



Contemporary British History >

Volume 22, 2008 - [Issue 3](#)

1,033 3

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Original Articles

A Weak Sister?1 Macmillan, Suez and the British Economy, July to November, 1956

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Pages 297-316 | Published online: 26 Sep 2008

Cite this article <https://doi.org/10.1080/13619460701731830>

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Abstract

This article examines Harold Macmillan's role as Chancellor of the Exchequer during the Suez crisis in light of information now available. It argues that, contrary to present historiography, the Treasury was consistent in warning Macmillan of the dangers of the use of force, but that this advice was not accepted by Macmillan. He did not adequately pass on these warnings to his Cabinet and Egypt Committee colleagues. Though he did not lie to his colleagues about the state of the reserves when the decision to call a ceasefire was taken, the reasons that he gave for his abrupt change of mind were specious. The article concludes that American hostility was primarily responsible for the failure of the operation and that Macmillan showed a lack of judgement in not recognizing this until it was too late.

Keywords:

Acknowledgements

I am grateful to Virginia Makins for allowing me to quote from Lord Sherfields's unpublished memoirs: Suez, The Makins Experience; to the Trustees of the H M Book Trust for permission to quote from the Macmillan papers held at the Bodleian Library, Oxford; and to the Trustees of the Liddell Hart Centre for Military Archives for permission to quote from the transcripts of the interviews in the Suez Oral History Project.

Notes

[1] ‘There are always weak sisters in any crisis and sometimes they will be found amongst those who were toughest at the outset of the journey’: Eden, Full Circle, 557.

[2] Macmillan, Riding the Storm, 109–11, 122, 127–8.

[3] King's College, London, Liddell Hart Centre for Military Affairs. Transcript of Interview with Sir Frederick Bishop, SUEZOHP 4, 3.

[4] [Eden](#), Full Circle, 556–7.

[5] [Macmillan](#), Riding The Storm, 163–6.

[6] [Butler](#), The Art of the Possible, 193.

[7] [Lloyd](#), Suez 1956, 210–1.

[8] [Kyle](#), Suez, 213. As stated below, this was actually Macmillan's gloss on a Treasury paper.

[9] [Kyle](#), Suez 228, 357.

[10] [Kyle](#), Suez 464–5, 566.

- [11] [Scott Lucas](#), *Divided We Stand*, 177, 210, 251, 292–3; [Rhodes James](#), Eden, 504, 505, 565, 573; [Dutton](#), Eden, 408, 429, 439, 442; [Carlton](#), Eden, 451–3; [Thorpe](#), Eden, 495, 524; Pearson, Eden, 103, 160, 161–3.
- [12] [Scott Lucas](#), *Divided We Stand*, 250–1.
- [13] [Horne](#), Harold Macmillan, vol. 1, 1894–1956, 410–1, 415–6, 437, 440–5.
- [14] Kyle, Suez, 464–5, 566; Rhodes James, Eden, 573; Carlton, Eden, 453; Dutton, Eden, 442; Thorpe, Eden, 524; Kunz, *Economic Diplomacy*, 131–3; [Pearson](#), Eden, 162–3; Scott Lucas quotes the correct figure for the loss for the week of \$85 million: Scott Lucas, Suez, 292.
- [15] [Kunz](#), ‘The Importance of Having Money’; [Kunz](#), Did Macmillan Lie?; Kunz, *Economic Diplomacy*.
- [16] [Kunz](#), *Economic Diplomacy*, 89, 100–2, 127–8.
- [17] [Kunz](#), *Economic Diplomacy*, 128.
- [18] [Kunz](#), *Economic Diplomacy*, 131–3.
- [19] [Johnman](#), ‘Defending the Pound’.
- [20] National Archives (NA) T 273/380.
- [21] Quoted in Fforde, Bank of England, 543.
- [22] Bodleian Library, Macmillan Papers. File 303, 15.
- [23] NA T 273/380. Memorandum, 14 August 1956, Brittan to Bridges, image reference 7, Memorandum, 16 August 1956, Bridges to Boyle, image reference 7, note of a meeting, 7 September 1956, image reference 15.
- [24] NA T 273/380. Note, 25 August 1956, Nield, Suez—Effects on the Economy, image references 8–10.
- [25] NA T 236/4188, 1. Memorandum, Bridges to Chancellor, 8 August 1956.
- [26] NA T 273/380. Note, 14 August 1956, image reference 5.
- [27] NA T 273/380. Note, Bridges to Maude, 15 August 1956, image reference 7.

- [28] NA T 236/4188, 27–8. Memorandum, Bridges to Chancellor, 7 September 1956.
- [29] NA T 273/380. Memorandum, Rowan to Bridges, 12 September 1956, image reference 16. This can be read either as ‘B minus, or B plus’ or (if the ‘ – ’ is read as a hyphen) as ‘B, or B+’. Given Macmillan's frequent use of the hyphen it is likely to be the latter.
- [30] NA T 236/4188, 36–7. Memorandum, Rowan to the Chancellor, 21 September 1956.
- [31] NA T 236/302, 2. Suez—the Economic Effect of the Long Haul, France, 24 September 1956, 8. NA T 236/5648, 6–7. Financial Consequences of Tanker Re-routing, Rampton, 30 October 1956. NA T 236/4188, 62–3. Note Ricketts to Rowan, 2 November 1956. NA T 236/5648, 72–3. Rampton Middle East Crisis—Oil, 6 November 1956.
- [32] Macmillan, Diaries, 607. His italics.
- [33] NA T 230/302, 2. Suez—The Economic Effect of the Long Haul, France, 24 September 1956, 8. NA T 236/4188, 64. Memorandum, Rowan to Makins, 3 November 1956.
- [34] Macmillan, Diaries, 600.
- [35] NA T 236/4188, 55. Memorandum, Rowan to Makins, 26 October 1956.
- [36] NA T 236/4188, 53–5. Memorandum, Rowan to Makins, 26 October 1956, 60–1, Notes for the Record, Rowan, 31 October 1956.
- [37] NA T 236/4188, 55. Note by France, 31 October 1956.
- [38] NA T 236/5648, 6–7. Financial Consequences of Tanker Re-routing, Rampton, 31 October 1956. NA T 236/4188, 62. Memorandum Emergency Action, Ricketts to Makins, 2 November 1956.
- [39] NA T 236/4188, 64. Memorandum Emergency Action, Rowan to Makins, 3 November 1956.
- [40] Kings College, London, Liddell Hart Centre for Military Archives. Transcript of an Interview with Sir Guy Millard, SUEZOHP 15.

- [41] See, for example, FRUS vol. XVI, 11, 6, Conversation with the President, 27 July 1956, 47, 22, telephone call, Eisenhower/Dulles, 30 July 1956, 234, 151, Memorandum of a conversation, Eisenhower/Dulles, 30 August 1956, 625, 291, Memorandum of conversation, Eisenhower/Dulles, 2 October 1956, 853, 419, Conference Eisenhower, Dulles, etc., 30 October 1956.
- [42] [Boyle](#), Correspondence, letters Eisenhower to Eden dated, 31 July 1956, 156–7, 2 September 1956, 162–3, 8 September 1956, 168, 30 October 1956, 177 and 30 October 1956, 181.
- [43] NA PREM 11/1102, 299. Letter, Macmillan to Eden, 26 September 1956. Lord Sherfield, [The Suez Crisis](#), 21. FRUS, vol. XVI, 264. Editorial note, 580.
- [44] Macmillan, *Riding the Storm*, 95.
- [45] Horne, Macmillan, 373. Horne attributes this to a diary entry of 13 November 1955. This seems unlikely since there is no reference to this in Macmillan, *Diaries* for that date and Macmillan did not finally agree to become Chancellor until 13 December.
- [46] Horne, Macmillan, 160.
- [47] Macmillan, *Riding the Storm*, 119.
- [48] Horne, Macmillan, 433.
- [49] Macmillan, *Diaries*, 587.
- [50] Conversation with Virginia Makins, Makins' daughter, February 2006.
- [51] See, for example, NA FO 800/740, 33. Telegram, 9 September 1956. NA FO 371/12039. Notes of a Conversation, 5 October 1956.
- [52] [Sherfield](#), *The Suez Crisis*, 24.
- [53] NA CAB 134/1216. Conclusions of Egypt Committee Meetings, 7 August (EC (56) 11th), 14 August (EC (56) 15th), 20 August (EC (56) 18th), 7 September (EC (56) 25th), 17 September (EC (56) 29th) and 1 November (EC (56) 36th).
- [54] NA CAB 134/1217, 158–66. The Egyptian Crisis and the British Economy, 26 August 1956 (EC (56) 35th).

- [55] NA CAB 134/1216, 170–1. Conclusions of Egypt Committee Meeting, 27 August 1956 (EC (56) 22nd). NA CAB 128/30, 525–6. Conclusions of Cabinet Meeting, 28 August 1956 (CAB (56) 62nd).
- [56] NA T 273/380. Neild, Suez—Effects on the Economy, 25 August 1956, image references 8–10.
- [57] NA CAB 134/1216, 171. Conclusions of Egypt Committee Meeting, 27 August 1956 (EC (56) 22nd).
- [58] NA T 273/380. Memorandum, Macmillan to Eden, 26 August 1956, image reference 10.
- [59] NA CAB 128/30. Conclusions of Cabinet Meetings, 6 September (CM (56) 63rd), 11 September (CM (56) 64th), 25 October (CM (56) 74th), 2 November (CM (56) 77th) and 4 November (CM (56) 79th).
- [60] NA CAB 128/30, 633. Conclusions of Cabinet Meeting, 3 October 1956 (CM (56) 75th). Johnman refers to a warning given at a Cabinet Meeting on 26 October (Johnman, ‘Defending the Pound’, 172) but the warning referred to was actually given at the meeting of 20 November, NA CAB 128/30, 675 (CM (56) 85th).
- [61] NA CAB 128/30, Conclusions of Cabinet Meetings, 6 September 1956 (CM (56) 64th), 11 September 1956 (CM (56) 64th), 18 September 1956 (CM (56) 66th), 3 October 1956 (CM (56) 68th), 25 October 1956 (CM (56) 74th), 2 November 1956 (CM (56) 77th) and 4 November 1956 (CM (56) 79th).
- [62] NA T 236/4188, 66. Memorandum Bridges to Brook, 5 November 1956.
- [63] NA T 236/4188. 55. Note by France, 31 October 1956. NA T 236/4188, 62. Memorandum Emergency Action, Ricketts to Makins 2 November 1956. NA T 236/4188, 64. Memorandum Emergency Action, Rowan to Makins, 3 November 1956.
- [64] Interview with Sir Derek Mitchell, 21 July 2005.
- [65] Boyle, Eden–Eisenhower Correspondence. Letter, 30 October 1956, 181.
- [66] NA T 236/5648, 56–7. Note for the record, 5 November 1956. [Citino](#), Arab Nationalism, 108.
- [67] K. Kyle, Suez, 413.

- [68] NA PREM 11/1105, 185–6. Telegram, Dixon to Lloyd, 4 November 1956.
- [69] Lloyd, Suez, 206.
- [70] NA CAB 128/39, 646. Cabinet meeting 4 November 1956 (CM (56) 79th).
- [71] [Fforde](#), Bank of England, 555.
- [72] NA T 236/4188, 62. Memorandum ‘Emergency Action’, Rowan to Makins, 2 November 1956, 2.
- [73] NA CAB 128/30, 649–50. Cabinet Meeting, 6 November 1956 (CM (56) 80th).
- [74] Horne, Macmillan, 441–2.
- [75] Macmillan, *Riding the Storm*, 163–4.
- [76] Fforde, Bank of England, 564.
- [77] Kunz, *Economic Diplomacy*, 252, note 70.
- [78] Lloyd, Suez, 209.
- [79] Eden, *Full Circle*, 557.
- [80] Macmillan, *Riding the Storm*, 166–7. The quotation is from Eden, *Full Circle*, 561.
- [81] Quoted in Thorpe, Eden, 529.
- [82] [Dixon](#), *Double Diploma*, 272. Eden. *Full Circle*, 555–6. Macmillan, *Riding the Storm*, 165. NA CAB 128/30, 650. Cabinet Meeting, 6 November 1956 (CM (56) 80th).
- [83] Churchill College, Cambridge, Gordon Walker papers. GNWR 1/13, memo, 23 November 1956. NA CAB 134/1216, 283. Egypt Committee Meeting, 4 November 1956 (EC (56) 40th). NA CAB 128/30, 41A. Cabinet Meeting, 2 November 1956 (CM (56) 77th).
- [84] Parliamentary Archives, Beaverbrook Papers. BBK/C/58. Letter, 22 November 1956, Bracken to Beaverbrook.
- [85] [Clark](#), *The Tories*, 305.
- [86] Horne, Macmillan, 440.

[87] NA T 236/4189, 16A. Minutes of meeting, 7 November 1956.

[88] Kunz, Economic Diplomacy, 132.

[89] NA T 172/2135. Memorandum, Chancellor to Prime Minister, 5 November 1956.

[90] Interview with Sir William Haley quoted in Scott Lucas, Divided We Stand, 293.

[91] Conversation with the Writer, 6 May 2005.

[92] [Yaqub](#), Containing Arab Nationalism, 57.

[93] Macmillan, Riding the Storm, 106.

[94] Lloyd, Suez, 188. NA FCO 732/05, Image reference 2. 1978 Notes on Sèvres by Sir Patrick Dean, 6. [Heath](#), The Course of My Life, 169.

[95] Macmillan, Riding the Storm, 157.

Additional information

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