

CHAPTER 6

The 1956 Suez Crisis

On July 26, 1956, Egyptian President Gamal Abdel Nasser nationalized the Suez Canal. The ostensible reason for the nationalization was to use the tolls to finance the building of the Aswan Dam. Nasser's action was an act of revenge against the British and the French, who had previously held control of the company that controlled the Canal. This conflict precipitated an international crisis over ownership and operation of the Suez Canal.

The French and British were immediately thrust into the domain of losses by the nationalization of the Canal. The British had recently withdrawn 90,000 troops from the area on June 13, in response to strong American pressure.¹ The French were having trouble with their colonials in Algeria. Both countries saw the seizure of the Canal as prelude to the complete loss of their colonial positions in the African and Asian worlds. Eisenhower's perspective during the Suez crisis stands in stark contrast to the Europeans', at least partly because America had different goals and stakes in the Canal than did the British and French. Eisenhower was in a relative domain of gains, unlike the British and French, who were both operating in domains of loss. According to the predictions offered by prospect theory, this should encourage Eisenhower to make relatively risk-averse decisions as opposed to British and French decisions, which were more likely to be risk seeking in nature.

At the time of the Suez crisis, the United States had the military power to force its will on Egypt, and yet Eisenhower chose not to do so. Indeed, the United States made no military attempt to force Egyptian President Gamal Abdel Nasser into any concessions concerning the Canal. The British, French, and Israelis, on the other hand, did intervene militarily into Egyptian territory. Why did Eisenhower choose not to use American military power to support his allies?

In terms of prospect theory, the Suez crisis offers an exemplary case of Eisenhower taking a small, sure gain over a risk that, while offering the possibility of a somewhat larger gain, also presented the possibility of a much larger loss. On the one hand, small, sure gains were made in American stature and prestige in the Third World through American

military restraint. This sure gain was in contrast to the gamble that Eisenhower might have taken, and that the British and French did pursue. On the other hand, such a gamble, offered by the option of participating in the allied military intervention, presented the possibility of consolidating the Western alliance and potentially intimidating future aggressors, if successful. However, if the option failed, it also offered the prospect of inflaming the region and potentially instigating war with the Soviet Union. In the end, Eisenhower was cautious and avoided involving the United States in a military action that might precipitate a larger war.

Eisenhower's behavior contrasted markedly with the British and French decision makers who, in clear domains of loss, took great risks and subsequently sustained great losses. The British in particular endured the fall of their cabinet, a severe oil shortage, and an almost complete collapse of their banking system as a direct result of their military involvement in Suez.

In the United States, the Suez crisis provides a good example of risk-avoidant decision making. Enormous pressure was put on Eisenhower by his allies to engage in some kind of risky military action to support them, up to and including going to war with Egypt. Yet Eisenhower refused to accede to his allies' request.

Background

The history of the Suez Canal, and the Suez Canal Company, which was charged with operating it, is somewhat complex.² The Canal physically exits within Egyptian territory, but the Company that handled the operations of the Canal was owned by an international group that functioned under the Constantinople Convention of 1888. The control that this Company held over the rights of the Canal was legally similar to the control held by someone who has easement rights within a property owned by another. Thus, when Nasser nationalized the Canal, there was no international legal recourse for the British or French to oppose his action as long as he continued to operate the Canal efficiently. Nasser did continue to operate the Canal efficiently, and he promised to pay remuneration to the owners of the Canal Company as well.

The British and French, however, felt that they held historically justified rights to controlling interest in the *Canal Company*.³ In spite of these treaties and claims, there really was no legally sanctioned *organization* authorized to run the Canal Company. The discussion that took place in the National Security Council meeting on August 9 makes clear that the

Eisenhower administration was well aware of this technicality, as stated by Secretary of State John Foster Dulles:

There had never been an international authority in charge of the Canal; the 1888 arrangements had placed operations in the hands of a private Company with an international composition, but had not set up a public international organization.⁴

The Suez Canal was an extremely important international passage-way at the time of the crisis. About 1.5 million barrels of oil a day transited the Canal, about 1.2 million of which were destined for Western Europe. This figure amounted to about two-thirds of Western Europe's total oil supplies.⁵ About a third of the ships that passed through the Canal at the time were British, and about three-fourths belonged to NATO countries. Relatively few vessels that passed through the Canal, however, were technically of American registry. American vessels only accounted for 2.7 percent of the total net tonnage that transitted the Canal in 1955.⁶ Under existing arrangements, Egypt received about \$17 million a year in proceeds from the Canal, while the Company made a total of about \$31 million a year in profit.⁷

The Suez Canal region had been politically tense for some time prior to the outbreak of the crisis. Egypt had closed the Gulf of Aqaba, as well as the Canal, to Israeli shipping several years prior. Moreover, the Suez Canal crisis was further complicated by preexisting legal arrangements between the relevant powers. For instance, the Tri-Partite Agreement of 1950 had been signed by the United States, Britain, and France. The original intention of the treaty when it was signed was to prevent the major powers from selling large amounts of weapons to states in the region. The agreement also committed these countries to act together, with or without the sanction of the United Nations, to oppose any aggression in the Middle East that might alter the borders established by Israel and its Arab neighbors in their armistice.

The ostensible immediate precipitant of the crisis was the U.S. refusal to fund the Egyptian project to build the Aswan Dam. An offer had been made by the U.S. government to Egypt through the World Bank on December 16, 1955, to help fund this project. Eisenhower's diary describes the offer and its subsequent withdrawal as follows:

When we made our first offer . . . to help build the Aswan Dam, it was conceived of as a joint venture of ourselves and the British. . . . Egypt at once did two things:

(1) They sent back to us a whole list of conditions that would have to be met before they would go along with this plan and some of these conditions were unacceptable;

(2) They began to build up their military forces by taking over equipment provided by the Soviets, and they went to such an extent that we did not believe they would have a sufficient balance of resources left to do their part in building the Dam.

We lost interest and said nothing more about the matter.

Suddenly . . . Nasser sent us a message to the effect that he had withdrawn all of the conditions that he had laid down, and was ready to proceed under our original offer. Since conditions had changed markedly and we had thought the whole project dead, we merely replied that we were no longer interested.⁸

A press release withdrawing the offer to build the Dam was issued by the U.S. government on July 19, 1956:

At the request of the government of Egypt, the United States joined in December 1955 with the United Kingdom and the World Bank in an offer to assist Egypt in the construction of a high dam on the Nile at Aswan . . . It would require an estimated 12 to 16 years to complete at a total costs of \$1,300,000,000, of which over \$900,000,000 represents local currency requirements . . .

Developments within the succeeding 7 months have not been favorable to the success of the project, and the U.S. government has concluded that it is not feasible in present circumstances to participate in the project. Agreement by the riparian states has not been achieved, and the ability of Egypt to devote adequate resources to assure the project's success has become more uncertain than at the time that the offer was made.⁹

Following American withdrawal of their offer, Nasser nationalized the Canal, claiming that its revenues were now necessary to support the building project.¹⁰ Nasser indicated he expected to make \$100 million a year in profit from the Canal.¹¹ Existing overall profit only amounted to about \$52 million a year. As Eisenhower notes in his memoirs, if Nasser did not raise fees, it would have taken him 367 years to pay for the Dam project with tolls alone.¹² Thus, American officials were prone to believe that the Aswan Dam project provided a convenient excuse for an inevitable action.

The British and French immediately condemned Nasser's action and focused on reasserting international control of the Canal. Prime Minister

Eden's first telegram on the matter to President Eisenhower revealed that military options were being investigated from the outset:

As we see it we are unlikely to attain our objective by economic pressures alone . . . We ought in the first instance to bring the maximum political pressure to bear on Egypt . . . My colleagues and I are convinced that we must be ready, in the last resort, to use force to bring Nasser to his senses.¹³

At the time of the nationalization, Britain had about a six-week supply of oil on hand, which was slightly more than the French had available.¹⁴

Eisenhower's initial reaction to Nasser's decision was to attempt to defuse the situation in order to lessen the likelihood of a military clash. He dispatched Secretary Dulles to London with a plan for an International Board to operate the Canal. Twenty-four countries met in London on August 16 to discuss this plan. Those countries included the original signatories of the Constantinople Convention along with the main maritime powers and the major users of the Canal. Eighteen nations approved the proposal. Prime Minister Menzies of Australia led a delegation of five representative nations to Egypt on September 3 to present the plan to Nasser. Six days later, Nasser rejected the plan.¹⁵ The second attempt to defuse the crisis was a proposal to create a Suez Canal User's Association to operate the Canal. The Western powers met again in London on September 19 through 21 to discuss this proposal.¹⁶ Simultaneous with this Second Conference, the British and French referred the Suez problem to the Security Council of the United Nations. The United States had opposed involving the United Nations in the dispute. The Eisenhower administration feared that if the United Nations failed to resolve the crisis, such demonstrable impotence would irreparably damage the reputation and efficacy of the still-young international organization.

Once the British and French had turned to the United Nations for help, the United Nation's Secretary General Dag Hammarskjöld helped develop Six Principles for the future of the Canal. These were based on the conclusions of the First London Conference and the Menzies mission ideas and suggestions. These principles stated:

Any settlement of the Suez question should meet the following requirements:

1. There should be free and open transit through the Canal without discrimination, overt or covert—this covers both political and technical aspects;

2. The sovereignty of Egypt should be respected;
3. The operations of the Canal should be insulated from the politics of any country;
4. The manner of fixing tolls and charges should be decided by agreement between Egypt and the users;
5. A fair proportion of the dues should be allotted to development;
6. In case of disputes, unresolved affairs between the Suez Canal Company and the Egyptian Government should be settled by arbitration with suitable terms of reference and suitable provisions for the payments of sums found to be due.¹⁷

Egypt rejected the British claim that the London Conference and the Menzies proposals met these six requirements, and a stalemate emerged.

By this point, sensing American opposition, the British and French had ceased communication with the United States concerning their military plans. British and French troops were massing on Cyprus, and Israeli troops were concentrated near the Jordanian border, which Eisenhower knew about because of information provided by U-2 overflights. The United States was aware that the volume of electronic communication between Israel, France, and Britain had increased as well, but was not apprised of the content of these communications. The Eisenhower administration assumed, wrongly, that Israel was planning to attack Jordan, with whom the Israelis had independent conflicts.¹⁸ In actuality, the allies were planning an attack on Nasser.

Britain and France had orchestrated a plan beforehand with the participation of the Israelis. Secretary Dulles described the sequences of events to the National Security Council “as a series of concerted moves among the British, French, and Israelis, the French actually conducting the concerted planning and the British acquiescing.”¹⁹

Eisenhower was surprised and infuriated by the subsequent development of events, and most especially by what he saw as British deception. As Anthony Nutting, British Minister of State for Foreign Affairs, described British preparations:

Nobody was kept more completely in the dark than the President of the United States. After Eden’s initial confession that he wanted war had provoked Eisenhower to indignant protests, the President was treated as an unreliable ally. The more he warned Eden that American and world opinion would not support him if he appeared to be trying to browbeat a smaller nation into submission, the more determined Eden became to conceal his hand from the Americans.

And after the decision to gang up with Israel had been taken, Eisenhower was told nothing at all.²⁰

Eisenhower only learned the truth of allied plans after Israel attacked the Egyptians on October 29. In an overwhelmingly successful campaign, the Israelis succeeded in killing or capturing 30,000 Egyptians by November 3. As prearranged, Britain and France invoked the Tripartite Agreement of 1950 to call on Israel and Egypt to stop all hostilities, withdraw troops ten miles from the Suez Canal, and allow occupation of the Canal zone by Anglo-French forces in order to keep the peace. If these conditions were not met, Egypt would face allied military intervention. Note that Britain and France did not require withdrawal to the original borders required by the armistice clause of the Tripartite Agreement, as defined by the 1950 agreement they invoked, but ten miles away from the Canal. Not surprisingly, the ultimatum was accepted by Israel on the condition that the Egyptians accept it as well. Egypt refused.

The British and French used Egypt's refusal on October 31 to justify their invasion of the Canal area. The president was outraged. He went on television and announced:

The United States was not consulted in any way about any phase of these actions. Nor were we informed of them in advance. As it is the manifest right of any of these nations to take such decisions and actions, it is likewise our right, if our judgment dictates, to dissent. We believe these actions to have been taken in error. For we do not accept the use of force as a wise and proper instrument for the settlement of international disputes.²¹

Despite various UN attempts to instigate a cease-fire, the international situation continued to deteriorate. The Soviet Union had recently invaded Hungary but Soviet Premier Nikolai Bulganin took time out to send notes to France, Britain, and the United States on November 5 that contained thinly veiled threats to use nuclear weapons against Britain and France if they failed to withdraw from the Suez region.²² The Soviet letter to Eisenhower proposed that the United States and the Soviet Union join forces against the allied European powers in the region. Eisenhower reacted with fury to the Soviet proposal:

Those boys are both furious and scared. Just as with Hitler, that makes for the most dangerous possible state of mind. And we better be damn sure that every intelligence point and every outpost of our

armed forces is absolutely right on their toes. We have to be positive and clear in our every word, every step. And if those fellows start something, we may have to hit 'em—and, if necessary, with *everything* in the bucket.²³

Eisenhower was very concerned about the infiltration of Soviet influence into the region during the crisis and feared the potential for the Soviet Union to catalyze a major conflict. Eisenhower received information from head of the CIA Allen Dulles that “Nasser has apparently received assurances from the Soviet Ambassador in Cairo that Russia is prepared to support Egypt all the way, even risking World War III.”²⁴

In his planning, Eisenhower clearly considered the risk of war with the Soviet Union to be a real one. Notes from a policy meeting on November 6 describe Eisenhower’s response as follows:

The President said our people should be alert. If the Soviets attack the French and British directly, we would be in war, and we would be justified in taking military action even if Congress were not in session . . . The President asked if our forces in the Mediterranean are equipped with atomic anti-submarine weapons.²⁵

The United States, despite its opposition to the Anglo-French intervention, forcefully rejected Soviet proposals for joint action in the region to contain European allied military action. While Eisenhower clearly did not support allied military intervention in the Middle East, he adamantly refused to tolerate Soviet interference in the Middle East either. Eisenhower’s trepidation about the Soviet Union using this crisis to gain access to the region in ostensible defense of Egypt was one of the main reasons Eisenhower wanted to preempt further conflict in the area.

Through the intermediation of the United Nations, a cease-fire was announced on November 7. However, British forces refused to withdraw from the area until a UN peacekeeping force was in place. The first of these forces arrived in the region on November 15. By this time, the economic situation in Europe had deteriorated significantly. The oil shortage was becoming severe. There was a serious run on the pound sterling in Britain, and Western Europe was running short of oil reserves.²⁶ Eisenhower put intense pressure on the Europeans to withdraw their forces from the region, refusing to deliver any oil or allow any financial assistance until the British and French had withdrawn their troops from the area.²⁷ The British, who expected stronger American support, found Eisenhower’s behavior surprising, but bowed to American pressure and

withdrew the last of their forces on December 22. American pressure on Israel was less effective, and Israeli withdrawal from Gaza was not completed until March 7, 1957.²⁸

During hostilities, the Egyptians sunk at least eight ships in the Canal to prevent passage of Western ships. In addition, they sabotaged the oil pipeline into Iraq and destroyed three major pumping stations.²⁹ Cleanup of these areas took several months. The Canal itself was not reopened to traffic until April 8, 1957.

Domain

Immediately prior to and during the Suez crisis, President Eisenhower was clearly in the domain of gains. He was an overwhelmingly popular president who had been highly successful throughout his first term. His position prevailed in 79.1 percent of the votes in Congress during his first four years in office. He held strong party loyalty in Congress. In 1956, he obtained more than 80 percent agreement from Republicans on a regular basis.³⁰

In the State of the Union address that Eisenhower made on January 5, 1956, seven months prior to the nationalization of the Canal, he appeared pleased with the picture of the nation he portrayed:

Our country is at peace. Our security posture commands respect. A spiritual vigor marks our national life. Our economy, approaching the 400 billion dollar mark, is at an unparalleled level of prosperity. The national income is more widely and fairly distributed than ever before. The number of Americans at work has reached an all-time high. As a people, we are achieving ever higher standards of living—earning more, producing more, consuming more, building more, and investing more than ever before.

Virtually all sectors of our society are sharing in these good times . . .

Our defenses have been reinforced at sharply reduced costs. Programs to expand world trade and to harness the atom for the betterment of mankind have been carried forward. Our economy has been freed from governmental wage and price controls. Inflation has been halted; the cost of living stabilized.

Government spending has been cut by more than ten billion dollars. Three hundred thousand positions have been eliminated from the Federal payroll. Taxes have been substantially reduced. A balanced budget is in prospect. Social security has been extended to ten million more Americans and unemployment insurance to four million more. Unprecedented advances in civil rights have been made. The

long-standing and deep-seated problems of agriculture have been forthrightly attacked.³¹

In the midst of the Suez crisis, Eisenhower won the election on November 7, 1956, by an electoral margin of 457 to 73 votes and a popular vote of over nine million votes. This was a larger margin than he had had in the 1952 election. He won 41 states.³²

In addition, Eisenhower's international popularity and approval ratings *during* the crisis rose to new heights, higher than his August 1955 post-Summit Meeting ratings: 77 percent among West Germans (26 percent increase); 73 percent among Italians (17 percent increase); 76 percent among the British (6 percent increase); and 35 percent among the French (5 percent increase).³³ This popularity was at least partly a result of the success of Eisenhower's Suez policy. As Secretary Dulles noted at an NSC meeting on November 1, "[T]he position of avoiding resort to a solution by force. This has been a policy which has evoked greater international support for the United States than we have secured at any time in our history."³⁴

In a meeting on October 30, just a few days after the Israeli attack on Egypt and the Soviet invasion into Hungary on October 26, Eisenhower

mentioned that he had thought the world picture was brightening for some time except for the Eastern European tier of countries and for the situation in the Middle East. He even thought he saw possibilities of improvement in the Middle East, although the present developments were adverse. The President indicated that he feels that if the Eastern tier of states can be made independent and neutral, the possibilities for a constructive era of world development would be greatly enhanced.³⁵

Eisenhower was concerned about the Soviet invasion of Hungary but initial reports were not indicative of how dire the situation would become. In fact, Eisenhower was eager to use the Soviet invasion for propaganda purposes; he wanted to show what happens to small countries that fall under Soviet influence. The notes from the November 11, 1956, NSC meeting report that: "[T]he President said, it remained wholly inexplicable to him that any state in the world, Syria included, would play with the Russians after witnessing what had happened in Hungary. It was for this reason, continued the President, that we must go on playing up the situation in Hungary to the absolute maximum, so the whole world will see and understand."³⁶ Such a "demonstration effect" served to make the Soviet Union look bad in the international arena and provided a superordinate

enemy and overarching goals to inject desperately needed cohesion into the Western alliance when it was most required.

In spite of his concerns about Soviet behavior in Eastern Europe and about allied behavior in the Middle East, Eisenhower had the power and freedom to assure America's security. The United States at this time was undoubtedly the preeminent military and economic power in the world. America possessed overwhelming strategic and conventional force. The United States was not subject at this time to dependence on foreign oil reserves to the extent that the British and French were. Moreover, unlike its allies, America had almost no financial interest in the Suez Canal Company.

Eisenhower was in a very secure position internationally as well as domestically at the time of the Suez Crisis. Eisenhower was satisfied with the reference point. Clearly in the domain of gains, Eisenhower had the personal and political power to advocate virtually any policy he chose. His caution in the Suez crisis can be seen as noteworthy and deserving of explanation because Eisenhower possessed the power to be belligerent at low cost to possibly large positive effect. Yet according to the predictions of prospect theory, this positive position would make him relatively risk averse. And, in fact, Eisenhower proved unwilling to seriously disturb an international situation that he largely found to be satisfactory and mostly conducive to U.S. interests.

The Framing of Options

Eisenhower faced two major options in handling the Suez crisis. First, he could have joined forces with the French, British, and Israelis and engaged in military action against Nasser. Second, he could have forced the Europeans into accepting Egypt's nationalization of the Canal.

The first option Eisenhower considered was to join the allies in forcing Nasser out of the Canal Zone. Eisenhower felt military action would not be well received domestically, and this was a concern because of the impending election. Moreover, Eisenhower felt that "imperialist" aggression against a leader with as much local charismatic power as Nasser might drive Arab countries into Nasser's arms.³⁷ If this happened, Eisenhower feared that Nasser could lead the Arab world to fall under Soviet sway; Eisenhower's most pressing concern revolved around this kind of Soviet involvement in the region.³⁸ He felt that supporting allied forces against a nation that was, after all, taking a legal action was unwise.³⁹

Eisenhower did not share the British and French fears that Egypt would close off the Canal to Western ships. From the outset, the allies claimed that the Egyptians would be unable to run the Canal efficiently;

this view was no doubt reinforced by remnants of colonial condescension. Eisenhower disputed this claim from the beginning. He had studied the workings of the Panama Canal and was convinced that the Egyptians could run the Suez Canal as effectively and efficiently as the British or French. Indeed, Eisenhower proved to be correct in his assessment of the situation. As far as Eisenhower was concerned, as long as Egypt gave just compensation for the property it seized, and allowed free and open access to the use of the Canal, no other state had a legitimate basis upon which to mount a military campaign against it.⁴⁰

The other major option Eisenhower contemplated was pressuring American allies to accept the nationalization of the Canal. This option required no military force, and it secured American's position as the dominant world power in the region. Inducing the allies to accept nationalization of the Canal accomplished more than preventing alienation from the Third World: it secured American influence in the Middle East and thus decreased the chance of Soviet infiltration into the area.

This is the option Eisenhower chose. At the beginning, Eisenhower did what he could to defuse the crisis through legal means and a negotiated compromise.⁴¹ Indeed, Eisenhower remained quite averse to placing any overt pressure on the allies until all other methods of peaceful resolution had failed. When negotiated peace-seeking strategies failed and armed conflict erupted, Eisenhower did everything he could to stop the fighting. Indeed, when he first heard about the attack on Egypt, Eisenhower was angry enough to contemplate openly supporting the Egyptians. As Goodpaster recalled:

The President said we must indicate we are considering ways and means of redeeming our pledge to the Middle Eastern countries. If the British back the Israelis they may find us in opposition. He said he did not fancy helping Egypt in the present circumstances but he felt our word must be made good. Mr. Wilson again asked how clear cut our pledge is to the Middle Eastern countries, and the President recalled that we had told Israel quite recently that they did not need from us the arms they were seeking because of the assurance inherent in our pledge.⁴²

Eisenhower coerced his allies into capitulating to Nasser by withholding desperately needed financial assistance and oil supplies until after they had withdrawn their armed forces from the area.⁴³ In this way, Eisenhower overtly pressured his allies into a negotiated peaceful withdrawal of forces from the Suez Canal region.

External Influences on Framing

An American president's perspective on any given crisis is necessarily informed by his international position. This was particularly true in this case, because the central dispute surrounded an *international* right to access. British Prime Minister Anthony Eden and French Premier Guy Mollet placed the most direct pressure on Eisenhower to change his position during the crisis and join them in military action against Nasser. These leaders framed the issue in terms of Western prestige and credibility in the region. Eden and Mollet were concerned about securing their broader colonial interests and access to their oil supplies, among other things. They saw Nasser as a modern-day Hitler and were thus determined not to appease his demands, in their fear that such capitulation would lead to greater losses in the region. Because allied British and French views were so central to American decision making in the Suez crisis, each perspective will be examined in turn.

Prime Minister Eden, and later Macmillan, were primarily interested in maintaining British prestige and influence in the area. The same can be said of Prime Minister Mollet of France; France's major concern was that by accepting the nationalization of the Canal and the rights of sovereignty upon which the nationalization had been justified, France would send an unacceptable message to their Algerian colonials that sovereignty was a legitimate basis for independent action. France did not want to set a precedent in Egypt that would encourage the Algerians to oppose French rule in Northern Africa. The Israelis, for their part, were anxious to eliminate the preexisting enemy base for fedayeen raids and to reverse the Egyptian decision to exclude their ships from transit through the Canal.⁴⁴

Robert Bowie, Assistant Secretary of State, eloquently described the differences in framing between the Europeans and the Americans:

I think basically it was the difference in the way in which Washington and London and also Paris defined the problem. Eisenhower said: we must try to separate the issue of keeping the Canal in operation from the question of the risks from Nasser in other respects, especially in the Arab world. This obviously was something that Eden did not accept. He felt the seizure of the Canal was so to speak a first step, and he repeatedly invoked the memory of Hitler and the necessity of dealing with these kinds of things early . . . the French and the British attitude was . . . How can this issue be handled in such a way as to cut down Nasser? Therefore, the efforts of the United States to prolong negotiations seemed like temporizing to the British and French,

whereas the efforts of the British and French to bring the thing to a head seemed to be constantly getting in the way of the Eisenhower–Dulles effort to produce an atmosphere in which negotiations might succeed . . . With Eisenhower and Dulles focusing mainly on the question of safeguarding the use of the Canal, the use of force did not seem a particularly sensible way to achieve this. They were fearful that force just would not succeed in accomplishing this aim . . . they feared that it would be extremely difficult to operate the Canal in the face of Egyptian hostility . . .⁴⁵

The point Bowie raises about Eden is particularly important. It is clear that the Munich analogy influenced Eden's and Mollet's analysis of the Suez Crisis. Eden really did see Nasser as a latter-day reincarnation of Hitler. Eden believed that concessions to Nasser would only lead to greater aggression on Nasser's part throughout the rest of the Middle East.⁴⁶

Eden's perception points to an important difference in the focus of concern regarding Nasser between the United States and its Western allies. In terms of prospect theory, Eden and Mollet were acting in domains of loss precipitated by the nationalization itself. Eden and Mollet were quite preoccupied with returning the Canal to the old status quo, when the Western powers held controlling interest of the Canal Company. These leaders were concerned that submission to a loss in Egypt would only encourage their colonial interests to challenge Western control of the colonials' sovereign rights as well.⁴⁷ According to prospect theory, Eden and Mollet would be expected to take extreme risks in order to recoup their losses and return to the old status quo.

As Bowie notes in another context:

The allies were focusing almost entirely on the costs of *not* destroying Nasser as a threat to their position in the Middle East. The U.S. assessed the Canal dispute and the stakes mainly in relation to its efforts to build world stability and order and to contain Soviet expansion.⁴⁸

In short, Britain and France were operating from a different reference point than the United States was. For Eden and Mollet, the only acceptable reference point was the *old* status quo. In prospect theory terms, Eden and Mollet had failed to renormalize to the new status quo. In essence, Britain and France were trying to recoup their losses and thereby return to the status quo ante; they assumed the situation would get worse unless Nasser was removed from power. For America, the new status quo was

really no different than the old in terms of direct national interest; payments for tolls would go to Egypt instead of Britain and France, but ships would continue their unimpeded transit through the Canal just as well. The United States had not sustained the loss of property, possession, and shares in the stock of the Canal company that Britain and France had endured. In fact, the United States appeared to reinforce the new status quo; Eisenhower believed that things would get worse if military action was used against Nasser, especially if this action prompted the Soviet Union to intervene militarily as well.⁴⁹ Eisenhower felt that the new status quo was a perfectly appropriate reference point, whereas his European allies did not. They believed that the operative reference point was the *old* status quo.

In spite of these factors, Eden was quite astute in trying to manipulate American fear about Soviet influence in order to garner support for Britain's actions against Nasser. Eden assumed, perhaps as a result of wishful thinking, that Dulles's statement to him on August 1 that "Nasser must be made to disgorge what he was attempting to swallow" was sympathetic to his position.⁵⁰ Eden derived from this statement that if push came to shove, the United States would support military action against Nasser. The obvious miscommunication is clear from Eden's memoirs:

I still believed that the United States Government held firmly to their determination that Nasser must be made to "disgorge." This being so, I considered that they must be allowed as free a hand as possible in selecting methods. The User's Club could be the American choice . . . we were frustrated, and the User's club assumed a different form from that which we had been led to expect.

In the meantime I had received a disquieting message from Mr. Eisenhower on September 3. Hitherto he and his officials had always given us to understand that the United States would not take exception to the use of force . . . The fact that we had taken military precautions, had, furthermore, been approved from time to time. Now the President told me that American public opinion flatly rejected force. He admitted that the procedures of negotiation on which we were then engaged would probably not give Nasser the setback he deserved . . .⁵¹

Eisenhower's communication led Eden to plead for American support of the British position in a letter dated September 6:

[T]he seizure of the Suez Canal is, we are convinced, the opening gambit in a planned campaign designed by Nasser to expel all Western influence and interest from Arab countries . . .

You may feel that even if we are right it would be better to wait until Nasser has unmistakably revealed his intentions. But this is the argument which prevailed in 1936 and which we both rejected in 1948 . . .⁵²

This letter points to another important difference in the way the British and the Americans assessed the situation in the Middle East.

Eden had not yet adjusted to the idea that Britain's colonial influence had waned. Indeed, his idea of the larger status quo was outdated, and his attempts to force Nasser into submission were based on an attempt to recoup British colonial power and regain lost influence and territory. Eden wanted the new reference point to be similar to the old status quo; he wanted Middle Eastern politics to continue to revolve centrally around British interests.⁵³ In terms of prospect theory, Eden had a different idea of what constituted the appropriate reference point than did Nasser or, indeed, Eisenhower. As opposed to these others, Eden felt strongly that definitive influence in Middle Eastern politics rightly belonged to Britain.

As a result of these outdated larger beliefs about the appropriate status quo, the British and French governments continued to plan for military action against Egypt. Such planning proceeded despite the fact that military action was *not* supported by the majority of the British population at the time. An August 1956 British poll showed that

roughly one and one half times as many people advocate economic and political sanctions as advocate the use of force . . . A surprising 23% of the people blamed past British weakness for the current crisis as compared with 3% blaming the US.⁵⁴

Thus, it is unlikely that Eden was driven to military intervention by public demand.

The Eisenhower administration understood that the British leadership was, however, less interested in public opinion than in regaining lost British prestige. As Secretary Dulles noted in one National Security Council meeting, the British were operating off a larger mental account than public opinion:

[B]oth the British and French looked at this crisis in broader terms than the Suez Canal itself. These two countries were greatly concerned with Nasser's growing stature in the Middle East, and the resultant jeopardy to their whole position in the Middle East and North Africa. Secretary Dulles admitted that the U.S. plan could be

made to appear to be a victory for Nasser, or at least so the British and French argued. They therefore felt that they must come out of the crisis with some action that would cut Nasser down to size.⁵⁵

Dulles appeared to have an intuitive understanding that the size of the perceived context drastically affected the two allies' response to the Suez crisis; the larger the context, the more drastic the required reaction. Just after the Israeli attack, Dulles noted:

Unfortunately the problem was being placed by the British and French in a larger context of their entire Middle East position. Under those circumstances, a solution was more difficult.⁵⁶

British leaders undoubtedly assumed that a great triumph in the Middle East by British forces would restore all the prestige and popularity that Nasser had cost them by nationalizing the Canal.

State Department officials mention this feature a number of times in almost classical prospect theory terms. When asked what an acceptable outcome might look like for the British, Secretary Dulles replied that "it could *only be a return to the situation in the Canal Zone that had existed a few years ago in which terrorist attacks by the Egyptians were unceasing, with nearly 90,000 British troops present there.*"⁵⁷ Later in that same meeting, Goodpaster noted that the president had joined in Dulles's analysis by arguing that "he recognized the intensity of British feeling—specifically their feeling that *they have been going down and down in the Middle East and that they are now reaching a point where they must strike back.*"⁵⁸

Information coming back to the State Department from the embassy in London shared this view as well. In a telegram sent on September 1, an official notes that the British

seem increasingly to have convinced themselves that military operations could be confined to narrow area of Egypt and could be swiftly successful at small cost in men and treasure. *On this assumption they foresee military defeat Nasser as restoring Brit position and prestige Middle East permitting favorable solution Brit problems with Saudi Arabia, Jordan, Syria, Etc.*⁵⁹

In terms of prospect theory, the British, like the French, were faced with an unacceptable *new* status quo after Nasser nationalized the Canal. The British and French were thus immediately plummeted into a domain of loss and, as a result, became quite risk-taking in their choices. The vari-

ance for their action was quite wide, and thus quite risk seeking: if they succeeded, they could regain control of the Canal from Nasser, as well as strengthen their colonial status in the region; if they failed, they stood to lose not only control of the Canal, but loss of men, material, status in the region, access to vital oil supplies, financial solvency, and even governmental stability. From the perspective of prospect theory, the British and French were governed in their actions by loss aversion: they sought to recoup what they had lost, even at a potentially high future cost if the venture failed. They engaged in a risky military venture that failed, at least partly because Eisenhower refused to support the venture. In this way, the British lost much more than they would have had they merely been willing to accept the nationalization of the Canal at the outset. Because Eden and Mollet placed the Suez crisis in a larger mental account, they perceived a greater loss, took a greater risk, and sustained a greater setback than if they had renormalized more quickly to the new status quo after Nasser nationalized the Canal.

The Suez crisis was especially destructive for Prime Minister Eden, both personally and professionally. It cost him his health and eventually led to his forced resignation from the British government on January 8, 1957. In the midst of the crisis, Eden became quite ill, went on vacation to Jamaica,⁶⁰ and was replaced by the former Chancellor of the Exchequer, Harold Macmillan. Macmillan faced serious political and military crises that were characterized on November 19 by an American Embassy official as follows:

Macmillan said that it was evident that British government may be faced within next few days with the terrible dilemma of either (A) withdrawing from Egypt, having accomplished nothing . . . without having secured the free operation of the Canal or even being in a position to clear it, or (B) renewing hostilities in Egypt and taking over the entire Canal . . . and to avoid the complete economic collapse of Europe within the next few months. The danger of course in the minds of the British Cabinet of adopting the first alternative is the loss of prestige and humiliation would be so great that the govt must fall, while the second alternative would obviously involve the risk of bringing in the Russians and resulting in a third world war.⁶¹

The French were somewhat less engaged with the Americans during the course of the crisis than the British, but they held the Americans more responsible for its instigation. In a series of telegrams sent to Secretary Dulles, Ambassador Dillon delineates the French reasoning for holding the United States responsible for the crisis:

Mollet said that French opinion was particularly disturbed because they had the feeling that they were being abandoned by the US after US had started the whole affair by their withdrawal of aid for Aswan Dam. Mollet said the French fully approved of this action by the US but felt that the US should also accept the consequences.⁶²

Dillon made clear what the French thought those consequences might be, unless the United States supported France and Britain in military action against Nasser right away:

He [Mollet] felt that the US was embarking on the same course of error by appeasement that had been followed toward Hitler in the 1930s . . . He said he had never been so disturbed and worried for the future and was certain that if we did not take action to stop Nasser now we would be faced with the same problem 3, 6, or 9 months hence, only the Western position by that time would have greatly deteriorated.⁶³

Indeed, Mollet was not above invoking a little Cold War blackmail in order to encourage the U.S. government to support French military action against Egypt. Mollet intimated to Dillon that the French had rebuffed a Soviet offer to “bring about peace in Algeria, in concert with Nasser” if the French would agree to abandon total support for NATO.⁶⁴ By rebuffing this offer, Mollet felt entitled to expect American support against Nasser as payment for rejecting such a tempting Soviet offer.⁶⁵

Despite a long history of personal friendship with British leaders forged during World War II when Eisenhower was commander of allied forces against Germany, the president remained relatively immune to pressures from the British and French to join in their military ventures in Egypt. Eisenhower recognized the source of their actions as being rooted in interests and concerns that he did not share. Where the British and French saw an overwhelming threat to legitimate Western rights and interests, with a domino potential for even greater losses unless Nasser was stopped immediately, Eisenhower saw a legitimate nationalist claim to sovereign rights, and a threat of Soviet influence and Arab pan-nationalism if the Western powers used military force to subdue Nasser.

Eisenhower believed that his allies were not assessing the situation objectively and were instead caught up in nineteenth-century politics. Eisenhower’s understanding of the British position did not prevent him from changing his personal evaluation of Eden based on the prime minister’s behavior in the crisis. As Eisenhower’s secretary noted in his diary afterward:

About Eden, he said that he had always liked him—but that he had not proved himself a good first man. He had had so many years under Churchill—and learned from him—but was unable to carry the load himself. He said that Eden's great popularity stemmed from his resignation (from Parliament?) at the time of the appeasement of Germany . . . that Macmillan and Eden were somewhat alike in the fact that both could not bear to see the dying of Britain as a colonial power.⁶⁶

In a conversation with Dulles while the Secretary was in the hospital for the treatment of stomach cancer, Eisenhower commented:

One of the most disappointing things was to start with an exceedingly high opinion of a person and then have continually to downgrade this estimate on the basis of succeeding contacts with him. He indicated that Eden fell into the latter category.⁶⁷

However, Western leaders saw different realities. Differing perceptions are most clearly evident in allied leaders' responses to Nasser himself. Eisenhower did not believe that the British were malicious or unjustified in their opposition to Nasser. However, he did feel that the British response was overreactive and probably misguided:

My conviction was that the Western world had gotten into a lot of difficulty by selecting the wrong issue about which to be tough. To choose a situation in which Nasser had legal and sovereign rights and in which world opinion was largely on his side, was not in my opinion a good one on which to stand.⁶⁸

Eisenhower argued that Macmillan and Lloyd were not really assessing the situation clearly: they "were so obsessed with the possibilities of getting rid of Nasser that they were handicapped in searching objectively for any realistic method of operating the Canal."⁶⁹

Did the Europeans hold a different perspective than Eisenhower simply because they estimated different payoffs from various actions? The question of payoffs is incorporated into prospect theory within the concept of the weighting function. The weighting function speaks directly to variations in payoffs and how the perceived likelihood of each option affects how heavily that option is subjectively weighted. Events that are judged to be extreme in probability, either certain or impossible, are greatly overweighted in importance. Options that offer a high probability of achieving their desired outcome assume greater importance than they rationally might merit in actual decision making. Pseudo-certainty effects

make highly likely events be judged as though they were certain, although that may not be the case. If the Western leaders assumed that the probability of Nasser asserting control over larger areas of the Middle East was high, they may have treated this assumption as though it were reality, due to the pseudo-certainty effect. In this way, a likely event was treated as though it were inevitable, when in reality it was only highly probable and indeed proved not to occur.

Eisenhower was more comfortable with the status quo, including Nasser's rule, than were either Eden or Mollet; this is at least partly because the European leaders perceived a different, and worse, reference point. Eisenhower mentioned the international importance of the reference point in a backhand way when he commented that "Any immediate recourse to the United Nations seemed to [Britain and France] to be risky delay, thus allowing a situation to exist long enough to imply world acceptance of its permanence."⁷⁰

In addition, each leader framed the issue in fundamentally different ways. Each leader worked from a different reference point in international relations and this difference in starting points accounts for the radically different goals and means that each side adopted to accomplish its objectives. Britain and France saw a challenge to their credibility and a threat to their power in the region and sought to rectify the balance through force; Eisenhower wanted to present a challenge to Soviet influence in the region through brokering peaceful negotiation and through the use of diplomatic and financial pressures to bring about a resolution to the crisis without engaging in a wider war.

Throughout the crisis, Eisenhower's biggest concern was that the Soviet Union would become involved. In fact, the fear of Soviet involvement influenced Eisenhower's decision-making process during the Suez crisis more than the pressure applied by the Western allies. In early August, Secretary Dulles argued that Eisenhower "felt that the United States should make it clear that we would be in the hostilities if the Soviet came in."⁷¹ Apparently there was no subsequent discussion at the meeting that such an assurance of intervention might instead *encourage* the British and French to provoke the Soviet Union into entering the conflict in order to induce American military support.

There is some evidence to support this contention. On October 31, following the British and French military intervention into the Middle East, David Lawrence told Secretary Dulles that "the answer re why they did not consult us is they were afraid America would intervene forcibly to kill the scheme as in the early days."⁷² On the same day, records of a telephone conversation between United Nations Ambassador David Lodge and Dulles reported that Lodge's "belief is they were counting on the Rus-

sians getting into it and then we get in to get them out. L. [Lodge] said it would be fine if we make them understand they cannot take us for granted.”⁷³

It is clear that the Soviet Union dreaded the same outcome that the Americans feared. On November 5, shortly after the Western allies intervened militarily in Egypt, Bulganin sent a letter to Eisenhower in which he stated, “If this war is not stopped, it is fraught with danger and can grow into Third World War.”⁷⁴ Eisenhower’s fear of Soviet action was apparently sustained by his belief that the Soviet Union was more likely to take a risk because it was in a bad position. Two days after he received Bulganin’s note, Goodpaster noted Eisenhower’s response: “we should give the Soviets a clear warning. The President said his concern is that the Soviet Union, *seeing their position and their policy failing so badly in the satellites, are ready to take any wild adventure.*”⁷⁵

A day later, Eisenhower had given more thought to the matter. Notes taken of an NSC meeting report that “He just couldn’t help believing that the Russians would play their game short of anything which would induce the United States to declare war on them.”⁷⁶

Riskiness of the Chosen Option

Expected variance proves helpful in analyzing the options that were available to Eisenhower. The option of supporting the allies in their bid against Nasser possessed a wider variation in potential outcome than the one that would accept nationalization of the Canal. Since variance was greater with military intervention, this would have been the more risk-seeking choice, which Eisenhower avoided.

The first option, supporting the Western allies, held some positive possible outcomes. If Nasser could be ejected, the Canal would be returned to Western control. The Western alliance would demonstrate strength and cohesion, and Western prestige and status would be supported. In addition, such action might intimidate future aggressors from taking unwarranted action against American interests.

However, if this option failed, very bad outcomes might occur. If the Soviet Union intervened in support of the Egyptians, however remote this possibility, a third world war might result. Moreover, even if the effort was a success and the Soviet Union did not intervene, it was not inconceivable that Nasser could still emerge as a hero in the face of Western imperialist assault, and American influence in the region would plummet to a new low.

The option of pursuing peaceful resolution to the crisis offered some positive and negative outcomes as well. On the negative side, it presented an uncomfortable schism in the Western alliance and risked allowing

Nasser to gain status and prestige at a cost to Western influence. However, a policy of peaceful resolution also reduced the danger of bloodshed and increased the likelihood that Americans would be viewed in the Middle East as defenders of law and justice.

Officials in the administration were not unaware of the wide range of possibilities that the crisis might produce. Treasury Secretary George Humphrey was centrally involved in salvaging the British financial situation when he described the situation well by commenting at an NSC meeting in late November that “the possibilities, for good and for evil, which could come out of the present situation were such that they could scarcely be exaggerated. The range was complete from great success to genuine disaster.”⁷⁷

The most desired outcome for the British and French of reasserting control of the Canal was best offered by the option of military intervention. The probability of achieving total political, if not military, success with this option was low. Moreover, the worst possible outcome, instigating a war with the Soviet Union, was also possible with this option. Because of this wide variation in possible outcome values, military action remained the riskier path. Peaceful resolution, on the other hand, constituted a more risk-averse choice than military intervention.

Eisenhower took this cautious route. He first pursued peaceful compromise through a variety of ultimately failed negotiating plans. When the British, French, and Israelis intervened militarily anyway, Eisenhower continued his policy of refusing to engage in armed conflict. Rather, he withheld vital oil and financial resources from the Western alliance until the British and French were forced to withdraw their forces from the area.⁷⁸

Eisenhower’s assessment of the risks associated with military action were supported by an evaluation of the situation by the Joint Chiefs of Staff, prepared for the Secretary of Defense, in which the Chiefs argued that “unsuccessful U.S. military action would be most damaging and must not be permitted to occur.”⁷⁹ Indeed, in developing a policy position for the London Conference, Dulles stated: “It was finally agreed that re-routing should be the ‘next to last’ resort. War is being regarded as the last resort.”⁸⁰

In a cable Eisenhower dictated to Eden the day after the Israeli invasion, but never sent, he mentioned his discomfort with the risks involved in the use of force:

I must say that it is hard for me to see any good final result emerging from a scheme that seems to antagonize the entire Moslem world. Indeed I have difficulty seeing any end whatsoever if all the Arabs should begin reacting somewhat as the North Africans have been operating against the French.⁸¹

Eisenhower recognized that long-term strategic risks associated with the reckless use of force in the Middle East outweighed any possible benefit that could be gained through reestablishing lost control over the Canal.

In one press conference he gave during the course of the crisis, Eisenhower said:

Any outbreak of major hostilities in that region would be a catastrophe for the world. As you know, all of Western Europe had gone to oil instead of coal for its energy, and that oil comes from the mideast. That region is of great—as a matter of fact, it is of extraordinary importance to all of the free world, so that just for material reason alone we must regard every bit of unrest there as a most serious matter.⁸²

There is much evidence that Eisenhower and his Cabinet believed that the risks associated with armed intervention in Egypt were much greater than those concomitant with alienating Western leaders. On Sept 11, Eisenhower's secretary reported that he claimed he "cannot minimize seriousness of the situation. We are 'sitting on a keg of dynamite.'"⁸³

Eisenhower's action in the Middle East involved restraint in a situation where the United States could quite easily have exerted decisive military force. Had the United States so desired, it could have rapidly forced Nasser into submission. Eisenhower could have quickly generated support for military action had he wished to do so; he was, after all, an overwhelmingly popular president with a secure base of support. In spite of this, Eisenhower, having been battered and made heroic by his battlefield commands in World War II, knew only too well that the American people did not want another war. He was particularly conscious of this in the middle of his reelection campaign. As White House Chief of Staff Jim Hagerty noted a month before the election:

[T]he American people and the people of the world expect the President of the United States to do something dramatic—even drastic—to prevent at all possible costs another war.

This question of peace or war—in Egypt or anywhere else—is the number one question in the minds of American people. For a peaceful settlement of the Suez problem, the people of our nation would support the President in any way . . .

Peaceful settlement must be the only answer in these days of nuclear weapons.⁸⁴

Thus, while Eisenhower may have been taking a calculated political risk in opposing allies, this option presented much smaller domestic political

risks than engaging in military action in the Middle East. In this case, Eisenhower took a small, sure gain in the Arab world over a gamble that offered the possibility of a larger gain through strengthening the Western alliance and intimidating potential aggressors.

The Decision

In spite of allied pressure to view the Suez crisis as a threat to Western prestige, Eisenhower framed the issue somewhat differently. Eisenhower was less concerned with symbolic issues involving colonial status than were either Eden or Mollet, and Eisenhower gave more legitimacy to Egypt's claim of sovereignty over the Canal than did his Western allies.

Over all else, Eisenhower opposed the use of force. Moreover, he supported the United Nations in the newfound organization's attempts to facilitate resolution of international conflict through peaceful mechanisms. As Eisenhower stated in a press conference early in the crisis:

I think this: we established the United Nations to abolish aggression, and I am not going to be a party to aggression if it is humanly possible or likely to be—to avoid it or I can detect it before it occurs.⁸⁵

Eisenhower was very concerned with safeguarding the prestige and credibility of the fledgling United Nations to make sure it did not fail in its ability to facilitate peaceful resolution of the crisis.⁸⁶ In a surprisingly strong statement of support, Eisenhower wrote after some Israeli raids into Jordan that he wanted to make sure that “Ben Gurion should not make any grave mistakes based upon his belief that winning a domestic election is as important to us as preserving and protecting the interests of the United Nations.”⁸⁷

Eisenhower was a pragmatist; most strategically, he wanted to secure access to Middle Eastern oil for the Western powers. As Secretary Dulles commented in a National Security Council Meeting:

[I]f Middle Eastern oil were lost to the West, rationing of oil in the United States would be an immediate result, with curtailment of automobile production, and a severe blow to the United States economy. Secretary Humphrey said there could be great anger against the UK on the part of the people of the United States if such a result came from unilateral British Action.⁸⁸

Oil supplies to Europe continued to dominate the highest level political discussions throughout the crisis. At all times, Eisenhower was well aware

that he held the trump card in all these matters because the Europeans had a greater dependence on Middle Eastern oil than the Americans.

Eisenhower did not dismiss all allied concerns out of hand, however. He disagreed with their interpretation of events and their preferred methods of action but continued to believe that the overarching enemy of the whole Western world was the Soviet Union. Eisenhower describes these differences in detail. Because they are so important in illustrating his thought processes with regard to his decision in the Suez crisis, Eisenhower's memoirs will be quoted at length:

Obviously we were anxious to sustain our continuing relations with our old and traditional friends, Britain and France. But to us the situation was not quite so simple as those two governments portrayed it. The basic premise of their case was that Egypt, with no authority under international law, had unilaterally flouted a solemn treaty. Next they asserted that the seizure by the Egyptians of the Canal Company would seriously damage the interests of the West . . . because the efficient operation of the Canal requires trained and professional personnel that the Egyptians could not supply . . . A final consideration, which I suspected was the overriding one, was obvious fear of the great increase in Nasser's prestige if he were able to carry out his design successfully. His influence would become so immense, in their view, that he would eventually become, in effect, an Arab dictator controlling the Mediterranean . . .

Our reasons for differing from our allies were roughly as follows :

We doubted the validity of the legal position that Britain and France were using as justification for talk of resorting to force. The weight of world opinion seemed to be that Nasser was within his rights in nationalizing the Canal . . . the waterway, although property of the Canal Company, lay completely within Egyptian territory *and under Egyptian sovereignty*. The inherent right of any sovereign nation to exercise the power of eminent domain within its own territory could scarcely be doubted, provided that just compensation were paid . . . The main issue at stake therefore, was whether or not Nasser would and could keep the waterway open for the traffic of all nations, in accordance with the Constantinople Convention of 1888. This question could not be answered except through test.

Next, we believed that a resort to force, in settling questions such as this one, at such a stage, would be unjustified and would automatically weaken, perhaps even destroy, the United Nations.⁸⁹

Eisenhower did not feel that Nasser posed the kind of Hitler-like threat that Eden and Mollet feared. Eisenhower also thought beyond the immediate conflict and feared that force alone could not support a sustained British or French presence in the region:

The use of occupying troops in foreign territories to sustain policy was a costly and difficult business. Unless the occupying power was ready to employ the brutalities of dictatorship, local unrest would grow into guerrilla resistance, then open revolt, and possibly, wide-scale conflict. We of the West, who believed in freedom and human dignity could not descend to use of Communist methods.⁹⁰

Eisenhower's assessment of the situation differed significantly from the one provided to him by foreign leaders. Eisenhower felt that he had complete support from his administration officials and from the American people in his preference for peaceful resolution and thus was encouraged in pursuing his values against allied opposition.

Eisenhower felt that the issues at stake in the crisis were subtly different from those perceived by his allies. The president noted this explicitly in a conversation with the French Ambassador to the United States on September 10, when he stated that:

[T]he United States also had a deep interest in preventing an illegal and forceful seizure of the Canal, but that our interest, while strong, was less direct than that of the French or British. . . . [W]e are not apparently too directly concerned as Britain and France, and it would be hard to convince our own people of the justification for going further than we had already done.⁹¹

Eisenhower expressed an additional concern in a letter to his friend Swede Hazlett:

Whether or not we can get a satisfactory solution for this problem and one that tends to restore rather than further damage the prestige of the Western powers, particularly of Britain and France, is something that is not yet resolved. In the kind of world that we are trying to establish, we frequently find ourselves victims of the tyrannies of the weak.

In the effort to promote the rights of all, and observe the equality of sovereignty as between the great and the small, we unavoidably give to the little nations opportunities to embarrass us greatly. Faith-

fulness to the underlying concepts of freedom is frequently costly. Yet there can be no doubt that in the long run faithfulness will produce real rewards.⁹²

In a later letter to Hazlett, Eisenhower emphasized that risk should never be driven by fear of the future:

The real point is that Britain, France and Israel had come to believe—probably correctly—that Nasser was their worst enemy in the Mid East and that until he was removed or deflated, they would have not peace. I do not quarrel with the idea that there is a justification for such fears, but I have insisted long and earnestly that you cannot resort to force in international relationships because of your fear of what might happen in the future. . . . I think that France and Britain have made a terrible mistake.⁹³

Eisenhower managed to stay oriented to the present throughout the crisis and took the cautious path. He pursued peaceful negotiations, avoided armed conflict on the part of the American government, forced the Western allies to withdraw their forces from the region, and avoided war with the Soviet Union.

The Outcome

A cease-fire was announced in the Suez by the United Nations on November 7. UN peacekeeping forces began to arrive in the area on November 15.

The U.S. government put enormous pressure on its Western allies to withdraw from the region. It withheld shipments of oil supplies and denied loans through the Import-Export bank and the World Bank until European troops withdrew from the Canal Zone. By this time, the French needed about \$260 million from the World Bank in order to pay for oil. The British expected to obtain about \$560 million from the World Bank as well as \$600 million in credit from the Export-Import bank in order to help stabilize the pound sterling and pay for oil as well. As Goodpaster notes:

American pressure was conducted in a very direct manner: The President said the sequence as he saw it was as follows: First, we are ready to talk about help as soon as the pre-condition (French and British initiation of withdrawal) is established; second; on knowing that the British and French forces will comply with a withdrawal undertaking at once, we would talk to the Arabs to obtain the

removal of any objections they may have regarding the provision of oil to Western Europe; third; we will then talk about the details of money assistance with the British.⁹⁴

The British troops withdrew completely by December 22. Once the British troops were withdrawn, the United States began shipping 200,000 barrels of oil daily to Britain; this amount eventually increased to 300,000 barrels daily until the Canal reopened in April 1957.

The Israeli withdrawal from the Gaza Strip was not completed until the following March. Delay was at least partly because America was not able to exert the same kind of financial and energy pressure on Israel that it had been able to exert on Britain and France. For one thing, Israel was not as desperate for American oil supplies as were the Europeans so the United States had less leverage with which to encourage the Israelis to comply with settlement conditions.

A common interpretation of the crisis argues that Britain and France were humiliated by their failure to enlist U.S. support for their actions.⁹⁵ A more subtle but profound impact of the crisis was the shift in power in the Middle East. Prior to the crisis, Britain had been the main outside force in the region. After the crisis, the United States emerged as the dominant outside power. Dulles and Eisenhower were quite sure they wanted everyone to accept this American position as the new status quo. On November 2, Dulles stated that “we should avoid any implication that we are simply going back to the situation that formerly existed in the area.”⁹⁶ In fact, by challenging Nasser to preserve the previous status quo, Britain and France helped transform the region into a new status quo dominated not by Nasser nor by the British and French, but solidly by the Americans. By January 1, the new American position was solidified:

The Secretary stated that the prestige of the United States had increased in the Mid-East because of our conduct in the crisis but had decreased among the colonial powers of Western Europe.

Looking to the future, Secretary Dulles stressed *the importance of preventing the Soviet from recouping its position by a victory in the Middle East.*⁹⁷

Conclusion

The last several months of 1956 were particularly dramatic ones for the postwar world. The combination of the invasion of Hungary by the Soviet Union, the invasion of Egypt by the Israelis and later by the British and French, and the presidential elections made it a particularly stressful time

for President Eisenhower. This stress is demonstrated by the fact that many of the major decision makers in this crisis were incapacitated at various junctures by severe health problems.⁹⁸

The Suez crisis was dramatic because it triggered many memories and analogies for all of the participants. The British and French possessed powerful interests in preserving their colonial prowess. The British had only recently left the region in July; the French were still contending with colonial uprisings in nearby Algeria. European leaders considered Hitler to be a salient and emotionally powerful comparison for Nasser, and many of them felt that it was essential not to appease the Egyptian leader in his aggressions, as such submission would undoubtedly provoke him to new assaults.

The Suez crisis was also dramatic because of the implicit threat of Soviet intervention. When Bulganin raised the specter of nuclear war, schisms in the Western alliance were viewed as particularly dangerous. A major war was averted because of firm and consistent pressure by Eisenhower against his Western allies.

Eisenhower was in the domain of gains at the time, possessing overwhelming political popularity domestically and leading the predominant economic and military power in the world. He made a cautious decision in supporting Nasser against Eisenhower's old and trusted allies in Europe. Eisenhower believed his choice to be the best legal, military, and ethical one he could make.

Prospect theory would predict that Eisenhower would be inclined to be risk avoidant during so many challenging international situations precisely because he was so firmly entrenched in the domain of gains. The Suez crisis shows how essential it is to establish the domain of action, which determined what each actor saw and how he evaluated the environment he confronted. Operating in a domain of gains, Eisenhower made risk-averse decisions, as predicted by prospect theory; in this way, Eisenhower actively, though cautiously, "waged peace."

Prospect theory can also explain the rash actions taken by Eden and Mollet in the same international context as the more cautious action taken by Eisenhower. The British and French were in the domain of loss; they took serious risks and lost. Eisenhower was in a domain of gains, and behaved more cautiously. Prospect theory explains the actions of all three Western leaders.