The President

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COPY NO. 1

SPECIAL HANDLING

A REPORT

TO THE

NATIONAL SECURITY COUNCIL

by

THE NSC PLANNING BOARD

on

The Transfer

NSC 176

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Authority NSC-LOUGOD52

By CM___ NLDDE Date 4-26-56

December 22, 1953

WASHINGTON

on 2/15/2006 by NARA on the recommendation of the NSC under provisions of E.O. 12958 (as amended) by DRS

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December 22, 1953

NOTE BY THE EXECUTIVE SECRETARY

to the

NATIONAL SECURITY COUNCIL

on

DENIAL AND CONSERVATION OF MIDDLE EAST OIL RESOURCES AND FACILITIES IN THE EVENT OF WAR A. NSC 26/2, 26/3, 26/4, and 26/5
B. Progress Report dated August 7, References:

1953 by the Acting Secretary of State on the NSC 26 Series

The enclosed draft statement of policy on the subject prepared by the NSC Planning Board is transmitted herewith for consideration by the National Security Council at its meeting on Wednesday, December 30, 1953.

The report of the Ad Hoc Committee of the NSC Planning Board which re-examined the need for a U. S. policy on this subject is enclosed for the information of the Council. No financial appendix is enclosed since the proposed policy does not appear to involve any unusual expenditures over or beyond amounts which have been appropriated for normal operating programs of the agencies involved.

The enclosure is intended, if adopted, to supersede NSC 26/2, 26/3, 26/4 and 26/5.

It is recommended that, if the Council adopts the enclosed statement of policy, it be submitted to the President with the recommendation that he approve it; direct its implementation by all appropriate executive departments and agencies of the U. S. government; and designate the Operations Coordinating Board as the coordinating agency.

It is requested that special security precautions be observed in the handling of the enclosure and that access to it be very strictly limited on an absolute need-to-know basis.

> JAMES S. LAY, Jr. Executive Secretary

The Secretary of the Treasury The Director, Bureau of the Budget The Chairman, Joint Chiefs of Staff

The Director of Central Intelligence



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STATEMENT OF POLICY

Proposed by the

NATIONAL SECURITY COUNCIL

on

DENIAL AND CONSERVATION OF MIDDLE EAST OIL RESOURCES AND FACILITIES IN THE EVENT OF WAR

- 1. The interests of the United States and the free world indicate that, in the event of war, oil wells, surface oil stocks, other petroleum facilities, and certain accessory equipment in the Middle East* should be denied to the USSR by action prior to any occupation by its forces of the area. The need is less to deny the facilities and resources to the enemy for his general use than to conserve the resources for later use by the free world and to deny them for local use by the Soviet forces. It is unlikely that the USSR could utilize oil and oil facilities of the Middle East for general wartime operations outside the area.
- 2. Although denial planning should be carried on continuously, such planning does not lessen the importance of keeping the Middle East from communist domination by such forcible action as may be feasible and in accordance with



^{*} Middle East for the purposes of this paper includes Saudi Arabia, Iraq, Iran, Kuwait, Bahrain, Qatar, the Kuwait-Saudi Arabia Neutral Zone, Jordan, Israel, Syria, and Lebanon.

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- 3. a. The United States should continue to be responsible for denial in Saudi Arabia. The U. K. should continue to be responsible in Iraq and Iran.
- <u>b</u>. The Secretary of State is authorized to transfer the present U. S. responsibility for denial in Kuwait, Bahrain, Qatar, and the Kuwait-Saudi Arabia Neutral Zone to the U. K. Government, and upon such transfer to make available to the U. K. plans developed

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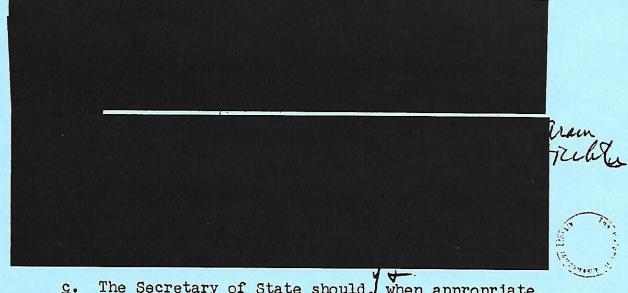
- C. The Secretary of State should study the question of country responsibility in Jordan, Israel, Syria, and Lebanon, and make recommendations on this matter to the National Security Council.
- d. The 1950 agreement between the United States and the U. K., providing for mutual consultation before either party executes denial operations, should be continued in force under the new territorial division of responsibility.
- 4. The Secretary of State should continue to be responsible for policy planning and for coordination with the British Government with respect to denial operations.
- 5. Wherever the United States has responsibility, denial plans should include:
 - a. Well-plugging as a conservation measure.

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- <u>b.</u> Destruction of surface oil stocks, particularly refined products; oil producing, refining (where feasible on a selective basis) and transporting facilities; and certain accessory equipment such as that for construction and maintenance, water-well drilling, and road building.

 6. <u>a.</u> At present, the United States does not have the capability to continue to make in Saudi Arabia denial plans, because:
 - (1) Aramco is unwilling to cooperate in Saudi Arabia until the Saudi Arabian government concurs.
 - (2) No concurrence has been obtained from the Saudi Arabian government.

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c. The Secretary of State should, when appropriate, seek to obtain from the Saudi Arabian Government concurrence in a program for the United States to make in Saudi Arabia denial plans for selective surface demolition and for well-plugging, and for the execution of these plans in time of enemy attack.

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- d. When such concurrence thas been obtained from the Saudi Arabian government, responsibility for further denial planning and for the implementation of such plans in time of enemy attack shall be transferred to the Secretary of Defense.
- 7. In the event of enemy attack before the prior concurrence of the Saudi Arabian Government has been obtained, plans for selective surface demolition and well-plugging should, prior to enemy occupation, be implemented

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by military means if military forces are immediately available for use in accordance with then current war plans.

8. In time of enemy attack, to the extent selective surface demolition cannot be executed as provided above, destruction of surface facilities should be accomplished by available military means.