

The President

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NATIONAL SECURITY COUNCIL

PROGRESS REPORT

by



THE UNDER SECRETARY OF STATE

on the implementation of

NSC 26 SERIES

March 9, 1953

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Washington

March 9, 1953

MEMORANDUM FOR MR. JAMES S. LAY, JR.,
EXECUTIVE SECRETARY, NATIONAL SECURITY COUNCILSubject: Sixth Progress Report on NSC 26
Series "Removal and Demolition of
Oil Facilities, Equipment and
Supplies in the Middle East."

NSC 26/2 was approved as Governmental policy on January 10, 1949. Five progress reports have previously been made on the NSC 26 series. This report summarizes what has been accomplished to January 10, 1953, by reference to paragraphs in the initial action paper, NSC 26/2, and subsequent papers NSC 26/3, 26/4, and 26/5. It is requested that this Sixth Progress Report as of January 10, 1953, be circulated to the members of the Council for their information.

Action TakenNSC 26/2, paragraph 1

1. The following developments affecting the Middle East oil situation have taken place since NSC 26/2 was written (December 1948):

- a. The United States has increasingly become a net importer of petroleum (now about 600,000 barrels per day);
- b. The use of petroleum in Europe and other free world areas has increased greatly;
- c. Exploration of oil resources in the Middle East has proved vast additional reserves;
- d. United States and United Kingdom investment in oil producing, transporting (pipelines) and refining facilities has been greatly augmented;
- e. Iran has nationalized its oil industry; Iranian oil exports have been totally eliminated since July 1951;



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f. Middle East oil production in areas of United States responsibility has been doubled.

2. No formalized change in military concepts of the feasibility of holding the Middle East has been given the Department of State as guidance in this program since April 5, 1951 (Progress Report No. 3). The last resort nature of oil field denial has been recognized in all planning, on the part of both the United Kingdom and the United States. Denial plans have been coordinated with military plans for rehabilitation of the oil facilities in the event of loss and recapture.

NSC 26/2, paragraph 2

1. Discussions with the British, commenced in October 1950, have continued, with results indicated in Attachment A, "Record of September 1952 US/UK Discussions". The United Kingdom now has primary responsibility for denial in Iran and Iraq; the United States has primary responsibility in Saudi Arabia and the Sheikdoms of Kuwait, Bahrein, and Qatar. Chief differences in planning are:

a. United Kingdom denial plans are not selective, being aimed at total destruction of oil transport facilities, power houses, pump stations, refineries, etc., and are to be carried out by airborne military demolition squads or aerial bombardment; United States plans call for highly selective denial by company volunteers, rather than total destruction of facilities.

b. United Kingdom plans do not include well plugging whereas United States plans include well plugging as a conservation and denial measure.



2. The United States and the United Kingdom agree on the over-riding importance of security considerations.

NSC 26/2, paragraph 3

1. Original concepts for removal of key parts, destruction of stocks and demolition of surface facilities included all items that would be usable by an enemy. Two variations have been developed from the basic concepts:

a. A selection of targets for destruction that will render the facilities unusable and unreparable by an enemy for a period of 6-12 months;

b. A selection of priority targets for destruction under "crash conditions".

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NSC 26/2, paragraph 4

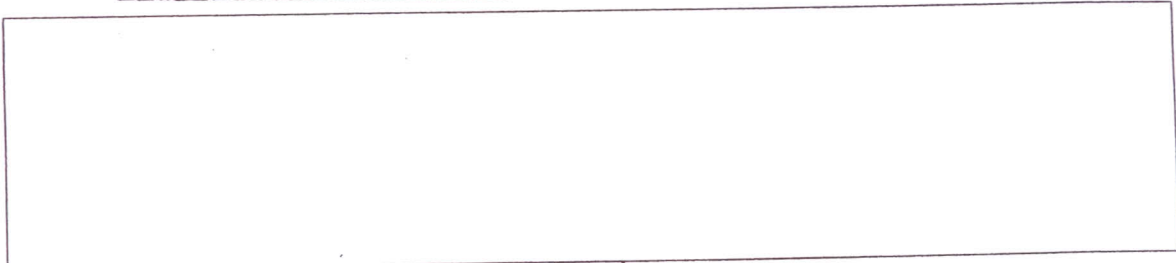
1. In the May 1951 discussions with the British (Progress Report No. 3), it was agreed that the United Kingdom would have planning and execution responsibility for denial in Iran and Iraq; that the United States would have planning and execution responsibility in Saudi Arabia, Kuwait, Bahrein and Qatar. It was further agreed that responsibility for giving the orders for the plans to be executed would rest with the country whose nationals hold the largest financial interest in the oil company concerned, but that in all cases inter-governmental coordination would take place before execution orders were given.

2. In the September 1952 discussions with the British, it was suggested by the United States that because of the great preponderance of British nationals among employees of the oil companies in Kuwait, Bahrein and Qatar and the special British political position in the Sheikhdoms, primary responsibility for the maintenance of plans and the execution of denial in these areas should be transferred to the United Kingdom. It was recommended that there be no changes in responsibility for giving the orders to execute the denial plans except to strengthen the "inter-governmental coordination" procedure to the point where "each government should seek the agreement of the other to the authorization of denial in the areas of its responsibility". Action on these recommendations is now under formal consideration by both the United States and United Kingdom Governments.

NSC 26/2, paragraph 5

1. For security reasons (see Attachment A, paragraph 2) no consultation with the local governments is planned before the development of more serious emergency conditions in the area.

NSC 26/2, paragraph 6



2. Department of Defense appointed an officer to represent it in all matters affecting NSC 26/2 and representatives of that Department have had an active role in the denial project.



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NSC 26/2, paragraph 7

1. Denial plans for Saudi Arabia cover the producing areas, the refinery and the Trans-Arabian pipeline. These plans have not been brought to completion in all of these facilities, because of interruption early in 1952 of all field planning by the Arabian American Oil Company. Present estimates of technical plan status [redacted] is 75 percent complete in the producing areas, 50 percent in the refinery. Procedures for completing and maintaining the technical plans are under discussion.

2. Bahrein plans are complete and there is no immediate problem of security in maintaining them in the field. Well cementing equipment has arrived and explosives are now enroute. Kuwait technical plans are complete, but the explosives required still await shipment from the United States. In Qatar, lack of company technical staff in the field has thus far delayed development of denial plans for that area. This has been remedied and plans should be completed during 1953.

3. It has not been possible to form at this time "company organizations" to carry out denial plans due to security considerations and the unwillingness of oil companies to agree to this action. The oil companies involved believe that such action would jeopardize their concessionary rights. They believe further that they have no right to order employees to engage in such activities under their existing contracts of employment. Alternative plans, therefore, are being developed whereby company employees will be asked by appropriate government authority to volunteer as "individuals" as the first step in the execution of denial plans. Since these alternative arrangements may not, under certain circumstances, be as fully effective as pre-trained and established organizations originally contemplated and because of other problems (See Attachment B), the Department of State has requested the Department of Defense to assume increased responsibility for the denial project.

4. [redacted]

On June 4, 1952, the Department of State formally assigned these duties as well as those covered in NSC 26/2, paragraph 9, to the Consul General at Dhahran (See paragraph 9 below).

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NSC 26/2, paragraph 8

1. Explosives have been placed in three oil field magazines in Saudi Arabia in sufficient quantity to support the demolition plans for the producing areas and the refinery. Security considerations precluded storage of explosives at pipeline stations; a stock of explosives that can be flown to some of these stations is available. Company management has developed concern over the presence of these explosives on its premises, but no secure method of removing them has been suggested.

2. Explosives for Bahrein are awaiting shipment; no problem has developed regarding their storage.

3. Explosives for Kuwait have been purchased and are awaiting shipping instructions from the field. No problem has developed regarding their storage.

4. Explosives for Qatar have been purchased but detailed requirements for boxing them have not been received.

5. Oil well cementing equipment to augment that normally available for well plugging has been provided and is now in the field in Saudi Arabia and Bahrein. No additional cementing equipment was called for in Kuwait and Qatar.

6. United Kingdom plans call for flying in demolition teams and denial explosives.

NSC 26/2, paragraph 9

1. The Consul General at Dhahran is the officer designated to report on the adequacy of plans and field organizations for denial.

2. The Consul General made the determination that the plans in Saudi Arabia were adequate in February 1952, but reported that the plans must be kept up-to-date. (See paragraph 7, 1, for current status).

3. None of the four oil companies involved in this project will accept the responsibility for carrying out denial. A series of three letters of intent has been suggested to clarify the status of the companies, their employees and United States (or United Kingdom) Government plans vis-a-vis local governments at the time denial is ordered. (See Attachment A).



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NSC 26/2, paragraph 10

1. The military commanders of United States forces in the Persian Gulf Area, and particularly at the Dhahran Airfield, have been kept informed of the development of the denial plans. No firm estimate of the possible support by these forces for the denial program is available at this time.

NSC 26/2, para. 11, and NSC 26/3, NSC 26/4 and NSC 26/1

1. Well plugging plans have been developed for Saudi Arabia, Bahrein and Kuwait. No well plugging plan yet exists for Qatar. For security reasons and the further fact that the Iraq and Iran wells could not be plugged in the estimated allowable time after D-day, no well plugging plans have been developed by the United Kingdom for that area.

2. The Department of State today believes that well plugging in the areas of United States responsibility should be reconsidered primarily in view of the fact that well plugging will not be carried out in Iran and Iraq.

3. The Department of State considers that the United States Government's financial interest and responsibility for well plugging to be secondary to that of the companies and local governments concerned and has requested the companies to consider purchase of the additional cementing equipment for incorporation into their normal operations

Action Contemplated

1. Action contemplated includes the continuing supervision and review of oil company planning and procedures and the provision of policy guidance aimed at maintaining United States plans and procedures in conformity with changing technical, political and strategic developments in the area, such as establishment of Middle East Defense Organization, United Kingdom planning and procedures, security requirements. Specific action contemplated includes development of alternate arrangements to keep Aramco planning up-to-date, transmittal of certain letters of intent to United States companies (See Attachment A, paragraph 6), establishment of firm company-government understandings regarding future activities and responsibilities.

2. The Department of State will continue to work closely with the United Kingdom in order to develop effective and coordinated procedures for denial planning.



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The United Kingdom is considering the possibility of assuming primary responsibility for maintenance of denial plans and denial implementation in the Sheikdoms of Kuwait, Bahrein and Qatar where the United Kingdom has special treaty relationships. (See Attachment A for details).

3. The Department of State is exploring with the Department of Defense the possibility of increased Department of Defense responsibility for denial planning and implementation. Since the implementation phase will only be carried out in war, NSC 26 has become increasingly involved with military considerations. These considerations requiring action are set forth in Attachment B.

Policy Evaluation

1. The NSC 26 series originated in 1948 have been carried out to the extent that security considerations arising out of political conditions in the area have permitted. Changes in economic and military concepts, based on current conditions, suggest review by NSC of the denial program. A separate paper outlining the views of the Department of State on this subject is in preparation.



/s/ Walter B. Smith

Attachments:

- A. September 1952 US-UK Discussions.
- B. Letter from The Acting Secretary of State to Secretary of Defense, dated January 19, 1953.

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ATTACHMENT A

SEPTEMBER 1952 U.S.-U.K. DISCUSSIONS

on

OIL DENIAL IN THE MIDDLE EAST

Discussions on the above subject took place at the Foreign Office on the 25th, 26th and 29th September. There were present, on the American side, representatives of the State Department, Department of Defense [redacted] and, on the British side, representatives of the Foreign Office, War Office, Ministry of Fuel and Power, General Headquarters, Middle East Land Forces (M.E.L.F.) and Military Intelligence Six (M.I.6.).

First Session

1. After Mr. Reilly had welcomed the American party, Mr. Funkhouser and Mr. Reilly read and circulated the reports at Appendices A and B (attached).
2. Initially the meeting noted that the two Governments were firmly agreed on the overriding importance to be attached to security considerations in this matter.
3. The meeting then took note of the effect on denial planning of recent developments in Persia. Discussion followed on the method by which an agreed decision to bomb oil installations at Abadan would be reached. The consensus of opinion was that Governments would consult their respective Chiefs of Staff in reaching such a decision and that the U.S. Joint Chiefs of Staff and the U.K. Chiefs of Staff might wish to consult. If some form of Allied Defense Organization came into existence in the Middle East, it would provide a useful means of exchanging views and coordinating plans. In any event it was to be supposed that very soon after the outbreak of war some such authority as a Combined Chiefs of Staff would be set up.
4. In answer to an American enquiry, British representatives explained that a substantial land/air operation would be required to land Army engineers at Abadan and that, in view of the greater importance of Kirkuk and Khanaqin to the enemy campaign, troops could not be spared for this purpose.
5. The American representatives then put to the meeting the question, raised in paragraph 4(a) of their report, of the possible transfer of responsibility for denial planning and execution at Kuwait, Bahrein and Qatar to the British. They explained that in these areas denial operations would have to



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be carried out by volunteer civilian personnel, British and American, and that British personnel would very considerably outnumber American. Furthermore the British not only had a strong political position in the three Sheikdoms but their Political Agreements with the oil companies contained provisions for the pre-emption, in an emergency, of oil products and control of installations there. Finally, at least two of the Companies concerned were not prepared to carry out denial measures themselves as companies but would not object to individual employees doing so on the authority of their respective Governments. In the American view these factors all suggested that the U.K. should consider taking primary responsibility and issuing orders for measures which would be carried out, on behalf of both Governments, by volunteer civilians, most of them British, acting, through patriotism, on the instructions of their Governments, and on the basis of H.M.G.'s treaty rights.

Mr. Reilly explained that there had been practical reasons for the original division of responsibilities agreed in Washington in 1951. In Persia and Iraq British planning had all been on the basis that the civilians involved would be enrolled in H.M. Forces and withdrawn with rearguard troops.

It was agreed, in discussion, that primary responsibility for Kuwait, Bahrein and Qatar involved the following:

- (i) It was necessary to supervise the Companies' work on denial plans and to ensure that these were kept up to date. This required attention both in London and the Persian Gulf, and, in American experience, had involved representatives of the State Department, Department of Defense
- (ii) The necessary supplies for denial at Kuwait and Bahrein were now ready for shipment from the U.S. They would require periodical checking and possibly some replacement but no commitment other than a nominal one was foreseen at Kuwait and Bahrein. No supplies had been acquired for Qatar.
- (iii) While neither the U.S. nor the U.K. Government is at present prepared to provide troops for denial in the Persian Gulf, a symbol of authority would be desirable at the time denial measures were implemented. The oil companies were not entirely agreed as to whether they would prefer civil or military authorization for denial measures, but ideally there should be one British and one U.S.



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officer actually present in the Company's executive offices at least nominally directing the denial operations in the country concerned at the time of denial. The companies were influenced by their view that the legal precedents for compensation were clearer in the case of action taken at the order of a field commander. In this connection note must be taken of the companies' responsibilities to their shareholders.

- (iv) If any responsibilities are transferred, the U.S. Government would wish to continue close liaison with the companies concerned and the U.K. Government in order to be kept up to date on the status of denial plans. The Americans would wish to retain a voice in the decision to order denial.

Second Session

Discussion was based on points (b)-(f) of paragraph 4 of the American report.

6. Letters for the Oil Companies

BAPCO and KUOCO had raised the question of their receiving certain explanations in writing. The U.S. Government had not taken an official position on this although sympathetic to the suggestion. It was tentatively suggested by the American representatives that there might be three letters:

- (a) a letter communicating a decision to requisition the property of the company in question which might begin: "The U.K. Government, with the agreement and approval of the U.S. Government, hereby requisition for destruction property, etc."
- (b) a letter to make it clear that the company itself was not carrying out denial but that the persons doing so were acting as individuals, viz: "The U.K. Government, with the agreement and approval of the U.S. Government, hereby instructs the personnel of the Company as individuals under the direction and authority of /the senior authority in the area/ etc."
- (c) a letter of intent, viz: "It is the intention of the Government of the U.K. and the U.S. to seek diligently the approval of the Sheikh of Kuwait, etc."

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Letters would be agreed with the Companies and prepared in advance. Letters (a) and (b) would be for delivery on the spot at the moment the order for denial was given. One and possibly two of the Companies would prefer to receive a letter on lines of (c) now, but this might be undesirable on security grounds. The Companies concerned might well be satisfied if such a letter were held in State Department and Foreign Office files.

Such letters would be required in respect of Kuwait, Bahrein and possibly Qatar. They might not be required for Arabian-American Oil Company (ARAMCO) in Saudi-Arabia nor doubtless for Iraq Petroleum Company (I.P.C.) in respect of Iraq. The American representatives were in principle in favor of preparing such letters though they had not yet consulted the State Department's legal advisers. On the British side, the view was expressed that some such letters might well be necessary but that Sir Rupert Hay and Foreign Office legal advisers must be consulted.

7. In reply to a British enquiry, American representatives explained that the Gulf Oil Company would wish their properties requisitioned by H.M.G. before denial took place. The Company's preference for the phrase "requisitioned for destruction" was based on a precedent established in the Philippines in the last war. Bahrein Petroleum Company (BAPCO), on the other hand, preferred the word "commandeered". In Saudi-Arabia, the U.S. Government did not have the powers of requisitioning which were included in the British Political Agreement with the oil companies in the Sheikhdoms.

8. At this point the American representatives enquired what compensation had been paid by H.M.G. after the last war for both denial measures and war damage in respect of Middle East and other oil installations. The British undertook to prepare and transmit to the State Department a note on this subject. At the same time, in answer to an enquiry about present British policy in respect of compensation after a future war, the British representatives said that they believed H.M.G.'s position to be that the question of compensation could only be considered after a future war in accordance with the circumstances then prevailing. The American representatives asked to be kept informed of any developments in this respect.

9. Definition of Procedure

On the U.S. side the Secretary of State is at present empowered to give, on behalf of the President, the order for denial. There is considerable doubt on the American side whether it would be desirable to delegate it to a field commander.

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On the British side, there must be a Ministerial decision. In accordance with the Agreement made in Washington in May 1951, there would then be intergovernmental coordination. The British representatives anticipated that H.M.G. would thereafter wish to delegate authority to execute denial measures in the areas of British responsibility to the field commander there. The British took note of the American desire to be consulted before any denial measures were implemented. While indicating that they would make every effort to do so, in the case of Iraq it was possible that an enemy advance would leave no time for consultation.

If the British took responsibility for Kuwait, Bahrain and Qatar they would, in the opinion of the British representatives, wish the British Defense Coordinating Committee (Middle East)(B.D.C.C.) to have authority to order denial measures there, once intergovernmental coordination had taken place. For this purpose, the Political Resident would receive standing instructions to take action on instructions from the B.D.C.C. when the latter decided that the moment had come. Under present arrangements after intergovernmental coordination the U.S. Secretary of State would authorize the execution of denial in Bahrain and his decision would be communicated to the U.S. Consul-General at Dahrhan, who would in turn communicate it to the British Political Resident. It might be that the Foreign Office would, at the request of the State Department, simultaneously communicate it direct to the Political Resident.

It was agreed in discussion that there were two different sets of circumstances in which the question of authorizing denial measures must be considered, (a) with or (b) without an Allied command of some kind in the Middle East. In the case of (a), coordination and the chain of command problem would be very greatly simplified. While from the point of view of oil denial there would be advantages in such a command, no conclusive arrangements could be made on that basis now. Meanwhile, the problem was to reduce to a minimum the procedure for consultation. It was agreed that each Government should make arrangements to this end in respect of the areas of its responsibility. The British for their part once again took note of the American wish to be consulted, if humanly possible, before action was taken in Iraq. This consultation would be between the British Embassy and the State Department and the B.J.S.M. and the Department of Defense.

10. Civilian Personnel

Discussion took place of the extent to which militarization of the civilian personnel involved was necessary. British

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plans for Iraq provided that personnel involved would, after volunteering, be temporarily commissioned. The British representatives enquired what would be the constitutional position of American civilians taking part in denial activities. U.S. representatives undertook to provide the Foreign Office with an answer at a later date. In areas where civilians of both nationalities would take part in the denial force, the senior local representative of each Government should make clear to his own nationals that it was their duty to cooperate fully in denial.

11. Relations with Companies

The meeting recorded their view that the two Governments should be asked to consider plans to ensure that at least one United Kingdom and one United States Officer be present in the executive offices of the Company in the country concerned when denial of its installations was ordered.

12. The meeting then agreed on the need for the greatest possible flexibility in all denial plans. Simultaneous destruction of all facilities might not be necessary or desirable and the order of destruction might advantageously be varied in accordance with the military situation. It was essential that those taking the decision to implement denial should be aware of the technical possibilities in this respect. Expert technical advice should be available for this purpose wherever the decision was to be taken. If an Allied command in the Middle East were set up, this point would have to be borne in mind and an adequately expert oil section attached to it before it should assume any responsibilities in connection with oil denial.

Third Session




13. In a brief report on recent technical developments, Mr. Prussing said that he was not satisfied with the progress at Qatar. It was agreed that this would be taken up jointly with I.P.C. Colonel Battye made a similar short technical report.

14. In discussion the following were the principal points:

- (a) Oil denial would be carried out by the last British and American personnel to leave the areas in question. It was important to ensure that orders for denial and for evacuation were properly co-ordinated. In the Persian Gulf Sheikhdoms evacuation of citizens of both nationalities to the waterline

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was the responsibility of the British Political Resident. This appeared to strengthen the case for British assumption of primary denial responsibility at Kuwait, Bahrein and Qatar.

- (b) ARAMCO were confident that, in the event of a security leak, their well-plugging operations could be satisfactorily explained to the Saudi Government as a measure in the interest both of the Company and the Government. The present British position was based on the strategic assumption that there would be no time for well-plugging in Iraq after the outbreak of hostilities and on political factors which precluded such action before war had broken out. The I.P.C. might be asked to consider whether preparations for well-plugging similar to ARAMCO's might be feasible on their part in case the outbreak of global war was not immediately followed by an attack on Iraq.
- (c) British denial planning differs from American in making no allowance for subsequent rehabilitation. The British believed that the enemy, before relinquishing Iraq, would complete the destruction of installations. 
- (d) British plans for Iraq did not at present include the destruction of heavy drilling rigs because troops would not be available for these widely spread targets. It was agreed that this problem might not be insuperable and that a study could usefully be made of the number of rigs actually in use (and therefore dispersed) at any one time.
- (e) In answer to a British enquiry about the request of ARAMCO for removal of denial stores from the Company's property, it was pointed out that the security risk of removal appeared greater than that of leaving them where they were. Furthermore there was nowhere else to store explosives except at Dahrhan airfield where there was no room. No reply had been given to the Company on this point. The American representatives took note of a British request to be informed if ARAMCO raised the matter again.

Fourth Session

15. At the final session an agreed record of conclusions and recommendations (at Appendix C) was drawn up for submission to the two Governments.

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APPENDIX A TO ATTACHMENT A

PROGRESS REPORT ON "REMOVAL AND DEMOLITION OF
OIL FACILITIES, EQUIPMENT AND SUPPLIES", IN
SAUDI ARABIA, BAHREIN, KUWAIT AND QATAR



Important Developments

1. In January and February 1952 a mission of United States Government and industry representatives visited the Middle East oil areas of United States surface denial responsibilities to review the status of denial plans. The following developments were observed:

(a) The Arabian-American Oil Company (ARAMCO) stated that assuming the availability of personnel, on which point the Company could not commit itself until other issues listed below were resolved, surface plans could be carried out in 48 hours: 24 hours for indoctrination of personnel and 24 hours for implementation.

(b) The Bahrein Petroleum Oil Company (BAPCO) stated that plans for surface destruction were virtually completed and followed the same lines as those in Saudi Arabia. These plans could be carried out by 100 men without previous briefing in a maximum of 48 hours and a minimum of 24 hours. As in the case of ARAMCO plans were developed in great detail and in such a manner as to allow those without technical knowledge to implement the plans.

(c) Kuwait Oil Company (KUOCO) planning was found to have been carried out in much less detail and less complete lines than those in Bahrein and Saudi Arabia. The Company agreed to reorganize their plans immediately to fit the ARAMCO and BAPCO pattern. (See paragraph 3).

(d) On Qatar, planning had not begun.

(e) ARAMCO, BAPCO and KUOCO officials made clear the following points:

(1) None of the companies had made any final decision as to what role the Company would play in the implementation of the plan.

(2) The companies (except BAPCO) could not agree to destroy their properties without the prior concurrence of local governments. BAPCO indicated that instruction from the British Government was the only requisite.

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- (3) The companies (except BAPCO) wished earliest possible clearance of denial plans with local governments in order to protect their concessions against the consequences of a security leak.
- (4) The companies could not guarantee successful implementation of denial plans without protection by military forces.
- (5) The companies restated their position that they would expect that "claims for reimbursement for the cost of such work and property losses incurred will be treated by the United States Government upon the basis similar to that applicable to like work performed elsewhere by similar industries".
- (f) It was observed that sub-surface planning was in each case less developed than surface plans and that well plugging required considerably more time to accomplish than surface destruction. All companies agreed that well plugging plans could be readily explained to local governments in the event of leaks without jeopardy to their concessions.
2. On March 4 ARAMCO stated that for security reasons it did not wish to continue further work on denial planning (except for well plugging plans) unless this activity was cleared with the Saudi Arabian Government. ARAMCO was subsequently informed.
- (a) It was the considered view of the United States Government that no indication of denial activity should be given the Saudi Arabian Government at this time, that this position was strongly supported by the U.K. Government, and that there was no guarantee of security within SAG. With Middle East States about to be asked to cooperate with the West in the area defense, a security leak to the effect that the U.S. and U.K. Governments had plans to destroy Middle East oil facilities would have severe repercussions.
- (b) The United States Government understood and was sympathetic to ARAMCO's concern with the implications of a security leak on the stability of their concession; denial plans would continue to be subordinated to security considerations.
3. On April 3, U.S. representatives of KUOCO told the Department of State that their surface plans would be finalized within two months. They asked for a statement in writing which could be used in the post-war period to prove to the Sheikh of Kuwait that the oil company had engaged in denial work "on the

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instructions of the United States Government in concurrence with the United Kingdom Government". The company representatives were informed that no such directive was considered necessary in that there already existed ample evidence in U.S. and U.K. Government files to that effect, but if the company still desired such a document for use in Kuwait it should more appropriately be sought from the U.K. Government.

4. On April 22, the Bahrein Petroleum Company informed the Department that their surface plans were completed.

5. In April the United Kingdom Government was given the following reply to British requests that:

(a) The "U.S. accept the principles of combined governmental responsibility for the effects of oil denial measures either at Abadan or elsewhere", and

(b) The "question of chain of command for issuing the actual orders for carrying out denial measures be further pursued as soon as arrangements for an Allied Middle East Command had been definitely settled."

"As regards (a) The United States Government believes that it is unnecessary at this time to reach a formal U.S./U.K. agreement to share responsibility for the effects of denial measures in Iran or elsewhere in the Middle East when in fact any such denial measures would be an Allied responsibility, one which should be shared by all Allies concerned, and would be governed by the state of belligerency then prevailing."

"As regards (b) the United States Government will be willing to pursue further the question of the chain of command for issuing the actual orders for carrying out denial measures as soon as arrangements for an Allied Middle East Command have been definitely settled."

6. In July ARAMCO informed the United States Government that for security reasons the company could no longer engage in surface denial planning in Saudi Arabia. The Company requested that all special explosives and denial plans be removed from company property. Plans would be held in the Consulate and copies kept up-to-date in Washington.

Action Contemplated

1. The United States Government will constantly review denial plans and procedures in order that they may be adjusted to changing conditions, e.g., establishment of MEDO, security considerations, etc.



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2. The United States Government will continue to work closely with American companies operating in the area to assure that plans are kept up to date and modified to fit field developments.
3. The United States Government will continue close liaison with the United Kingdom on denial plans, problems and policies in order to assure that basic objectives for denial to the enemy of Middle East oil in wartime are fulfilled.
4. Specific action contemplated includes:
 - (a) Exploration of the problem of turning over primary responsibility for further denial planning and denial implementation in the Sheikhdoms of Kuwait, Bahrein and Qatar to the United Kingdom.
 - (b) Consideration of the drafting of letters which would be delivered to the companies at the time denial is ordered and which would spell out the conditions under which denial plans will be implemented.
 - (c) Definition of the procedures for U.S./U.K. consultation on triggering action.
 - (d) Completion of plans and definition of conditions under which volunteer company personnel will be used as a denial force.
 - (e) Establishment of firm company-government understandings regarding future activities and responsibilities.
 - (f) Acquisition and shipment of explosives to the area.



Policy Evaluation

1. Technical denial plans which have been drawn up by ARAMCO, BAPCO and Kuwait Oil Company have been excellently prepared. Pre-war plans for denial of oil facilities have never before been so perfected. The principal remaining requirements are to keep these plans up to date, to ascertain whether plans for the entire area follow similar principles insofar as possible and to finalize plans for post-D-Day organization of denial forces.
2. Cooperation of oil companies concerned has been outstanding. Oil companies have stated that they will cooperate in keeping plans up to date. In one case, however, the company, for security of concession reasons, does not wish to do anything more with denial plans in the field. The United States

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Government appreciates the reasons for this position and has made alternative arrangements for keeping plans up to date.

3. The United States Government is primarily concerned with security of denial plans and will continue to subordinate all other denial considerations to security control. Accommodation of certain concepts and plans to this security consideration has thus been necessitated.



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APPENDIX B TO ATTACHMENT A

BRITISH STATEMENT ON OIL DENIAL PLANNING



General Policy

For the purpose of oil denial, the Middle East can be divided into three areas and plans have been made accordingly:

- (a) Iraq - by using Habbaniya and, if necessary, Basra as bases, military forces can be moved to denial targets by road and air.
 - (b) Persia - oil denial plans here must, in present circumstances be restricted to air action.
 - (c) Persian Gulf - because of the time taken for the Russian threat to develop, and in view of the very limited ground and air resources available, no military plans have ever been formulated. By agreement the Americans have responsibility, on behalf of both Governments, for planning and executing denial plans at Bahrein, Kuwait and Qatar except that the British have responsibility for dealing with the local rulers in all three places and in Kuwait and Qatar, also for giving final word of command for carrying out denial. Otherwise British responsibility is limited to certain commitments in connection with security (see paragraph 21 below).
2. British oil denial plans are based on two principles:
- (a) In the event of a Russian attack on the Levant, the first aim must be to prevent the Russians obtaining
 - (i) bulk stocks of refined oil or
 - (ii) intact refining facilities, possession of which would be of immediate tactical use to the Russians in mounting the attack itself.

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There will be very little time to carry out pre-arranged plans in the areas of British responsibility. Targets at (i) and (ii) must, therefore, have absolute priority as against the denial of crude oil and counter-denial (see paragraph 11 below).

- (b) Complete security is essential. The political effects of a leakage would be widespread. Moreover we have announced our intention to defend the Middle East and we shall not get the necessary cooperation of Arab countries in this task if they are aware that we have made plans based on the overrunning of their countries in war. Denial plans cannot therefore be carried beyond the point at which they can be kept completely secret from all but selected and carefully screened British or American citizens.

3. Military plans for oil denial in Persia and Iraq are outlined below.

Persia

4. Before our withdrawal from Abadan, plans had been drawn up for British ground forces to cooperate with AIOC staff to deal with selected targets in both Abadan and Kermanshah. These plans are now considered to be impracticable from both a military and technical aspect

- (a) because in present circumstances ground troops cannot be provided and
- (b) because the actual destruction of the targets would be extremely hazardous without the expert assistance and local knowledge of AIOC employees on the spot.

5. The Cs-in-C, M.E. are now responsible for air operations at Abadan, Naft-i-Sharh and Kermanshah.

6. Conclusion

The destruction of oil targets in Persia is no longer a matter for special treatment as in other areas with which the talks are concerned. It will now be a matter for decision by Governments in accordance with the Washington Agreement of April 1951, whether the targets shall be destroyed and, if so, it will be an Air Force task to attack them. Since an air attack on Abadan would almost certainly result in widespread loss of life, H.M.G. have asked the U.S. Government for an assurance that they accept the principle of joint governmental

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responsibility for the effects of oil denial either at Abadan or elsewhere. The State Department have replied that they believe it is unnecessary at this time to reach a formal U.S.-U.K. agreement in this matter when in fact any such denial measures would be an allied responsibility. This responsibility would be shared by all the allies concerned and would be governed by the state of belligerency then prevailing. In reaching a decision to bomb Abadan the Governments may have to consider a position in which Persia is neutral.

Iraq

7. Plans have been drawn up to deny to the enemy bulk oil stocks and installations at Alwand, Kirkuk, K2, K3 and Khanaqin. Military denial parties have been formed from specially trained Royal Engineers who will be assisted by specially enlisted volunteers from the IPC and AIOC. Officers have reconnoitered the targets.

8. These plans include the destruction of heavy generating equipment. Flame throwers have been rejected as a possible means of igniting bulk stocks of oil and for destroying stores. In trials in Egypt thermite grenades sent by the U.S. have also been found to be ineffective against packed stocks of petrol or machinery and generally unsuitable against M.E. targets. M.E. standard explosives have been judged more suitable than either for oil denial tasks. The pollution of oil stocks and recycling, which were discussed at the Cairo talks, have been rejected due to the time factor and the large stocks to be destroyed in the area in question. The evacuation of stocks from Kirkuk will of course be carried out by pipeline up to the last possible moment. The pipeline itself will be progressively destroyed.

9. The new plant at Basra which has recently come into operation is not covered by these plans. In the opinion of the U.K. Chiefs of Staff it can best be dealt with by interdiction.



Conclusion

10. Current plans for Iraq are satisfactory.

Counterdenial

11. No approach has been received from the Iraq Government on this subject.

12. The Ministry of Fuel and Power have discussed with the IPC and the AIOC the methods of achieving counterdenial. They conclude that individual wells must be either blocked with a

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specially manufactured cement plug or simply junked with scrap metal, sand and cement. In addition all drilling equipment in the oil fields must be collected in a central spot and destroyed, otherwise blocking wells would be pointless as the enemy could easily drill new wells to the oil reservoir.

13. Both oil companies stress that it would take a long time to carry out these tasks, even taking into account such preparations as can be made in peace. Many preparations, such as the collection of drilling equipment, the assembly of stores at wells, the preparation of the tops of the wells, cannot be undertaken before the emergency arises, because it would be evident to native employees that something very unusual was in hand. Moreover the plugging of wells requires the training of large gangs of men.

14. In fact the time available for any oil denial or counter-denial operations is likely to be very short. Present technical plans for the denial of refining installations and bulk oil stocks by ground troops in Iraq, set a time limit of 24 hours for full denial from the moment troops arrive in each target area, with partial denial of the more vital parts in 6 hours. It is considered that little more time can be counted in view of:

- (a) the expected timings of the enemy advance;
- (b) the expected reaction by political and military authorities in Iraq, who are unlikely to recognize the distinction between denial and counterdenial.

15. With reference to paragraph 14(b) above, the IPC draw attention to their experience in the last war. Certain denial tasks were successfully carried out by troops working with company personnel. Others which were postponed until the arrival of enemy forces was imminent and for which troops were not available, could not be carried out because the local Iraqi authorities placed guards on all installations and kept British personnel under surveillance.

16. It is clear that the following are essential to ensure the success of counterdenial:

- (a) Preparations in peace by oil company personnel to reduce to a matter of hours the time required to effect counterdenial on the outbreak of war.
- (b) Military assistance in the form of engineers and covering troops.

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17. No preparations are now possible in Persia, therefore counterdenial of the widespread wells in that country is impracticable.

18. In the case of Iraq, overriding security requirements preclude full preparations as at (a) above. Limited preparations by the companies in peace would be possible in the area of Mosul, Kirkuk, Naft Khanah and Basra, but the number of troops required to carry out counterdenial, even in conjunction with oil company personnel, would be very large. They could not be made available without seriously affecting our main effort in the Levant.

19. The weakening of our forces in the Levant which would result from this diversion cannot be justified in view of the ease with which the enemy could obtain drilling equipment from Persia and drill new wells in all oil fields in Iraq, thereby nullifying the effort expended on the existing wells.

20. The U.K. Chiefs of Staff are not therefore prepared to authorize counterdenial planning in present circumstances in Iraq.

British Commitments in the Persian Gulf

21. At the Cairo talks the U.S. representatives asked for assistance in screening British personnel employed in the Persian Gulf whom it was desired to associate with oil denial plans. Mr. Thomas was accordingly appointed to the staff of the British Resident at Bahrain with the rank of Second Secretary and left England last January. His duties are:

- (a) To be the British Security representative in the Bahrein, Kuwait and Qatar areas, with particular reference to war-planning there, including oil denial.
- (b)
- (c) To deal with all aspects of security, and as regards personnel security, to deal with the American as well as the British personnel in the three territories.
- (d) To handle liaison between the British Political authorities and the Oil Companies on all aspects of oil denial only.
- (e) To handle liaison between the British military authorities and the British Middle East Office.

The Foreign Office,
September, 1952.

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APPENDIX C TO ATTACHMENT A

OIL DENIAL IN THE MIDDLE EAST



Discussions on the above subject took place at the Foreign Office on the 25th, 26th and 29th of September. There were present, on the American side, representatives of the State Department, Department of Defense and [redacted] on the British side, representatives of the Foreign Office, War Office, Ministry of Fuel and Power, G.H.Q., M.E.L.F. and M.I.6. The meeting agreed that the following conclusions and recommendations should be submitted for the consideration of the two Governments.

1. By the agreement reached in Washington in 1951 denial plans are to be implemented after inter-governmental coordination. The meeting was of the opinion that, in this coordination, each Government should seek the agreement of the other to the authorization of denial in the areas of its responsibility. Each Government should also examine its arrangements with a view to simplifying to the utmost extent possible its procedure for seeking this agreement.

2. If an Allied Command were set up in the Middle East, it might, subject to there being suitable political safeguards, provide a useful forum for the coordination of British and American oil denial plans. In that event it would also be for the consideration of the two Governments whether authority for the implementation of those plans could not be, by agreement, delegated to the Command at an early stage in a future war. No conclusive arrangements, however, could be made on that basis now.

3. The two Governments should consider the question of the authority under which denial measures are to be carried out in Kuwait, Bahrein and Qatar in view of the fact that in these areas the work will be done by British and American volunteer civilian employees of the companies acting as individuals rather than by the companies as such. In this connection consideration should be given to:

(1) furnishing the companies with letters, to be agreed by both Governments and the Companies individually and prepared in advance but not to be delivered until denial is actually ordered. These letters might state:

(a) that the installations to be destroyed were being requisitioned for destruction on behalf of the two Governments;

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- (b) that the denial measures ordered were not being carried out by the companies themselves but by individual British and American citizens acting under the orders of their respective Governments;
 - (c) that the two Governments intended to seek the approval of the Rulers concerned.
- (ii) ensuring that at least one U.K. and one U.S. Officer of the fighting services should be present in the executive offices of the Company at least nominally directing the denial operations, at the time of denial, as a clear indication that denial measures were being ordered jointly by the two Governments.

4. H.M.G. has a special political position in the Persian Gulf; the majority of the personnel engaged in oil denial there would be British; and furthermore H.M.G. have under their Political Agreements with the oil companies the right to pre-empt oil products and to control installations in an emergency. H.M.G. is at present responsible for dealing with the local Rulers at Kuwait, Bahrein and Qatar in oil denial matters and at Kuwait and Qatar for giving the final word of command for denial to take place. H.M.G. is furthermore at present responsible in war for the evacuation from the Persian Gulf Sheikdoms of British and American nationals, including those who will have engaged in denial. It is therefore for consideration whether H.M.G. should not now take over from the U.S. Government the latter's present primary responsibility for the planning and execution of oil denial at Kuwait, Bahrein and Qatar.

5. It is desirable that British and American oil denial planning should be on similar lines so far as practicable. At present, for reasons set out in their report at Appendix B, the British plans for Iraq do not include either sub-surface denial or the destruction of drilling rigs. The possibility of extending the British plans to cover both these points should be re-examined. If however the British plans cannot be extended in these two respects, the U.S. may think it desirable to re-examine the extent of its own plans accordingly.

6. It is essential to preserve the greatest possible flexibility in all denial plans. Simultaneous destruction of all facilities may not be necessary or desirable and the order of destruction may advantageously be varied in accordance with the military situation. It is essential that those responsible for taking the decision to implement denial should in addition to other considerations be aware of the technical possibilities in this respect. Expert technical advice must therefore be

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available wherever the decision has to be taken. If an Allied Command in the Middle East is set up, an adequately expert oil section should be attached to it before it should assume any responsibilities in connection with oil denial.

7. The Foreign Office will, as requested, furnish the State Department in due course with a note on compensation paid by the U.K. Government after the last war for both denial measures and war damage in respect of Middle East and comparable overseas oil installations. The American representatives asked to be kept informed of any decision H.M.G. had taken or might take on the question of compensation policy in a future war.

8. The American representatives for their part undertook to keep the British informed of any further developments with regard to a request by ARAMCO, mentioned in Appendix A, for the removal of denial stores from the Company's property.

9. Finally the meeting agreed to place on record again the overriding importance which both Governments attach to considerations of security in this matter.

30th September, 1952



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SECURITY INFORMATIONATTACHMENT BDEPARTMENT OF STATE
Washington

January 19, 1953

Dear Mr. Secretary:

Your attention is invited to the attached minutes and conclusions of the US/UK September discussions in London regarding the planning for wartime destruction of oil facilities in the Middle East.

Reference is made to Paragraph 4 of Appendix C, concerning transfer of primary responsibility for denial planning and implementation in the British Sheikdoms from the United States Government to the United Kingdom. It would be appreciated if the Department of Defense could make its views known to the Department of State regarding this proposed transfer.

Paragraphs 3, 5(3), 9, 14(a), (c), (d), as well as Appendix A, Appendix B and Appendix C, Paragraphs 2 and 6, raise an important problem with respect to State and Defense Department responsibilities for future planning. It is noted in the reference paragraphs that technical denial plans have been substantially completed and that the United States Government must now give primary consideration to problems of procedure surrounding implementation of its denial plans which will only be carried out as a last resort in a war and in the face of an enemy advance into the Arabian Peninsula.

As a consequence of this situation, the United States Government is now presented with denial problems which appear to fall largely outside of general State Department authority. For example, planning for the implementation of NSC-26 is now principally concerned with the following considerations:

- (a) Coordination of implementation plans and procedures with the military need for Persian Gulf oil following the outbreak of war.

The Honorable
Robert A. Lovett,
Secretary of Defense



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- (b) Coordination of existing plans and procedures with the best available time estimates of enemy advance into the Arabian Peninsula.
- (c) Coordination of evacuation and triggering plans and procedures, which will be largely dependent upon tactical movements of enemy troops in war.
- (d) Development of alternate methods of denial, principally destruction by air, in the event surface denial is not or cannot be fully implemented in war by civilians.
- (e) Coordination of denial plans and implementation procedures with Defense Department rehabilitation plans.
- (f) Development of denial plans and procedures to meet United States requirements and capabilities regarding protection of oil company volunteers from hostile population or advancing enemy.
- (g) Accommodation to company requests that a military officer be present in company offices when volunteers are asked for and denial plans implemented.
- (h) Necessity for utilizing Dhahran Air Base facilities and personnel to assist in maintenance of denial plans.
- (i) Development of definite lines of authority regarding wartime denial implementation in areas of United States responsibility.



Most urgent of the above considerations is the need for the use of the Dhahran Air Base facilities and the services of a munitions officer. The Arabian American Oil Company, which has been responsible for drawing up denial plans in Saudi Arabia, now finds itself unable to continue denial planning on company property for security reasons. The Consulate General offers neither the facilities nor security to permit continuation of denial planning, and Washington is considered a poor alternative in view of the distance from the field installations and field technicians. Consequently, the Dhahran Air Base appears to be the best alternative location on the basis of security and proximity.

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Furthermore the personnel requirement which calls for a demolition specialist to work with company technicians might best be placed in the military establishment from security and efficiency standpoints.

While recognizing that the Department of State would not wish to transfer its responsibilities for those aspects of NSC-26 which are fundamentally of a political nature, nevertheless it seems apparent that NSC-26 planning has now reached a stage where increased participation of the Department of Defense seems essential. Such military responsibility might involve as a minimum, the provision of military personnel and facilities at the Dhahran Air Base to assist in keeping existing company denial plans up-to-date, and as a maximum it might involve transfer by the National Security Council of primary responsibility for NSC-26 from the Department of State to the Department of Defense or eventually, transfer of the denial project from the National Security Council to Defense Department war plans.

Department of Defense comments regarding the above issues would be appreciated.



Sincerely yours,

/s/ H. Freeman Matthews

Attachment:

Minutes and Conclusions of
US/UK September Discussions
in London.