Telegram from the British Embassy in The Hague on the measures taken by the Netherlands Government following the nationalisation of the Suez Canal (The Hague, 6 August 1956)

Caption: In a telegram dated 6 August 1956, the British Embassy in The Hague informs the British Foreign Office of the measures that the Netherlands Government is intending to take following the nationalisation of the Suez Canal Company. The Government will suspend transfers of arms and ammunitions to Egypt and will no longer grant credit facilities. However, it emphasises that it is unable to freeze all Egyptian assets in the Netherlands.

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FROM THE HAGHE TO FOREIGN OFFICE

Cypher/OTP

FOREIGN OFFICE AND WHITEHALL DISTRIBUTION

Sir. P. Mason <u>No. 155</u> August 6, 1956

D. 6.49 p.m. August 6, 1956 R. 8.29 p.m. August 6, 1956

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My immediately preceding telegram and my telegram No. 152: Suez Canal.

As regards the economic measures, the Minister without Portfolio informed me of his Government's intentions as follows:

(a) The Netherlands Government will refuse, until further notice, any provision of arms or ammunitions to Egypt (this request was not covered in your telegrams Nos. 836 to Bonn and 241 to Oslo, but was apparently put to The Netherlands Government in a parallel approach from the French Government). This would be done by administrative measures and there would be no (repeat no) public statement.

(b) They will not (repeat not) give facilities for credit financing or credits. The Minister indicated, however, that there might be one or two special cases, arising under paragraph 2 (a) of your telegram No. 836 to Bonn of August 2, where the Netherlands Government might feel compelled to relax this.

(c) They will make enquiries as to what, if any, assets of the Universal Suez Canal Company are held in this country. The Ministër said, after discussion with the Minister of Finance, that he was certain that Bank of Netherlands would take steps to hold tight to any such assets. I said that I supposed that the bank would be in consultation with the Netherlands Government and that the latter's advice would be against letting any of them go. He said yes.

2. The Minister explained that they could not go so far as to freeze all Egyptian assets in this country because this would be contrary to their bilateral monetary agreement with Egypt (please see my telegram No. 152). He said, moreover, that they had not been able to go so far as this with the Indonesian Government when the latter were defaulting on their payments

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The Hague telegram No. 155 to Foreign Office

and abrogating the state of union with the Netherlands, and that they could not go further with Egypt than they had with Indonesia.

3. In all the circumstances, I think that this is as satisfactory a result as we can hope for, though obviously all these measures will be taken administratively and I imagine that no public statement will be made about them. I therefore think that we should get no more by further pressure and that we should rest content with this.

4. I explained fully the reasons why we ourselves were taking the steps we have taken and the Minister showed himself in full sympathy with them.

> ADVANCE COPIES: Private Secretary Sir. I. Kirkpatrick Mr. Ross Head of African Department

VVV

