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De-coca-colonizing Egypt: globalization, decolonization, and the Egyptian boycott of Coca-Cola, 1966–68*

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Abstract

In the middle of the twentieth century, many Egyptians welcomed the arrival of Coca-Cola. Yet the Egyptian embrace of Coke drastically declined when, in April 1966, the firm consented to the opening of a bottling franchise in Israel. This article explores the de-coca-colonization of post-independence Egypt. The Coca-Cola Company's reluctance to revoke its commercial extension into Israel obliged the Egyptian government to reject the multinational corporation's discourse of development, view Coke as a political threat, vote in favour of an Arab League boycott, and ultimately close its borders to Coca-Cola. By doing so, the Cairo government did not reject either cultural globalization or economic modernization, nor was it disconnected from the global flow of capital, people, ideas, and goods, but it chose to concentrate its support on one of these processes: decolonization.

Keywords Arab–Israeli conflict, Coca-Cola, decolonization, Egypt, modernization

By the mid-point of the twentieth century, many Egyptians made Coke a beverage of choice. While the Atlanta-based, multinational corporation forged a global empire on which the sun never set,[1] the Coca-Cola brand also ensconced itself within the Egyptian frontier. Within a five-year span, Egypt witnessed the establishment of six Coca-Cola bottling plants, which produced 350 million bottles of Coke in 1950 alone. King Farouk, Egypt's ruler from 1936 to 1952, was reportedly so enamoured with the soft drink 'that every restaurant in Egypt

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1 For more information on the global expansion of Coca-Cola, see Frederick Allen, *Secret formula: how brilliant marketing and relentless salesmanship made Coca-Cola the best-known product in the world*, New York: Harper, 1994; Robert J. Foster, *Coca-globalization: following soft drinks from New York to New Guinea*, New York: Palgrave Macmillan, 2008; Mark Pendergrast, *For God, country, and Coca-Cola: the definitive history of the great American soft drink and the company that makes it*, New York: Basic Books, 2000.

kept an iced supply in case the monarch should arrive unexpectedly'.[2] Egypt's craving for Coca-Cola even transcended the Free Officers' revolution of 1952. During an official Egyptian visit to Algiers in May 1963, a mini-crisis erupted at the Aletti Hotel when Algerian officials omitted a key item from the suite of the Egyptian raïs Gamal Abdel Nasser: Coca-Cola. Nasser, his entourage insisted, 'drank no other'.[3]

In the eyes of the Coca-Cola Company, Egypt's thirst for 'Cacoola' – as it was locally known – merited a single explanation: Coca-Cola represented modernity.[4] Coke's self-proclaimed commitment to Egyptian national development commanded much space in the cover story of the 15 May 1950 edition of Henry Luce's *Time* magazine. The drink's expansion into the Egyptian market single-handedly rescued locals from poverty, the article explained. Gone were the days when Egyptians bought 'sickly sweet, dirty concoctions from street vendors'. Modernization followed the Coca-Cola Company's trails,[5] which were 'dotted with shiny red coolers, many of them presided over by Egypt's old-time ice merchants who, thanks to the raised living standards caused by this minor economic revolution, now w[ore] shoes for the first time in human memory'. Coca-Cola reportedly engendered a transformation of traditional life in Egypt, generating the country's first steps down the linear path to modernity. As Ladislas Pathy, part-owner of Coke bottling operations in Egypt, boasted to *Time*, Egyptian society had 'become consciously and willingly intoxicated by Coca-Cola'.[6]

Yet roughly three years after Nasser's stay at the Aletti Hotel, Egypt's reported intoxication with 'Cacoola' drastically fizzled away when the firm consented to the opening of a bottling franchise in Israel in April 1966. Until that moment, both the Coca-Cola Company and the Coca-Cola Export Corporation (CCEC), established in 1930 to manage Coke business overseas, had steered clear of Egypt's struggle with Israel and global Zionism. Coca-Cola, much like the US government, kept the Arab–Israeli conflict 'in the icebox'[7] – or, in its case, the 'shiny red cooler'. The company's 1966 decision, however, rendered it subject

2 Pendergrast, *For God, country, and Coca-Cola*, pp. 233, 243.

3 National Archives and Research Administration II, United States, College Park, Maryland (henceforth NARA II), 59, 1013, Algiers to State, 22 April 1966.

4 For a sample of the most recent scholarship on 'modernity' in contemporary Middle East history and US–Middle East relations, see Nathan Citino, 'The "crush" of ideologies: the United States, the Arab world, and Cold War modernization', *Cold War History*, 12, 1, 2011, pp. 89–110; Matthew J. Jacobs, *Imagining the Middle East: the building of an American foreign policy, 1918–1967*, Chapel Hill, NC: University of North Carolina Press, 2011; Zachary Lockman, *Contending visions of the Middle East: the history and politics of orientalism*, New York: Cambridge University Press, 2004; Keith David Watenpaugh, *Being modern in the Middle East: revolution, nationalism, colonialism, and the Arab middle class*, Princeton, NJ: Princeton University Press, 2006.

5 For more on the history of the United States and modernization, see David Ekbladh, *The great American mission: modernization and the construction of an American world order*, Princeton, NJ: Princeton University Press, 2010; David Engerman and Corinna Unger, 'Introduction: towards a global history of modernization', *Diplomatic History*, 33, 3, 2009, pp. 375–86; David Engerman *et al.*, eds. *Staging growth: modernization, development, and the global cold war*, Amhert, MA: University of Massachusetts Press, 2003; Michael Latham, *The right kind of revolution: modernization, development, and U.S. foreign policy from the Cold War to the present*, Ithaca, NY: Cornell University Press, 2011.

6 'The sun never sets on Cacoola', *Time*, 55, 20, 15 May 1950.

7 For more on US policy toward the Arab–Israeli conflict during the late 1950s and early 1960s, see Steven L. Spiegel, *The other Arab–Israeli conflict: making America's Middle East policy, from Truman to Reagan*, Chicago, IL: University of Chicago Press, 1985.

in the opinion of the Egyptian government to the Arab League's secondary boycott of Israel, an initiative devised to dissuade foreign companies from actively partaking in the development of Israel's economy. Believing that the latter played an integral role in buttressing Israeli militarism, Zionist settler colonialism, and Western imperialism, Egypt immediately revisited the meaning of Coca-Cola. Coke's reluctance to revoke its commercial expansion into Israel obliged Egypt to reject the multinational corporation's discourse of development, which proclaimed that Coke was well suited to deliver the cultural, economic, and political dividends of modernization to Egyptian society and accelerate the country's integration into the world. Many Egyptians, in turn, viewed Coca-Cola as an imperial threat, leading the Cairo government to vote in favour of the Arab League boycott. Ultimately, despite notable reluctance, the Egyptian government enforced the boycott through national legislation in April 1967 and permanently closed its borders to the Coca-Cola Company on 1 August 1968.

This article examines the de-coca-colonization of post-independence Egypt. In the ensuing case study, 'de-coca-colonization' simply refers to the event in which Coke itself is legally expelled from a national market, but scholars have also alternatively used the term to define 'the process by which foreign imports are put to the service of domestic interests'. This process of hybridization, in other words, explains the ways in which the local and national can change the meanings of a globalized product, albeit in ways that more often than not work to the detriment of producers, their associates, and subsequent beneficiaries.[8]

Given the difficulty of accessing the documentary reservoirs of both high-level Egyptian deliberations and the Arab League's Central Boycott Office, as well as the official archives of the Coca-Cola Company, this article primarily uses the private papers of the Coca-Cola president Robert Woodruff, who kept a close tab on Coke's situation in Egypt, and US diplomatic records. In addition, it draws on *The Arab World*, an important and little-known Arab League daily information digest. This valuable Arab source, which can be found in its most complete form in the stacks of the American University of Beirut's Jafet Library, contains extensive English-language translations of Arabic op-eds, speeches, press conferences, and local reporting that probably escaped non-Arab public spheres and global information providers. Published in Beirut, it served as a crucial device by which the Arab League sought to correct perceived Western misinformation and curb anti-Arab prejudices. An integral component of the Arab League's information campaign, *The Arab World* relayed political, economic, and social news that had initially been produced in Arabic to non-Arab, Anglophone audiences, most notably Western embassies.

An examination of Coca-Cola's place in Cairo's political economy during the decade of development contributes to a nascent trend in international and global history that seeks to analyse the interstices of global processes rather than study them in isolation.[9]

8 Foster, *Coca-globalization*, p. 177. See also Steven Flutsty, *De-coca-colonization: making the globe from inside out*, New York: Routledge, 2004.

9 A good example of this is the recent scholarship on the interplay between the global Cold War and decolonization. See Ryan Irwin, 'A wind of change? White redoubt and the postcolonial moment, 1960–1963', *Diplomatic History*, 33, 5, 2009, pp. 897–926; Maurice Jr Labelle, 'A new age of empire? Arab "anti-Americanism", U.S. intervention, and the Lebanese civil war of 1958', *International History Review*, 35, 1, 2013, pp. 42–69; Jason Parker, *Brother's keeper: the United States, race, and empire in the British Caribbean*, New York: Oxford University Press, 2008.

Many scholars, for instance, have explored the connections between cultural globalization,[10] broadly defined as the global expansion of cultural goods and industries, and the United States throughout the twentieth century.[11] And, as *Time* magazine revealed in 1950, Egypt was no exception to this trend.[12] International businesses such as tobacco companies had long introduced their products into the Egyptian market to the detriment of national ones and had integrated Egypt into numerous worldwide networks.[13] While well received in many instances, such globalization eventually intersected with the movement for decolonization in Egypt.[14] In an attempt to gain control of the Egyptian market, economic nationalists targeted foreign companies, highlighting their unaccountability and perceived menace to national sovereignty.[15]

Similarly, the consolidation of Coca-Cola as a 'global brand'[16] generated both admiration and controversy. During the 1930s, Coke 'thinly' spread itself beyond North America, traveling as far as Peru, Jamaica, Norway, South Africa, and New Zealand. The company's Second World War commitment to quench the thirsts of US soldiers stationed abroad ultimately led to the opening of sixty-four bottling plants outside the United States, thus expanding Coca-Cola's network and entrenching its presence in the world. As a result, the firm established itself in Europe and extended its business into North Africa and the Pacific. By the war's end, it had added the Middle East and East Asia. In the opinion of a Coke official at the time, the world demonstrated 'the almost universal acceptance of the goodness of Coca-Cola'.[17]

A few years after the guns fell silent, however, 'the pause that refreshes' became the subject of much debate in Cold War Europe and elsewhere. In France, wine, beer, and fruit

10 For a historical explanation of globalization, see Jürgen Osterhammel and Niels Petersson, *Globalization: a short history*, Princeton, NJ: Princeton University Press, 2005.

11 For the latest scholarship on the role of the United States in the globalization of popular culture, see Victoria de Grazia, *Irresistible empire: America's advance through twentieth-century Europe*, Cambridge, MA: Harvard University Press, 2005; Kristine Hoganson, 'Stuff it: domestic consumption and the Americanization of the world paradigm', *Diplomatic History*, 30, 4, 2006, pp. 571–94; Andrew McKevitt, '"You are not alone!": anime and the globalizing of America', *Diplomatic History*, 34, 5, 2010, pp. 893–921.

12 For more on globalization and the myth of Arab exceptionalism, see Waleed Hazbun, 'The Middle East through the lens of critical geopolitics: globalization, terrorism, and the Iraq war', in Michael Bonine, Abbas Amanat, and Michael Ezekiel Gasper, eds., *Is there a Middle East? The evolution of a geopolitical concept*, Stanford, CA: Stanford University Press, 2011, pp. 207–30; Elie Kedourie, *Democracy and Arab political culture*, London: Frank Cass, 1994.

13 For more on this, see Relli Shechter, *Smoking, culture, and economy in the Middle East: the Egyptian tobacco market 1850–2000*, London: I.B. Tauris, 2006.

14 According to Prasenjit Duara, 'Introduction: the decolonization of Asia and Africa in the twentieth century', in Prasenjit Duara, ed., *Decolonization: perspectives from now and then*, New York: Routledge, 2004, p. 2, decolonization is not strictly confined to obtaining national independence and ending direct imperial rule; rather, it also 'refers both to the anti-imperialist political movement and to an emancipatory ideology which sought or claimed to liberate the nation and humanity itself'.

15 For more on economic nationalism in Egypt, see Robert Tignor, *State, private enterprise, and economic change in Egypt, 1918–1952*, Princeton, NJ: Princeton University Press, 1984; Robert Vitalis, *When capitalists collide: business conflict and the end of empire in Egypt*, Berkeley, CA: University of California Press, 1995.

16 Alfred Eckes and Thomas Zeiler, *Globalization and the American century*, New York: Cambridge University Press, 2003, p. 134.

17 Cited in Pendergrast, *For God, country, and Coca-Cola*, p. 216. See also 'The sun never sets on Cacoola'; Richard Kuisel, *Seducing the French: the dilemma of Americanization*, Berkeley, CA: University of California Press, 1993, p. 53; and Pendergrast, *For God, country, and Coca-Cola*, pp. 188, 199–206, 238, 249.

juice interests aligned with the Left to denounce imagined US economic and political domination, and attacked Coke in particular as a vanguard of cultural 'Americanization'. A lengthy national debate ensued. *Le Monde*'s Robert Escarpit famously penned an article entitled 'Coca-colonization', which outlined how the US-based product reportedly threatened French civilization. In February 1950, the public campaign against Coke found its way into the National Assembly. The Communist Party labelled Coca-Cola as hazardous to public health and proposed a legislative ban of the beverage in France. Although a specific ban on Coke failed to garner enough support, Paris instead instituted a general boycott of all imported non-alcoholic drinks made from vegetable extracts, including Coke. Three months later, however, the French government succumbed to US diplomatic pressure, which claimed that the ban jeopardized reconstruction aid, and lifted the embargo. As a result, protests against coca-colonization rapidly lost credence and largely disappeared from the French public sphere.[18]

Egypt's own critique of coca-colonization and subsequent de-coca-colonization in 1968 differed in significant ways from that of France. The Egyptian boycott of Coca-Cola was engendered by the latter's links to Israel, not the United States or 'Americanization'. The Atlanta firm, in other words, did not necessarily embody official US neo-colonialism in Egyptian imaginations; rather, it came to represent a different form of postcolonial imperialism: Israeli settler colonialism. Egypt's post-independence struggle, both real and imagined, to maintain its territorial integrity and national sovereignty vis-à-vis Israeli expansionism and Israel's Zionist supporters was not solely relegated to the military front or the airwaves of the influential *Voice of the Arabs*. A closer look at Cairo's place within the Arab League's economic boycott of Israel shows the ways in which the movement for Egyptian decolonization went beyond the push for national independence, extended into the domain of global commerce, and involved transnational, non-state actors who were outside the business of extracting and trading black gold.[19]

The Egyptianization of Coca-Cola

The genesis of Coca-Cola's expansion into Egypt dates back to the final days of the Second World War. As US soldiers stationed in Egypt enjoyed Cokes distributed by their government, the Coca-Cola Company set its sights on ensuring that its products remained there after the inevitable departure of Allied troops. During the San Francisco conference of April 1945, which resulted in the establishment of the United Nations, the Chairman of the Board of the CCEC, James A. Farley, fraternized with leading Egyptian officials who had strong connections with business interests back in Cairo. Significant interruptions in global trade had exacerbated economic hardship during the war, and Egypt anxiously welcomed the company's overtures as a means to begin much-needed industrial development and improve standards of living.

18 Kuisel, *Seducing the French*, pp. 52–69. For a fascinating discussion of the distinction between globalization and Americanization, see Akira Iriye, 'Globalization as Americanization?', in Bruce Mazlish, Nayan Chanda, and Kenneth Weisbrode, eds., *The paradox of a global USA*, Stanford, CA: Stanford University Press, 2007, pp. 31–48.

19 For more on the history of the Arab League boycott of Israel, see Dan Chill, *The Arab boycott of Israel: economic aggression and world reaction*, New York: Praeger, 1976; Gil Feiler, *From boycott to economic cooperation: the political economy of the Arab boycott of Israel*, London: Frank Cass, 1998.

A few months later, the Nasr Bottling Company, a member of the powerful Yahda group led by the economic nationalist Ali Amin Yahda, acquired brand rights to Coke. These rights permitted the Egyptian company to wholly own and operate a franchise that bottled and distributed Coca-Cola trademark products, with little involvement from the CCEC other than quality control, advertising, and the production of Coke's key ingredients, including the top-secret 7X. The construction of five Nasr bottling plants consequently commenced immediately.[20] Thanks to Coke's innovative decentralized franchise system and the Nasr Bottling Company's leadership, the coca-colonization of Egypt was primarily an Egyptian-led enterprise, rather than a foreign one. The 'Egyptianization' of the global brand thus connected Coca-Cola at this point with economic nationalism and the Egyptian movement for decolonization.

Yet Cairo's overall post-war outreach to foreign capital, which also produced ties with Coke' nemesis, Pepsi-Cola, engendered notable consternation within Egyptian society. The return of international business ignited populist fears of a new wave of neo-colonialism and empowered the Egyptian movement for decolonization vis-à-vis the remnants of British colonial interests. As a result, many Egyptians called for the state to play a more direct role in national development in order to reduce the political and socioeconomic power of foreign capital. Despite the enactment of the Egyptianization Law 138 of 1947, which ensured that nationals owned at least 51% of joint stock companies, popular protests against perceived neo-colonialism and foreign meddling continued unabated as international business sought to maintain its forceful place in Egypt.

In contrast to the situation in Cold War France, Coca-Cola escaped direct Egyptian criticism. In the summer of 1951, however, a member of the Egyptian Parliament forcefully declared: 'We're sick of Pepsi-Cola and Chevrolet imperialism'. Nationalists followed suit and accused Pepsi of mixing its cola with pig's blood. While such accusations had an indirect impact on Coke, the firm successfully avoided all forms of explicit confrontation with the Egyptian public sphere. The Nasr Bottling Company's prominent role in coca-colonizing Egypt and Coke's hands-off approach with regard to the dissemination of its products permitted the company to distinguish itself from the practices of other international businesses at the time and gain a favourable reputation. As a result, Coca-Cola outperformed Pepsi in their cola war in Egypt.

Popular antagonism toward foreign capital in many ways transcended the Free Officers Revolution of 1952, which formally terminated British imperial rule in Egypt and engendered national independence. But the Coca-Cola Company yet again escaped the turn of events unscathed. Post-independence Cairo spared Coca-Cola and the Nasr Bottling Company from its ambitious nationalization programme of foreign-dominated private business, which most famously involved the Suez Canal Company in 1956 and the Misr Bank in 1960. Coke interests successfully cooperated with the Egyptian government thereafter and continued commercial expansion, until encountering the Arab boycott of Israel.[21]

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20 Pendergrast, *For God, country, and Coca-Cola*, p. 238; Vitalis, *When capitalists collide*, pp. 108–9, 144; Mourad Magdi Wahba, *The role of the state in the Egyptian economy: 1945–1981*, Reading: Ithaca Press, 1994, pp. 33–5; Kuisel, *Seducing the French*, p. 53.

21 Pendergrast, *For God, country, and Coca-Cola*, p. 251; Wahba, *Role of the state*, pp. 45–7; Tignor, *State, private enterprise, and economic change*, pp. 179, 221, 228–9; Stephanie Capparelli, *The real Pepsi challenge: how one pioneering company broke color barriers in 1940s American business*, New York: Free Press, 2008, p. 236; Vitalis, *When capitalists collide*, pp. 202, 207.

The Arab boycott of Israel

The Arab League first passed a unanimous resolution in favour of an economic boycott of Zionism in late 1945.[22] The Arab world framed the decision to impose a general embargo on goods produced by the growing Jewish community in Palestine, known as the Yishuv, as a defensive measure against 'the danger of the Zionist economy'. Zionist settler colonialism in the Holy Land relied heavily on industrialization and mass consumerism. The expansion of commercial development, which rested upon the collection of politically motivated funds and foreign subsidies, jeopardized the socioeconomic wellbeing of Arab markets and the political salience of Arab states. The Arab League and its members therefore concluded that an economically strong Zionist movement in Palestine presented a viable territorial threat not only to Arab Palestine but also to neighbouring states, such as Egypt.[23]

The boycott rapidly became part of the political and socioeconomic fabric of Arab states and societies. Since anti-colonialism was integral to both Arabism and the formation of distinct national identities throughout the Arab world, popular opposition to Zionism as a form of imperialism became central to Arab decolonization. National boycott offices emerged throughout the Arab world as a means to demonstrate commitment to decolonization and prevent Zionist-produced exports from entering respective national markets. The Arab boycott captured the attention of 'Arab public opinion as one of the few weapons that could be used against Zionists'.[24]

Following the end of the first Arab–Israeli war of 1948–49, the Arab League extended its economic boycott to multinational firms with branch factories in the Jewish state. In an attempt to augment efficiency and demonstrate its relentless commitment to combating Israel on the economic front, the regional body created the position of commissioner general of the Arab boycott of Israel in 1951 and established the Central Boycott Office (CBO) in Damascus, along with a subsidiary branch in Cairo and national offices in all member states. Israel's role in the Suez crisis of 1956–57 reinforced pre-existing ideas that Zionism and Israeli militarism remained inherently connected to Western imperialism, thus threatening the territorial sovereignties of Arab nation-states. Above all, Tel Aviv's calculated occupation of the Egyptian-administered Sinai Desert, Gaza Strip, and Sharm al-Sheikh, as well as its reluctance to withdraw, provided evidence of its ongoing commitment to settler colonialism. The Arab boycott, in turn, gained greater currency as the Arab–Israeli conflict escalated.[25]

Under the leadership of a new commissioner-general, Mohammed Mahgoub, the Arab boycott of Israel intensified its activities in the early 1960s against those non-state actors associated with Israeli development and industrialization. One of Mahgoub's first targets was the New York-based Chase Manhattan Bank. At a press conference in July 1964 he declared that the US corporation was the 'chief fiscal agent of Israel', because it allegedly

22 'Note on Arab boycott', in Anita L. P. Burdett, ed., *The Arab League: British documentary sources, 1943–1963*, vol. 5, London: Archive Editions, 1995, p. 270.

23 'Copy of proclamation', in Muhammad Khalil, ed., *The Arab states and the Arab League: a documentary record*, vol. 2, Beirut: Khayats, 1962, p. 161.

24 Burdett, *Arab League*, vol. 5, pp. 278, 687; 'Aims of the Arab boycott', in *Israel's Foreign Relations*, vols 1–2: *1947–1974*, http://mfa.gov.il/MFA/ForeignPolicy/MFADocuments/Yearbook1/Pages/5%20Aims%20of%20the%20Arab%20boycott.aspx (consulted 16 October 2013).

25 Burdett, *Arab League*, vol. 5, p. 683; Feiler, *From boycott to economic cooperation*, pp. 29–39; NARA II, 59, 3480, Damascus to State, 19 December 1963.

managed the collection of Israeli development bonds in the United States. Notwithstanding the fact that the Arab League suspended its boycott of Chase six months later, this particular campaign engendered much frustration in both Israel and the Zionist diaspora. Israel, the Zionist Congress, and its supporters – who had previously thought it best to confront Arab economic warfare 'behind the curtain' – were now given a 'green light' by the Tel Aviv government to prepare 'the soil … for large scale activities against the Arab boycott'.[26]

The Arab boycott of Israel consequently gained greater global attention. In early 1965, Zionist supporters in the United States aggressively lobbied Congress to pass an anti-boycott amendment to the Export Control Act, which would legally prohibit US firms from complying with perceived discriminatory boycotts. The tenets of the Arab League boycott were at the heart of the US congressional debate. Certain Congressmen expressed a desire 'to pass legislation prohibiting U.S. concerns from responding to letters from Arab boycott offices', which were issued as a warning by the CBO as soon as it discovered that foreign firms were connected to Israeli development. The anti-boycott campaign ultimately fell short, as the amendment failed to gain the approval of Congress and the Lyndon B. Johnson administration. However, congressional opposition to the Arab boycott was officially recorded, thus drawing the attention of the Arab League and its members.[27]

Coca-Cola encounters the Arab boycott of Israel

The Arab boycott resurfaced in the US public sphere in early April 1966, when the *Wall Street Journal* reported that the Anti-Defamation League (ADL) of B'nai B'rith was accusing the Coca-Cola Company of compliance with the Arab boycott of Israel. Coca-Cola's perceived inactivity in Israel caught the attention of the ADL and the *Wall Street Journal* via the Jewish Telegraphic Agency, following the publication of a story in *Maariv*, a leading Israeli newspaper. An interview with the Tempo Soft Drink Company, an Israeli enterprise, revealed the Atlanta-based firm's intransigence with regard to the Israeli market. Tempo insisted that Coca-Cola had wrongfully denied it a bottling franchise 'because of the Arab boycott'. The ADL, in turn, unveiled to the US press the results of a fifteen-month study that supported Tempo's allegations. In response to these accusations, the Coca-Cola Company told the *Wall Street Journal* that 'the market in Israel wouldn't support an entire bottling industry'. This was demonstrated by the Israeli government's own refusal to permit the establishment of a Coke bottling operation in 1950. The 'struggling new nation', the Tel Aviv government reasoned at that time, 'less than two years old and in need of imports more basic

26 'Interview with Mr. Ahmad Mahjub', 19 July 1964, in Walid Khalidi, ed., *Arab political documents, 1964*, Beirut: American University of Beirut Press, 1964, pp. 310–11; NARA II, 59, 1015, Beirut to State, 24 July 1964; Lyndon B. Johnson Library, Austin, Texas (henceforth LBJL), Papers of Lyndon Baines Johnson, National Security Files, 11, CIA memorandum, 1 August 1967; NARA II, 59, 1015, Tel Aviv to State, 20 February 1965; 'The answer to the Arab boycott: excerpts from an article by Deputy Prime Minister Eban: Israel year book 1966', *Israel's Foreign Relations*, http://mfa.gov.il/MFA/ForeignPolicy/MFADocuments/Yearbook1/Pages/8%20The%20answer%20to%20the%20Arab%20boycott-%20excerpts%20from%20an.aspx (consulted 16 October 2013).

27 LBJL, Papers of Lyndon Baines Johnson, 4, Abraham A. Grunhut to President, 3 June 1965; *ibid.*, National Security File, 104, Benjamin Read to Walt Rostow, 22 February 1967; NARA II, 59, 1015, Damascus to State, 15 October 1965. For more on US–Israel relations and the formation of a transnational Zionist network, see Peter Hahn, *Caught in the Middle East: U.S. policy toward the Arab–Israeli conflict, 1945–1961*, Chapel Hill, NC: University of North Carolina Press, 2004.

than soda pop', opted to 'use limited foreign exchange to better purpose'. It was 'the size of the market, not any political considerations', declared a Coca-Cola spokesperson,' which has caused our officials to make the business decision they have'. Contrary to what the ADL might believe, 'This policy prevailed before the Arab boycott of Israel'.[28]

Many Zionist supporters in the United States expressed their dissatisfaction with Coca-Cola through a counter-boycott. Both Coke and US officials were suddenly overwhelmed with scores of protests. In a personal letter, a long-time consumer and New York City resident, Harold I. Kahen, notified James Farley that 'effective immediately Coca-Cola will no longer be served in my house or at any table at which I sit, if I can prevent that', adding 'I want to make it clear that this decision is not based on economic or market conditions'. Nathan's Famous, the thirty-year-old hot-dog stand considered a national institution by many Americans, followed suit, avowing that it would only reconsider doing business with Coca-Cola if the firm reviewed its approach toward a bottling franchise in Israel. Nathan's was one of New York City's 'biggest outlets for Coke'. The Jewish War Veterans and Mount Sinai Hospital also contemplated a counter-boycott. In the latter case, a hospital aide ordered an embargo, although the administration lifted this by nightfall of the same day.[29]

The prospect of a nationwide counter-boycott in the United States greatly alarmed Coke officials. Mounting public protests gave the firm no other choice than to address the ADL's charge publicly. In a page-long statement printed in the *New York Times*, James Farley rejected outright the 'damaging accusation' that Coke supported the Arab boycott of Israel. Coca-Cola was not opposed to conducting business in the Jewish state, as demonstrated by its 1950 decision. 'Insofar as Israel is concerned', Farley insisted, 'the market conditions there have been considered repeatedly as they have been considered in other countries in the Middle East … If the situation changes, we certainly will reconsider our decision'. Yet one thing was certain: Coke refused to forge a relationship with the Tempo Beverage Company, which Israeli courts deemed guilty of 'infringement of the Coca-Cola trademark and bottle design' in 1963.[30]

The Coca-Cola Company was well aware, however, that such a simple statement would not impede a Zionist counter-boycott. As a consultant avowed to the Coca-Cola president, Robert Woodruff, in a private telephone conversation, 'The matter of Israel [was] very important'. All publicity needed to stop. The Atlanta headquarters immediately sought a suitable partner for an Israeli bottling franchise. Two days after Farley's statement, it found one: Abraham (Abe) Feinberg, an Israeli-American business leader and president of the Israeli Development Corporation, also known as Bonds for Israel. Feinberg, whom Woodruff called 'a big fellow in Israel', had been part of the joint venture that was turned down by Tel Aviv in 1950. Because Feinberg was actively involved within the Jewish community in the

28 Emory University, Manuscript, Archives, and Rare Book Library, Atlanta, Georgia (henceforth EU, MARBL) 48, 14, Dose Schary, 'The chairman's newsletter', n.d.; 'Coca-Cola is accused of honoring boycott by Arabs of Israel', *Wall Street Journal*, 8 April 1966, p. 16; untitled article, *ADL Bulletin*, May 1966, pp. 4–5.

29 EU, MARBL, Robert Winship Woodruff Papers (henceforth RWWP), 48, 14, Harold I. Kahen to Chairman of Board, 8 April 1966; RWPP, 48, 14, 'Nathan's may hold the Coke to draw some in Israel', *New York World-Telegram and Sun*, 9 April 1966; 'State JWV to join national body in any action against Coca-Cola', *Hartford Courant*, 11 April 1966, p. 36; 'Coke embargoed a day at hospital', *New York Times*, 12 April 1966, p. 41.

30 EU, MARBL, RWWP, 48, 14, 'Memorandum', n.d.; RWWP, 48, 14, 'Letter to all bottlers of Coca-Cola', 14 April 1966; NARA II, 59, 1013, 'Memorandum of conversation', 25 April 1966; EU, MARBL, RWWP, 48, 14, 'Statement by James A. Farley', *New York Times*, 12 April 1966.

United States and frequently in direct contact with the US president Lyndon B. Johnson, his arrival on the scene silenced Coke's Zionist critics. At a press conference with Coca-Cola officials and members of the American Jewish Committee on 15 April 1966, he declared that he would not have accepted the company's letter of intent if he 'believed Coca-Cola bow[ed] to Arab Boycott threats'. With such words, the brief counter-boycott in the United States came to an end.[31]

While the US press overwhelmingly rejected the premise of the Arab boycott and toasted its failure to bottle up Israel, news of the CCEC's intention to open a bottling franchise within the borders of the Jewish state rapidly found its way into the Arab public sphere. The multinational corporation was now confronted with the new challenge of the Arab boycott itself, and feared for its business in Egypt (officially called the United Arab Republic at the time) and other Arab markets. The CCEC reportedly sold 40 million cases of Coke annually to the Arab world, generating over one million US dollars of profit for itself and three times as much for its local investors.[32]

With a CBO meeting rapidly approaching, Coca-Cola immediately called its respective local bottlers to represent it in Damascus. According to the company's senior vice-president, Benjamin Oehlert, these individuals, having a vested interest in Coke's business, were best suited to defend the firm and argue that its tentative agreement with Feinberg did not violate the Arab boycott. At a meeting of Arab bottlers in Beirut prior to the start of the CBO conference, the CCEC regional vice-president, Vernon Hoppers, consoled those who were prepared to give up on Coke and promoted a company line for the upcoming boycott meeting. Coca-Cola, Hoppers contended, embodied progress. The Arab bottlers, in an effort to safeguard their investments, vowed to adopt Coke's discourse of development. According to Oehlert's correspondence, they collectively emphasized to those in attendance in Damascus 'the importance of local bottler investment' to Arab states, societies, and economies. Coke, in other words, was crucial to Arab modernization. Coca-Cola bottling plants, they contended, employed over eight thousand Arab workers, whose salaries supported many families and trickled down into various communities, urban and rural alike. Furthermore, the Arab bottlers believed that the US multinational corporation 'had been carefully singled out by Israelis as a target for the purpose of "breaking" the boycott'. The CBO could not let global Zionism proclaim such a victory. These arguments, advanced by local Arab business leaders, apparently impressed the CBO, which opted to delay its assessment of Coca-Cola. Notwithstanding these arguments, in some markets product sales began to fall 'off sharply as a result of local resistance'.[33]

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31 EU, MARBL, RWWP, 48, 14, 'Notes', 15 April 1966; RWWP, 48, 14, 'Telephone between Mr. Woodruff and Mr. Rothberg', 15 April 1966; RWWP, 48, 14, 'Statement by Tom Deegan', 15 April 1966; Daniel Milton Ladd to Director of FBI, 'Abraham Feinberg, aka Abraham Fineberg', 17 April 1952, *Israel Lobby Archive*, http://www.irmep.org/ila/feinberg/ (consulted 22 October 2012); EU, MARBL, RWWP, 48, 14, 'Statement by James A. Farley', n.d.; RWWP, 48, 14, 'Statement by Abraham Feinberg', 15 April 1966.

32 Arabs' boycott is counteracted', *New York Times*, 16 April 1966, p. 8; EU, MARBL, RWWP, 48, 14, 'Coke defies "boycott", okays Israeli plant', *Atlanta Constitution*, 16 April 1966; RWWP, 48, 14, 'Israeli Coke: Arabs couldn't bottle it up', *New York Post*, 17 April 1966; 'Coca-Cola shifts attitude, defies boycott by Arabs', *American Israelite*, 21 April 1966, p. 1.

33 EU, MARBL, RWWP, 48, 14, Benjamin Oehlert to J. Paul Austin, 22 April 1966; RWWP, 48, 14, Oehlert to Lee Talley, 25 April 1966; RWWP, 48, 14, Oehlert to Austin, 28 April 1966; RWWP, 48, 14, Oehlert to Austin, 29 April 1966; NARA II, 59, 1013, Jidda to State, 4 May 1966; EU, MARBL, RWWP, 48, 14, Oehlert to Austin, 5 May 1966; NARA II, 59, 1013, Dhahran to State, 15 May 1966.

In mid May 1966, Mohammed Mahgoub called a press conference to extend a three-month official warning to Coca-Cola to comply with the Arab League boycott. As Commissioner-General of the CBO, Mahgoub stressed the Arab market's profound value to Coke's global enterprise: 'the consumers of Coca-Cola in the Arab world', many of whom were devout Muslims who did not consume alcohol, 'far exceed the consumers of the same product in the United States itself'. If the multinational corporation chose to maintain the status quo and enter the Israeli market in defiance of the Arab boycott, 'it would expose its interests and the interests of its shareholders to great dangers'.[34] Worse yet, it would relinquish its commitment to the Arab workforce and consequent beneficiaries. In Mahgoub's imagination, the Arab world and Coke were interdependent. The Coca-Cola Company simply could not abandon Arab development for Israeli capital.

With fewer than ninety days to respond to the CBO's warning, the Atlanta office prepared its pitch and dedicated much attention to its situation in Egypt. As a non-oil-producing economy, Egypt was devoid of profitable natural resource exports. In the aftermath of the Free Officers Revolution, the Cairo government sought to transform its agrarian-based economy and, in turn, relied heavily on international aid to augment social welfare and foster rapid industrialization, mass consumerism, and national development projects, such as the Aswan Dam. With modernization at the forefront of Nasserist nation-building, an urgency to implement industrial growth dictated state affairs, exacerbating the national deficit and ultimately drowning the Egyptian economy. Following the depletion of national reserves in the late 1950s, foreign debt rose at an alarming rate. This turn in events engendered a foreign exchange problem, as imports continually increased and Egyptian exports stagnated. Worse yet for Egyptian officials, their commitment to social welfare through guaranteed employment and rising wages heightened local demand and national consumption, which could only be fulfilled via foreign imports. The only way to finance such import activity and enact national development in the short term was through foreign lending and international aid. And so Egypt's national debt soared.[35]

Egypt's dire economic situation did not prevent many of its leaders from openly supporting the Arab boycott of Israel, indirectly vilifying Coca-Cola in the process. The spirit of decolonization dominated Egypt's post-independence political economy. In a press conference after the Damascus meeting, Brig. Mustafa Halim Fahmi, the director of the CBO branch in Egypt, lauded the 'Arab economic blockade against Israel'. If anything, he explained, Israeli and Zionist resistance amplified 'Arab determination to implement the boycott laws to the letter, and to fight Israel economically in the developing countries[,] particularly Asia and Africa'. Foreign companies, such as Coke, would therefore 'be harmed if they prefer to succumb to Zionist pressures and manoeuvres'. The Coca-Cola Company's situation in Egypt was further exacerbated by US diplomacy. A few days after Fahmi's press conference, the front page of Cairo's leading newspaper, *Al Ahram*, bore news of a fresh US–Israeli arms deal. Egyptians believed that the US government openly supported the Jewish state to the detriment of Arab decolonization. With Israel now in a clear position of

34 'Coca Cola is warned by the boycott bureau', *Arab World*, 12 May 1966, p. 12.

35 For more on Egypt's foreign exchange problem, see Derek Hopwood, *Egypt: politics and society, 1945–90*, New York: Routledge, 1993; Khalil Ikram, *The Egyptian economy, 1952–2000*, New York: Routledge, 2006; John Waterbury, *The Egypt of Nasser and Sadat: the political economy of two regimes*, Princeton, NJ: Princeton University Press, 1983.

military superiority in the Middle East, support of the boycott became a key Arab tenet of the Arab–Israeli conflict.[36]

Realizing full well that Egypt was a 'question mark' and that US–Arab relations 'were at a low ebb', CCEC officials in the Middle East and North Africa still felt that they had 'an even chance of winning' their battle with the Arab boycott. Prior to a first round of talks with Egypt, Lebanon, Iraq, Saudi Arabia, and the CBO in Syria, Hoppers vowed to Robert Woodruff that 'we are leaving no stone unturned to find a solution' to the Arab boycott problem. Bottler morale in the region was high. Time, moreover, was in Coke's favour, 'as the more the question recedes from the public mind the greater will be our chances of avoiding a boycott'. Yet, in Hoppers' opinion, one thing appeared certain: 'nothing can succeed unless we find a means of assuring that Egypt will not boycott'. Without question, Egypt was the key. '[A]s she goes', he declared, 'so goes the entire Arab world without exception'.[37]

In ensuing exchanges with Egyptian officials, the CCEC stressed its position as an agent of modernization and a crucial component to national development.[38] Coke initiatives connected the Middle East and North Africa to the rest of the world. With five major offices and thirty bottling plants across the Arab world, which were 'independently owned by Arab nationals', the firm believed that it made 'a very substantial contribution' to Arab economies by 'pa[ying] taxes and provid[ing] employment for thousands of people'. Roughly twenty million US dollars were invested in Coca-Cola plants in Arab states. In addition to its current investments, the CCEC contemplated the opening of a new plant 'for the manufacture of concentrates and beverages in Egypt'. This initiative, Coke officials avowed, 'would effect a saving of over 51% in the foreign exchange presently being allocated by the Egyptian Government for the importation of concentrates and flavour bases'. A new Coca-Cola concentrate plant in Egypt would save Cairo more than one million US dollars annually in foreign exchange. Such investments 'and the livelihood of thousands of able and honourable employees', the CCEC insisted, 'should not be jeopardised'.

Overall, Coke contended that cultural globalization and decolonization in its case were separate, disconnected processes. Its position vis-à-vis the boycott was no different than that of other multinational firms involved in regional tourism, such as Hilton Hotels International. With Arab consent, Hilton indirectly conducted business in both the Arab world and Israel; the Coca-Cola Company did not see why it could not do the same. 'Neither the Arab consumers nor the hundreds of thousands of tourists', it informed Egyptian leaders, 'would understand why our Company was being penalised when many other trade-marked products are available in both the Arab World and Israel.'[39]

36 Arab boycott', *Arab World*, 20 May 1966, p. 11; 'Al Ahram reveals new U.S.–Israel arms deal', *Arab World*, 23 May 1966, p. 10; 'Deal draws hostile reaction', *Arab World*, 23 May 1966, p. 11. For more on the Skyhawk sale, see Zach Levey, 'The United States' Skyhawk sale to Israel, 1966: strategic exigencies of an arms deal', *Diplomatic History*, 28, 2, 2004, pp. 255–76.

37 EU, MARBL, RWWP, 48, 15, Vernon Hoppers to Robert Woodruff, 27 June 1966; RWWP, 48, 15, Hoppers to Talley, 28 June 1966; RWWP, 48, 15, Hoppers to Talley, 30 June 1966.

38 EU, MARBL, RWWP, 48, 14, Talley to Austin and Oehlert, 25 May 1966; RWWP, 48, 15, Israel Boycott Office to Manager, 6 June 1966.

39 EU, MARBL, RWWP, 48, 14, Hoppers to Talley, 20 May 1966; RWWP, 48, 14, Oehlert to Austin, 27 May 1966; RWWP, 48, 14, 'Presentation: Egypt', n.d.; RWWP, 48, 15, Oehlert to Austin, 2 June 1966. For more on Arab tourism and globalization, see Waleed Hazbun, *Beaches, ruins, resorts: the politics of tourism in the Arab world*, Minneapolis, MN: University of Minnesota Press, 2008.

As touring Coca-Cola officials quickly reported, few Egyptian statesmen were receptive to the multinational corporation's stand. Alexander Makinsky, a leading Coke lobbyist who played a central role in confronting Coca-Cola's image crisis in France in the early 1950s,[40] 'paint[ed] a gloomy and pessimistic picture'. Cairo in large part rejected Coca-Cola's discourse of development. Egyptian officials considered the soft drink to be a 'non-essential' product; Coke could 'easily be replaced'. Many, in fact, openly welcomed the prospect of a Coca-Cola boycott as a means of saving the foreign exchange currently dedicated to the import of the firm's concentrate. Some were even 'delighted at heart' by the CCEC's 'going into Israel as it provide[d] them with an ideal excuse to get rid of us'. Makinsky deduced that very few would regret the 'disappearance from the Egyptian market of a beverage which has become an integral part of local mores and customs'. Most importantly, a vast majority believed that 'Cacoola' would ultimately be banned.[41]

Makinsky's evaluation relayed a sense of urgency. Bad publicity, in which Coke had been labelled the 'cursed and banned beverage', strengthened the tide of public opinion against the firm.The company needed to dedicate most of its regional attention to Egypt and integrate itself within Cairo circles 'to a point where their stake in our business becomes sufficiently important for them to adopt an *actively* favourable stand'. Makinsky believed that Egyptian officials confronted 'certain problems pragmatically'. If presented with the establishment of a Coke concentrate plant there, they would probably dissuade fellow Arab statesmen from initiating a boycott. A proposition

> which would enable the Egyptian Government to carry on and develop its "Coca-Cola" business at *no cost whatsoever in foreign exchange* might possibly … turn the scale in our favour. … Whatever we are able to do along those lines … will be well worth a sacrifice on our part if we think for a moment what a boycott will cost us in terms of money and reputation.

It was time for the firm 'to use *all* of [its] weapons *without delay*'.[42]

Makinsky's report caused quite a stir back in Atlanta, leading J. Paul Austin, the president, CEO, and chairman of the Coca-Cola Company, to call for 'a reconsideration of our present position'. Austin felt that now was the time to officially extend the offer to set up a concentrate plant in Egypt. The firm needed to do what it could to escape an Arab boycott.[43] A best-case scenario would see Egypt accept the offer as a way to assuage Coke's drain on foreign exchange, and adopt 'a favourable attitude toward us thereby shielding us not only from a boycott in Egypt, but elsewhere in the Arab world'. If Israel were to respond by insisting on its own right to a concentrate plant, the firm would concede to the Tel Aviv's demand. If this were to occur, Egypt might be willing to turn a blind eye. In case Cairo objected and renewed calls for a boycott, Austin opined that 'we are no worse off than we are today except for the investment in' an Egyptian concentrate plant.[44]

40 Allen, *Secret formula*, p. 1.

41 EU, MARBL, RWWP, 48, 15, Hoppers to Talley, 30 June 1966.

42 EU, MARBL, RWWP, 48, 15, Alexander Makinsky to Talley, 9 July 1966, emphasis in original.

43 EU, MARBL, RWWP, 48, 15, Austin to Woodruff, 12 July 1966.

44 EU, MARBL, RWWP, 48, 15, Austin to Talley, 12 July 1966.

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Upon receiving details of Hoppers' own sojourn in Egypt, the Coca-Cola leadership made up its mind: now was the time to offer Cairo a concentrate plant. Arab bottler morale had reached 'a low ebb' once again; relations with Mahgoub's CBO were 'highly unsatisfactory'; and the firm's public image in Egypt remained negative. It desperately needed to generate some sympathy among Egyptian technocrats, who advocated the importance of foreign capital to Egyptian development and industrialization. Upon receiving the go-ahead from Atlanta, a 'happy' Makinsky conveyed his 'hope that our proposition will prove sufficiently attractive for them to close their eyes on our activities' in Israel. Hoppers, who had returned to the CCEC Middle East headquarters in Beirut, shared the same response. While the move did not save Coca-Cola, it did significantly improve its position and also augmented the prospect of keeping Coke off the next CBO's conference agenda. Many Coca-Coca officials felt at this time that delay was the firm's 'best ally'.[45]

Coke subsequently appeared to be gaining momentum in Egypt. Hoppers, for his part, was 'far more optimistic' this time around. With the help of a local public relations company, the firm's efforts to regain lost prestige began 'to pay dividends'. Hoppers proved most successful in obtaining the support of influential members of Egyptian society. The Minister of Labour, Ali Said Ali, not only arranged 'for the head of the Labour Syndicate of Egypt to write a memorandum to his office supporting Coca-Cola' but also promised to pen his own message to the Minister of Finance and Economy – 'the final authority concerning boycott issues in Egypt' – advising that the US firm 'not be placed on the boycott list'. Ahmed Fouad, head of Egypt's Bank Misr, 'agreed to present and support' Coke's 'proposal for a concentrate plant in Egypt' and vowed to emphasize the plant's benefits for the Egyptian economy in his own letter to the Minister of Finance and Economy. Finally, to the surprise of many in Atlanta, Hoppers garnered the backing of 'the most influential man in Egypt', Mohammed Heikal, the editor-in-chief of *Al Ahram*. As the Nasser regime's 'de facto intellectual spokesman', Heikal agreed to publish 'a series of articles of interviews with dealers and Coca-Cola plant labourers on the importance of maintaining a known product such as Coca-Cola on the market to help promote tourism in Egypt'. This indeed was quite a coup, as Coke officials considered *Al Ahram* to be 'the official Egyptian newspaper'; 'anything published in it [was] taken throughout the Arab world as' the policy of Nasser himself.[46]

Despite these statements of support, Coca-Cola retained a level of negative publicity in Egypt as the head of the boycott office there confirmed to the press that it, alongside other US-based companies such as Ford Motors and Radio Corporation of America (RCA), would be 'high on the agenda' of the forthcoming CBO meeting in Kuwait City. Hoppers and his local team immediately undertook another aggressive round of consultations with Egyptian officials. Following an unforeseen reshuffling of the Egyptian cabinet, they feared that previous efforts had been lost since 'some people who had been understanding toward

45 EU, MARBL, RWWP, 48, 15, Hoppers to Talley, 19 July 1966; RWWP, 48, 15, Makinsky to Talley, 19 July 1966; RWWP, 48, 15, Hoppers to Talley, 20 July 1966; RWWP, 48, 15, Oehlert to Bahti, 25 July 1966; RWWP, 48, 15, Hoppers to Talley, 27 July 1966; Wahba, *Role of the state*, pp. 134, 137.

46 EU, MARBL, RWWP, 48, 15, Hoppers to Talley, 26 August 1966; Ahmed Abdalla, *The student movement and national politics in Egypt, 1923–1973*, London: Al Saqi Books, 1985, p. 140. For more on the influence of Heikal's *Al Ahram* in Nasser's Egypt, see Munir K. Nasser, *Press, politics, and power: Egypt's Heikal and* Al-Ahram, Ames, IA: Iowa State University Press, 1979.

Coca-Cola' were 'now out'. Luckily, however, the new Egyptian Minister of Industry, A. T. Barky, was a 'personal friend' of Salah Loutfi, the Coca-Cola regional manager and Hoppers' right-hand man in Egypt. In addition, Hoppers had recently spoken to the Egyptian labour leader and former Minister of Industry, Ali Said Ali, who remained 'sympathetic since Coca-Cola accounts for some 5,000 jobs here'.[47]

In ensuing talks with Barky and the Egyptian Minister of the Economy, Hasan Abas Zaki, Coke officially extended the offer to establish a concentrate plant in Egypt. The CCEC, Hoppers and Loutfi insisted, was committed to assisting 'Egypt's foreign exchange situation' and enacting a so-called take-off in the Egyptian economy. The firm proposed that, in the light of Egyptian law, which did 'not permit a 100% foreign-owned company within the country', Coke set up its factory in the duty-free zone of Port Said. They assured the Egyptians that the plant would be the sole property of the CCEC and that sales of locally manufactured syrup within Egypt would 'be made in Egyptian Pounds'. Moreover, all plant profits would be deposited in the state-run Bank Misr. Under the watchful eye of Egyptian authorities, such funds would be used to cover operating expenses and labour costs. The firm also promised to purchase as many 'raw materials, ingredients and packaging materials as may be available in Egypt for the manufacture of Concentrate and beverages bases in the Free Zone plant'.[48]

Many Egyptian officials initially judged Coca-Cola's offer to be 'an excellent thing'. The Egyptian ambassador to the United States, Mustafa Kamel, even insisted, upon reviewing the details, that 'it would probably solve [Coke's] problem, at least as far as Egypt [was] concerned'. Made confident by such statements, Coke distributed a letter in both English and Arabic to all its dealers in the Middle East and North Africa, encouraging them to keep working on Arab officials. Arab bottlers needed to impress upon their governments that Coke was integral to Arab development. 'It would appear', the letter read, 'that Mr. Mahgoub does not intend that our case be viewed in terms of the industry's importance to the Arab world but rather that it be weighed in the light of the effect upon the boycott office itself, or in other words, as a political issue'. Arab bottlers, above all, should encourage a reassessment of the Arab League boycott rules in order to keep the firm from being blacklisted. Only this strategy could remove Coca-Cola from the next CBO conference agenda.[49]

Meanwhile, Coca-Cola continued to promote its contribution to national development in the Egyptian public sphere. A series of articles on this very subject ran in *Al Ahram*, thanks to the help of the aforementioned local public relations company. Egypt's leading daily newspaper lauded the CCEC's achievements in the Arab world and the reciprocal nature of its twenty-year relationship with Egyptians. Far from being a cursed product, Coca-Cola led the charge to integrate Egypt and the Arab world at large into an increasingly globalized economy. According to *Al Ahram* coverage, Coke proudly stood between Egypt and the

47 NARA II, 59, 1013, Cairo to State, 22 September 1966; NARA II, 59, 1013, Cairo to State, 24 September 1966; EU, MARBL, RWWP, 48, 15, Oehlert to Mustafa Kamel, 3 October 1966; NARA II, 59, 1013, Cairo to State, 29 September 1966.

48 EU, MARBL, RWWP, 48, 15, Oehlert to Kamel, 31 October 1966.

49 EU, MARBL, RWWP, 48, 15, Oehlert to Austin, 6 October 1966; RWWP, 48, 15, Hoppers to All bottlers in Arab countries, 10 October 1966.

world; after all, it was 'the drink that can be found everywhere'. Through industrialization and the creation of thousands of jobs, the Atlanta office and its local partners were best positioned to mediate positive change and deliver modernization. The benefits of Coca-Cola's presence in Egypt even extended into the realm of public health, as Coke's industrial practices trumped the unsanitary 'old methods' of manual bottling used by various local soda competitors. Finally, 'The pause that refreshes' allowed its employees and 'a significant amount of people who sell soda … to make enough money to get them their daily bread'.[50]

Coca-Cola's involvement in the Arab world fostered 'luxury' and 'good living', according to the articles in *Al Ahram*, which also outlined how Egyptians and Arabs actively participated in the firm's striving for both local and global excellence. Without Egyptian involvement, Coke could not proclaim itself to be the apotheosis of cultural globalization and economic development. Not only was the firm invested in Egypt, but Egyptians were also invested in Coca-Cola. Above all, Egyptian labour and raw materials were integral to the multinational firm's local, national, and regional success; in the process, they boosted Coke's global reputation. Egypt's noteworthy contributions to Coca-Cola in many ways explained how and why Coke became the 'most famous drink' there and throughout the world. As such, Egyptians and Coca-Cola collectively left their 'mark on History'. Coca-Cola was consequently ensconced in Egypt and vice versa. *Al Ahram* projected them as interdependent.[51]

Hoppers felt that *Al Ahram*'s coverage of Coca-Cola had 'a definite effect' on Egyptian public opinion, and he henceforward thought it best to alter Cairo's boycott policy through the influence of Heikal, arguing that this was the most efficient means of reaching President Nasser. Heikal 'was Nasser's only close friend and confidant'; Heikal 'would be more effective' in influencing Nasser than any other high-ranking Egyptian official, including the prime minister, Mohammed Sedki Sulayman. Hoppers was 'quite certain that Mr. Heikal will discuss' Coke's situation with the Egyptian president. With unofficial interest in a second plant emerging from within Egypt's technocracy, now was the time for the CCEC Board of Governors to make a firm offer so that Hoppers could extend it to Nasser himself 'through Heikal'. However, the firm's leadership hesitated to go as far as setting up a second factory in Egypt. Back in the United States, Coke officials formed the impression that their Egyptian counterparts were resorting to blackmail and refused to succumb to such intimidation.[52]

With the CBO conference two weeks away, reports in the Arab public sphere counteracted Coke's press in *Al Ahram* and proclaimed the inevitability of a boycott. One after the other, CBO officials called for the blacklisting of Coca-Cola because it 'refused to withdraw a franchise it had granted for bottling its products in Israel'. Matters worsened for Coke on the eve of the CBO meeting in Kuwait City, when news spread of Israel's surprise raid on the Jordanian village of Samu. Solidarity with Arab decolonization and antagonism against Israeli militarism overwhelmed Egyptian public opinion. Yet, behind the scenes, Hoppers reported to Atlanta that Barky and Zaki 'appeared sympathetic'. Thanks in large

50 *Al Ahram*, 7 October 1966, p. 5; *Al Ahram*, 18 October 1966, p. 5.

51 *Al Ahram*, 21 October 1966, p. 5; *Al Ahram*, 6 November 1966, p. 3; *Al Ahram*, 11 November 1966, p. 5.

52 EU, MARBL, RWWP, 48, 15, Hoppers to Talley, 17 October 1966; RWWP, 48, 15, Oehlert to Austin, 25 October 1966.

part to Heikal's influence in Cairo and the public relations campaign in *Al Ahram*, which ran right up to the start of the CBO meeting, the local CCEC team felt that the atmosphere in Egypt looked 'good'.[53]

The Arab League recommends de-coca-colonization

Amid such regional turmoil, the CBO conference commenced its formal evaluation of Coke on 15 November 1966. It did not take long for the CBO to vote unanimously in favour of recommending an Arab ban of Coca-Cola, along with its branches and trademarks, which included Coke, Fanta, and Minute Maid. According to those in attendance, the multinational corporation had bowed to global Zionism by refusing to retreat from the Israeli market. In spite of the fact that the firm had only extended a letter of intent to Abe Feinberg, the leadership's willingness to build a business partnership with the president of Bonds for Israel in the United States clearly contributed to the state of Israeli development, thus violating the Arab League boycott. Coke's expansion into Israel inevitably financed settler colonialism and, in turn, endangered Arab human dignity and national sovereignties. The CBO officials concluded that coca-colonization could not simultaneously contribute to Arab and Israeli modernization. The spirit of Arab decolonization made these antithetical.

Nor did the officials accept Coca-Cola exceptionalism and the discourse of development advanced by the CCEC, Arab bottlers, and local plant managers. According to the CBO, Coke was not integral to the economic survival of the Arab world, as other multinational soft drink companies such as Pepsi could easily step in. They reasoned that an Arab boycott of Coca-Cola would not 'hurt the Arab economy' and prevent national developments, let alone isolate Arab peoples from the global flow of capital and goods. Locally owned soft-drink plants could easily 'deviate their production without any difficulty to produce other similar beverages'. Accordingly, with production unabated, the local labour force would not be laid off and their dependants would 'continue to benefit as a result of the distribution and sales of the new product'. Finally, those small businesses dependent on Coca-Cola subcontracting the manufacture of indispensable items such as cases, glass, labels, and crowns could 'continue after eliminating the name Coca-Cola'.

According to the CBO, the Atlanta office's coca-colonization of the Jewish state necessitated an Arab response: de-coca-colonization. The 'Arab economy', it avowed,' will continue as it was during the existence of the Coca-Cola industry'. In order to avoid penalizing Arab investors and their employees, the CBO also endorsed a measure stating that local Coke bottlers be granted a maximum nine-month timeframe, starting on 1 December 1966, in which to utilize all concentrate in their possession, liquidate their Coke stock, and 'deviate their production to other soft drinks'. It recommended that, at the end of this period,

53 'Coca-Cola headed for Arab blacklist', *Arab World*, 1 November 1966, p. 1; 'Boycott', *Arab World*, 15 November 1966, p. 1; NARA II, 59, 1013, Beirut to State, 14 November 1966; 'Arab boycott conference in Kuwait', *Arab World*, 15 November 1966, p. 11; 'Arab boycott', *Arab World*, 16 November 1966, p. 1. For more on the Israeli raid on Samu, see Clea Lutz Bunch, 'Strike at Samu: Jordan, Israel, the United States, and the origins of the Six Day War', *Diplomatic History*, 32, 1, 2008, pp. 55–76; Moshe Shemesh, 'The IDF raid on Samu: the turning point in Jordan's relations with Israel and the West Bank Palestinians', *Israel Studies*, 7, 1, 2002, pp. 139–67.

all Arab states mandate a compulsory re-export of all remaining supplies and condemn the purchase, production, and distribution of Coca-Cola-related products, as well as the use of its trademarks.[54]

Egypt boycotts Coca-Cola

It was now up to the Egyptian government whether or not to implement the CBO's recommendation regarding a national ban of Coca-Cola. In a move that surely frustrated Coke officials in the Middle East, North Africa, and the United States, Heikal's 'authoritative' *Al Ahram* anticipated in its pages that Nasser's government would oblige all Coke plants in Egypt to convert their operations as soon as it officially received word from the CBO. These transformations, emphasized the Egyptian newspaper, would 'not involve the dismissal of any workers who are presently employed' by the Nasr Bottling Company. Moreover, 'the salaries of the workers will not be affected by the changes'.[55]

A stark choice now confronted the Cairo government: either boycott Coca-Cola in the name of anti-imperialism or risk losing all prestige in the Arab world in exchange for the foreign investments of a leading multinational corporation. The Egyptian government, as Mustafa Kamel explained to the US secretary of state, Dean Rusk, 'had long since given up the notion that the boycott was an effective weapon against Israel' and continuously called for the Arab states to 'take a more reasonable attitude'. Cairo valued the role of foreign capital in fostering industrialization but, in the case of Coca-Cola, Egyptian public opinion held that a US–Israeli strategy had set out to challenge the integrity of Arab decolonization and 'break the Arab boycott once and for all'. Even before the Samu raid, nothing could be done to counteract this powerful idea. At the CBO meeting, as Salah Loutfi later confided to a US officer, Egypt 'argued vigorously against' a boycott of Coke, but to no avail. Their government was now left no other choice but to work towards declaring Coca-Cola non grata.[56]

In the interim, the only thing that the Egyptian government could do was delay the inevitable. The status quo therefore remained, Arab League regulations endured, and Egypt had yet to boycott Coca-Cola officially. By late February 1967, the only Arab state to legislate the CBO recommendation was Syria, where Coke had never operated. It appeared that the instinct of the firm's leadership was correct: where Cairo went, so did Coke's Arab business. Furthermore, crucial Egyptian officials remained sympathetic. In a meeting with the US embassy, the Egyptian under-secretary of the economy, Hussein Khalil Hamdi, anxiously raised the issue of the Arab boycott of Coke. As the individual 'in charge of boycott matters', Hamdi explained to a US officer that Cairo was 'in a difficult position … Your people know how I feel about this.' Egypt could 'be no less Arab than Arabs on boycott matters'. For this reason, anti-imperial currents trumped economic interests and purported global integration via coca-colonization. During the CBO meeting in Damascus, Egyptian

54 NARA II, 59, 927, Beirut to State, 20 February 1967.

55 'UAR prepares for conversion of Ford assembly plant, Coca-Cola into other possible uses', *Arab World*, 25 November 1966, p. 9.

56 NARA II, 59, 1013, 'Memorandum of conversation', 28 November 1966; NARA II, 59, 1013, Dean Rusk to Cairo, 28 November 1966; NARA II, 59, 1013, Cairo to State, 30 November 1966.

'delegates had been instructed to do no talking prior to the voting. Finding Arab unanimity' on the issue of Coca-Cola, they had no other choice but to vote with 'other Arab states'. Once again, Arab decolonization forced Egypt's hand. 'Time', therefore, 'was not working in favour' of Coke. The CBO 'had been "too successful"'. Hamdi declared that, without a volte-face on the part of the Coca-Cola Company, 'there was no chance of the boycott action being rescinded or quietly forgotten'. The Egyptian ban of Coca-Cola was 'now at the printers'.[57]

On 8 April 1967 – roughly six weeks before the start of the Arab–Israeli crisis of 1967 – the Egyptian boycott of Coca-Cola became official. Nevertheless, Hoppers informed Atlanta that 'he [was] relatively optimistic now that [a] boycott will not be applied'. Broad support existed within Egypt's top brass vis-à-vis an eventual extension of the Coke deadline, which in turn granted more time to engender a potential Arab League reassessment of boycott regulations.[58] As the CBO-recommended deadline on Coca-Cola production neared in late August 1967, the Nasr Bottling Company showed no signs of halting its manufacture. Hoppers notified the firm's Atlanta headquarters that the extension of an additional grace period was on the horizon. According to an Egyptian bottler, the Cairo government might even extend Coke manufacturing 'without a time limit'. In early September 1967, the government officially extended the 'production and sale of Coca-Cola until [the] present supply of concentrate [was] exhausted'. Aziz Farag, a local plant manager, predicted that 'At the present price of three piasters a bottle', Coke's current inventory would last 'about a year'.[59] A hard deadline appeared elusive.

The joint US–Israeli announcement that a Coca-Cola plant was set to commence production in Israel in February 1968 ultimately forced Egyptian compliance with the Arab League recommendation, however. When a CBO meeting in Alexandria opened shortly thereafter, the coca-colonization of Israel generated renewed Arab calls for a comprehensive economic boycott of the multinational firm. In the wake of the third Arab–Israeli war of 1967, countless Arab leaders declared the boycott to be 'an Arab defensive measure against the ambitions of Zionism and [Israeli settler] colonialism'. CBO officials reiterated their prior recommendation that Arab League members boycott Cola-Cola in nine months time, thus giving Arab bottlers ample time to recalibrate bottling operations. As the conference host, Egypt simply could not remain idly on the sidelines. The Cairo government voted in favour of the CBO resolution and, this time, officially informed the Atlanta office of a definite 1 August 1968 deadline.[60]

With Egypt committed to banning Coke, the Atlanta office prepared for the worst. In mid May 1968, the CCEC's Middle East headquarters officially relocated from Beirut to Rome in the event of 'an ultimate shutdown of Coca-Coca bottling plants in the Arab world'.

57 NARA II, 59, 927, Damascus to State, 29 February 1967; NARA II, 59, 927, Cairo to State, 16 March 1967.

58 NARA II, 59, 927, Cairo to State, 22 April 1967; NARA II, 59, 927, Cairo to State, 5 May 1967; NARA II, 59, 927, Cairo to State, 7 April 1967; NARA II, 59, 927, Rusk to Cairo, 27 April 1967.

59 EU, MARBL, RWWP, 49, 1, Hoppers to Talley, 30 August 1967; RWWP, 49, 1, Hoppers to CCEC Office, 6 September 1967; NARA II, 59, 1613, Cairo to State, 21 September 1967.

60 EU, MARBL, RWWP, 49, 1, 'Arab boycott fails to stop Coca-Cola; plant set in Tel Aviv', *New York Times*, 24 September 1967; 'Arab boycott conference is opened in Cairo', *Arab World*, 4 October 1967, p. 5; NARA II, 59, 1613, Beirut to State, 21 February 1968.

As Coke supplies dwindled, Arab bottling plants began manufacturing competing soft drinks, such as Pepsi-Cola. The Nasr Bottling Company, for its part, saved the company that humiliation by switching its production to a 'Dutch product[,] Naarden'. Yet Coke officials were livid upon hearing that, until the official start of the boycott, the Egyptian company intended to sell Naarden 'under Coca-Cola trademark and in Coca-Cola bottles'. In spite of this, Cairo ensured the US State Department that Coca-Cola would be 'off the market in August'. The Nasr Bottling Company would begin distribution of a substitute beverage, which they would call 'Si-Cola'. Given that there is no equivalent to the Latin letter 'c' in the Arabic alphabet, one could assume that they sought to spell out the letter phonetically with the intent of naming the product 'C-Cola'.[61]

Conclusion

Coca-Cola's trajectory in Egypt from 'Cacoola' to 'Si-Cola' sheds important light on the interplay between cultural globalization, political decolonization, and economic development. All of these processes weighed heavily on the minds of Nasser and Egyptian officials as they sought to modernize their national economy further, preserve their recently obtained national right to territorial integrity, combat Israeli settler colonialism, international Zionism, and Western imperialism, as well as inculcate daunting industrialization and social welfare programmes. Once Egypt decided that Coke was not integral to its national development, the company had no choice but to deal with the consequences. In other words, the Arab–Israeli conflict could not remain confined within the 'shiny red cooler'. As Coke discovered, the postcolonial movement for decolonization and thus the Arab boycott of Israel were 'the real thing'.

As this article has revealed, however, the coca-colonization of Egypt did not solely produce tensions. Efforts to save Coke and perpetuate Coca-Cola exceptionalism transcended national borders and imaginaries. Even if Coke's metropole was centred in the United States, coca-colonization did not exclusively involve US citizens. Nor was the meaning of Coca-Cola strictly 'American': many believed that it had become inherently 'Egyptian' and a part of quotidian life. The coca-colonization of the Egyptian periphery was a global ideology and a joint US–Arab project, which incorporated Atlanta executives, Coke officials, Egyptian technocrats, the editor-in-chief of *Al Ahram*, the Nasr Bottling Company, Arab bottlers, plant managers, assembly workers, and perhaps even shoe-wearing 'old-time ice merchants'.

As such local, national, regional, and global negotiations over the Egyptian boycott of Coca-Cola demonstrate, US and Egyptian interests both converged and clashed. Informal US–Arab cooperation outlasted Coke's sunset in Egypt, as the ongoing globalization of popular culture, including soft drinks, continued to foment connections between the Arab world and the United States.[62] A mere five years after the Coca-Cola ban, the Egyptian

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61 NARA II, 59, 1613, Beirut to State, 15 May 1968; NARA II, 59, 1613, Dhahran to State, 26 June 1968; NARA II, 59, 1613, Jidda to State, 30 June 1968; NARA II, 59, 1613; Kuwait to State, 25 July 1968; NARA II, 59, 1613, Cairo to State, 28 June 1968; NARA II, 59, 1613, Cairo to State, 3 July 1968; NARA II, 59, 1613, Kuwait to State, 7 July 1968.

62 For more on the Arab Middle East and the globalization of popular culture, see Andrew Hammond, *Popular culture in the Arab world: arts, politics, and the media*, Cairo: American University of Cairo Press, 2007; Marwan Kraidy, *Reality television and Arab politics: contentions in public life*, New York:

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governmnent's *infitah* (economic liberalization) opened the door for Pepsi-Cola, which, owing to its refusal to expand into Israel, rapidly overcame 'Si-Cola' and swept up Coke's former clientele. By the time Coca-Cola re-entered the Egyptian market following the Camp David Accords of 1978, Pepsi was ubiquitous in Egypt.[63]

In this particular case of the 'pause that refreshes', the tensions of Egyptian decolonization overcame coca-colonization. Coke's encounter with the Arab–Israeli conflict thus altered the meaning of Coca-Cola in Nasser's Egypt and ultimately engendered de-coca-colonization. By officially boycotting Coca-Cola in 1968, the Egyptian government did not reject cultural globalization, or economic modernization for that matter, as the ensuing rise of Coke's arch-rival, Pepsi-Cola, in Egypt clearly demonstrates. Nor was Cairo disconnected from the global flow of capital, people, ideas, and goods, but chose to concentrate its support on one of these processes: decolonization.

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Cambridge University Press, 2009; Mark LeVine, *Heavy metal Islam: rock, resistance, and the soul of Islam*, New York: Broadway, 2008.

63 Capparelli, *Real Pepsi challenge*, p. 236; Neville Isdell and David Beasley, *Inside Coca-Cola: a CEO's life story of building the world's most popular brand*, New York: St Martin's Press, 2011, pp. 113–14; Kristin Koptich, *A poetics of political economy in Egypt*, Minneapolis, MN: University of Minnesota Press, 1999, p. 43.