

NEW ZEALAND AND THE SUEZ AFFAIR

A THEORETICAL APPROACH TO THE STUDY
OF NEW ZEALAND'S FOREIGN POLICY
RESPONSES TO THE 1956 SUEZ CRISIS

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by

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For all those who cared enough to sign
the "Save the Wapiti" petition.

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TABLE OF CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| ABSTRACT | |
| INTRODUCTION | 1 |
| CHAPTER 1 - METHOD | 9 |
| CHAPTER 2 - BACKGROUND | |
| I. 1944 - 1949 LABOUR GOVERNMENT - THE FORMULATION OF A POST-WAR FOREIGN POLICY. | 21 |
| II. 1949 - 1955 NATIONAL GOVERNMENT, CONTINUANCE AND CHANGE. | 26 |
| CHAPTER 3 - THE SUEZ CRISIS, GREAT POWER RIVALRY - AN OVERVIEW | 32 |
| CHAPTER 4 - NEW ZEALAND REACTIONS TO THE EGYPTIAN NATIONALISATION | 43 |
| CHAPTER 5 - NEW ZEALAND REACTION TO ANGLO/FRENCH INTERVENTION | 56 |
| CHAPTER 6 - CONCLUSIONS | 69 |
| BIBLIOGRAPHY | 76 |

ABSTRACT

More than a quarter of a century has elapsed now since British and French troops stormed the beaches around Port Said in a vain attempt to force the Egyptian Government into accepting a new international convention to govern the passage of shipping through the Suez Canal. From a military standpoint the assault was a complete success - yet the Suez Campaign was not destined to be won or lost on the field of battle. At the United Nations, the Soviet Union and the United States combined, and with the support of the overwhelming majority of the Organisation's membership, forced the British and French to abandon their Suez venture. Australia and New Zealand were the only countries not directly involved in the fracas in Egypt, to actively support the British and French action.

New Zealand and the Suez Affair is an attempt to provide some new insights into the Government's decision to support Britain during the crisis, by challenging the generally accepted view that New Zealand's Suez Policy originated in the hearts, rather than the minds, of New Zealand's leaders. The modus operandi employed to achieve this objective is essentially quite simple. Firstly, the available small state literature was examined in an effort to isolate the behaviour patterns that small states generally exhibit. The Government's Suez Policy was then examined and compared with the behaviour patterns suggested by the small state theorists. If, in the course of the analysis, it was

found that New Zealand's policy conflicted with what is generally considered to be typical small state behaviour, then it was felt that the accusation of an emotionally based Suez policy would probably be proven a valid one. If on the other hand, New Zealand's policy appeared consistent with the suggested patterns, then it seemed likely that some other explanation would have to be found to explain the Government's actions. It was intended that the theoretical aspect of this work should furnish answers to all these questions.

The conclusions that were reached upon completion of the analysis, tended to indicate that New Zealand's Suez Policy was, in fact, typical of the suggested small state patterns, and that contrary to the generally held belief, it was economic necessity and a belief in the rule of international law, rather than sentimental attachment to Britain, that dictated the Government's Suez Policy.

INTRODUCTION

New Zealand's chosen course of action during the Suez Crisis of 1956 has few admirers within scholarly circles. The Government's extension of what, for all intents and purposes, appears to have been 'automatic support' for the British military intervention in Egypt in November 1956, is viewed in many quarters as a sorry testimonial of the country's continued reluctance at that time to accept the status of nationhood bestowed almost ten years before with the ratification of the Statute of Westminster (1947).

The traditional New Zealand attitude of "Where Britain stands, we stand," so fervently and enthusiastically endorsed during the days of 'Empire', appears during the crisis, to have once again, dictated the course of New Zealand's Foreign Policy - even at the expense of what is seen as New Zealand's own better interests. New Zealand's policy on Suez, was then, according to this argument, a damning indictment of this country's national and political immaturity. The crisis "revealed the lack of sophistication, almost childlike naivety of New Zealand politicians,"¹

1 - J.A. Langdon, New Zealand and the Suez Affair (in)
New Zealand Monthly Review Vol.7, 1966-67

in their refusal to accept that by the mid-1950's New Zealand's interests were no longer running on a parallel course with those of Britain.

Implicit in this argument is the idea that New Zealand's Suez policy was not what it ought to have been, given New Zealand's true status as a small, independent and geographically isolated state. This study is an attempt to evaluate this view of New Zealand's Suez policy. The objective, in essence, is to determine whether New Zealand's adopted policy was typical or atypical of the type of foreign policy behaviour that one would expect from an independent small state.

The history of the Suez Canal dates back over a period of nearly 130 years. In 1854, Ferdinand de Lesseps, the French Consul to Egypt, obtained from Said Pasha, the Wali of Egypt, a concession to establish the Universal Maritime Suez Canal Company. The Company was founded in the same year (1854) and the actual work on the canal began five years later (1859), along with work on a fresh water canal from Cairo by way of Ismailia. By the terms of the original concession, Egypt was to receive 15% of the gross receipts, and a guarantee that 99 years after its completion the canal would become a sovereign possession of the Egyptian Government (i.e. in 1968). The canal was eventually completed in September 1869 and opened to shipping in November of the same year. The total construction cost for the canal was nearly £30,000,000.

In 1875, Disraeli, the British Prime Minister, bought in excess of 170,000 shares or 47% of the total share issue of Canal stock from the Khedive Ismail for the sum of £4,000,000. This purchase, perhaps one of the great financial coups of the century, effectively turned the Canal Company almost entirely into an Anglo/French venture.

In view of the canal's growing importance to British communications with the Empire, and especially India, British troops were ordered to occupy the canal zone in 1882 - an occupation that was destined to last for more than seventy years. As a further precaution against possible future disruption of canal traffic, Britain entered into a convention with all the major European powers, guaranteeing freedom of navigation through the canal to the ships of all nations in peace and war. This was the now famous, or infamous Constantinople Convention of 1888.¹

In the years following the Second World War, Egypt fell prey to the same nationalist/anti-imperialist influences that were sweeping throughout the colonial territories of the old European powers. Consequently, when Nasser's Free Officer movement launched a successful coup in July 1952, forcing the abdication of King Farouk, Britain's years of occupation became numbered.

In February 1954, Nasser engineered the resignation of the Movement's figure-head, General Naguib, from the position of Premier - and took the position for himself. Later in the

1 - Representatives of the following countries signed the Convention (1888): Germany, Austria, Spain, France, Italy, the Netherlands, Russia, Turkey, Luxembourg and the United Kingdom.

same year, the British Government and the newly installed Premier, Nasser, reached agreement on the terms for a British withdrawal from the canal zone. However, before agreeing to quit the territory, Britain demanded that Egypt give an explicit guarantee recognising the international status of the Suez Canal. This Nasser agreed to do, and an article was specifically included within the 1954 Anglo/Egyptian Agreement declaring that:

The two contracting Governments recognise that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially and strategically of international importance, and express the determination to uphold the Convention guaranteeing the freedom of navigation of the canal signed at Constantinople on 29 October 1888.¹

On 26 July 1956, just two years after the last of the British troops left the canal zone, Nasser announced his decision to nationalise the Suez Canal Company. The British Government viewed this action as a major threat to its trade, particularly with regard to oil shipments from the Persian Gulf, and immediately declared its intention to reverse the nationalisation - even if it was obliged to resort to armed force to do so.

1 - Cited by W. Nash, N.Z.P.D. Vol. 309, August 1956 p.896

New Zealand's Prime Minister, S.G. Holland, happened to be in Los Angeles when he heard the news of the Egyptian action. Eden, Britain's Conservative Prime Minister, cabled him a considerable amount of information, upon the strength of which, Holland instructed the acting Prime Minister, Keith Holyoake, to issue the following statement:

"The New Zealand Government considers it to be of the highest importance that international agreements governing the use of the Suez Canal should be observed, and that no arbitrary measures should jeopardise the principle of free transit the world has a right to be assured as it was before the nationalisation, that the authorities controlling the canal will maintain it at an efficient level, and not use their power in an arbitrary manner."¹

On 7 August, after returning from his trip abroad, Holland informed Parliament that he had given Eden an assurance of New Zealand's unwavering support for any action his Government might take, to bring about a re-internationalised Suez Canal. It should be noted that this assurance was given in spite of an existing Egyptian guarantee that freedom of transit would not be impaired.²

1 - The Press, 3 August 1956 p.12

2 - On 30 July, an Egyptian spokesman gave an assurance that "Egypt intended to maintain the steady flow of traffic through the canal in the most effective manner, with the obvious object of giving no cause for complaint or threats of intervention by any of the maritime Powers." Reported in The Press, 31 July 1956 p.13

During the next three months, New Zealand's Suez Policy paralleled that of the United Kingdom. New Zealand representatives attended both the British sponsored conferences on the crisis, and whenever a new development arose, Holland made doubly sure that New Zealand was on record as having supported the British response.

On 29 October, Israeli units launched a 'pre-emptive' strike against Egyptian positions in the Sinai. On the following day, Britain and France gave notice of their intention to intervene in the dispute, if the opposing forces did not immediately withdraw from all territory within ten miles of the canal zone. The Israeli Government agreed to the Anglo/French demand, whereas the Egyptians did not.¹

At the United Nations, the Soviet Union and the United States sided with Egypt in all matters pertaining to the Israeli attack, and the ensuing intervention by Britain and France. The New Zealand Government on the other hand, refused to be swayed from its existing policy of supporting Britain. In Holland's view, the Anglo/French intervention was a legitimate and justifiable "police action", designed solely to protect a vital international asset - the Suez Canal. By opposing the United States in this matter, not to mention the overwhelming majority of the United Nations membership, the Government not only ran the risk of jeopardising the future harmony of the ANZUS alliance, but

1 - It is interesting to note that when the Anglo/French ultimatum was delivered (30 October), Israeli forces were not, in fact, within this ten mile exclusion zone.

New Zealand's reputation at the United Nations as well.

Questions arising from this action are many and varied. For instance - why was Holland so intent upon involving New Zealand in a dispute over the Suez Canal, when by far the largest proportion of New Zealand's trade reached its markets via Panama? Why was Holland prepared to think the worst of the Egyptian Nationalisation, when every assurance had been given that canal traffic would not be interfered with? And why, at the critical moment in the crisis (30 October - 2 November), did Holland appear to place Britain's interests before those of New Zealand?

What makes this whole mystery all the more intriguing, is that New Zealand's chosen policy over Suez represents just one of a number of occasions when a New Zealand Government has 'apparently' subordinated New Zealand's interests to those of the United Kingdom. Perhaps the clearest, previous example of this, occurred in 1943, when Peter Fraser's Labour Government, in deference to the wishes of Britain, decided to maintain the New Zealand Division in the Middle East, despite the existing danger of Japanese invasion.

In the interests of objectivity, it was felt that questions pertaining to New Zealand's role in the crisis, might be answered with a greater degree of accuracy, if the Government's policy was subjected to a quasi-scientific analysis. What is commonly referred to as 'Small State theory' or 'the Small State approach to international relations' was selected as the basis of this study. It was

not, however, intended that this 'approach' should be applied in a rigorous or inflexible manner. The objective was, quite simply, to use the existing literature on small state behaviour as a mechanism to unveil ideas and avenues of research that might have otherwise been overlooked or become obscured by whatever prejudices or preconceived notions the author may have held.

This study is divided into six relatively equal parts. Chapter One deals with the theoretical aspects, namely the type of behaviour the smaller or weaker states generally exhibit, and the different influences and circumstances which contribute to the development of these behaviour patterns. In Chapter Two, an attempt is made to sketch in the background of New Zealand's Suez policy, essentially in terms of defence - by examining New Zealand's response to the changing strategic situation in the post-war era. A general overview of the crisis is provided in Chapter Three, whilst Chapters Four and Five examine the Government's response to the chain of events between 26 July and 7 November. The Conclusion provides an assessment of New Zealand's performance during the crisis, in view of the earlier chapter on small state behaviour patterns. The objective here is not to test any particular theory or hypothesis, but to attempt to establish whether New Zealand's policy was typical or atypical of the suggested small state patterns.

CHAPTER I

METHOD

To determine whether New Zealand's Policy responses to the Suez Crisis were typical or atypical of the type of behaviour one would expect from a 'small state' one must firstly ascertain just exactly what a small state is; and secondly - determine the type of behaviour that such a state would most likely exhibit.

Perhaps the clearest and simplest means of establishing the identity of the subject, is through the utilisation of a definition of a small state based on tangible or quantitative criteria. So for the purposes of this study I have chosen to adopt one of Vital's more elementary definitions of a small state. He suggests that "the rough upper limits"¹ of the category known as small states could be defined as being:

- (a) a population of 10-15 million in the case of economically advanced countries: and
- (b) a population of 20-30 million in the case of underdeveloped countries.²

1 - D. Vital, The Inequality of States p.7

2 - Ibid p.7

As an economically advanced state with a population that barely exceeds three million, "New Zealand is indeed a small state".¹ But what about the behaviour of such states. In what ways do the foreign policy behaviour patterns of states, so defined, differ from those of the 'Great' and 'Middle' range powers? In answer to this question, East maintains that the 'Conventional model' of small state behaviour depicts the following as characteristic traits of the small states foreign policy.

- (a) low levels of overall participation in world affairs
- (b) high levels of activity in intergovernmental organisations (I.G.O.'s)
- (c) high levels of support for international legal norms
- (d) avoidance of the use of force as a technique of state craft
- (e) avoidance of behaviour and policies which tend to alienate the more powerful states in the system
- (f) a narrow functional and geographic range of concern in foreign policy activities
- (g) frequent utilisation of moral and normative positions on international issues.²

This so-called 'conventional model' of small state behaviour has been utilised in at least two separate studies of New Zealand Foreign Policy. Matthew McKay adopted the

1 - J.T. Henderson, The Foreign Policy of a Small State (in) Beyond New Zealand p.2

2 - M.A. East, Size and Foreign Policy Behaviour (in) World Politics Vol.25, 1972-73 p.557

model as the theoretical basis for his study of New Zealand reactions to the 1973 oil crisis; and John Henderson used a slightly modified version (included an economic focus) in his contribution to the book Beyond New Zealand. Despite the apparent acceptance of this model amongst New Zealand scholars, I believe it has two serious drawbacks which reduce its worth, at least in its present form, as an effective analytical tool for the study of small state foreign policy.

In the first place, the model is, in reality, a description of the foreign policy behaviour of 'non-aligned' small states, and as such, it tends to portray the foreign policies of aligned small states in a manner which makes them appear uncharacteristic of small state behaviour in general. Secondly, the model is far too static, in that it makes absolutely no provision for behavioural changes which might occur as a result of changes in the international system itself.

There exists considerable debate in the theoretical literature on small states as to whether the non-aligned small state should be regarded as a model upon which all others (small states) should be judged, or whether it should simply be viewed as a temporary deviation from what is in fact the normal or typical small state. Rothstein believes the non-aligned small-state to be an aberration, whereas Vital on the other hand, believes the non-aligned small-state to be a paradigm "with all others shad[ing] off in varying and progressively lessening degrees of political and military isolation."¹

1 - D. Vital, The Inequality of States

Vital's advocacy of non-alignment as the behavioural type against which all other small power behaviour should ultimately be judged - stems from his belief that "it is only when acting alone - rather than in concert with other, greater states - that the small power can be said to be pursuing an external policy which is in any sense of a class with the external policies of great powers and capable of being compared with them."¹

But it is surely rather extreme to suggest that a small state is incapable of pursuing a truly independent foreign policy unless it is non-aligned. One could just as easily extend Vital's argument to other categories of states - for instance the great powers. Since Britain and West Germany are both aligned with a super power, in this case the United States, should we not therefore conclude that they too are incapable of pursuing an independent line in their foreign policies. Taking this argument to its logical conclusion, would we not be left with the absurd situation where only two, or at the most three states in the system, are considered to be truly independent in terms of foreign policy? And even then, as George Laking points out - are not the super powers also obliged to accommodate themselves to the attitudes and actions of one another."²

Clearly then, one must conclude that an aligned small state is not necessarily any less independent in terms of foreign policy than any other aligned state, so long as that state is sufficiently isolated (geographically) to be able to

1 - Ibid p.5

2 - G. Laking, The Evolution of an Independent Foreign Policy (in)
Beyond New Zealand p.10

make a free choice between the two alternatives in the first instance. What is more, whilst alignment certainly places some constraints upon the foreign policy of the aligned, be they Great or Small states, Robert Keohane maintains that "if alignment is not to be considered - the small states two most effective weapons - manoeuvre and exploitation of position have been severely restricted."¹ Similarly, Liska points to the danger that "a free hand (i.e. non-alignment), might come to mean an empty or unarmed hand."² So perhaps the aligned small state is in a better position after all to achieve its foreign policy goals than is its non-aligned counter-part.

If the alignment/non-alignment argument is a poor indicator of foreign policy independence in small states, what then is? On the subject of small state independence Baehr writes:

"If there is anything that the literature about the role of small-states in international relations has accomplished, it is to bring the relativity of the notion of independence sharply into focus. Full independence, in the sense of governments making their own decisions without being subject to any influences from beyond the borders of their territory, simply does not exist, if it ever did."³

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- 1 - R.O. Keohane, Lilliputians' Dilemmas: Small States in International Politics (in) International Organisation Vol.23, 1969 p.298
- 2 - G. Liska, Alliances and the Third World p.20
- 3 - P.R. Baehr, Small States: A tool for analysis (in) World Politics Vol.27, 1974-75 p.464

Thus we might further conclude that even the non-aligned small state, which will in theory at least most closely conform to the so-called conventional model of small state behaviour, will, when the situation demands, amend its behaviour in accordance with the dictates of these extra-territorial influences.

What then are these factors which can have such a profound impact on the foreign policy decision-making of the smaller powers? In his book, Weak States in a World of Powers, which incidentally, examines both aligned and non-aligned weak states, Marshal Singer isolates four factors which he believes influence the voting behaviour of such states in international organisations. These are:

1. The degree of 'economic' dependence (or interdependence) on one or more powers of the state, and of the élite of the state.
2. The degree of military dependence (or interdependence) of the state.
3. The degree of communications dependence (or interdependence) of the state.
4. The degree of similarity of political perceptions between decision makers in the weak and powerful states.¹

For the purposes of this study, these four determinants shall be regarded as the most likely cause, given the existence of some unusual circumstance, of changes in the small states usual pattern (conventional model) of foreign

1 - M.R. Singer, Weak States in a World of Powers

policy behaviour.

This brings me to the second and final criticism that I have of the conventional model - that it is far too static in the sense that it fails to make adequate provision for the often critical changes that can occur within the international system as a whole.

On this subject Rosenau writes:

"The environment is a much more important variable (for the small state) than for the Greater power, and hence any reasoning about its role should probably start by an identification of the type of international system in which it has to operate".¹

Bjøl agrees with Rosenau on this point, but believes the argument should be taken a step further. He therefore suggests that:

"any useful frame of reference should undoubtedly take into consideration not only the type of system in which the small state has to operate, but also the state in which a particular type of system finds itself. It may make a good deal of difference whether a given system is in a state of stability, a state of tension, a state of flux, or perhaps even a state of crisis as to the problems and possibilities for small state policy."²

1 - Cited by R.P. Barston, *The External Relations of Small States* (in) *Small States in International Relations* (Ed.) A. Schou and A. Brundtland

2 - E. Bjøl, *The Small State in International Politics* (in) *Ibid* p.33

Michael Handel suggests that there are essentially three different types of international system: the Balance of Power or Multi-Polar system, the Bipolar system, and the Unit Veto system. The second of the three, the so-called bipolar system, is the one of most interest in this study, since it is this type which has determined the conduct of international relations since shortly after the conclusion of the Second World War. In describing the characteristic features of the bipolar system, Handel states:

"any bipolar system is characterised by the existence of two major Powers, each of which possess overwhelming strength in relation to all other actors, and which organises around itself a group of allies or a closely controlled recognised sphere of influence."¹

When the tension in the system is sufficiently low to enable these two major powers to peacefully co-exist, the system is said to be a "loose or muted" Bipolar system and in many respects resembles the appearance of the Balance of Power or Multi-polar system. However, when the degree of tension and conflict between the two major powers rises, thereby effectively precluding peaceful coexistence, such as at the height of the Cold War in the 1950's - the system is then described as a 'tight' bipolar system. Handel maintains that the position of the small or weak states, as

1 - M. Handel, Weak States in the International System

he prefers to call them, is different in each of the two types. Since this study is only concerned with New Zealand's Foreign Policy during the Suez Crisis in 1956, it is only necessary that the effects of the tight bipolar system on small state foreign policy be noted. What then are the effects of a tight bipolar phase? In addressing this problem Handel maintains that:

"One result is that each major contending power (or bloc leader) tightens its control over its allies, limits their freedom of action, and jealously guards its respective sphere of influence against intruders. In addition the competition of the major powers over the unaligned states is in the nature of a zero-sum game, as each tries to out-bid the other, pays inflated prices for favours and encourages defection of allies from the opponent's camp."¹

Thus in a tight Bipolar system the non-aligned small state is undoubtedly in a better bargaining position, and has therefore more freedom of action than its aligned counterpart. As the tension in the system subsides however, the bargaining power of the non-aligned small state is reduced considerably.

Considering Handel's assertions one could perhaps then conclude that, while the non-aligned small state is in a better position to maintain an independent foreign policy during a tight bipolar phase - a clear indication of the existence of independence in the foreign policy of an aligned

1 - Ibid

small state would occur when such a state chose to actively question the foreign policy objectives of the Super Power with which it was aligned.

The Small State approach to the study of international relations has undergone considerable change since the concept was first mooted in the late '50s and early '60s. Initially, the idea of a causal model of world politics based on state 'size', generated considerable enthusiasm within scholarly circles. This enthusiasm was not, however, destined to last for very long. The often irreconcilable differences in the interpretations applied to the relative concepts of 'great' and 'small', the subjective and often arbitrary nature of small state definitions in general, and the overly inclusive nature of the concept as a whole, rapidly eroded confidence in the approach as a useful analytical tool for the study of international politics.

In response to the widely voiced expressions of doubt about the 'model's' efficacy, small state proponents have generally begun to reappraise the approach in an attempt to determine the true extent of the model's explanatory powers. Consequently, recent studies of small state behaviour have become increasingly qualified and far less extensive in cover, as compared with their earlier counterparts. Many theorists no longer accept that there is any utility in attempting to say anything useful about small states on a general level, and instead, the approach has begun to focus on groups or subsets of small states, as opposed to small states in general.

In accordance with these reduced expectations, the approach has increasingly come to assume - more the appearance of a paradigm than a model in any strict sense of the term. For many theorists, the object is no longer to depict the likely behaviour of a diverse range of the group's membership when subjected or exposed to provocative stimuli, but to explain the behavioural patterns or paradigm itself, when observed within the confines of an essentially homogeneous grouping of small states.

Such groupings are not, however, as easily discernible as some people might at first imagine. Bjol, for instance, maintains that it is:

"questionable whether even the Scandinavian states which undoubtedly belong to the same category of domestic political systems can be put into the same small state category internationally. Their situations in international politics are quite different since Denmark, Norway and Iceland belong to an alliance system, Sweden is a non-aligned nation and Finland finds itself in what one might perhaps call the pilot fish type of situation."¹

Yet despite such difficulties, Holst maintains that such an approach is far "better than one which endeavours to lump together, e.g. Norway, Liberia, Guatamala and Taiwan."² Holst would therefore concur with Bjol's

1 - E. Bjol, The Small State in International Politics (in Small States in International Relations (Ed.) A. Schou and G. Brundtland p.29

2 - Ibid p.200

assertion that "if one wants to look at a small state, one has to look at the predicament in which it is located."¹

The preceding outline of small state behaviour is an attempt to reconcile this prevailing trend in the study of the smaller or weaker states, with an analysis of New Zealand's Foreign Policy responses at the time of the 1956 Suez Crisis. The underlying objective has been the avoidance of possible conclusions based on fallacious comparisons between New Zealand's chosen course of action during the crisis, and the policies of other, totally unrelated small states. In an attempt to facilitate the attainment of this goal, the emphasis of the study has been purposefully directed towards the analysis of the contextual and situational variables that existed for New Zealand at the time of the crisis.

Since Australia was perhaps the only other small state to share in New Zealand's predicament, it was felt that a comparative analysis would be of little real worth. New Zealand's performance over Suez is therefore to be judged on the basis of the Government's response both to the realities of the country's contextual setting; and the inherent dangers that developed for New Zealand as the crisis unfolded.

1 - Ibid

CHAPTER 2

BACKGROUND

I. 1944 - 1949 LABOUR GOVERNMENT - THE FORMULATION
OF A POST-WAR FOREIGN POLICY

In the last two years of the Second World War, Fraser's Labour Government set about the task of constructing a foreign policy that would be better suited to the realities of the post-war era. With this objective in mind, the government in 1944, entered into a Pact with its Australian counterpart - the so-called Australia/New Zealand Agreement or Canberra Pact as it was alternatively known.

The Pact was an expression of the accumulated dissatisfaction which had been mounting in the two Dominions since the early years of the war. It was felt that the two major allied powers, Britain and the United States, had shown scant regard for the wishes of their allies in the South West Pacific, both in the conduct of the war, and in preparations for the eventual peace settlement. In an effort to avoid any future repetition of the potentially disastrous events of 1941-42, the Governments of the two Dominions considered it essential that they present a united front vis-à-vis not only the United States, but Britain as well - if

their wishes concerning the post-war settlement, particularly with regard to the Pacific, were to be taken into account.

Whilst the Pact was undoubtedly a further expression of the type of independence that the Labour Government had exhibited in Commonwealth Councils before the war, its overriding function was not to radically revise New Zealand's relationship with Britain, but to prevent any possible resurgence of American isolationism from hindering the effective deployment of Commonwealth forces in the Pacific, in the event of renewed hostilities between Japan and the British Commonwealth.

Thus, despite New Zealand's staunch advocacy of the concept of universal collective security and the equality of nations at the Plenary session of the United Nations Organisation in May 1945, the Government had, in reality, already decided that New Zealand's future defence policy would be based on the traditional association with the British Commonwealth. Universal collective security would be acceptable if and when it was proven capable of effectively resisting aggression. But in the meantime, memories of the severe body-blow dealt to the Labour Party's internationalist ideals, by the failure of the first experiment in Universal Collective security in the preceding decade, effectively precluded the concept as an acceptable alternative in the eyes of the Labour Government.

New Zealand's future relationship with the United States also came under close scrutiny during the final years of the war. The Government was well aware that it had been

American and not British naval power which had been so decisive in turning the tide in the Pacific war against Japan. But the American Administration had shown little or no interest in providing any formal commitment to New Zealand's defence; and there could be no guarantee that the United States would be prepared to become involved in any future Pacific war involving a British Commonwealth state. However, with the total destruction of Japan's offensive capabilities during the final months of the war, the Government felt assured that there would be little likelihood of a major threat developing in the Pacific in the immediate future. The problem of soliciting American guarantees for New Zealand's security could therefore be shelved - at least in the interim.

The situation in the Northern Hemisphere in the immediate post-war period appeared far more ominous however. The widening rift between the Soviet Union and the Western powers suggested that any future threat to the Commonwealth, and therefore indirectly to New Zealand, would occur as a result of this growing cold war friction. New Zealand's almost total economic dependence on the United Kingdom as a market for her limited range of agricultural products suggested the necessity of the continuation of New Zealand's pre-war policy of contributing to the defence of Britain, when it appeared likely that these markets or the trade routes to them, might ultimately be threatened by the aggressive actions of an opposing power.

Thus, during discussions at the Commonwealth Conference in London in 1948, and in subsequent meetings in

the following year, New Zealand's defence policy became progressively oriented toward meeting the perceived dangers that threatened in the European theatre of the Commonwealth. As in preceding hostilities, it was believed that New Zealand's contribution to Commonwealth defence could be most effectively utilised in the Middle East. Consequently, the Fraser Government informed the United Kingdom in late 1949 that New Zealand's forces would henceforth be prepared on the basis of the Middle East Plan.

The Labour Government's initial decision to relegate the United Nations procedures for the maintenance of international peace and security to that of a back-up role in New Zealand's overall defence strategy appeared substantially vindicated during the final years of the Labour Government's term in office. The outright rejection of New Zealand's proposed amendments to the United Nations Charter in 1945, particularly with regard to the rights of veto enjoyed by the major powers, was perhaps the first indication for the Government, that the organisation would be of little real worth in stemming possible future aggression. But it was the debate on the Partition of Palestine, in 1947 - 1948 which, perhaps most of all, served to condemn the organisation in the eyes of the Government.

In the first Partition debate in November 1947 - necessitated in the first instance, by Britain's decision to relinquish its mandatory authority over the territory - New Zealand voted in conformity with the majority of the organisations membership (Britain abstained) for the resolution calling for the Partition of Palestine with economic

union between the Arab and Jewish sectors. At the time of the debate, the New Zealand delegate, Sir Carl Berendsen, argued strenuously, though without success, for the necessary inclusion of effective enforcement procedures, if the resolution was to be transformed into an effective solution to the conflict. The Partition proposals, he said, ignored "the problems of implementation to a deplorable extent."¹ As events in Palestine unfolded over the next few months, Berendsen's accusations appeared prophetic. The Partition plan collapsed into anarchy and in April of the following year (1948) the subject of Palestine's future status was once again a matter for debate in the United Nations. During this second debate, the New Zealand Delegation launched a scathing attack on the organisation for its shortsightedness during the previous year's debate, and for its decision to retreat from its earlier stand on partition. "If partition with economic union was right in November," Berendsen said, "then it is right today."² For the Government, this second partition debate was, in many respects, a "test case"³ for the organisation. Thus, when the decision was taken to abandon the partition formula when it became openly challenged by force, the organisation had, in the eyes of the government, dismally failed as a reliable institution for the prevention of aggression.

1 - The Press, 3 December 1947

p.6

2 - E.A.P., No.61

p.37

3 - Ibid

p.39

II. 1949 - 1955 NATIONAL GOVERNMENT, CONTINUANCE AND CHANGE

The transference of power from a Labour to a National Government in late 1949 did not produce any immediate concurrent changes in the direction of New Zealand's Foreign Policy. In matters of defence, the National Government was effectively influenced by the same factors that produced a Euro-centric orientation in the defence policy of their Labour Party predecessors - and until the mid-1950's, New Zealand's forces were continually developed for possible deployment in the Middle East. The outbreak of the Korean War in June 1950 did not, therefore, have any immediate impact on New Zealand's Middle Eastern defence planning, indeed New Zealand's contribution to the U.N. forces deployed in the Korean War Zone was organised in such a way that its participation would not interfere with New Zealand's existing obligations to Middle Eastern defence.

However, with the United States increasingly looking to the possible utilisation of a remilitarised Japan as an active bulwark against further extensions of Sino-Soviet influence in South East Asia, the old fears of resurgent Japanese militarism once again began to influence New Zealand attitudes towards defence planning. In discussions with Australian and American representatives on the proposed Peace Treaty with Japan in February 1951, New Zealand's Minister of External Affairs (F.W. Doidge):

"emphasised that New Zealand would regard a guarantee of her security against aggression in the Pacific, and particularly from a possible resurgence of Japanese militarism, as essential if the peace treaty was to include no explicit restrictions over Japan's ability to rearm."¹

To the general relief of the Government, just such an assurance was eventually forthcoming, when on 1 September 1951, Australia and New Zealand signed a tripartite defence alliance with the United States - the so-called ANZUS Pact. The treaty did not signify the existence of any immediate or fundamental change in New Zealand's defence orientation, however, and a clause was specifically included within the treaty in recognition of New Zealand's "military obligations outside as well as within the Pacific area."²

Later in the same month (September) the annual report of the Ministry of External Affairs reaffirmed that, in the event of war, "the New Zealand Government would give urgent consideration to the necessity of committing New Zealand troops once again to service in the Middle East" since "the security of Western Europe and the Middle East is as vital to New Zealand today as it was when New Zealanders fought there." The report went on to state that: "it remains to this day a vital theatre of war, not only because it is a land bridge between European and Asian waters and contains a rich reserve

1 - E.A.R., Vol. 1, No. 1, April 1951

p.4

2. E.A.P., No.106

p.49

of oil essential to modern warfare, but also because it has traditionally been an objective of Russian Imperialism and has now become subject to Soviet threats and pressure this development is of special seriousness to certain countries of the Commonwealth, since the Middle East is at present in grave military, political and economic weakness."¹

The Government's concern over the developing situation in the Middle East was in many respects the product of fears it held concerning the increasingly belligerent and anti-western nature of the Egyptian Government. On 8 August (1951) the Government revealed that it had made representations to Egypt concerning restrictions it had imposed on the passage of shipping through the Suez Canal. In correspondence with that administration, the Minister of External Affairs (Doidge) stated that:

"New Zealand's economy depends on her overseas trade, much of which in normal times passes through the Suez Canal, and the New Zealand Government cannot therefore, remain indifferent to the failure of the Egyptian Government to respond favourably to these representations."²

The view expressed in the note was that continuance of this policy would not only impair international trade, but would also damage New Zealand/Egyptian relations.

1 - The Press, 27 September 1951

p.3

2 - Ibid, 8 August 1951

p.7

The Government's uneasiness over the attitude and actions of the Egyptians went beyond the subject of trade. On the "vital" subject of Middle Eastern defence it was felt that the Egyptian Administration was being far from co-operative, and was in fact attempting to hinder the development of the newly proposed Middle East Command Organisation. In a statement of support for the declaration issued by the governments of the founding members of the Command Organisation,¹ Prime Minister Holland stated that the declaration had been necessitated,

"because of the doubts and uncertainties of the Middle East states as to how the Command Organisation would operate and how it would assist them in the problems of their defence against aggression. This uncertainty springs from the hostile attitude of Egypt which has not only maintained her refusal to co-operate in the defence of the Middle East, but is apparently endeavouring to prevent other Middle Eastern powers from doing so."²

In 1954, after assuming non-permanent member status in the United Nations Security Council, the New Zealand delegation submitted a resolution calling on Egypt to adhere to the international convention of 1888 guaranteeing freedom of navigation through the Suez Canal. Again in 1955, when the question of Egyptian interference with Canal traffic was raised

1 - The founding members of the Middle East Command Organisation were: the United Kingdom, the United States, France and Turkey.

2 - E.A.R., Vol. 1, No. 9, December 1951

in debate, New Zealand's representative castigated the Egyptian Government for its failure to adhere to previous Security Council resolutions on the matter, and expressed the Government "hope that in future all cargoes and ships of whatever nationality, and wherever bound, would be permitted to pass through the Canal without let or hinderance."¹

Throughout the latter half of 1952 and the early months of 1953, New Zealand's defence policy began to undergo a change. With the continuing development of the North Atlantic Treaty Organisation (NATO), the situation in Europe appeared to have stabilised considerably, and it no longer seemed likely that the Soviets would risk an overt assault on the Western European powers. What is more, the attitude of the newly installed military government in Egypt made effective contingency planning based around the Suez Canal zone untenable, and NATO Commanders had consequently shifted their emphasis to a defensive line based on Turkey. By comparison, the situation in the southern hemisphere appeared far more volatile. The war in Korea was continuing, the Communist Vietminh were conducting an effective ground war against the French in Indo-China, and Malaya, 'the gateway' to Australasia, was continually threatened by Communist insurgency. Accordingly, the Holland Government increasingly came to the view that New Zealand's defensive orientation would have to be amended in conformity with the changing strategic situation in South East Asia and the Middle East.

The first step toward this new orientation occurred

1 - N.Z.P.D., Vol. 309, 1956

in October 1953 when it was decided that the RNZAF would henceforth be prepared for possible deployment in the Malaya (ANZAM) area. Later in the same year, it was further decided that the New Zealand's land forces should also be prepared for possible use in Malaya. In 1954, New Zealand entered into the South-East Asia Treaty Organisation (SEATO) which, because it included both Britain and the United States within the same treaty organisation, was believed to have finally facilitated the successful co-ordination of the Pacific Defence policies of New Zealand's two major allies. In 1955 the National Government completed the transition from a Northern to a Southern oriented defence policy, with the announcement of its intention to develop New Zealand forces for a role in any possible future global war, originating from within the bounds of South-East Asia.

CHAPTER 3

THE SUEZ CRISIS, GREAT POWER RIVALRY - AN OVERVIEW

In response to the cancellation of Anglo/American financial backing for the construction of the Aswan high dam, President Nasser, in a speech in Alexandria on 26 July 1956, announced his decision to nationalise the Suez Canal. If the British and Americans were no longer prepared to supply the necessary loan finance for the dam, then Egypt would raise the capital elsewhere - the expropriation of Canal user dues appeared to Nasser the most logical and justifiable source of such finance.

In Nasser's view, the nationalisation served a dual purpose. Firstly it facilitated the construction of the high dam at Aswan, and secondly and perhaps more importantly, it allowed Egypt to regain what Nasser viewed as Egypt's "usurped rights"¹ regarding revenue collection from the Suez Canal.

The decision to rescind the offer of Anglo/American financial backing for the Aswan dam remains something of an enigma. However, since it was this decision which precipitated the whole crisis in the first instance, the subject is worthy of some elaboration.

1 - D.C. Watt, Documents on the Suez Crisis

John Foster Dulles, the American Secretary of State, communicated this decision to the Egyptian Ambassador to Washington on 19 July, ostensibly as a retaliatory measure, partly in response to Egypt's continual haranguing of the Baghdad Pact, and partly because of Nasser's announced intention to accept a Soviet/Czech offer of arms (September 1955). This version of the decision has incidentally, been borne out to some extent by an assertion of the then British Prime Minister, that "the American offer of funds had been withdrawn [because] Egypt opposed the Baghdad Pact."¹

There can, of course, be no doubt that the American Administration was greatly disturbed by the antics of the Egyptian Régime, especially with regard to its vehement opposition to the Baghdad Pact and its decision to purchase arms from the Soviet Union. The critical point to be remembered, however, is that the decision to 'offer' the loan was made at the NATO Summit Conference in December 1955; in other words, three months after Nasser's arms deal with the Soviets, and almost a year and a half after the joint Egypto/Sau'di declaration, announcing the intention of the two countries to shun the formation of the pro-western military alliance in the Middle East - the so-called Baghdad Pact. It is of course entirely possible that Dulles, in making the offer, hoped to mollify Nasser's attitude towards the Pact. Yet, when one considers Nasser's earlier rejection of an American offer of arms, simply because the deal included prohibitions on their use in

1 - A. Eden, Full Circle

offensive or aggressive operations - it would seem highly unlikely that Dulles really believed that Nasser could be bought off quite so easily.

A more likely explanation for the decision is to be found in Dulles' intense detestation of the concept of positive neutrality - a practice which Nasser pursued to its very limits between mid-1955, and July of the following year.

Until late December of 1955, Dulles did his best to steer the Egyptian Régime towards a positive, pro-American stance. Indeed, so zealously did Dulles go about this task, that he was prepared to openly support Nasser's Pan Arabist aspirations - even to the extent of subverting Britain position in the Middle East.

By the end of 1955 it became clearly apparent to all that Nasser had little or no interest in Dulles' overtures - and even less interest in the western cause generally. Dulles was undoubtedly unsettled by this, but even more so by Nasser's transparent attempts to extract increased favours from the western powers, particularly with regard to the Aswan dam, by playing on their fears concerning increasing Soviet influence in Egypt. Consequently, during the first few months of the following year, Dulles' attitude towards the Egyptian Government hardened. In discussions with the British Prime Minister and Foreign Secretary in February, Dulles found himself to be in agreement with the reservations they voiced about Egypt's ability to meet the loan repayments on the dam. This

assumption was further reinforced in May of the same year when Nasser entered into a cotton for steel agreement with Communist China. It was therefore agreed that the loan should be quietly and informally dropped, thereby reducing any likelihood of an adverse reaction from the Egyptians. Yet despite Dulles' acceptance of this British suggestion for handling the loan issue, he did the precise opposite.

On 19 July when the Egyptian Ambassador arrived in his office firmly intent upon clinching the deal, Dulles informed him in no uncertain terms that the loan was no longer available. Just exactly what prompted Dulles into making this astonishing revelation remains largely a matter of conjecture. Only days beforehand, the French Ambassador to Washington warned the Americans of the dangers to the future status of the Canal if the loan were to be withdrawn.¹ Dulles chose to ignore this warning, probably, as Herman Finer contends, because "Dulles did not like the ultimatum tone of the Egyptian Ambassador's message."² It is most likely that when Dulles began to procrastinate about the loan, the Ambassador pulled his Russian card, warning that if the United States and Britain did not come up with the loan, the Russians certainly would. Dulles, at this stage in a fit of pique, probably called his bluff. The Anglo/American loan was off.

1 - See H. Finer, Dulles over Suez

p.47

2 - Ibid

p.47

International reaction to the nationalisation was generally that of shock, though most particularly within the Western capitals. Britain and France, the two major shareholders in the Suez Canal Company, regarded the 'seizure' as a major blow to their prestige, not only within the Middle East, but throughout the Third World as a whole. If their former position was to be in anyway restored, it was believed that some decisive action would have to be taken.

Sir Anthony Eden, Britain's Conservative Prime Minister, began almost immediate preparations for a military operation to restore the international status of the Canal.¹ France too, favoured a military solution; but the restoration of the Canal's international status was of secondary consideration. Nasser had for some time been the major architect of revolt in Algeria, France's remaining colonial outpost in North Africa. If Nasser succeeded in his bid to nationalise the Suez Canal, France's position in Algeria could have become well nigh impossible. As far as the French were concerned, Nasser had to go - the Canal crisis provided them with the opportunity to see that he did just that.

At the end of July, just days before the release of the joint British, American and French declaration condemning Nasser's action, the French communicated their readiness for a combined military operation to Eden. Eden prevaricated - he wanted assurances of American backing, or at the very

1 - See A. Eden, Full Circle

least, neutrality, before he committed himself to such a risky undertaking. The American Secretary of State, Dulles, maintained at this point, that the United States Administration would eventually sanction the use of force, but only "if all other methods failed."¹ Eden chose to play along, calculating, quite realistically, that negotiations with Nasser would be doomed from the outset. In the meantime, however, he authorised the preparation of a contingency plan for Anglo/French intervention - Operation Musketeer.²

The first concession to the American Administration's desire for conciliation was to take the form of a Conference comprising the eight signatories of the Constantinople Convention (1888), and the sixteen principal users of the Suez Canal. All but two of the nations invited chose to attend, and the Conference was eventually convened in London on 16 August.³ On 23 August, when the Conference ended, the eighteen-nation majority group was committed to a plan calling for a Committee of five, representing their

1 - Ibid

p.437

2 - Operation Musketeer was the first Anglo/French Plan for military intervention in Egypt. The Plan was to be executed in three stages - (1) The destruction of the Egyptian Airforce, (2) Assault landing on Alexandria, (3) Occupation of Cairo. Expected duration of overall assault, 10 days. During the first few weeks of September (1956) Plan Musketeer underwent a major change. Due both to military and political reasons, the objective of the initial assault landing was changed from Alexandria to Port Said. - The operation was henceforth known as Musketeer (Revised).

3 - Egypt and Greece refused to attend the Conference.

views, to travel to Egypt and attempt to persuade Nasser to agree to the establishment of a new international Canal authority. Eden was convinced that Nasser's rejection of these terms would force the United States into accepting the necessity of immediate military intervention. Eden had seriously misjudged his American 'allies' however. The United States Administration had absolutely no intention of condoning the use of force as a means of solving the dispute. Negotiation was simply a ploy designed to weaken the resolve of the European allies, thereby facilitating their eventual acceptance of the Egyptian nationalisation as a fait-accompli.

When Eden learned of the deadlock in negotiations between Nasser and the five-nation committee on 7 September, he attempted to secure American support for an initiative in the United Nations Security Council. By getting the Council to endorse the demands of the London Conference, Eden believed that Nasser's predictable refusal to comply with the wishes of the Council would effectively clear the way for military action. Dulles refused to give any such assurances of support, however, and instead reintroduced an earlier scheme for the creation of a 'Suez Canal Users Association' (S.C.U.A.). Again, Eden and his French counterpart, Mollet, chose to play along - but Eden was now convinced that American support for Anglo/French intervention would not be forthcoming. Previous statements by members of the American Administration had effectively destroyed the bargaining power of the five-nation committee

headed by Menzies, and now Dulles refused to give any assurances that American ship-owners would accept the Users Club (S.C.U.A.) as the legitimate Canal authority - the Americans were clearly playing for time.¹

By late September, American statements condemning and denouncing any possible use of force had reached avalanche proportions. In a last-ditch effort to give the Users Club concept some semblance of weight, Eden decided to take the matter to the Security Council. The debate lasted ten days (5 - 14 October) and resulted in the Soviets vetoing the operative section of the resolution - the part calling for free passage through the Canal and the payment of Canal dues to the S.C.U.A.

The failure of the resolution had a decisive impact on Eden's attitude to the crisis. On the following day, whilst in consultation with his French allies, Eden decided to accept their latest proposals concerning military intervention. 'Hypothesis, I' was henceforth to become 'Plan, I'. - Britain and France were to act in collusion with Israel.² The United Nations option was a lost cause; Israel would now provide the necessary pretext for an Anglo/French assault on the Canal.

On 29 October, Israeli units attacked Egyptian forces stationed in the Sinai. On the following day (30 October),

1 - At a press conference on 11 September, Eisenhower was asked whether the United States backed Britain and France. To this he replied, "I don't know exactly what you mean by backing them. As you know, this country will not go to war ever while I am occupying my present post. The only exception would be in the case of an unexpected attack on this nation. Cited by A. Eden, Full Circle

2 - See A. Beaufre, The Suez Expedition, 1956

the British and French issued ultimatums to the two combatant powers demanding an immediate cease-fire and a withdrawal from all territory within ten miles of the Canal Zone. In the event that these demands were not met, British and French forces would intervene in an effort to guarantee the safety of the Canal.

The American reaction to these latest developments took Eden somewhat by surprise. Whilst fully expecting the United States to condemn Israeli aggression, Eden did not believe the United States would go so far as to further jeopardise the solidarity of the Atlantic alliance by adopting a position vis-à-vis her NATO partners in any possible row in the Security Council. But this is exactly what did happen. In a most unlikely move, the United States and the Soviet Union combined on 1 November to introduce a resolution in the Security Council denouncing Israeli aggression and demanding that there be no third party intervention in the dispute. Britain and France vetoed the resolution. Yugoslavia countered by proposing that the General Assembly 'unite for Peace'. The United States and six other Security Council members endorsed the idea and the resolution was eventually adopted by the Assembly by 64 votes to five.¹

By this stage, the British and French plan for intervention was beyond the point of no return. The Israelis had lived up to their end of the bargain and were now eagerly awaiting their co-conspirators in the western approaches to

1 - It is interesting to note that the United States could have stopped the United Nations censure of Britain and France in its tracks, simply by abstaining from the Yugoslav 'uniting for peace' Resolution.

the Canal. Moreover, the ultimatums had already been delivered - to back out at the last moment would result in a further blow to Anglo/French prestige. On 5 November the British and French assault began with co-ordinated landings on Port Faud and Port Said.¹

Reaction by the two super powers was swift. Marshal Nikolai Bulganin, the Soviet Premier, declared his country's readiness to resort to 'military force' if the British and French "aggressors" did not immediately quit their military adventurism in Egypt. A warning which Eden and Mollet believed "need not be taken [too] literally."² Worse was to come however. In Britain a fearful crisis struck the pound sterling. Macmillan, the British Chancellor of the Exchequer, had to come up with over a billion dollars within 24 hours in order to restore his country's flagging currency. The American Administration agreed to Macmillan's urgent request for the loan, but only under the condition that a cease-fire was brought into effect in Egypt within twelve hours. Eden was powerless to refuse the demand, especially as his own Conservative Government was in total disarray - hopelessly divided over the issue of intervention.

Consequently, Eden informed Mollet of his decision to immediately abandon the operation. The French, not being faced with the extent of the British dilemma, would have preferred to finish the operation, but without Britain it would have been quite impossible, at least politically. Eden and Mollet were therefore forced to give way under the American pressure and a ceasefire came into effect within 24 hours.

1 - The Assault Landings (5 November) were preceded by an 'aero-psychological' phase, in other words, bombing and leaflet dropping.

2 - A. Eden, Full Circle

Developments also proceeded at a surprisingly rapid pace within the United Nations. On 5 November, the same day the British and French landed at Port Said, the Canadian Minister of External Affairs, Lester Pearson, introduced a resolution calling for the establishment of an Emergency Force to ensure that any cessation of hostilities between Israel and Egypt remained in force. The resolution was passed by some 57 votes - 19 members abstained, although none opposed the move. On 22 December, the Anglo/French occupation came to an end when the United Nations Emergency Force arrived to take up positions in the Canal zone. The crisis was over.

CHAPTER 4

NEW ZEALAND REACTIONS TO THE EGYPTIAN NATIONALISATION

The attitude of the New Zealand Government, on being informed of the Egyptian nationalisation of the Suez Canal on 26 July, was immediately coloured by New Zealand's existing perception of the chain of events which had occurred in the Middle East during the preceding five years. In the eyes of the National Government, "the Egyptians [had] endeavoured to create trouble by turning neighbouring countries against the countries of Europe. [They had] attacked France in the most intemperate language and used every means of stirring up hatred against [her] within the countries of North Africa; and despite the 1888 convention, and in defiance of Security Council resolutions, [they had] blockaded Israeli ships and ships bound for Israel, and by [their] recent arms deal with Czechoslovakia (1955) [had] increased tension in the Middle East."¹ As far as the Holland Government was concerned, "past events in Egypt gave no reassurance at all concerning Egypt's intentions, and the unheralded and arbitrary method of the latest seizure [gave] no promise of future harmony."²

1 - N.Z.P.D., Vol. 309, 1956 p.909

2 - Ibid p.909

Consequently, when Eden informed Holland of his intention to resist the Egyptian nationalisation, even to the extent of recourse to armed intervention, Holland immediately endorsed the stand of his British counterpart, informing him that he could "Count on New Zealand standing by [Britain] through thick and thin."¹

The issue at stake according to Holland, was not whether New Zealand supported either Britain or the United States during the crisis, for at the time (July-August) their policies 'appeared' to lie on a parallel course - "the issue was whether or not an international waterway of vital importance to many nations [was to be] under the control of one nation."² Holland's isolation of the central issue of the crisis (as he saw it) appears somewhat internationalist in flavour, even idealistic, and to some extent it was, especially considering New Zealand's own minor utilisation of that waterway. However, Holland's appraisal of the crisis was essentially based on cold, hard, pragmatic self-interest. At the time of the 'nationalisation' or 'seizure' (depending on your view-point), Britain's contribution to the annual traffic passing through the Suez Canal was approximately half the total volume (tonnage) and more than two-thirds of this was made up with oil shipments from the Persian Gulf, Saudi Arabia and Kuwait.³ It was widely believed at the time that any extended interference with this traffic, particularly the oil, would have devastating

1 - Ibid p.886

2 - Ibid p.887

3 - The Press, 28 July 1956 p.8

consequences for Britain's industrial and economic welfare. If this happened, the effects on New Zealand's economy would undoubtedly have been catastrophic - bearing in mind New Zealand's existing trade dependence on Britain. "The Suez Canal [was] vital to Britain and Britain [was] vital to New Zealand"¹ - Holland's logic was undeniable.

The question at the time was whether a fervently nationalistic régime with radical socialist ideals and a proven anti-western/anti-colonial bent, could be entrusted with a waterway which not only guaranteed the welfare of the British and New Zealand economies, but also facilitated the rapid deployment of reinforcements in the event of further hostilities breaking out in South-East Asia, and particularly Malaya - the 'Gateway' to Australasia. Holland "for one, was not prepared to accept [Egypt] as a satisfactory guarantor for [such a vital] international canal."² The Minister of Social Security, D.J. Eyre, summed-up the Government's attitude in a nutshell: "are we (New Zealand) as a maritime nation to be at the mercy of a 10 cent dictator (Nasser)?"³

With the announcement of New Zealand's invitation to the impending London Conference jointly sponsored by Britain, France and the United States, the Government quickly despatched the Minister of External Affairs, T.L. Macdonald, to communicate New Zealand's attitude regarding the Egyptian Nationalisation, to the assembled representatives of the

1 - N.Z.P.D., Vol. 9, 1956

p.887

2 - Ibid

p.887

3 - The Press, 9 August 1956

p.14

twenty-two nations. The conference opened on 16 August, and on the following day, Macdonald outlined his Government's policy on Egypt's unilateral action:

"We (the New Zealand Government) consider imperative the establishment of a system for the Suez Canal which will ensure forever against arbitrary misuse. Such a system must, in our view, be on an international basis."¹

As the talks progressed, it became increasingly apparent that the delegates to the conference were forming themselves into two opposing camps. The larger of the two aligned itself with a proposal suggested by the United States Secretary of State, J.F. Dulles. His solution to the crisis, was the establishment of a new convention, recognising both the sovereign rights of Egypt, and the international status of the Canal - a proposal which "New Zealand strongly supported."² The second group, which incidently could only muster the support of four of the twenty-two representatives, advocated the adoption of a proposal initiated by Krishna Menon, the Indian delegate. According to this proposal, a policy based on the re-internationalisation of the canal would be unrealistic. Instead, he advocated the Egyptian nationalisation be recognised, and an advisory body be established to represent the interests of Canal users in any

1 - E.A.R., Vol. 6, No. 8, August 1956

p.51

2 - The Press, 23 August 1956

p.13

future negotiations with the Egyptian Government.

In an effort to overcome this impasse, and thereby avoid the danger of the conference simply "dissolv[ing] in thin air",¹ Macdonald proposed the selection of a small committee to submit the proposals of the majority group to Nasser. Selwyn Lloyd, the British Foreign Secretary, supported Macdonald's idea, and Menzies (the Australian Prime Minister) was selected to head a five-nation committee.

When it became apparent that 'Menzies mission' had failed to come to any arrangement with Nasser, the New Zealand Government remained firm in its resolve to see the Suez Canal, once again under the control of an international convention. However, in contrast with the Australian reaction, and particularly that of Menzies, there was no audible sabre-rattling within Government circles. Macdonald simply accepted the "new situation" and stressed his Government's intention to approach the matter in accordance with the "prevailing circumstances".² Neither Macdonald nor the Prime Minister publicly advocated the use of force as an immediate option in overcoming Nasser's refusal to accept the Eighteen Power Proposals.

Yet despite this overtly subdued reaction to the failure of the 'Menzies Mission', it would appear that the Government's appetite for further negotiation, along the lines of that which had been attempted at the London Conference, was something less than it had been during the previous month.

1 - Ibid, 24 August 1956

p.11

2 - E.A.R., Vol. 6, No. 9, September 1956

p.4

On 13 September, when Sir Anthony Eden announced his decision to hold a second London Conference, this time to discuss a proposal for a Suez Canal Users Association - the Government responded in a manner that was guarded, to say the very least. In marked contrast with the earlier expressions of "confidence", both in the objectives and efficacy of the first London Conference, Holland merely expressed his Government's "sympathy" with the latest British effort to find an equitable solution to the Suez problem. However, after giving "further consideration to the situation in light of messages received from various parts of the world,"¹ Holland announced that New Zealand would take an active role in the forthcoming conference. On this occasion, however, the Government would be represented by the High Commissioner to London, Sir Clifton Webb, and not, as was the case at the first London Conference, by the Minister of External Affairs, T.L. Macdonald.

Thus, whilst the Government's determination to support Britain's diplomatic initiatives remained firm, it would seem that the prospect of renewed diplomacy was viewed with something of a jaundice eye. This change in attitude could perhaps be partially explained by Nasser's earlier rejection of the Eighteen Power Proposals, however, a more immediate explanation is to be found in one of the 'messages' which Holland referred to on 17 September. For on the very same day that Eden unveiled the plan for the establishment of a

1 - Ibid

Suez Canal Users Association, J.F. Dulles, America's Secretary of State, made a press statement which effectively undermined any chance the Users Club may have had of providing a peaceful solution to the dispute. "The Users Association" he declared, "was not going to be in a position to guarantee anything to anybody."¹ Since the Egyptian Government immediately responded to this statement by announcing their intention to reject each and every demand the Association made upon them, Dulles had effectively succeeded in torpedoing the Association before the Second London Conference had even been convened to discuss the proposal. In the light of these developments, the Government must have regarded Eden's proposal with a considerable degree of scepticism. Nevertheless, active support for the Users Club, no matter how insincere, must have seemed a small price to pay for maintaining the consistency of the Government's earlier policy of supporting Britain through 'thick and thin'.

Holland's luke-warm response to the Users Association was not the only indication of the Government's growing impatience with the existing state of deadlock between Nasser and the representatives of the Eighteen Powers. On 17 September, when Eden declared his intention, if circumstances allowed, to refer any acts of Egyptian hostility or interference towards the Users Association to the United Nations - Holland immediately applauded the move, declaring

1 - The Press, 14 September 1956

that the Government "fully supported"¹ the decision. He went on to state, "I feel the qualification expressed by Sir Anthony is an essential one, especially in view of the likely need in [an] emergency to take action in defence of British lives and property in Egypt."²

Holland's enthusiastic response to this latest proposal was hardly surprising. On 7 August, on the occasion of the first Parliamentary debate on the Suez crisis, Holland made it plain that he favoured a 'tough' line in any future negotiations with Nasser. "There are some nations in this world," he declared, "that appreciate a show of strength."³ Since this statement had been made in conjunction with the Government's official acceptance of an invitation to attend the London Conference, it would seem reasonable to assume that Holland felt sure the conference delegates would display the degree of 'strength' he believed necessary if Nasser's grip on the canal was to be broken. This rather premature assessment was to prove totally erroneous. Not only were the delegates divided over the question of future action, but more importantly, the proposals Menzies eventually submitted to Nasser were backed up by little more than the naive hope that he would see fit to accept them.

In view of this rather optimistic approach to negotiation, it is little wonder that Holland took a dim view of the proposed Users Association since it too was destined to rely solely on Egyptian compliance to achieve any measure of

1 - E.A.R., Vol. 6, No.9, September 1956

p.6

2 - Ibid

p.6

3 - N.Z.P.D., Vol. 309, 1956

p.886

of success. It was, therefore, as a response to these earlier tactical errors that Holland came to regard Eden's latest proposal, which offered at least some likelihood of future enforcement, as a welcome breath of fresh air into what was fast becoming a rather stale and inert debate.

Since no official statements pertaining to the crisis were made between mid-September and the end of October, it is difficult to provide a truly accurate assessment of the Government's reactions to the Anglo/French initiative at the United Nations between 5 and 14 October. It is possible that the Government regarded the Soviet/Jugoslav veto of the operative section of the Anglo/French resolution as an indication that further negotiation was pointless. And that forceful action would have to be undertaken if the dispute was to be resolved satisfactorily. Although possible, this thesis would seem doubtful, if only on the basis of the recorded responses of other, similarly disposed governments. For instance, the Australian Government, which had made no secret of its militaristic inclinations during the dispute, adopted a very mild, if not optimistic approach to the recent developments in the Security Council. The Australian Minister of External Affairs, R.G. Casey, declared that "the discussions just completed by the Security Council had created the skeleton on which the major parties might yet build the flesh of a solid agreement."¹ He went on to predict that the proceedings would probably "lead to further conferences by the powers concerned - together with Egypt - possibly under the sponsorship of the United Nations."² He did, however, warn that the whole situation was still

1 - The Press, 17 October 1956

p.13

2 - Ibid

p.13

"inherently explosive."¹

The Australian Government's rather optimistic assessment of the Security Council debate, with which the New Zealand Government most likely concurred, was probably due to the Council's unanimous endorsement of the six principles suggested by Britain for resolving the dispute. It was generally believed at the time that two of the six principles adopted, had some value. One was that which stated, that the operation of the canal should be insulated from the politics of any country while the other endorsed the arbitration of the Canal Company's claims if there was agreement on suitable terms of reference.

One other factor would also suggest that the Government retained an open mind on the subject of further negotiation. Throughout the crisis, the Government chose to take its lead from Britain, and apart from the one incident during the First London Conference, the Government refrained from taking an active role in the formulation of initiatives. Since the British and French Governments released a joint communiqué on 17 October, affirming their resolve "to adhere to the requirements on the canal's future unanimously approved by the United Nations Security Council",² it would seem probable that the New Zealand Government accepted and endorsed the likelihood and wisdom of renewed diplomacy.

There can, of course, be no doubt that Holland still regarded military action as the ultimate option. The military preparations set in motion by Eden, on virtually the

1 - Ibid

p.13

2 - Ibid, 18 October 1956

p.15

same day that the crisis broke out, were still going ahead, and at no stage did the Government publicly express even the slightest reservation about their possible future use. However, the mere fact that the Government did not at any time suggest the use of such force, after the partial failure of the Anglo/French initiative at the United Nations, would perhaps further suggest that Holland still regarded negotiation as a live option up until the time of the Israeli assault on Egypt (29 October).

One area where New Zealand did differ from the rest of the 'old' Commonwealth, was in the adoption of a near bipartisan stance by Government and Opposition. Although this unlikely alliance of National and Labour would prove incapable of weathering the testing moments during the Anglo/French intervention, Opposition Leader Walter Nash could find little to fault in Holland's assessment or handling of the crisis - prior to 30 October.

If a difference did exist between the respective approaches of the two men, it was in their perception of the immediacy of the threat that the nationalisation represented. Whereas Holland was prepared to accept the worst possible scenario, almost as an established fact - Nash preferred to view the nationalisation in a markedly less alarmist fashion. This difference became apparent when Nash indicated his willingness to accept, at least in the interim, the sincerity of Egyptian assurances that freedom of navigation through the canal would not be impaired. Since the objective of the nationalisation was, ostensibly, to finance the Aswan dam,

Nash felt sure that it was "obviously to Egypt's interest that traffic through the canal should be as continuous and as heavy as possible."¹ The Egyptian Nationalisation was therefore, in Nash's view, not as great a threat to international navigation as was "claimed in some quarters."²

Nevertheless, Nash was not so trusting as to believe that the nationalisation did not pose a very serious potential threat. There was always the danger that in any forthcoming Arab/Israeli war, "Egypt might close the canal to any country, particularly Britain, which supported Israel or tried to arbitrate."³ And even if Nasser proved capable of divorcing national politics from the operation of such a vital international asset - there was always the problem of adequate maintenance of the canal. As far as Nash could ascertain, there was not the remotest possibility that Nasser could make good his promise to reimburse Canal Company shareholders and maintain the canal at the same time.

"On the evidence of events, agreements, treaties and conventions, Colonel Nasser's Act on 26 July was immoral" and Nash expressed his "hope that it would be put right."⁴

As for the steps that had been proposed to 'put it right', Nash could find no obvious reason to voice any objections. He did have some "misgivings" about the military preparations, but since "some people [apparently]

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| 1 - <u>N.Z.P.D.</u> , Vol. 309, 7 August | p.899 |
| 2 - Ibid | p.899 |
| 3 - Ibid | p.900 |
| 4 - Ibid | p.902 |

listen only with their eyes,"¹ Nash believed these measures might have the desired effect. The proposed London Conference was perhaps more to his liking, but he remained unconvinced that any agreement was possible if Egypt refused to attend. As for going to the extent of accepting the assertions of Britain's Conservative Prime Minister - well, Nash was not prepared to say that he agreed with every word in the text of Eden's speech to the House of Commons - but as far as he could see, it was "as straight forward a statement as [he] had yet seen [on the crisis] from one who knew the whole situation."²

One or two Labour members, notably Messrs P.N. Holloway and A.H. Nordmeyer, did not quite see Eden's speech in the same light as their leader - but generally speaking, an overwhelming consensus for a pro-British line existed on both sides of the House. Indeed, such was the strength and extent of this feeling that Holland felt confident in announcing that "Britain will know that this Parliament of ours, however much we may differ on other things, closes its ranks when the Empire is in trouble."³

1 - Ibid p.902
2 - Ibid pp.902-903
3 - Ibid p.960

CHAPTER 5

NEW ZEALAND REACTION TO ANGLO/FRENCH INTERVENTION

Holland's announcement that 'Britain could count on New Zealand standing by her through thick and thin' took on an ominous and unforeseen connotation in the last few days of October. On 7 August, when the statement had originally been made, Holland was under the impression that the British and Americans were equally determined to reverse the Egyptian nationalisation, even if it meant recourse to armed intervention. As events unfolded during the latter months of September and October, it became apparent that this was not in fact the case. During this period, the Americans had shown themselves to be increasingly resistant to Anglo/French demands for an eventual use of force, and by the end of October it was patently obvious to all, that the United States Administration would not sanction such a move.

Since Holland was totally ignorant of the Anglo/French conspiracy with Israel, the Government's outspoken support for the British cause did not appear to harbour any immediate threat, despite America's changing attitude. The military preparations set in motion by Eden and Mollet were,

of course, still going ahead, but as far as Holland was concerned, a display of military preparedness was still an essential prerequisite for successfully negotiating with such a dictatorial tyrant as Nasser. Furthermore, Holland had no reason to believe that Eden would embark upon any military operation without firstly doing him the courtesy of providing some prior warning. And even if Eden failed to live up to such expectations - the very worst that Holland could have reasonably expected from the Americans, was for them to abstain from voting in any Soviet sponsored censures in the Security Council. Britain was, after all, America's principal ally in Western Europe and there was little reason to believe that the United States would jeopardise its relationship with that country, and perhaps even the NATO alliance itself, by reacting irrationally to any forceful action Britain might undertake. No matter how the Government viewed the situation in the closing weeks of October, New Zealand's position seemed totally secure.

The events of 29 and 30 October totally shattered this illusion. The unheralded nature of the Anglo/French ultimatum to Egypt and Israel was, in itself, cause for some alarm - but the American reaction to these developments seemed nothing less than a nightmare. In the space of just 48 hours, the Government's seemingly secure position had been transformed into one of total uncertainty.

With the United States denouncing the Israeli action as 'aggression' and castigating the British and French

response, the Government found itself in a predicament it had long-feared. Sandwiched between the opposing policies of its two principal allies, the Government found itself in a position where it had to support either the British Plan for intervention or American opposition to it. In reality, however, the Government's ability to freely choose between its combatant allies had been severely restricted by previous governmental statements.

Throughout the crisis, the Prime Minister and the Minister of External Affairs both publicly maintained that where Britain stood, so too did New Zealand, and they could hardly adopt a completely different stance, simply because the United States had an apparent change of heart on the subject of military intervention.

Nevertheless, as committed as the Government was to the British cause, the attitude of the United States was something that a small country like New Zealand could ill-afford to take lightly. America's friendship was considered a valuable asset, and there could be no thought of placing it at peril, except where the most dire of circumstances demanded it. Owing to this 'complication', the Government felt powerless to provide anything in excess of token support for Britain's actions. Doubtless the Government wished to do more - but what the Government wished to do, and what the circumstances actually allowed, were two entirely different matters. Yet, if the Government was

fearful for the future of the ANZUS partnership, few if any references alluded to it. Instead, the preferred image for the Government was that of the altruistic broker, firmly intent upon the repair of the Anglo/American rift. Needless to say, the Government sought to treat the underlying cause of any future ANZUS disharmony, rather than the symptoms themselves.

"It may be of some interest to the people of New Zealand to realise that over the Suez Canal situation we now find Britain and France are of one opinion concerning action in that area, while the United States, with whom we have the strongest ties, finds herself aligned with Russia on this vital issue. To any student of today's developments in international affairs, that is a situation deeply to be regretted."¹

Well publicised concern over the rift in the Western alliance may well have been the corner-stone of New Zealand Suez Policy during this second phase of the crisis, but the Government clearly regarded it as being insufficient to meet all of New Zealand's requirements. If New Zealand's position was to be safe-guarded, then any support for Britain had to be preceded by concessions to the United States. Consequently, on 1 November - the same day that Britain launched its 'aero-psychological' operations in Egypt - Holland announced that New Zealand

1 - The Press, 1 November 1956

would not be sending any forces to the canal zone in the event of an Anglo/French occupation. In deference to America's heart-felt objections, Holland had, in effect, attempted to disassociate New Zealand from the Anglo/French act of intervention. However, support for the motives that led to the intervention was considered to be an entirely different matter altogether.

Holland's anxiety at the mere thought of any adverse reaction emanating from the American Administration was made still further apparent at a press conference on the same day (1 November). When requested to outline the Government's reaction to the criticisms levelled against Britain by Eisenhower and Dulles, Holland answered with a resounding - "no comment."¹ Clearly, anything to do with the American assessment of the intervention was an extremely touchy subject for the Government, and certainly not a fit and proper topic on which to make potentially damaging impromptu remarks.

Despite the Government's latent pragmatism, Holland remained firmly convinced of the necessity for a re-internationalised Suez Canal. With Britain seemingly under attack from friend and foe alike, Holland felt that the time had come for the Government to brace-up to its earlier statements and lend whatever support it could for the British cause. On this occasion, however, there could be no stirring references to the Empire, as had been the fashion during the preceding three months - but New Zealand's support

1 - The Press, 2 November 1956

was nevertheless, still there - even if expressed in somewhat qualified tones.

"While several features of the present situation are disturbing, I have full confidence in the United Kingdom's intentions in moving forces into the Canal zone The United Kingdom has given an undertaking that its operations are designed solely to protect the Suez Canal and to halt fighting between Israeli and Egyptian forces and that this emergency police action is intended to be of limited duration It is nevertheless a matter of grave concern that a situation should have arisen in which there are serious differences of viewpoint between the United Kingdom and one of her principal allies the United States."¹

Holland's approach to the crisis in the critical moments between the end of October and the beginning of November was not entirely based on unprincipled self-interest. On 30 October, in a speech concerning the Israeli attack on Egypt, Holland maintained that while the Government regarded the Israeli action with "utmost concern", it did, nevertheless, feel that "Israel's position as a newly created state surrounded by hostile neighbours [was] a difficult one for a small state to sustain."²

1 - E.A.R., Vol. 6, No.11, November 1956 p.2

2 - Ibid, No.10, 10 October p.2

During the United Nation's debates on the events of 29 October - 1 November, New Zealand's Representative, Leslie Munro, adopted a similar approach to that taken by the Prime Minister. Whilst supporting Britain and reaffirming New Zealand's "close and enduring association with the United States",¹ Munro suggested that the debate should focus on the whole issue of the Middle East conflict and not simply on the Anglo/French intervention. As far as the Government was concerned, military intervention by Britain and France was merely symptomatic of the United Nations earlier failures, firstly in relation to the troubles in Palestine and secondly, in not adequately addressing the resulting conflict between Israel and the surrounding Arab states, "so seriously aggravated by the action of the Egyptian Government in seizing the Suez Canal."² Thus when the American Representative tabled a resolution demanding an immediate cease-fire and no third party intervention, (1 November) Munro felt obliged to 'oppose' it since it failed to address the underlying cause of the problem, and, by implication, questioned the motives of the British and French. When the vote was eventually taken on the resolution in the General Assembly on 2 November (Britain and France had vetoed it in the Security Council), New Zealand along with Australia became actively identified with the three so-called 'aggressor' states - Britain, France and Israel.

1 - Statements and Documents, 1943 - 1957

p.452

2 - Ibid

p.453

With so many of the smaller nations eager to be seen on the Soviet/American bandwagon, Holland felt desperately in need of some remedial formula that might conceivably relieve his country's growing feelings of estrangement from the world community. In the early hours of 2 November, when the Canadian Minister of Foreign Affairs suggested an international police force to preserve peace in the Middle East, Holland felt sure he had found the very remedy he needed.

The real beauty of the Canadian proposal - as the Government saw it - lay less in its suggested police action than it did in the expressions of support that were immediately extended to it by the American Administration. Holland was confident that this American backing provided a clear opportunity for the Government to add a touch of credibility to its earlier dualistic utterances, without unduly compromising Britain's stance.

In a public statement on 3 November, Holland announced that his Government "welcomed the proposal put forward in the United Nations by the Canadian Foreign Minister", describing it, in all honesty, as "very good news"¹ indeed. The proposal and the endorsement given it by the United States, was in Holland's view "a vindication of the Anglo/French contention that police action in the area had been urgently necessary."² In an effort to further elaborate upon this point, Holland went on to draw a rather dubious analogy between the intervention in Egypt and the earlier American intervention in Korea.

1 - E.A.R., Vol. 6, No. 11, November 1956

pp.3-4

2 - Ibid

p.3

"it might well be found, if and when an international police force was organised, that its task in the Middle East had been made manageable and possible by the speedy action of Britain and France in separating the Egyptian and Israeli forces and protecting the Suez Canal. In this case, as was the case when the United States intervened in the Korean invasion, there had been forces available in the immediate vicinity of trouble."¹

Having carefully prepared the ground for New Zealand's formal acceptance of the proposal, Holland's calculations ran into a temporary stumbling block. At the critical moment when the Canadian Resolution was brought before the United Nations, the Government found to its dismay that it contained a reference to an earlier resolution demanding an immediate cease-fire in Egypt. Having already rejected such a demand on 2 November, the Government felt compelled to abstain when called upon to vote. Whilst unable to endorse the full body of the resolution, Holland did, nevertheless, instruct Munro to announce to the Assembly that he had been "authorised to state that New Zealand [was] prepared to support the establishment of a United Nations force on acceptable terms to assist in the establishment of peace and order in the Middle East."²

1 - Ibid

p.4

2 - The Press, 5 November 1956

p.13

On 7 November the Government was presented with a second opportunity to become formally associated with the Emergency Force. On this occasion a further resolution was placed before the Assembly, this time in connection with a proposed Administrative Committee to supervise the establishment of the Force. Since this resolution was noticeably devoid of any unacceptable references to Britain's action in Egypt, the Government felt able to register an affirmative vote.

Although the Government was to make a formal offer to provide a contingent of troops for the Emergency Force, the United Nations Secretary General eventually turned the offer down. The "great delicacy"¹ of the situation in Egypt apparently precluded any active participation on New Zealand's part. The Government's attempt to project a dualistic image during the crisis would appear to have been unsuccessful.

On 7 November, the Parliamentary Labour Party issued its own, somewhat belated assessment of the Anglo/French intervention.

"The Labour Party reaffirms its opposition to armed aggression by whatever country it is used. The party recognises the inability hitherto of the United Nations to maintain the terms of the armistice in the Middle East and compel compliance with its decisions. We appreciate to the full the

1 - E.A.R., Vol. 6, No. 11, November 1956

magnificent contribution that Britain has previously made to world peace and to the extension of democratic government. We regret, however, the action of the United Kingdom, in co-operation with France, without consulting the other members of the Commonwealth and without reference to the United Nations, in taking aggressive action against Egypt. Equally do we regret the action of Israel, Egypt and Jordan in launching attacks on one another. We condemn any country that violates the territory or independence of others. We agree with the Canadian resolution to establish a United Nations force, and we support every possible step to strengthen the United Nations Organisation."¹

During the preceding nine days of crisis (29 October - 6 November) the Opposition had said precisely nothing. Admittedly, Nash did make a public request for the Prime Minister to call Parliament together (3 November), but apart from this solitary utterance, the Opposition made no attempt to comment on the intervention. Yet, on 7 November, when the crisis was all but over, Nash felt for some reason obliged to issue nothing less than an unfettered and damning condemnation of Britain and France.

1 - The Press, 8 November 1956

At a time when most western leaders, and particularly Eisenhower, had nothing but reconciliation on their lips, Nash's startling revelation of his Party's latent feelings of revulsion towards Britain, seems somewhat out of place. If Nash and his Caucus colleagues were so sincerely repulsed by what had happened in Egypt - why did it take them so long to say so? The British and French attacks had, after all, been going on since 1 November.

There would appear to be two likely explanations for this behaviour. Firstly, it is possible that Nash's statement was but a simple case of political expediency. A crude last-ditch effort to place his Party on side with what he knew, at that stage, to be the generally accepted view of the British and French action. It is, however, equally possible, if not probable, that the Party's earlier silence was indicative of something entirely different.

Viewing this statement in less cynical terms, it is significant to note the total absence of any reference to the Government's handling of the intervention. This is indeed surprising in view of Holland's obvious vulnerability during the intervention period. For despite what must have seemed like a heaven-sent opportunity to mount a successful attack upon the Government, Nash chose to do nothing. There were no accusations of subservience, nor was there any suggestion that Holland was pandering to aggression. In fact, it would appear that the Opposition deliberately went out of its way to ensure that the Government's position was just as

comfortable as events would allow. In view of this, and certain "private talks" between Holland and Nash on 1 November, it would seem reasonable to assume that Government and Opposition had reached some 'arrangement' regarding New Zealand's handling of the intervention. Nash clearly did not intend to remain silent indefinitely. However, with international tension at an alarmingly high level, Nash must have felt that it was in the country's better interests if an illusion of unity remained intact. With a cease-fire in place in the Middle East by midnight on 6 November, the charade could come to an end. At this point Nash must have decided that he could give vent to his Party's true feelings towards the intervention, without seriously compromising New Zealand's position.

CHAPTER 6

CONCLUSIONS

Existing studies of New Zealand's Suez Policy (1956) can be roughly divided into three distinct groups. At one extreme, are those studies which tend to concentrate almost entirely upon the analysis of the highly emotive - 'through thick and thin', and 'where Britain stands we stand' type of statement. Noel Galvin's, New Zealand and the Suez Crisis,¹ provides a classic example of this type of approach. At the opposite end of the spectrum are those studies which deliberately avoid the emotive, and concentrate instead upon the more pragmatic determinants of New Zealand's chosen Policy. Occupying roughly the middle ground between the two, are the more moderate studies which, whilst endeavouring to strike a balance, almost invariably conclude with a decided tendency in favour of the findings reached by the proponents of the first approach.

This present study could reasonably be criticised for a tendency to favour the second of the two extremes. The analysis has unashamedly avoided references to some of the

1 - M.N. Galvin, New Zealand and the Suez Crisis, an unpublished Graduate Research Essay in Middle East Politics.

more sentimental aspects of New Zealand's relationship with Britain at the time of the Crisis. This has not been done in any deliberate attempt to deny the existence of such sentiment - nor would it be suggested that attachment to Britain did not figure in the overall calculations of the Holland Government when the decision was made to support Britain at the crucial hour of the crisis. What this study has attempted to do, is to indicate the minor role that such attachment played in the evolution of New Zealand policy on Suez.

Doubtless, the Prime Minister and his cabinet colleagues were delighted, perhaps even proud, to be once again supporting the British in the international arena on an issue they believed to be of such vital importance to both nations. But it would, nevertheless, be a complete distortion to suggest that New Zealand's support for Britain amounted to subservience or blind faith. The policy adopted by the Government was, in fact, little more than a frank expression of the realities of the existing interdependent relationship between New Zealand and the United Kingdom at the time of the crisis. An examination of Marshal Singer's four major determinants of weak state voting behaviour in international organisations would appear to bear this out.

At the time of the crisis, New Zealand's economy was in many respects almost totally interdependent with that of Britain's, and would remain so for some years to come.

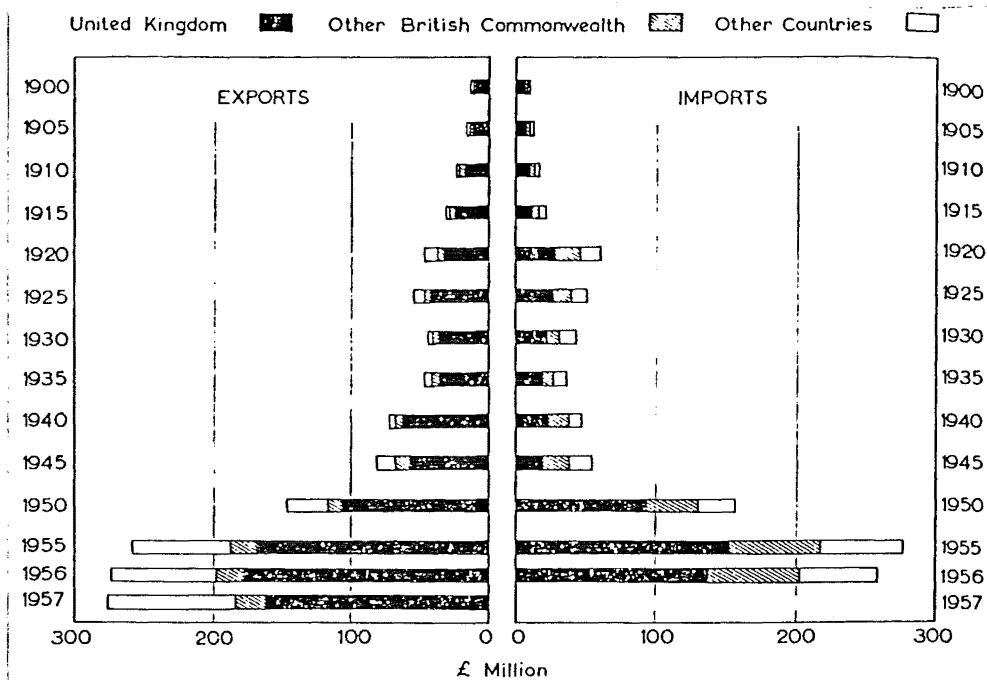
The following table provides a graphic illustration of just how extensive this interdependent relationship was, when viewed as a percentage share of New Zealand's overall import/export trade.

| Year | Per Cent | | | |
|------------------------------------|----------------|------------------------------|--------------------|-----------------|
| | United Kingdom | Other Commonwealth Countries | European Countries | Other Countries |
| <i>Proportions of Export Trade</i> | | | | |
| 1947 | 76.66 | 7.50 | 8.40 | 7.44 |
| 1948 | 73.30 | 6.60 | 14.14 | 5.96 |
| 1949 | 73.38 | 6.05 | 15.23 | 5.34 |
| 1950 | 66.44 | 6.27 | 15.70 | 11.59 |
| 1951 | 57.57 | 7.40 | 20.79 | 14.24 |
| 1952 | 65.33 | 6.72 | 12.70 | 15.25 |
| 1953 | 67.21 | 6.09 | 16.18 | 10.52 |
| 1954 | 66.98 | 6.83 | 18.15 | 8.04 |
| 1955 | 65.59 | 7.22 | 19.50 | 7.69 |
| 1956 | 64.47 | 7.35 | 19.00 | 9.18 |

| Year | Per Cent | | | |
|------------------------------------|----------------|------------------------------|--------------------|-----------------|
| | United Kingdom | Other Commonwealth Countries | European Countries | Other Countries |
| <i>Proportions of Import Trade</i> | | | | |
| 1947 | 42.76 | 30.53 | 5.67 | 21.04 |
| 1948 | 52.41 | 27.21 | 5.23 | 15.15 |
| 1949 | 55.13 | 26.00 | 4.17 | 14.70 |
| 1950 | 60.06 | 22.54 | 4.06 | 13.34 |
| 1951 | 53.59 | 24.73 | 6.84 | 14.84 |
| 1952 | 54.91 | 21.26 | 9.41 | 14.42 |
| 1953 | 56.45 | 24.92 | 7.88 | 10.75 |
| 1954 | 56.63 | 23.93 | 7.71 | 11.73 |
| 1955 | 54.99 | 23.71 | 8.57 | 12.73 |
| 1956 | 53.73 | 25.07 | 8.47 | 12.73 |

1

The trends in the direction of New Zealand's overseas trade are illustrated in the following diagram. Among the features portrayed is New Zealand's dependence on the United Kingdom as a market for its exports.



2

In matters of defence, New Zealand forces continued to remain, in most respects, integrated with those of the British Commonwealth, even though the actual defence orientation had shifted from the northern to the southern hemisphere. The ANZUS relationship was, of course, by this stage, a major aspect of New Zealand's overall defence strategy, but it remained at this point, as yet untested. Moreover, the treaty was designed to fulfill only a limited function - to preserve New Zealand's territorial integrity against renewed Japanese militarism. In matters affecting New Zealand economy, that is to say, in Commonwealth matters, the treaty had absolutely no application. If New Zealand wished to ensure the continued prosperity of her markets in the United Kingdom, then it was necessary that this centre be protected, if necessary with New Zealand's, albeit limited, military resources. As far as the New Zealand Government was concerned, the Commonwealth represented more than a mere remnant of a bygone age of British imperialism - it was a military and economic alliance of far greater worth, in its entirety, than its ANZUS counterpart. This situation would change in the 1960's and 1970's, when Britain's military commitments were cut back, and especially when British entry in the E.E.C. appeared inevitable. But during the mid-1950's it remained a prime consideration in all aspects of foreign policy decision making.

Interdependence in matters of communications and political perceptions were also important, though non-crucial factors in the evolution of New Zealand's Suez Policy.

Holland and Eden were clearly of one mind in matters relating to the Suez Canal. Both men were agreed that it was a vital artery for British merchant and naval shipping, and therefore vital for New Zealand's continued well-being.

What is perhaps of more importance than this shared viewpoint in the development of New Zealand's decision to support Britain at the United Nations on 30 October and 1 November, was the fact that Holland's information on the crisis was largely supplied by Eden. In the early days of the crisis when New Zealand's policy was just beginning to take shape, there can be no doubt that Eden informed Holland of American agreement on a policy based on an eventual use of force. Information which would ultimately prove erroneous and lead New Zealand into a small crisis of her own on 1 November.

Even when comparing New Zealand's Suez Policy with the characteristics suggested in East's conventional model of 'non-aligned' small state behaviour, New Zealand's performance does not appear strictly uncharacteristic of the suggested patterns.

Three of the seven characteristics suggested by East involve high levels of support for international organisations and international legal norms. Consistently throughout the crisis, New Zealand's Policy remained soundly based on such principles. When the Crisis broke out in July, the Government maintained its earlier policy of opposing Egyptian non-compliance with the international convention of 1888, guaranteeing freedom of transit through the Canal to ships of all nations. A policy which had been set in motion

some five years before when Israeli shipping had first been barred from the Canal. As far as the Government was concerned, the issue at stake during the crisis was not the nationalisation as such, but the complete disregard of international law by the Egyptians - firstly in restricting shipping, secondly, in refusing to abide by Security Council resolutions on the matter, and thirdly, in totally rejecting the 1888 convention.

During the United Nation's debates that followed the Anglo/French ultimatums to Egypt and Israel, the Government adopted a similar course of action. When called upon to vote on the United States resolution of 1 November, Munro based his refusal on the organisation's failure to properly uphold the rule of international law in the first instance - before the crisis had become unnecessarily escalated. Similarly, he also maintained that the Israeli assault on Egypt, which initiated Anglo/French intervention, was also the responsibility of the organisation since it had failed to take a stronger stand on the partition formula of 1947-48.

The decision to lend qualified support for the British military action in Egypt undoubtedly caused considerable embarrassment for the Holland Government. Not only did New Zealand have to oppose the United States, one of her principal allies, but the vast majority of the United Nations membership as well. Despite this, the decision should not be regarded, in any sense, as an indication of political immaturity on the part of the New Zealand

Government. The decision on Suez was certainly an unpalatable one to make, but it was nevertheless, soundly based on the existing realities of the relationship between New Zealand and Britain on the one hand, and New Zealand's belief in the rule of international law on the other. New Zealand's Suez policy was then, characteristic of the type of behaviour one would expect from a small state in a similar position to that of New Zealand.

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