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1. Nasser now considers that his chances of coming to terms with <sup>IMF</sup> ~~the West~~ are so slight that he had better ~~xxxxxxxxxxxx~~ plan for the future on the assumption that Western aid is <sup>no longer</sup> ~~a thing of the past~~. He well realizes that unless he comes to terms with IMF his chances of aid from other Western sources are too slim to count on.
2. This means that Egyptian planners must find "a new way of surviving on this globe," a phrase used recently by Nasser in his briefing of the new committee of economists working under his personal direction. This "new way" will be essentially a ~~xx~~ "poor man's ~~six~~ club" kind of arrangement (trade agreements between neighboring have-not nations, payments unions, and all the other schemes which come under the heading of "taking in each other's washing" according to IMF officials); but it will also include a complex of economic agreements with Bloc countries.
3. Nasser has indeed made economic agreements with all countries in the Soviet orbit, and there are now full time joint committees at work trying to make them meaningful. Visits back and forth between Egyptian and Bloc officials, the frequency of Bloc ~~xxx~~ economic and commercial officials to Cairo, and the obviously intimate diplomatic relations which Nasser's top people ~~xxx~~ have with Bloc ~~countries~~ <sup>government</sup> have been such as to cause  to believe that Nasser  is so tied down by the Soviets that he must do exactly as they direct"
4. There is little or no hard information to support ~~his~~ this last allegation, however. Westerners who know Nasser best insist that his behavior with respect to ~~xxxxxxxxxxxx~~ the various issues before him, both international and domestic, would be precisely the same even if the Soviets did not exist. Western experts on the Soviets insist that the Soviets, far from treating Nasser as an "agent" ~~xxx~~ who must be rewarded on a tit-for-tat basis, are dealing with him on the assumption that he does what he does strictly in his own interests and that, therefore, no "reward"

Jawid

is in order. The Soviet position with respect to Nasser is simply this: They don't want him to go under, and they will give him what minimum aid he needs to keep afloat -- but on ~~their~~ terms, not according to any deal.

5. Here is another aspect of the Nasser-Soviet relationship which is essential to the understanding of current ~~UARG~~ UARG behavior, and which cannot be understood so long as the Nasser-is-a-Soviet-agent ~~agent~~ belief persists: In all his activities incident to building the "poor man's club," Nasser is trying to strengthen his bargaining position with the Bloc. Presently, he doesn't have a very impressive bargaining position (not as good a one, anyhow, as he would have were he an out-and-out Soviet agent). The only way he can get anything approaching a respectable bargaining position is by lining up an ~~impressive~~ array of similarly ~~situated~~ situated nations behind him -- the way a labor ~~union~~ leader gains position vis a vis <sup>management</sup> ~~management~~ by getting other laborers to unite behind him.
6. Through a process of reasoning so involved as to put it beyond the scope of this paper, Nasser considers that his strength in the Bloc camp is proportionate to his importance to the West ~~as a force~~ ~~as a force~~ as a force in the Afro-Asian world. This, you might say, is the fundamental objective of Nasser's ~~plans~~ plans: by uniting as many Afro-Asian nations behind him, ~~by~~ by becoming the spokesman for as many of such nations as possible, to ~~gain~~ gain ~~as much~~ <sup>maximum</sup> leverage ~~as possible~~ with the West on political matters -- and, in turn, with <sup>maximum leverage</sup> the Bloc on political, economic, and all other kinds of matters.
7. This is nothing new, of course: Nasser has been trying to lead the Afro-Asian world for some time and, considering his meager resources, it is remarkable that he has been as successful as he has. But now his resources are ~~more~~ more meager than ever, and world trends are ~~generally~~ ~~generally~~ generally against his types of leadership (e.g. Sukarno and Nkrumah have fallen, and the other "revolutionary" leaders are clearly weakening). <sup>in general</sup> Discouraged as the Egyptians may be on the economic front, they are far from discouraged on the political front and their recent many setbacks, both at home and abroad, haven't substantially shaken their belief that "Nasser did it before, and he can do it again." What is needed is the "new way" referred to in

paragraph 2 above.

8. So -- whether or not the Egyptians can get anywhere with their "new way" may remain a debatable question, but that they are going to try it ~~and that their attempts should be taken seriously~~ is a matter of definite Western concern. It ~~is~~ is of particular interest to the ~~petroleum~~ Western petroleum community, because domination of the Middle East's petroleum resources are ~~definitely~~ an essential part of this "new way," and Nasser's attempts to bring this about ~~will cost the companies xxxxx an expensive lot of trouble even xxxxx should they fail in the end. xxxxx~~ Another point: Even should Nasser fail in achieving his own objectives, ~~the~~ his "new way" will ~~endanger Western interests and benefit the Soviets.~~ will cost the companies ~~xxxxx~~ an expensive lot of trouble even ~~xxxxx~~ should <sup>Nasser</sup> they fail in the end. ~~xxxxx~~ Another point: Even should Nasser fail in achieving his own objectives, ~~the~~ his "new way" will ~~endanger Western interests and benefit the Soviets.~~ endanger Western interests and benefit the Soviets.
9. With the above as background, we can now consider Nasser's attitude to the IPC crisis, with its ~~prospective consequences for the~~ attendant dangers. It can be summarized as follows: (1) The Egyptians must back the Syrians; they certainly cannot side with IPC. (2) At the same time, although they believe the Syrians are doing the right thing, they are angered by the fact that, from anybody's point of view, they are doing it the wrong way. The Egyptians insist that nationalization of the Middle East's petroleum resources is ~~inevitable~~ inevitable -- and, of course, from their own point of view desirable -- but that if it is to come sooner rather than later it must be brought about in a carefully planned fashion. The Syrians are certainly not behaving ~~in~~ according to any carefully drawn plan.
10. Specifically, here is what the Egyptians dislike about the situation:
  - a. The initiative has been taken by the Syrians, who even by Middle Eastern standards are rash, irresponsible, and stupid -- "the worst leadership of whatever political color which the Arab World has ever seen," as one top UARG official told a Western diplomat.
  - b. World crude supplies being what they now are, this is the worst possible time for the Arabs to attempt a showdown with the oil companies. The ~~best~~ optimum time, the Egyptians believe (as the result of reading Western estimates) will not arrive before

about 1968, when world demand will begin to equal supply.

- c. Even were "now the time," the Arabs have ~~insufficient~~ no marketing arrangements with which to ~~exp~~ take advantage of even a sellers' market. Without such arrangements -- and they take time and careful planning to prepare -- a general nationalization of Middle Eastern oil would put the whole Middle East in the kind of situation which befell ~~the Iranian~~ Iran when Mossadegh nationalized Anglo-Iranian without first giving thought to marketing arrangements.
- d. Worse still, there is the fact that the Middle East, or even just the Arab ~~part~~ part, is far from being able to act <sup>in concert,</sup> ~~together~~. Even should the Syrians win the present struggle, thereby ~~bringing about the~~ inducing the Iraqis to nationalize IPC, the victory would be meaningless so long as the Saudis and Kuwaitis -- and, of course, the Iranians -- are free to go their separate ways.

~~xxxxfixity, other xixoblex fixoblex to the Egyptians~~

(It is important to note that the Syrian objective in their struggle with IPC is not to get ~~the~~ IPC to give in on the various demands -- they seem not to expect this -- but to bring about the downfall of the Iraqi government, and/or the Iraqi nationalization of its petroleum ~~resources~~ resources.)

- e. Finally, there is the fact that the Egyptians are just now getting their own petroleum show on the road. Apart from the "new way", an early initiation of production is virtually the only means in sight whereby Nasser can get the \$400 million which he still says is essential to his development plans.
11. All this points arex obvious, of course, but they are worth repeating as a reminder of what Nasser has in mind with respect to the ~~petroleum~~ petroleum community as he launches upon his "new way." First, he must take the initiative away from ~~the~~ the Syrians, while at the same time salvaging whatever advantages (propaganda advantages, mostly they may have gained. Second, he must somehow get rid of Feisal -- ~~and~~ and, since the recent Israeli raid pushed Hussein into his line-of-fire as a target of opportunity, he will probably at the same time push for the fall of Hussein. Subsequently, he figures,

Kuweit will come into line --in one way or another. He is less certain of Iran, of course, but he believes that once ~~the~~ Arabs are all in line he will be able ~~to~~ at least to give the Shah a harrowing run for his money. Besides, Iran as a single "scab" isn't too big to accomodate.

12. We now come to the interesting question of how Nasser's own oil prospects will affect his behavior. Already, ~~his~~ his petroleum advisors have begun to behave as though the UAR were a net exporting nation -- eligible for OPEC and all the rest. Although ~~they~~ <sup>the Egyptians</sup> presently keep well out of most international oil disputes, they are increasingly taking an interest in the administrative aspects of inter-Arab oil committees and even OPEC, and there is considerable evidence to indicate that they are getting ready to make themselves heard on policy matters: specifically, they have ~~formed~~ groups of economists at work~~ing~~ on a series of what Nasser calls "oil strategy studies," partly for the purpose of ~~help~~ helping Nasser himself understand all the issues (Nasser is unique among Afro-Asian leaders for being conscientious about doing his homework), and partly for the purpose of getting ready for the Great Day. Until the Great Day comes, however, ~~his~~ his behavior in dealing with Pan-American and Phillips (if not the poor ENI~~chaps~~) is likely to remain impeccable -- or as nearly so as his mismotivated bureaucracy will allow it to be.
13. But there is one ~~key~~ <sup>Nasser's future</sup> aspect to ~~his~~ <sup>his upcoming</sup> behavior as a Big Oilman which Pan-American and Phillips may well consider anti-social: ~~he~~ <sup>Nasser</sup> is enough ~~concerned~~ concerned with the Arabs' marketing disadvantage to grope around for ways of doing something about it. The Phillips strike has accelerated interest in concessions in Egypt, and Nasser believes he can find a Western company thirsty enough to try a totally new kind of concession agreement, one which is particular favorable to the ~~Western~~ company but which includes a feature which almost every Middle Eastern country has ~~at~~ at one time~~s~~ or another aspired to: a chance to participate in marketing. Western experts insist that it is almost impossible to come up with a tit-for-tat <sup>arrangement</sup> of this kind which makes sense, but Egyptian oil experts insist with equal vehemance that they are presently, ~~in~~ in fact, discussing such an agreement with some American company.

14. So — the Egyptians, it seems, ~~as~~ aspire on one hand to appear in the eyes of Westerners as the most adult and responsible oil producing nation, which can be dealt with as a "an intelligent ~~enemy~~ enemy who is preferable to a stupid friend" (a statement attributed to a former ~~executive of the~~ Tapline executive who said he would rather deal with Nasser than with  and on the other hand to lead the ~~Arab~~ Arabs, systematically and effectively, towards the nationalization of all petroleum resources in the Arab world. This being their ~~own~~ aspirations, <sup>the Egyptian</sup> ~~they~~ find it difficult to decide which prospect should bother them the most, an IPC victory or a Syrian victory. Should IPC win out, it will set back the cause of nationalization for some years; should the Syrians win out, it will ~~advance~~ advance the cause of nationalization but it will strengthen the hands of the most dangerously irresponsible lot of Arab nationalists which this part of the world has ever seen, one which even Nasser doubts his ability to bring into line.