

1957

E
EASTERN DEPARTMENT

E A 1084/17

ARABIA

FROM

Mr. Chauncy
Muscat

Pakistan claim to Gwadar.

No. 147

Dated 18 Aug

Received in
Registry— 19 Aug

Reports approach to Sultan to hasten negotiations;
Sultan would give his reply during visit in October.

References to former relevant papers

MINUTES

- 16
- 13
EA 1015/225

Draft submission.

John B. Denson

August 20

A. F. O. Minute by Mr. Denson. August 20.

(Print)

126929

(How disposed of)

(Action completed)

[Signature]

(Index)

[Signature]

References to later relevant papers

47524

SUSPEND

Registry No.

* Date and time (G.M.T.) telegram should reach addressee(s)

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13.D.

EMERGENCY } *
IMMEDIATE }
PRIORITY }
ROUTINE }
with _____ priority
without _____
DEFERRED

(Date)

Despatched

Draft.

Telegram to:—
Bahrain

[Security classification] ...SECRET...
—if any

No.....

[Codeword—if any]

(Date).....

Address to Bahrain

And to:—

telegram No. (date).....

repeated for information to...United Kingdom...

High Commission Karachi, and Muscat....

Muscat Telegram No. 147 /Of August 187; Gwadur.

Repeat to:—

Karachi
Muscat.

The Sultan's attitude is disappointing and it will be very difficult for us to convince the Pakistanis that we have done our best. It is important to our relations with Pakistan that we should do (and appear to be doing) everything possible to secure a satisfactory settlement of this problem which was raised with the Prime Minister when Mr. Suhrawardy was in London. It may, in the end, be necessary to accept the position that the Sultan will not give an answer before his visit to London in October. But it would be most desirable to be able to assure the Pakistanis now that, when in London, the Sultan will discuss Gwadur with a Pakistani representative as well as with us. We appreciate your difficulties in pressing the Sultan further at this stage but ~~it is important~~ ^{we need} for us to have something more to show the Pakistanis for our efforts than at present. If there is no hope of the Sultan changing his mind and agreeing to receive a Pakistani representative in Muscat before October, I trust,

En Clair.
Code
Cypher

Distribution:—

Middle East
Secret.

Copies to:—

ACH Riche

20/8

Musem

~~/however~~

NOTHING TO BE WRITTEN IN THIS MARGIN

SECRET

E A 1084/B-

GWADUR

South

Gwadur is an enclave in Baluchistan on the north-west coast of Pakistan, belonging to the independent Sultanate of Muscat and Oman. At the end of the 18th century, the then Ruler of Gwadur, the Khan of Kalat, granted to an ancestor of the present Sultan of Muscat and Oman (who had fled from his own country following tribal disturbances) the right to live and collect taxes in a certain area round Gwadur (the boundary is in dispute). From that time onwards, Gwadur has been under the sovereignty of Muscat. In 1947 the old Indian province in which Gwadur is an enclave acceded to Pakistan after the partition of India.

Since 1949 Her Majesty's Government have been trying to negotiate the transfer of Gwadur to Pakistan. The Pakistanis wish to take it over as soon as possible. They claim that smuggling from the port of Gwadur leads to serious pressure on the Pakistan rate of exchange, lowers prices in Baluchistan, and generally dislocates the economic life of the area. They hoped at one time to obtain the territory by contesting the legality of the Sultan's possession. Our legal advisers went into this question some four years ago at the request of the Government of Pakistan, and their conclusions were that the Sultan had a good title in law to Gwadur. This information was communicated to the Pakistan Government,

/and

and apparently discouraged them from pursuing the idea of legal remedy. During protracted negotiations from 1949 to 1955 the Sultan of Muscat was reluctant to agree to any of the proposals made for the lease or sale of Gwadar, on the grounds that it would be dishonourable to sell a possession he had received from his ancestors. The Sultan, moreover, refused to negotiate with the Pakistan Government except through Her Majesty's Government.

In 1955, however, it became apparent that the Sultan was less averse to the idea of sale than he had been previously. After further negotiations, an aide-memoire was presented to the Sultan on January 8 of this year by Her Majesty's Political Resident in the Persian Gulf. The aide-memoire proposed an open agreement for the lease of Gwadar to Pakistan for ten years at an annual rental of \$100,000 sterling paid in advance as a single payment of \$1,000,000, and a secret agreement for the outright sale of Gwadar to Pakistan when the lease expired for a further lump sum. The open agreement also stipulated that the Sultan would receive 5% of the Pakistan Government's profits from any oil which might be found within a defined area of Gwadar, (including a seabed area.) for a specified number of years from the start of production. The size of the lump sum to be paid on the expiry of the lease was to be inversely proportional to the number of years for which oil royalties would be paid.

The Sultan asked for time to consider the offer, but he had not given a decision before the troubles in Oman

/began

began in July. Following the successful suppression of the rebellion in Oman with the help of British forces, the Pakistan Government, in the face of a mounting Press campaign in Pakistan against the Sultan have asked H.M.G. to press him to agree to an early settlement, and if necessary, to receive a Pakistan representative to conduct direct negotiations. When the H.M. Political Resident put this proposal to the Sultan on August 18, the latter said that he could not give a decision until his visit to London in October, and that in no circumstances would he agree to negotiations except through H.M.G. Further instructions to H.M. Political Resident are now under consideration.



BALMORAL CASTLE

22nd August, 1957.

EA 1084/18(A)

P/W

Dear *Symon*,

Many thanks for the note on Gwadur, which you sent with your letter of the 21st August. This is exactly what was required and The Queen has been much interested to read about it.

Yours sincerely,

Edward Ford

D.C. Symon, Esq.

Easton ~~*John*~~
OSW
23/8

Del
23/8

American Meddling in Pakistan-Muscat Relations.

A report from Karachi referred to the 'Times of Karachi' for a report that Wendle Philips, "an American businessman, now chief economic adviser to the Sultan of Muscat", was believed to have arrived in Karachi in an attempt to prevent a settlement of the Gwadar dispute between Pakistan and Muscat. Pakistan had been negotiating with the Sultan of Muscat through the good offices of Britain, but hitherto it had proved impossible to "pin down" the Sultan to any definite commitment. Philips, said the paper, had extensive oil interests in the Persian Gulf and in Gwadar, where he had obtained a monopoly of oil prospecting "for that smugglers' paradise". It was believed that he wished to postpone a settlement between the Sultan and Pakistan until the area had been prospected for oil. The paper said that the whole issue was permeated by "a strong smell of oil" and complained that Gwadar was used as a centre for smuggling gold, textiles and other goods into Pakistan. (NONA.3.9.57)

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Secret

E A 1084 | 23

Secret

Enter

EXTRACT FROM RECORD OF CONVERSATION BETWEEN THE PRIME MINISTER
AND THE PRESIDENT OF PAKISTAN ON OCTOBER 30.

(Enclosed in Mr de Zulueta's letter of Oct 31 to Miss Ward (CRo))

The President then mentioned the question of Gwadar which he said must really be settled in Pakistan's favour if Pakistan was to remain in the Commonwealth. The Prime Minister said that it was hoped to have discussions with the Sultan of Muscat in November either in London or in Muscat. The Sultan was a difficult man but he was beholden to the United Kingdom. It might help him to make up his mind about Gwadar if Pakistan applied some pressure on the frontier. The President asked if Her Majesty's Government would like this pressure applied now but the Prime Minister said that it would be better to wait for the moment.

Secret

23/10 23/10.15

Registry
No. EA1084/23

Top Secret.
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DUW
23/10

TO
Bag Nov 25

I think that you should know the following piece of information, for your own guidance only.

Draft. Letter

To:
Sir Bernard
Burrows, K. C. M. G.,
Residency,
Bahrain

From:
D. M. H. Riches, Esq.

In conversation with the Prime Minister on October 30 the President of Pakistan brought up the subject of Gwadar, which he said really must be settled in Pakistan's favour if Pakistan were to remain in the Commonwealth. The Prime Minister ~~referred to the discussions we hoped to have with the Sultan of Muscat either in London or in Muscat, and agreed~~ ^{said} that the Sultan was a difficult man but ~~he~~ was beholden to the United Kingdom. It might help him to make up his mind about Gwadar if Pakistan applied some pressure on the frontier. The President asked if H.M. Government would like this pressure applied now but the Prime Minister said that it would be better to wait for the moment.

~~The above is for your own information only.~~

(D.M.H. RICHES)

ARW 23/11

NOTHING TO BE WRITTEN IN THIS MARGIN.

RECEIVED IN DIVISION	
23 NOV 1957	
SENT TO	23/11
BY	
TELETYPE	

CONFIDENTIAL

E
A 1084/24

This weekend I was a fellow guest with the President of Pakistan at Lord Home's house in Scotland. On Saturday evening Lord Home mentioned to the President that there was a suggestion that he might meet the Sultan of Muscat and Oman in Bahrain on his way back to Pakistan in order to discuss Gwadur.

2. The President was not very enthusiastic. He said that he had been quite prepared to meet the Sultan in London, where he had hoped to find him, but a special meeting in Bahrain would be a very different matter. However he was anxious to do anything which we felt might bring us all to a satisfactory solution.

3. I said that I fully recognised his difficulties, and as the Sultan was a very stubborn man it would be important to know whether there was any real hope of progress before a decision on a meeting in Bahrain was arrived at. The President agreed and said that his preliminary view was that such a meeting might do more harm than good unless we could assure him that the Sultan was in a frame of mind which might lead to some agreement.

4. Since returning to the office I have seen the telegrams which indicate that the Sultan is by no means in this frame of mind, and I think it would only be right that Lord Home should so inform the President of Pakistan.

5. While we were discussing the Gwadur problem, Lord Home asked the President whether the Pakistan Government were likely to improve on their offer to the Sultan. The President said that he understood that they were prepared to pay \$2 million and 5% on any profits arising from the production of oil in Gwadur, if any was in fact found there. The Pakistan authorities were convinced that there was no oil, but the President realised that the Sultan was still very suspicious about this. When pressed by Lord Home he said that it was conceivable that the Pakistan Government might improve their offer to, say, 10% of the possible oil profits, but he thought it would be difficult for them to go much further than that without being accused by Pakistan public opinion of giving way too much.

D. Dunsby Gore

November 4, 1957

Eastern Dept.

Copies to:	Private Secretary	Commander Noble
	Sir F. Hoyer Millar	Lord Gosford
Lord	Mr Harvey	Sir W. Hayter
Home	Mr Wright	Mr Beeley
	E.R.D.	S.E.A.D.

COMMONWEALTH RELATIONS OFFICE,
DOWNING STREET,
LONDON, S. W. 1.

EA 1084/26.

ME.44/6/5.

12th November, 1957.

C O N F I D E N T I A L .

Eastern Dept P/W

EA 1084/24.

H3. 12/11

Dear Beeley,

Hay C

Thank you for your letter of the 6th November about the possibility of a meeting between the Sultan of Muscat and the President of Pakistan during the latter's return journey to Karachi.

2. The Political Resident's views on the probable reactions of the Sultan to any suggestion of this kind are discouraging. In conversation with my Secretary of State the President made it clear that he was not willing to meet the Sultan in the Persian Gulf unless it appeared that there was a possibility that a settlement over Gwadar might be reached. We agree, therefore, that we should not seek to further the idea at present. We propose in the circumstances to say nothing more about the matter unless we have to. Any explanation by us to the Pakistanis of the reasons why we no longer favour the idea might lead them to ask what further steps we intend to take to put pressure on the Sultan on their behalf.

3. We have no objection to the Political Resident being informed of the hint dropped by the President that Pakistan might be prepared to improve their offer on Gwadar, provided of course that no hint of this is passed on to the Sultan. In doing so you might also make it clear to Burrows that, in our view, it represents only an indication of how far the Pakistanis might be prepared to go before they would decide to break off negotiations. It is most unlikely that they would make this offer except in the last resort.

Yours sincerely,

(N. E. COSTAR)

H. BEELEY, ESQ.,
FOREIGN OFFICE,
LONDON, S. W. 1.

SECRET

UNITED KINGDOM HIGH COMMISSION,

KARACHI

SECRET

EXT 47/55/1

11th June, 1958

When I saw the President yesterday, he asked me whether there was any further news about the negotiations with the Sultan of Muscat and Oman over Gwadar. I gave him the message in your telegram No.1177 and I then went on to read the operative part of the Prime Minister's message to Mr. Noon about the trouble over boundary stones (your telegram No.1196). The President seemed to think well of the suggestion that the status quo should be preserved pending the outcome of the negotiations with the Sultan.

N/R,
EA 1084/26

...

I enclose an extra copy of this letter for the Foreign Office.

(R.W.D. Fowler)

J.M.C. James, Esq., C.M.G., M.B.E.,
Commonwealth Relations Office,
London, S.W.1


SECRET

S E C R E T.

MESSAGE FROM THE FOREIGN SECRETARY TO THE PRIME MINISTER
OF PAKISTAN.

1. I have at last been able to extract from the Sultan of Muscat a preliminary expression of his views on Gwadur. They are distinctly promising. He is in principle ready to reach an understanding, the details of which our Acting High Commissioner will communicate to you. They are broadly that he should be compensated for losses of revenue from Gwadur by a payment of £3 m., and that he should retain a 10% right to profits on oil based upon the whole output for 25 years as from the date of commercial production. He also asks that the negotiations be conducted through us and be kept absolutely secret until finalised.
2. The Sultan has made a great point about not being made to look as if he was yielding to pressure. It is, therefore, in my view essential, if we are not to endanger the whole operation, that the matter should be kept strictly secret for the time being. Indeed, if it were to leak out prematurely, there is a risk of the whole arrangement being prejudiced. I hope also that your people in the Gwadur area will do nothing to embarrass the Sultan at this stage.
3. When you have studied the Sultan's offer you will no doubt let us know what we can reply. The Sultan proposes to leave the United Kingdom not later than July 27th. He may leave as much as a week earlier.
4. Meanwhile, I should like you to know for your own confidential information that very satisfactory progress has been made in our talks with the Sultan on military and economic affairs and we hope that our agreements with him will be in final form very shortly.

S E C R E T.



9

COPY of letter from Pakistan
High Commissioner London to S. of S. for
Commonwealth Relations

enter

COMMONWEALTH RELATIONS OFFICE, (sic)

do not copy the address

DOWNING STREET,
LONDON, S. W. 1.]

16th July, 1958.

W. H. H. H.

107

SECRET.

RECEIVED IN
ARCHIVES
18 JUL 1958
EA1084/50

My dear Secretary of State,

I have now seen the Sultan's offer in respect to Gwadar,
the terms of which are as follows:-

1. The compensation for loss of revenue should be one payment of £3 million (£300,000 to be in United States Dollars in America: the rest in sterling in London).
2. The Sultan would retain a 10% right to profits on oil based upon the whole output for 25 years as from the date of commercial production to be paid annually in sterling in London. The profits to be certified by some approved means as the real and actual profits from all sources.
3. The Pakistan Government should remove all restrictions upon Pakistanis serving in the Sultan's Forces, i.e. that the men should not be employed in combatant roles.
4. The Pakistan Government should continue as at present to afford assistance in supplying technical personnel for the Sultanate e.g. doctors.
5. Facilities, which will include their good offices where necessary, will be afforded by the Pakistan Government for recruiting in Gwadar and Mekran for the Sultan's forces. Such recruits would be taken upon Sultanate terms and be regarded whilst serving and on leave as an integral part of the Sultan's forces.
6. Facilities will be afforded for training, especially for military purposes, in technical schools in Pakistan e.g. wireless operators, mechanics, medical attendants etc.: at favourable rates as for the Pakistan Government's own trainees.
7. Exports of rice would be made available upon payment if required without restriction.
8. Persons in Gwadar who wish to remain Sultanate subjects should be freely permitted to do so, and recognised and treated fairly and their property respected.
9. The Sultan will provide a map of Gwadar prepared some two or three years ago by Mr. Wynne after his tours showing the actual boundary up to which Sultanate jurisdiction has existed in fact, to this date, and another small map of 1934 (or so) drawn by the Khaudas (head men) to the same effect. The Sultan expects this to satisfy the Pakistan Government, but he will give it to Her Majesty's Government and will not enter into discussion with the Pakistan Government direct on this, or upon any other aspect of this whole matter.

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SECRET.

S E C R E T.

-2-

10. A suitable guarantee must be provided by Her Majesty's Government for carrying out all conditions agreed which refer to the future.
11. These negotiations must be kept secret until finalised.
12. The "hand over" should be completed by the Sultanate handing over to Her Majesty's Government (e.g. the Wali and other officials would leave the place in the hands of Her Majesty's Consulate General and the latter leave on the arrival of the Pakistan officials). There should be no ceremonial or celebrations. Many Gwadar people preferred Muscat and had never complained, and may not like the change. This must be realised and great tact exercised by Pakistan and Her Majesty's Government.
13. Her Majesty's Government should write to the Sultan a letter to the effect that the undertaking contained in the letter of May 23rd, 1891 from Sultan Faisal is now regarded as ended.
14. A memorandum should be prepared to show how all this will be implemented after Her Majesty's Government have discussed it with the Pakistan Government.

I have been empowered by the Pakistan Government to accept these terms and to request Her Majesty's Government to convey this information to the Sultan and to prepare the necessary formal documents with a view to the earliest possible execution of this agreement.

Yours sincerely
IKRAMULLAH
H.C. for PAKISTAN

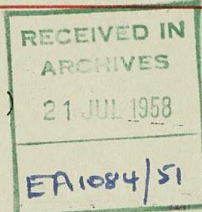
*The Rt. Hon. The Earl of Home
Secretary of State for Commonwealth Relations.*

S E C R E T.

TOP SECRET

Inward Telegram to Commonwealth Relations Office

FROM: KARACHI (ACTING H.C.)
RPTD: ANKARA
POMEF
TEHERAN
WASHINGTON
BAHREIN



20

D: Karachi, 11.40 hours, 16th July, 1958
R: 08.48 hours, 16th July, 1958

CYPHER
EMERGENCY
No. 1138 TOP SECRET

Addressed Commonwealth Relations Office No. 1138, repeated Immediate Ankara No. 31, POMEF No. 7, Teheran No. 37, Washington No. 96 and Bahrein No. 34 (Commonwealth Relations Office please pass all).

My telegram No. 1119.

G W A D U R

I was summoned to see the Prime Minister this morning and (? given) the message in my immediately following telegram.

2. In its original form the last sentence read "We are taking steps to re-assume control of Gwador". I said that this was a grave message and asked whether it meant that Pakistan forces were about to move into Gwador. This was a time of crisis in the Middle East and we were asking to rally Arab opinion to our side. It was of the greatest importance to both our countries that nothing should be done to cause the waverers to turn to Cairo. Moreover if the position was as reported by Mr. Ikramullah, that a settlement with the Sultan was in sight, would it not be most unfortunate for the Pakistan Government to take any action which might cause the Sultan at the last moment to change his ground and give him the occasion to appeal to the Security Council. The Prime Minister said that nothing irrevocable would be done for a day or two and that there would be time for Mr. Selwyn Lloyd to reply. He then changed the last sentence to read as in my immediately following telegram. He had received an urgent telegram from President Iskander Mirza in Ankara asking him to take steps to secure Gwador. Mr. Macmillan had assured him (Firoz) that he would arrange the transfer of Gwador and the message he was sending would strengthen the United Kingdom Government's hands in dealing with the Sultan.

3. The Finance and Defence Ministers were in the room with the Prime Minister and endorsed the message which was read over to them. On the last occasion when the Prime Minister was in favour of occupying Gwador (my telegram No. 890) it was (as I learnt later) the President who urged caution and persuaded the Defence Committee to recommend no immediate action. It seems that now the President has changed his view and has given the Prime Minister a strong lead in favour of occupation.

/4. I

TOP SECRET

TOP SECRET

-2-

4. I should add that the Prime Minister asked if it would be possible for Mr. Selwyn Lloyd to let him have a reply to his message later today.

02
Copy to:- DIST. 'S'
C.R.O.

Foreign Office

Mr. Costar
Mr. Moon
Mr. Shuckburgh
Mr. Riches
Mr. Walmsley
Mr. Lucas

Copies to Foreign Office (Telegram Section) for retransmission
Immediate to Ankara, POMEF, Teheran, Washington
and Bahrain

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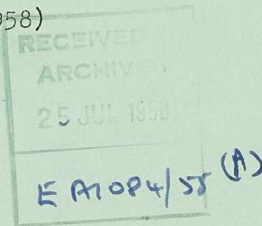
TOP SECRET

Outward Telegram from Commonwealth Relations Office

TO: KARACHI (ACTING H.C.)

(Sent: 11.59 hours, 23rd July, 1958)

EN CLAIR
IMMEDIATE
No. 1568 PRESSE



My immediate preceding telegram.

Text of report. Begins.

GWADAR TO REVERT TO PAKISTAN?

TALKS WITH SULTAN OF MUSCAT

From our Correspondent

Karachi July 22nd

Negotiations between Britain and Pakistan on the return of Gwadar, on the Makran Coast, to Pakistan are understood to have reached an advanced stage. Gwadar is now under the Sultan of Muscat, who is under British protection.

General Mirza, President of Pakistan, discussed the matter with Mr. Macmillan last year; it is learnt that the Middle East crisis has given the negotiations urgency and that Pakistan may well reach an amicable agreement with Muscat, through the good offices of Britain, for the return of the port. Ends.

Copy to:-

D.I

C.R.O. Mr. Moon
P.S. to Prime Minister (12)

Foreign Office

P.S. to Secretary of State
Mr. Shuckburgh
Mr. Riches
Mr. Walmsley
Mr. Lucas

MIDDLE EAST DEPT.

CONFIDENTIAL.



LONDON.
July 27, 1958.

Your Excellency,

We have received **your** Excellency's letter of yesterday's date and the Memorandum regarding Gwadur.

We hereby confirm that the conditions set out in the Memorandum are in accordance with our understandings.

Your sincere Friend,

Said bin Taimur

(SAID BIN TAIMUR)

The Right Honourable
Selwyn Lloyd, C.B.E., T.D., Q.C., M.P.,
Her Majesty's Principal Secretary of
State for Foreign Affairs,
London.