

No. 3821

EGYPT

Declaration (with letter of transmittal to the Secretary-General of the United Nations) on the Suez Canal and the arrangements for its operation. Cairo, 24 April 1957

Official text: English.

Registered by Egypt on 24 April 1957.

ÉGYPTE

Déclaration (avec lettre d'envoi adressée au Secrétaire général de l'Organisation des Nations Unies) sur le canal de Suez et sur les arrangements concernant sa gestion. Le Caire, 24 avril 1957

Texte officiel anglais.

Enregistrée par l'Égypte le 24 avril 1957.

No. 3821. DECLARATION¹ MADE BY THE GOVERNMENT OF EGYPT ON THE SUEZ CANAL AND THE ARRANGEMENTS FOR ITS OPERATION. CAIRO, 24 APRIL 1957

24 April 1957

In elaboration of the principles set forth in their memorandum dated 18 March 1957, the Government of the Republic of Egypt, in accord with the Constantinople Convention of 1888² and the Charter of the United Nations, make hereby the following Declaration on the Suez Canal and the arrangements for its operation.

1. *Reaffirmation of Convention*

It remains the unaltered policy and firm purpose of the Government of Egypt to respect the terms and the spirit of the Constantinople Convention of 1888 and the rights and obligations arising therefrom. The Government of Egypt will continue to respect, observe and implement them.

2. *Observance of the Convention and of the Charter of the United Nations*

While reaffirming their determination to respect the terms and the spirit of the Constantinople Convention of 1888 and to abide by the Charter and the principles and purposes of the United Nations, the Government of Egypt are confident that the other signatories of the said Convention and all others concerned will be guided by the same resolve.

3. *Freedom of navigation, tolls, and development of the Canal*

The Government of Egypt are more particularly determined :

(a) To afford and maintain free and uninterrupted navigation for all nations within the limits of and in accordance with the provisions of the Constantinople Convention of 1888;

(b) That tolls shall continue to be levied in accordance with the last agreement, concluded on 28 April 1936, between the Government of Egypt and the Suez Canal Maritime Company, and that any increase in the current rate of tolls within any twelve months, if it takes place, shall be limited to 1 per cent, any

¹ Came into force on 24 April 1957, the date on which the Declaration was made.

² De Martens, *Nouveau Recueil général de Traités*, deuxième série, tome XV, p. 557.

increase beyond that level to be the result of negotiations, and, failing agreement, be settled by arbitration according to the procedure set forth in paragraph 7 (b).

(c) That the Canal is maintained and developed in accordance with the progressive requirements of modern navigation and that such maintenance and development shall include the 8th and 9th Programmes of the Suez Canal Maritime Company with such improvements to them as are considered necessary.

4. *Operation and management*

The Canal will be operated and managed by the autonomous Suez Canal Authority established by the Government of Egypt on 26 July 1956. The Government of Egypt are looking forward with confidence to continued co-operation with the nations of the world in advancing the usefulness of the Canal. To that end the Government of Egypt would welcome and encourage co-operation between the Suez Canal Authority and representatives of shipping and trade.

5. *Financial arrangements*

(a) Tolls shall be payable in advance to the account of the Suez Canal Authority at any bank as may be authorized by it. In pursuance of this, the Suez Canal Authority has authorized the National Bank of Egypt and is negotiating with the Bank of International Settlement to accept on its behalf payment of the Canal tolls.

(b) The Suez Canal Authority shall pay to the Government of Egypt 5 per cent of all the gross receipts as royalty.

(c) The Suez Canal Authority will establish a Suez Canal Capital and Development Fund into which shall be paid 25 per cent of all gross receipts. This Fund will assure that there shall be available to the Suez Canal Authority adequate resources to meet the needs of development and capital expenditure for the fulfilment of the responsibilities they have assumed and are fully determined to discharge.

6. *Canal Code*

The regulations governing the Canal, including the details of its operation, are embodied in the Canal Code which is the law of the Canal. Due notice will be given of any alteration in the Code, and any such alteration, if it affects the principles and commitments in this Declaration and is challenged or complained against for that reason, shall be dealt with in accordance with the procedure set forth in paragraph 7 (b).

7. *Discrimination and complaints relating to the Canal Code*

(a) In pursuance of the principles laid down in the Constantinople Convention of 1888, the Suez Canal Authority, by the terms of its Charter, can in no case grant any vessel, company or other party any advantage or favour not accorded to other vessels, companies or parties on the same conditions.

(b) Complaints of discrimination or violation of the Canal Code shall be sought to be resolved by the complaining party by reference to the Suez Canal Authority. In the event that such a reference does not resolve the complaint, the matter may be referred, at the option of the complaining party or the Authority, to an arbitration tribunal composed of one nominee of the complaining party, one of the Authority and a third to be chosen by both. In case of disagreement, such third member will be chosen by the President of the International Court of Justice upon the application of either party.

(c) The decisions of the arbitration tribunal shall be made by a majority of its members. The decisions shall be binding upon the parties when they are rendered and they must be carried out in good faith.

(d) The Government of Egypt will study further appropriate arrangements that could be made for fact-finding, consultation and arbitration on complaints relating to the Canal Code.

8. *Compensation and claims*

The question of compensation and claims in connexion with the nationalization of the Suez Canal Maritime Company shall, unless agreed between the parties concerned, be referred to arbitration in accordance with the established international practice.

9. *Disputes, disagreements or differences arising out of the Convention and this Declaration*

(a) Disputes or disagreements arising in respect of the Constantinople Convention of 1888 or this Declaration shall be settled in accordance with the Charter of the United Nations.

(b) Differences arising between the parties to the said Convention in respect of the interpretation or the applicability of its provisions, if not otherwise resolved, will be referred to the International Court of Justice. The Government of Egypt would take the necessary steps in order to accept the compulsory jurisdiction of the International Court of Justice in conformity with the provisions of Article 36 of its Statute.

10. *Status of this Declaration*

The Government of Egypt make this Declaration, which re-affirms and is in full accord with the terms and spirit of the Constantinople Convention of 1888, as an expression of their desire and determination to enable the Suez Canal to be an efficient and adequate waterway linking the nations of the world and serving the cause of peace and prosperity.

This Declaration, with the obligations therein, constitutes an international instrument and will be deposited and registered with the Secretariat of the United Nations.

LETTER FROM THE MINISTER FOR FOREIGN AFFAIRS OF EGYPT TO THE SECRETARY GENERAL OF THE UNITED NATIONS

MINISTÈRE DES AFFAIRES ÉTRANGÈRES
CABINET DU MINISTRE¹

24th April 1957

Your Excellency,

The Government of Egypt are pleased to announce that the Suez Canal is now open for normal traffic and will thus once again serve as a link between the nations of the world in the cause of peace and prosperity.

The Government of Egypt wish to acknowledge with appreciation and gratitude the efforts of the States and peoples of the world who contributed to the restoration of the Canal for normal traffic, and of the United Nations whose exertions made it possible that the clearance of the Canal be accomplished peacefully and in a short time.

On 18 March 1957, the Government of Egypt set forth in a memorandum basic principles relating to the Suez Canal and the arrangements for its operation. The memorandum contemplated a further detailed statement on the subject. In pursuance of the above, I have the honour to enclose a copy of the declaration made today by the Government of Egypt in fulfilment of their participation in the Constantinople Convention of 1888, noting their understanding of the Security Council resolution of 13 October 1956² and in line with their statements relating to it before the Council.

¹ Ministry for Foreign Affairs.
Office of the Minister.

² United Nations, *Official Records of the Security Council, Eleventh Year, Supplement for October, November and December 1956*, p. 47.

I have the honour to invite Your Excellency's attention to the last paragraph of the declaration which provides that it will be deposited and registered with the Secretariat of the United Nations. The declaration, with the obligations therein, constitutes an international instrument and the Government of Egypt request that you kindly receive and register it accordingly.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Yours sincerely,

Mahmoud FAWZI
Minister of Foreign Affairs of Egypt

His Excellency M. Dag Hammarskjold
Secretary-General of the United Nations
New York