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## **Golden Dubai**

### **1970: Dubai is in strange and welcome contrast to anywhere else on the Gulf**

Jun 6th 1970

If the accident of oil had not brought such wealth to Abu Dhabi Sheikh Zayed, remarkable a man as he is, would not have been the unchallenged leader among the 'Trucial states' rulers. His neighbour, Sheikh Rashed bin Said al Maktum, a shrewd, cunning and hard-working merchant who has ruled Dubai since 1958, would have been as likely a candidate. And Dubai, which in effect is a town straddling a 6-mile long creek (although there are 1,500 square miles of desert too) has for centuries been the main port and trading post serving the Trucial states and the interior of Oman. Sheikh Rashed intends that it shall remain so.

With a thriving and well-established trading community of some 60,000 people, a frantically active waterway running through its heart, with lighters and dhows being loaded and unloaded 24 hours a day at its centre, Dubai is in strange and welcome contrast to anywhere else on the Gulf. The difference is not only physical. The tolerant and broadminded attitude of Sheikh Rashed (what other Arab ruler would lay the foundation stone of a Protestant church?) infects the life of his state. There are almost no restrictions on anyone opening businesses; the foreign community (Iranians alone number 11,000) is treated as equal to the indigenous, and no eyebrows are raised if young Arabs take to the dance-floor.

The tolerance extends to trade. It is no secret that a large proportion of the wealth accumulated by Dubai merchants comes from smuggling gold bullion (mostly from Britain), Swiss watches and Japanese cloth into Pakistan and India and tea into Iran. Between 15 and 20 tons of gold (at £600,000 a ton) arrive by air in Dubai each month. It is taken to India, often in fast, modern launches, and by the time the agents are paid off, and the rupees converted into hard currency the organising syndicate can expect a profit of between 18 and 22 per cent on a consignment. This adequately covers the losses on consignments that are caught by Indian or Pakistani customs patrols, or which have to be dumped into the Indian Ocean if arrest seems imminent. Import statistics show that Dubai is the second largest importer of Swiss watches in the world—£7 million worth arrived in 1968.

The state's main source of income has been its 4.625 per cent custom duty on imports, but in 1967 oil was discovered in commercial quantities off-shore and shipments began last year. This year Sheikh Rashed's income could reach £10 million and next year £14 million. In anticipation Rashed has embarked on one of the major development projects on the Trucial coast—a 15 berth deep-water harbour, which is being constructed by Costain at a cost of £24 million. It is a brave venture, for Qatar, Abu Dhabi and Sharjah are in the process of building their own, more modest ports, and if Dubai's is to prove worth its cost, it will have to attract the merchandise destined for the other states as well. This is not just the Sheikh's wild dream, for by the time his harbour is finished, the whole Trucial coast from Doha to Ras-el-Khaimah will be joined by asphalted roads. He is also confident that the experience and standing of the Dubai merchants will justify his investment.

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Rashed understands the economic advantages that will follow a federation of the states, but he does not hesitate to tell his brother rulers and his visitors that no one is going to interfere in the running of his state. It is very much a family affair. One son heads the municipal council of appointed merchants which runs the town; another,

the Crown Prince, heads the Land Registration Committee; and a third is in charge of the police. But Rashed has his own eyes and ears and little escapes his notice. He drives around the town, fishing his pipe tobacco out of an old aspirin bottle, and if he notices anything amiss or new he stops to find out for himself what is afoot.

His next-door neighbour, Sheikh Khalid of Sharjah, whose state boundary is just a few miles down the road, is another able, hard-working ruler with a business background. In the five years since he took over he has also transformed his small domain from a run-down fishing village into a small active trading town with water and electricity supplies. He is indebted to Sheikh Zayed for the road to the agricultural centre of Dhaid and to the Trucial States Development Fund for aid in developing the fishing industry in Sharjah's enclave on the Indian Ocean coast. The long jetty built at great cost by his predecessor to give the state a deep-water harbour is doomed to be a white elephant as the prevailing winds and tides deter captains from tying up alongside, but Sheikh Kahlid has started work on dredging the silted-up creek and this, he hopes, will bring trade back to Sharjah. He has recently granted oil exploration concessions to two groups on favourable terms and this income will more than compensate him for the loss of revenue from the British base, when it disappears.

Oil concessions have also brightened the outlook for the next two small states along the Gulf coast, Ajman and Umm al-Qaiwain, both little more than primitive villages. Ajman, however, sports a large cinema that could take more than its whole population, and both now have water and electricity and are trying to develop their dried fish industries. The youngest state, Fujairah, which was only recognised in 1952, lies on the Batinah coast of the Indian Ocean. It, too, is poor and its working population ekes out a living by farming and fishing. Both industries could be developed considerably were the money and the expertise available. Finally, there is Ras-al-Khaimah and its wily old ruler, Sheikh Saqr. A simple, stubborn, fighting man, Sheikh Saqr rules his 10,000 subjects without much outside aid. He keeps his fingers crossed that one of the two oil groups prospecting on and off shore will strike oil in commercial quantities. If they do, he may well insist on building his own international airport—a useless project—but he has plans as well for a cement factory and agriculture and fishery developments, while a power station will be in action in 1971. Saqr has been insisting that the defence headquarters of the proposed federal force should be in his capital—an impossible idea—but the motive behind this and his plan for an airport is his fear of Zayed of Abu Dhabi. In the conferences up to date, he has aligned himself with Ahmed of Qatar and Rashed of Dubai and it is noticeable that the Iranians have taken trouble to fête him on his visits there. He owns the two small Tumbs islets which the Shah wants for himself, and if Saqr plays his cards right, he could get a handsome cash payment for them. But so unpredictable are the alliances and feuds on the Trucial coast, that the recent news that Sheikh Saqr and his son have been visiting Sheikh Zayed comes as no surprise.

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