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Middle East / Australia

July - Aug. 57

Suez Canal clearance: - Correspondence
between D.H. and Australian Mission to the U.N.

C O P I E

Australian Mission to the United Nations

26th July, 1957

The Permanent Representative of Australia presents his compliments to the Secretary-General and has the honour to refer to the exchange of letters between the Chairman of the Australian Delegation to the Eleventh General Assembly and the Secretary-General on 17th January, in connection with the decision of the Australian Government to offer an advance of \$1,000,000 in convertible currency towards the initial expenses incurred by the United Nations in clearing the Suez Canal. As one of the countries which advanced funds to the United Nations for this purpose the Australian Government would appreciate information from the Secretary-General regarding the clearance operation including reference to the amount spent, the particular results achieved by such expenditure and any balance remaining unspent out of the funds advanced.

The purpose of these advances according to the understanding of the Australian Government was to assist the Secretary-General in carrying out operations in the form described in his report to the General Assembly of 10th January. In annex 1 of that report the Secretary-General gave a summary of the plan of work covering tasks to be completed in three general stages making possible the resumption of normal traffic in the Canal. It is understood that the first two stages were completed some months ago. The Australian Government would therefore particularly welcome information as to work carried out or planned in connection with the final stage as set out in the annex to the Secretary-General's report of 10th January.

The Australian Government recalls that these advances were requested, as noted in paragraph 15 of the Secretary-General's report, "in order to meet immediate needs for funds to cover initial and current costs", and that the Australian Government in responding to this request stated that Australia's advance was "to help the Secretary-General to meet immediate commitments to contractors who are already engaged in Canal clearance". The Australian Government considers that no further expenditure of the Australian advance would be justified and would appreciate information regarding repayment of the unexpended balance. The Australian Government of course looks to the United Nations for repayment of the total advance.

The Permanent Representative of Australia avails himself of this opportunity to renew to the Secretary-General the assurances of his highest consideration.

28th August, 1957.

Australian Mission to the United Nations

The Acting Permanent Representative of Australia presents his compliments to the Secretary-General of the United Nations and has the honour to present the following comments of the Australian Government in the light of the exchanges which have taken place in New York between the Permanent Mission of Australia and the Secretary-General of the United Nations, regarding the clearance of the Suez Canal.

The Australian Government has noted the explanation which the Secretary-General has given in his note of 15th August of his reasons for offering assistance with dredging operations after the Canal was fully restored to normal traffic.

Prior to the last discussion on this matter which took place with the Secretary-General, the Australian Government's attention had not been drawn to the point that no dredging was undertaken by the United Nations during the clearance operation. Thus, the phrase "remaining dredging operation" in the Secretary-General's Note of 2nd August was felt to contain some ambiguity.

Further in this connection, the Australian Government had not previously understood that, although the Secretary-General did not feel able to accept responsibility for repair of dredging equipment, salvage responsibility rested on the United Nations for the silting which occurred not only during closure of the Canal but also immediately after reopening, which silting the Secretary-General has suggested could not be removed because of lack of equipment.

The Secretary-General,
United Nations Headquarters.

It had thus not been in the knowledge of the Australian Government that the three stages of the clearance operation were in effect telescoped in point of time and that, in the Secretary-General's view, the third stage included dredging.

While in its reading of the General Assembly Resolution of 2nd November and in its understanding of the scope of the clearance operation the Australian Government differs in some respects with the Secretary-General, it recognizes that these matters may well be open to varying interpretations. By way of illustration, the Australian Government has always understood that the phrase "restore secure freedom of navigation" in the Resolution of 2nd November referred to freedom from discriminatory practices and political interference.

There is another aspect of this matter which is felt to be obscure. If, as the Secretary-General states, no dredging has been done since the Canal was blocked, it is a matter for conjecture how the Canal has in fact been kept open. This may suggest that the dredging operation now in prospect might be regarded, after four months have elapsed since reopening of the Canal, as maintenance rather than as an operation to permit reopening. In any case, the Australian Government has considered throughout that the United Nations' responsibility for silting should be limited to that which occurred during closure of the Canal.

As the Australian position is safeguarded by the specific conditions attached to its advance (and it is noted that the Secretary-General recognizes the Australian Government's freedom of action with regard to this advance), it is not the intention of the Australian Government now to pursue the question of the Secretary-General's authority with regard to dredging after reopening of the Canal. As the Secretary-General acknowledges, the use of this advance is distinct from the question of the extent

of the mandate given to him by the General Assembly. However, the expenditure of any part of the Australian advance upon dredging operations to be undertaken now would contravene the conditions attached to that advance, and the Australian Government is unable to waive those conditions.

The Acting Permanent Representative of Australia avails himself of this opportunity to renew to the Secretary-General the assurances of his highest consideration.

28th August, 1957.

Permanent Mission of Australia
to the United Nations

The Acting Permanent Representative of Australia presents his compliments to the Secretary-General of the United Nations and has the honour to present the following comments of the Australian Government in the light of the exchanges which have taken place in New York between the Permanent Mission of Australia and the Secretary-General of the United Nations, regarding the clearance of the Suez Canal.

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the use of this advance is distinct from the question of the extent of the mandate given to him by the General Assembly. However, the expenditure of any part of the Australian advance upon dredging operations to be undertaken now would contravene the conditions attached to that advance, and the Australian Government is unable to waive those conditions.

The Acting Permanent Representative of Australia avails himself of this opportunity to renew to the Secretary-General the assurances of his highest consideration.

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The Secretary-General of the United Nations presents his compliments to the Acting Permanent Representative of Australia to the United Nations and has the honour to refer to his note of 9 August 1957 regarding the Suez Canal clearance operations.

In reply to the general question raised by the Australian Government the Secretary-General wishes to refer again to the complete statement given in his note of 2 August. He adds the following replies to the precise questions now presented by the Government of Australia.

1. The Government refers to the final sentence of paragraph 5 of Annex I to the report to the General Assembly of 10 January 1957 (A/3492), read in conjunction with the description of "the third stage" in the same Annex. As explained in the previous note, it was found to be more satisfactory for the United Nations to phase out its ships when the salvage operation in a narrow sense was completed than to pursue the dredging operation with their assistance. It is, thus, the operation described in the sentence referred to, which is now reflected in the proposed disbursement. The phraseology in the description of phase 3 did, of course, not exclude dredging, which could not be limited to phases 1 and 2.

2. In practice General Wheeler and the United Nations salvors found it impractical and uneconomical to adhere to the stages referred to in this Annex. Consequently the three stages were largely telescoped timewise. Since it was found that the opening of the Canal to vessels of maximum draft could be achieved at an

earlier date than was at first contemplated, it was of course in the interests of the United Nations and world shipping that there should be no rigid adherence to the time implications of the staging plan if the work could be concluded at an earlier date. As far as the elements of the task were concerned as set forth in the Annex, they included the removal of obstructions, assistance in the restoration of workshops, telecommunications, lighting and also dredging.

3. The Government further refers to the resolution of the General Assembly of 2 November 1956. This resolution has later been amplified in the light of studies and considerations for which Members of the General Assembly had not had any opportunity to express themselves when the resolution was passed. The phrase "steps to be taken to re-open the Suez Canal and restore freedom of navigation", in the light of practical considerations, certainly should include such steps as would guarantee that navigation would not be imperilled by silting both during the closure and in the period immediately following the completion of the salvage operation. The fact that passage of full traffic has now been going on for four months -- as stated by the Australian Government -- shows that safe navigability was restored at the opening of the Canal, but as the United Nations had refused to undertake any responsibility for the re-establishment of equipment necessary for the resumption of normal dredging, the United Nations carried the responsibility if navigability were to deteriorate within the immediate future due to silting.

4. No dredging had taken place when the United Nations phased out and no dredging could take place effectively as long as the Canal was not clear for traffic. The word "remaining" obviously should be read in its context as indicating that what remained to be done was the dredging, the other parts of the United Nations operation having been completed.

5. No information can now be given on the "nature and extent of the silting" beyond what was said in the latest note, that is, that by the time of the re-opening for Traffic silting was estimated to have taken place to an extent of 500,000 m³, and that the rate of silting would considerably increase on the re-opening of the Canal. As to the extent of the United Nations responsibility, the Secretary-General refers to what has been said above and in his previous note.

6. While the Australian Government is obviously entitled to determine the conditions under which its advance is used, it appears to the Secretary-General that it is for the General Assembly to decide whether or not it approves of the interpretation of the Secretary-General of its decision on United Nations participation in the Canal clearance. The Secretary-General maintains his stand on the interpretation of his terms of reference, pending a decision by the General Assembly. This does, of course, in no way limit the freedom of action of the Government of Australia as regards its own advance.

7. A new situation might, in the view of the Secretary-General, arise if for some reason full scale dredging was delayed so as to put the obligation of the United Nations in a changed perspective. With the passage of time, within fairly narrow limits, the obligations of the United Nations would conceivably have to be reconsidered.

8. The Secretary-General hopes that these explanations will show the extent to which United Nations participation in the Canal clearance, being determined solely by the interest of world shipping, reasonably should go under the terms established by the General Assembly. With this interpretation of these terms, the alternative to the solution

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chosen would have been that the United Nations would have maintained part of the salvage fleet in the area for a longer time in order to carry out the necessary dredging through its own contractors. In all probability this would have involved considerably greater cost to the Organization.

13 August 1957

~~The Acting Permanent Representative of Australia to the~~
United Nations presents his compliments to the Secretary-General
of the United Nations and has the honour to refer to the
Secretary-General's letter of 2nd August last regarding the
Suez Canal clearance operations, for which reply the Australian
Government expresses its thanks.

The Australian Government welcomes the information contained
in paragraphs 1 and 2 of the Secretary-General's note. The
Australian Government notes that the Secretary-General plans to
disburse to the Egyptian Canal Authority from the clearance
advances a further sum of one million dollars for dredging which
the Secretary-General regards as part of the clearance operation,
but which has yet to be done. In the view of the Australian
Government it is a matter for serious doubt whether such dredging
can be regarded as part of the clearance operation, and the Government
further finds it difficult to understand why the United Nations
should disburse any further funds upon dredging almost four months
after the Canal has been fully restored to normal traffic.

When the clearance advances were sought, their purpose was
to assist the Secretary-General in carrying out operations in the
form described by him in his report to the General Assembly of
10th January (A/3492). In that report the Secretary-General gave
a plan which covered tasks to be completed in three stages, making
possible the resumption of normal traffic through the Canal. The
**first two stages, which included dredging, were completed early
in April, 1957. The third stage, as we understand it, did not
provide for United Nations expenditure on dredging. In any event,**

/The Australian Government

**The Secretary-General,
United Nations Headquarters,
New York**

the Australian Government understands from the Secretary-General's note at this stage is completed. The position with respect to dredging is made clear by the final sentence of paragraph 3 of the annex to the Secretary-General's report, read in conjunction with the description of the third stage.

It is the view of the Australian Government that the extent of the dredging for which the United Nations accepted responsibility is that which was necessary to re-open the Canal to normal traffic. That view is based upon the resolution of the General Assembly of 2nd November, Paragraph 4 of that Resolution says "urges that.... steps be taken to re-open the Suez Canal and restore secure freedom of navigation". In any case, the passage of full traffic for almost four months surely establishes that normal, safe navigability (paragraph 4 of the Secretary-General's Note) was restored by the United Nations in April.

The Australian Government would much appreciate receiving the comments of the Secretary-General on the foregoing three paragraphs.

It is not clear to the Australian Government from the text of the Secretary-General's note whether in fact any dredging has been performed by the United Nations as part of the clearance operation. Presumably it was necessary to dredge to re-open the Canal to normal traffic; hence, the reference in paragraph 3 of the Secretary-General's Note to "the remaining dredging operation". Thus the Australian Government would appreciate confirmation that before re-opening, dredging was carried out as a part of the clearance operation.

The Australian Government would also appreciate further information as to the nature and extent of the silting upon the removal of which the Secretary-General plans now to disburse one million dollars. Paragraph 3 of the Secretary-General's Note seems to imply that at least part of the silting to be removed has occurred since the Canal was re-opened. In the view of the Australian Government, the United Nations has no responsibility to assist in the removal of such silting.

9th August, 1957

The Australian Government wishes again to draw to the Secretary-General's attention that the Australian advance was made "to help the Secretary-General to meet immediate commitments to contractors who are already engaged in Canal clearance", in response to his immediate need for funds to meet initial and current costs of clearance. It was clear from the terms of the Australian advance that without its agreement the Secretary-General is precluded from spending the remaining portion of that advance upon dredging operations which have yet to be undertaken. It is regretted that in the light of the circumstances which have come to pass since the advance was made, the Australian Government could not agree to any such expenditure.

The Acting Permanent Representative of Australia avails himself of this opportunity to renew to the Secretary-General the assurances of his highest consideration.

The Secretary-General of the United Nations presents his compliments to the Permanent Representative of Australia and has the honour to refer to the note of 28 July 1957 requesting information regarding the Suez Canal clearance operation, including a reference to the amount spent, the particular results achieved by such expenditure and any balance remaining unspent out of the funds advanced.

The Secretary-General wishes to state that the financial accounts relating to the operation are about to be closed and that a full report, including all areas of the inquiry will be submitted to the General Assembly before the opening of the twelfth session.

The Secretary-General believes that the Government of Australia, along with other Governments who have already been apprised of the facts, will be happy to learn that the total United Nations operation involved a cost in the neighbourhood of eight and a half million dollars, a sum many millions less than the rough estimates which were made in the early stages of the operation. The advances made by eleven countries amounted to \$11,227,453.22. It is the intention of the Secretary-General to disburse the balance between the costs and the advances on a pro rata basis in early September as soon as technical negotiations with the Salvors are completed on a few remaining items.

The Secretary-General has been guided in his policy on this project solely by the General Assembly resolutions which provided for a United Nations undertaking for the clearance of the Suez Canal with the aim of restoring it to a condition of normal and safe navigability. This entailed the removal of several score of obstructions in the Canal and the provision of assistance in the restoration of workshops, telecommunications and lighting systems. It also involved United Nations responsibility for the restoration of the channel as such to its normal depth.

It was estimated that some 30,000 cubic meters of siltage had accumulated during the period of closure and it was anticipated that there would be a further and more rapid accumulation of siltage immediately upon the re-opening of the Canal pending a resumption of full-scale dredging. Since the United Nations salvors fleet had no dredgers and the Egyptian Canal Authority was short of dredging equipment, it was decided in the later stages of the clearance operation that it would be more economical to the United Nations for the salvors to cancel out upon the completion of the other tasks and for the United Nations to cancel itself out of the remaining dredging operation by translating its uncompleted contribution to the restoration of the navigability of the Canal by making a commitment of up to one million dollars to the Egyptian Suez Canal Authority, this amount being the anticipated cost for performing the task within the terms of reference of the General Assembly which had remained undone by the United Nations. This sum of one million dollars, which thus refers entirely to the basic and limited task of the United Nations as uncompleted at the time of the end of the other operations, remains in the hands of the United Nations. Payments of portions or all of the million dollars will be made to the Egyptian Authority upon the receipt of statements of dredging contracts made and completed.

As for the allocation of costs, approximately three-fourths of the eight and a half million dollars was paid to the salvors for the removal of obstructions, while another sum amounting to roughly one million dollars covered costs in connection with the restoration of workshops, telecommunications and lighting systems. The additional million dollars, within the total cost, is obligated for dredging as indicated above.

The Secretary-General has taken steps and can report progress in the development of plans aiming at a full repayment to the eleven

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countries of the advances that they have made. More detailed information should be available on this matter in September.

The Secretary-General hopes that this information will be helpful to the Government of Australia in its understanding of the manner in which the United Nations has discharged its responsibility.

2 August, 1957