

POSITIVE NEUTRALITY: NASSER'S MOST CONSEQUENTIAL POLICY

DOMENIC BIAMONTE

Gamal Nasser was the President of Egypt from 1954 until his death in 1970 at age 52. He remains a hero in Egypt for gaining full independence after centuries of colonial rule, implementing sweeping social programs, modernizing its economy, and transforming Egypt into a regional political and military power. Extensive research involving a number of peer-reviewed articles and primary sources shows that Nasser required a vast amount of financial and military foreign aid to accomplish his goals. During the height of the Cold War, Egypt received substantial aid from numerous sources including the USSR and the United States. An examination of the main events before and during Nasser's reign reveals that he never wavered from his strict policy of positive neutrality, which involved cooperating, but never participating in formal allegiances with any foreign powers. This essay demonstrates that Nasser's positive neutrality policy was the central reason for his success.

Prior to the 1952 Egyptian Coup led by Gamal Nasser's Free Officers, Egypt was in a state of political and economic chaos. 5% of the population had 95% of the wealth, and its constitutional monarchy was very dysfunctional. King Farouk, the Wafd Party, the Communist Party, and the Muslim Brotherhood were each seeking control of Egypt.¹ Although Mohamed Naguib was Egypt's initial president, Nasser was widely considered to be its effective leader.² This was confirmed when Nasser forced Mohamed Naguib to resign in 1954 to become president. Nasser began his reign with a number of clear goals that included modernizing Egypt's economy and military while implementing significant social programs such as universal free education and healthcare.³ Nasser also insisted on strictly preserving Egypt's

¹ Barry Rubin, "America and the Egyptian Revolution, 1950-1957," *Political Science Quarterly* 97, no. 1 (1982): 73-90.

² Ibid, 73-90.

³ Nazem Abdalla, "The Role of Foreign Capital in Egypt's Economic Development 1960-1972," *International Journal of Middle East Studies* 14, no. 1 (1982): 87-97.

newfound independence by adhering to a policy of positive neutrality (cooperating but never having formal alliances with any foreign powers), which he never wavered from.⁴ With minimal natural resources, Nasser was acutely aware that a substantial amount of foreign aid would be required to accomplish his goals. The aid would also have to be at favourable terms to avoid being deeply indebted to foreign powers, which had crippled Egypt in the past.⁵ As shown through the major events of his reign, Nasser was able to accomplish his goals by receiving an immense amount of aid from the US, USSR and others at the height of the Cold War, primarily through the help of his positive neutrality policy.

Nasser's commitment to his positive neutrality policy was deeply evident during the planning of the 1952 Coup. The Truman administration's top secret NSC 129/1 policy involved covert operations geared towards developing alliances with countries in order to reduce the threat of Soviet influence.⁶ Led by Kermit Roosevelt and the CIA, Project FF originally involved providing King Farouk with support to consolidate power and develop a similar relationship to the ones the US had with other monarchies in the region including Iraq, Iran, and Saudi Arabia. Due to King Farouk's unwillingness to adhere to various US conditions, the CIA instead turned to the Free Officers and helped plan the coup. The US also guaranteed that there would be no interference from Great Britain, which resulted in a near bloodless coup.⁷ During the planning of the coup, Nasser was clear about his positive neutrality policy and no formal alliance was formed with Egypt. Nevertheless, the Truman administration was satisfied that Egypt would have a staunch non-communist leader.⁸

The next years following the coup strongly demonstrated Nasser's commitment to keeping Egypt independent of all foreign powers. The Eisenhower Administration took over just three months after the coup. It maintained a positive outlook for US relations with Egypt, but its formal position was to gain substantial political control of Egypt by providing aid.⁹ Both Naguib and Nasser leaned to the West over the USSR, but Naguib was far more willing to develop formal ties, which the US attempted to exploit.¹⁰ In the next two years before Nasser formally became President of Egypt in 1954, Egypt aggressively requested economic and military aid from the US, but only a small amount of economic aid was provided, and Britain and France also rejected requests for military aid. Furthermore, in 1954, the US

⁴ Rubin.

⁵ Abdalla.

⁶ John P. Glennon et al., "Foreign Relations of the United States, 1952–1954, The Near and Middle East, Volume IX, Part 1." *United States Government Printing Office Washington* (1986).

⁷ Rubin.

⁸ Ibid.

⁹ Silvia Borzutzky and David Berge, "Damned If You Do, Damned If You Don't: The Eisenhower Administration and the Aswan Dam," *Middle East Journal* 64, no. 1 (2020): 84-102.

¹⁰ Rubin.

Secretary of State, John Dulles, who had broken a number of promises to provide aid, asked Nasser to formally and publicly support the US Middle East policy as a condition to increase aid.¹¹ Despite tremendous pressure from the public resulting from not being able to deliver swiftly on his promises, along with the Communist Party, Wafd Party, and Muslim Brotherhood all still remaining threats, Nasser did not cave in. Yet, the US felt that it was just a matter of time until he yielded.¹²

In 1955, Britain and the US were very confident that they could finally gain a level of control over Nasser when they offered Egypt a prominent role in The Baghdad Pact. The Baghdad Pact was a military alliance led by Britain, meant to provide military and economic aid to its members and create a Western sphere of influence in the Middle East. The US was not a formal member until 1958 but was the provider of most of the aid. The Baghdad Pact deeply went against Nasser's policy of positive neutrality, and he flatly rejected the offer shortly after it was presented to him.¹³ After the rejection, it was clear to Nasser that the Western countries would not deliver significant aid until a formal alliance was created.¹⁴ Although he was a steadfast anti-communist, he saw the USSR as his only hope, and began negotiating an aid package. Negotiations were swift, and resulted in the USSR's satellite state, Czechoslovakia, providing an enormous \$250 million military package that included military advisors and was nearly 10 times what he asked from the Western powers. The agreement came with no political conditions and had exceptional terms including payments in the form of cotton and Egyptian currency.¹⁵ The aid package was strongly supported by the Egyptian population, instantly made Egypt a regional power and stifled political rivals.

The Czech arms deal was alarming to the US. They thought that Nasser could turn to the USSR for aid despite his anti-communist views, but the size of the package was unfathomable.¹⁶ As a response, in March 1956, the US along with Britain pledged to put up approximately \$400 million to complete the Aswan Dam project. The Aswan Dam was the centerpiece of Nasser's economic plan. When completed, it would control the Nile River flooding, add 20-25% of prime agricultural land and create a significant amount of electricity.¹⁷ However, just three months later in July 1956, Dulles announced that the US was rescinding its offer. The announcement was a signal of the US's position on Egypt with Dulles publicly humiliating Nasser stating, "Egypt should get along for the time being without projects as monumental

¹¹ Borzutzky and Berge.

¹² Ibid.

¹³ Rubin.

¹⁴ David W. Lesch, "Gamal Abd al-Nasser and an Example of Diplomatic Acumen," *Middle Eastern Studies* 32, no. 2 (1995): 362-374.

¹⁵ Florence Gaub and Nicu Popescu, "Chapter 1 The Soviet Union in the Middle East: an overview," *European Union Institute for Security Studies* (2018): 9.

¹⁶ Borzutzky and Berge.

¹⁷ Ibid.

as the Aswan Dam”.¹⁸ To further illustrate how things may have gone had Egypt given into the US’s alliance demands, during internal deliberations of the Aswan Dam financing, Dulles referred to Nasser as a “non-compliant colonial leader with Soviet sympathy”.¹⁹

Shortly after the rejection of the Aswan Dam financing, Nasser shocked the world when he announced that Egypt would nationalize the Suez Canal and use its revenues to finance the project. The Suez Crisis was a major international incident that had the potential of escalating into a world war.²⁰ Israel, France, and Britain reacted by invading Egypt with the intent of retaking control of the Suez Canal. Although Egypt had no formal alliances, the USSR and other Eastern Bloc nations immediately responded by pledging to send troops in addition to bombing Tel Aviv, London, and Paris. These threats, and its public condemnation of the Hungarian Crisis that was happening simultaneously, forced the US to demand that Israel, France, and Britain immediately withdraw, which they adhered to.²¹ The Suez Crisis was a major victory for Nasser. Not only did Egypt have control of the Suez Canal and its revenues, but Nasser was a hero to Arab nations and other recently decolonized countries for standing up to Israel and the former colonial powers.²² Not long after, the USSR pledged that they would provide finance and expertise for the Aswan Dam project.

1959 was an important year for Nasser as Egypt repaired its relationship with the US, which resulted in an enormous economic aid package.²³ After the Suez Crisis in 1957, the Eisenhower Doctrine was revealed with the intent to provide support to Middle Eastern nations that were ‘threatened’ by international communism. The doctrine was also meant to thwart Nasser’s growing power in the region.²⁴ With substantial anti-US sentiment in the region, the Eisenhower Doctrine was an immense failure, and the US foreign policy for the Middle East was in shambles by 1959. Consequently, the US was looking for a new strategy. Around the same period, Nasser had suppressed communist ‘threats’ in Syria with the formation of the United Arab Republic. Additionally, despite the aid Egypt received from the USSR, Nasser proceeded to publicly condemn communism in response to strengthening relations between the USSR and Iraq. The Eisenhower administration now viewed Nasser to be its best ally to resist communism in the Middle East.²⁵ To show its support, the US provided Egypt with an economic aid package that

¹⁸ Borzutzky and Berge, 84.

¹⁹ Ibid, 87.

²⁰ Winthrop W. Aldrich, “The Suez Crisis: A Footnote to History,” *Foreign Affairs* 45, no. 3 (1967): 541-552.

²¹ Ibid.

²² Lesch.

²³ Peter Mansfield, “Nasser and Nasserism,” *International Journal* 28, no. 4 (1973): 670-688.

²⁴ Lesch.

²⁵ Ibid.

dwarfed any previous packages. The package had no political conditions, meaning that Egypt was free to receive aid from all sources including the USSR.²⁶

1960 was a banner year for Nasser. He now directed the global non-aligned movement and was leading an expanded territory with the formation of the UAR. The USSR shrugged off Nasser's anti-communist comments and began construction of the Aswan Dam while Egypt began receiving an unprecedented amount of foreign aid.²⁷ Egypt's economic reforms and social programs were also working exceptionally well as confirmed by the envoys sent by the Kennedy Administration as a condition of the aid package. The envoys reported that Egypt's life expectancy and literacy rates were growing exponentially. The envoys also indicated that Egypt's rapidly growing middle class was flourishing, which was the direct result of the land reforms and other economic policies executed by the Nasser Regime.²⁸

After Nasser's extraordinary success, he made several crucial mistakes, beginning with Egypt's disastrous intervention in the Yemen Civil War in 1962. The war was a disaster financially and politically, particularly due to Saudi Arabia supporting the opposition and Egypt's involvement being widely condemned globally. At the same time, as a response to the Syrian public viewing the UAR as an extension of Egypt rather than a true union, a successful coup resulted in Nasser losing control of Syria in 1962. His final mistake occurred in 1967 and made others seem small in comparison. Bowing to pressure in the Arab world, overestimating Egypt's military strength, and underestimating Israel's resolve, Nasser made a number of aggressive moves toward Israel that resulted in the Israelis attacking and defeating Egypt in a period of only six days. The defeat caused the closure of the Suez Canal from 1967 to 1975 and resulted in Nasser's resignation on June 9, 1967. However, with extreme public outcry, including mass demonstrations supporting him, Nasser rescinded his resignation.

With the mistakes behind him, from 1968, to his untimely death in 1970, Nasser focused domestically to repair the economic damage that the wars caused. The wars also resulted in the Johnson Administration dropping its aid program. However, this was more than covered by increased aid from the Eastern Bloc and the European Union. Additionally, the oil producing Arab countries provided approximately \$250 million per year in non-repayable grants to cover the lost revenue from the closure of the Suez Canal. This new aid and Nasser's renewed domestic focus resulted in Egypt having surpluses for the first time in its history.²⁹

²⁶ Abdalla.

²⁷ Ibid.

²⁸ Douglas Little, "The New Frontier on the Nile: JFK, Nasser, and Arab Nationalism," *The Journal of American History* 75, no. 2 (1988): 501-527.

²⁹ Abdalla.

When Nasser's Free Officers gained power in 1952, Egypt was a near illiterate country in political turmoil with poor medical services. It was suffering from a staggering wealth gap and had been perpetually occupied by colonizers for hundreds of years. Within less than 20 years, Egypt became a fully independent nation with universal healthcare and education, a powerful military, and a thriving economy that was led by a thriving middle class due to Nasser's economic reforms. Egypt's transformation was a direct result of Nasser's vision and leadership, though it could not have been achieved without the vast amount of foreign aid it received during this period. Nasser's unwavering commitment to the policy of positive neutrality was the primary reason that Egypt was able to receive this aid. From 1952-1955, the US and Britain pushed Nasser very hard to engage in a formal alliance, and primarily used the tactic of holding back aid until an alliance was realized. Despite persistent political enemies and extreme pressure from the Egyptian public, Nasser resisted the temptation to take the easy way out and held firm to his non-alignment strategy. There is strong evidence that aligning with the West would not have gone well. Britain was one of Egypt's former colonizers, and the US had a formal strategy to gain significant control over Egypt's politics. Secretary of State Dulles made the US's stance clear by publicly belittling Egypt when he rejected Egypt's request for financial help with the Aswan Dam, and privately referring to Nasser as a "colonial leader". These factors, coupled with the US's ties with Israel, made a successful alliance with the US and Britain near impossible for Egypt. Also, had Egypt aligned with the West, they would not have received the enormous aid packages and support of the USSR and the Eastern Bloc, who sought little in return. There is no question that Nasser benefited significantly from his reign being at the height of the Cold War and having a global public discord towards colonialism. Nevertheless, this does not discount the fact that Nasser's adherence to the policy of positive neutrality was the primary reason for his success.

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