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Middle East

Meeting of Advisory Committee on UNEF

31 Jan. 57

MEETING OF ADVISORY COMMITTEE ON UNEF
(Meeting held in the Secretary-General's
Conference Room on Thursday, 31 January
1957, at 10.00 a.m.)

The SECRETARY-GENERAL: I felt that it would be good at this stage, when we know more about the total cost of the clearance operation, to get back to the question of financing and to have a free exchange of views on that issue. I would like first of all to ask Mr. Cordier to tell you how the cost estimates look at present.

Mr. CORDIER: Some time ago, reports were circulated, which were largely newspaper estimates, that the probable cost of clearing the Suez Canal would be around \$40 million. That figure seemed, in any case, somewhat higher than our thoughts at that time, and now, on the basis of a much firmer appraisal of actual costs, we are able to submit and circulate for your information this very brief appraisal of the budget estimates. This brings the total to \$20 million. As you will note from the paper, these estimates are based on information from General Wheeler and also based on information which we had here at United Nations Headquarters. The contracts were drawn up here, and, of course, the contracts provide the hard core of the major part of the total budget. These contracts are, of course, with the two contracting companies, the Dutch and the Danish firms.

In turn, the contracts are based upon the time estimate which was made some time ago, that is, the completion of the first phase in early March and the second phase in early May. Naturally, there may be modifications in both directions, that is, there may be slight modifications in the direction of saving or modifications in the direction of unexpected expenditures, but I think that one has reason to believe that these two will more or less cancel each other out and that, therefore, the estimate of \$20 million is a reasonable estimate. Two additional figures, the figure of \$3,500,000 covers operational supplies, fuel and so forth, and the figure of \$3,000,000 covers dredging, survey costs, insurance, transport and so on, may be supplemented by some slight additional cost relating to the provision of floating equipment, since our policy has been that our objective should be to put the Canal into shape for normal traffic, and that normal traffic, of course, might include provision in this first stage for hire of such floating equipment as may be necessary for safe transit.

The SECRETARY-GENERAL: Thank you.

Mr. KATZIN: What Mr. Cordier has said really summarizes the situation. The floating equipment costs which may be necessary are not yet known, but so far as we know from the point of view of the necessary hire of craft, it will be relatively small. We are stilling waiting for a final analysis from the field on that point. We have one experts' report which General Wheeler is studying, which does not indicate that the needs will be very large in the first stages, but that estimate is under review by General Wheeler.

Mr. ENGEN (Norway): I did not hear what was the estimate.

Mr. KATZIN: It was the estimate of floating equipment needs for hire in the first part of the operation.

The SECRETARY-GENERAL: There is a special question concerning the extent of what needs to be done, on which I know Mr. Martiñez Cabañas has some views. Mr. Martiñez Cabañas has been with General Wheeler until a few days ago, and for that reason has first-hand information and first-hand impressions. I invite him to comment on these problems.

Mr. MARTÍNEZ CABAÑAS: Mr. Secretary-General, I had the honour and the pleasure to be a member of General Wheeler's team from the beginning. I was with him during all of December and all of January, facing the immediate problems here in New York, and in Cairo, Port Said, Ismailia and Port Suez. It has been very difficult work.

I wish to start by saying that the technical group could not be better. You have in General Wheeler certainly the best leader of a team. He has not only a knowledge of the technical problems, but a real ability to conduct people and to lead them. He has with him a very good executive assistant, Mr. Connors, who is a highly qualified expert in machinery and in engineering. In addition, combined with his American skill and ability to lead this kind of enterprise, there is the traditional knowledge of the European firms which have, I believe, the most advanced technique in salvage operations. They have been in this business for more than one hundred years, and they are doing a remarkable work.

Each one of the members of the team is tops in his own specialized field. As far as the technical aspects of the problem are concerned, there are no difficulties, and General Wheeler and his group are confident of being able to do the work and to do it on time, providing there are no delays due to political obstacles. Fortunately, most of the political obstacles have been removed.

We were happy to see the work done by the British and French fleets in Port Said harbour almost complete. That was one of the most difficult phases of this operation. From 24 December to 24 January, exactly one month, we had more than fifteen British and French units in Port Said harbour. Not all of them were working, and during the last days of December only three salvage units were allowed to work in the harbour. It was only after the visit of Mr. Cordier and Mr. Katzin that we got the final arrangements to permit another six technical units to operate in the harbour, and there was an interminable discussion about the rest of the fleet. Finally, after many adjustments, most of the work in the Port Said harbour was done, and I think it is fair to record here that no incidents occurred, even in the most tense and difficult situation vis-à-vis the French and British and the Egyptians. I want to state that from the two sides we received co-operation and good will. There was no single personal incident in the most tense situation I have ever seen, if you consider that Port Said had been bombed and so many inhabitants killed. The only explosion we saw was the blowing up of the Ferdinand de Lesseps statue. Many of us considered that was some kind of an irrational movement, but when we think that the explosion was of an inanimate object, instead of an explosion in one of the boats or the killing of soldiers or sailors on the other side, at the end we were pleased to see that the explosion of the peoples' feelings were directed against something inanimate.

I had the opportunity of travelling along the Canal with General Wheeler many times. The work is proceeding at its own pace and everyone now knows what he has to do and how he has to do it.

From the Egyptian side, we have always counted upon full co-operation at the technical level. May I comment on the Egyptian side, because probably it is not well known here. The Government has created the Egyptian Suez Canal Authority, which is the replacement for the old Universal Canal Company.

At the head of that Authority there is a very able man, Colonel Younis, and he has round him a group of Egyptian technicians and engineers of the highest quality and qualifications. I do not believe that he has sufficient personnel around him, but the few that are now in charge of this clearance operation are very good. We have had no technical differences with them, and in the majority of cases they have accepted the points of view of our technicians and of our group. There have been instances where we wanted to do things instead of them, such as the moving of the marooned vessels, but that problem was solved without incidents. It was solved on the basis of the technical study we made.

In so far as the internal situation of the country is concerned, it is reflected also in the Canal Zone. There is a very difficult economic and financial situation in Egypt. There is unemployment all along the Canal Zone. Any efforts to keep the people busy will be worth while for the maintenance of peace in that part of the world. There are thousands of persons without work. There are hundreds of businesses which have been paralysed for months. Life in Port Said, Ismailia and Port Suez has been practically paralysed for the last three or four months. I mention this because it is important to rehabilitate the workshops. Here we have the first lists of equipment, material and so forth, and I think the United Nations is active in providing these things. The sooner we can rehabilitate the workshops, the sooner many people will go back to work. At the present time, there are only a few groups working from the Egyptian side.

Finally, I think that the group has felt that from this end there has been a considerable amount of support, and all the time there we felt that in doing this operation we could count on the support of many countries in the world. This has created a very good effect on the Egyptian side too.

The **SECRETARY-GENERAL**: How about the special question of tugs and launches?

Mr. **MARTINEZ CABANAS**: As you probably know, the old company had about sixty units, tugs, vessels and launches, to operate the Canal. It has been estimated that a minimum of twenty-eight units of certain types are required to resume operations in the first stage. I think that many units available in the area have not been damaged. There will be a few salvaged units in need of immediate repairs, such as changes of engine and so forth. It seems to me it would be worthwhile to provide a minimum of help in providing engines, spare parts and so on to put them into operation. It probably will be the case that some of these units will not be ready for the first operation of the provisional channel.

Then I think provision is made in the budget for the hiring of maritime equipment. It would be a very good gesture, not only from the point of view of employment of the people in the workshops, but also for the rehabilitation of the whole agency to provide the minimum help to maintain the minimum fleet which is needed.

In conversations that I had with Colonel Younis -- General Wheeler has also had some conversations with him -- he asked us if we could provide for these things. My recommendation was that they should prepare a minimum list of the indispensable things. Of course, General Wheeler could not commit himself because that was not in accordance with the principles you have approved here; that belongs to the second part, and it is financially one of the obligations of the Egyptian Authority.

In synthesis, my recommendation would be to allow General Wheeler to estimate the minimum amount of resources for the minimum fleet that is necessary for the preliminary stage.

The SECRETARY-GENERAL: Thank you. Of course, there is a slight misunderstanding. There is no decision in principle, it is one of the questions which remains open, but I think the information you gave on that and other points is of importance for the decisions we have to reach.

I gather from your description that, quite apart from the clearance in the narrow sense of the word, there is some kind of minimum equipment of the type indicated which is necessary in order to allow the Canal to operate properly again, and that in your thinking, and in General Wheeler's thinking, those limited costs for tugs and launches should be regarded as costs on the level with the clearance operation proper, that is to say, as being on the emergency side and of universal interest. It is really a question of where we draw the limit between what we can engage in in order to get things going and what, beyond that, is in itself useful, but with a sharper accent on the Egyptian interest and, for that reason, of a nature which makes it natural to raise the issue as one in negotiation with the Egyptians, in view of probably a different approach to the question of financing. That, as I understand it, is the distinction.

Concerning the general problem, I think that this figure of \$20 million which is now emerging as most likely, the final cost is rather striking. In fact, if one makes a study of the current losses on the Canal when it is closed, the monthly loss on oil transport is \$20 million. The monthly loss on dry cargo transport is also \$20 million. That is only the direct loss. If we were to add indirect losses, of course, we would move on entirely different levels. However, these figures indicate that the question which we have to solve is, in fact, relatively speaking a minor one. At the same time, as we know, it is one of the most intricate questions we can raise at present. I feel, however, that it is very wise in approaching it to recognize that for this limited problem we should not aim at solutions which in fact would prejudge questions of major principle. It would be, so to say, out of proportion to establish a pattern for this or that in relation to a problem which, internationally speaking, must be considered as of limited scope.

In our previous discussions, we have put on record the different possibilities which have to be taken into consideration in isolation or in combination. We have, of course, always the possibility of payment on the basis of United Nations

assessment scales. However, I have not heard anybody so far consider that as a natural approach. There is the possibility of an assessment based on interests, in whatever way we evaluate interests. There is the possibility of an assessment on the basis of responsibilities, which would take us straight into the path of extremely difficult political and legal problems. There is, of course, also the possibility of basing it all, or primarily, on voluntary contributions. There is, further, the possibility of letting the traffic carry the costs by some kind of surcharge distributed over a reasonable number of years. There is, finally, the possibility of avoiding the issue altogether by placing the present payment on a credit basis.

The last solution, which may seem to be the solution of lazy minds, has one advantage, and that is that it would link up the problem with other financial issues which are bound to arise, issues concerning the financing of long-term development and similar matters. At the same time, obviously it would avoid any decision which might prejudice questions of principle.

The penultimate possibility, that of Canal charges added to those which would otherwise be paid, also has obvious technical advantages. The burden on the consumers would be very slight indeed. Various estimates have been made, to which we can revert later, which indicate that this would not be felt at all in the general price structure to the consumer. On the other hand, it has been stated in those informal contacts I have had with various delegations, in order to get an idea about their reactions, that it is practically impossible to choose the surcharge approach without raising a question of principle, because it would take us straight to questions of how payments should be made, what kind of earmarking there should be on the sums collected, and similar matters which will, in another form, arise in the context of a settlement concerning the Canal in general.

At an earlier stage, as you will remember, I said that, looking at the problem technically and not politically, I had a definite inclination in the direction of a surcharge which seemed to be, under all normal circumstances, a very reasonable approach. For that very reason, I wanted to indicate that in talking about this informally I have encountered very serious objections in some quarters. I may add that objections have not been raised from the Egyptian side, which, so far, has taken what I may perhaps best describe as a non-committal, open-door attitude, indicating a willingness to discuss whatever proposals may emerge,

first of all in this group and later on in further consultations. I think that I dare say that on the Egyptian side a surcharge approach would not meet with objection, provided that the technical arrangements were such as not to run against the stand they have taken in principle on the general question of the collection of tolls and charges.

I am sorry that from my side I do not consider it possible at the present stage to give more guidance to the members of the Advisory Committee for their consideration. It is a fact that we in the Secretariat are those who are mostly in need of guidance. Of course, the questions, as we all realize, have such a heavy political accent.

With these words, I should like to ask if you in your thinking have got any further, if there is any advice for immediate preparatory action you want to give us, or if there are any concrete proposals you would like to put before us? I should like to say that roughly a week from now the matter should be put before the General Assembly in some form, and for that reason we are running up against a rather tight timetable.

Perhaps I should have added that a general credit arrangement, the last alternative I mentioned, is, of course, something which can be in principle approved by the General Assembly, but it will require independent negotiations, either with a commercial bank -- I do not think that would be the proper way -- or with the International Bank. In both cases, the final solution would, of course, depend upon the outcome of such negotiations. We cannot, of course, dictate what should be done from their side.

Mr. ENGEN (Norway): We have covered quite a wide field so far, and really I hesitate to try to say anything about all the questions that have been raised. First of all, on the question of the clearance of the Canal, on the reopening of the Canal, I take it that the time schedule which has been announced so far is still valid, the opening will be in the beginning of March.

Mr. CORDIER: Yes. General Wheeler is still holding to that schedule. There has been no change.

Mr. ENGEN (Norway): Then there is the question of providing sufficient technical equipment for maintaining the maximum possible traffic during this period, when there will be limited traffic, if we can put it that way. How serious is the need for additional equipment, that is, in addition to what is available now?

Mr. KATZIN: On that point, as I have said, there has been a technical study, but it is still subject to recheck by General Wheeler, and he is busy on that now. The amount of minimum equipment required is likely to be relatively small. One estimate is two salvage tugs, four harbour tugs, twelve motor launches, and nine pilot boats and cutters, but this is not a firm figure.

Mr. PEARSON (Canada): Is this all to replace equipment that has been destroyed?

Mr. KATZIN: It is to restore some limited transit operational equipment that has been destroyed. There is one point arising out of the hire of equipment. It would presumably be under the operation and control of the Canal authorities, and there would be some complications on insurance aspects and matters of that description. They are technical problems which still have to be examined.

Mr. ENGEN (Norway): Actually my point here is that while I do not think there will be much disagreement about the need for an expedient way for financing the clearance operation itself of the Canal, when it comes to the question of acquiring new equipment, replacing destroyed equipment immediately, it has been my experience, after having talked with several of my colleagues here, that it immediately raises a question of a distinct political nature. My question is -- I am really at a loss at the moment as to any firm ideas as to how we should go about this question of financing -- should we tie together the cost of the clearance operation and the cost of acquiring new equipment? Is that possible or will it be wiser, so to speak, to separate the cost of the mere clearance operation and try to find a way of financing that without raising all kinds of difficult political questions? For the moment I cannot think of any firm ideas as to how it should be done in the time allotted to us.

The SECRETARY-GENERAL: May I clarify one point. If I understood correctly the technical information we have now, the basic needs indicated by Mr. Martinez Cabanas would represent something like half a million dollars.

Mr. MARTINEZ CABANAS: It is a very rough estimate.

The SECRETARY-GENERAL: But it is half a million dollars. If you look at that half a million dollars as added to or included in the 20 million dollars, I would like to regard that as a problem of the same nature as the twenty because it concerns the emergency and international interests. But over and above that,

I have always, in my own thinking, made a sharp distinction because once we depart from what I call the emergency field and go into the investment field, the financial problems of course look rather difficult. However, if we come to the question of some kind of credit arrangement, I feel that such a credit arrangement, although the obligation to provide for repayment of the credits remains a political problem, should be one which brings us out of the trouble for some time ahead, and not only of the immediate trouble which we have as an organization. That is to say, to be quite clear on that point, I would consider the question of a credit arrangement, if we come to that, as the main real question, as one where the political problem arises when we come to the question of repayment, but not in the basic arrangement.

Mr. ENGEN (Norway): Would it be possible to get a credit arrangement without having some kind of assurance on the question of repayment?

The SECRETARY-GENERAL: I do not believe that the International Bank, which is run, as you know, strictly on banking lines, would take our word for repayment. They would certainly like to have concrete arrangements. That is one of the things I had in mind when I said it would require negotiations with the International Bank.

Mr. MIR KHAN (Pakistan): I have not had the occasion to consult my Government on the various possibilities of financing the clearance, and I will do that at the earliest opportunity. But I would like to read my Government's mind, if possible, to say that perhaps the two arrangements -- either this system of the surcharge or possibly a credit arrangement, the last alternative that you explained -- might be found acceptable, but on condition that the Assembly as such, where United Nations Members are represented and users as Members of the United Nations are represented, has an opportunity of discussing it. I have had this feeling which I did express last time: that while we are going on with the clearance of the Canal, the actual decision as to incidence is really lagging behind -- and that is definitely a political question. If it is a surcharge, I think the users should have to say something about it, and they should have an opportunity to say it at the earliest moment. And that can

only be, as you have already presumed, on some sort of arrangements with the Egyptian Government. If it is to be on the system of United Nations contributions, then we as Members of the United Nations should have a very early opportunity of pronouncing ourselves on that.

The SECRETARY-GENERAL: As you know, I have plagued you time and again with this problem.

Mr. MIR KHAN (Pakistan): What I was leading to, Mr. Secretary-General, when I also gave the last point that I want to make is that even in the credit arrangements, if credit has to come from the World Bank -- the World Bank is run by Members and we have directors in the Bank and the Governments will have to give them instructions which are political instructions. So even that is linked up really with a political decision. Therefore, what I was leading up to say was that we should take it up to the General Assembly for pronouncement on these matters as soon as possible.

The SECRETARY-GENERAL: Do I interpret you correctly that you mean that the presentation of the alternatives would be the proper approach to the General Assembly?

Mr. GUNewardene (Ceylon): I personally would think that it is very much better not to place it all before the General Assembly, but for us to decide what is the most feasible alternative at the moment and present it for consideration. I remarked on the last occasion that so far as we are concerned -- we are a very small unit -- a surcharge seems to me to be a very reasonable one. It does not seem to fall very heavily on the users. Nevertheless, I quite agree with the Secretary-General that as things are today, it would be far more advisable to do it on a credit basis than work on the political situation.

The SECRETARY-GENERAL: You say you agree with me? I have carefully avoided recommending anything.

Mr. GUNewardene (Ceylon): You do not say that, but maybe you presume it.

Mr. ENGEN (Norway): I am not in a position to say what my Government would support, the method my Government would support, although I know that we are thinking about this problem along the lines of making as simple as possible an efficient business arrangement for the financing and the repayment of this affair, and as little as possible mixing political considerations into it.

However, on the question of seeking the opinion of the General Assembly on these matters, I am afraid that I cannot quite agree with my very good friend from Pakistan that the best thing to do would be to present the General Assembly with several alternatives. I think that would be asking for trouble of all kinds because for one thing I am sure that after a very short debate, we would have to refer the whole matter back to the Secretary-General to get his opinion on what should be done. That would probably be the practical outcome of it. We should save time and embarrassment. So I do think that when the matter is brought before the Assembly, it should be done in such a form that we know that we have really a factual basis upon which to discuss the matter.

Mr. MIR KHAN (Pakistan): May I say a few words to clarify my position. When I said the alternatives should be taken to the Assembly, I meant the sifting of the various alternatives by this Committee. I did express my preference for the two alternatives. Also, I do see an advantage in taking it up, not only an advantage, but I think it is our duty, the advantage that after a preliminary discussion in the Assembly you might get the views of the Assembly as a whole as to whether the generality of the Members of the United Nations are willing to bear any expense in this connexion at all. At least you would have that more easily than if it came down to, say, just voluntary contributions or perhaps a surcharge which perhaps only the users have to think about and not the generality of the Members of the United Nations. I see that advantage, and that is why I suggest that we should go up as soon as possible even if the Assembly has to -- and I think it will certainly have to -- adjourn after some sort of discussion. It may refer it back to the Secretary-General or to this Committee after narrowing down the political aspects of it. And on that occasion Egypt may have the opportunity to express its views.

Mr. FREITAS-VALLE (Brazil): Mr. Secretary-General, just exploring the matter and giving it prior consideration, I think I have already advanced one idea too about the feelings of my Government and of many delegations, and that is that payment has to be made by the countries which are interested, the countries that were to meet in London about the Suez Canal. I think that is a very clear indication that it is not of universal interest for all of the eighty Members of the United Nations inasmuch as only twenty-two went to London. So I suppose that it would be one of the bases of discussion if it were to come in in this sense.

Mr. MIR KHAN (Pakistan): That is one advantage I see in taking it up with the Assembly. They would narrow it down to something.

The SECRETARY-GENERAL: But the arguments of Ambassador Freitas-Valle does narrow it down in fact to either surcharges or credit because the three other lines are open too. I mean the responsibility line is practically impossible. The interest line is an endless discussion and the general assessment line is rather theoretical.

Mr. MACKAY (Canada): Mr. Secretary-General, I wonder if it would be a fair question to ask you: What objections have been put forward in general to a surcharge, whether they are political or technical? How are you going to collect it?

The SECRETARY-GENERAL: As I understand it, political, because it is considered to prejudge the relationship between the users and whoever should receive fees. You know that that is an open controversy at present, with the Egyptians holding that fees should be paid to the Egyptian authorities, with others maintaining that fees should be paid to the old Universal Canal Company. In this case of course, it is neither Egypt nor the Canal Company which is the recipient. It should be some representative of the United Nations because the surcharge should be added to the rest and earmarked solidly for its own purpose. But such an agent will have, I guess, to pay either via the Canal

Company as matters now stand or via the Egyptian authorities; that is to say, it is said that you cannot decide on a surcharge without in fact prejudging from the United Nations point of view which agency the United Nations recognizes as the right agency for the collecting of tolls and charges. That is the argument.

Mr. MACKAY (Canada): Would it be possible to separate the procedure of collecting the surcharge from the procedure of collecting fees? As an example, would it be possible for the Governments of the users to collect it from their own companies?

Mr. GUNewardENE (Ceylon): One would be connected with the other.

Mr. ENGEN (Norway): Could I just say from a technical point of view that I do not think it would be a workable method. I will give just one example. While we are the second biggest user so far as tonnage through the Canal is concerned, we only pay from Norwegian sources 5 per cent of the tolls, and the reason why, of course, is that the shippers, not the ship-owners, pay the tolls and the toll charges are fixed in the contracts between the ship-owners and the shippers, so if an oil company charters a Norwegian tanker the oil company pays the toll and not the Norwegian ship-owner. Thus it is impossible for the Norwegian Government to collect taxes from foreign shipping.

Mr. MACKAY (Canada): That answers my question.

Mr. GUNewardENE (Ceylon): Then you will be up against the Users Association in various ways and problems will arise once again.

The SECRETARY-GENERAL: The suggestion has been made if one could agree at this stage on an international agency -- and I guess that would have to be the International Bank -- to take the main responsibility in the financing of the Canal development, it would be reasonable for that agency to collect this surcharge. However, as you see, that does require a settlement of much more far-reaching problems. I think it is right to consider it rather unlikely that we

will reach a decision on that in time, so as to get the basis for a decision on this issue. If the United Nations itself could step in with some kind of payment agency and collect it for its own purpose and if that were acceptable to the Egyptian Government, it might be a way out. But I doubt whether that is the line which is likely to be accepted. We run up against the fact that of course we have here a somewhat unusual relationship between the United Nations and Egypt. We have, so to say, advanced the costs on the one side for an operation in which we are assisting the Egyptian Government. It is a bit curious to say that the advancer of the costs should, so to say, in self-protection, collect the fees for the payment of them, bypassing the Egyptian Government. It is perhaps a rather unusual construction, and I think that that point might be raised from the Egyptian side. It has not been raised for the very simple reason that the question has not been put to them.

Mr. GUNewardENE (Ceylon): If it would be raised, a decision would be almost impossible now.

The SECRETARY-GENERAL: We do not have the time for it now.

Mr. CORDIER: May I say in support of what was said by the representative of Ceylon that the weight of this obligation on the traffic in terms of surcharge, for example, would be very slight. Several studies have been made. One of these studies indicates that over a period of, say, three years, it would be one cent plus per barrel of crude oil or, by another calculation, that the differential in the cost around the Cape as against the cost through the Canal would be sufficiently great to cover the cost of the salvage in less than four months. So that those who made these studies feel that if any such proposal is agreed to, the time for the amortization could very well be much shorter than three years. It might even be a year. One recommendation is even less than that so that, as you have indicated, the real weight of it is very very slight.

Mr. GUNewardene (Ceylon): I would be completely in favour of the surcharge proposal but for the political difficulties we are up against.

The SECRETARY-GENERAL: It may be very difficult to advance very much further today, but I think that in any event we have brought the problem a little bit more in focus. I think, however, that we must concentrate on this question now, and for that reason we should agree on meeting again. We will of course do what we can on the Secretariat side to clarify the issue, but we will run into just those difficulties which have emerged so clearly in this discussion. For that reason, short of some kind of preliminary knowledge of how reactions run in the General Assembly, more broadly than as we know it now, I am afraid that a report will be practically impossible to draft in a way which would not, to use Mr. Engen's expression, "cause trouble". I do not know when we can usefully meet again. It depends very much on you, but I would be much less than frank if I did not say that the time pressure on us, on me, is very very strong. Of course, after all, there should be a reasonable time for consideration by the Assembly and the General Assembly is drawing to its close -- in its present form at least.

Mr. MACKAY (Canada): Would it be at all useful -- I merely throw this out for discussion; I am not making a suggestion -- if two or three members of this Committee acted as a working group?

The SECRETARY-GENERAL: For both that and another matter which is linked to it. Personally, I think it would be most useful.

The other matter I had in mind was the quasi-formal contacts with the most interested parties: Egypt, England, France, parties not represented here at this table. I think that there might be a way forward if this committee decided to establish a group of, let us say, three which, together with us in the Secretariat, could have talks across the table with these countries which are the most interested parties. It certainly would clarify the ground and, from our point of view in the Secretariat, it would be extremely helpful. Of course, I have had such discussions, but they have not taken the form which committed anybody to anything. So, if you would feel from your angle that that could be done, we certainly would welcome it very warmly.

Mr. MACKAY (Canada): There are certain users around this table. My suggestion would be that you might pick the working group, Mr. Secretary-General.

The SECRETARY-GENERAL: Based on shipping interests on the one side and cargo interests on the other side, I think that two emerge at once: Norway as a shipper and, I think, the greatest dry-cargo interested party, India. They are indicated by sheer statistics, but I feel that it would be a very good idea to have some, let us call it, more neutral element. I do not know who is willing to volunteer. I do not know if the two countries mentioned are willing to accept it. One is not present and the other one --

Mr. ENGEN (Norway): I will do anything I can to help promote these things.

Mr. PEARSON (Canada): Let the two get together and they can co-opt the third.

The SECRETARY-GENERAL: That is a good idea. But we are agreed on the arrangement for a sub-committee of three and, with the qualification I gave to it, that the group would be intended for joint discussion with us and with those who are the most interested parties in the payment question. I take that to be your view.

Mr. PEARSON (Canada): This whole question could be made easier or much more difficult by our progress in our settlement of the other question which is related to it, but perhaps not directly related to the other question of withdrawal of troops and the security settlement and all that kind of thing. If we are going to begin to discuss that tomorrow, we will be in a better position to know what we can do and cannot do in regard to participation in the other problem at the beginning of next week, I hope.

The SECRETARY-GENERAL: Is there anything more you would like to raise today? I think that has brought us a step forward.

The meeting rose at 11.5 a.m.