

Assuming for the purposes of this statement that just and fair compensation will be paid to the Universal Company of the Suez Maritime Canal, and that the necessary arrangements for such compensation, including a provision for arbitration in the event of disagreement, will be covered by the final settlement contemplated below.

Join in this expression of their views:

1. They affirm that, as stated in the Preamble of the Convention of 1888, there should be established "a definite system destined to guarantee at all times, and for all the Powers, the free use of the Suez Maritime Canal".

2. Such a system, which would be established with due regard to the sovereign rights of Egypt, should assure:

a. Efficient and dependable operation, maintenance and development of the Canal as a free, open and secure international waterway in accordance with the principles of the Convention of 1888.

b. Insulation of the operation of the Canal from the influence of the politics of any nation.

c. A return to Egypt for the use of the Suez Canal which will be fair and equitable and increasing with enlargements of its capacity and greater use.

d. Canal tolls as low as is consistent with the foregoing requirements and, except for "c" above, no profit.

3. To achieve these results on a permanent and reliable basis there should be established by a Convention to be negotiated with Egypt.

a. Institutional arrangements for co-operation between Egypt and other interested nations in the operation, maintenance and development of the Canal and for harmonizing and safeguarding their respective interests in the Canal. To this end, operating, maintaining and developing the Canal and enlarging it so as to increase the volume of traffic in the interest of the world trade and of Egypt, would be the responsibility of a Suez Canal Board. Egypt would grant this Board all rights and facilities appropriate to its functioning as here outlined. The status of the Board would be defined in the above-mentioned Convention.

The members of the Board, in addition to Egypt, would be other States chosen in a manner to be agreed upon from among the States parties to the Convention with due regard to use, pattern of trade and geographical distribution; the composition of the Board to be such as to assure that its responsibilities would be discharged solely with a view to achieving the best possible operating results without political motivation in favour of, or in prejudice against, any user of the Canal.

The Board would make periodic reports to the United Nations.

b. An Arbitral Commission to settle any disputes as to the equitable return to Egypt or other matters arising in the operation of the Canal.

c. Effective sanctions for any violation of the Convention by any party to it, or any other nation, including provisions for treating any use or threat of force to interfere with the use or operation of the Canal as a threat to the peace and a violation of the purposes and principles of the United Nations Charter.

d. Provisions for appropriate association with the United Nations and for review as may be necessary.

President Nasser rejected these proposals. The three powers—France, the United Kingdom, and the United States—then agreed on the desirability of setting up a users' association; and to this end a further conference sat in London, September 19-21. A declaration was agreed to on the following terms:

DECLARATION PROVIDING FOR THE ESTABLISHMENT OF A SUEZ CANAL USERS' ASSOCIATION, SEPTEMBER 21

I. The Members of the Suez Canal Users Association (SCUA) shall be those nations which have participated in the second London Suez Conference and which subscribe to the present Declaration, and any other adhering nations which conform to criteria to be laid down hereafter by the association.