

1992

## The Economic Diplomacy of the Suez Crisis

Jan van Tol

Diane B. Kunz

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### Recommended Citation

van Tol, Jan and Kunz, Diane B. (1992) "The Economic Diplomacy of the Suez Crisis," *Naval War College Review*: Vol. 45 : No. 4 , Article 32.

Available at: <https://digital-commons.usnwc.edu/nwc-review/vol45/iss4/32>

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White House meeting which note that "General Taylor commented that he would not be associated with any program which included commitment of U.S. Armed Forces." That is, of course, hardly the hawkish view. Still later, when Taylor was American ambassador in Saigon, he opposed introduction of U.S. combat troops, something Westmoreland was pushing for. Westmoreland won despite the comprehensive authority Taylor had been given in his ambassadorial instructions, terms of reference he himself had drafted.

Kinnard observes that "this momentous defeat finished the fiction of the all-powerful ambassador," and indeed concludes that Taylor "never did attempt to play that role." Kinnard states that back in Washington as a White House counselor, and in the twilight of his public career, Taylor became "a kind of publicist for a president trying to sell the public on the American effort in Vietnam."

Taylor had another largely unremarked but hugely significant impact on events in Vietnam, since—as Kinnard notes—it was he who was largely responsible for the choice of both General Paul Harkins and then, as his successor, General William Westmoreland as U.S. commander in Vietnam. Those were fateful choices, especially given the potential alternatives. In the latter case for example, those also considered included Generals Harold K. Johnson, Bruce Palmer, Jr., and Westmoreland's eventual successor, Creighton Abrams.

Given all of this, and there is much more than can be covered here, the only puzzle is why the author chose to call his book *The Certain Trumpet*. It is, of course, a play on the title of Taylor's own work, *The Uncertain Trumpet*. But it suggests that Kinnard found Taylor, unlike the Eisenhower described in Taylor's policy critique, a sound and admirable example. Yet such a notion is undercut on virtually every page.

Douglas Kinnard's book is both interesting and insightful, forming a useful supplement (and in many respects a counterpoise) to John Taylor's recent book about his father. What remains to be seen is which more nearly approximates history's longer-term judgment of Taylor's importance and reputation.

LEWIS SORLEY  
Potomac, Maryland

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Kunz, Diane B. *The Economic Diplomacy of the Suez Crisis*. Chapel Hill: Univ. of North Carolina Press, 1991. 295pp. \$39.95

Diane Kunz has written an interesting book. The Suez crisis exposed several threadbare fictions concerning relative national strength in the post-1945 world and confirmed the bipolar interregnum between the old (pre-1939) and the "new world order."

The crisis was precipitated in July 1956 when Egypt nationalized the Suez Canal following the collapse of efforts to secure Western funding for the Aswan Dam. Following unsuccessful diplomatic efforts to resolve

the crisis, Anglo-French forces landed near the canal in an effort to regain control. When the United States adamantly opposed the move, Britain and France were forced to remove their forces and openly concede that they were no longer able to act independently as great powers.

How was such a humiliating outcome possible when twenty years earlier such gunboat diplomacy would probably have been successful and moreover hardly questioned? Diane Kunz argues that the reasons were fundamentally economic. She concentrates primarily on Britain for two reasons. First, Britain had by far the greatest interest in regaining control of the canal in order to maintain her status as a great power and throughout the crisis took the lead in pressing for a military solution. Secondly, of the countries directly involved, Britain was the most vulnerable to direct American economic pressure. Britain had emerged destitute from World War II, having drained virtually all of its foreign currency reserves from the Empire and Commonwealth. It was dependent on the United States for grudgingly granted post-war loans that required regular repayments. Consequently, the British held only the bare minimum currency reserves needed to support the pound sterling, and by extension the sterling trade area, which they viewed as "one of the pillars on which their [remaining] greatness rested." Maintaining the sterling trade area required that Britain have sufficient hard currency reserves to support sterling's value while

simultaneously maintaining convertibility. Were these not available, Britain would be torn between supporting a fixed exchange rate with insufficient reserves or permitting a floating rate which would result in the pound's loss of value, thus killing the sterling area and probably the Commonwealth.

Britain and the United States approached foreign policy matters from distinctly different perspectives (though this was insufficiently appreciated by the British government, which preferred to believe that the "special relationship" of the war years tended toward convergent British and American policy objectives). There was considerable Anglo-American friction over trade restrictions in the sterling area. The United States was ideologically opposed to colonialism and strongly believed that gunboat diplomacy was outdated as a policy instrument. America viewed most issues in the context of the overriding struggle against communism and would not support "what looked like an old-fashioned imperialist plot concocted by the two archcolonialist powers" during a "contest with the Communists for the allegiance of the underdeveloped world." Lastly, the United States wanted to be consulted when its interests were affected by *de facto* client states.

When the British and French acted in November 1956 without American approval, the U.S. swiftly introduced United Nations resolutions condemning the invasion. The cost of

military operations and the “flight to dollars” (typical during crises) put immediate pressure on the pound and reduced British currency reserves to dangerously low levels. As a senior U.S. Treasury official noted, “the British had no sooner invaded than they recognized immediately that they couldn’t carry on a war of this scale without financial help; and in view of the U.S. position, taken promptly at the United Nations, we were not prepared to finance their war effort.” Independent British action against American wishes was simply no longer possible. By early December, the British and French formally agreed to withdraw all their forces and so surrendered their centuries-old role as great powers.

Diane Kunz is well situated to treat this subject. A former corporate lawyer specializing until 1983 in international financial transactions, she is now an assistant professor of history at Yale and has written a book on the British financial crisis of 1931.

This work is copiously documented; indeed, nearly one-third of it is reserved for notes and a bibliography. It is an interesting case study of what can happen when a nation loses its political freedom of maneuver because of economic dependence on other powers. While America in 1992 is currently nowhere near the financially parlous condition of Britain in 1956, it may be instructive to recall the recent furor over Japanese politician Shintaro Ishihara’s *The Japan That Can Say No*, as well as the controversy over the Bush visit to

Japan. Economics may also be politics by other means.

JAN VAN TOL  
Lieutenant Commander, U.S. Navy  
USS *Gallant* (MSO 489)

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Dunnigan, James F. and Nofi, Albert A. *Dirty Little Secrets: Military Information You’re Not Supposed to Know*. William Morrow, 1990. 464pp. \$19.95

This book is a disappointment. While occasionally raising some interesting points, it falls short of its stated purpose, to be “an unusual, entertaining, and thought provoking look at the myths, mysteries, arcana, and boondoggles unknown to the rest of us.” Perhaps it does meet this goal for the enthusiastic amateur; however, for the average reader of the *Naval War College Review*, with some background in military affairs, little new material is presented. This shortcoming is aggravated by an invariably negative and antimilitary tone.

The wording of virtually every entry is derogatory toward the military, be it American or Soviet, allied or neutral. (An early indication of this is the “advance praise” found on the bookjacket from retired Rear Admiral La Rocque, who compliments this book as a “superb, unusual, interesting collection of really important facts.”) Typifying this tendency is the titling of sections within the text. A section on the procurement of flight simulators is named “Video Games.” Other examples include “More Gas” (or U.S. Coast Guard aerostats for