start an escalating "cycle of challenge and response which would lead to general war." Furthermore, the situation was not conducive to military action, although Dulles still thought it might become so "as a result of Soviet-Syrian-Egyptian tactics."[58]

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55 Memorandum of Conversation, Eisenhower, Dulles, Macmillan, Lloyd, 23 October 1957, 'Closer US-UK Relations and Free World Cooperation,' Ann Whitman File, International Series, Box 23, 'Macmillan, October 23–25, 1957 (1),' Dwight D. Eisenhower Library.

56 Memorandum of Conversation, Eisenhower, Dulles, Macmillan, Lloyd, 'Free World Cooperation,' 24 October 1957, Ann Whitman File, International Series, 'Macmillan, October 23–25, 1957 (2),' Dwight D. Eisenhower Library.

57 Memorandum of Conversation, Dulles, Macmillan, Lloyd, 23 October 1957, Dulles Papers, General Correspondence and Memoranda Series, Box 1, Dwight D. Eisenhower Library; For Streit's proposal, see Streit, Clarence K., *Union Now: A Proposal for a Federal Union of the Democracies of the North Atlantic* (London: Cape, 1939).

58 Memorandum of Conversation, Eisenhower, Macmillan, Dulles, Lloyd, 25 October 1957, Dulles Papers, General Correspondence and Memoranda Series, Box 1, Dwight D. Eisenhower Library.

In the end, no such drastic action was taken. The resolution of the Syrian Crisis at the United Nations was followed in early November 1957 by the ratification of the Soviet-Syrian Economic Aid Agreement in the Syrian parliament.[59] In early January 1958 Dulles would state before the Senate Foreign Relations Committee that he could not say that in Syria there had been "anything like a Communist take-over."[60] What remained was anxiety over the consequences of the launch of Sputnik. In early December the U. S. satellite *Explorer* exploded upon take-off, and Hans Morgenthau, the doyen of political Realists, argued that the United States was "no longer the most powerful nation on earth nor is it even equal in actual or prospective military power to the Soviet Union."[61]

The direction in which Dulles and Eisenhower looked for a solution was toward increased Anglo-American cooperation. Eisenhower had already made it clear in the aftermath of the Suez Crisis that the United States had to seek renewed worldwide cooperation with Britain.[62] The Bermuda Conference in March 1957 had taken steps to that direction, although the Eisenhower Administration made it clear that innate in the development of Anglo-American relations was "the rapid growth of US power and the relative decline of British power, and the replacement by the US of the UK in the role of world leadership."[63] In the aftermath of Sputnik, however, the need for a close Anglo-American relationship reigned supreme. Less than a year after the Suez Crisis, Eisenhower told Macmillan that the countries should develop partnership "almost to the point of operating together under one general policy."[64] Dulles went even further and referred to Clarence Streit's idea of a federal transatlantic union as described in Streit's book *Union Now* published in 1939. Dulles said he agreed with Streit's diagnosis, and now the need was to find "a politically

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59 Glidden to Rockwell, 'Soviet Exploitation of the Situation in Syria in 1957,' 26 February 1958, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs 1956–1962, Box 2, RG 59, NARA.

60 Dulles statement before the Senate Foreign Affairs Committee, 'Briefing on the World Situation,' 9 January 1958, U. S. Congress, Senate, Committee on Foreign Relations, *Executive Sessions of the Senate Foreign Relations Committee (Historical Series)*, X, *Eighty-Fifth Congress, Second Session, 1958* (Washington, D.C.: United States Government Printing Office, 1980), 6-7, 22.

61 Morgenthau, Hans J., "The Decline of American Power," *New Republic* 9 December 1957, 14.

62 Memorandum of Conversation, Eisenhower, Hoover, Allen Dulles, and others, 21 November 1956, Ann Whitman File, Eisenhower Diary Series, Box 19, 'Diary-Staff Notes, November 1956,' Dwight D. Eisenhower Library; Memorandum of Conversation, Eisenhower and Hoover, 26 November 1956, Ann Whitman File, Eisenhower Diary Series, Box 19, 'Diary-Staff Memoranda, November 1956,' AWF, Dwight D. Eisenhower Library; For the larger Anglo-American context, see especially Louis, Wm. Roger, and Robinson, Ronald, "The Imperialism of Decolonization," *The Journal of Imperial and Commonwealth History* 22 (1994), 462–511.

63 State Department Memorandum, 'Summary Briefing Paper,' n.d. [March, 1957], Ann Whitman File, International Series, Box 3, 'Bermuda Conference, March 20–24, 1957 (1),' Dwight D. Eisenhower Library.

64 Memorandum of Conversation, Eisenhower, Dulles, Macmillan, Lloyd, 'Free World Cooperation,' 24 October 1957, Ann Whitman File, International Series, 'Macmillan, October 23–25, 1957 (2),' Dwight D. Eisenhower Library.

practical solution" to facilitate much closer transatlantic cooperation.[65] With respect to the Middle East, the heightened awareness of Western European dependence on oil together with the coinciding of the Sputnik shock with the Syrian Crisis had revealed the level of anxiety with which the decision-makers in Washington viewed the uncertain political orientation of Middle Eastern countries. The mode of thought within the Eisenhower Administration had also moved significantly closer to a policy of direct intervention to stem the apparently inimical trends, which were considered to be threatening the flow of oil.

Oil, Western Economic Security, and the Specter of Arab Unity

"We must give freedom an appeal which would attract," Dulles had told Eisenhower and Macmillan after the launch of Sputnik. "We must go on the offensive, not by copying the force, terror and fraud of the Soviets but by showing the fruits which freedom can produce"[66] In December 1957 the Italian Foreign Minister Giuseppe Pella presented Dulles with a plan to create a European-based Middle East Development Fund using European repayments of Marshall Plan loans (20% of the amount owed by Western Europe to the U. S.) as the source of capital. The plan would be worked out within the OEEC, and the funds would be used for long-term development projects.[67] This so called Pella Plan was soon followed by another. In January 1958, the State Department received a paper prepared by United Nations Secretary General Dag Hammarskjöld contemplating creation of an Arab Development Bank with funds to be obtained from outside sources.[68] The UN proposal would have been an Arab Bank with $15 million in capital contributed by the member states. Each member country would have one vote in the administration of the Bank, while funds for the extension of loans would have to come from outside sources, possibly through a percentage of profits from oil-producing countries and international oil companies.[69]

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65 Memorandum of Conversation, Dulles, Macmillan, and Lloyd, 23 October 1957, Dulles Papers, General Correspondence and Memoranda Series, Box 1, Dwight D. Eisenhower Library; For Streit's proposal, see Streit, Clarence K., *Union Now: A Proposal for a Federal Union of the Democracies of the North Atlantic* (London: Cape, 1939).

66 Memorandum of Conversation, Eisenhower, Dulles, Macmillan, Lloyd, 23 October 1957, 'Closer US-UK Relations and Free World Cooperation,' Ann Whitman File, International Series, Box 23, 'Macmillan, October 23–25, 1957 (1),' Dwight D. Eisenhower Library.

67 Donald D. Kennedy, State Department Memorandum, 'Status of Key Proposals Relating to the Economic Development in the Middle East,' 6 March 1958, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 1, RG 59, NARA; Kennedy to Dillon, 'Economic Development in the Middle East, 7 February 1958, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 1, RG 59, NARA.

68 *Ibid.*

69 David D. Kennedy, 'Status of Key Proposals Relating to the Economic Development in the Middle East,' 6 March 1958, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 1, RG 59, NARA.

Dulles was much interested in these plans, but they involved a problem. Such a multilateral organization ran the risk of becoming dominated by Egypt, and consequently the State Department made it clear from the very first comments on the Hammarskjöld Plan that the United States "should certainly avoid arrangements which might develop into the first step toward the Arabs combining forces to dictate to the world oil consumers with respect to Middle East oil supplies."[70]

The Eisenhower Administration had been cautiously optimistic about the prospect of rebuilding relations with Nasser after the Syrian Crisis. The State Department considered it possible that Nasser might have begun to have "qualms that the Soviet Union is seeking to displace him as leader of the area." A restoration of "tolerable relations" with Egypt was considered to be in U. S. interests, if Nasser could be made to show "greater awareness of the dangers of close association with the Soviet Union."[71] In October 1957, Dulles put these difference to the Egyptian ambassador Ahmed Hussein in Washington. Dulles said he was certain that Nasser had no intention of placing Egyptian independence in jeopardy as he was dealing with the Soviet Union, but reminded Hussein of the proverb that "[t]he road to hell is paved with good intentions." Dulles emphasized that the United States recognized that other countries had the right to adopt neutrality as their policy, but maintained that "truly neutral countries should not permit their neutrality to be used as a vehicle to facilitate penetration of international communism." Dulles referred to India, Yugoslavia, and Finland as examples which had in Dulles' categorization displayed due awareness of the dangers involved – even if they had "many dealings" with the Soviet Union.[72]

No significant *rapprochement* had occurred, however, before news concerning an impending Egyptian-Syrian Union arrived in Washington. The Eisenhower Administration regarded that possibility as contrary to U. S. interests. Such a union would signal a major victory for Nasser's pan-Arab ideas, and U. S. assessments considered it likely that the new unified Arab state would begin to threaten the pro-Western countries of Lebanon, Jordan, Iraq,

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70 Memorandum of Conversation, Rountree and Hood, 7 January 1958, State Department Lot File 60 D 216, Subject Files of Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs, 1958-59, Box 2, RG 59, NARA.

71 Memorandum of Cabinet Meeting, 15 November 1957, Dulles Papers, Dulles Papers, White House Memoranda Series, Box 5, Dwight D. Eisenhower Library; Dulles statement before the Senate Foreign Affairs Committee, 'Briefing on the World Situation,' 9 January 1958, U. S. Congress, Senate, Committee on Foreign Relations, *Executive Sessions of the Senate Foreign Relations Committee (Historical Series)*, X, *Eighty-Fifth Congress, Second Session, 1958* (Washington, D.C.: United States Government Printing Office, 1980), 6–7, 22; Ashton, *Eisenhower, Macmillan and the Problem of Nasser*, 132.

72 Memorandum of Conversation, Dulles and Hussein, 8 October 1957, *Foreign Relations of the United States 1955–1957*, XVII, 752–755. See also Memorandum of Conversation, Dulles and Black, 29 October, 1957, *Foreign Relations of the United States 1955–1957*, XVII, 775–778; Memorandum of Conversation, Dulles and Hassouna, 'Middle East,' 13 November 1957, State Department Decimal File 780.00/11-1357, RG 59, NARA..

and Saudi Arabia, and seek to take them over one by one.[73] At a NSC meeting on January 22, 1958, Dulles nonetheless warned that the United States had to be very careful in its comments in order not "to end up by uniting the Arab states against the United States and the West."[74] Dulles was unsure whether the plan for a United Arab Republic was actually promoted by the Communists or whether the Communists were only "going along with Nasser's ambitions to unify the Arab world under his leadership."[75] The CIA asserted that the union was a Syrian initiative to counter a prospective Communist coup, and that the Soviets privately opposed it.[76] "I do not think myself that Nasser has gone Communist," Allen Dulles told the Senate Foreign Relations Committee.[77]

On February 1, 1958, the United Arab Republic was proclaimed in Cairo and Damascus.[78] Nasser was now in control of both Egypt and Syria, giving him control of all short-haul oil transit facilities from the Middle East to Western Europe – the Suez Canal and the Levant pipelines. Even if the Eisenhower Administration did not consider Nasser necessarily a Communist, the Hammarskjöld initiative concerning a Middle East Development Bank was caught in a difficult situation. In discussions with British representatives, Assistant Secretary of State William M. Rountree expressed the State Department's concern that Hammarskjöld's proposal "would give Egypt control of a mechanism which would be utilized to direct the flow of Near East wealth into Egypt."[79]

Beyond Egyptian influence, the State Department also wanted to avoid the prejudicial precedent of the Arab countries adopting a common Arab line towards the oil companies "We fear the development of the idea that more money could be exacted from the oil companies, even to the point that oil company resources could finance the development of all the Arab states," a State Department Memorandum noted in late January.[80] In early March,

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73 NSC 5801, 'Long-Range U. S. Policy Toward the Near East,' 16 January 1958, NSC Records, RG 273, NARA.

74 Memorandum of Conversation, NSC Meeting, 22 January 1958, Ann Whitman File, National Security Council Series, Box 9, Dwight D. Eisenhower Library.

75 Dulles to Eisenhower, 29 January 1958, Ann Whitman File, Dulles-Herter Series, Box 7, Dwight D. Eisenhower Library.

76 Memorandum of Conversation , NSC Meeting, 30 January 1958, Ann Whitman File, NSC Series, Box 9, Dwight D. Eisenhower Library.

77 Allen Dulles statement before the Senate Foreign Affairs Committee , 'Assessment of the Soviet Union,' 9 January 1958, U. S. Congress, Senate, Committee on Foreign Relations, *Executive Sessions of the Senate Foreign Relations Committee (Historical Series)*, X, *Eighty-Fifth Congress, Second Session, 1958* (Washington, D.C.: United States Government Printing Office, 1980), 101-105.

78 Kerr, Malcolm, *The Arab Cold War, 1958–1967: A Study of Ideology in Politics* (London: Oxford University Press for the Royal Institute of International Affairs, 1967), 14–21.

79 Memorandum of Conversation, Rountree and Hood, 14 January 1958, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 1, RG 59, NARA.

80 Joint NEA (Near Eastern Affairs) - IO (International Organization Affairs) Position Paper, 'The UK and Mr. Hammarskjold's Proposal for Middle East Development,' 22 January 1958, State Department Lot File 60 D 216, Subject Files of Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs, 1958–59, Box 2, RG 59, NARA.

Rountree achieved the shelving of the Hammarskjöld Plan as too dangerous by stressing Nasser's ambition to get control of the Middle East oil.

> [O]ne possible objection to the plan was that aspect relating to the possibility that the Arab countries, working together in an organization dominated by Egypt, might concern themselves with questions of that sort, i.e., policy regarding pipelines and shipping of oil. It was clear that it was Nasser's objective to obtain a voice in these matters relating to oil policies generally; his ultimate objective is to control the oil itself.[81]

At the same time Allen Dulles noted at a NSC meeting that Nasser was again in "all-out battle with the remaining pro-Western leaders."[82]

The one pro-Western leader whom the Eisenhower Administration had hoped to build up as a countervailing force to Nasser was Saudi Arabia's King Saud. As the guardian of Islam's holy places, and controller of Saudi Arabia's immense oil wealth, Eisenhower had thought of him as early as April 1956 as the only one who could have sufficient prestige to offset Nasser's negative influence in the Middle East.[83] The State Department described King Saud as a tribal leader, but in terms of nationalism and communism he was seen as a moderate Arab leader who had "demonstrated a will to resist Communism, who has shown friendship for the United States by his cooperation at Dhahran Airfield, who seeks to settle intra-Arab differences, and who has the potential to influence other Arab leaders."[84] King Saud had made an official visit to Washington in early 1957. The U. S. was then assured of continued use of the facilities at the Dhahran Air Field, in return for $45 million worth of military training and a $5 million air terminal. The Administration also promised to finance an expansion of the port of Dammam and to extend credit to the amount of $50 million in order to facilitate the initial costs expansion plan of the Saudi armed forces.[85] It was a relatively high price to pay for a base which was used

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81 Memorandum of Conversation, Dillon, Rountree, and Trevelyan, 'Current Thinking on Secretary General's Projected Arab Development Bank,' 7 March 1958, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 1, RG 59, NARA.

82 Memorandum of Conversation, NSC Meeting, 6 March 1958, Ann Whitman File, National Security Council Series, Box 9, Dwight D. Eisenhower Library.

83 Eisenhower Diary, 8 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, Dwight D. Eisenhower Library; Eisenhower Diary, 13 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, Dwight D. Eisenhower Library; Memorandum of Conversation, Eisenhower, Radford, and the JCS, 16 March 1956, Ann Whitman File, Eisenhower Diary Series, Box 13, Dwight D. Eisenhower Library.

84 State Department, 'Briefing Memorandum,' n.d. [January 1957], Ann Whitman File, International Series, Box 46, 'Saudi Arabia (2),' Dwight D. Eisenhower Library; Memorandum of Conversation, Eisenhower, Dulles, and Saud, 30 January 1957, Ann Whitman File, International Series, Box 46, 'Saudi Arabia (2),' Dwight D. Eisenhower Library; Gerges, *The Superpowers and the Middle East*, 83.

85 Memorandum of Conversation, Eisenhower, Dulles, Saud, 8 February 1957, Ann Whitman File, International Series, Box 46, 'Saudi Arabia (1),' Dwight D. Eisenhower Library. Operations Coordinating Board, 'Progress Report on United States Objectives and Policies with Respect to the Near East (NSC 5428),' 7 August 1957, NSC Records, RG 273, NARA. Eisenhower, *Waging Peace*, 117–120.

by fewer than two thousand U. S. military personnel – both the Dhahran Airfield and the U. S. Military Training Mission.in Saudi Arabia included – and which the United States used primarily for the transit of aircraft. Although Dhahran occupied a key position in the transiting of aircraft flying between the East and the West, it was not considered irreplaceable.[86]

However, what was more important in the U. S. – Saudi Arabian agreement from the American point of view was that the conversations between King Saud and Eisenhower seemed to have a marked effect on Saudi Arabian policies. In the course of 1957, the State Department noted with satisfaction that Saudi Arabia and Jordan had gradually moved to closer cooperation with the other pro-Western states, Iraq and Lebanon, and adopted a more discernibly anti-Egyptian and anti-Soviet policy.[87] In the summer of 1957 the CIA argued that the most significant development in the Arab world was the emergence of a distinct Arab bloc of Saudi Arabia, Iraq, Jordan, and Lebanon which had distanced itself from Egypt and Syria.[88]

There seemed little else to be happy about in the pro-Western countries of the Middle East. According to State Department assessments, Jordan was an "artificial state" which simply was not "economically viable." The U. S. had replaced Britain as the country's financial benefactor in 1957 by providing $20 million for support of the Jordanian budget and agreed to $10 million in military aid. The Saudis helped along with $14 million more.[89] Politically, the young King Hussein seemed to be constantly on the verge of being overthrown by either pro-Nasser nationalists or pro-Soviet Communists.[90] In Iraq, the situation

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86 Dulles statement before the Senate Committee on Foreign Relations, 1 February 1957, U. S. Congress, Senate, *Executive Sessions of the Senate Foreign Relations Committee, together with Joint Sessions with the Senate Armed Services Committee (Historical Series)*, VIII, *Eighty-Fifth Congress, First Session, 1957* (Washington, D.C.: United States Government Printing Office, 1979), 187–193. Frank C. Nash, 'United States Overseas Military Bases: Report to the President, Appendix: Country Studies,' [Classified 'secret] November 1957, Ann Whitman File, Administration Series, Box 27, 'Nash Report – US Overseas Military Bases (2),' Dwight D. Eisenhower Library.

87 Operations Coordinating Board, 'Progress Report on United States Objectives and Policies with Respect to the Near East (NSC 5428),' 7 August 1957, Records of the Office of the Special Assistant for National Security Affairs, NSC Series, 'NSC 5428,' Dwight D. Eisenhower Library.

88 Gerges, *The Superpowers and the Middle East*, 83.

89 Operations Coordinating Board, 'Progress Report on United States Objectives and Policies with Respect to the Near East (NSC 5428),' 7 August 1957, Records of the Office of the Special Assistant for National Security Affairs, NSC Series, 'NSC 5428,' Dwight D. Eisenhower Library; State Department Policy Planning Staff Paper, 'Some Considerations Bearing Upon the US Approach to the Middle East,' n.d., enclosed in Bowie to Rountree, 21 February 1957, State Department Decimal File 611.80/2-2157, RG 59, NARA.

90 State Department Instruction, 'Report of the Watch Committee of the Intelligence Advisory Committee of Soviet Communist Intentions,' CA-8464, 12 April 1957, State Department Decimal File 661.00/4-1257, RG 59, NARA; Telephone Conversation, Dwight D. Eisenhower and John Foster Dulles , 25 April 1957, Dulles Papers, Telephone Conversations Series, Box 12, Dwight D. Eisenhower Library; Telephone Conversation, Dwight D. Eisenhower and John Foster Dulles , 26 April 1957, Dulles Papers, Telephone Conversations Series, Box 12, Dwight D. Eisenhower Library; Gerges, *The Superpowers and the Middle East*, 82; Little, Douglas, "A Puppet in Search of a Puppeteer? The United States, King Hussein, and Jordan, 1953–1970," *International History Review* 17 (1995), 518–525.

did not seem any better despite the country's membership in the Baghdad Pact. Both the CIA and the State Department agreed that it was possible that the government headed by Nuri es-Said would not be able to survive very long. "Long regarded in the Arab world as a British stooge, Nuri is being popularly indicted as having been involved in the British- French-Israeli action," Allen Dulles had reported in the aftermath of the Suez Crisis.[91]

In mid-February the Arab Union of Iraq and Jordan was proclaimed as a countermeasure to the formation of the United Arab Republic.[92] The United States strongly supported the Arab Union, but that had few positive results. "We had wanted to help and had supported fully the Arab Union," Assistant Secretary of State William Rountree recalled later. "We had offered large amounts of money to cover the Union's budget deficit. We had been carrying Jordan on our shoulders for a year and one-half. We were willing to and ready to support the Arab Union but we could not do everything. We could not put the Iraqis and Jordanians together and force them to cooperate effectively."[93]

When Allen Dulles argued at a NSC meeting in early March 1958 that Nasser was again engaged in a battle to oust remaining pro-Western leaders,[94] the position of pro-Western leaders seemed as precarious as ever. A State Department report stated matter-of-factly that the United Arab Republic sought to take over the neighboring Arab states. The Arab Union of Jordan and Iraq, moreover, had no broadbased appeal even within Iraq and Jordan and played "a definite 'second fiddle' to Nasser" as an initiative toward Arab unity. More than that, the State Department reported that "the Governments of Jordan and Iraq rest mainly on force and are regarded with cynicism and suspicion by all but a small minority in each country."[95] In late March came startling news from Saudi Arabia. King Saud, on whom the Eisenhower Administration had pinned its hope for pro-Western leadership of the Middle East and the Islamic world, was forced to sign a decree delegating full control over the conduct of domestic and foreign affairs to his brother Faisal, who almost immediately issued a statement taking a noticeably more neutral position with regard to Nasser and the United Arab Republic than Saud.[96] Eisenhower understandably regretted

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91 Allen Dulles to Hoover, 22 November 1956, Records of the White House Office, Office of the Staff Secretary, Subject Series, Alphabetical Subseries, Box 7, 'CIA 1 (4),' Dwight D. Eisenhower Library; See also Axelgard, Frederick W., "US Support for the British Position in Pre-Revolutionary Iraq," in Fernea, Robert A. and Louis, Wm. Roger (eds.), *The Iraqi Revolution of 1958: The Old Social Classes Revisited* (London: Tauris 1991); Louis, Wm. Roger, "The British and the Origins of the Iraqi Revolution," in Fernea, Robert A. and Louis, Wm. Roger (eds.), *The Iraqi Revolution of 1958: The Old Social Classes Revisited* (London: Tauris, 1991).

92 Gerges, *The Superpowers and the Middle East*, 101–102.

93 Memorandum of Conversation, Rountree, Ardalan, Urguplu, and Mohammed Ali, 'Iraq and Lebanon', *Foreign Relations of the United States, 1958–1960*, XI, 228–230.

94 Memorandum of Conversation, NSC Meeting, 6 March 1958, Ann Whitman File, National Security Council Series, Box 9, Dwight D. Eisenhower Library.

95 Rockwell to Rountree, 'Long Range Policy Toward the Arab Union', 26 March 1958, *Foreign Relations of the United States, 1958–1960*, XI, 281–286.

96 Ashton, *Eisenhower, Macmillan and the Problem of Nasser*, 148

counting on Saud. "No matter what you think of Nasser, at least he is a leader," he stated in his diary.[97]

At the same time, Nasser appeared to U. S. decision makers to be as menacing as ever. Dulles went as far as to state that "it seemed ... that Nasser was following in Hitler's footsteps and was embarking on the policy of expansion."[98] By April, Dulles was busy developing ideas about getting Upper Nile waters into the control of friendly hands in order to have some means of countering Nasser's control over the oil transit through the Suez Canal and the pipelines.[99]

> Our efforts should be directed toward countering possible moves by Nasser. We must think in terms of safeguarding the oil fields in the area and solving the problem of transport in the event the pipelines are blocked.... [W]e should also consider the possibility of developing relations with the Sudan in order to exercise control over the Nile waters, which would enable us to bring pressure on Egypt.[100]

Dulles was simultaneously seeking ways to take the initiative in the field of economic aid, but the problem of Nasser seemed to prohibit any action along the lines of the multilateral plan presented by Hammarskjöld. "As you know," Rountree responded to Dulles, "we have been particularly concerned that a grouping of this kind might facilitate Nasser's efforts to unify Arab policies with respect to Middle East oil production and transportation."[101] Even if Nasser would not be given such a chance to influence oil production through a multilateral organization, the fear remained that he would seek such influence through other means. In a meeting with Tapline's President John Noble and ARAMCO's Vice President Terry Duce, Under Secretary of State Christian Herter told the oil executives that "if Nasser were to go so far as to nationalize the transit lines, ... he would next move in on production."[102] Dulles was convinced that the West would and could get along without any oil that might come under Nasser's control as long as the resources of Iran and Kuwait remained available. It was nevertheless indicative of Dulles' thinking at the time that he contemplated the possibility of Nasser possibly succeeding in his aims with respect to Saudi Arabian and Iraqi oil.[103] The alarm felt in the West

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97 Ambrose, *Eisenhower the President*, 466.

98 Ashton, *Eisenhower, Macmillan and the Problem of Nasser*, 147.

99 Telephone Conversation, Dulles and Rountree, 3 April 1958, Dulles Papers, Telephone Conversations Series, Box 8, Dwight D. Eisenhower Library.

100 Memorandum of Conversation, Dulles and Caccia, 4 April 1958, State Department Decimal File 611.80/4-458, RG 59, NARA.

101 Rountree to Dulles, 5 April 1958, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 1, RG 59, NARA.

102 Memorandum of Conversation, Herter, Noble, and Duce, 21 May 1958, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1953–1964, Box 8, RG 59, NARA.

103 Memorandum of Conversation, Dulles and Zorlu, 6 May 1958, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1953–1964, Box 8, RG 59, NARA.

was only made worse by widespread rumors that that the Soviet Union was trying to break the 50–50 profit sharing formula between oil companies and producing countries by offering a 90–10 percent split of mutual oil profits. The Soviet Union, it was reported, would ask only ten percent for its equipment and expert services.[104]

This was the context where news about a Nasser-inspired civil war against the pro-Western Lebanese Government were situated in early May. Nasser denied any responsibility for the Lebanese situation,[105] and even Dulles was initially unsure as to whether the crisis had been "stirred up" from within Prime Minister Camille Chamoun's Government.[106] The UN Security Council began discussions on the Lebanese situation and decided to send a UN observer force to Lebanon in June, but recurrent Lebanese pleas for U. S. intervention made the situation awkward for the Eisenhower Administration. After the Syrian Crisis in the fall of 1957, the United States and Britain had devised contingency plans for a military intervention in Lebanon and Jordan, but Eisenhower "had little, if any, enthusiasm for our intervening at this time."[107] UN Ambassador Henry Cabot Lodge agreed and argued that the use of military force "would look as though we had been out-classed by the other side and have just had to fall back on brute force. Although we would be doing this to save the Near East, it would very likely lose this area to the West."[108]

In late June 1958 the situation seemed to be getting better. An initial UN observers' report on Lebanon was published, and it indicated inability to establish the source of arms found in Lebanon and equal inability to verify whether "any of the armed men observed had infiltrated from outside."[109] In early July, Dulles told Hammarskjöld that the United States had now "good reason to believe that ... Nasser had in fact tried to stop the movement of men and materiel from Syria into Lebanon, although he had apparently desired that the fighting within Lebanon continue."[110] Herter thought that the issue might be resolved altogether when the new Lebanese convened in late July to elect a new president.[111]

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104 "Soviet Oil Profit Offer," *The Times*, 18 June 1958.

105 Gerges, *The Superpowers and the Middle East*, 107.

106 Memorandum of Conversation, Dulles and Lloyd (in Paris), 4 May 1958, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1953–1964, Box 8, RG 59, NARA.

107 Memorandum of Conversation, Eisenhower and Dulles, 15 June 1958, Ann Whitman File, Eisenhower Diary Series, Box 33, Dwight D. Eisenhower Library.

108 Krebs to the Office of the Secretary of State, 'Summary of a Telephone Conversation between the Under Secretary and Ambassador Cabot Lodge at 10:30 a.m., June 16,' 17 June 1958, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1953–1964, Box 9, RG 59, NARA.

109 Ashton, *Eisenhower, Macmillan and the Problem of Nasser*, 163.

110 Memorandum of Conversation, Dulles and Hammarskjöld, 7 July 1958, Dulles Papers, General Correspondence and Memoranda Series, Box 1, Dwight D. Eisenhower Library.

111 Memorandum of Conversation, Herter and Hickerson, 'Lebanese Situation,' 2 July 1958, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1953–1964, Box 9, RG 59, NARA.

On July 14, 1958, the U. S. assessment changed totally after a revolution in Iraq led by two military officers, Abdel Karim Kassem and Abd al-Salim Aref, swept away the pro-Western regime, and left Nuri es-Said and many other pro-Western Iraqi political leaders dead.[112] In an emergency meeting headed by Dulles, a general agreement was reached that if the Eisenhower Administration did not respond quickly, "Nasser would take over the whole area," the United States would lose its influence in the Middle East, and the credibility of U. S. commitments would be questioned throughout the world.[113] Eisenhower agreed that the United States had to act, "or get out of the Middle East entirely." He was convinced that the new situation made it likely that inaction would mean the loss of the Middle East from Western perspective. Such a loss, moreover, would have been "far worse than the loss of China, because of the strategic position and resources in the Middle East."[114] On July 14 the decision to intervene was taken.[115] U. S. Marines landed on the shore close to Beirut the very next day. Two days later, British paratroops arrived in Jordan to stabilize the Government there.

As the marines were landing in Lebanon, Eisenhower put the U. S. intervention into a historical context.

> [W]e had come to the crossroads. Since 1945 we have been trying to maintain the opportunity to reach vitally needed petroleum supplies peaceably, without hindrance on the part of any one. The present incident comes about by the struggle of Nasser to get control of these supplies - to get the income and power to destroy the Western world. Somewhere along the line we have got to face up to the issue. It is too bad. You see the mistakes that were made.[116]

In the immediate aftermath of the U. S. intervention, Dulles' view of the situation remained essentially the same. He told the British that "the Gulf was the essential area, and that as long as we could hold it and its oil resources, the loss of Iraq was not intolerable."[117] He compared "Nasser's Pan Arabism to Hitler's Pan Germanism," and talked about his "insatiable ambitions" which

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112 Telephone Conversation, Eisenhower and Dulles, 14 July 1958 (8:29 a.m.), Dulles Papers, Telephone Conversations Series, Box 13, Dwight D. Eisenhower Library.

113 Memorandum of Conversation, Dulles, Allen Dulles, Twining, Henderson, and Murphy, 'Meeting re Iraq,' 14 July 1958 (9:30 a.m.), State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1953-1964, Box 9, RG 59, NARA.

114 Memorandum of Conversation, Eisenhower, Nixon, Dulles, Cutler, Allen Dulles, Quarles, Anderson, Gray, and Twining, 14 July 1958 (10:50 a.m.), *Foreign Relations of the United States, 1958–1960*, XI, 211–215.

115 Memorandum of Conversation, Eisenhower, Dulles, Allen Dulles, Twining, 14 July 1958, *Foreign Relations of the United States, 1958–1960*, XI, 226–228.

116 Memorandum of Conversation, Eisenhower and Nixon, 15 July 1958 (9 a.m.), *Foreign Relations of the United States, 1958–1960*, XI, 244–245.

117 Dulles quoted in Hood to FO, 20 July 1958, PREM 11/2380, 'Request for US/UK Intervention in the Event of a Coup in Jordan, July 1958,' PRO.

were also comparable to those of Hitler.[118] In a relatively short time, however, U. S. decision makers began to question their own moral and political position. USIS Director George Allen warned that if the United States stayed "on this wicket, the USSR will beat us to death in public opinion." In his opinion, the United States had to adjust "to the tide of Arab nationalism, and must do so before the hot heads get control of every country."[119] It did not take long for Dulles either to advocate a quick internal political solution through the United Nations.[120] The situation started to look slightly paradoxical, since the UN had argued already at the time of the U. S. landings that there seemed to be a distinct possibility for a political solution after General Fuad Chehab, a French educated member of an influential Maronite Christian family, had emerged as a widely supported consensus choice for the presidency.[121] As expected, Chehab was elected the new President of Lebanon in late July.[122]

In retrospect, U. S. policy after the Suez Crisis had started to look almost totally bankrupt even in the eyes of Administration members. The United States was stranded with allies in the Middle East that it considered more or less unreliable or even useless. The policy of building up King Saud had met with an unceremonious end as the conduct of foreign policy had been removed from his hands. The Saudi Arabian response to U. S. intervention in Lebanon made the change in foreign policy line very clear. The State Department reported that in Saudi Arabia "the official reaction to the American landing has been almost unanimously unfavorable except for the King, who was reported to be 'jubilant.'"[123] Meanwhile, as Dulles remarked concerning the fragility of King Hussein's pro-Western rule in Jordan, "the only reason for Jordan's existence was that it was preferable to its non-existence.... The state was unviable, had a terrible refugee problem and had no tradition or history."[124] Even more remarkably, Dulles stated that "the Iraqi Government fell because Iraq was in an unnatural association with Turkey and the United Kingdom in the Baghdad Pact."[125] The Northern Tier plan, devised in great part to create pro-Western

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118 Memorandum of Conversation, NSC Meeting, 31 July 1958, Ann Whitman File, National Security Council Series, Box 10, Dwight D. Eisenhower Library; Memorandum of Conversation, Dulles and Primozic, 19 July 1958, State Department Decimal File 780.00/7-1958, RG 59, NARA.

119 Memorandum of Conversation, NSC Meeting, 24 July 1958, Ann Whitman File, National Security Council Series, Box 10, Dwight D. Eisenhower Library.

120 Memorandum of Conversation, Eisenhower and Dulles, 21 July 1958, *Foreign Relations of the United States, 1958–1960*, XI, 359–360.

121 Urquhart, Brian, *Hammarskjöld* (New York : Harper & Row, 1972), 279–284; Urquhart, Brian, *A Life in Peace and War* (New York: Norton, 1987), 142–143.

122 Gerges, *The Superpowers and the Middle East*, 121-123; See also Murphy to Dulles , 11 August 1958, State Department Decimal File 780.00/8-1158, RG 59, NARA.

123 State Department Memorandum, 'Reactions to the American Landing in the Lebanon,' attached to Cumming to Dulles, 'The Situation in the Middle East,' 31 July 1958, State Department Decimal File 780.00/7-3158, RG 59, NARA.

124 Memorandum of Conversation, Dulles and Lloyd, 'Forthcoming Special Session of the UNGA', 12 August 1958 (New York), *Foreign Relations of the United States, 1958–1960*, XI, 455–461.

125 Memorandum of Conversation, NSC Meeting, 24 July 1958, Ann Whitman File, National Security Council Series, Box 10, Dwight D. Eisenhower Library.

sentiment in the Middle East, had in this respect come to a tragic end. And to make the circle of disappointments look complete by October 1958, when the last U. S. troops prepared to leave Beirut, Allen Dulles stepped on his brother's toes at a NSC meeting by arguing that despite U. S. intervention in Lebanon, the new Lebanese Government was likely to "pursue a foreign policy similar to that being pursued by the new government in Iraq."[126]

At the same time, the Eisenhower Administration was trying to comprehend Nasser's stature in the Arab world. "The trouble is that we have a campaign of hatred against us, not by the governments but by the people," Eisenhower had told Richard Nixon as the American troops landed in Beirut. "The people are on Nasser's side."[127] Eisenhower could only regret "Nasser's capture of Arab loyalty and enthusiasm throughout the region," which he thought was the basic reason for U. S. problems.[128] Furthermore, the confrontational policy with regard to Nasser seemed less and less like a reasonable policy after the pretext for U. S. intervention in Lebanon – fears of Egyptian enroachment on Middle Eastern oil production and transit facilities – had failed to materialize during the crisis. By late July, the State Department acknowledged that the new Iraqi regime had continued the flow of Iraqi oil, the Suez Canal had remained open, and none of the threats against the pipelines crossing the area under the control of the United Arab Republic had been carried out.[129]

In the midst of the Lebanese Crisis, ARAMCO's Vice President Thomas Barger even opined that the establishment of regimes cooperative with or even subservient to Nasser in Lebanon, Jordan or Iraq would not seriously affect U. S. interests in area, because "Nasser would not recklessly destroy profits from [the] oil industry."[130] Unlike the Administration, then, he was willing to rely on the ties of interdependence between the oil-producing Middle East and the oil-consuming West as a framework for future policy. U. S. policy during the period between the Suez Crisis and the intervention in Lebanon had not followed a line consistent with this positive appreciation of interdependence. The concept of interdependence had been much more a framework of threat perception, based on an assumption that Nasser – with Soviet support – was threatening the flow of oil from the Middle East to Western Europe, thus fundamentally endangering both the economic and strategic position of the West. The military coup in Iraq was interpreted in that context, but in the

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126 Memorandum of Conversation, NSC Meeting, 2 October 1958, Ann Whitman File, National Security Council Series, Box 10, Dwight D. Eisenhower Library.

127 Memorandum of Conversation, Eisenhower and Nixon, 15 July 1958 (9 a.m.), *Foreign Relations of the United States, 1958–1960*, XI, 244–245.

128 Eisenhower to Humphrey, 22 July 1958, *Foreign Relations of the United States, 1958–1960*, XI, 365.

129 Cumming to Dulles, 'The Situation in the Middle East,' 31 July 1958, State Department Decimal File 780.00/7-3158, RG 59, NARA; Memorandum of Conversation, Cabinet Meeting, 18 July 1958, Ann Whitman File, Cabinet Series, Box 11, Dwight D. Eisenhower Library.

130 U. S. Consulate General in Dhahran to Dulles , 15 July 1958, 11:32 a.m., State Department Decimal File 780.00/7-1558, RG 59, NARA.

aftermath of the intervention in Lebanon that assumption was questioned within the Eisenhower Administration. George Allen, a veteran of Middle Eastern diplomacy now in charge of the USIS, made it clear at a NSC meeting in late July. "The oil companies should be able to roll with the punches," he argued, "and [they] will in fact be on a firmer foundation in Iraq in the future than under the old regime."[131]

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131 Memorandum of Conversation, NSC Meeting, 24 July 1958, Ann Whitman File, National Security Council Series, Box 10, Dwight D. Eisenhower Library.

‘Democracy’: Modernization and the Problem of Authoritarianism, 1958–1961

> We must learn to work more effectively with indigenous authoritarianism and thereby play a more influential role in the ‘management’ of the internal socio-economic revolution.... Our experience with the more highly developed Latin American States indicates that authoritarianism is required to lead backward societies through their socio-economic revolutions; that if the break-through occurs under non-Communist authoritarianism, trends toward democratic values emerge with the development of a literate middle class; and that there is some correlation between developmental progress and the wider acceptance of representative institutions.[1]
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> ‘Political Implications of Afro-Asian Military Takeovers,’
> Memorandum for the National Security Council, 22 May 1959

Modernization and Development

In the midst of the Middle Eastern crisis on August 6, 1958, J. William Fulbright stood on the Senate floor of the United States Congress to give a speech on “the questions of what our long-term position in the world is going to be and what specific kind of world would best serve our long-term interests.” The Democratic chairman of the Senate Foreign Relations committee delivered a scathing review of the Eisenhower Administration’s foreign policy record in the wake of the Sputnik shock, the violent demonstrations during Vice-President Nixon’s troubled visit to Latin America in the spring of 1958, and the developments in Iraq and Lebanon. “My fear, Mr. President, is that, if we continue as we have been and are, we will lose so much ground diplomatically, politically, and economically that the question of a shooting war will really become irrelevant,” Fulbright argued. “The fact is that we are in trouble, very deep trouble, regardless of what happens in the Middle East.” No soothing words softened his message.

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1 ‘Political Implications of Afro-Asian Military Takeovers,’ Memorandum for the National Security Council, 22 May 1959, Records of the NSC, ‘Mill 206,’ RG 273, NARA.

> [The launching of Sputnik] told us that there had grown up elsewhere in the world capacity for scientific, intellectual, and technical achievements, which if it had not already done so, would soon surpass our own.... Then a few weeks ago, events occurred in Latin America to remind us of the precariousness of our position in the world.... [A] symbolic explosion occurred, no less startling in its impact on the Nation than the first sputnik. Now it has happened again. We awaken one morning and find strange hands in control of what we believed to be the most reliable of the Middle-Eastern nations, so reliable that we had encouraged it to join in a friendly military pact.... There is an irony in this, Mr. President. For decades, we sought to isolate ourselves from the rest of the world. We have abandoned that course, only to find that now, increasingly, the rest of the world seeks isolation from us.[2]

Fulbright blamed it all on Eisenhower. Eisenhower's Administration had squandered the legacy of the World War II, after which the United States had stood at the pinnacle of world power and influence. "We were looked upon from one end of the earth to the other as the great hope of mankind," Fulbright declared. "In deed and in word, we stood for peace, progress, and the international leadership of freedom. This was the wave of the future, not communism, and no power of Soviet propaganda was able to shake that almost universal conviction."[3]

Fulbright's sentiments had been echoed already in July 1958 by former Assistant Secretary of State Henry Byroade, now far removed from Middle Eastern matters as the Ambassador to South Africa. Byroade had sent a telegram to Dulles arguing that the United States had read the historical trends in the Middle East tragically wrong. "What has happened in Iraq seems inevitable when considering trends of an historical nature in [the] Middle East," he argued. The United States policy had been removed so far from the irreversible stream of socio-economic modernization that a point had been reached "where our remaining friends [are] symbols of the past. The Arab Middle East will certainly see the departure of kings, old men and Christians from positions of leadership long before the revolution there has reached its fulfillment." However, if a change of U. S. policy should follow quickly enough, Byroade considered it still possible to have a Middle East that would "attempt to remain uncommitted to any of the great powers and which will see its own interests in retaining a Western market for its oil."[4]

In September, at a meeting of the Bilderberg Group – an informal transatlantic discussion forum founded with tacit encouragement by the Eisenhower Administration – Byroade's thoughts were repeated almost to the word. The Conference was held in Buxton and attended by prominent

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2 Fulbright, Senate speech, 6 August 1958, *Congressional Record*, 85th Congress, 2nd Session, 16317-16320.

3 *Ibid.*

4 Byroade to Dulles , 15 July 1958, State Department Decimal File 780.00/7-1558, RG 59, NARA.

Americans from both inside and outside the government, including C. D. Jackson, Dean Acheson, George Ball, John J. McCloy, Gabriel Hauge, and George McGhee. The Preliminary Report of the Buxton meeting emphasized that the Middle East was in the middle of "not only a nationalist revolution but also a social revolution."

> The Arabs were moving from a medieval world into a modern one, and this rapid change was not, and indeed could not be, accomplished by way of peaceful political evolution. They were following a revolutionary path led by small elites recruited from the newly emerging classes. As always in history, the armed forces led by the younger officers, were playing a prominent part, and their outlook was in line with the Cartesian formula of dismantling the past and attempting a logical reconstitution of the present. What happened in the Middle East indicated a social transformation, a transition towards industrial society and national emancipation, but it should not be confused with communism. It was accompanied by coercion and violence, but often no other way was possible.... As was often pointed out, we found ourselves associated with regimes on their way out.... [T]he West could do more than anybody to promote the economic development of this region, and the most promising course was to encourage the Arabs to pursue the same lines of economic co-operation as were developing in Western Europe. Our search for new institutional formulas was of great significance to the new nations trying to find their proper place in the world. Larger economic entities could weld irresistible political aspirations with the necessities of modern civilization based on the free market economy.[5]

The renewal of U. S. foreign policy was given a direction when Dulles and Eisenhower decided to turn to C. D. Jackson in order to shore up the American position with a view to Eisenhower's prospective speech at the UN Emergency Session on the Middle East, which was scheduled to meet in August 1958. Jackson's first move was to contact Walt Rostow, who was to join Jackson in Washington acting officially as a CIA consultant.[6] The two men, who had cooperated closely in the unsuccessful World Economic Policy plan, were now put to work on the reformulation of U. S. policy in the Middle East.[7] From the beginning, Jackson and Rostow were agreed on the need to move away from a purely defensive position which stressed U. S. policy as reaction against the Soviet threat and indirect Egyptian aggression, which had been used

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5 Bilderberg Group, Buxton Conference, 13–15 September 1958, *Preliminary Report* (not for publication), C. D. Jackson Papers, Box 36, Dwight D. Eisenhower Library.

6 Jackson Diary (Log), 24 July 1958, C. D. Jackson Papers, Box 69, 'Log - 1958,' Dwight D. Eisenhower Library; Telephone Conversation, Dulles and Jackson, 24 July 1958, 4:33 p.m, Dulles Papers, Telephone Conversations Series, Box 8, Dwight D. Eisenhower Library; Telephone Conversation, Dulles and Jackson, 24 July 1958, 8:44 a.m. Dulles Papers, Telephone Conversations Series, Box 8, Dwight D. Eisenhower Library.

7 On Rostow's prolific writings from this period see especially, Millikan, Max and Rostow, W. W., *A Proposal: Key to An Effective Foreign Policy* (New York: Harper and Brothers, 1957); Millikan, Max F., and Rostow, W.W., "Foreign Aid: Next Phase," *Foreign Affairs* 36 (1958), 418–436.

extensively to rationalize intervention in Lebanon.[8] While both the Soviet and Egyptian activities had to be condemned, Rostow suggested putting major emphasis on "a new constructive proposal to be laid out by President to develop and modernize Middle East societies on a regional basis with the collaboration of the more developed areas of the Free World including the regional use of some additional oil revenue." Tactically, Rostow considered essential to offer an immediate basis for Middle East regional cooperation "so attractive that it cannot be refused by Nasser with political safety and which by-passes Nasser's plan to gain total direct political control over the oil regions."[9] Rostow's first draft of a planned presidential statement made the shift of emphasis easily apparent.

> [T]he American interest in the Middle East is not confined to the prevention of the flow of Communist arms; nor is it confined to preventing external aggression against Middle East states; nor is it confined to the maintenance of the flow of Middle Eastern oil. On the contrary, the primary interest of the United States is to associate itself with this new wave of nationalist feeling in the fulfillment of its primary mission. What is that mission? The primary mission of nationalism in the Middle East – as in Asia, Africa and Latin America – is to modernize the societies of those vast regions in ways which increase human welfare and the dignity of life led by men, women, and children who inhabit those regions. Only on the basis of modernized growing societies can truly independent governments be built.[10]

Rostow's draft included an immediate call for a conference to consider Middle Eastern development on a regional basis to create a Middle East development agency and development fund. The United States Government would promise to use its influence with both the oil producing countries and the international oil companies "to insure that something like an additional 10 per cent of oil royalties and oil profits be regularly available for development purposes." Over a five-year period, Rostow's plan aimed at raising about $1 billion for the Middle East region.[11] Having read Jackson's and Rostow's draft, Dulles was somewhat bemused. The shift in the focus of U. S. policy and the description of the prevailing situation in the Middle East was that striking. "I felt that the speech was somewhat out of balance," Dulles said to Eisenhower on August 10, "in that only a page was devoted to very major specific political problems such as Jordan, arms control, monitoring of radio broadcasts and a UN police force, and upwards [of] 15 pages devoted to the economic and social portion."[12]

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8 Rostow to Jackson, 28 July 1958, C. D. Jackson Papers, Box 91, 'Rostow,' Dwight D. Eisenhower Library.

9 W. W. Rostow, 'The Strategy,' enclosed in Rostow to Jackson, 28 July 1958, C. D. Jackson Papers, Box 91, 'Rostow,' Dwight D. Eisenhower Library.

10 W. W. Rostow, 'Draft of Presidential Statement,' enclosed in Rostow to Jackson, 28 July 1958, C. D. Jackson Papers, Box 91, 'Rostow,' Dwight D. Eisenhower Library.

11 *Ibid.*

12 Telephone Conversation, Eisenhower and Dulles , 10 August 1958, C. D. Jackson Papers, Box 77, 'Middle East Crisis,' Dwight D. Eisenhower Library.

The momentum for a significant change in policy direction was enough to overrule disagreements over details, even if Treasury Secretary Robert Anderson indicated some concern about the United States committing itself to a regional Middle East development fund, because this would mean "turning an important policy corner" and was likely to set a precedent for other regional initiatives. Eisenhower was nonetheless convinced that such a regional economic organization was "a healthy trend and that quite possibly under it we could achieve more with less – or no more – money if thereby we brought regional groups into closer harmony." Dulles was essentially in agreement and likened the Rostow-Jackson proposal to the initial Marshall Plan statement which included agreement on cooperation among the countries of Europe as a prerequisite for major U. S. assistance. Eisenhower's only reservation was that the Administration's specialists on the economic side of the project had to be convinced that the development fund proposal was "really solid."[13]

That requirement posed no difficulties. C. Douglas Dillon, Undersecretary of State for Economic Affairs, had by then already been engaged in negotiations with the major U. S. oil companies to sort out the details of the U. S. initiative. M. J. Rathbone, President of Standard Oil of New Jersey, assured Dillon that the concept of an Arab development bank was sound.[14] In fact, ARAMCO's Vice President Terry Duce had already reported in April a "radical change ... in oil company thinking on financing economic development in [the] Middle East." Duce attributed this change of attitude to the events in Lebanon, Algeria, and in Latin America during Nixon's trip. Duce indicated that the major companies were now willing to consider allocating a percentage of their Middle East oil profits to an area development fund "under appropriate conditions, including practicability and Arab initiative."[15] In August, Rathbone spoke to Dillon in similar terms. "[I]f the Middle East governments were willing to put up 5 percent of their income for a period of ten years," he said, "the oil companies would be willing to match them." These funds, together with contributions from the United States, Canada, and Western Europe could potentially make a real difference or at least "buy time" for the West. Rathbone further emphasized that in order to achieve the political results that were hoped for, it would be necessary to rely on Arab initiative and administrative control of the fund, because oil company activity or Western initiatives in general were likely to be

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13 *Ibid.*

14 Memorandum of Conversation, Dillon and Rathbone, 'Arab Development Bank,' 8 August 1958, and attached Standard Oil Memorandum, 'Arab Development Plan,' n.d., State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947-63, Box 1, RG 59, NARA; For the background on Government – Business exchanges regarding foreign aid, see DiBacco, Thomas V., "American Business and Foreign Aid – The Eisenhower Years," *Business History Review* 41 (1967), 21–35.

15 Lodge to Dulles , 28 May 1958, State Department Decimal File 780.00/5-2858, RG 59, NARA.

looked at with suspicion.[16] Reporting on his discussions with the oil companies, Dillon expressed his conviction that that the companies were to contribute to an Arab development fund after it had been established by the Arabs themselves. In order to achieve a sound economic base and a degree of U. S. supervision, the United States would suggest that the fund should be operated by the World Bank.[17]

On August 13, 1958, Eisenhower addressed the special session of the United Nations General Assembly, and outlined the new U. S. program for the Middle East. The key elements of the Rostow-Jackson plan were in place, framed in terms of a global quest for modernization at the end of which waited a world order of mature open societies.

> [T]he peoples of the Near East are not alone in their ambition for independence and development. We are living in a time when the whole world has become alive to the possibilities for modernizing their societies, ... The world that is being remade on our planet is going to be a world of many mature nations. As one after another of these new nations moves through the difficult transition to modernization and learns the methods of growth, from this travail new levels of prosperity and productivity will emerge. The nature of today's weapons, the nature of modern communications, and the widening circle of new nations make it plain that we must, in the end, be a world community of open societies.[18]

In accordance with the initial suggestions of Jackson and Rostow, Eisenhower called for a UN initiative to establish an Arab development institution on a regional basis. If the Arab States agreed to such an institution and were prepared to support it with their own resources, Eisenhower promised that the United States would also be prepared to support it.[19]

The UN emergency session on the Middle Eastern crisis ended a week later very much in line with American wishes. At the suggestion of Mohammed Fawzi, now Ambassador of the United Arab Republic to the United Nations, it was agreed that Arab states would meet separately to produce a resolution draft. The draft called all nations to refrain from "threats, direct or indirect, aimed at impairing the freedom, independence or integrity of any State, or from

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16 Memorandum of Conversation, Dillon and Rathbone, 'Arab Development Bank,' 8 August 1958, and attached Standard Oil Memorandum, 'Arab Development Plan,' n.d., State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 1, RG 59, NARA.

17 Memorandum of Conversation, Dulles and Lloyd, 'Forthcoming Special Session of the UNGA', 12 August 1958 (New York), *Foreign Relations of the United States, 1958–1960*, XI, 455–461.

18 Eisenhower Speech at the Third Emergency Session of the United Nations on the Middle East Crisis, 13 August 1958, U. S. Government, *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1958* (Washington D. C.: U. S. Government Printing Office, 1959).

19 *Ibid.*

fomenting civil strife and subverting the will of the people in any State."[20] It was almost an exact rewrite of a Norwegian draft which had been devised in cooperation with the U. S. delegation.[21] "I wish I could have listened to the arguments within the Arab camp that led to their resolution," Rostow wrote to Jackson. "I suspect we still have a long row to hoe before they are all good little basketball players; but I suspect also that the President's speech - and its language and overtones even more than the proposals - may have helped begin a slow turning of affairs."[22] *Washington Post* was more definitively optimistic. The United Nations resolution "could and should mean an end to the private cold war between Nasser and the West, more respect for the Arab feelings and recognition of legitimate Arab interests," its review concluded, "and, most important, a distinction between nationalism and communism."[23]

The new policy adopted at a regional level did also begin a turning of U. S. policy toward Nasser and the United Arab Republic.[24] Even for some members within the Administration, that change was surprisingly quick. Upon hearing the news of a well-advanced initiative to go ahead with the Middle East Development Fund, Donald Kennedy of the Near Eastern section at the State Department was caught totally by surprise. Such plans had been consistently turned down in the months preceding the Lebanon Crisis on the grounds that such an organization would give Nasser a means to reach out for the Middle Eastern oil wealth. "What do we gain by making the proposal at this time? Will such an operation contain Nasser? Will it affect at all the movement toward Arab nationalism? Will it protect our interest in oil?" Kennedy asked Assistant Secretary of State William Rountree. He considered it more likely that an Arab development fund would only add to Nasser's power and influence in the area.[25]

The U. S. perception of Nasser's policies was, however, about to change dramatically. Undoubtedly this was partly because of a corresponding change in the policy of the United Arab Republic (UAR). "Arabs are opposed to Communism by religion, culture and temperament," the new UAR Ambassador Mustapha Kemal told State Department officials in August. He made it clear that the UAR was ready to work with the United States to oppose the spread of Communism, and it was ready to open its markets to U. S. investments. Even in

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20 Urquhart, *Hammarskjöld*, 290; Telephone Conversation, Dulles and Christian Herter, 21 August 1958, Dulles Papers, Telephone Conversations Series, Box 9, Dwight D. Eisenhower Library.

21 Telephone Conversation, Eisenhower and Dulles , 21 August 1958, Dulles Papers, Telephone Conversations Series, Box 13, Dwight D. Eisenhower Library.

22 Rostow to Jackson, 22 August 1958, C. D. Jackson Papers, Box 91, 'Rostow,' Dwight D. Eisenhower Library.

23 *Washington Post*, 23 August 1958.

24 Kerr, Malcolm, "Coming to Terms with Nasser," *International Affairs* 43 (1967), 73–84.

25 Kay to Rountree (NEA), 7 August 1958, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 1, RG 59, NARA.

the military sphere, Kemal promised UAR cooperation "within the limits of its non-alignment policy."[26] As the new Iraqi leadership moved toward increasingly close cooperation with the Soviet Union and allowed the Iraqi Communist Party to work openly, the U. S. assessments noted with some satisfaction that Nasser was "manifesting great concern" over Iraqi developments.[27]

The Eisenhower Administration was badly split, however, on how to approach pan-Arab nationalism and Nasser.[28] In October 1958, Dulles was criticizing the new NSC policy papers for going further than he was prepared to go in accepting Nasser "not only as the head of the United Arab Republic, but as the leader of the whole Arab world."[29] The agreed upon statement of U. S. policy nevertheless included a clear change of emphasis in considering collaboration with Nasserist pan-Arabism the "essential element in the prevention of the extension of Soviet influence in the area."[30] By December 1958, this change of perception was seconded in Joseph Alsop's syndicated column. "Gamal Abdel Nasser still means what he has always said," Alsop wrote after meeting with Nasser in Cairo, "the true Arab nationalist must oppose any kind of foreign interference in the Arab lands, from whatever source."[31] Before the end of the year the Eisenhower Administration was convinced that Nasser was showing real concern over Communist advances in the Middle East. "Nasser could oppose Communists better than can the U. S. in the three-cornered struggle of the Middle East [between the West, Communism, and Arab nationalism]," Eisenhower stated and gave his tentative approval to measures intended to improve relations with the UAR.[32]

The foundation for the new U. S. - Egyptian *rapprochement* was to be found in economic development cooperation. Rountree visited Egypt in December 1958, and reported afterwards having been "struck by the very great material

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26 Memorandum of Conversation, Rountree and Kamel, 5 August 1958, State Department Decimal File 780.00/8-558, RG 59, NARA.

27 State Department Memorandum, 'The Near Eastern Situation,' 4 December 1958, enclosed in Rountree to Murphy (G), 'Briefing on Near Eastern Situation for Meeting with JCS,' 5 December 1958, State Department Lot File 61 D 43, Office Files Relating to Middle Eastern Affairs 1958–1959, Box 14, RG 59, NARA; Memorandum of Conversation, NSC Meeting, 18 September 1958, Ann Whitman File, National Security Council Series, Box 10, Dwight D. Eisenhower Library.

28 Memorandum of Conversation, NSC Meeting, 21 August 1958, Ann Whitman File, National Security Council Series, Box 10, Dwight D. Eisenhower Library.

29 Memorandum of Conversation, NSC Meeting, 16 October 1958, Ann Whitman File, National Security Council Series, Box 10, Dwight D. Eisenhower Library.

30 NSC 5820, 'U.S. Policy Toward the Middle East,' 30 October 1958, NSC Records, RG 273, NARA.

31 Joseph Alsop, "Nasser at Crossroads," Matter of Fact column, Washington Post, 10 December 1958.

32 Memorandum of Conversation, Eisenhower, Nixon, and Rountree, 23 December 1958, White House Office, Office of the Staff Secretary, State Department Series, Box 23, Dwight D. Eisenhower Library. For a sceptical assessment of Nasser's anti-Communist campaign, see Laqueur, Walter, *The Struggle for the Middle East: The Soviet Union in the Mediterranean 1958–1968* (New York: Macmillan, 1969), 64–67.

progress since he had last been there."[33] Nasser's record on economic development seemed well-suited to the new U. S. policy emphasis on economic development and modernization. "UAR officials need not be sold on the benefits of industrialization," a State Department memorandum noted. According to U. S. estimates, the government was proceeding with industrialization "about as fast as its economic situation makes desirable." Even without major U. S. participation in aid operations after the Suez Crisis, Nasser had made the best of his balancing act between the West and the Soviet bloc. Soviet credits for economic development in the UAR, not counting the Aswan Dam, amounted to over $300 million. Western credits, notably West German, totalled close to $190 million. Nevertheless, in early 1959, a State Department memorandum pointed out that Nasser's government was welcoming American enterprise and financing, and that there existed "a role for American capital and enterprise in assisting the UAR's industrialization plans."[34]

The British were not enthusiastic about the State Department's new approach to Nasser, even though Britain and the UAR were able to sign a financial agreement on the Suez Canal Company by which Egypt agreed to pay Britain a lump sum of £27.5 million as a final settlement of all claims.[35] In the British Foreign Office view, the United States was neglecting the aims of radical nationalism, which along with Communism threatened the security of Western oil supplies.[36] The State Department view was indeed more optimistic, and Nasser's "general fortright anti-Communist stand" was something that encouraged the State Department to normalize relations with the UAR, and to go ahead with the plans to provide U. S. assistance.[37] On Christmas eve of 1958 the Eisenhower Administration announced its decision to sell 300,000 tons of wheat and flour to the UAR under the PL 480 agricultural aid program, followed by an agreement in 1959 on another 800,000 metric tons of wheat to be delivered during the next fiscal year.[38] Egyptian Government funds in the United States were unblocked, and the State Department and the U. S. Export-Import Bank moved to establish a line of credit of $40 million for U. S.

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33 Foreign Office memorandum of discussion, 'Meeting with Mr. Rountree, London Airport,' 20 December 1958, FO 371/133799 V10345/25, PRO.

34 Rockwell to Rountree (NEA), 'Your Meeting with Mr. Knoz [President of the Westinghouse Electric International Company], 18 March 1959, State Department Lot File 61 D 43, Office Files Relating to Middle Eastern Affairs, 1958–1959, Box 14, RG 59, NARA.

35 Memorandum of Conversation, Rountree and Black, 20 January 1959, State Department Lot File 61 D 43, Office Files Relating to Middle Eastern Affairs, 1958–1959, Box 14, RG 59, NARA; Kyle, *Suez*, 617n19.

36 Steering Committee Memorandum, "The Future of Anglo-American Relations," Draft, October 9, 1959, FO 371/143672 ZP1/26, PRO.

37 Rountree to Dillon, 'Appointment for Ambassador Hare to Call on You,' 4 June 1959, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs, 1956–62, Box 2, RG 59, NARA.

38 *Ibid.*; Rountree to Herter, 'Further Relaxation of Restrictions in Economic Field in Our Relations with the UAR,' n.d. [early 1959], State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs, 1956–62, Box 2, RG 59, NARA.

economic assistance projects in the UAR.[39] Within six months of the decisions of December 1958, all restrictions placed on various forms of assistance to Egypt in July 1956 had been removed and a host of agreements had been signed.[40]

"President Nasser's reaction to our efforts has been excellent," affirmed a State Department policy review in the spring of 1959. The effects of economic projects seemed to spill over to the political sphere as well. The UAR requested the United States to provide naval training for Egyptian officers in the United States,[41] and the Eisenhower Administration went as far as to authorized the expenditure of $2 million in economic aid funds to assist Nasser's feared propaganda machinery "in meeting its urgent newsprint requirements with which the anti-Communist campaign might be continued."[42]

Considering the image of Nasser as the primary threat to Western interests in the months preceding the Lebanon intervention, this change in policy was all the more remarkable. Rountree was cautiously optimistic about Nasser's apparent recognition "that a continuation of area instability may not necessarily be in his interest." UAR's clear anti-Communist stand was nevertheless a clear indication of new common ground in Rountree's opinion and warranted full normalization of the relations between the United States and the United Arab Republic. "We, therefore, believe that future US contacts with the UAR should take place on the basis of friendly cooperation on those subjects where a mutuality of interest may exist," Rountree concluded in the summer of 1959. No broad or general understanding, however, was considered possible.[43] There were thus definite limits to optimism, but the new approach based development cooperation seemed to promise more positive results than what had preceded it. Regardless of the agreements between the UAR and the Soviet Union on the building of the Aswan Dam,[44] the NSC reports in the closing years of the

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39 Meyer to Jones, 'Status of DLF Program for the UAR,' 9 December 1959, State Department Lot File 61 D 43, Office Files Relating to Middle Eastern Affairs, 1958-1959, Box 14, RG 59, NARA; Rountree to Burke, 8 April 1959, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs, 1956–62, Box 2, RG 59, NARA.

40 Rountree to Dillon, 4 June 1959, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs, 1956–62, Box 2, RG 59, NARA.

41 Rountree to Burke, 8 April 1959, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs, 1956-62, Box 2, RG 59, NARA; Rockwell to Rountree, 'UAR Military Training in the US at the UAR Expense,' 21 April 1959, State Department Lot File 61 D 43, Office Files Relating to Middle Eastern Affairs, 1958-1959, Box 14, RG 59, NARA.

42 Rountree to Dillon, 4 June 1959, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs, 1956–62, Box 2, RG 59, NARA.

43 *Ibid.*

44 The agreement on the first stage of the construction project was reached in the fall of 1958. On the cautionary U. S. reaction, see Elliott to Herter, 24 October 1958, *Foreign Relations of the United States, 1958–1960*, XIII, 485–491. The agreement on the second stage was reached in early 1960. See Meyer to Jones, 'Possible Motivations for UAR-USSR Agreement on Second Stage of Aswan High Dam,' 28 January 1960, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of UAR Affairs, 1956–62, Box 2, RG 59, NARA;

Eisenhower Administration remained clear about the appearance of a deep and widening gulf between communism and Arab nationalism in the Middle East. Arab nationalism was no longer considered a threat to Western interests, and the U. S. objectives were now defined in terms of accommodating Nasser's pan-Arabism and seeking to influence it to become a stabilizing factor in the region.[45]

The added momentum in connection with development and modernization policies in the Middle East was also reflected on the Eisenhower Administration's policies more generally. Moreover, as Eisenhower's initiative regarding the Middle East Development Fund failed to evoke concrete responses from the Arab world, it was on the global level, where the momentum was kept up. In the aftermath of his assignment during the Lebanon Crisis, Walt Rostow was requested by the State Department to write an agenda paper on foreign economic policy. In effect, Rostow argued for the adoption of the principles of the Middle Eastern development plan as a general global policy line. "The consequences of the President's economic aid offer of August 13 will be confronted, not only in the Near East, but also in Latin America, the Baghdad Pact, Colombo Plan, and SEATO areas," Rostow affirmed. Specifically, Rostow argued for the establishment of a new international organization to coordinate Western development efforts. With regard to the future, Rostow envisaged a revised and more stable world order.

> The larger purpose of this technical agenda is, over the coming years, to make economic development effort a central part of the life of the Free World, channeling nationalist energies in constructive directions, diminishing the immediate and longer run possibilities for Communism of creating schism and dangerous disruption, creating a visible and persuasive alternative to colonialism as the mode of relationship between the more developed and less developed countries.[46]

The campaign for a multilateral 'soft loan' aid organization, which had been stymied by the fiscal conservatives in the spring of 1956, was now resumed in conjunction with the shift in U. S. policy toward the Middle East. C. D. Jackson urged Dulles and Eisenhower to take a quick initiative to utilize the new momentum within the Administration favoring international planning of

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State Department Memorandum, 'The Near East,' 21 July 1957, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–1963, Box 4, RG 59, NARA.

45 NSC Progress Report on NSC 5820/1, 3 February 1960, Records of the Office of the Special Assistant for National Security Affairs, NSC Series, 'NSC 5820,' Dwight D. Eisenhower Library; NSC 6011 'U.S. Policy Toward the Near East,' 17 June 1960, NSC Records, RG 273, NARA.

46 Rostow to State Department, 'The Agenda for Economic Foreign Policy: 1958-59,' enclosed in Rostow to Jackson, 28 August 1958, C. D. Jackson Papers, Box 91, 'Rostow,' Dwight D. Eisenhower Library.

development aid. The continued Soviet successes in the economic field and use of economic aid in strategically located countries provided additional motivation (see TABLE 5).[47]

TABLE 5 [48]

Aid, Credits, and Grants Extended to Selected Countries Between Mid-June 1955 And June 1958

[in millions of United States dollars]

Country	Sino-Soviet assistance	U. S. assistance
Yugoslavia	220	193
Egypt	225	16
Syria	194	–
Afghanistan	136	60
Indonesia	160	139
India	336	684
Total	1,301	1,092

In late August 1958, Treasury Secretary Robert Anderson and Eisenhower already let it be known publicly that the United States was considering the possibility of creating a soft loan wing under World Bank authority. Accordingly, at the annual IMF/IBRD meeting of the Board of Governors, held in New Delhi in October 1958, Anderson announced U. S. willingness to set up an International Development Association (IDA) as a World Bank affiliated loan organization.[49]

Speaking before the United Nations General Assembly in September, Dulles made it clear that the shift of focus in the Middle East signalled a wider reorientation of U. S. policy with respect to development cooperation.

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47 Jackson, 'Follow-Through on the President's U.N. Speech,' enclosed in Jackson to Dulles, 29 August 1958, C. D. Jackson Papers, Box 49, 'Dulles,' Dwight D. Eisenhower Library; Jackson, R. G. A., "An International Development Authority," *Foreign Affairs* 27 (1958), 54–68.

48 Comments supplied by the State Department to Senate Foreign Relations Committee, n. d. [publication date 12 June 1959], U.S. Congress, Senate, Committee on Foreign Relations, *Criticisms of the Foreign Aid Program and Comments Supplied by the Department of State, the International Cooperation Administration, and the Department of Defense* (Washington, D.C.: United States Government Printing Office, 1959), 112.

49 Dulles to Eisenhower, 13 September 1958, C. D. Jackson Papers, Box 50, 'Eisenhower,' Dwight D. Eisenhower Library; National Advisory Council on International Monetary and Financial Problems, *Special Report to the President and to the Congress on the Proposed International Development Association*, February 1960, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 4, RG 59, NARA.

> President Eisenhower at the recent [UN] Emergency Special Session made a significant proposal looking to more rapid economic development in the Near East. The United States hopes that conditions in that area will lead to its effective fulfillment. Economic development is, of course, an aspiration shared by all peoples. In the newly independent nations, and indeed in many long independent, there is a burning desire for economic and social progress, for higher levels of living, for freedom from the slavery of poverty.... The United States believes the time has come for the nations of the world to take stock of accomplishments to date and to chart anew long-term courses of cooperative action.... The United States is prepared to consider the feasability of creating an International Development Association, as an affiliate of the World Bank, under conditions likely to assure broad and effective support.[50]

The fear remained, however, that the United Nations would move ahead on its own and decide to ignore the World Bank, where the United States – and the West generally – could exert more influence on the conducted policy. The initiative of creating Special UN Fund for Economic Development (SUNFED) remained on the agenda of the General Assembly, and a resolution calling for "the speedy establishment of a United Nations capital development fund" was passed in December 1958 by an overwhelming vote. Nobody voted against the resolution, 58 countries voted for it, the United States – along with 17 other countries – abstained. U.S. Secretary of Treasury Robert Anderson and Douglas Dillon drafted a substitute which "urg[ed] that continuing consideration be given to the establishment, as soon as practicable, of a capital development fund within the existing specialized international financial agencies, which now have relationships with the United Nations." In the end the State Department decided not to use it, because the relationship between the World Bank and the UN was not specified and the U. S. text could thus be interpreted as aiming at "a type of SUNFED." The U. S. delegation was nevertheless instructed "to make clear that abstention did not imply a negative US attitude in respect to new multilateral programs..."[51]

The U. S. policy was now aimed at making the IDA initiative acceptable to the majority in the United Nations. In March 1959, Anderson told British Prime Minister Harold Macmillan that "he saw in the IDA the only really effective counter to the movement toward some sort of UN activity in this field such as SUNFED, and also a useful means of providing some check on the appetite of the underdeveloped countries for soft loans. This check would operate through the requirement that the underdeveloped countries put up a certain amount of capital in convertible currencies." The two men were "in full accord that the IDA should be operated as an adjunct or a subsidiary of the World Bank."[52] A

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50 Dulles' speech at the UN, September 19, 1958, text enclosed in Dixon to Foreign Office, 19 September 1958, FO 371/137006, PRO.

51 Willis to Anderson, 'General Assembly Vote on the 'SUNFED' Resolution', 3 December 1958, *Foreign Relations of the United States, 1958–1960*, IV, 313-314.

52 Memorandum of Conversation, Macmillan and Anderson, 23 March 1959, *Foreign Relations of the United States, 1958–1960*, IV, 322–323.

"consultative board" of the IDA was created within the UN structure as a means to offset the internationalist arguments for SUNFED. The idea was to "create the image of a close relationship between the UN and [the] IDA and thus help our delegation at the UN to beat back the SUNFED argument."[53] This proved to be the enough. The International Development Association came into being on September 26, 1960, as an affiliate of the World Bank.

It was John McCloy – Chairman of Chase Manhattan Bank and the unofficial 'wise man' for all Cold War presidents – who put the IDA into the larger perspective of U. S. world policy in one of the key testimonies during the Congressional hearings on the IDA.

> I think we are all agreed that one of the greatest challenges, one of the very greatest challenges, to the United States and the free world in this particular period is this matter of economic development of the lesser developed countries ... There are the final aspects of the colonial period still rankling in the memories of these peoples. This, together with the sight that they now see, at least, of the opportunities for increased economic advantage, has brought about a great battle for the control of men's minds of which the competition with the Soviet Union is perhaps only a part, although it is a very important part. I think myself that probably we would have this problem before us in a very acute form even were it not for the existence of the economic challenge of the Soviet Union. Sir Oliver Franks [former British Ambassador to the United States] has referred to the fact that there is a north-south problem as well as an east-west problem, and I think he is right.[54]

What remained open was the role of private enterprise in this development and modernization effort. In the Middle East the question was inevitably framed in terms of the position of the Western oil industry. There had been recurrent efforts to create a social developmental relationship between the oil companies and the Middle Eastern countries, and in 1958 there remained those in the State Department who argued that the very points of contact that had caused friction between the oil companies and Middle Eastern countries could perhaps still be turned into assets.[55] "Through example and the exercise of industrial statesmanship," one State Department memorandum noted in 1959, "the oil companies have a far better opportunity than any Western Government to make

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53 Memorandum of Conversation, Anderson and Lodge, June 3, 1960, *Foreign Relations of the United States, 1958–1960,* IV, 383–384.

54 John J. McCloy (Chairman, The Chase Manhattan Bank) statement before the Senate Foreign Relations Committee, 21 March 1960, U. S. Congress, Senate, Committee on Foreign Relations, *Hearings: International Development Association* (Washington, D.C.: United States Government Printing Office, 1960), 49–55.

55 For these earlier attempts, see Qaimmaqami, Linda Wills, "The Catalyst of Nationalization: Max Thornburg and the Failure of Private Sector Developmentalism in Iran, 1947–1951," *Diplomatic History* 19 (1995), 1–31; Kingston, Paul W. T., *Britain and the Politics of Modernization in the Middle East, 1945–1958* (Cambridge: Cambridge University Press, 1996), 78–86, 103–104.

a case for enlightened capitalism."[56] Such ideas were undoubtedly part of the willingness of oil companies to participate in the Middle East Development Fund, even if Standard Oil's President M. J. Rathbone considered it necessary to avoid any indication of oil company initiative in order to allay suspicions in the producing countries.[57]

In general, however, the Eisenhower Administration had grown doubtful when it came to the promotion of the idea of enlightened capitalism in various parts of the world. George Allen, the Director of USIS, complained that while it was possible to make a case for "people's capitalism," many people could not distinguish between "people's capitalism in the American style and the old-fashioned capitalist imperialism." Eisenhower agreed that the term 'capitalism' "clearly meant to much of the rest of the world something synonymous with imperialism."[58] With respect to the oil companies' role in the Middle East, the State Department could only lament that "however benign or constructive their [company] policies may be, they are inextricably linked in the Middle Eastern mind with Western imperialism and are subject to political as well as economic pressures."[59]

Despite this situation, the basic stability of the oil producing complex in the Middle East did not seem threatened. In 1959, Middle East oil constituted 51 percent of all oil moving in international trade. Almost two thirds of Middle East exports went to Western Europe to supply 73 percent of its needs. The position of the international oil companies was strong in many ways. Most of all, they controlled the workings of the vast distribution and marketing network. This apparatus was beyond the physical control of the producing countries. "They cannot tax it, nationalize it, or shut it down," a U. S. report noted. Because oil was the one indigenous source which could pay for development programs, buy arms, and acquire "the myriad technical wonders and luxuries of the twentieth century," it was thought that even Communist takeovers in the producing countries would not necessarily result in refusals to sell oil to the West. The absolute Soviet inability to offer anything like a corresponding market for Middle Eastern oil made that unlikely. The Soviet entry into the international oil market as an oil producer in the late 1950s seemed to confirm that the interests of the Soviet Union and the Middle Eastern oil producers were irreconcilable in this respect.[60]

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56 Dillon (Drafted by Henry C. Ramsey), 'Submission of New Ideas on Foreign Policy,' 11 February 1959, State Department Decimal File 661.80/7-2258 [likely filing error], RG 59, NARA; Lodge to Dulles, 28 May 1958, State Department Decimal File 780.00/5-2858, RG 59, NARA.

57 Lodge to Dulles , 28 May 1958, State Department Decimal File 780.00/5-2858, RG 59, NARA.

58 Memorandum of Conversation, NSC Meeting, 22 May 1958, Ann Whitman File, National Security Council Series, Box 10, Dwight D. Eisenhower Library.

59 National Intelligence Estimate, NIE 30-60, 'Middle East Oil', 13 December 1960, *Foreign Relations of the United States, 1958–1960*, IV, 665–679.

60 Rockwell to Glidden, 'Comments on Attached NIE 30–59 ["Main Trends in the Arab World"],' 6 August 1959, State Department Lot File 61 D 59, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of

The coinciding of nationalism and ambitious planning for modernization in the Middle East nevertheless posed a troubling picture for U. S. policy planners. The assessments of the Eisenhower Administration recognized that the rising demands of Middle Eastern Governments were based partly on the concept that the oil beneath their territories was "a national patrimony which will not last forever and which is being exploited by the Western oil companies under unjust arrangements made when the area and its rulers were under the political domination of the West." It was consequently becoming a more prevailing line of thought that national sovereignty and national interests should override the contractual rights and commercial interests of private companies. "These feelings are shared even by many members of the conservative groups," an intelligence estimate stated in 1960, "and they are deeply and widely held among most other politically conscious elements in the area."[61]

It was not encouraging, moreover, that the most important pro-Western countries in the region seemed bent on adopting an increasingly radical agenda with respect to oil company operations. Abdullah Tariki, Saudi Arabia's Director of Petroleum, was openly demanding that all operations "from the producing well to the gasoline pump" be handled by new integrated companies, formed jointly by the international oil companies and the governments of producing countries.[62] Wanda Jablonski, perhaps the most influential petroleum affairs journalist at the time, advised the State Department that Tariki was an "extremely dangerous" and "fanatic" Arab nationalist, who was "obsessed with the idea of Arab oil as a means to assert Arab power and prestige in the world." In order to achieve that, Tariki was intent to destroy the influence of international oil companies over Middle East oil production and distribution.[63]

In Iran, Shah Reza Pahlevi was pressing the international consortium for more money and threatened to join forces with the Arab producers to break the 50-50 profit- sharing formula.[64] The British Foreign Office had noted already in mid-1958 that the fifty-fifty principle was far from being "hard and fast" and in fact needed defending. The principle had been breached by a Japanese-Saudi

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UAR Affairs, 1956–62, Box 2, RG 59, NARA; National Intelligence Estimate, NIE 30-60, 'Middle East Oil', 13 December 1960, *Foreign Relations of the United States, 1958–1960*, IV, 665–679.

61 National Intelligence Estimate, NIE 30-60, 'Middle East Oil', 13 December 1960, *Foreign Relations of the United States, 1958–1960*, IV, 665–679.

62 *Ibid.*; Yergin, *The Prize*, 513–523; On the background of this idea, see State Department Memorandum, 'Some Recent Persian Gulf Oil Developments,' 19 September 1958, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 4, RG 59, NARA.

63 Memorandum of Conversation, Jones and Jablonski, 6 June 1960, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947-63, Box 4, RG 59, NARA.

64 Mayer to Jones (NEA), 'Near Eastern Affairs,' 20 November 1959, and attached memoranda, State Department Lot File 61 D 43, Office Files Relating to Middle Eastern Affairs, 19580–1959, Box 14, RG 59, NARA.

Arabian agreement which was on 56/44 basis.[65] Macmillan's Cabinet had consequently set up a working party to "consider possible measures for the maintenance of stable relations between the oil companies and the producing countries with a view to forestalling eventual pressure for wide sweeping modifications of existing concessions."[66] In the United States, M. E. Rathbone of the Standard Oil noted that despite the oil company offer to contribute some of the profits to area development, there was an increasing tendency in the Middle East to go further and revise the entire profit sharing arrangement.[67] In March 1959, Eugene Holman, the CEO of the Standard Oil Company, met with Under Secretary of State Robert Murphy, and urged that "the time had arrived where it might be hoped that the National Security Council could examine this question to see whether American interests are in danger."[68] In March 1960, a State Department's working group completed its study of the Middle East oil concession problem. The conclusion was similar to that reached by the British. The demands of producing countries for an increased share of oil profits and for greater voice in the management of the companies were likely to increase and become more critical.[69]

The Soviet entry to the international oil trade made the situation potentially even more threatening. In the fall of 1960, the Eisenhower Administration received information that the Soviet Union was offering to sell crude oil to India at 25% below the posted Persian Gulf price. Admiral Arleigh Burke – the Navy representative in the Joint Chefs of Staff – argued that it was crucial to thwart these moves in order to attain initiative in the psychological struggle in the Middle East, Asia, and Africa. "[T]he semblance of Soviet ability under communism to produce and sell more cheaply than we can under the capitalistic system," Burke wrote to Secretary of State Christian Herter, "may have very serious consequences in our struggle to convince the peoples of the world that democratic principles and free enterprise are better and more efficient than dictatorship and communism."[70]

In August 1960, the dissatisfaction with the existing arrangements in the Middle East turned into an open revolt. A Soviet offer of cheap oil to India had

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65 M.E. Johnston to Sir Denis Rickett, 14 May 1958, T236/5645 'The Fifty/Fifty Principle in Oil Agreements,' PRO.

66 Working Party on Future Oil Arrangements in the Middle East, Draft, 25 September 1958, T236/5645 'The Fifty/Fifty Principle in Oil Agreements,' PRO.

67 Telephone Conversation, Dillon and Rathbone, 19 September 1958, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 1, RG 59, NARA.

68 Holman quoted in Murphy to Dillon, 12 March 1959, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 1, RG 59, NARA.

69 State Department Working Group Paper, 'Middle East Oil Concession Problems,' 28 March 1960, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 5, RG 59, NARA.

70 Burke to Herter, 19 November 1960, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 4, RG 59, NARA.

the effect of making Western companies reduce their prices by over ten percent. Because of the interlocking system of oil company ownership, a general reduction occurred in the posted crude oil price, on the basis of which the revenue of producing countries was generally calculated. The Middle Eastern oil-producing countries responded with unprecedented speed and cooperation by setting up an Organization of Petroleum Exporting Countries (OPEC), which demanded a voice in pricing and declined to recognize the new posted prices for crude as the basis for royalty or income tax purposes.[71]

After discussions with oil company executives, Douglas Dillon considered the possibility that the United States might discreetly attempt to discourage some oil producing countries, particularly Iran, from going ahead with its membership in OPEC.[72] Standard Oil representatives tried to influence the State Department to that direction, arguing that "[i]f OPEC production controls became operative, they would have not only serious commercial repercussions but they would affect the security of Western Europe."[73] In the end, however, the State Department decided against any move to thwart the creation of OPEC. There seemed to be no grounds for opposition in principle, even if the formation of such an interest group of producing countries ran against the idea of competitive international market economy. But as long as the United States itself accepted prorationing practices in the domestic oil industry, and actually participated in international commodity agreements on coffee and wheat – which included the exercise of production controls – it was considered "difficult for the United States to take a public position against prorationing of oil by oil exporting countries." Moreover, if the United States had taken a public stand against OPEC it would have very likely antagonized the oil producing countries, who would have viewed ít "as evidence that the U. S. is working hand in glove with oil monopolies."[74]

Taking the position of principled opposition was made even more difficult, when the U. S. Department of Justice issued the decision to terminate the cartel case against the international oil companies in November 1960.[75] The State Department's opposition to the continuation of prosecution was derived from

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71 Mayer to Jones, 'Organization of Petroleum Exporting Countries', 21 November 1960, *Foreign Relations of the United States, 1958–1960*, IV, 658–661; National Intelligence Estimate, NIE 30–60, 'Middle East Oil', 13 December 1960, *Foreign Relations of the United States, 1958–1960*, IV, 665–679; Skeet, Ian, *Opec: Twenty-five Years of Prices and Politics* (Cambridge: Cambridge University Press, 1988), 17–21; Yergin, *The Prize*, 519–540.

72 Memorandum of Conversation, Dillon and Welch, 'Standard Oil Company (New Jersey) views on the Organization of Petroleum Exporting Countries,' 19 October 1960, *Foreign Relations of the United States, 1958–1960*, IV, 648–650.

73 Memorandum of Conversation, Jones and Standard Oil representatives, 22 November 1960, State Department Lot File, Bureau of Near Eastern and South Asian Affairs, Office of Near Eastern Affairs, Records of the Officer-in-Charge of Economic Affairs, 1947–63, Box 4, RG 59, NARA.

74 Mayer to Jones, 'Organization of Petroleum Exporting Countries', 21 November 1960, *Foreign Relations of the United States*, 658–661.

75 Department of Justice press release, 14 November 1960, Records of the NSC, 'Mill 272,' G 273, NARA.

the fear that prohibitions against defendants to enter into joint producing companies might lead to a "reduction in the U. S. control over the supply of oil for U. S. and Free World needs." Concurrent Cold War considerations were given as supporting arguments.[76]

Despite these perceived problems, the overall view of the future of Western oil operations in the Middle East remained quite optimistic. Large-scale nationalizations of industry facilities were not likely to occur in foreseeable future. In the long run, it was thought possible that nationalizations would lead to an arrangement in which international oil companies no longer have concessions and acted only as agents of the producing countries. But even such an evolution was not likely to endanger the supply of oil to Western Europe, and the consequent flow of capital available for Middle Eastern development programs. In fact, a U. S. intelligence estimate stated in December 1960, a development in that direction could "alleviate certain political problems which now confront the West in its relations with the producing countries – especially those which stem from the close association in the Middle East mind of the companies with Western governments." The economic interdependence between oil producers and consumers was consequently seen as an adequate basis for the continuation of Western access to Middle Eastern oil, barring unexpected crises. However, the prospect of oil producing countries cooperating concertedly to raise oil prices in order to finance their own development remained a troubling consideration.[77]

Modernization, Democracy, and the Problem of Authoritarianism

"I ran into something that de Tocqueville said many years ago," John McCloy stated during the hearings on the International Development Association in March 1960,

> that the growth of nations is very much like the growth of human beings; they all bear some marks of their origin, and the circumstances that accompanied their birth and contributed to their development affect the whole terms of their being. I think this very definitively is true, and I feel that this is a particularly critical period for us to be having an impact on the development of these nations. In contributing to their economic development, we also, I believe, contribute to their evolution as democratic societies. The chances, at least, of their adhering more firmly to the concepts that we have of human dignity and the maximum opportunity for individual development are greater.[78]

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76 Memorandum for the Attorney General and the Secretary of State, 'National Security Implications Involved in the International Oil Cartel Case,' 24 May 1960, Records of the NSC, 'Mill 272,' G 273, NARA.

77 National Intelligence Estimate, NIE 30-60, 'Middle East Oil', 13 December 1960, *Foreign Relations of the United States, 1958–1960*, IV, 665–679.

78 McCloy statement before the Senate Foreign Relations Committee, 21 March 1960, U. S. Congress, Senate, Committee on Foreign Relations, *Hearings: International Development Association* (Washington, D.C.: United States Government Printing Office, 1960), 49–55.

Democracy through modernization. The idea that modernization was a prerequisite for democracy in a linear pattern of social development is already evident in this illustration from the Quantico Group's report, Psychological Aspects of United States Strategy, dated in November 1955. (C. D. Jackson Papers, Dwight D. Eisenhower Library).

By the fall of 1958, however, it had become increasingly common to criticize the Eisenhower Administration's policy for contributing to almost exactly the opposite development. In August 1958, eight prominent Democratic senators, including J. William Fulbright, John F. Kennedy, and Hubert Humphrey, blamed Eisenhower's foreign policy for putting an overemphasis on military assistance, which had tended to involve the United States in situations where American aid might have contributed to the creation and perpetuation of military regimes, which lacked broad based support and endangered "the very values of individual freedom which we seek to safeguard." Furthermore, it was worrisome that this emphasis on military aid had helped to create abroad "a militaristic image of the U.S. which is a distortion of our national character."[79]

The trend toward military takeovers of civilian governments in Asia and Africa was plain to see. In the last half of 1958 alone, military takeovers occurred not only in the Middle East (Iraq and Sudan), but also in South Asia (Pakistan) and the Far East (Burma and Thailand). In addition to these, the Eisenhower Administration acknowledged that there were a number of regimes which were not military regimes strictly speaking but which were deeply dependent on the military to maintain power by more or less authoritarian means. The Middle Eastern governments of Jordan and Iran were joined by South Korea, Republic of China, Laos, South Vietnam, and Indonesia in that category. "Some might categorize Egypt and Lebanon as military regimes," it was also noted. An assessment of possible future developments listed three

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79 Green, Fulbright et al to Eisenhower, 25 August 1958, Dodge Papers, Box 2, Dwight D. Eisenhower Library.

Middle Eastern countries – Iran, Jordan, and Lebanon – as "likely candidates for military takeovers within the next two years:"[80]

Dulles had expressed concern over the militarist image the United States had acquired in Asia. After a visit to East Asia in the spring of 1958, he told the NSC that the United States was "seriously hurt by the great play given to any statement of any U. S. official that can be used to show the United States as being militaristic." In his view, the situation was "almost beyond repair."[81] Henry Cabot Lodge seconded that sentiment and advocated a change of policy. "We have impressed these people with the fact that we can win wars," he wrote in a paper delivered to Eisenhower's Cabinet. "We must also learn to win revolutions, because he who wins revolutions wins hearts as well as territory."[82]

A CIA research report admitted in January 1959 that there were "indeed, a great many military regimes, of varying vintage and character," which had received U. S. military assistance. Jordan, Iran, and the pre-revolution Iraqi regime were listed among cases where U. S. military aid had enabled "the regime to keep power by more or less authoritarian means." The report noted that the Iraqi regime had been "plainly hated by most of the Iraqi people," but it asserted that the receipt of United States military assistance had neither been a major cause of unpopularity nor did it help defend the government against a military coup. On the opposite side, the CIA listed Greece, South Korea, Nationalist China and Vietnam as instances, where "it can safely be said that without United States military assistance, the government concerned would almost certainly have gone down to defeat and given way to a Communist or pro-Communist regime." According to a CIA estimate, the military assistance program had not been a major factor contributing to the trend toward military regimes nor had it significantly spread a militaristic image of the United States.[83]

Within the Eisenhower Administration there were those like Vice President Richard Nixon and Christian Herter – Secretary of State after Dulles withdrew from active duty because of illness – who simply thought in terms of political Realism, that conformity to American standards of democracy could not be applied to foreign policy. "The actual world," Herter wrote in February 1959, was "so far from ideal" that the United States had to apply "a less refined test: Is the country on our side?"[84] Nixon agreed, and added the U. S. standard on free enterprise economy to the list of impractical policy frameworks. "It was a genuine question whether or not the U. S. could continue to try to promote democracy and free enterprise, in the forms we understand these systems, in the

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80 'Political Implications of Afro-Asian Military Takeovers', Memorandum for the National Security Council, 22 May 1959, Records of the NSC, 'Mill 206,' RG 273, NARA.

81 Memorandum of Conversation, 21 March 1958, Ann Whitman File, Cabinet Series, Box 10, Dwight D. Eisenhower Library.

82 Henry Cabot Lodge, Cabinet Paper, 6 November 1959, Ann Whitman File, Cabinet Series, Box 14, Dwight D. Eisenhower Library.

83 CIA Research Report, 'Certain Problems Created by the U.S. Military Assistance Program,' attached to Robert Amory (Deputy Director of CIA) to William Draper, 30 January 1959, *Declassified Documents Reference System*, 960A.

84 Quoted in Cook, *Declassified Eisenhower*, 331.

underdeveloped countries," Nixon told Eisenhower's NSC in December 1958. "[W]e may have to reconsider whether or not we must not learn to go along and play ball with political and economic institutions in these underdeveloped countries which resemble less the kind of system that works in the U. S. but rather systems which are moving in the direction of nationalized economies."[85] With respect to the Middle East, a NSC report echoed this logic on the question of democracy. In the world of the Cold War, a refusal to deal with a military or authoritarian regime in the Middle East could lead "almost necessarily to the establishment of that regime's friendly relations with the Soviet bloc, if only to gain a cheap arms source."[86]

Another way to account for Asian and African authoritarianism was to consider it the inherent norm of those societies, something which had evolved out of "essentially authoritarian traditions and concepts of government and administration."[87] A NSC report in the spring of 1959 noted that it was perhaps "[p]rimarily because of their basically authoritarian nature and tradition, [that] the independent states of the Middle East have placed great emphasis on building up the security forces and keeping the military happy."[88] This perception had a clear connection to the idea of 'oriental despotism,' which had recently gained more currency through Karl Wittfogel's widely read study of that same name. *Oriental Despotism* dealt with the existence of a distinctive non-Western system of despotic power which was inherent in the traditions of the "Orient." More specifically, Wittfogel made a direct connection between oriental despotism and communist totalitarianism, which he viewed as a total managerial, and much more despotic variant of the original form.[89]

This was very much the tone of a NSC study on the military take-overs in the Middle East in 1959. It did mention the more liberal tenets of Arab-Islamic thought, but the basic conclusion was that liberal democratic concepts of government had been adopted in the Middle East, because the French and the British had controlled the area and essentially transplanted these ideas to the Middle East. As the Western powers began to withdraw from the Middle East, the report argued, "the inherent authoritarianism of Islamic society predisposed many Moslems to sympathetic understanding of authoritarian political

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85 Memorandum of Conversation, NSC Meeting, 3 December 1958, Ann Whitman File, National Security Council Series, Box 10, Dwight D. Eisenhower Library.

86 'Implications of Recent Military Coups d'Etat in the Middle East', Annex A to 'Political Implications of Afro-Asian Military Takeovers', Memorandum for the National Security Council, 22 May 1959, Records of the NSC, 'Mill 206,' RG 273, NARA.

87 'Political Implications of Afro-Asian Military Takeovers', Memorandum for the National Security Council, 22 May 1959, Mill Paper #206, Records of the NSC, RG 273, NARA.

88 'Implications of Recent Military Coups d'Etat in the Middle East', Annex A to 'Political Implications of Afro-Asian Military Takeovers', Memorandum for the National Security Council, 22 May 1959, Records of the NSC, 'Mill 206,' RG 273, NARA.

89 Wittfogel, Karl, *Oriental Despotism* (New Haven: Yale University Press, 1957). For a well-known critique, see Said, Edward, *Orientalism* (New York: Pantheon, 1978). A more balanced treatment is Hourani, Albert, *Arabic Thought in the Liberal Age* (Cambridge: Cambridge University Press, 1983). An account on the earlier Western uses of 'oriental despotism' is Venturini, Franco, "Oriental Despotism," *Journal of the History of Ideas* 24 (1963), 133–142.

philosophies," and accounted for both the lack of democracy and assumed fascination felt by Arab intelligentsia toward Fascism and Communism.[90]

Eisenhower was not, however, willing to ignore the discrepancy between basic advocacy of democracy and practical support for military regimes. "[W]henever [I] and Secretary Dulles got together and had an opportunity to philosophize," Eisenhower once related to Nixon, "[we] always came back to the fundamental question, namely, whether free government in this world is going to be able in the future to hold out against ruthless dictatorships." Eisenhower kept emphasizing that the United States had to provide "moral and spiritual support and moral and spiritual power in these countries."[91] In his last major foreign policy statement in January 1959, Dulles spoke in similar terms. "We seek for general acceptance of the concept of individual dignity which will lead to the spread of responsible freedom and personal liberty," he declared before the Senate Foreign Relations Committee, and argued that, one by one, dictatorships were going to make way for governments more responsive to the popular will.[92]

But even Dulles had his doubts about the general tendencies in Asia, Africa, and Latin America. In a distinctively Conservative way, Dulles considered mature responsibility a prerequisite for democratic freedoms. In May 1958, Dulles quoted from George Washington's Farewell Address to the effect that representative democratic institutions could survive "only if the people are religious and have self-control and education." Even if Dulles did not consider Asia, Africa, and Latin America as inherently and irredeemably undemocratic, he did not believe that the peoples in these areas had acquired the necessary self-discipline and education he considered a prerequisite for democracy.[93] In Dulles' view, Nasser's Egypt and Sukarno's Indonesia looked like cases in point. Despite apparent popular support, those regimes in his view were very far from being democracies. After Nixon's traumatic visit to Latin America in the spring of 1958, Dulles urged recognition that "in Latin America, as well as in the Middle East and other parts of the world there was a definite swing away from the old-fashioned ruler or king in favor of the kind of dictatorship of the proletariat which was represented by a Nasser or a Sukarno, with their mass appeal."[94] He called Sukarno's formula of 'guided democracy' just a

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90 'Implications of Recent Military Coups d'Etat in the Middle East', Annex A to 'Political Implications of Afro-Asian Military Takeovers', Memorandum for the National Security Council, 22 May 1959, Records of the NSC, 'Mill 206,' RG 273, NARA.

91 Memorandum of Conversation, NSC Meeting, 3 December 1958, Ann Whitman File, National Security Council Series, Box 10, Dwight D. Eisenhower Library.

92 Dulles at an Executive Session of United States Senate Committee on Foreign Relations, 14 January 1959, U. S. Congress, Senate, Committee on Foreign Relations, *Top-Secret Hearings by the U. S. Senate Committee on Foreign Relations: First Installment, 1959–1966* (Frederick: University Publications of America, 1981), 1: 1–71.

93 Memorandum of Conversation, Dulles and Faure, 10 May 1958, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1953–1964, Box 8, RG 59, NARA.

94 Memorandum of Conversation, NSC Meeting, 22 May 1958, Ann Whitman File, National Security Council Series, Box 10, Dwight D. Eisenhower Library.

euphemism for "dictatorship of the proletariat."[95] He seemed convinced that as long as the great majority of people were uneducated and poor, it was simply impossible to institute democracy in these areas. At NSC discussions on Nixon's problems in Venezuela, Dulles went as far as to state that "democracy as we know it will not be instituted by the lower classes as they gain power – rather they will bring in more of a dictatorship of the masses."[96] When the question was put to him on Capitol Hill in January 1959, Dulles reiterated his belief that in countries where democracy had been replaced by authoritarianism, "the population [wa]s perhaps not sufficiently matured and educated, [and] they may have started out with concepts of democracy which were a little bit beyond their ability."[97]

In June 1959 the National Security Council discussed a report on the "Political Implications of Afro-Asian Military Takeovers," written by Henry Ramsey of the State Department and originally prepared as an internal Department working paper. Eisenhower called it the "finest report he had ever heard given before the National Security Council."[98] Ramsey's report began with an acknowledgement that political and economic authoritarianism prevailed throughout Asia, Africa, and Latin America, and represented the environment "in which the U.S. must associate its interests with those of the emergent and developing societies of Free Asia." However, by projecting a linear universalist framework of social development from authoritarianism to democracy, he was able to argue for a policy of qualified support for authoritarian regimes, aimed at transforming these societies in the longer run gradually into democratic ones. Economic and social modernization would create a literate middle class, whose inclinations would tend toward representative democracy.[99] Intellectually, the report was very much in tune with the publication of Walt Rostow's *Stages of Economic Growth*, and Seymour Lipset's much discussed assertion that a stable democracy had a high correlation with economic development and a modern urbanized social structure.[100] In a Rostowian choice of words, Ramsey noted that margin of

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95 Memorandum of Conversation, Dulles and Faure, 10 May 1958, State Department Lot File 64 D 199, Executive Secretariat, The Secretary's and Under Secretary's Memoranda of Conversation, 1953–1964, Box 8, RG 59, NARA.

96 Memorandum of Conversation, Cabinet Meeting, 16 May 1958, Ann Whitman File, Cabinet Series, Box 11, Dwight D. Eisenhower Library.

97 Dulles at an Executive Session of United States Senate Committee on Foreign Relations, 14 January 1959, U. S. Congress, Senate, Committee on Foreign Relations, *Top-Secret Hearings by the U. S. Senate Committee on Foreign Relations: First Installment, 1959–1966* (Frederick: University Publications of America, 1981), 1: 1–71.

98 Memorandum of Conversation, NSC Meeting, 18 June 1959, Ann Whitman File, National Security Council Series, Box 11, Dwight D. Eisenhower Library.

99 'Political Implications of Afro-Asian Military Takeovers', Memorandum for the National Security Council, 22 May 1959, Records of the NSC, 'Mill 206,' RG 273, NARA.

100 Rostow, W. W., *Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1960); Lipset, Seymour Martin, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review,* 53 (1959), 69–105; See also Eisenstadt, S. N., "Approaches to the Problem of Political Development in Non-Western Societies," *World Politics* 9 (April 1957), 446–458.

democracy could not be widened "until the barrier of self-sustained growth is penetrated."[101]

Ramsey's memorandum placed the continents into an order on the basis of a standard of developmental advance. "Africa lags behind non-Communist Asia, as Afro-Asia lags behind Latin America." By contributing to the developmental process it was possible to influence the evolution of societal patterns and attitudes conducive to the emergence of representative government. For that to happen authoritarianism was a likely prerequisite to effect policies needed for the modernization of these societies. "Our experience with the more highly developed Latin American States indicates," Ramsey argued, "that authoritarianism is required to lead backward societies through their socio-economic revolutions; that if the break-through occurs under non-Communist authoritarianism, trends toward democratic values emerge with the development of a literate middle class; and that there is some correlation between developmental progress and the wider acceptance of representative institutions."[102]

Ramsey's report noted that in the immediate future there was very little the United States could do to curtail the prevalence of authoritarianism in Asia. But in the long run Ramsey hoped that the United States could "work through the soldier as well as the civilian in encouraging both to modernize their societies by some 'middle way' between private enterprise and Communism, thus preserving the residue of human rights and dignity essential to the growth of democratic values." A key for success was to gain a position whereby the United States could play a more influential role than the Soviet bloc in the "management of the internal socio-economic revolution" through "techniques whereby Western values can be grafted on modernized indigenous developmental systems."[103] The report admitted that this type of policy was likely to cause embarrassments to the United States both internationally and in the eyes of many Americans, if the United States were to appear to be maintaining friendly relations with "military dictatorships ruthlessly suppressing democratic life."[104]

With respect to the Middle East specifically, Ramsey's report regretted that a policy supportive of authoritarian regimes such as those in Iraq and Iran had tended to isolate the United States from "whatever progressive forces may exist in a given country." One of the troubling conclusions of the report was consequently the emergence of the threat that the progressive forces in the area would begin to question the "sincere dedication" of the United States "to the

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On the Middle East specifically, see Lerner, Daniel, *The Passing of Traditional Society: Modernizing the Middle East* (Glencoe: Free Press, 1958); Issawi, Charles, "Economic and Social Foundation for Democracy in the Middle East," in Laqueur, Walter Z. (ed.), *The Middle East in Transition* (New York: Praeger, 1958); Berger, Morroe, *The Middle Class in the Arab World* (Princeton: Princeton University Press, 1957); Meyer, Albert J., *Middle Eastern Capitalism* (Cambridge: Harvard University Press, 1959).

101 'Political Implications of Afro-Asian Military Takeovers', Memorandum for the National Security Council, 22 May 1959, Records of the NSC, 'Mill 206,' RG 273, NARA.

102 *Ibid.*

103 *Ibid.*

104 *Ibid.*

principles of freedom, democracy, economic progress and development, and respect for human dignity."[105]

In seeking an answer to this dilemma, the report resorted to a theme very common to American political thought. Ramsey maintained that if the United States "quietly proceeds to make its own democracy work, stands unequivocally for the independence and development of emergent nations, and assists the regime in power to confront its problems of security and development – each in balance – we shall have made the best of the necessity of working with and through military authoritarianism in this stage of Asian development."[106] In other words, if the United States would seek to further other aspects of world order, and keep non-Communist governments in power through a transition period of modernization, the development of democratic governments would follow. It was thus the modernization paradigm which facilitated the reconciliation of this traditional American city-on-a-hill idealism with support for authoritarian regimes; the idea being that despite compromising connections with authoritarian regimes, the model of American democracy would continue to appeal to the emerging democratically minded middle classes in developing societies – in the Middle East as well as elsewhere.

This residue of democratic idealism remained as a link to Eisenhower's note in 1947 that "to lead others to democracy [the United States] must help actively, but more than this we must be an example of the worth of democracy."[107] In most other respects, however, the Ramsey report amounted to an effort to reconcile the persistent belief in the righteousness of democratic development with the apparent hopelessness of a policy based on such an idea in the face of rising nationalism and the threat of Communism in many parts of the world. Eisenhower's stated concurrence with – and even enthusiasm for – Ramsey's report spoke volumes about the problems his presidency had encountered in trying to hold on to ideas of a principled world order as a guideline for policy decisions. Ramsey's report was a far cry from Dwight D. Eisenhower's confident assertion in 1946 that it was the "most effective security step ... to develop in every country, where there is any chance or opportunity, a democratic form of government to the extent that individualism rather than statism is the underlying concept of government."[108] Now Ramsey's report explicitly stated that it might be necessary for the United States to accept methods of political and economic authoritarianism that came "perilously close" to Lenin's democratic centralism. In accepting the necessity of working through authoritarian governments in Asia, the Middle East and Africa, the policy implications of the Ramsey report also seemed to come close to

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105 'Implications of Recent Military Coups d'Etat in the Middle East', Annex A to 'Political Implications of Afro-Asian Military Takeovers', Memorandum for the National Security Council, 22 May 1959, Records of the NSC, 'Mill 206,' RG 273, NARA.

106 'Political Implications of Afro-Asian Military Takeovers', Memorandum for the National Security Council, 22 May 1959, Records of the NSC, 'Mill 206,' RG 273, NARA.

107 Eisenhower Diary, 26 May 1946, Eisenhower, *The Eisenhower Diaries*, 136–137.

108 *Ibid.*

accepting what Eisenhower had scathingly criticized in 1951 as a tendency to deal "in those countries ... primarily with the classes that have been exploiting their own people since time immemorial."[109]

In his much-debated book *America's Mission*, historian Tony Smith emphasizes this toughening of the U. S. attitude in the developing world toward "centrist" reformist governments, which hoped to operate somewhere between Conservative traditionalism and Communist radicalism. In his view, the unfolding of U. S. policy toward such countries as Iran, Guatemala, Cuba, and Vietnam demonstrated that the Eisenhower Administration did not believe that centrist, nationalist reforms could stop Communism, and had decided to support the traditional elites and military establishments with that purpose in mind.[110] This is, however, an overly power political interpretation. Much more than has usually been recognized, the Eisenhower Administration showed its inclination to support the same nation-building tendencies which would come to the fore during the presidency of John F. Kennedy. In the closing years of his presidency, Eisenhower was also capable of escaping the political struggle within the Republican Party to the extent that his Administration took the crucial steps needed for the institutionalization of foreign aid. Undergirding these measures was a vision of a general trend toward modernization pointing in the direction of a world order composed of "mature" industrialized societies, whose increasingly numerous and educated middle stratas would lean toward democratic reform. This developmentalist vision was a necessary component of United States policy during the Eisenhower years, because support of authoritarian regimes remained a problematic consideration in the general view of policy-makers, despite the concurrent considerations of Cold War containment policies.

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109 Eisenhower to Harriman, 20 April 1951, in Eisenhower, *The Papers of Dwight David Eisenhower*, XII, 222–227

110 Smith, Tony, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton: Princeton University Press, 1994), 179–213.

‘A New World Order’: Ideas on the Eve of the ‘New Frontier’

> A new world order is in the making. Our problem is in what directions the United States can and should influence it.... If the United States has no policies beyond maintenance of *status quo* it will inevitably be left behind. Only creative policies which catch the imagination of peoples, going beyond ‘holding operations’, will suffice to turn the tide toward a world in which nations can live freely and in which the security and growth of our own society is assured.[1]
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> Council on Foreign Relations Study for the United States Congress by John C. Campbell, Henry R. Luce, Robert Bowie, and others (1959)
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> Thus the American diplomat must steadfastly project a vision of what the domestic society to which he is assigned may become; of what its place in an orderly world system might be; and of what the United States is prepared to do to bring common objectives to life.[2]
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> MIT Center for International Studies Study for the United States Congress by Max Millikan, W. W. Rostow, and others (1960)

In his classic thesis concerning the prospect of international harmony, *Perpetual Peace*, published in 1795, Immanuel Kant was drawn to the question of how to reconcile his ideal of a republican civil society with the concept of peace between states. He was convinced that the two were interrelated, and argued that “the problem of achieving a perfect civil constitution is dependent on the problem of a lawful external relation among states, and without the latter cannot be solved.” Domestic harmony was thus related to international harmony. On the other hand, when Kant turned to “[t]he first definitive article

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1 John C. Campbell, Henry R. Luce, Robert R. Bowie, and others, “Basic Aims of United States Foreign Policy,” U. S. Senate Committee on Foreign Relations Study No. 7 by Council on Foreign Relations, November 1959, in U. S. Congress, Senate, Committee on Foreign Relations, *U.S. Foreign Policy: Compilation of Studies*, 87th Cong., 1st sess. (Washington D. C.: United States Government Printing Office, 1961).

2 Max Millikan, W. W. Rostow, Daniel Lerner, and others, “Economic, Social and Political Change in the Underdeveloped Countries and Its Implications for United States Policy,” U. S. Senate Committee on Foreign Relations Study No. 12, by Center for International Studies, Massachusetts Institute of Technology, March 1960, in U. S. Congress, Senate, Committee on Foreign Relations, *U.S. Foreign Policy: Compilation of Studies*, 87th Cong., 1st sess. (Washington D. C.: United States Government Printing Office, 1961).

for perpetual peace," he stated that "[t]he civil constitution of every state shall be republican." In the name of peace, then, the republican ideal had to be universally applied.[3]

The same dilemma connected with reconciling domestic and international harmony has been a recurring theme in the history of United States foreign policy in the twentieth century, perhaps most famously captured in Woodrow Wilson's declaration about making the world "safe for democracy." A crucial question in subsequent evaluations of the Wilsonian legacy has been deciding whether Wilson's emphasis was on safety or democratic principle. Did he mean to advocate global mechanisms of security for existing democracies or a worldwide mission to apply principles of self-determination and democracy? Or were the concepts of security and mission interrelated?[4]

Walter Lippmann, one of the foremost American public intellectuals, had gradually emerged as one of the main critics of the Eisenhower Administration's foreign policy during the late 1950s. Lippmann pointed his critique against those missionary pretensions he assumed were looming behind practical political decisions. "Far from articulating a basic philosophy which is different from communism," Lippmann wrote in late 1958 about U. S. foreign policy, "the pretense to know and to speak for the universal order of things is, when seen at a distance, at Asia and even in Europe, too painfully similar to the central vice of the Communist philosophy."[5] Lippmann urged Americans to recognize "that there has never been one world, that there has never been a universal state or a universal religion." That was why Americans should have avoided any pretensions regarding manifest destiny on a world scale.[6]

John F. Kennedy's vision was decidedly different, and in the transition from the Eisenhower years to the Kennedy era, the relevance of the idea of a world order did not disappear. "[I]t is we, the American people, who should be marching at the head of this world-wide revolution, counseling it, helping it come to a healthy fruition," Kennedy stated in addressing the questions of modernization and rising nationalism during the campaign.[7] Kennedy's program for the Middle East had an equally familiar ring concerning intervention for reform, based on a general vision of the future of that area.[8]

> In short, from here on out, the question is not whether we should accept the neutralist tendencies of the Arabs, but how we can work with them. The question is not whether we should recognize the forces of Arab

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3 Kant, Immanuel, *Perpetual Peace: A Philosophical Essay* (Bristol: Thoemmes Press, 1992)

4 On Wilson, see e.g., Knock, Thomas J., *To End All Wars: Woodrow Wilson and the Quest for a New World Order* (New York: Oxford University Press, 1992); Gardner, Lloyd C., *Safe for Democracy: Anglo-American Response to Revolution, 1913–1923* (New York: Oxford University Press, 1984).

5 Lippmann, Walter, "Today and Tomorrow," *New York Herald Tribune*, 27 November 1958.

6 Lippmann, Walter, *The Communist World and Ours* (Boston: Little, Brown, 1959), 50–56.

7 Kennedy, John F., *The Strategy of Peace* (New York: Harper, 1960), 6.

8 On Kennedy's commitment to modernization, see Latham, Michael E., "Ideology, Social Science, and Destiny: Modernization and the Kennedy-Era Alliance for Progress," *Diplomatic History* 22 (1998), 199–229.

> nationalism, but how we can help channel it along constructive lines.... It is not enough to talk only in terms of guns and money – for guns and money are not the basic need in the Middle East. It is not enough to approach their problems on a piecemeal basis. It is not enough to merely ride with a very shaky *status quo*.[9]

And very much as had been the case among the proponents of an active global policy during the Eisenhower years, the Kennedy Administration placed its hopes on the combination of a free world economy, social developmental modernization and international security as key elements of future international harmony. "Democracy is the destiny of humanity," Kennedy declared confidently in March 1961.[10] Adlai Stevenson, who would become a Special Ambassador to the United Nations under Kennedy, had argued eloquently for a global policy in a conference address in 1960.

> I believe the reasons can be made more than convincing. They can be made exciting. They can accord with our American tradition of an expanding frontier, of work to be done and hurdles to be leaped, of new markets to be opened in a challenging, exhilarating world. To complete the revolution of modernization which began in the West, to spread education to all peoples, to offer hope and health and good food and shelter and elbow room to all the members of our great human family – these are not negligible goals. They complete the vision of a Jefferson or a Lincoln – of all burdens lifted from every shoulder and a life of opportunity for all mankind.[11]

Another keen advocate for a global approach was Walt Rostow, who would emerge from behind the scenes as one of Kennedy's key advisers. In 1959, Rostow had been a key contributor to an MIT Center for International Studies report to the Senate Foreign Relations Committee, which argued specifically that American diplomats "must steadfastly project a vision of what the domestic society to which he is assigned may become; of what its place in an orderly world system might be; and of what the United States is prepared to do to bring common objectives to life."[12]

By 1959 the question of national purpose or mission had once again become a major element of American public discourse on foreign policy. The search for

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9 Kennedy, *The Strategy of Peace*,106–108.

10 Kennedy Message to the Senate Committee on Foreign Relations, 22 March 1961, *Congressional Record – Senate, 1961* (Washington, D. C.: United States Government Printing Office, 1962), 4467.

11 Stevenson, Adlai, "Full Promise of a Distracted World," in Cleveland, Harlan (ed.), *The Promise of World Tensions* (New York: Macmillan, 1961), 127–136, based on a conference address at the University of Chicago in May 1960.

12 Max Millikan, W. W. Rostow, Daniel Lerner, and others, "Economic, Social and Political Change in the Underdeveloped Countries and Its Implications for United States Policy," U. S. Senate Committee on Foreign Relations Study No. 12, by Center for International Studies, Massachusetts Institute of Technology, March 1960, in U. S. Congress, Senate, Committee on Foreign Relations, *U.S. Foreign Policy: Compilation of Studies*, 87th Cong., 1st sess. (Washington D. C.: United States Government Printing Office, 1961).

American purpose was accentuated by Eisenhower's State of the Union message in January 1959 which called for a general re-examination of national goals.[13] "What shall Americans *do* with the greatness of their nation?" was the opening question – posed by Henry Luce – for a series of articles that were published on the subject in the *Life* magazine. Luce, the author of *American Century* in 1941, gave his own answer when he became a member of a Council on Foreign Relations study group which was convened to draft a statement on the *Basic Aims of United States Foreign Policy* for the Senate Foreign Relations Committee. A major part of the group's first meeting was spent arguing about whether the basic tenet of U. S. foreign policy had been security or manifest destiny. "Is United States policy totally negative?" I. I. Rabi, a Nobel Prize-winning physicist and long-standing member of the Atomic Energy Commission noted. "Don't we want freedom of access and free trade throughout the world?.... The first sentence [of the working paper] states that the primary aim of our policy has always been security. The second introduces the notion of 'manifest destiny.' Hasn't expansion been as much of a major theme as security?"[14] Luce took the opportunity to frame the whole question by offering an interpretation of Wilson's phrase about making the world safe for democracy.

> [T]he primary traditional aim of U. S. foreign policy *can* be established. There was an urge 'to create a free society'. This is the story of the setting up of the Constitution. Later, the primary task turned on the cementing of 'a perfect union'; i.e., the creation of a form of government. It was believed that to ensure this, sovereignty over the North American continent would suffice. With the advent of World War I the situation changed and Woodrow Wilson pioneered in expounding the thesis that to ensure our government, the whole world had to be made safe for democracy. Thus Wilson expanded the earlier concept. It is important to note, however, that the aim was not to make the whole world democratic, but simply to ensure democracy's survival in the world.[15]

This was a cautious statement compared to Luce's assertion in 1942 that "the ultimate goal" for the United States was to realize Tennyson's dream of "the Parliament of man, the Federation of the World."[16] But when the national security of the United States was defined in global terms, it made the distinction

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13 White, Donald W., *The American Century: The Rise and Decline of the United States as a World Power* (New Haven: Yale University Press, 1996), 276–277.

14 Discussion Meeting Report, Council on Foreign Relations Study Group, "Basic Aims of United States Foreign Policy," 25 May 1959, Records of Study Groups, Vol LXXX, Basic Aims of United States Foreign Policy (1959) I, Council on Foreign Relations Archives, Harold Pratt House, New York.

15 *Ibid.*

16 Luce, Henry R., "Preface," in the advance proof of "The United States in a New World: A Report of the Findings of a Committee of Editors of *Time*, *Life*, and *Fortune*," by Raymond Leslie Buell, n.d. [1942], The Papers of John Foster Dulles, Box 282, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

between a quest for security and a mission to project a new world order ambiguous. Moreover, both objectives made it imperative that the United States had to find ways to meet the political problem of rising discontent in the Middle East, Asia, and Africa. There is no doubt about a basic continuity from the Eisenhower years to the 1960s in this respect.

"We have been made to appear as the defenders of the *status quo*, while the Communists have portrayed themselves as the vanguard force, pointing the way to a better, brighter, and braver order of life," John F. Kennedy declared during the 1960 presidential campaign of the Eisenhower administration's failure in non-Western areas of the world.[17] It was more than vaguely reminiscent of John Foster Dulles faulting the Truman administration for "race discrimination on a global scale," which was helping "the Soviet Communist program by enabling them to portray us as interested only in the white peoples of Western Europe."[18]

But in 1960 Kennedy appeared dynamic and the Eisenhower Administration correspondingly static. It proved very difficult for Richard Nixon to defend the record of the preceding eight years during the election campaign. Dulles had been criticized for an obsessive need to appear to be in charge and holding the initiative in the Cold War, but that dynamism had never seemed to materialize in actual policies. The prevailing public perception was that the Eisenhower-Dulles years had been years of standing fast rather than going forward. The conservatives – like Lippmann – criticized the apparent legalism and moralism of the Administration's policies. The liberals – like Kennedy – deplored what they considered a lack of vision in dealings with Asia, Africa, and Latin America.[19] The same liberal anxiety was found among some of those who had been involved in the Administration's policy planning. C. D. Jackson wrote to Walt Rostow about "our personal Decade of Frustration."[20] In his opinion, "the closest thing to [a coherent global policy] that the Administration ever came was contained in Foster Dulles' homburg."[21]

Dulles himself had been adamant about the existence and relevance of a constructive long-term strategy as a fundamental element in U. S. foreign policy. "In a changing world our task is to strive resolutely that change shall increasingly reflect the basic principles to which our nation has, from its origin, been dedicated," he declared in his last appearance before the Senate Foreign Relations Committee in January 1959.

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17 Kennedy, John F., *The Strategy of Peace* (New York: Harper, 1960), 6.

18 Report of a *New York Times* interview with Dulles and Eisenhower, 8 August 1952, H. Alexander Smith Papers, Box 111, Seeley G. Mudd Manuscript Library, Princeton University, Princeton, New Jersey.

19 See Graebner, Norman, *The New Isolationism: A Study in Politics and Foreign Policy Since 1950* (New York: Ronald Press, 1956).

20 Jackson to Rostow, 12 December 1960, C. D. Jackson Papers, Box 69, 'Log – 1959,' Dwight D. Eisenhower Library.

21 Jackson to Rostow, 22 March 1963, C. D. Jackson Papers, Box 69, 'Log - 1962,' Dwight D. Eisenhower Library.

> 1) At a time when war involves unacceptable risks for all humanity, we work to build a stable world order. 2) We seek for general acceptance of the concept of individual dignity which will lead to the spread of responsible freedom and personal liberty. 3) We seek that the free nations shall attain a more rapid rate of economic growth, so that their independence will be more secure and vigorous and so that there will be greater opportunities for cultural and spiritual development.... In such way as I describe, progress is being made toward establishing a world order where peace rests, not on mere expediency or on a balance of power, but on a basis of sound institutions.[22]

After looking at the United States foreign policy toward the Middle East during the Eisenhower years, it is possible to conclude that both Dulles' declaration and Jackson's remark remain relevant perspectives from which to analyze the influence of the idea of a world order on actual United States foreign policy. Jackson had of course been an unusually consistent supporter of a global policy. "[B]ehind tactics lay strategy. And behind strategy lay philosophy. And the *philosophy* was the important thing," he had once argued.[23] Such coherence was hardly ever achieved during the Eisenhower years as the Administration repeatedly found itself reacting to and stabilizing perceived problems instead of projecting a new order. And regardless of whether it was ambition or fear which prompted action or reaction, it has to be noted that the practicalities of changing political circumstances often limited the applicability of concepts related to the idea of a world order, even when the existence and relevance of those concepts as objectives or standards of conduct were recognized.

However, even if there was no simple correspondence between ideas and action, or between ends and means, the existence and influence of a discernible conception of world order on United States foreign policy during the Eisenhower presidency can hardly be questioned. There were few indications that Eisenhower or Dulles believed that it possible for the United States to reform the world alone. On the other hand, there was an noticeable tendency to seek methods of intervention to point a path for reform toward a new order. In the context of the Cold War, it is doubtful whether the distinction between the search for stability and the quest for a new order made much difference in this respect. In many cases, an intervention for reform was considered essential to achieve stability. Moreover, the delineations of such concepts as self-determination and interdependence could work simultaneously as elements of a projected order and as frameworks for threat perception.

There were two basic conceptual relationships, which undergirded the social and international thought of both Dwight D. Eisenhower and John Foster

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22 Dulles at an Executive Session of United States Senate Committee on Foreign Relations, 14 January 1959, U. S. Congress, Senate, Committee on Foreign Relations, *Top-Secret Hearings by the U. S. Senate Committee on Foreign Relations: First Installment, 1959–1966* (Frederick: University Publications of America, 1981), 1: 1–71.

23 Memorandum of Conversation, 10 September 1959, C. D. Jackson Papers, Box 69, 'Log–1959,' Eisenhower Library.

Dulles. One was between self-interest and ideas of common good. The other was between economic order on the one hand, and political and moral order on the other. Both relationships were marked by the dilemma of reconciling morally desirable ends with practically necessary means. Domestically as well as internationally, both Dulles and Eisenhower acknowledged the prevalence and even necessity of self-interest as a motivating force in creating an economic base for social life. They were equally agreed, however, that the free play of self-interest had to be restrained by moral compulsion, so that individuals and nations alike would see their interest in the creation of mutually beneficial social orders rather than hierarchies in which spheres of interest and dominant social positions were perpetuated by fixed arrangements. Their conception of those mutually beneficial relationships in an international context reflected the views they held about the domestic American society.

It is of course possible to note in the Realist vein – paraphrasing Bernard Shaw's well-known comment about the British in *The Man of Destiny* – that the decision-makers never forgot "that a nation which lets its duty to get on to the opposite side to its interest is lost." The acceptance of self-interest as the dominant motivating force can in that sense be interpreted as indicating a secondary role for any conception of common good in the actual policy making. Considered together with Eisenhower's and Dulles' assertions that political and moral order in modern societies required a viable economic order both domestically and internationally, the ideas of a world order can be viewed simply as justifications for an international order conducive to the interests of the dominant economic power.

These approaches do not, however, tell the whole story; at least if looked at from the point of view of Eisenhower and Dulles. "Perhaps there has been an element of hypocrisy in this respect," Dulles freely admitted in 1954 about U. S. commitment to self-determination, "but also there is a very genuine dedication to moral principles as contributing the element of 'enlightenment' to what is called 'enlightened self-interest.'"[24] The goals of the idea of a world order undoubtedly tended toward being just an idealist vision; the practical means adopted often bordered on acceptance of the unrestrained play of self-interest. The assumptions about a reformed and stable world order were not, however, only justifications for self-interest, nor were they mere delusions distorting the perception of the realities of international politics. Whenever the concept of national interest and ideas of world order conflicted, the situation tended to be viewed as problematic, requiring serious rethinking. Whenever the Eisenhower Administration sought to project a new order, they had to begin with an appreciation of the 'real' present in order to define a path, which could lead toward reform. In this vein, the Eisenhower Administration's self-perception was not framed in terms of global rule or global dominance, but a kind of global 'management' in the interest of both the United States and the world – based on

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24 Dulles Memorandum, "The 'Big Three' Alliance," 19 July 1954, Dulles Papers, Subject Series, Box 7, 'Think Pieces – Drafts, 1956 [2],' Dwight D. Eisenhower Library.

U. S. leadership. This was more or less what Dulles himself told the Senate Foreign Relations Committee in January 1959.

> Our foreign policy is not something we can enact into world law or dictate to other peoples. It means rather constant adjustment to forces which, though beyond our control to direct, we can influence through wise statesmanship and adherence to sound principles. With our immense wealth and power, and even more because of our spiritual heritage of faith and freedom, we can exert a shaping influence on the world of the future.... While mustering all our resources, both material and spiritual, we must press on with courage to build surer foundations for the interdependent world community of which we are part.[25]

In that sense, while there is no need to argue for causal determinacy, there were definite connections between assumptions regarding potential international harmony on the one hand and actual political decisions on the other. The concepts which tied America's Middle Eastern policies to the idea of a world order also point toward an interpretation of the evolution of United States foreign policy toward the Middle East. These concepts all denoted both emancipation and order. Self-determination, collective security, development, interdependence, and democracy all indicated, first, a program of emancipation, renewal, and reform, intended to lead to an open secure free trading community of modern or modernizing societies, which were or would eventually become democracies. This was considered, in essence, an American emancipatory agenda. It was crucial that this vision would be appealing *vis-à-vis* Communism, but it was also consciously defined with respect to an alternative of nation-state rivalry, where nationalist, autarkic nation-states jealously safeguarded their interests, and empires sought to perpetuate their dominance over colonial areas.

On the other hand, it was characteristic that the United States policy tied this agenda of freedom to a conception of an international order. Self-determination was to be combined with self-restraint when it came to property rights – as the distinctive policies with regard to the Suez Base and Iranian oil demonstrated. Collective security policies emphasized indigenous initiative, but they outruled the Arab League Collective Security Pact as an acceptable alternative, because the Eisenhower Administration did not believe in its political direction. Economic development was strongly urged, but this advocacy was coupled with efforts to minimize the risk that countries eagerly searching for the means of becoming industrialized would follow a path similar to the one taken by Communist countries. Increased economic interdependence was seen as an important means for mutual economic growth. But in another context inter-

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25 Dulles at an Executive Session of United States Senate Committee on Foreign Relations, 14 January 1959, U. S. Congress, Senate, Committee on Foreign Relations, *Top-Secret Hearings by the U. S. Senate Committee on Foreign Relations: First Installment, 1959–1966* (Frederick: University Publications of America, 1981), 1: 1–71.

dependence lent itself to being regarded as a framework for threat perception, thus making it difficult to accept the prospect of an unpredictable actor in control of oil transit facilities. And while democracy remained as the eventual goal of social development, the Eisenhower Administration emphasized that a premature transition to democracy could make any society vulnerable to succumbing to Communism.

This balancing act between reform and stability led to a persistent search for mechanisms which could assure peaceful change in a Western direction. The relationships between the West and the Middle East – as well as other parts of the world – were to be transformed from being overt power relationships into more legitimate mechanisms. The key was in seeking to establish a pattern of change in terms of a qualified conservation of the existing status of Western countries. Thus, the American agenda of liberal freedom remained closely tied to a conception of a liberal international order.

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