



ORGANISATION DU TRAITÉ DE L'ATLANTIQUE NORD
NORTH ATLANTIC TREATY ORGANIZATION

83

NATO UNCLASSIFIED
and
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PARIS-XVI
Tél. : KLEber 50-20

ORIGINAL: ENGLISH

~~NATO SECRET~~
RDC/57/336

TO: Secretaries of Delegations
FROM: Executive Secretary

THE SUDAN

The United Kingdom Delegation has asked that the attached note on the economic situation in the Sudan should be examined by the Council under Any Other Business at their meeting on Wednesday, 18th September.

(Signed) COLERIDGE

16th September, 1957

~~NATO SECRET~~

THE SUDAN

Note by the United Kingdom Delegation

Her Majesty's Government in the United Kingdom are seriously disturbed at the economic situation which has recently arisen in the Sudan. The cotton crop this year was a record (600,000 bales) but so far only about 100,000 bales have been sold. The failure to sell the crop was due in the first place to the unrealistically high prices fixed by the Gescira Board which controls about three-quarters of the crop; but although a more competitive price has now been fixed sales are still proceeding very slowly.

2. The Sudanese economy is almost entirely dependent on cotton. If their normal markets fail them the Sudanese may be compelled to turn to the Communist countries. The Russians have already seen their opportunity and have offered in a formal note to buy large quantities of cotton in return for Russian manufactured goods. The present Sudanese Government, and in particular the Prime Minister, are fully alive to the dangers of becoming dependent on Russia as the principal buyer of their cotton. But unless the western countries buy larger quantities, they will have no alternative but to accept the Russian offer.

3. In the United Kingdom Her Majesty's Government have no power to compel cotton buyers to purchase their raw material from any given country. In talks with leading members of the cotton industry the Government have emphasised the grave political consequences of allowing the Sudan to fall under the Soviet orbit and there seems to be some hope that British buyers will shortly resume buying in substantial quantities. But although the United Kingdom is normally the Sudan's principal customer, purchases by this country will not by themselves be enough to solve the Sudan's immediate problem. Her Majesty's Government, therefore, hope that other members of NATO will examine this problem and consider what they can do to help.

4. It will be recalled that purchases of the bulk of the Egyptian cotton crop by the countries of the Soviet bloc were a major factor in establishing the present dominating position of the Soviet Union in Egypt. It would be a major disaster for the western world if the Sudan, which penetrates deep into the heart of Africa, were to suffer the same fate.

Imports by members of NATO of Sudanese and
Egyptian cotton

(in thousands of bales)

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| | <u>Sudanese</u> | | | <u>Egyptian</u> | | |
|-----------------------------------|-----------------|--------|--------|-----------------|--------|--------|
| | 1953-4 | 1954-5 | 1955-6 | 1953-4 | 1954-5 | 1955-6 |
| Belgium | 6.7 | 5.7 | 5.4 | 23.4 | 17.3 | 15.7 |
| Denmark | - | - | - | 5.9 | 2.8 | .5 |
| France | 28.8 | 31.3 | 32.1 | 205.6 | 146.8 | 152.1 |
| Federal Republic of Germany | 25.7 | 17.2 | 60.5 | 128.4 | 93.6 | 90.1 |
| Greece | - | - | - | 1.0 | 1.3 | 3.3 |
| Italy | 30.8 | 27.6 | 50.0 | 118.8 | 76.9 | 98.3 |
| Netherlands | .8 | .5 | .3 | 22.3 | 20.5 | 21.0 |
| Portugal | .9 | 0 | 0 | 4.9 | 3.4 | 4.2 |
| United Kingdom | 226.3 | 118.2 | 238.0 | 210.9 | 67.6 | 47.4 |
| United States of America | 6.7 | 3.3 | 2.5 | 77.0 | 73.4 | 59.9 |