

SECURITY
COUNCILDistr.
GENERALS/3668
8 October 1956

ORIGINAL: ENGLISH

LETTER DATED 8 OCTOBER 1956 FROM THE SECRETARY OF STATE OF THE UNITED STATES OF AMERICA ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honor to request the following statement be circulated as a document for the information of members of the Security Council in connection with its present deliberations.

"On July 19, 1956 the Egyptian Ambassador at Washington called on the United States Secretary of State, under instructions from his government, to seek a definite expression from the United States Government as to its attitude toward financing the Aswan High Dam by grants and loans, which had been under discussion for several months.

"The Egyptian Ambassador was given a negative response and a statement of the reasons. He was also told that in view of the widespread public interest in the matter, the United States planned to give out a statement of its position. Such a statement was shown in draft to the Ambassador and subsequently issued in the form annexed hereto."

Accept, Excellency, etc.

(Signed) John Foster Dulles

July 19, 1956

At the request of the Government of Egypt the United States joined in December 1955 with the United Kingdom and with the World Bank in an offer to assist Egypt in the construction of a High Dam on the Nile at Aswan. This project is one of great magnitude. It would require an estimated 12 to 16 years to complete at a total cost estimated at some one billion three hundred million dollars of which over nine hundred million dollars represents local currency requirements. It involves not merely the rights and interests of Egypt but of other states whose waters are contributory, including Sudan, Ethiopia and Uganda.

The December offer contemplated an extension by the United States and the United Kingdom of grant aid to help finance certain early phases of the work, the effects of which would be confined solely to Egypt, with the understanding that accomplishment of the project as a whole would require a satisfactory resolution of the question of Nile water rights. Another important consideration bearing upon feasibility of the undertaking and thus the practicability of American aid was Egyptian readiness and ability to concentrate its economic resources upon this vast construction program.

Developments within the succeeding seven months have not been favorable to the success of the project and the United States Government has concluded that it is not feasible in the 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 the offer was made.

This decision in no way reflects or involves any alteration in the friendly relations of the government and people of the United States towards the government and people of Egypt.

The United States remains deeply interested in the welfare of the Egyptian people and the development of the Nile. It is prepared to consider at an appropriate time and at the request of the riparian states what steps might be taken toward a more effective utilization of the water resources of the Nile for benefit of the peoples of the region. Furthermore, the United States remains ready to assist Egypt in its effort to improve the economic conditions of its people and is prepared, through its appropriate agencies, to discuss these matters within the context of funds appropriated by the Congress.

