



# GOVERNMENT OF SHARJAH

AND ITS DEPENDENCIES

## THE TRADE - AVIATION & MARINE DEPARTMENT

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### GULF NEWS

#### GULF FEDERATION

The prospects of the Gulf Federation continued uncertain after the failure of the meeting of the Deputy Rulers on October 26: the Rulers have not yet met to discuss the issue, while many conjectures aroused in particular that Bahrain and Qatar may decide to leave the Gulf Union and that Oman may join.

In the meanwhile, the British press emphasized that Sir William Luce, the British Government representative to co-ordinate British policy in the Gulf area, has not yet presented his final recommendations to the Government: but the departure of a British battalion from Sharjah has been described as "the first part of the planned British military withdrawal from the Gulf by 1971"

#### A view by the "The Times"

On the issue, The Times of London reported on November 19: "There are increasing signs that Bahrain will soon decide to leave the Union of Arab Emirates, possibly on December 16, the ninth anniversary of the Ruler's succession.

Bahrain is the most advanced and heavily populated of the nine members of the union, with 200,000 inhabitants out of a total in the union of 400,000. Shaikh Isa, the Ruler of Bahrain would like the capital of the union to be in Bahrain where the government could be housed without great cost.

Public opinion in Bahrain also carries weight and the Bahrainis feel strongly that the states of the union should be represented in the federal assembly of the union in proportion to the number of people in each state and not on the principle of an equal number of representatives from each.

Since the total failure of a meeting of the deputy rulers on October 26, the Rulers have not met to grapple with the issue of representation and do not look like meeting before December 16. Bahrain is big enough and strong enough economically to remain on her own and become a member of the United Nations.

If Bahrain breaks away, Qatar, a close rival, may well follow suit for reasons of prestige. Being akin to the ruling family in Saudi Arabia, her Ruler can rely on Saudi support and, being rich from oil, Qatar has some claim to become also an independent member of the United Nations.

Qatar may, however, feel that the union will have more advantages for her if Bahrain leaves it. Without Bahrain the union at present stands the risk of being overshadowed by the rich shikhdom of Abu Dhabi, but there is now a prospect that the young and new Sultan of Oman may bring his state, with its million inhabitants, into the union.

The date set by the Labour Government for Britain's withdrawal from the Persian Gulf was December 31, 1971. Sir William Luce, the British Government's special representative, has still not presented his final recommendations to the Government-understandably in view of the inept and bitter rivalry which persists between the Rulers- but time is running out."

#### Other views on Bahraini intentions

This British report was preceded by contrasting reports in Beirut and Teheran. On November 3, the Daily Star of Beirut said that "reliable Bahraini sources" had denied that the Government was trying to divorce itself from the Federation and had emphasized that it remained a basic aim of Bahrain's policy to bring the union into being. Practically, the Lebanese newspaper asserted that Bahrain still supported the proposed Federation despite its objections, voiced at the recent meeting of the Deputy Rulers in Abu Dhabi, to equal representation of all nine member states in the Consultative Assembly and to the establishment of a federal capital on the Dubai-Abu Dhabi border.

But Kayhan International of Teheran said on November 4 that according to the Kuwaiti press Bahrain was "seeking independence with encouragement from Iran, and was no longer interested in the Federation project". The Iranian newspaper added, however, that "in the view of political observers in Teheran", Iran would be glad to see a Federation of Bahrain, Qatar and the seven Trucial States, provided it was "genuinely" wanted by them and created after the differences dividing them had been resolved. The newspaper stated that reports in "certain Kuwaiti newspaper financed by Iraq" that Iran did not wish to see a Federation materialize were "utter nonsense".

#### Oman and the Federation

As reported in October, Oman's Premier Tareq bin Taimour, said that Oman would not join a Federation at present, though it might form a "loose union" with some Arab Emirates later.

But Cairo reported on November 7 that Shaikh Khalid bin Saqr Qasimi, heir to the Ruler of Ras-al-Khaimah, said that Oman should join the Federation: "the people of Ras-al-Khaimah had Oman nationality, a fact which provides grounds for hope of a unified political framework for the whole area", Shaikh Khalid declared according Cairo Radio.

#### A pessimistic view by Shell

Mr. David Barran, senior managing director of Royal Dutch/Shell, said on November 16 that "recent efforts to promote a Gulf Federation gave very little ground for optimism". Mr. Barran was speaking at luncheon given in London by the Diplomatic and Commonwealth Writers' Association. Examining the implications of British withdrawal from the Gulf in 1971 as part of a general discussion on the Middle East oil situation, he said to be convinced that the British withdrawal would go ahead and that it would create a vacuum "and leave an area which is not politically viable in its present form". "Saudi Arabia and Iran will wish to exercise a stabilising role", he stated.

Although pessimistic about a Gulf federation, Mr. Barran said that the new ruler of Oman had given concrete assurances that his government would press ahead with development projects.

#### British troops leave Sharjah

The Financial Times of London reported on November 24 that the resident British infantry battalion which has been permanently stationed in Sharjah in recent years "has been pulled out as the first part of the planned British military withdrawal from the Gulf by 1971". The newspaper said that last elements of the

first battalion, Scots Guards, who served in Sharjah for nine months, flew out in November to take up new duties in Britain, leaving their newly-built camp of Sharjah.

#### Iranian views on British presence and Abu Musa dispute

Mr. Amir Afshar, Iranian Ambassador to Britain, said to hope that "at the appointed time the British Government will withdraw its military forces (from the Gulf area) as expected. He added that there was "no risk of a defence vacuum resulting".

Mr. Afshar, who was speaking at a dinner attended by members of the Iran Society in London on November 6, also said that Iran would not "in any circumstances or at any cost" overlook its rights to the "tiny islands in the Gulf which belong to Iran". It was generally assumed that he was referring to Abu Musa and the two Tumbs, in the Strait of Hormuz, to which Iran has already laid claims. (In Britain's view, Abu Musa belongs to Sharjah and the two Tumbs to Ras-al-Kahimah).

#### CENTO NAVAL EXERCISE IN THE GULF OF OMAN

A 10-day naval exercise, known as operation "Midlink" and directed by the Central Treaty Organisation (CENTO) was effected in the Gulf of Oman in November. The exercise, which ended on November 21, involved British, U.S. and Iranian ships.

The Daily Telegraph of London said that the exercise was not followed by Russian ships "as had been expected".

Iranian participation was criticised by the Bahrain weekly Sada-al-Usbu: "Iran had every right to participate, nevertheless the timing of the exercise was unfortunate, since it coincided with the failure of the Deputy Rulers's talks on the proposed Gulf federation, and with reports that Iran was renewing its claim to certain Arab islands in the Gulf", the paper said. It added that "Iran has repeatedly declared its opposition to any external intervention in Gulf affairs and stressed its goodwill towards all Gulf Emirates and its wish to surmount all obstacles standing in the way of improving and strengthening its relations with them".

#### SOVIET DESIGNS EAST OF SUEZ

A Nato naval commander said that Britain should stay east of Suez to protect oil sources from Russian "will for power". He also mentioned the Gulf among areas over which the Russians have "designs".

Italian Admiral Gino Birindelli, the new Commander of the Allied Naval Forces of Southern Europe, whose headquarters is in Malta, said in a press interview published by the London Times on November 27, that the NATO powers should remedy the limitations set by an alliance with defined spheres of action because many areas over which the Russians "evidently have designs" come within the NATO territory: he listed the Middle East, the Persian Gulf and the Indian Ocean.

Admiral Birindelli said that it was "imperative" that Britain should stay east of Suez considering that 400 million tons of oil, out of some 500 million produced and consumed in the world every day, come from the Middle East. Out of the total, 200 million tons go to Europe and 200 million to South East Asia, India and so forth.

#### OIL RESEARCH IN SHARJAH

The Middle East Economic Survey has reported that an exploratory well was to be spud by Shell company in the Juweiza region, some 20 miles inland from Sharjah, on November 25. The report said that wildcat wells were sunk unsuccessfully in the area in 1958 and 1966, while the last attempt showed minor indications of oil.

#### OFFSHORE STRIKE IN ABU DHABI

The Abu Dhabi Oil Company has struck low-sulphur oil off Muharras. A company spokesman said that the well was yielding some 5,000 barrels a day of light crude with 0.8 per cent content. Below it another condensate layer is expected to flow at a rate of 2,000 barrels daily of oil and 450,000 cubic feet of gas.

#### ABU DHABI OIL OUTPUT

Output of crude oil from the Abu Dhabi Petroleum Company's onshore Murban field totalled 1,964,000 long tons in October, bringing the total production for the first 10 months of this year to 15,928,000 long tons, or 1,796,000 long tons more than output in the same period of 1969.

Crude produced by Abu Dhabi Marine Areas totalled 1,331,735 long tons in October, an increase of 176,741 tons in respect of October 1969.

#### JAPANESE OIL MOVE IN ABU DHABI

An operating company, United Petroleum Development (Japan), has been formed by the consortium of four Japanese groups which recently signed an agreement with British Petroleum for development of the Bunduq oilfields in Abu Dhabi offshore waters. The operating company has a paid in capital of 5.5 million dollars. The consortium company with authorized capital of \$22.2 million was formed by Qatar Oil (\$ 3.3 million in shares), North Slope Oil (\$ 1 million) Abu Dhabi Oil (\$ 830,000) and Alaskan Petroleum Development (\$ 280,000).

#### OIL DEVELOPMENT IN DUBAI

In Dubai's water Continental Oil, the operator in the Dubai Marine Area partnership, said a well just over six miles from the existing Fateh field flowed at 1,350 barrels daily. This was revealed in Paris by Compagnie Française des Pétroles, which has 25 per cent of the Dubai partnership. The other shareholders, apart from Continental (35 per cent.) are Hispanoil (25 per cent.) Texaco (10 per cent.) and Sun Oil (5 per cent.). CFP said that although the results from the latest strike were encouraging further tests would be needed to establish the size of the discovery.

#### OIL OUTPUT IN BAHRAIN AND QATAR

The Bahrain Petroleum Co. produced 2,357,959 barrels of crude oil last October, or 13,407 barrels more than October 1969.

The Qatar Petroleum Co. produced 764,000 long tons last October, or 58,000 tons less than October 1969. Output in the first 10 months of current year 7,367,000 long tons, or 433,000 tons less than in the correspondent period of 1969.

#### OIL FIRE QUENCHED IN OMAN

A fire in a well operated by Shell in the Yibal region, south-west of Muscat, has been extinguished, after more than two months that it broke out, by drilling an artificial well alongside the firing well and filling it with water transported across the desert.

#### DIRECT AIR LINK BETWEEN DUBAI AND KUWAIT

Gulf Aviation, owned jointly by the Government of Bahrain, Qatar and Abu Dhabi and the British Overseas Airways Corp., has introduced direct flights between Dubai and Kuwait every Monday. The journey, which covers 539 miles and takes 85 minutes, is the longest non-stop commercial flight so far essayed in the Gulf region. BAC 1-11 jet planes, with both first and economic class seating, are used for it. The new service is additional to Gulf Aviation's thrice-weekly flights between Dubai and Kuwait via Bahrain.

#### AIR LINKS BETWEEN IRAN AND GULF

Iran Air and Gulf Aviation have signed an agreement on November 18 under which the two companies will operate flights between Shiraz and Bandar Abbas and the Gulf Emirates of Bahrain, Abu Dhabi, Qatar and Dubai.

From December 16, Iran Air will operate twice-weekly flights from Shiraz and Bandar Abbas to each of the four emirates and two more flights from Bandar Abbas to Dubai. Gulf Aviation will operate twice-weekly flights from each of the four Gulf States to Bandar Abbas and Shiraz and two additional flights from Dubai to Bandar Abbas.

#### GOLD PURCHASES BY DUBAI

Dubai purchased gold in the first ten months of 1970 totalling 220 metric tons, the highest volume yet, according to the State's Customs Department.

This was the equivalent of 16 per cent. of 1969 free world production (1,260 tons). Dubai's imports in October were 27 tons. Dubai gold imports have far surpassed the previous record achieved in 1968 when imports by the Trucial States were 167 tons. Last year they fell to 139 tons.

U.K. Customs figures show shipments to Dubai of about 3m. ounces in the first nine months of 1970. About half Dubai's gold imports come from Britain, with the balance being provided by Switzerland, France and the Netherlands.

#### DUBAI ORDER FOR BRITAIN

The Ruler, Shaikh Rashid, on November 15, signed a Lst 2.7 million contract with the British Costain Civil Engineering organisation for the construction of a new runway and taxiway and the installation of a new lighting system at Dubai International Airport, where passenger traffic has doubled and freight movement trebled in the past three years. Completion of the work, expected by 1972, will enable the airport to take jumbo jet planes. Lloyds Bank is lending Dubai Lst. 1.5 million, and extra finance has been arranged by the merchant bankers Morgan Grenfell to cover the cost of the project, under the guarantee of the British Government's Export Credits Guarantee Department. The consulting engineers are Robert Matthew, Johnson-Marshall & Partners.

#### QUATAR ORDERS FOR BRITAIN

The engineering division of the British Whessoe organisation has received orders worth some Lst. 400,000 for heat exchangers and compressor intercoolers to be installed in the fertiliser complex now under construction at Umm Said. The orders were placed by the Power Gas Corporation, the main contractor for the project, and by one of its sub-contractors, Cooper-Bessemer (UK).

#### BAHRAIN: BRITISH TRADE TEAM EXPECTED IN BAHRAIN

A 12-man British trade mission from the Merseyside Chamber of Commerce and Industry will arrive in Bahrain in the first week of December, and later visit Qatar, Dubai, Abu Dhabi and Kuwait. A Bahrain Chamber of Commerce spokesman said that its members would represent manufacturers of textiles, plastics, pharmaceuticals, refrigerating and electrical equipment and light and medium engineering plant.

#### CEMENT MARKET STUDIES BY BAHRAIN

The Bahrain Government is giving close attention to conditions affecting the sale of imported cement and is considering the establishment of a cement marketing committee to prevent price fluctuations, the Bahrain weekly Sada al-Usbu has reported.

Southern districts of East Pakistan were ravaged a cyclonic storm on November 13 in what has been described as the "worst disaster of humankind". Official figures have indicated 150,000 deaths but unofficial estimates put the victims at more than one million. Poor relief intervention by West Pakistan, due to difficult communications between the two areas of the same country, have aroused separatist sentiment in Bengala. The Pakistan military Government decided to use troops to see that the general election in East Pakistan, due on December 7 pass off peacefully.

The death toll from a typhoon which bit Manila in early November was of 222.

144 young people met their deaths in a dance hall fire disaster at St. Laurent du Pont, France, on November 1. The Minister of the Interior told the French Parliament that the disaster would have been avoided if fire regulations had been observed.

The Soviet Union scored on November 17 a major space triumph by landing on the Moon a remote-controlled scientific laboratory vehicle, Lunokhod 1. The vehicle has rolled down from the unmanned Luna 17 moon-craft, carrying a scientific, payload including a French laser reflector and apparatus for studying the moon's surface. The eight-wheeled vehicle has the task of investigating the moon's surface at varying distances from the landing spot.

President Ahmed Sékou Touré of Guinea announced on November 22 that hundred of Portuguese mercenary troops coming from nearby Guinea Bissau attempted to invade Conracy, the Guinean capital, from the sea. President Touré asked for United Nations Security Council to send U.N. troops to Guinea but a five-men U.N. mission, immediately sent to Conakry, left after a few days of investigation. Results of the U.N. enquiry have not been disclosed as yet but it was generally believed that the attack against Guinea was mounted by Guinean nationals opposed to Touré's regime, Portugal denied any association in the coup.

Mr. Yukio Mishima, a successful Japanese writer, considered by many as a likely candidate for a Nobel Prize, committed hara-kiri (ritual self-disembowllment) in an army headquarters in Tokyo on November 25 after exhorting some 1,000 troops from a balcony to rise and compel the Government to revise the pacifist constitution imposed upon Japan by the allied power at the end of the Second World War.

One of main difficulties of Italy's Centre Left coalition government was overcome at dawn of December 2 when the Chamber of Deputies approved, 319 against 286, a bill introducing divorce. The measure had been sharply opposed by Christian Democrats and by the Roman Catholic Church. At the same time, the Italian deputies also voted to refuted a Government's Finance decree intended to boost Italian economy.

#### BRITISH VIOLATION OF SOUTH YEMEN CLAIMED

British aircraft operating from air bases in Oman and other Gulf areas were accused of violating the airspace of South Yemen (now named the People's Democratic Republic of Yemen) and shelling a remote village close to the eastern borders with Oman.

Defence Minister Ali Nassar told pressmen the shelling incident of Alhauf village took place on November 28, and citizens there sustained injury and damage to their property. This was not the first time British aircraft have violated South Yemeni airspace under the pretext of chasing Gulf rebels operating in neighbouring Dhofar, the Minister said, Eighteen violation incidents by British aircraft and 16 Saudi violations have been reported.

London market of last February were averaged a typical year on November 13 in what has been identified as the "most liberal of conditions." Official figures have indicated £10,000,000 should have been available and that the nation is more than one million. Poor retail investment by West Pakistan, due to difficult conditions between the two sides of the same country, have caused significant movement in Europe. The Pakistan Government declined to sue those who had the greatest shares in West Pakistan, but on December 7 was still generally.

The bank will have a reputation which for months in early November was of 111. 100 young people met their share in a bank bill for shares at St. Laurent in Paris, France, on November 1. The Minister of the Interior told the French Parliament that the shares would have been available if it was possible to have been observed.

The Soviet Union moved on November 17 a major force through by landing on the Moon a rocket-converted scientific laboratory vehicle, launched 17. The vehicle has rolled down from the mountain peak 17 moon, carrying a scientific payload including a French lunar reflector and apparatus for studying the moon's surface. The eight-wheeled vehicle has the task of investigating the moon's surface as well as returning from the landing spot.

President Abdelkader Toure of Guinea announced on November 22 that he had ordered a foreign-aid-free zone around his country. Guinea has attempted to invade Conakry, the Guinea capital, from the sea. President Toure asked the United Nations Security Council to send U.N. troops to Guinea but a Russian U.N. veto has immediately sent to Conakry, but after a few days of investigation. Reports of the U.N. troops have not been disclosed as yet but it was generally believed that the attack against Guinea was mounted by Guinea's military forces to Toure's regime. Toure's forces are now in Conakry at the end of the second World War.

Mr. Yotaro Mikoyan, a successful Japanese writer, considered by many as a likely candidate for a Nobel Prize, committed har-kin (trial self-determination) in an early leadership in Tokyo on November 23 after reporting some 1,500 troops from a factory to the end camped the Government to raise the general constitution imposed upon Japan by the Allied power at the end of the second World War.

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**BRITISH VIOLATION OF SOUTH YEMEN CLAIMED**

British vessels operating from the port in Oman and other Gulf ports were accused of violating the rights of South Yemen (now named the People's Democratic Republic of Yemen) and helping a remote village close to the nation's borders with Oman.

Yemeni Minister Ali Hamud told parliament the shipping incident of Al-Hadid village took place on November 28, and that the vessels were maintained by the British. This was not the first time British vessels have violated South Yemen waters under the power of the Gulf states operating in neighboring Oman, the first time, British violation incidents by British vessels and 10 South Yemenis have been reported.

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