

### 6. The opening of banks and credit facilities

In Gaza, there was one bank (a branch of the Israel National Bank) which had been in operation from about 24 or 25 November for money exchange, etc. There was evidence of some reluctance on the part of local merchants, not knowing what currency or what rate of exchange would be applied, to recommence finance transactions. The Military Commander indicated on 30 November that Israel currency would be the official currency of the Strip; however, retention of Egyptian currency would not be forbidden, nor a punishable offence. In the opinion of various merchants, the slowness of resuming normal business relations seemed to stem from the lack of certainty as to what the currency situation was going to be.

### 7. Damage in area

There was relatively small physical damage caused in the area by the events of 2 and 3 November.

### 8. Law and order

(a) The laws and regulations operative on the day of the entry of the Israel forces remained in effect except for laws which were prejudicial to the Israel authorities. The law of the land is still based primarily on the old British Mandate system of law. Reopening of courts was scheduled for early in December.

(b) On 25 November, the Israel civilian police, reporting to Israel central police headquarters, was established in the area and is being co-ordinated with the local police. Throughout the area, one can see both Israel civil police and the local police patrolling.

(c) There was some evidence of the looting that had taken place in the past, but with the restoration of the police in the area, there seemed to be less looting by the local population of warehouses, shops, etc.

(d) Local government has been restored throughout the area and in Gaza town.

(e) The other town of any population significance in the Gaza area is Khan Yunis. The mayor there also was working with the local Israel commander and was informed on 30 November that he will be the mayor-designate. The village council and *mukhtars* have all been restored with essentially the same personnel as under previous administrations.

(f) The Military Commander indicated that his principal security problems were:

(i) Apprehension of Egyptian soldiers disguised as civilians or still remaining in hiding;

(ii) *Fedayeen* and/or soldiers of the Palestinian units who are still in hiding;

(iii) The existence of large quantities of arms and munitions either in the hands of the population or hidden in the area;

(iv) Civilian criminal prisoners who had been released on 2 November, still at large.

His programme to solve this situation is by the screening of people, searching for the above personnel, and evacuation of a certain area. The specific area of evacuation is along the coast from 0083 to 0075, a three-kilometre belt of sand

dunes where there are a large number of Bedouin people living. A proclamation was issued to evacuate people from this area to an area south west of Rafah (south of the international border). The Bedouin were moving out of the sand dunes area; however, most of the people are moving to the east inside the Gaza Strip along with other Bedouin tribes. This, so the UNRWA personnel indicated, was to remain close to their food distribution centres.

(g) Throughout the area, there was a curfew from 16.00 hours LT to 08.00 hours LT. This, the Military Commander stated, was still essential because the screening was not yet completed, and he did not feel that there was complete confidence in the local situation by the inhabitants.

He could not give any estimate as to when the curfew would be lifted.

(h) A proclamation had been issued that Israel military and civilians were not allowed in the area, except on duty. They were not allowed to buy anything from the shops or stores, even while on duty. No fraternization is allowed. These measures had been taken to avoid any disturbances between Israel and local inhabitants.

### 9. Public services

(a) *Water*: Water installations are functioning throughout the area. Only minor repairs are necessary.

(b) *Power supply*: Power stations in the area are back to normal.

(c) *Post and telegraph communications*: Plans for the resumption of postal and telegraphic facilities were to be completed on 3 December but, as of 30 November, there appeared to be a week or ten-day delay. A large quantity of mail is being held at Gaza.

(d) *Telephone communications*: Only military telephone communications seemed to be operating. However, it was evident throughout the area that telephone communication was being restored progressively.

(e) *Transportation*: The Israel authorities requisitioned a number of cars and trucks when they entered the area. These are being progressively returned to their owners.

(f) *Schools*: The schools have not resumed operation as yet. A revision of school texts where information prejudicial to the State of Israel is included is being carried out, as well as the screening of teachers. The Palestinian Director of Education, whom we interviewed, was developing a plan for the resumption of schools and screening of teachers. The presence of a large number of children in the area unoccupied by schools, was a security problem (looting, mischief) of the Military Commander.

(g) *Hospitalization*: The operation of hospitals in the Gaza area has continued with existing medical personnel, including Egyptian military and civilian doctors and nurses. Assistance in food and medical supplies was given to the hospitals for their operation both by UNRWA and Israel authorities, and is being continued. Hospitals are in full operation, limited only by medical supplies. Israel Health Ministry representatives have been in the area to co-ordinate and assist.

## DOCUMENT A/3492

### Second report of the Secretary-General on the clearing of the Suez Canal

[Original text: English]  
[10 January 1957]

1. In a resolution, 2 November 1956 (997 (ES-I)), the General Assembly urged that, "upon the cease-fire being effective, steps be taken to re-open the Suez Canal".

2. In communications, 6 November, from the Governments of France and the United Kingdom, concerning the cease-fire and a cessation of military operations (A/3306, A/3307), the Governments pointed out "that the clearing of the obstructions in the Suez Canal and its approaches,

which is in no sense a military operation, is a matter of great urgency in the interest of world shipping and trade". It was added that the Anglo-French force was equipped to tackle this task and that the Governments therefore proposed that the technicians accompanying the Anglo-French force should begin this work at once.

3. In reply to these letters, 7 November (A/3313, A/3314), the Secretary-General said that he would as soon

as possible revert to the offer to assist in the technical operations for reopening the Suez Canal. He was exploring the possibility of having this work carried out under United Nations auspices by agents from countries not involved in the present conflict.

4. On 8 November, the Secretary-General made approaches to Netherlands and Danish salvage firms, indicated by the Government of the Netherlands and the Government of Denmark in reply to previous queries from the Secretary-General. These firms, Svitzer and Smit, indicated their agreement to assist as required in the clearing operation.

5. The Secretary-General visited Cairo, 15-17 November. In the course of his discussions with the Government of Egypt he raised also the question of the Canal clearing operation. The Government of Egypt requested the assistance of the United Nations in the clearing of the obstructions of the Suez Canal, to start immediately on the re-establishment of normal conditions in Port Said and the Canal area, including the withdrawal of non-Egyptian forces. On the basis of the previous relevant decisions of the General Assembly, the Secretary-General declared that the United Nations in principle was willing to assume the task.

6. The Secretary-General submitted a report on the clearing of the Canal to the General Assembly on 20 November (A/3376). In this report the Secretary-General said: "The Secretary-General would propose that the General Assembly, confirming in this respect its previous decisions, should authorize the Secretary-General to proceed with his exploration of existing possibilities and to negotiate agreements with such firms as might speedily and effectively undertake the clearing operations. As indicated above, he would, given the approval of the General Assembly to this proposal, intend to address himself to firms in countries outside the present conflict. In his contacts with the firms approached, he would try to clarify to what extent they, in turn, may need assistance from enterprises not directly approached by the United Nations" (A/3376, para. 5). He further stated that, although it was not proposed that the work begin until after the withdrawal of non-Egyptian force from Port Said and the Canal area, he considered it possible to pursue negotiations and, in agreement with the Government of Egypt, to arrange for the necessary survey of the conditions in the Canal without delay.

7. The General Assembly, on 24 November, adopted a resolution [*resolution 1121 (XI)*] in which the Assembly noted with approval the progress so far made by the Secretary-General in connexion with arrangements for clearing the Suez Canal, as set forth in his report, and authorized him to proceed with the exploration of practical arrangements and the negotiation of agreements, so that the clearing operations might be speedily and effectively undertaken.

8. The same day as the General Assembly adopted the aforementioned resolution, the Svitzer and Smit firms were requested to dispatch to the scene such salvage ships and other equipment as had been earmarked or put in readiness in various ports during the previous two weeks, and to activate arrangements for supplementing their own available craft by contracting for craft from salvage concerns in different countries outside the conflict.

9. In order to assist him in the conduct of the clearing operation, the Secretary-General engaged Lieutenant-General Raymond A. Wheeler. He further agreed with Mr. John J. McCloy to advise him on the financial problems arising in this context. After completion of the necessary planning work at Headquarters, and after the official announcement of the Governments of France and the United Kingdom, 3 December, of their intention to

withdraw their forces, General Wheeler arrived in Egypt on 8 December with a team of salvage surveyors, drawn from the private salvage firms approached and from the Ralph M. Parsons Engineering Company, Los Angeles, the latter to survey damage to workshops. General Wheeler and his staff immediately started a survey of obstructions in the Canal, below El Cap, in co-operation with the Egyptian Suez Canal Authority. This stretch of the Canal, south of the cease-fire line, was for obvious reasons not accessible to the British and French units. A survey of workshop installations was conducted by General Wheeler's group in Port Said.

10. The report on the United Nations clearing operation, approved by the General Assembly, 24 November, assumed that the work would be undertaken by private firms from nations outside the conflict which, however, in their turn, should be able to arrange for assistance from enterprises not directly contacted by the United Nations. The technical advisers of the Secretary-General studied what additional assistance might be necessary in order to supplement the arrangements made with the private salvage firms which had been engaged. On the basis of these studies it was found that the United Nations might need to use resources from the Anglo-French units in Port Said in the following respects:

(a) Although the United Nations salvage fleet would alone conduct the operation, it would not be legitimate that specific salvage projects under way on individual vessels should be dropped by Anglo-French salvage crews and the long and complicated salvage work recommenced by the United Nations. Such work should therefore continue and be brought to the speediest possible conclusion under General Wheeler's direction.

(b) The United Nations might wish to take over six selected vessels for use south of El Cap with non-British crews, recruited by the United Nations, but with a certain number of British officers in charge, for a few days, of the handing over of the vessels to those responsible on the United Nations side.

These needs were registered in instructions to General Wheeler, 9 December. The Governments of France and of the United Kingdom were informed about the conclusions. They were communicated also to the Government of Egypt.

11. After discussions in New York and Port Said the United Nations, upon the withdrawal of the Anglo-French forces on 22 December, took over responsibility for practically all British and French salvage ships and some supporting ships then in Port Said. The vessels remaining there were intended to follow up work already in hand, with their British and French crews but under United Nations orders. To the extent that certain specified work was completed by each, the ships would be withdrawn. The technical advisers of the United Nations proposed a redistribution of the resources available, using vessels from private firms down the Canal, while reserving the British-French ships, including those present from among the six, to assist in the operations in Port Said harbour.

12. The United Nations salvage operations started at the southern end of the Canal on 28 December, and at the northern end of the Canal on 31 December 1956. The operations were based on a plan for the use of available resources, elaborated by General Wheeler and his technical advisers in consultation with representatives of the Secretary-General. The plan was based on an appraisal of technical needs, as established in the course of preceding studies. As elaborated by General Wheeler, the plan met with the approval of the Egyptian authorities. Details concerning the resources utilized by the United Nations and regarding the plan, are presented in annex I to the present report.

13. After discussions in New York and Cairo, an exchange of letters between the Government of Egypt and the Secretary-General has taken place in order to provide an agreed basis for the co-operation between the United Nations and the Egyptian authorities. The exchange of letters, constituting the necessary agreement, has been approved by the Advisory Committee. It is annexed to the present report (annex II).

14. The Secretary-General is not yet in a position to submit to the General Assembly complete cost estimates for the clearing operation. Pending the presentation of such estimates, he does not wish to make any definite proposals regarding the way in which the costs should be covered. This question is referred to the Advisory Committee for preliminary consideration.

15. In order to meet immediate needs for funds to cover initial and current costs pending a final decision, the Secretary-General has approached all Member Governments suggesting that they might advance to the United Nations the funds required during the first phase. The note addressed to the Member Governments is annexed to the present report (annex III).

16. In response to his approach to the Member Governments, the Secretary-General has received firm assurances from a number of Governments that assistance by way of interim advances will be forthcoming. Substantial amounts have already been made available, and additional advances will be received at an early date following necessary executive or legislative approval. Some Governments, in acknowledging the Secretary-General's communication, have informed him that the matter will be taken up forthwith. The Secretary-General has reason to believe that, as a result of the responses so far received, sufficient funds will be in hand during the month of January for the purpose of financing the initial stages of United Nations operations for the clearance of the Suez Canal.

17. The definite financial proposals, referred to in paragraph 14 above, will provide also for reimbursement of advances made.

## ANNEX I

### SUMMARY OF PLAN OF WORK AND OF RESOURCES FOR ITS EXECUTION

1. The plan of operations covers tasks to be completed in three general stages, making possible the resumption of normal traffic in the Canal. Some of the work at each stage will overlap and thus assist the completion of the following stage.

(a) The first stage covers tasks which would allow transit by vessels of a 25-foot draught (about 10,000 tons). This includes the clearance of nine obstructions and two bridges. It has been estimated that this phase of the work will be completed by early March.

(b) The second stage covers the removal of other obstructions which would make possible the transit of vessels of maximum draught. During this stage, further effective obstructions would be removed from within the main channel and the task is expected to be completed by early May.

(c) The work in the final stage will centre on obstructions which, while not hampering transit traffic, would need to be removed from ports, basins and channels. This stage would also include work in restoration of docks and harbourages to their original condition.

The experience in the salvage operations during the first ten days gives every reason for optimism regarding the meeting of the above schedule.

2. Concurrently with the execution of each stage of the clearance work, the restoration of communications, lighting, and workshop facilities necessary to a safe and effective transit operation will be undertaken.

3. The work will be performed under General Wheeler's direction within the framework of the over-all relations

established by the agreement on the clearing operations (annex II). The Egyptian Suez Canal Authority, where appropriate, will co-operate in the execution of the established plans to the extent of the resources available to it.

4. The salvage resources which will be utilized by the United Nations will consist of:

(a) A fleet, as of January, of thirty-two salvage vessels including supporting tugs with crews drawn from six countries: Belgium, Denmark, Germany, Italy, the Netherlands, Sweden and Yugoslavia.

(b) Eleven Anglo-French salvage craft and crews (with four Anglo-French support vessels) on a scheduled basis for the completion of certain specified work already in hand by these vessels in Port Said harbour.

5. General management of the salvage operations proper is in the hands of a consortium consisting of Messrs. L. Smit en Co.'s Internationale Sleepdienst of Rotterdam and Messrs. A/S Em. Svitzers Bjerignings Entreprise of Copenhagen. Restoration of the workshops in Port Said will be undertaken by engineers and staff of the Canal Authority with General Wheeler remaining responsible for supervision and the provision of additional specialists as required. Restoration of communication and lighting requirements will be undertaken by General Wheeler in conjunction with the General Electric Company of USA and the International Telegraph and Telephone Corporation respectively. Plans for this work will be carried out in collaboration with the Canal Authority to assure the attainment of navigable conditions at each completed stage of the over-all plan. Dredging operations necessary to the immediate navigation needs of the cleared channel at stage one and stage two of the operation will likewise be put in hand in collaboration with the Canal Authority by General Wheeler, who is currently in consultation with appropriate contracting companies who have the necessary equipment available in the area.

## ANNEX II

### AGREEMENT BETWEEN THE UNITED NATIONS AND THE GOVERNMENT OF EGYPT REGARDING THE CLEARANCE OF THE SUEZ CANAL

*Letter dated 8 January 1957 from the Secretary-General, addressed to the Minister for Foreign Affairs of Egypt*

I have the honour to refer to the request of the Government of Egypt for assistance of the United Nations in arrangements for clearing the Suez Canal.

In accordance with the authority which has been granted to the Secretary-General by the General Assembly, and on the basis of preliminary exploration and negotiation, I am in a position to advise you that the United Nations would be prepared to assist the Government of Egypt by undertaking the operation necessary for the speedy clearance of the Canal. The general plans for this assistance would be elaborated in consultation with the Government of Egypt and, when approved by the Government, implemented under the instructions of the Secretary-General. The Secretary-General would be authorized by the Government of Egypt to carry out the task as a matter of priority as effectively and expeditiously as practicable with freedom for him to use the equipment available which he finds necessary for the operation.

It is envisaged that the United Nations would conduct the clearance operation through contractual arrangements with private firms which would have the primary responsibility for the work under the direction and control of the Secretary-General and his special representative. Such sub-contractual arrangements as may have to be entered into by the prime contractors in order to expedite the work would be subject to the approval of the Secretary-General.

The undertaking would be regarded as a United Nations enterprise and its personnel would be under obligation to discharge their functions and regulate their conduct solely in the interests of the United Nations. In keeping with the United Nations responsibilities, the vessels would fly the flag of the United Nations in place of their national flags. The property and persons engaged in the clearance operation (including the contractors, sub-contractors and their personnel) would, in view of their United Nations character, be covered by the Convention on the Privileges and Immunities

of the United Nations to which Egypt is a party, in so far as it may be applicable *mutatis mutandis*. In the application of the aforesaid Convention the United Nations shall pay due regard to any representations made by the Government of Egypt in so far as it is considered that effect can be given to such representations without detriment to the interests of the United Nations.

As the clearance of the Canal has to be completed with the utmost speed and effectiveness, the United Nations, in consultation with the Egyptian Government, will take all measures required in order to avoid unnecessary damage to persons and property. It is understood that the United Nations would not incur responsibility for possible damage to Egyptian ships lying in the Canal from such activities as it considers necessary to speed the clearance of the Canal. It would also be understood that the United Nations would retain the rights of a salvor in respect of vessels or property salvaged in the course of the clearance operations, other than vessels and property of the Government of Egypt.

The United Nations will, of course, keep the Government of Egypt currently and fully informed of the progress of the operations and the Government will, I am sure, render all such assistance as may be required by the United Nations for this task.

If the points set forth in this letter are acceptable to the Government of Egypt, this letter and the reply of the Government will be considered as constituting an agreement between Egypt and the United Nations, effective from the date of the reply.

(Signed) Dag HAMMARSKJÖLD  
Secretary-General

Letter dated 8 January 1957 from the Minister for Foreign Affairs of Egypt, addressed to the Secretary-General

I have the honour to refer to your letter of 8 January 1957 in which you have been so good as to inform me that the United Nations would be prepared to assist the Government of Egypt by undertaking the operation necessary for the speedy clearance of the Suez Canal, and I have the pleasure to advise you in the name of the Government of Egypt of its full agreement on, and acceptance of, the terms of your letter. You may rest assured that the Government of Egypt will give its fullest co-operation and assistance to the operation.

The Government of Egypt agrees, furthermore, that your letter and this reply will be considered as constituting an agreement between Egypt and the United Nations.

(Signed) Mahmoud FAWZI  
Minister for Foreign Affairs

### ANNEX III

NOTE DATED 23 DECEMBER 1956 FROM THE SECRETARY-GENERAL TO MEMBER GOVERNMENTS REGARDING INTERIM ADVANCES TO THE FUND FOR THE CLEARANCE OF THE SUEZ CANAL

The Secretary-General of the United Nations presents his compliments to the Permanent Representative of . . . . and has the honour to call attention to resolution 1121 (XI) adopted by the General Assembly on 24 November 1956 on the subject of the clearance of the Suez Canal, under which the Secretary-General is authorized to proceed with the exploration of practical arrangements and the negotiation of agreements so that the clearing operations may be speedily and effectively undertaken.

In accordance with the above resolution of the General Assembly, the Secretary-General has entered into obligations with contractors and others. For the financing of these obligations appropriate arrangements need urgently to be made, if the clearance operations are to proceed without interruption or delay. The Secretary-General intends to report to the General Assembly at an early date on a final plan with respect to the total obligation for the clearance of the Canal. Pending a decision on such a plan it is essential that immediate cash needs are adequately provided for on an interim and provisional basis. The Secretary-General would therefore much appreciate any indication which the Permanent Representative is able to give him, if possible, before 1 January 1957, as to the measure of financial assistance it can make available by way of an advance which would be without prejudice to the nature and extent of the Government's participation in such over-all financial settlement as may eventually be agreed upon.

In order that he may be enabled to discharge the responsibilities entrusted to him in connexion with this vital United Nations undertaking, the Secretary-General trusts that Member Governments who are able and willing to assist in the manner and on the basis indicated, can urgently provide interim financing to the extent of not less than \$10 million.

If, as the Secretary-General hopes, His Excellency's Government is able to react favourably to this request, he will be glad to provide, to the extent possible, such further information concerning this matter His Excellency may require.

The Government of Egypt has given its assurance that the United Nations will have the full co-operation of that Government in the execution of its part in the Canal clearing operations.

### DOCUMENT A/3495

Letter dated 11 January 1957 from the Minister for Foreign Affairs of Egypt, addressed to the Secretary-General

[Original text: English]  
[11 January 1957]

I have the honour to refer to our conversations until yesterday concerning the failure by Israel to comply with the resolutions of the General Assembly which, since 2 November 1956, called upon Israel immediately to withdraw all its forces behind the armistice lines established by the General Armistice Agreement between Egypt and Israel of 24 February 1949.

It remains obvious that this continued defiance by Israel to the United Nations and to world public opinion and its complete disregard for the rights and the feelings of Egypt and the Egyptian people can only lead to further deterioration of the situation and to extremely serious consequences, unless compliance with the Assembly resolutions be secured without any delay.

The withdrawal by Israel from all the territory which it invaded since 29 October 1956 is furthermore necessitated in view of the two-fold consideration that Israel should not be allowed to reap, to its own advantage, any fruits of its aggression, and that Israel is continuing to commit atrocities and acts of destruction against individuals, installations and property in the territory which it occupied.

I have the honour to request the circulation of this letter to all the Members of the United Nations, pending the urgent consideration by the Assembly of this matter as requested by the delegation of Egypt.

(Signed) Mahmoud FAWZI  
Minister for Foreign Affairs of Egypt