APPENDICES
CHAPTER - I

APPENDIX - I

ORGANIZATION AND OBJECTIVE

Article 1

The Organization of the Petroleum Exporting Countries (OPEC), hereinafter referred to as "the Organization", created as a permanent intergovernmental organization in conformity with the Resolutions of the Conference of the Representatives of the Governments of Iran, Iraq, Kuwait, Saudi Arabia and Venezuela, held in Baghdad from September 10 to 14, 1960, shall carry out its functions in accordance with the provisions set forth hereunder.

Article 2

A. The principal aim of the Organization shall be the coordination and unification of the petroleum policies of Member Countries and the determination of the best means for safeguarding their interests, individually and collectively.

B. The Organization shall devise ways and means of ensuring the stabilization of prices in international oil markets with a view to eliminating harmful and unnecessary fluctuations.

C. Due regard shall be given at all times to the interests of the producing nations and to the necessity of securing a steady income to the producing countries; an efficient, economic and regular supply of petroleum to consuming nations; and a fair return on their capital to those investing in the Petroleum industry.
Article 3

The Organization shall be guided by the principle of the sovereign equality of its Member Countries. Member Countries shall fulfil, in good faith, the obligations assumed by them in accordance with this Statute.

Article 4

If, as a result of the application of any decision of the Organization, sanctions are employed, directly or indirectly, by any interested company or companies against one or more Member Countries, no other Member shall accept any offer of a beneficial treatment, whether in the form of an increase in oil exports or in an improvement in prices, which may be made to it by such interested company or companies with the intention of discouraging the application of the decision of the Organization.

Article 5

The Organization shall have its headquarters at the place the Conference decides upon.

Article 6

English shall be the official language of the Organization.

CHAPTER – II : MEMBERSHIP

Article 7

A. Founder Members of the Organization are those countries which were represented at the First Conference, held in Baghdad, and
which signed the original agreement of the establishment of the
Organisation.

B. Full Members shall be the Founder Members as well as
those countries whose application for membership has been accepted
by the Conference.

C. Any other country with a substantial net export of crude
petroleum, which has fundamentally similar interests to those of
Member Countries, may become a Full Member of the Organization, if
accepted by a majority of three-fourths of Full Members including
the concurrent vote of all Founder Members.

D. A net petroleum-exporting country which does not qualify
for membership under paragraph C above may nevertheless be admitted
as an Associate Member by the Conference under such special
conditions as may be prescribed by the Conference, if accepted by
a majority of three-fourths, including the concurrent vote of all
Founder Members.

No country may be admitted to Associate Membership which
does not fundamentally have interests and aims similar to those of
Member Countries.

E. Associate Members may be invited by the Conference to
attend any meeting of a Conference, the Board of Governors or
Consultative Meetings, and to participate in their deliberations
without the right to vote. They are, however, fully entitled to
benefit from all general facilities of the Secretariat, including
its publications and library, as any Full Member.
OPEC ORGANIZATIONAL SET UP.

Map No. 4

Source: Based on OPEC at a Glance
Published by OPEC Secretariat, Vienna, Austria, 1983.
Article 11

A. The Conference shall consist of delegations representing the Member Countries. A delegation may consist of one or more delegates, as well as advisers and observers. When a delegation consists of more than one person, the appointing country shall nominate one person as the Head of the Delegation.

B. Each Member Country should be represented at all Conferences; however, a quorum of three-quarters of Member Countries shall be necessary for holding a Conference.

C. Each Full Member Country shall have one vote. All decisions of the Conference, other than on procedural matters, shall require the unanimous agreement of all Full Members.

The Conference Resolutions shall become effective after thirty days from the conclusion of the Meeting or after such period as the Conference may decide unless, within the said period, the Secretariat receives notification from Member Countries to the contrary.

In the case of a Full Member being absent from the Meeting of the Conference, the Resolutions of the Conference shall become effective unless the Secretariat receives a notification to the contrary from the said Member at least ten days before the date fixed for publication of the Resolutions.

D. A non-Member country may be invited to attend a Conference as Observer, if the Conference so decides.
P. Whenever the words "Members" or "Member Countries" occur in this Statute, they mean a Full Member of the Organization unless the context demonstrates to the contrary.

Article 8

A. No Member of the Organization may withdraw from membership without giving notice of its intention to do so to the Conference. Such notice shall take effect at the beginning of the next calendar year after the date of its receipt by the Conference, subject to the Member having at that time fulfilled all financial obligations arising out of its membership.

B. In the event of any country having ceased to be a Member of the Organization, its readmission to membership shall be made in accordance with Article 7, paragraph C.

CHAPTER III: ORGANs*

Article 9

The Organization shall have three organs:

1. The Conference;
2. The Board of Governors; and
3. The Secretariat

1. The Conference

Article 10

The Conference shall be the supreme authority of the Organization.
Article 12

The Conference shall hold two ordinary meetings a year. However, an extraordinary meeting of the Conference may be convened at the request of a Member Country by the Secretary General, after consultation with the President and approval by a simple majority of the Member Countries. In the absence of unanimity among Member Countries approving the convening of such a meeting, as to the date and venue of the meeting, they shall be fixed by the Secretary General in consultation with the President.

Article 13

The Conference shall normally be held at the headquarters of the Organization, but it may meet in any of the Member Countries, or elsewhere as may be advisable.

Article 14

A. The Conference shall elect a President and an Alternate President at its first Preliminary Meeting. The Alternate President shall exercise the responsibilities of the President during his absence or when he is unable to carry out his responsibilities.

B. The President shall hold office for the duration of the Meeting of the Conference, and shall retain the title until the next Meeting.

C. The Secretary General shall be the Secretary of the Conference.
Article 15

The Conference shall:

1. formulate the general policy of the Organization and determine the appropriate ways and means of its implementation;

2. decide upon any application for membership of the Organization;

3. confirm the appointment of Members of the Board of Governors;

4. direct the Board of Governors to submit reports or make recommendations on any matters of interest to the Organization;

5. consider, or decide upon, the reports and recommendations submitted by the Board of Governors on the affairs of the Organization.

6. consider and decide upon the Budget of the Organization as submitted by the Board of Governors;

7. consider and decide upon the statement of accounts and the Auditor's Report, as submitted by the Board of Governors;

8. call a Consultative Meeting for such Member Countries, for such purposes and in such places as the Conference deems fit;

9. approve any amendments to this Statute;
10. appoint the Chairman of the Board of Governors and an Alternate Chairman;
11. appoint the Secretary General;
12. appoint the Deputy Secretary General; and
13. appoint the Auditor of the Organization for a duration of one year.

Article 16

All matters that are not expressly assigned to other organs of the Organization shall fall within the competence of the Conference.

II. The Board of Governors

Article 17

A. The Board of Governors shall be composed of governors nominated by the Member Countries and confirmed by the Conference.

B. Each Member of the Organization should be represented at all meetings of the Board of Governors; however, a quorum of two thirds shall be necessary for the holding of a meeting.

C. When, for any reason, a Governor is prevented from attending a meeting of the Board of Governors, a substitute and hoc Governor shall be nominated by the corresponding Member Country. Such nomination shall not require confirmation by the Conference. At the meetings which he attends the ad hoc Governor shall have the same status as the other Governors, except as regards qualifications for chairmanship of the Board of Governors.
D. Each Governor shall have one vote. A simple majority vote of attending Governors shall be required for decisions of the Board of Governors.

E. The term of office of each Governor shall be two years.

Article 18

A. The Board of Governors shall meet no less than twice each year, at suitable intervals to be determined by the Chairman of the Board, after consultation with the Secretary General.

B. An extraordinary meeting of the Board of Governors may be convened at the request of the Chairman of the Board, the Secretary General or two-third of the Governors.

Article 19

The meetings of the Board of Governors shall normally be held at the headquarters of the Organization, but they may also be held in any of the Member Countries, or elsewhere as may be advisable.

Article 20

The Board of Governors shall:

1. direct the management of the affairs of the Organisation and the implementation of the decisions of the Conference;
2. consider and decide upon any reports submitted by the Secretary General;

3. submit reports and make recommendations to the Conference on the affairs of the Organization;

4. draw up the Budget of the Organization for each calendar year and submit it to the Conference for approval;

5. nominate the Auditor of the Organization for a duration of one year;

6. consider the Statement of Accounts and the Auditor's Report and submit them to the Conference for approval;

7. approve the appointment of Directors of Divisions and Heads of Departments, upon nomination by the Member Countries, due consideration being given to the recommendations of the Secretary General;

8. convene an extraordinary meeting of the Conference;

9. nominate a Deputy Secretary General for appointment by the Conference; and

10. prepare the Agenda for the Conference.

Article 21

The Chairman of the Board of Governors and the Alternate Chairman, who shall assume all the responsibilities of the Chairman
whenever the Chairman is absent or unable to exercise his responsibilities, shall be appointed by the Conference from among the Governors for a period of one year, in accordance with the principle of alphabetical rotation. The date of membership in the Organization, however, shall take precedence over the principle of alphabetical rotation.

Article 22

The Chairman of the Board of Governors shall:

1. preside over the meetings of the Board of Governors;
2. attend the headquarters of the Organization in preparation for each meeting of the Board of Governors;
   and
3. represent the Board of Governors at Conferences and consultative meetings.

Article 23

Should a majority of two-thirds of Governors decide that the continuance of membership of any Governor is detrimental to the interests of the Organization, the Chairman of the Board of Governors shall immediately communicate this decision to the Member Country affected, who in turn shall nominate a substitute for the said Governor before the next meeting of the Board of Governors. The nomination or such substitute as a Governor shall be subject to confirmation by the following Conference.
Article 24

Should a Governor, for any reason, he precluded from continuing in the performance of his functions on the Board of Governors, the corresponding Member Country shall nominate a replacement. The nominated Governor shall assume his functions upon nomination subject to confirmation by the following Conference.

III. The Secretariat

Article 25

The Secretariat shall carry out the executive functions of the Organization in accordance with the provisions of this Statute under the direction of the Board of Governors.

Article 26

The Secretariat of the Organization shall consist of the Secretary General, the Deputy Secretary General and such staff as may be required, it shall function at the headquarters of the Organisation.

Article 27

A. The Secretary General shall be the legally authorized representative of the Organization.

B. The Secretary General shall be the chief officer of the Secretariat, and in that capacity shall have the authority to direct the affairs of the Organization, in accordance with directions of the Board of Governors.

Article 28

A. The Conference shall appoint the Secretary General for a period of three years, which term of office may be renewed once for the same period of time. This
appointment shall take place upon nomination by Member Countries and after a comparative study of the nominees' qualifications.

The minimum personal requirements for the position of the Secretary General shall be as follows:

a) 35 years of age.
b) A degree from a recognized university in Law, Economics, Science, Engineering or Business Administration.
c) 15 years experience, of which at least 10 years should have been spent in positions directly related to the oil industry, and 5 years in highly responsible executive or managerial positions. Experience in Government-Company relations and in the international aspects of the oil industry is desirable.

Should, in any case, a unanimous decision not be obtained, the Secretary General, in that case, shall be appointed on rotation basis for a term of two years without prejudice to the required qualifications.

B. The Secretary General shall be a national of one of the Member Countries of the Organization.

C. The Secretary General shall reside at the headquarters of the Organization.

D. The Secretary General shall be responsible to the Board of Governors for all activities of the Secretariat. The functions of the different departments shall be carried out on his behalf and under his authority and direction.
E. The Secretary General shall attend all meetings of the Board of Governors.

Article 29

The Secretary General shall:

1. organize and administer the work of the Organization;
2. ensure that the functions and duties assigned to the different departments of the Secretariat are carried out;
3. prepare reports for submission to each meeting of the Board of Governors concerning matters which call for consideration and decision;
4. inform the Chairman and other Members of the Board of Governors of all activities of the Secretariat, of all studies undertaken and of the progress of the implementation of the Resolutions of the Conference; and;
5. ensure the due performance of the duties which may be assigned to the Secretariat by the Conference or the Board of Governors.

Article 30

A. The Deputy Secretary General shall be selected by the Board of Governors from amongst the highly-qualified and experienced national candidates put forward by the Member Countries, for appointment by the Conference by a vote of two-thirds of Full Members including the concurrent vote of at least three Founder Members.
B. The term of service of the Deputy Secretary General shall be for a period of three years. It may be extended for a period of one year or more, at the suggestion of the Board of Governors and the approval of the Conference.

C. The Deputy Secretary General shall reside permanently at the headquarters of the Organization.

D. The Deputy Secretary General shall be responsible to the Secretary General for the coordination of the research and administrative activities of the Secretariat. The functions of the different departments are exercised under the general supervision of the Deputy Secretary General.

E. The Secretary General may delegate some of his authority to the Deputy Secretary General.

F. The Deputy Secretary General shall act for the Secretary General, whenever the latter is absent from headquarters.

Article 31

A. The Directors of Divisions and Heads of Departments shall be appointed by the Secretary General with the approval of the Board of Governors.
B. Officers of the Secretariat, upon nomination by their respective Governments, or by direct recruitment, shall be appointed by the Secretary General in accordance with the Staff Regulations. In making such appointments, the Secretary General shall give due consideration, as far as possible, to an equitable nationality distribution among Members, but such consideration shall not be allowed to impair the efficiency of the Secretariat.

Article 32

The staff of the Secretariat are international employees with an exclusively international character. In the performance of their duties, they shall neither seek nor accept instructions from any government or from any other authority outside the Organization. They shall refrain from any action which might reflect on their position as international employees and they shall undertake to carry out their duties with the sole object of bearing the interests of the Organization in mind.

Article 33

1. The Secretary General shall be assisted in the discharge of his duties by the Deputy Secretary General, a Division of Research, a Personnel and Administration Department, a Public Information Department, a News Agency, any division or department the Conference may see fit to create and his own Office.
2. The OPEC News Agency (OPECNA) shall be a special Unit responsible for collecting, producing and disseminating news of general interest regarding the Organization and the Member Countries and on energy and related matters.

3. The Office of the Secretary General shall provide him with executive assistance, particularly in carrying out contacts with governments, organizations and delegations; in matters of protocol; in the preparation for, and coordination of meeting; and other duties assigned by the Secretary General.

4. Notwithstanding the provisions of Article 34, and where the efficient functioning of the divisions and departments of the Secretariat so requires, the Board of Governors may, upon the recommendation of the Secretary General, authorize the Secretary General to transfer functions or minor units from one division or department to another.

Article 34

A. The Division of Research shall be responsible for:

1. conducting a continuous programme of research fulfilling the needs of the Organization, placing particular emphasis on energy and related matters;
2. monitoring, forecasting and analysing developments in the energy and petrochemical industries; and the evaluation of hydrocarbons and products and their non-energy uses;

3. analysing economic and financial issues of significant interest, in particular those related to international financial and monetary matters, and to the international petroleum industry; and

4. maintaining and expanding data services to support the research activities of the Secretariat and those of Member Countries.

B. The Personnel and Administration Department shall:

1. be responsible for all organization methods, the provision of administrative services for all meetings, personnel matters, budgets, accounting and internal control;

2. study and review general administrative policies and industrial relations methods used in the oil industry in Member and other countries, and advise Member Countries of any possible improvements; and

3. keep abreast of the current administrative policies and/or policy changes occurring in the international petroleum industry which might affect the Organization or be of interest to it.
C. The Public information Department shall be responsible for:

1. presenting OPEC objectives, decisions and actions in their true and most desirable perspective;

2. carrying out a central public information programme and identifying suitable areas for the promotion of the Organization's aims; and

3. the production and distribution of publications and other materials.

Article 35

A. The Secretary General shall commission consultants, as necessary, to advise on special matters or to conduct expert studies when such work cannot be undertaken by the Secretariat.

B. The Secretary General may engage such specialists or experts, regardless of nationality, as the Organization needs, for a period to be approved by the Board of Governors, provided there is a provision for such appointment in the Budget.

C. The Secretary General may at any time convene Working Parties to carry out any studies on specific subjects of interest to the Member Countries.
CHAPTER IV: Consultative Meetings and Specialized Organs

Article 36

A. A Consultative Meeting shall be composed of Heads of Delegations of Member Countries or their representative.

B. In case a Conference is not in session, a Consultative Meeting may be convened at any time at the request of the President of the Conference.

C. The Agenda of each Consultative Meeting shall be prepared by the President of the Conference, unless it has been previously specified by the Conference itself.

D. The Consultative Meeting may pass decisions or recommendations to be approved by the next Conference unless otherwise authorized by a previous Conference.

Article 37

A. The Conference may establish specialized organs, as circumstances require, in order to assist in resolving certain problems of particular importance. The specialized organs shall function in accordance with the Resolutions or Statutes prepared to that effect.

B. The specialized organs shall operate within the general framework of the Secretariat of the Organization, both functionally and financially.
C. The specialized organs shall act at all times in accordance with the principles of the Organization, as set out in the Resolutions of the Conference.


Article 38

A. The Budget of the Organization shall be drawn up for each calendar year.

B. The Conference, in accepting any Associate Member to the Organization, shall ask it to pay a fixed annual subscription to be considered as its financial contribution to the Organization.

C. Budget appropriations shall be apportioned on an equal basis among all Member Countries, after taking into consideration the annual subscriptions of the Associate Members.

Article 39

A. Each Member Country shall bear all expenses incurred in sending delegations or representatives to Conferences, Consultative Meetings and Working Parties.

B. The Organization shall bear the travelling expenses and remuneration of the Governors who attend the meetings of the Board of Governors.
CHAPTER VI : Additional Provisions

Article 40

Amendments to this Status may be proposed by any Member Country. Such proposed amendments shall be considered by the Board of Governors which, if it so decides, shall recommend their adoption to the Conference to the Conference.

Article 41

All Resolutions contrary to the context of this Statute shall be abrogated.

Article 42

This Statute shall be applied from the 1st May 1965.

EEC Statement on Energy - The text of the statement on energy by the summit meeting of the European Economic community in Copenhagen on 15 December is as follows:

"The heads of state or government considered that the situation produced by the energy crisis is a threat to the World Economy as a whole, affecting not only developed but also developing countries. A prolonged scarcity of energy resources would have grave effects on production, employment and balances of payments within the community. The heads of state or government therefore agreed on the necessity for the community taking immediate and effective action along the following lines.

The Council should adopt at its session of December 17-18, 1973, the community instruments which will enable the commission to establish by January 15, 1974 comprehensive energy balance sheets covering all relevant aspects of the energy situation within the community.

The commission should on this basis proceed to examine all present or foreseeable repercussions of the energy supply situation on production, employment, prices and balances of payments, as well as on the development of monetary reserves.

The heads of state or government ask the commission to present by 31st January 1974, proposals on which the council will
be invited to decide as quickly as possible and in principle before 28th Feb., 1974, to ensure the orderly functioning of the common market for energy.

In this context the commission is asked to submit to the Council as quickly as possible for rapid decision proposals aimed at resolving in a concerted manner the problems raised by the developing energy crisis. For the same reason they asked the Council to adopt the provisions to ensure that all member states introduce on a concerted and equitable basis measures to limit energy consumption. With a view to securing the energy supplies of the community, the Council will adopt a comprehensive community programme on alternative sources of energy. This programme will be designed to promote a diversification of supplies by developing existing resources, accelerating research in new sources of energy and creating new capacities of production, notably a European capacity for enrichment of uranium, seeking the concerted harmonious development of existing projects.

The heads of state or government confirmed the importance of entering into negotiations with oil producing countries on comprehensive arrangements comprising cooperation on a wide scale for the economic and industrial development of these countries, industrial investments, and stable energy supplies to the member countries at reasonable prices.
They furthermore considered it useful to study with other oil consuming countries within the framework of the OECD ways of dealing with the common short and long term energy problems of consumer countries.

The Council should establish at its session of 17-18 Dec., 1973, an energy Committee of senior officials which is responsible for implementing the energy policy measures adopted by the Council.
Map No. 5

+ OPEC Far East - 4 Indonesia
+ OPEC Latin America - 2 ECUADOR; 13 VENEZUELA
+ OPEC Africa - 1 ALGERIA; 3 GABON; 9 NIGERIA; LIEYAN AJ
+ OPEC Middle East - 8 IRAN; 6 IRAQ; 7 KUWAIT; 10 QATAR; 11 SAUDI ARABIA; 12 UAE.

The Kings and Presidents of the OPEC member countries convened in Algiers at the invitation of President of the Revolution Council and Prime Minister of the Democratic and Popular Republic of Algeria.

1. They discussed the current world economic crisis. They exchanged views on the causes of this crisis, which has been in progress for many years, and studied the measures to be taken to safeguard the rights and legitimate interests of their peoples within the framework of international solidarity and co-operation.

The Kings and Presidents affirm that international peace and progress depend on the mutual respect for the sovereignty of the member countries of the world community and on equality among them in accordance with the UN Charter. They also affirm that the basic statements embodied in this declaration are in line with the resolutions of the special sixth session of the UN General Assembly on the questions of raw materials and development.

The Kings and Presidents reaffirm the importance of an exchange of views among their countries to unite them in a bid...
to safeguard the rights and legitimate interests of their peoples and they once more proclaim their countries' right to develop their natural resources, to exploit them and fix their prices. The right is one of the rights of their sovereignty which brooks no argument. The Kings and Presidents reject any idea or attempt to infringe these basic rights - ideas and attempts which constitute a challenge to their countries' sovereignty.

They stress anew that OPEC member states work for the higher interest and progress of the entire world community, through a firm and cohesive collective defence of the legitimate rights of its peoples. They are thus promoting the interests of the raw material producing developing countries in defence of their peoples' legitimate rights. They believe that the nations' joint responsibilities with regard to the international economic situation demand that more importance be attached to international co-operation.

They declare that they are prepared to contribute to the development and stability of the world's economy, as has been stated in the declaration and the special action programme to establish a new international economic system, a document approved by the UN General Assembly at its sixth special session.

Economic Differences

2. The Kings and Presidents observe that the current international economic crisis is due basically to the great differences in the economic and social progress of the various
peoples: that these differences, of which the backwardness of the developing countries is one feature, is basically the result of foreign exploitation which perpetuates these differences. It has become more acute with the passing of time in the absence of adequate international co-operation for development. This situation has led to the accelerated exhaustion of the developing countries' natural resources, and this in itself hinders to effective transfer of capital and technology and greatly disturbs the balance of economic relations.

They point out that this disturbance which besets the current international economic situation has been aggravated through a wide-spread inflation. The latter has reduced economic growth in general and has contributed to the instability of the world monetary system in the absence of adequate controls.

They reaffirm that the reasons for this disturbance must be sought in the chronic and deep-seated defects which have been accumulating for years, such as the advanced countries' general tendency to over-consumption and waste of limited resources and to the inappropriate, short-sighted economic policies pursued by the industrialised world.

The Kings and Presidents reject all allegations which attribute the responsibility for the present instability in the world's economy to the price of oil. The fact is that oil, which has made a considerable contribution to the progress and prosperity of the industrialised countries in the last quarter of this century, is not only the cheapest energy source, but the cost of imported oil accounts for only a minute portion of the
advanced countries' GNP. The latest adjustment in the price of oil has contributed only slightly to their high average inflation, which is basically due to other causes, whose roots are within the economies of the advanced countries.

This inflation, which is consistently being exported to the developing countries, has resulted in obstructing their efforts in the sphere of development.

**Propaganda Campaign**

3. The Kings and Presidents also condemn the threats that have been made, the propaganda campaign and other measures taken, culminating in the accusation levelled at the OPEC member countries that they wish to undermine the economy of the developed countries. These campaigns and measures, which may lead to a confrontation, have precluded a clear understanding of the existing problems, and have created an atmosphere of tension hardly conducive to consultations or cooperation in the international sphere. They denounce any attempts by the consuming countries to form cartels with a view to a confrontation; they condemn any plan of strategy aimed at economic or military acts of aggression by these or other cartels against any member countries of OPEC.

In view of these threats, the Kings and Presidents once more emphasise the solidarity which unites their ranks in defence of their peoples' legitimate rights. They declare their readiness within the framework of that solidarity, to take immediate and
effective measures to oppose these threats by adopting a united policy whenever this is called for, particularly in the event of aggression.

4. While the Kings and Presidents are careful to respond to the legitimate aspirations of their peoples for Exist between the national development and progress, they are fully aware of the close links that development of their respective countries and the economic prosperity of the world as a whole. The cooperation between nations has made the Kings and Presidents more aware of the difficulties which other peoples have had to face and which may affect world stability. In view of this, they once more emphasised their support for dialogue, cooperation and joint action for finding solutions to the major problems facing the world's economy.

Prompted by this spirit, the OPEC member countries, thanks to the increasing financial resources which have been accruing to them for a relatively short period, have contributed - both through bilateral and multilateral arrangements - to the efforts made for development and for stabilising the balance of payments of other developing countries as well as the industrially advanced states. The financial aid given by these countries to other developing countries during 1974 was, in proportion to their GNP many times the volume of the annual average of the assistance given by the industrially advanced countries to the developing countries in the last development decade.

In addition to this, the OPEC member countries have offered credit facilities to the developed countries to help them
meet their balance of payment deficit. Furthermore, the measures taken by the OPEC member countries to speed up their economic development and encourage trade among themselves have contributed to the expansion of international trade and to establishing an equilibrium in the balance of payments of the developed countries.

**Oil Vital for Development**

5. The Kings and Presidents agree in principle to the holding of an international conference between the developing and the advanced countries. They believe that the aim of such a conference should be to make concrete progress towards alleviating the existing major difficulties in the world's economy. That conference should therefore pay equal attention to the problems facing the advanced and the developing countries. Consequently, the agenda of that conference should under no circumstances be confined to a study of the problem of energy; it should clearly cover the questions of the raw materials of the developing countries; reform of the international monetary system and cooperation for development, with a view to achieving world stability. Furthermore, the conference could take place on a limited scale so that it can work efficiently, provided that all countries concerned with the problems under discussion are suitably and genuinely represented.

6. The Kings and Presidents emphasise that the exploitation of the oil resources of their respective countries - which are liable to run out - should be so conducted as to serve
primarily and above all the interests of their peoples in the best possible manner, proceeding from the fact that oil, which represents the major source of income, is a factor vital for the development of their countries.

While they realise the crucial role which oil supplies play in the world's economy, they believe that to conserve the resources of oil is a basic requirement for the prosperity of the generation to come. Consequently, they urge the pursuit of policies aimed at the optimum utilisation of this essential resource, which is both finite and non-renewable.

7. The Kings and Presidents point out that the artificially low prices of oil have in the past led to continuous exploitation of this limited and exhaustible resource. To persevere with that police would lead to disaster, both as regards the conservation of this resource and for the world's economy. They are of the opinion that the interests of the OPEC member countries, as well as those of the rest of the world, require that the price of oil, being the basic source of national income of the member countries, should be determined by taking into consideration the following:

(a) The need to conserve oil, the fact that it is a finite resource and its increasing rarity in the future;

(b) The value of oil, having regard to its utilisation for other than energy purposes,

(c) The facts with regard to alternative energy sources, from the point of view of their availability, use and cost.
The price of oil should, moreover, be stabilised by linking it with certain objective criteria, including the price of industrial products, the rate of inflation, and the conditions of transfer of commodities and technology for the development of the OPEC member countries.

8. The Kings and Presidents declare that their countries are ready to continue to offer positive facilities for the solution of the major problems affecting the world's economy, and to encourage the consistent cooperation, which is the key to the establishment of a new international economic system. They propose, with a view to advancing this international co-operation, that a number of measures should be taken vis-a-vis the other developing and the industrialised countries. In this context, they would like to emphasise that the measures proposed in this declaration constitute a comprehensive programme whose provisions must be implemented in full if the goals of justice and efficiency are to be achieved.

Aid to Developing Countries

9. Once again the Kings and Presidents stress the natural solidarity which unites their countries with the other developing countries in their struggle to overcome their backwardness. They express their deep appreciation of the strong support given by all the developing countries to the member countries of OPEC at the developing countries' conference on raw materials held in Dakar
from 3rd to 8th February 1975. They realise that the developing countries suffer worst from the world economic crisis. Consequently they stress anew their determination to implement measures to strengthen their cooperation with these countries. They are also prepared to participate within the limit of their resources, in implementing the special international programme drawn up by the UN and to give additional special allocations, loans and grants to the developing countries. In this connection they have agreed to co-ordinate their special programme for financial cooperation to aid the worst-hit developing countries in the best possible manner, especially to help them overcome their balance-of-payments difficulties. They have also agreed to co-ordinate these financial measures with long-term loans for the development of the economies of these countries.

To help improve the use of the agricultural potentials of the developing countries, the Kings and Presidents have decided to encourage the production of fertilisers and to provide the latter at favourable terms to the countries which have been badly affected by the economic crisis. They stress their readiness to cooperate with the other raw material exporting developing countries in their efforts to obtain a fair price for their exports.

10. As a contribution to alleviating the difficulties affecting the economies of the advanced countries, the Kings and Presidents declare that the OPEC member countries will
continue to make special efforts in respect of the needs of the advanced countries.

As for oil supplies, they reiterate their countries' readiness to guarantee sufficient supplies to meet the vital needs of the economies of the advanced countries, provided that the consumer countries do not erect artificial barriers to distort the natural functioning of the laws of supply and demand. In furtherance of this aim (of guaranteeing supplies), the OPEC member countries will establish close co-operation and co-ordination among themselves so as to preserve a balance between oil production and the needs of the world's market.

As to oil prices, the Kings and Presidents point out that despite the apparent huge increase in these prices, the high rate of inflation and the deterioration of the value of currency have wiped out a large part of the real value of the prices following their adjustment. The current price falls noticeably below that which would have resulted from the development of alternative sources of energy.

However, they are ready to discuss conditions for the stabilisation of oil prices - a matter which will help the consumer countries introduce the necessary changes in their economies.

The Kings and Heads of State, motivated by a spirit of dialogue and cooperation, stress that the OPEC member states are prepared to negotiate with the advanced countries which have
suffered most, bilaterally or through international organisation, with a view to the provision of financial facilities that would enable the economies of these countries to develop while guaranteeing the value of the deposits of the OPEC members states as well as their cooperation.

**UN Programme of Action**

11. The Kings and Presidents, while maintaining that any genuine international co-operation must benefit all the developing and advanced countries alike, declare that in return for the efforts, guarantees and commitments that the OPEC member states are willing to undertake, the advanced countries must contribute to the progress and development of the developing countries by taking specific steps. Particularly with a view to achieving economic and monetary stability and giving appropriate attention to the interests of the developing countries.

In this connection, they underline the need for the full implementation of the programme of action approved by the UN General Assembly at its sixth special session. Accordingly, they stress the following prerequisites:

(a) The advanced countries should support the measures adopted by the developing countries with the aim of stabilising the prices of their exports of raw materials and other essential commodities at fair and satisfactory levels.
(b) the advanced countries should honour their international commitments arising out of the second UN development decade as a minimum contribution which could be increased, in particular by the most advanced states, for the benefit of the developing states which have suffered most.

(c) To draw up and implement an effective food programme under which the advanced states, particularly the major food-producing and exporting states, will give grants and aid to the most needy developing states in relation to their foodstuff and agricultural requirements.

(d) To speed up operations to effect the development of developing states, particularly by using modern technology efficiently and quickly and by eliminating obstacles in the way of the application and development of technology in the service of the economy of our countries.

In view of the fact that in several instances obstacles to development arise from the inadequate and unsuitable transmission of technology, the Kings and Presidents attach the greatest importance to the transmission of technology, which they regard as a big test of the degree of commitment on the part of the advanced countries to the principle of international cooperation in the interest of development.
The transmission of technology should not be based on a division of labour whereby the developing states would produce commodities of inferior technological standard. All efficient transmission of technology should help the developing countries to overcome the technological backwardness characterising their economies by means of manufacturing products of high technological standard themselves, particularly in relation to the development and processing of their natural resources.

As regards exhaustible natural resources, such as the oil of the OPEC member states, it is vital that the rate of the transmission of technology should keep pace as far as possible with the mean rate of exploitation, which is now being stepped up in the interest of the economy and progress of the advanced countries.

A large proportion of the planned or new petrochemical complexes, oil refineries and fertiliser factories should be built in the territory of the OPEC member states in co-operation with the industrial states for the purpose of exporting to the advanced countries and guaranteeing that these products will reach the markets of these countries.

There should be sufficient protection against reduction in the value of the external reserves of the OPEC member states as well as guarantees of the security of their investments in the advanced countries.

Furthermore, the Kings and Presidents consider it essential for the advanced countries to open their markets not only to oil
and other primary products, but also to goods manufactured by
the developing countries and to regard the discriminatory
methods adopted against the developing countries, including the
members of OPEC, as being in conflict with the spirit of
coopperation and partnership.

Monetary Reform

12. The Kings and President note the current disruption
of the international monetary system and the absence of norme and
documents needed to protect trade exchanges and the value of the
financial assets of the developing countries. They stress in
particular the constant need for the adoption of measures to
safeguard the legitimate interests of the developing countries.

They also stress that the mobilisation of the financial
resources of the OPEC member countries and the advanced
counries and the technical capabilities of these countries for
aiding the developing countries will greatly help in solving the
international economic crisis. They stress the need for
fundamental and urgent measures to remedy the international
monetary system, with a view to strengthening the mechanisms for
expanding trade, developing production resources and ensuring a
balanced growth of the world economy.

They note that the steps taken so far to redress the
international monetary system have failed because these initiatives
did not aim at removing the injustice inherent in the structure
of that system.
The power of taking decisions which affect the value of currency reserves and of the Special Drawing Rights, the price of gold and the role of gold in the international monetary system must not continue to rest with one side and must not be negotiated by the advanced countries alone. It is essential that the advanced countries contribute to a genuine reform of the world monetary and international financial systems and that they ensure fair representation for all developing countries and safeguard their interests.

The reform of the currency and financial systems should allow for an ample increase in the share of the developing countries in the making of decisions, and in controlling and participating in the spirit of community of interest in world development and on an equal footing. The Kings and Presidents have therefore decided to set up machinery for consultation and co-ordination among their countries within the framework of their solidarity in order to promote a true reform of the international currency and financial systems.

OPEC Coordination

13. The Kings and Presidents attach the utmost importance to the strengthening of OPEC, especially in coordinating the activities of the national oil companies within the framework of the Organisation and the Organization's role in the world's economy. They consider that there are specific tasks of the utmost importance to be implemented. These require co-ordinated
planning among their countries and the co-ordination of their policies in the sphere of oil production, conservation, pricing and marketing - as well as in all financial matters of common interest. Coordinated planning and economic cooperation among the member countries would aid the world's development and stability.

14. The Kings and Presidents wish to voice their deep anxiety about the current world economic crisis, which is a threat to stability and peace. At the same time they realise that the crisis has generated an awareness of problems, the solution of which will contribute to the security and prosperity of all mankind.

Aware of the aspirations of the peoples of the whole world and anxious to promote the settlement of the major problems affecting their life, the Kings and Presidents declare that they have agreed that their states shall implement measures designed to usher in a new chapter in international cooperation.

The advanced countries, which possess most of the instruments of progress, prosperity, and peace, as well as most of the instruments of destruction, should respond to the initiatives of the developing countries with similar initiatives, seizing the historic opportunity made available as a result of this critical situation to open a new chapter in the relations among peoples. This would alleviate the distress resulting from the disturbance in the relation of those who possess the elements
of power and the accompanying atmosphere of instability resulting from the prevailing chaos in the world economies. It would open the door to confidence and peace and promote an atmosphere of true international cooperation which would be most advantageous to the developing countries and to which these countries would contribute with their gigantic resources.

Whereas man's genius has provided people with scientific and technological progress and great means of overcoming the hazards of nature and effecting significant changes for the better, the future of mankind ultimately depends exclusively on mankind's ability to mobilise its creative power and work for the good of all and in the interest of all human beings.

The Kings and Presidents of the OPEC member states express their deep faith in the ability of all peoples to set up a new economic system based on justice and fraternity to enable the world of tomorrow, to assure progress for everyone on an equal footing in a spirit of co-operation, stability and peace. They therefore address this warm appeal to the governments of the world's other states and officially pledge to provide the full support of their peoples towards achieving this objective.
THE STRAITS OF BAB EL-MANDEB

Map No. 6

Source: Based on Ali A. EL-HAKIM, 'The Middle Eastern States And The Law Of the Sea, 1979.'
CHAPTER - V

APPENDIX - I

NOTES:-

The Straits of Bab el-Mandeb and the Strait of Hormuz are two international straits where one or more of the Middle Eastern States are coastal States. The two straits, each in turn, and the practice of the Middle Eastern States concerned in relation to them, will therefore be examined here.

* The Straits of Bab El-Mandeb. In a study of straits which constitute routes for international maritime traffic, Commander R.H. Kennedy describes the Straits of Bab el-Mandeb in a statement which is necessary to quote at some length:

1. These Straits join the high seas of the Gulf of Aden to those of the Red Sea and form part of the international route from the Mediterranean to the Far East. The name is strictly applied to the waters lying between Ras Bab el-Mandeb and Ras Si Ane about 14½ miles south-westward and comprising the large Strait between that island and Arabia. Large Strait is about 9½ miles wide and Small Strait about 1½ miles in breadth. For the purpose of this study, however, the water area in the vicinity less than 26 miles wide will be considered. This extends from Mokha in the north to a position about 20 miles eastward of Ras Bab el Mandeb, a distance of approximately 50 miles.

2. The following States border these Straits:

On the south-west, Ethiopia and French Somaliland (since 1968 known as Territoire Francais des Afars et des Issas - French Territory of Afars and Issas; now the independent Republic of Djibouti). On the north-east, Yemen (Arab Republic) and Aden Protectorate (now the independent People's Democratic Republic of Yemen).
3. (a) The length of the Straits may be considered as 50 miles. (b) The general width of the Straits is $19\frac{1}{2}$ miles but this width is restricted over a distance of about seven miles both by the peninsula of which Ras Bab el Mandeb forms the southern end on the northern side, and by Perim Island, which divides the main Strait into two - Large Strait and Small Strait. (c) Small Strait between Perim Island and Ras Bab el Mandeb is about three miles long and varies in width from about three miles to one-and-a-half miles. (d) Large Strait between Perim Island and the African coast is about 10 miles long with a general width of about $10\frac{1}{2}$ miles. The narrowest part is $9\frac{1}{4}$ miles wide between the southern end of Perim Island and Jezirate Seba, a group of six islands extending about six miles from the African coast and south-south-westward of Perim Island.

4. The whole Strait, with the exception of Small Strait, throughout its length of about 50 miles, is deep water varying from about 100 fathoms or more in the middle to approximately three to six fathoms close off the coastal reefs. There are no navigational changes throughout its length. Small Strait has depths varying from 12 to $15\frac{1}{2}$ fathoms and is free from changes in the fairway. Tidal streams are, however, strong and irregular, and, as many casualties have occurred there, the use of Large Strait is recommended.
5. In addition to Perim Island and Jezirat Seba, described above the only island in the area is Tumerra, the outer edge of which lies about a mile from the African coast and about 14 miles west-north-westward of Perim Island. There are no ports within the area.

6. Navigation is possible on both sides of median line drawn through the main Strait and through Large and Small Straits. The narrower part of the Straits of Bab el-Mandeb lies wholly within the territorial seas of Democratic Yemen and the Republic of Djibouti. Each claims a twelve-mile territorial sea. However, since the Straits of Bab el-Mandeb join the high seas of the Gulf of Aden to those of the Red Sea and are actually used for international navigation by foreign vessels, according to customary law the right of innocent passage through these Straits cannot be suspended. This is in accordance with the decision of the International Court of Justice in the Corfu Channel case, 1949, which is reaffirmed in Article 6 (4) of the 1958 Territorial Sea Convention referred to above. It may be further observed that at the Third Conference on the Law of the Sea, Democratic Yemen has already expressed its opposition to, while France, which formerly controlled the Territory of Afars and Issas (now Djibouti), has spoken in favour of, the principle of 'transit passage' through straits linking part of the high seas or an exclusive economic zone and another area of the high seas or an exclusive economic zone, such as the Straits of Bab el-Manadeb. Besides, the French Law 71-1060 of 24 December 1971,
which extended the territorial sea of France and its overseas territories to twelve nautical miles, provides in Article 3 that when the distance between the French baselines and those of an opposite foreign State no longer allows the existence of a zone of high seas adequate for navigation, if need be and after agreement has been reached with the States concerned, a navigation zone in which the principle of freedom of the high seas, and not the more restricted right of innocent passage, is to be applied may be reserved.

When the Yemen Arab Republic extended its territorial seas to twelve miles in 1967, fears were expressed in the House of Lords that the government of Yemen might interfere with the islands of Kamaran and Perim, discussed below, and with ships passing through the Straits of Bab el-Mandeb. The then Under-Secretary of State for Commonwealth Affairs, Lord Beswick, told the House that '... Her Majesty's Government will take any action necessary to prevent interference by the Yemen authorities with islands of Kamaran and Perim'. He also said:

'... the fact is that the extension of any territorial waters cannot affect the status of islands which belong to or are dependencies of another country and which are within the additional areas of sea now claimed. So far as access to the Red Sea is concerned, this is guaranteed by international Convention, and we shall seek to ensure that that Convention is observed.'

Until 1971 there had been no interference with ships passing through the straits. The first incident, however, took place on 11 June of that year, when a Liberian-flag tanker, the Coral Sea,
Source: Based on
ALI A EL-HAKIM,
'The Middle Eastern States and the
Law of the Sea, 1979.'
chartered by Israel, was fired on from an unmarked launch. Bazooka shells ripped three holes in the ship but failed to ignite the 30,000 tons of crude oil.

During the Arab-Israeli conflict of October 1973, reports were published that the government of Democratic Yemen had announced a blockade of the Straits of Bab el-Mandeb against ships sailing under the Israeli flag, operated by Israeli companies, or bound for Israel, and declared the straits a 'war' zone. It has been reported also that during the Arab summit meeting at Rabat in October 1974 Egypt concluded an agreement with Democratic Yemen for the lease of the strategic island of Perim as a naval base to enable her to blockage the Israeli port of Eilat. This, however, was denied by the government of Democratic Yemen, which in an announcement also stated that 'the so-called lease of the island (of Perim), was not a subject for debate by anyone at the Seventh Arab Summit Conference in Rabat.

The Strait of Hormuz\textsuperscript{*} - The Strait of Hormuz joins the high seas of the Arabian Gulf to those of the Gulf of Oman, which opens to the Arabian Sea and the Indian Ocean. Since the end of World War II, with the development of the extensive petroleum resources which are found in the Arabian Gulf area, the importance of the strait as an international waterway has notably increased. In 1973 it was shown that an average of one oil tanker every fourteen minutes passed through it, and that about 17 million barrels of oil—roughly a

\textsuperscript{2}. The Arabs have called the Persian Gulf as Arabian Gulf although in general terms it is still a disputed question.
third of the non-communist world's consumption—left the Arabian Gulf through this narrow strait daily. Geographically, the Strait of Hormuz:

lies between Iran on the north and north-west and Oman on the south. Its northern shores are formed by the eastern part of Qushm island together with its off-lying islands of Jezirat Henjam. Its southern shores are formed by the western and northern sides of Musandam Peninsula, the most northerly part of the mainland of Oman, and its offlying islets.

From the Gulf of Oman the approach to the Strait is in a northerly direction and is about 30 miles wide. The Strait itself runs in a general south-westerly direction; it is constricted to a breadth of 20 3/4 miles at the northern and between Jezirat Larak and Great Quishm Island the general width is about 28 miles.

The twelve-mile territorial seas of Iran and Oman overlap in the narrower part of the Strait of Hormuz, leaving no high seas area within this part. However, since the strait is used for international navigation between the high seas of the Gulf of Oman and those of the Arabian Gulf, innocent passage of foreign ships through the strait cannot be suspended. This is by virtue of the customary rule laid down in the Corfu Channel case, 1949, and restated in the 1958 Territorial Sea Convention and referred to above. The Strait of Hormuz would also qualify for the application of the rule concerning 'transit passage' through straits, which as mentioned above, is being considered at the Third Conference on the Law of the Sea. At that conference, however, Oman and Iran stressed that any proposed rules concerning passage through
international straits should be based on the concept of innocent passage and not on the right of 'transit passage'. It may be further observed that the 1972 Omani decree concerning territorial sea also speaks of the principle of innocent passage of ships and planes of other States through international straits.
NOTES:-

Marine Pollution Control

Since they border the Mediterranean Sea, the Red Sea, and the Arabian Gulf, which may be described as some of the busiest international trade routes and most vulnerable to oil pollution, the Middle Eastern States have a general as well as direct interest in the control of marine pollution. In the Arabian Gulf the transport of oil is by far the largest item of maritime traffic. It was estimated that in December 1972 a daily total of 19½ million barrels (2.9 million tons) of crude oil were produced from oil wells in the surrounding countries and in the sea bed of the Arabian Gulf, and that about 90 per cent of this enormous quantity (in the form of either crude oil or refined products) required the services of twenty-five to thirty large tankers daily, the average cargo of each exceeding 100,000 tons. It has also been indicated that about one-tenth of the total production of crude oil in the Arabian Gulf comes from a large number of sea wells. Hence the risk of oil pollution, whether from sea bed activities or shipping is too great, particularly in view of the shallowness of the waters of the Arabian Gulf. In the event of a major accident in the narrow Strait of Hormuz or any part of the Arabian Gulf, all shipping could come to a halt for a considerable time and would cost the oil-exporting littoral States millions of dollars a day. Serious harm, also, could be done to the rich marine life of the waters of the Gulf.
The Red Sea, linking Europe with Asia and Africa, is also exposed to oil pollution from oil tankers and other traffic which ply through it.

Despite this, few steps have so far been taken by the Middle Eastern States, at the national, regional or international level, to establish legal requirements for the control of marine pollution.

A. International Level - Egypt, Jordan, Kuwait, Lebanon, Libya, Saudi Arabia, Syria and Democratic Yemen are parties to the International Convention for the Prevention of Pollution of the Sea by Oil, 12 May 1954, as amended 13 April 1962. The other Middle Eastern States have so far not ratified this convention, and it appears that none has yet taken action on other multilateral anti-pollution measures, including the 1972 London convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, and the International Convention for the Prevention of Pollution from Ships, 1973. The latter designates the Mediterranean Sea, the Red Sea and the 'Gulf area' - that is, the Arabian Gulf and the Gulf of Oman - among the 'Special areas' that required additional precautions for the protection of the marine environment.

B. Regional Level - First, as regard the Arabian Gulf, at a conference held in Kuwait on 15-24 April 1978 the States participating - Bahrain, Kuwait, Iran, Iraq, Oman, Qatar, Saudi Arabia and the United Arab Emirates - adopted and signed
Kuwait Regional Convention for Co-operation in the Protection of the Marine Environment from Pollution and a Protocol concerning Regional Co-operation in Combating Pollution by Oil and other Harmful Substances in Cases of Emergency.

Reference may also be made to the agreement concluded on 11 July 1972 to deal with oil spillages resulting from offshore operations in the Gulf. Under this agreement, thirteen oil companies in the region have established the Gulf Area Oil Companies Mutual Aid Organisation for the purpose of providing a joint capability to clear up oil spills larger than could be dealt with by a single party. Membership of the organisation is open to all oil companies working in the Arabian Gulf area. Each participant is required to submit oil-spill contingency plans and to keep on hand specified quantities of equipment and supplies to be made available to other participants in emergencies.

During a conference held in January 1976 in Jeddah, Saudi Arabia, at the invitation of the Arab League Educational, Cultural and Scientific Organisation (ALECSO), to study the issue of scientific research on, and the preservation of, the marine environment of the Red Sea basin and the Gulf of Aden, the participants—Egypt, Ethiopia, Jordan, the Republic of Somalia, Sudan, Saudi Arabia, Democratic Yemen and the Yemen Arab Republic—declared that the Red Sea and the Gulf of Aden were part of their national responsibility. Accordingly, the Jeddah Declaration added, these States intended to shoulder their responsibility as regards conservation of environmental conditions from the dangers of
pollution and environmental degradation. It also declared that the States would co-operate in setting up a network for monitoring the meteorology of the environment of the Red Sea and the Gulf of Aden; in adopting a convention for the protection and preservation of the marine environment of these waters; and in establishing a regional programme for scientific research as well as a special fund to finance such a programme.

C. National Level - In Oman the 1974 'Marine Pollution Control Law' establishes a 'Pollution-free zone' encompassing the twelve-mile territorial sea of the sultanate and those waters extending for thirty-eight nautical miles beyond the territorial sea. Where the coast of another State is opposite or adjacent to the coast of Oman, the limits of the 'Pollution-free Zone' will not extend beyond such limits as may have been agreed to with such other States or, if there is no such agreement, the median line shall be the boundary line. Oman has already concluded an agreement with the opposite State, Iran, delimiting the boundary of the continental shelf areas between the two States.

Under the Omani law the term 'pollutant' is defined to include oil or oily mixture; any substance of a dangerous or noxious nature such as sewage, refuse, waste or garbage which, if added to any waters, would degrade those waters to an extent that is detrimental to their use by man or by any animal, fish or plant that is useful to man; any water which contains a substance such as the aforementioned; and any substance which may be designated by the Minister concerned to be a pollutant. The Omani law makes it
illegal for any person to discharge a 'pollutant' into the 'Pollution-free zone' from a vessel, a place on land, or an oil transmission apparatus. It is also illegal for any vessel to discharge a 'pollutant' into the 'Pollution-free zone'; and for any vessel registered in the sultanate to discharge a 'pollutant' into any waters beyond the 'Pollution-free zone' of Oman.

Other provisions of the Omani law deal with such matters as relate to violations of the law, record-keeping, reporting and insurance requirements, enforcement, and civil liability for costs and damages.

No other Middle Eastern State is known to have yet claimed a pollution control zone or passed any legislation concerning marine pollution control, but reference may be made to some legal instruments which made general reference to the problem of marine pollution. Thus Article 2 of the Iraqi Law No. 229 of 1970 concerning 'Preservation of Oil wealth and Natural Hydrocarbons provides that all oil operations in the region of the Iraqi Republic including its territorial sea and continental shelf must be carried out 'in accordance with scientific and efficient methods, and in conformity with the safe practice of oil industry'. Article 3 states that the operator must take necessary measures to prevent, inter alia, pollution of the air, and surface and sub-surface water.

It is understood that a draft law for the control of marine pollution is still pending before the Iranian Parliament, but the
Iranian Petroleum Act of 6 August 1974, which is applicable with respect to petroleum operations in inland and coastal waters and the continental shelf, specifically provides that:

The National Iranian Oil Company shall, during operations related to each agreement, be mindful and pay full attention to the conservation of the Natural Resources (especially Natural Gas) and also prevention of pollution of the environment (air, water and land). The Party to the Agreement shall also be bound to observe in its operations all regulations announced and/or communicated to it by the Government or National Iranian Oil Company, for the said purpose.

In April 1971 Iran and Russia took the first step towards reducing pollution in the Caspian Sea by signing a protocol which may lead eventually to a treaty on the prevention of pollution of the Caspian Sea. Iranian officials claimed that the Caspian Sea had been turned into a vast sewer by oil leakages and industrial waste. They believed that about 300,000 to 400,000 tons of oil seeped into the Caspian each year from offshore wells.

In Kuwait, Article II(2) of Law No. 12 of 26 February 1964 "Regarding Prevention of Pollution of Navigable Waters by Oil", which implements the international Convention for the Prevention of Pollution of the Sea by Oil, 1954, to which Kuwait is a party provides that the Minister of Finance and Industry may issue regulations to change the 'prohibited zones' described in Annex I of the law in accordance with any amendment of the provisions of the latter convention or any other convention ratified by the
State of Kuwait. It is also worth noting that in the offshore concession agreements with the government of Kuwait general reference was made to the problem of pollution. The agreements refer to the company proceeding "diligently" with the drilling, but the provisions which dealt with pollution are marked by their brevity: 'the Company shall conduct its operations in a workmanlike manner and by scientific methods and shall take all reasonable measures ... to prevent the pollution of the sea ...' (Kuwait, Ministry of Finance and Oil, General Oil Affairs, The Oil of Kuwait - Facts and Figures 3rd edn. August 1970, p.46).
NOTES -

Exclusive fishing zones: exclusive economic zones: Both the 1958 and 1960 Conferences on the Law of the Sea failed to produce any agreement on the question of exclusive fisheries jurisdiction, but, the prospects in the further Law of the Sea Conference seem good for general agreement on a 200-mile exclusive economic zone in which the coastal State would have sovereign rights with regard to the living and non-living resources, and jurisdiction with regard to other activities, including scientific research and the preservation of marine environment.

However, at December 1975, of the 129 coastal States seventy-six have claimed exclusive fishing zones of twelve nautical miles' limit, whereas thirty-six have claimed exclusive fishing zones in excess of the twelve-mile limit. As to the Middle Eastern States in particular, in their respective domestic continental shelf and territorial sea legislation many of them, including Egypt, Saudi Arabia, Kuwait, Bahrain, Qatar, the various members of the United Arab Emirates, and Iran, have expressly reserved their rights with respect to fishing in waters beyond the limits of the territorial sea. Up to the present, however, and with the exception of Oman, Iran, Saudi Arabia, Qatar and Democratic Yemen, the Middle Eastern States appear to have made no effort to police or control fishing in waters beyond the limits of their territorial seas.

In 1972 and 1973 respectively Oman and Iran, which border on both the Persian Gulf and the Gulf of Oman, followed the
precedent of other States which believed that fishing limits could be unilaterally decided upon, and each proclaimed an exclusive fishing zone of fifty nautical miles (in 1977 Oman extended its exclusive fishing zone to two hundred nautical miles) measured from the baselines of the territorial sea, but in the Arabian Gulf the limits of the Iranian exclusive fishing zone were said to be those of the waters superjacent to the Iranian continental shelf, which, it has been indicated, in general did not exceed fifty miles. According to the Iranian proclamation, where Iran had continental shelf demarcation agreements with other countries in the Gulf, the demarcation line would constitute the limits of the Iranian exclusive fishing zone, and where such agreements had not yet been concluded, unless otherwise agreed, the median line between the Iranian and opposite or adjacent shores would be considered the limit of the exclusive fishing zone of Iran. Iran has indicated that in the Gulf of Oman, as in the case of the exclusive fishery zones proclaimed by Pakistan and Oman, the criterion of fifty nautical miles had been adopted because there the continental shelf ends abruptly a short distance from the coast.

The Omani proclamation expressly provides that the sultanate exercises sovereign rights over its exclusive fishing zone for the purposes of exploring, developing and exploiting its living resources, 'including but not limited to fish'.

The Iranian proclamation was made, according to its Preamble, in order to 'safeguard the fishing rights and interests
of Iran in the seas adjacent to its coast and the coast of its islands'. The Preamble added that the coastal communities of Iran have throughout history been engaged in fishing activities in the seas adjacent to the Iranian coast and that the natural resources of these seas are of 'vital importance to the economic and social progress of Iran'. Introducing the proclamation to the Iranian Parliament, the Foreign Minister of Iran told the Majlis that 'overfishing by foreign trawlers was depleting the fish stock in Iranian territorial waters.

In 1974 Saudi Arabia and Qatar issued declarations claiming exclusive sovereign rights in zones contiguous to their territorial seas. The Qatar declaration reaffirms the rights of Qatar in its continental shelf as asserted in the proclamation of June 1949, and states that, in the zones contiguous to the territorial sea of its coast and the coasts of its islands, the State of Qatar alone has the exclusive sovereign rights with respect to fishing and all related activities and the exploitation and conservation of the marine wealth and natural resources and the rights with regard to the construction of installations and safety and control zones, and any type of research. The outer limits of those zones would be defined according to bilateral agreements already concluded with Qatar, but where no such agreements existed, and unless otherwise agreed, the limits would be defined by reference to the outer limits of the continental shelf of Qatar or to the median line between the baselines of the territorial seas of Qatar and the opposite or adjacent State concerned.
The Saudi declaration, which applies to the coasts of Saudi Arabia in the Arabian Gulf and the Red Sea, asserts 'exclusive fishing zones' in areas not specifically determined but stated to be 'contiguous to the coasts of the Kingdom and the coasts of its islands, from the coastal sea (i.e. territorial sea) of the Kingdom towards the high seas'. Thus there is some obscurity about the outer limits of the Saudi exclusive fishing zone, but it appears that they correspond to the median line between the baselines of the territorial seas of the coasts of Saudi Arabia and the coasts of the opposite or adjacent States, for the Saudi declaration stipulates that, if the exclusive fishing zone of Saudi Arabia should overlap with those of another coastal State, the boundary shall be the median line between the baselines of the territorial seas of the States concerned. Besides, the proclamation, referred to above, made by Iran and Oman had adopted similar criteria.

If the above-considered claims of Iran, Oman, Saudi Arabia and Qatar - and more particularly the claim of Qatar - are understood in conjunction with the respective continental shelf claims, discussed below, of these States, it would appear that these States are actually asserting claims which fall into line with the exclusive economic zone concept referred to above.

It may be observed also that if, as Iran already suggested, similar actions with regard to fishing were to be taken by the other coastal States of the Arabian Gulf, the living resources
of the whole Gulf would be covered by the exclusive jurisdictions of the coastal States. Suggestions have already been made for declaring the Gulf an 'inland sea' like the 'Bay of St Lawrence', in an agreement between the littoral States, to enable them to control pollution as well as fishing activities. As mentioned in the days when pearl fisheries were of prime importance to the inhabitants of the Gulf recommendations were also made for treating it as a 'mare clausum' for the purposes of pearl diving. It is worth noting, however, that Kuwait has already stated that it favours the view that every coastal state should have 'special rights' in a zone contiguous to its territorial sea, but does not approve of the 'principle of closing the Gulf to the fishing vessels which belong to the States not bordering on it.' According to Kuwait, such action would be contrary to the principle of freedom to fish the high seas. Kuwait added the fear that other States might apply the same principle against the interests of Kuwaiti fishing vessels. However, Kuwait considers that it is possible for the States bordering on the Gulf to agree among themselves to regulate fishing activities in the Gulf for the purpose of the conservation of its fish resources, in accordance with the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas.

Finally, in 1977 Democratic Yemen claimed an exclusive economic zone the breadth of which extends two hundred nautical miles from the baseline of its territorial sea.
APPENDIX - III

NOTES:-

Specific Regional Issues: Legal Problems of Offshore Boundaries in the Arabian Gulf

(1) Iran-Sharjah-Umm al-Qaiwain - The Question of Abu Musa:

Abu Musa is an island situated towards the Arabian side of the Gulf, near the exit of the Strait of Hormuz. It lies about thirty-five miles of the coast of the United Arab Emirates (Sharjah), and approximately forty-three miles off the Iranian coast. It has a surface area of approximately thirty square miles with a population of some 800 persons. Abu Musa is characterised by deep waters providing good anchorage, and extensive deposits of red iron oxide which are extracted and exported. The island has been the subject of a long-standing dispute between Iran and Sharjah, however in 1971 a 'Memorandum of understanding' was announced between the two. Before examining this memorandum, it would be enlightening to describe briefly the conflicting claims of Iran and Sharjah, and the dispute which arose in 1970 between Sharjah and neighbouring Umm al-Qaiwain and their respective oil concessionaires over a drilling location situated within nine miles of Abu Musa.

A. Iran-Sharjah: Conflicting Claims - In the summer of 1964 Abu Musa was reportedly occupied by Iran, 'when a Persian ship put a buoy near the island. While the report was subsequently denied by Iran, it is nevertheless a clear indication that this island has been the subject of a long-standing dispute between Iran and Sharjah.
The Iranian claim to sovereignty over the island is understood to be based on three points: (1) that Abu Musa formerly belonged to Iran and was handed over to Sharjah after the British entry into the Arabian Gulf; (2) that the British government formerly acknowledged Iran's ownership; and (3) that the security of the Gulf and the protection of sea routes justify the Iranian government's assertion of sovereignty over the island.

The Iranian claim became more insistent when the British government announced its intention of withdrawing from the Gulf, and after the eruption of the dispute, discussed below, between Sharjah and Umm al-Qaiwain over an oil promising area about nine miles out to sea from Abu Musa. Thus on or about 19 May 1970 Iran informed Her Majesty's government that in her view the island of Abu Musa and its territorial waters to a distance of twelve miles were under the sovereignty of Iran. This assertion was reaffirmed in two letters dated 27 May and 23 June 1970 respectively, communicated from the National Iranian Oil Company to Sharjah's oil concessionaire, Buttes Gas & Oil Company. In the letter of June 1970 NIOC informed Buttes, inter alia, that

'His Imperial Majesty's Government reserves the right to take any action whatsoever to maintain its sovereignty over the island of Abu Musa and its Territorial waters.'

For its part, Sharjah asserted that the tribes on the island were branches of Arab tribes inhabiting Sharjah and that Abu Musa:
has since ancient times been recognised as an Arab island, and has never before been settled by an foreign power, having always been administered by its Arab rulers along the Omani coast ... The British Government affirmed this historical right of the Arabs and of Sharjah specifically on every occasion, and stated its official view through Sir William Luce, the Representative of the British Foreign Secretary in the Gulf area, with the words: 'The British Government did not seize Abu Musa from the Iranians and hand it over to Sharjah at the time of its entry into the Gulf. The British Government has since its entry into the Gulf considered Abu Musa to be Arab, and according to old documents in possession of the British Government the island was Arab ....' In addition Sharjah considered that:

(a) The security interests of a country cannot under any circumstances justify the occupation of another's territory, nor can the protection of sea routes be used as an excuse for claiming sovereignty over an island belonging to another state.

(b) Abu Musa has no military importance in the strategic sense, since it is well known that Iran possesses the most modern aircraft and most powerful naval units and can therefore cover any area of the Arabian Gulf with its modern weapons without making use of Abu Musa. Moreover, Iran has seized the island of Sirri, only some twenty miles distant from Abu Musa, and - assuming its object is security and protection of sea routes - is capable of doing so from this island or other Iranian islands at the entrance
of the Gulf, which forms a bottleneck known as the Straits of Hormuz.

B. Sharjah - UMM al-Qaiwain: Disagreement - During November and December 1969 two offshore oil concessions were awarded to two American oil companies in the adjoining Gulf States of Umm al-Qaiwain and Sharjah. These were the concession agreements of 18 November 1969 between Umm al-Qaiwain and Occidental Petroleum Corporation, and that 29 December 1969 between Sharjah and Buttes Gas & Oil Company. Under the former agreement Occidental has the concession for 'the territorial and offshore waters of Umm al-Qaiwain'. In the latter agreement the concession area was defined to include:

All the territorial waters of the mainland of Sharjah within the jurisdiction of the Ruler, all islands within the jurisdiction of the Ruler and the territorial waters of the said islands and all the area of the sea bed and subsoil lying beneath the waters of the Arabian Gulf contiguous to the said territorial waters over which the Ruler exercises jurisdiction and control.

These concessions were approved by the Foreign and Commonwealth Office in conformity with the special treaty relations under which the British government at that time managed the international relations of the Trucial States. The maps issued by the Foreign Office at the time of the granting of the concessions
showed a three-mile limit for Sharjah's territorial waters around the island of Abu Musa; they also showed that the concession of Occidental included the sea bed to the east of the island of Abu Musa beyond the said three miles. According to H.M. Government the areas of the two concessions were delimited on the basis of a sea boundary agreement concluded between Sharjah and Umm al-Qaiwain in 1964.

However, as indicated earlier, in 1970 a dispute between Sharjah and Umm al-Qaiwain and their respective oil concessionaires erupted over an oil drilling location situated within nine miles off the island of Abu Musa and about thirty-two miles off the coast of Umm-al-Qaiwain. The dispute arose following the discovery by an operating company in early 1970 in that location of favourable indications of an extensive oil and gas-bearing structure. Matters came to a head in 1970, when British naval units prevented Occidental from taking a drilling rig to the promising area. As a result of their action Occidental attempted to sue the British government for damages. Eventually the dispute was stopped by direct British intervention and a three-month drilling stand-off in the disputed area was called, pending an investigation of the whole matter by a third party. Sir Gawain Bell was later appointed as mediator between the various factions.

Umm al-Qaiwain claimed that the drilling location in question fell within the offshore concession area granted to its concessionaire, Occidental Petroleum, because it fell beyond the
three-mile limit originally claimed around Abu Musa. This view was based on an assertion by Umm al-Qaiwain that, according to the above-mentioned 1964 sea boundary agreement, Sharjah agreed that Umm al-Qaiwain should have sovereign rights up to three miles off Abu Musa (thus leaving Abu Musa with three miles of territorial sea). This was contested by Sharjah, which argued that the 1964 agreement was about 'sea boundaries' and not 'sea bed boundaries', as the English translation from the Arabic puts it; that the agreement related to the points of departure and the compass courses of the lines of certain lateral boundaries and that there was no evidence of any agreement touching frontal boundaries, nor of any agreement touching the breadth of which the territorial sea might be established. In addition Sharjah, which considered the location to be within the concession area it had granted to Buttes Gas & Oil, asserted that the area never had been or could be within the jurisdiction and control of Umm al-Qaiwain because it fell within the twelve-mile territorial sea of Abu Musa as established by the first decree concerning the territorial sea of Sharjah and its dependencies which was made on 10 September 1969, antedating the concession held by Occidental. (Occidental alleged that this decree was fraudulently backdated). Moreover, Sharjah said that '(ii) even apart from the effect of that Decree the area is within the 'contiguous zone' of jurisdiction and has been at all material times', and that '(iii) even supposing neither the September Decree nor the contiguous zone were to have effect
of excluding a claim by Umm al-Qaiwain, the area is still within Sharjah's sovereign rights on the continental shelf recognised by general international law.

Sir Gawain Bell was unsuccessful in his mediation, but following intensive negotiations with Sir William Luce, Britain's special envoy in the Arabian Gulf, Sharjah and Iran agreed on a 'Memorandum of Understanding', examined below, concerning future arrangements in respect of the island of Abu Musa and its twelve-mile territorial sea. Umm al-Qaiwain demanded the cancellation of the memorandum on the ground that the Sharjah authorities were not competent to sign such an agreement. Following the discovery of oil in the disputed location by Buttes Gas and Oil in 1972, the government of Umm al-Qaiwain announced its intention of taking legal action against the company, though no such action is known to have been entered upon.

The controversy between Sharjah and Umm al-Qaiwain was followed by litigation between their respective oil concessionaires before both United States and British courts. In the United States a private anti-trust suit brought by Occidental against Buttes Gas & Oil alleged that the latter had conspired with Sharjah, Umm al-Qaiwain, Great Britain and Iran to deprive Occidental of the oil-rich portion of its concession area from Umm al-Qaiwain. On 17 April 1971 the district court in California dismissed the suit on the ground that the doctrine of 'acts of state' as applied in the United States precluded any enquiry into acts of foreign sovereigns even if allegedly included and procured by the defendants. The
dismissal was affirmed by the United States Court of Appeals on 23 June 1972, and on 24 October 1972 the Supreme Court denied a petition for a write of certiorari. A further action by Occidental was brought towards the end of 1974 in the Western Louisiana district court, in which the company claimed title to the crude oil produced by Buttes Gas & Oil from the disputed location. The court, however, entered judgement in favour of Buttes, stating that no rights of Occidental had been confiscated by any of the countries involved; that in law Occidental would be unable to prove that it had any concessionary rights at the time Buttes produced the oil; and that a decision on possible confiscation of rights would involve determining a boundary dispute between Iran, Sharjah and Umm al-Qaiwain.

Meanwhile in England on 15 October 1970 Buttes issued a writ of slander against Occidental and its chairman, who in a press conference had accused Buttes of wrong-dealing. On 7 April 1972 Occidental put in a defence and counter-claim. It affirmed that the accusation was true in substance and in fact, pleading fair comment on a matter of public interest. In addition, it counter-claimed against Buttes for conspiracy and made a claim for damages for libel in respect of a circular sent to Buttes shareholders. On 31 July 1974 Mr. Justice May struck out the conspiracy counter-claim on the grounds that allegations of conspiracy would involve investigation of matters which were 'acts of state' of the governments of Sharjah, Umm al-Qaiwain, Iran and the United Kingdom, and were not justiciable in the courts of England. But the Judge allowed the action to continue in regard to the slander and the counter-claim in respect of the libel. In the Court of Appeal, which considered the matter on 5 December 1974, Lord Denning, M.R., allowed an interlocutory appeal by
Occidental but dismissed a cross-appeal by Buttes. Lord Denning held that there was no ground for striking out the counter-claim of conspiracy and no ground for saying that the counter-claim of libel should not proceed. He said that the courts of England had never extended the doctrine of 'acts of state' so as to prevent the defendants in such a case from pleading justification and proving the facts relied on, even though incidentally it would mean enquiring into acts done by a foreign power. But, Lord Denning added, it was well settled that the English courts would not enquire into the validity or invalidity of the legislation or decrees of a foreign government which had been recognised by the government of the United Kingdom; he further noted that none of the claims in the action or counter-action sought to challenge the validity of any foreign legislation or decrees. All that was sought was compensation for the consequences of them. However, the case before the Court of Appeal was only interlocutory and the trial of the action is in theory still pending.

C. Iran-Sharjah: Memorandum of Understanding - As has been indicated, through intensive efforts by the British government Iran and Sharjah agreed on a 'Memorandum of Understanding' concerning future arrangements in respect of the island of Abu Musa and its territorial waters. (The understanding was first announced on 29 November 1971 by the then ruler of Sharjah. Just twenty-four hours after the ruler's announcement Iran's Prime Minister told the Iranian parliament that Iranian troops had landed on the Greater and Lesser Tumbs the day before and, taking up strategic positions on Abu Musa, had hoisted the Iranian flag there.
The understanding does not determine the question of sovereignty over the island. For, under its terms, 'Neither Iran nor Sharjah will give up its claim to Abu Musa nor recognise the other's claim. Thus the settlement appears to be of a temporary nature. Against this background the parties have agreed upon certain arrangements concerning jurisdiction and other related matters. It has been agreed that Iranian troops will be stationed in areas the extent of which is shown on a map attached to the memorandum. Within the agreed areas occupied by Iranian troops Iran will have full jurisdiction and the Iranian flag will fly'. Sharjah's rights of jurisdiction are described with some ambiguity: 'Sharjah will retain full jurisdiction over the remainder of the island. The Sharjah's flag will fly over the Sharjah police post on the same basis as the Iranian flag will fly over the Iranian military quarters'. Apparently Sharjah's garrison police post will be purely symbolic while the presence of Iranian troops will ensure for Iran control of the Strait of Hormuz.

According to the memorandum both Iran and Sharjah recognised a twelve-mile limit of territorial waters around Abu Musa, and agreed that the exploitation of the petroleum resources of the island and the sea bed and subsoil beneath its territorial sea would be carried out by Buttes Gas & Oil Company under the terms of its concession with the ruler of Sharjah. Revenues accruing from oil exploitation would be shared equally between Iran and Sharjah. It was also agreed that a 'financial assistance agreement will be signed between Iran and Sharjah. In implementation of this provision an aid agreement was signed by
the two countries, which provides for an annual payment by Iran of £1,500,000 for a period of nine years to the government of Sharjah to be used for public purposes. This payment will, however, cease when Sharjah's revenues from oil discovered in the area of Abu Musa reach a rate of £3,000,000 a year. Finally, under the memorandum, Iranian and Sharjah nationals would have equal fishing rights in the territorial sea of Abu Musa.

Although the validity of the arrangements regarding the island of Abu Musa has been challenged by some Arab States on the grounds that the then ruler of Sharjah concluded it under duress and that in any event he had had no authority to sign such an agreement, the new ruler stated on 2 February 1972 that Shajah intends to stand by its agreement with Iran. He added, however, that he would seek a new 'understanding with the Shah of Iran'. As regards the United Arab Emirates, of which Sharjah is a member, it has been observed that the U.A.R. 'does not appear (to have) announced it position towards the Abu Musa Agreement, and it remains doubtful, therefore, whether the U.A.E. has legally succeeded to the obligations under the said agreement.

(2) Iran-Ras al-Khaimah: the question of the Tumb islands

As mentioned above, on 30 November 1971 Iran landed troops on the three small, but strategically placed, islands of Abu Musa Greater Tumb and Lesser Tumb, which lie in the exit from the Strait of Hormuz, the important seaway at the entrance of the Arabian Gulf. Greater Tumb (Tumb Kubra or Tanb-e-Bozorg), the easternmost,
lies about fifteen miles from the approximately sixty-mile long Iranian island of Queshm, which is separated from the Iranian mainland by the narrow and intricate Clarence (or Khuran) Strait, and about forty miles from the Arabian mainland. Lesser Tumb (Tumb Sughra or Nabi Tumb), approximately eight miles west of its sister island, lies about twenty miles from Qeshm and forty-five miles from the Arabian side. The former island has about 150 Arab inhabitants, and the latter is virtually uninhabited.

During the whole period of British control the Tumb islands were considered part of the territory of Ras al-Khaimah, and the United Kingdom held the view that the islands belonged to Ras al-Khaimah. Nevertheless, since the two islands have long been claimed by Iran, Britain seems to believe that some arrangement about the future of the Tumbs should have been worked out between Iran and Ras al-Khaimah by the time of the British withdrawal from the Gulf at the end of 1971. The British government, it is stated, made great efforts to this end, but it was not possible to achieve an agreed solution because the ruler of Ras al-Khaimah felt he could not reach an agreement with Iran.

Iran claims the islands as Iranian territory:

'For more than a century, beginning in 1770, British maps marked the Tumb islands being Persian .... these islands form part of a group of islands virtually constituting an archipelago, all of which has always been part of Iran.'
However, it is clear that Iran had felt it necessary, because the islands were of vital strategic importance, to control them after the British withdrawal.

Though in the case of Abu Musa the landing of Iranian troops, as shown above, was in pursuance of the 'Memorandum of Understanding' between Sharjah and Iran, no such agreement existed in the case of the Tumbs. The occupation of these islands took place just one day before the United Kingdom ended its special treaty relations with Ras al-Khaimah and the territory became completely independent. Iran's action was strongly condemned by several Arab States, and on 9 December 1971 the Security Council of the United Nations began a consideration of a complaint by Algeria, Iraq, Libya and the People's Democratic Republic of Yemen about 'dangerous situation in the Arabian Gulf area arising from the occupation by armed forces of Iran' of three islands in the Gulf on 30 November 1971. The representative of the United Arab Emirates felt that Iran's action was 'untenable' both historically and judicially and that it was contrary to the Charter of the United Nations. He also said that:

The British Government itself has on numerous occasions stated its belief that these islands were Arab and that the Iranian claim to them was not based on any legitimate historical or legal basis.

The British government was criticised by several Arab States on the grounds that at the time of the occupation Britain was still technically responsible for the islands' defence and in theory
should have come to Ras al-Khaimah's rescue. Thus the representative of Iraq, with regard to the two Tumbs, stated that:

The Government of the United Kingdom always acknowledged and reaffirmed on various occasions that they were an integral part of Ras al-Khaimah, and that they were Arab islands. Accordingly, the United Kingdom has failed to honour its obligations towards Ras al-Khaimah in not defending those two islands, where protection was a British responsibility.

The delegate of Kuwait said that his government had told Iran that:

it could refer the case to the International Court of Justice or accept arbitration. But all our bids for a peaceful solution were turned down. Iran (he continued) cannot adjust itself, apparently, to the undisputed fact that these islands have always been Arab islands and that the continuation of free passage through the Strait of Hormuz is not only essential to Iran's economic life but also equally essential and vital to Kuwait, Iraq and the other littoral States of the Gulf. The Gulf is our sole economic lifeline.

Notwithstanding the complaint of the Arab States, the Iranian seizure of the Tumb islands continued. From a legal point of view Iran's action was indefensible: it is certainly a manifest breach of the international law prohibitions enshrined in Article 2(4) of the Charter of the United Nations. From ancient times the islands have always been recognised as Arab and as part of the territory of Ras al-Khaimah.
It is interesting to observe that before the Iranian landing on Abu Musa and the two Tumb islands the Shah of Iran argued that Iran should have the islands.

for strategic reasons. It is true that they could be flattened by Iran's Phantoms if they were ever to fall into the wrong hands; but his aim is clearly to prevent such a confrontation, with all its explosive potential from occurring in the first place. Iran, he argues, should be awarded sovereignty. At least (as Britain has informally suggested by way of compromise) Iran must get garrisoning rights.

Clearly this argument is political and not legal.
ISLANDS OF WARBAH AND BUBIYAN

Map No. 7

Source: Based on ALI A EL-HAKIM, 'The Middle Eastern States And The Law of The SEA, 1979.'
Specific Regional Issues: Legal Problems of Offshore Boundaries in the Arabian Gulf.

B. Outstanding Problems

(1) Iraq-Kuwait Dispute Over Warbah and Bubiyan* - Warbah (or Warba) and Bubiyan are two barren and virtually uninhabited islands in the north-west corner of the Arabian Gulf. The two islands are very close to each other and to the mainland of Kuwait, and are within less than a mile from Iraq's ten-nautical-mile stretch of coastline along the Arabian Gulf. They dominate the channel between Iraq's main port on the Gulf, Umm Qasr, and the Gulf itself, and thus command the narrow maritime lane through which Basrah-bound shipping has to pass. In 1905 Lorimer stated that:

'Excluding the island of Bubiyan, which is claimed by the Shaikh of Kuwait but is at present (1905) occupied by the Turks, and the island of Warbah, the ownership of which naturally follows that of Bubiyan, we may reckon the maritime possessions of Kuwait to consist of Failakah which, with its northern and southern outliers of Mashjan and Auhah, is situated at the mouth of Kuwait Bay, and the islets of Kubbar, Qaru and Umm al-Maradim.'

In an agreement signed between Kuwait and Iraq on 4 October 1963 Iraq agreed to recognise the independence of the State of Kuwait and its complete sovereignty within the boundaries indicated in the letter of the Prime Minister of Iraq dated 21 July 1932 and which was accepted by the ruler of Kuwait in a
letter dated 10 August 1932. The letter of the Iraqi Prime Minister indicates the land frontier between Kuwait and Iraq and further recognises that the islands of 'Warbah, Bubiyan, Maskan (or Mashjan), Failakah, Auha, Kubar, Qaru, and Umm al-Maradim belong to Kuwait.'

Moreover, the islands of Warbah and Bubiyan and their territorial waters were included in the concession area granted by Kuwait to Kuwait Oil Co. Ltd. under an agreement dated 30 December 1951. The two islands were also part of the concession area held by Kuwait Spanish Petroleum Company under an agreement between the latter and Kuwait ratified on 6 May 1968.

However, the present disagreement between Kuwait and Iraq over Warbah and Bubiyan erupted on 20 March 1973 when Iraqi troops were reported to have occupied Kuwait’s Samitah police post in the frontier area, just south of the Iraqi port of Umm Qasr. According to Kuwait, the real cause of that incident was an 'Iraqi demand for Kuwait to relinquish its sovereignty over the two islands of Warbah and Bubiyan.' Kuwait later explained that, following the start of work on the development of the Iraqi North Romaila oilfield, Iraq approached Kuwait regarding its need for a suitable site for its proposed new deep-water oil terminal at the head of the Gulf. Kuwait responded by pointing out that all the waters surrounding the Kuwaiti islands were shallow, whereas deep waters are to be found off Kuwait proper, and that Kuwait was prepared to facilitate the passage of Iraq pipelines across its
territory for eventual linking up with the proposed terminal. Iraq, it was further added, responded by submitting to Kuwait a draft agreement on this project which was found unacceptable and was rejected by Kuwait. At the same time Kuwait issued two official statements which affirmed that Kuwait's borders with Iraq were internationally recognised frontiers and had been defined under an agreement concluded between the two countries in 1963.

The Iraqi attitude was expressed by the Iraqi Foreign Minister, who stated that 'it is not that we want to take the islands from Kuwait, but rather that we are relinquishing our claim to Kuwait on account of them; and that 'the two islands are of the utmost importance to us and our condition for demarcating the boundaries is that they should be Iraqi.' The Foreign Minister added, 'There is an exchange of letters or agreement between us and the Kuwaitis, but there is no legal document defining the boundaries. . . .'

With a view to discussing the entire boundary issue between the two countries, official talks between Kuwait and Iraq were held in April and August 1973 but ended inconclusively, reportedly because Iraq insisted on having the two islands of Bubiyan and Warbah leased to her, while Kuwait was adamant in its refusal to even consider such a request. At the same time Kuwait insisted on discussing only the 1932 and 1963 border pacts.
More recently, however, the Deputy Prime Minister of Kuwait said that Kuwait is willing to lease to Iraq the island of Warbah and a stretch of coastline to enable her to expand the port of Umm Qasr, in return for a piece of Iraqi territory. He added, Kuwait could not consider leasing Bubiyan because it lies in 'the heart of Kuwait'. In addition, on 12 July 1975, the National Assembly of Kuwait adopted a resolution which, while expressing support for 'the positive steps which the Government has taken at all levels, designed to reach full mutual understanding' with Iraq, stressed 'Kuwait's sovereignty over all its territory within the borders which have been approved in accordance with international and bilateral agreement between Kuwait and its neighbours.'
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