

من المصادر الإلكترونية في مكتبة قطر الرقمية ٢٠٢٢/٠١/٢٥ تم إنشاء هذا الملف بصيغة PDF بتاريخ
النسخة الإلكترونية من هذا السجل متاحة للاطلاع على الإنترنت عبر الرابط التالي:

http://www.qdl.qa/arhive/81055/vdc_100000000602.0x0001a9

تحتوي النسخة الإلكترونية على معلومات إضافية ونصوص وصور بدقة عالية تسمح بإمكانية تكبيرها ومطالعتها بسهولة.

"مجموعة ٢١/١٧ "النفط في العراق"

المكتبة البريطانية: أوراق خاصة وسجلات من مكتب الهند

IOR/L/PS/12/2882

١٢ يناير ١٩٣٢-١٨ سبتمبر ١٩٣٥ (ميلادي)

الإنجليزية في اللاتينية

ملف واحد (٨٩ ورقة)

رخصة المشاع الإبداعي لأغراض غير تجارية

المؤسسة المالكة

المرجع

التاريخ/ التواريخ

لغة الكتابة

الحجم والشكل

حق النشر



حول هذا السجل

يحتوي الملف على أوراق تتعلق بالامتيازات والعمليات النفطية لشركة نفط العراق والشركة
البريطانية لتطوير النفط المحدودة في العراق.

وهو يتضمن:

• أوراق تتعلق بالمدفوعات المستحقة لحكومة العراق من هذه الشركات.

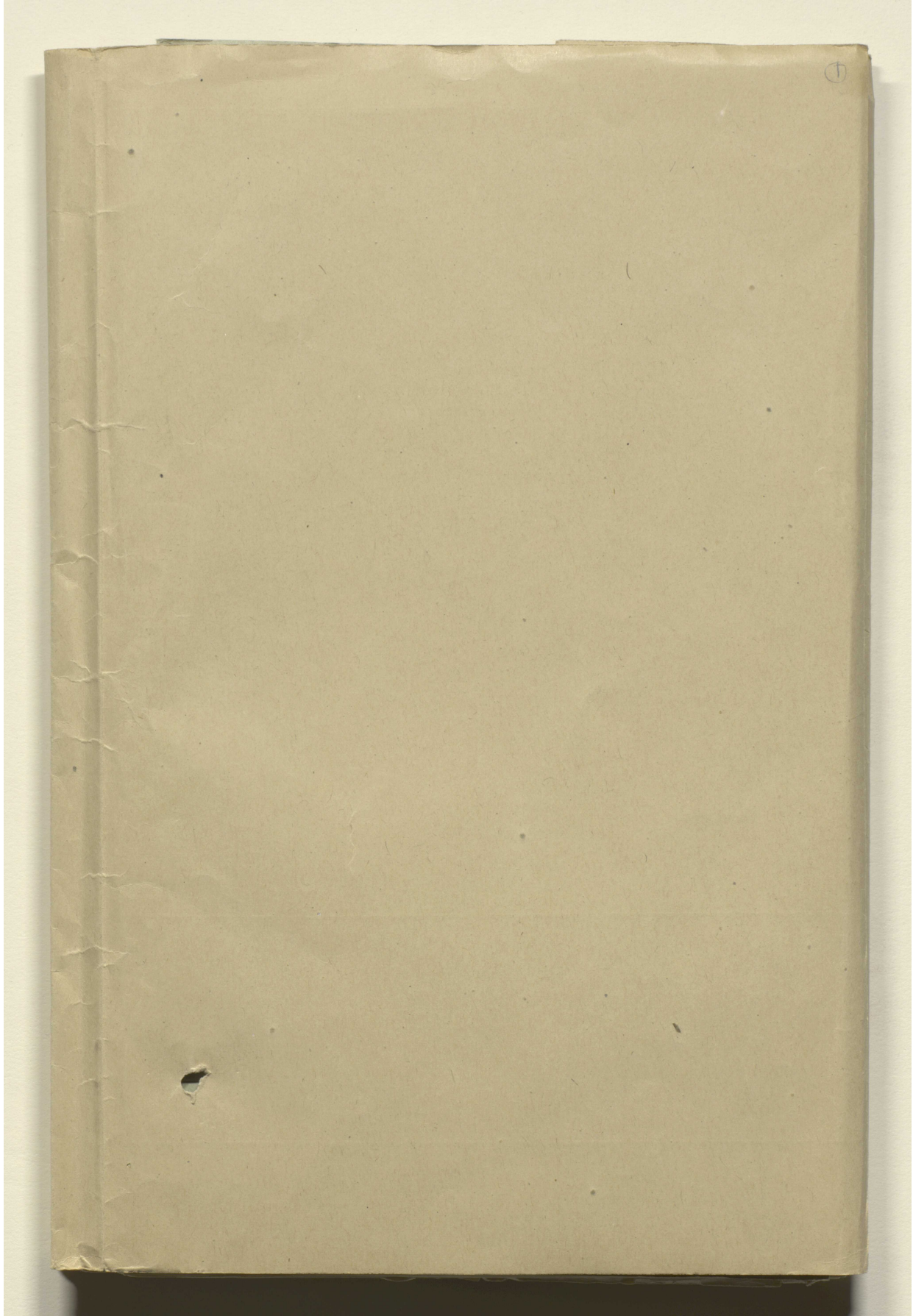
• أوراق خاصة بلجنة الدفاع الإمبراطوري، اللجنة الفرعية الدائمة للمسائل المتعلقة بالشرق
الأوسط، مؤرخة سنة ١٩٣٣، بخصوص خط أنابيب الشركة البريطانية لتطوير النفط المحدودة المقترح
مده من مناطق امتيازها بالقرب من الموصل إلى البحر الأبيض المتوسط.

• أوراق بخصوص الافتتاح الرسمي لخط أنابيب شركة نفط العراق الذي يربط بين حقول النفط في كركوك وميناء حيفا على البحر الأبيض المتوسط، في ١٤ يناير ١٩٣٥.

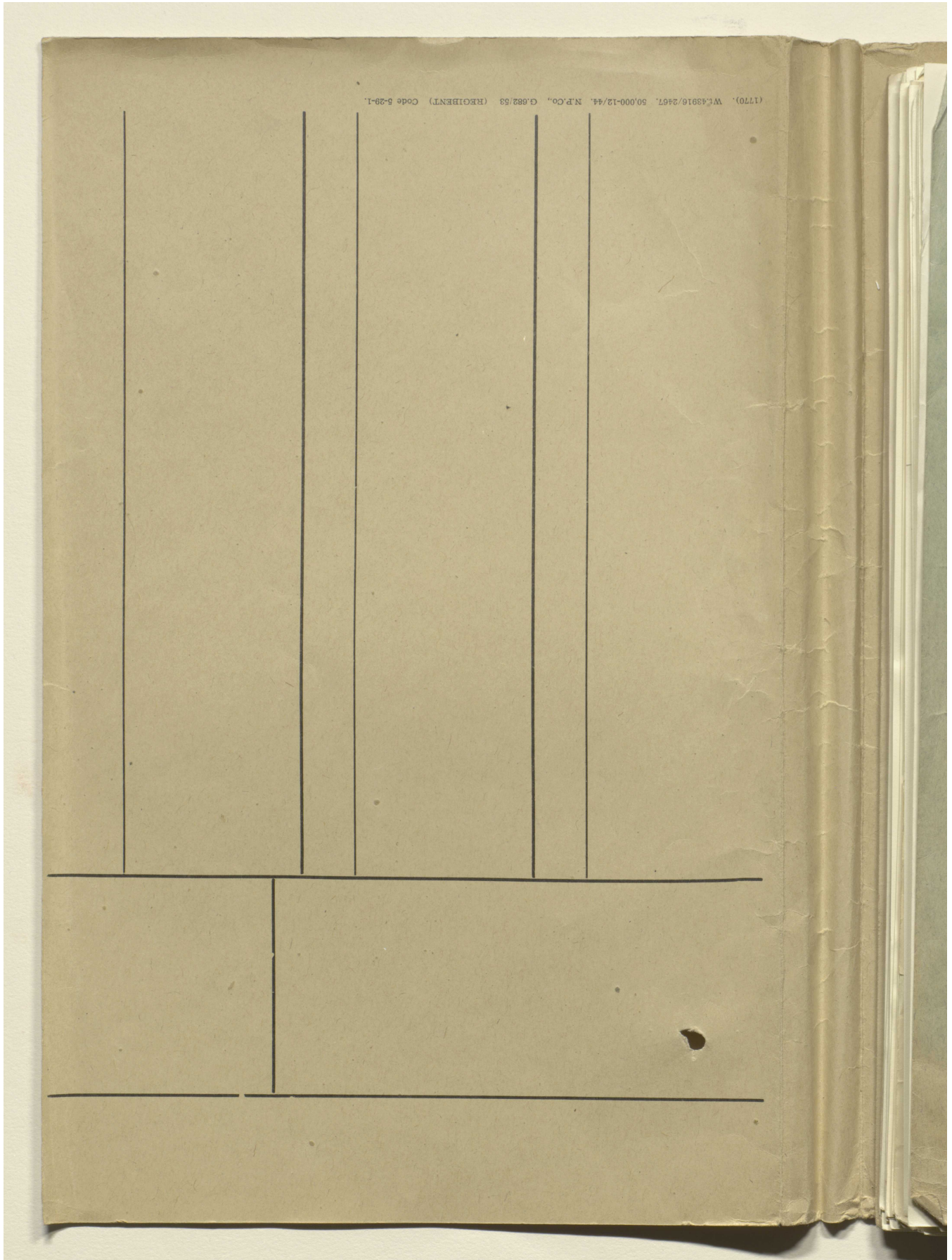
تتضمن الأوراق محاضر اجتماع ومراسلات لمكتب الهند وثلاث قصاصات من صحيفة التايمز. تدور المراسلات بصورة عامة بين السير فرانسيس هنري همفريز، السفير البريطاني في العراق (ممثّل بريطانيا في بغداد)، والسير جون سيمون، وزير الدولة للشؤون الخارجية. تتضمن أطراف المراسلات الأخرى كلّ من: مكتب الهند؛ المندوب السامي في العراق؛ مكتب المستعمرات البريطانية السير جون كادمان، رئيس مجلس إدارة شركة نفط العراق؛ وإدارة البترول (إدارة المناجم) التابعة للحكومة البريطانية.

يشتمل الملف على فاصل يتضمن قائمة مراجع المراسلات الواردة به حسب السنة. ويوجد هذا الفاصل في نهاية المراسلات.

مجموعة ٢١/١٧ "النفط في العراق" [أمامي] (١٧٨/١)



مجموعة ٢١/١٧ "النفط في العراق" [أمامي-داخلي] (١٧٨/٢)



مجموعة ٢١/١٧ "النفط في العراق" [٢و] (١٧٨/٣)

Previous File : ٤١٠. ٣٦٨/٣٢. (Inc.)
Next File :

No. 17
File 21

POLITICAL (EXTERNAL) DEPARTMENT.
COLLECTION.

GENERAL HEADING { Iraq }
SUB-HEAD { Oil in - }

Notes:

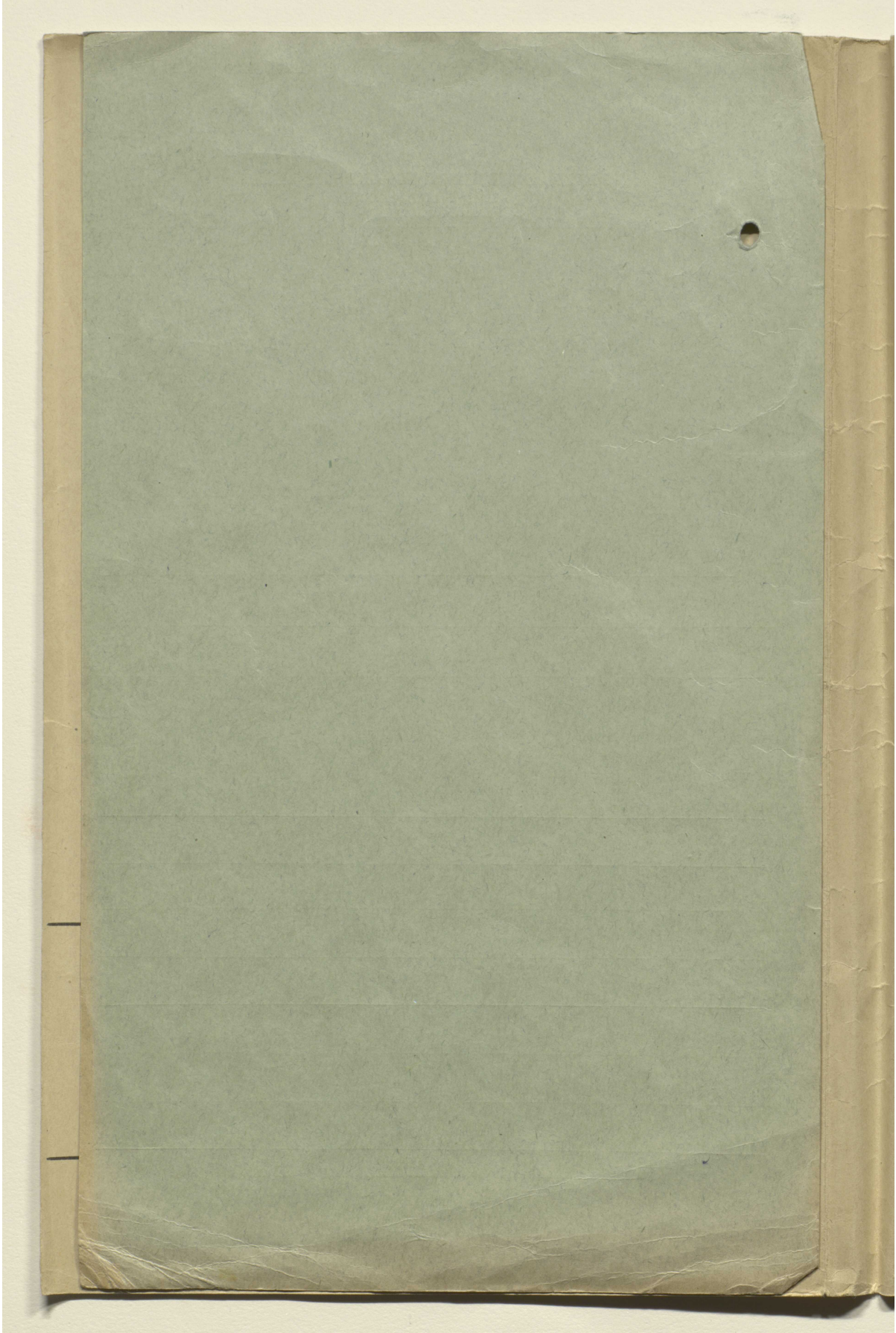
This File contains the following papers :—

YEAR.	P.Z.	1115.	1595.	6477.	1933.	P.Z.	8146.
1932	✓	✓	✓	✓	✓	✓	✓
1934	✓	✓	✓	✓	✓	✓	✓
1935	✓	✓	✓	✓	✓	✓	✓
19	✓	✓	✓	✓	✓	✓	✓
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19	✓	✓	✓	✓	✓	✓	✓
19	✓	✓	✓	✓	✓	✓	✓

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Papers may be removed from or placed within this File only by the Political Registry.

مجموعة ٢١/١٧ "النفط في العراق" [٢ظ] (١٧٨/٤)



Minute Paper.

Department.

Times of 17/9/35

MOSUL OIL FIELDS

CONTROL ACQUIRED BY ITALIAN INTERESTS

It was officially announced last night that Sir Edward M. Mountain and Mr. L. C. Patterson have resigned their directorships of Mosul Oil Fields and its associated concern, British Oil Development Company. The resignations have been accepted. Mr. F. W. Rickett, who secured the recent Abyssinian concession, was closely associated with the original promotion of the British Oil Development Company.

Mosul Oil Fields, Limited, a private company with an authorized capital of £1,850,000, was registered in 1932 to acquire all the shares of the British Oil Development Company, which was granted a concession of about 45,000 square miles from the Iraqi Government. According to the 1935 Stock Exchange Year-book, Viscount Goschen, the chairman, was supported on the board of directors by, among others, two Italians, one Frenchman, and two Germans. The new board of directors, omitting Sir Edward Mountain and Mr. Patterson, consists of 13 members, and includes five Italians, one Frenchman, and two Germans. The Press Association was informed that Italian interests have acquired sufficient shares to have control in both companies, which were formerly managed by British interests.

Sir Edward Mountain refused to make any comment last night on his resignation.

The B.O.D. Company had long discussions this year with the Iraqi Government regarding the building of a £3,500,000 railway from their oil wells at Quaiyarah to Tel Kuchuk.

Sir Edward Mountain was deputy chairman of Mosul Oil Fields and B.O.D. Company, and is chairman and managing director of the Eagle Star and British Dominions Insurance Company. The official announcement of Sir Edward Mountain's and Mr. Patterson's resignations states that "no other resignations have taken place recently."

Mr. William R. Brown, another director of Mosul Oil Fields and the B.O.D. Company, denied the suggestion last night that he also had resigned. "I have not yet resigned," he said, "but I am considering what steps I shall take. Some time ago a meeting was arranged to be held in London. It was cancelled, then held a day or two later in Paris. I am one of the original directors."

ITALIAN INTEREST IN MOSUL OILFIELDS

Times 18/9/35

STATEMENT BY MR. F. W. RICKETT

Mr. F. W. Rickett, who recently obtained an oil concession from the Emperor of Abyssinia, last night made a statement about his position in relation to Mosul Oilfields and its associated concern, British Oil Development.

The resignations of Sir Edward Mountain and Mr. L. C. Patterson from the boards of these companies were announced on Monday.

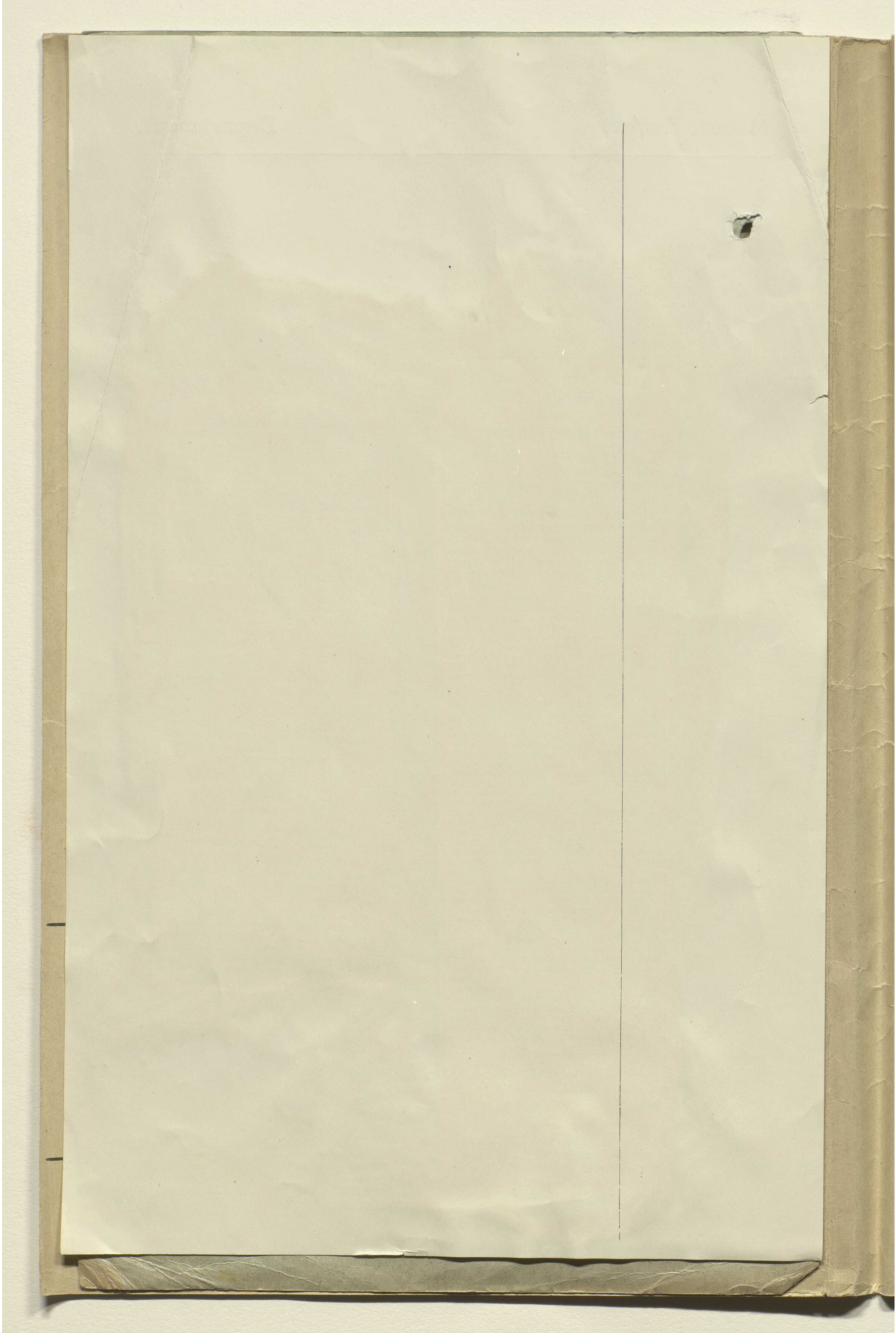
Mr. Rickett was closely concerned with the formation of British Oil Development Company, the shares of which were acquired by Mosul Oilfields in order to exploit a concession obtained by the B.O.D. Company in Iraq.

I have had no connexion with the management of either of these companies for the last two years (Mr. Rickett stated). I withdrew when it became obvious to me that the control, which I considered it was absolutely essential should remain British, would pass into Continental hands. My only interest now is that of a large shareholder. It is, of course, a vital condition of the concession that the company owning it must be British, have a British chairman, and have its offices in Great Britain. This doubtless explains Lord Goschen's retention of the chairmanship of these foreign-controlled companies. Mr. William R. Brown is, it is understood, also retaining his seat on both boards at the request of the original British shareholders, of whom he was one, as otherwise these would be entirely without representation.

The new boards include five Italians, one Frenchman, and two Germans.

Commenting yesterday on the reasons that led to his resignation from the boards of Mosul Oilfields and the B.O.D. Company, Sir Edward Mountain stressed the continued cordiality of his relations with the companies concerned. His resignation, he said, was entirely due to his appreciation of the fact that the recent strengthening of Italian interests in the companies, as a result of their payment of the dead rent on the concession, should be proportionately represented on the board of directors.

مجموعة ٢١/١٧ "النفط في العراق" [٣ظ] (١٧٨/٦)



مجموعة ٢١/١٧ "النفط في العراق" [٤و] (١٧٨/٧)

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COMMITTEE OF IMPERIAL DEFENCE.

STANDING OFFICIAL SUB-COMMITTEE FOR QUESTIONS CONCERNING
THE MIDDLE EAST.

MINUTES of a Meeting of the Sub-Committee held at
No. 2, Whitehall Gardens, S.W.1., on Monday, July
17th, 1933, at 3.30 p.m.

- SUBJECTS - 1. PROPOSED PIPELINE FROM THE BRITISH OIL
DEVELOPMENT COMPANY'S CONCESSION NEAR MOSUL
TO THE MEDITERRANEAN.
2. TRANS-DESERT RAILWAY FROM BAGHDAD TO HAIFA.

P R E S E N T:

Mr. G.W. Rendel, C.M.G.,
Counsellor, Foreign Office. (In the Chair).

Captain H.R. Moore, D.S.O., R.N.,
Director of Plans Division,
Admiralty.

Air Commodore R.E.C. Pierse, D.S.O.,
A.F.C., Deputy Director of
Operations and Intelligence,
Air Ministry.

Colonel K.D.B. Murray, C.B., D.S.O.,
General Staff, War Office.

Mr. R.A. Grieve, O.B.E.,
Assistant Secretary, Treasury.

THE FOLLOWING WERE ALSO PRESENT:

Lieut.-Colonel Sir Francis
H. Humphrys, G.C.M.G., G.C.V.O.,
K.B.E., C.I.E., His Majesty's
Ambassador at Baghdad.

Air Vice-Marshal Sir E.R. Ludlow-
Hewitt, K.C.B., C.M.G., D.S.O.,
M.C., Deputy Chief of the
Air Staff.

Sir Alfred Faulkner, C.B., C.B.E.,
Under-Secretary for Mines
(for Item 1.)

Mr. O.G.R. Williams,
Assistant Secretary,
Colonial Office.

Colonel P.J. Mackesy, D.S.O., M.C.,
General Staff, War Office.

Group-Captain A.T. Harris, O.B.E.,
A.F.C., Deputy Director of
Operations and Intelligence
Designate, Air Ministry.

Mr. F.C. Starling,
Director of Petroleum Department,
(for Item 1.)

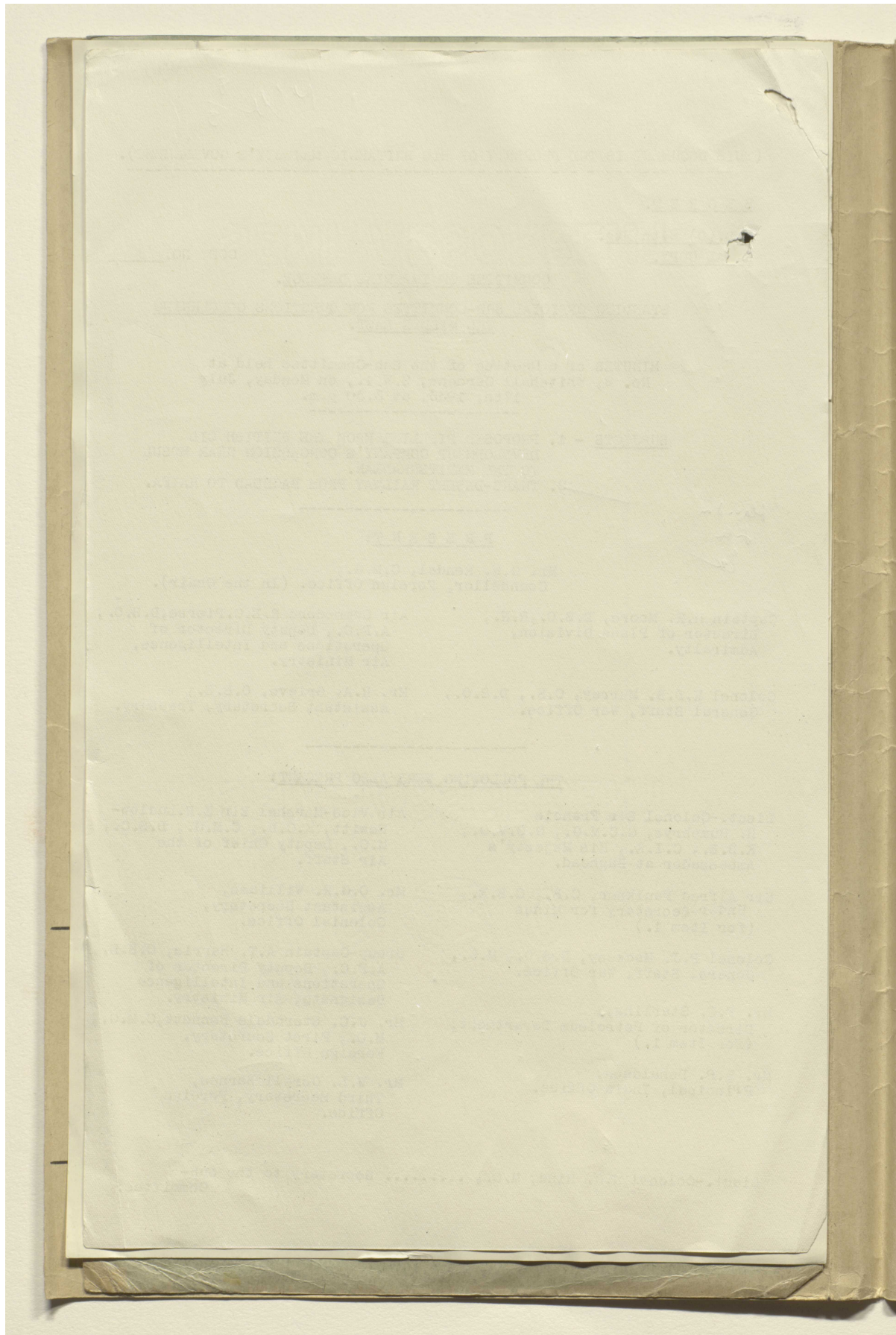
Mr. J.C. Sterndale Bennett, C.M.G.,
M.C., First Secretary,
Foreign Office.

Mr. E.P. Donaldson,
Principal, India Office.

Mr. W.L. Gorell Barnes,
Third Secretary, Foreign
Office.

Lieut.-Colonel N.G. Hind, M.C., Secretary to the Sub-
Committee.

مجموعة ٢١/١٧ "النفط في العراق" [٤٤] (١٧٨/٨)



مجموعة ٢١/١٧ "النفط في العراق" [٥] [١٧٨/٩]

(5) 4

MR. RENDEL, who, in the absence of Mr. Parkinson was acting as Chairman, wished to express his regret, which he felt sure was shared by all the Sub-Committee, at the impending departure of Air Commodore Pierse and Colonel Murray, who were attending the meeting for the last time. He extended a welcome to their successors, Colonel Mackesy and Group Captain Harris.

1. PROPOSED
PIPELINE
FROM THE
BRITISH OIL
DEVELOPMENT
COMPANY'S
CONCESSION
NEAR MOSUL
TO THE
MEDITERRANEAN.

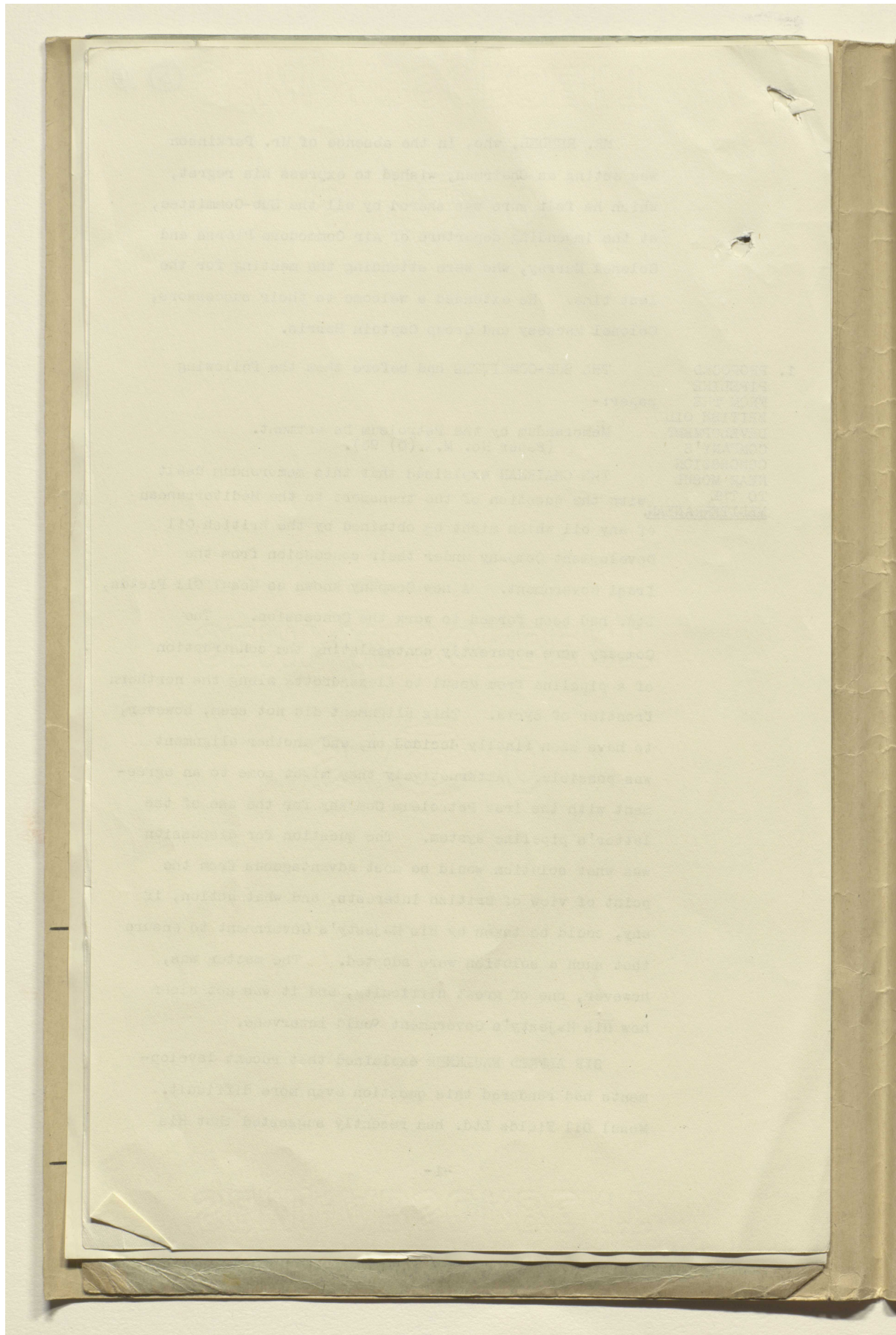
THE SUB-COMMITTEE had before them the following paper:-

Memorandum by the Petroleum Department.
(Paper No. M.E.(O) 93).

THE CHAIRMAN explained that this memorandum dealt with the question of the transport to the Mediterranean of any oil which might be obtained by the British Oil Development Company under their concession from the Iraqi Government. A new Company known as Mosul Oil Fields Ltd. had been formed to work the Concession. The Company were apparently contemplating the construction of a pipeline from Mosul to Alexandretta along the northern frontier of Syria. This alignment did not seem, however, to have been finally decided on, and another alignment was possible. Alternatively they might come to an agreement with the Iraq Petroleum Company for the use of the latter's pipeline system. The question for discussion was what solution would be most advantageous from the point of view of British interests, and what action, if any, could be taken by His Majesty's Government to ensure that such a solution were adopted. The matter was, however, one of great difficulty, and it was not clear how His Majesty's Government could intervene.

SIR ALFRED FAULKNER explained that recent developments had rendered this question even more difficult. Mosul Oil Fields Ltd. had recently suggested that His

مجموعة ٢١/١٧ "النفط في العراق" [هظ] (١٧٨/١٠)



مجموعة ٢١/١٧ "النفط في العراق" [٦] (١٧٨/١١)

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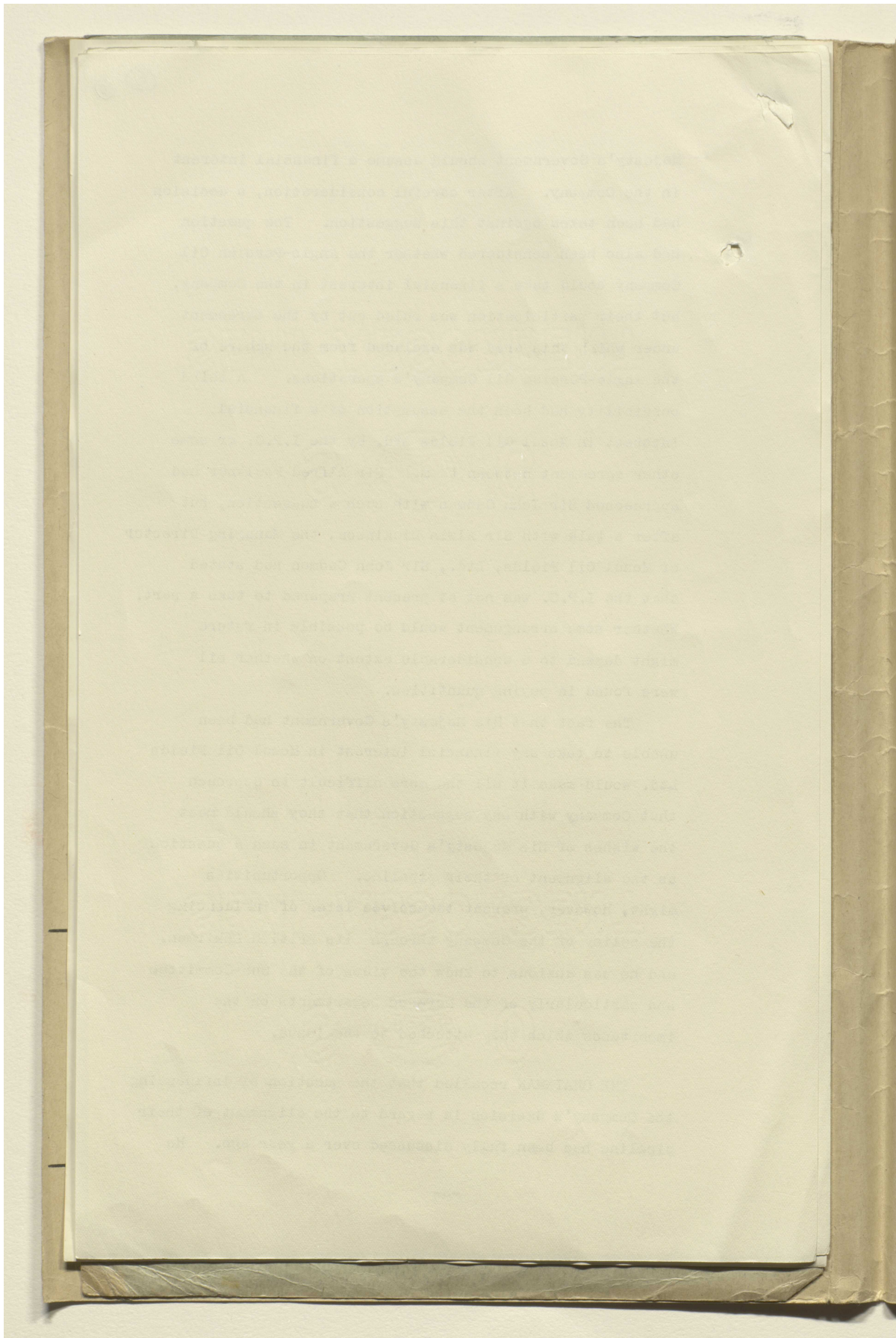
Majesty's Government should assume a financial interest in the Company. After careful consideration, a decision had been taken against this suggestion. The question had also been considered whether the Anglo-Persian Oil Company could take a financial interest in the Company, but their participation was ruled out by the agreement under which this area was excluded from the sphere of the Anglo-Persian Oil Company's operations. A third possibility had been the assumption of a financial interest in Mosul Oil Fields Ltd. by the I.P.C. or some other agreement between them. Sir Alfred Faulkner had approached Sir John Cadman with such a suggestion, but after a talk with Sir Alwin Dickinson, the Managing Director of Mosul Oil Fields, Ltd., Sir John Cadman had stated that the I.P.C. was not at present prepared to take a part. Whether some arrangement would be possible in future might depend to a considerable extent on whether oil were found in paying quantities.

The fact that His Majesty's Government had been unable to take any financial interest in Mosul Oil Fields Ltd. would make it all the more difficult to approach that Company with any suggestion that they should meet the wishes of His Majesty's Government in such a question as the alignment of their pipeline. Opportunities might, however, present themselves later of influencing the policy of the Company through its British Chairman, and he was anxious to know the views of the Sub-Committee and particularly of the Defence Departments on the importance which they attached to the issue.

THE CHAIRMAN recalled that the question of influencing the Company's decision in regard to the alignment of their pipeline had been fully discussed over a year ago. He

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مجموعة ٢١/١٧ "النفط في العراق" [٦ظ] (١٧٨/١٢)



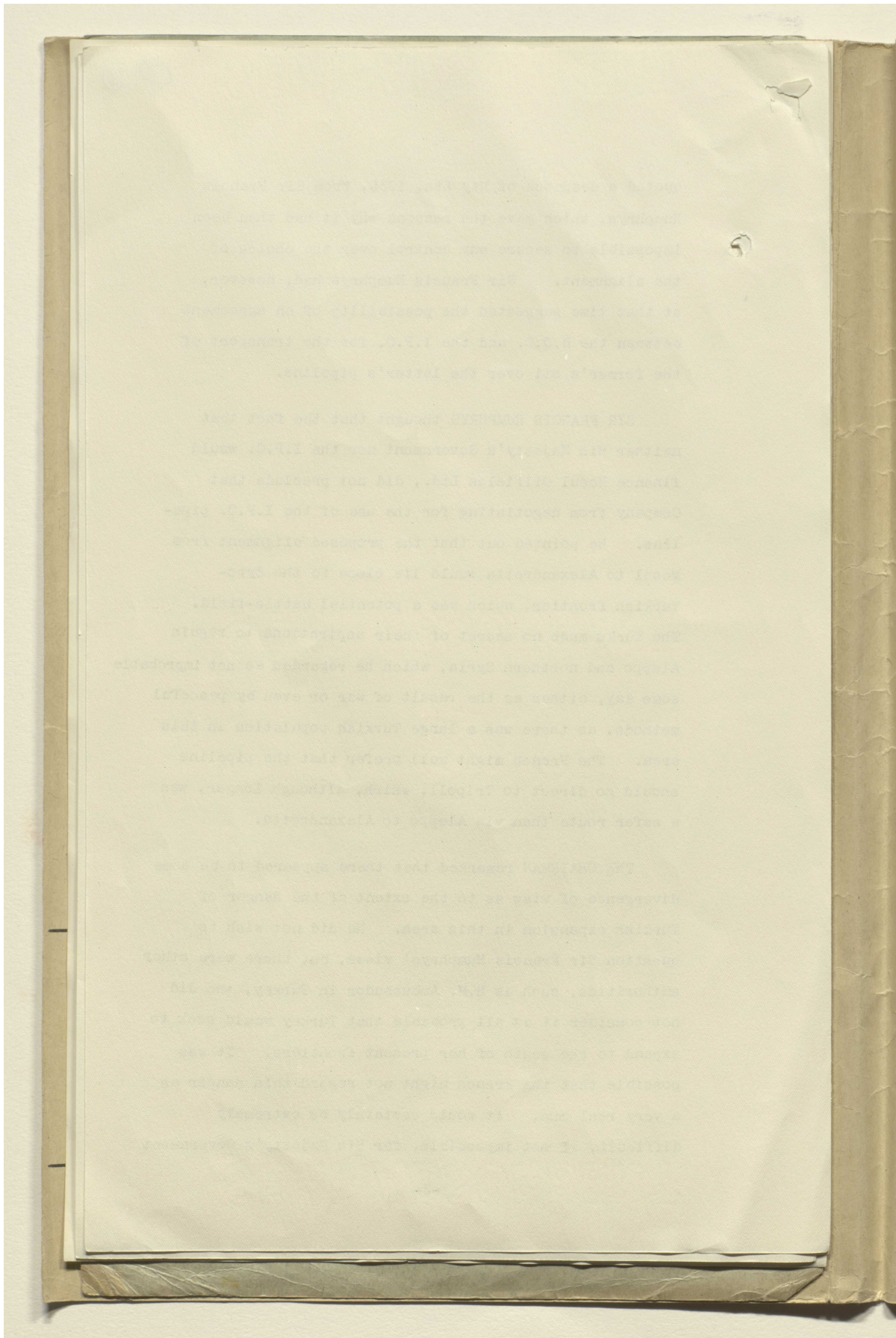
مجموعة ٢١/١٧ "النفط في العراق" [٧] (١٧٨/١٣)

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quoted a despatch of May 5th, 1932, from Sir Francis Humphrys, which gave the reasons why it had then been impossible to secure any control over the choice of the alignment. Sir Francis Humphrys had, however, at that time suggested the possibility of an agreement between the B.O.D. and the I.P.C. for the transport of the former's oil over the latter's pipeline.

SIR FRANCIS HUMPHRYS thought that the fact that neither His Majesty's Government nor the I.P.C. would finance Mosul Oilfields Ltd., did not preclude that Company from negotiating for the use of the I.P.C. pipeline. He pointed out that the proposed alignment from Mosul to Alexandretta would lie close to the Syro-Turkish frontier, which was a potential battle-field. The Turks made no secret of their aspirations to regain Aleppo and northern Syria, which he regarded as not improbable some day, either as the result of war or even by peaceful methods, as there was a large Turkish population in this area. The French might well prefer that the pipeline should go direct to Tripoli, which, although longer, was a safer route than via Aleppo to Alexandretta.

THE CHAIRMAN remarked that there appeared to be some divergence of view as to the extent of the danger of Turkish expansion in this area. He did not wish to question Sir Francis Humphrys' views, but there were other authorities, such as H.M. Ambassador in Turkey, who did not consider it at all probable that Turkey would seek to expand to the south of her present frontiers. It was possible that the French might not regard this danger as a very real one. It would certainly be extremely difficult, if not impossible, for His Majesty's Government

مجموعة ٢١/١٧ "النفط في العراق" [٧ظ] (١٧٨/١٤)



مجموعة ٢١/١٧ "النفط في العراق" [٨و] (١٧٨/١٥)

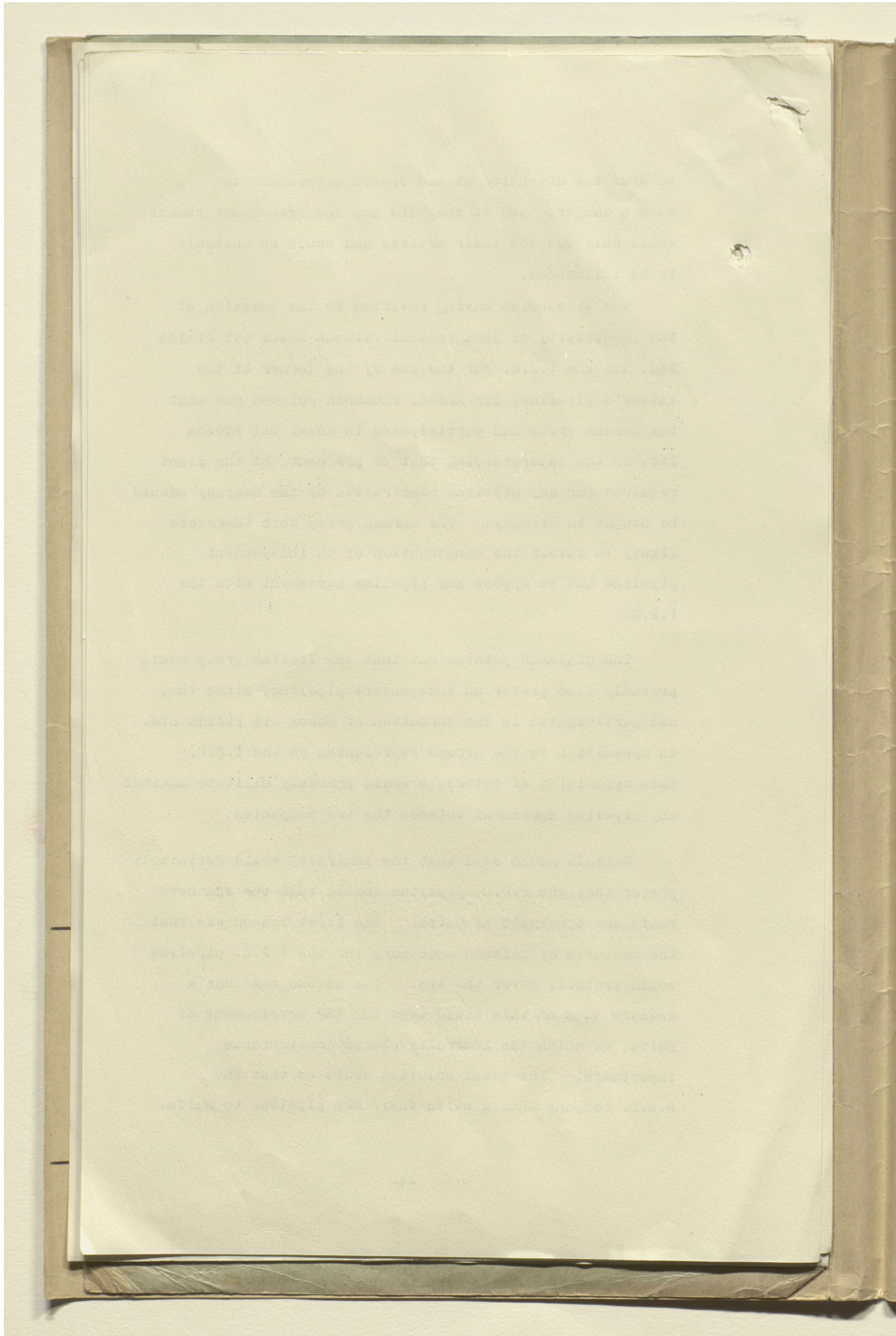
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to draw the attention of the French Government to such a danger; and if they did so, the French Government would only suspect their motives and would be unlikely to be influenced.

The discussion having reverted to the question of the possibility of an agreement between Mosul Oil Fields Ltd. and the I.P.C. for the use by the former of the latter's pipeline, SIR ALFRED FAULKNER pointed out that the German group had participated in Mosul Oil Fields Ltd. on the understanding that 38 per cent. of the plant required for any pipeline constructed by the Company should be bought in Germany. The German group were therefore likely to favour the construction of an independent pipeline and to oppose any pipeline agreement with the I.P.C.

THE CHAIRMAN pointed out that the Italian group would probably also prefer an independent pipeline, since they had participated in the formation of Mosul Oil Fields Ltd. in opposition to the groups represented on the I.P.C. This opposition of interests would probably militate against any pipeline agreement between the two companies.

CAPTAIN MOORE said that the Admiralty would definitely prefer that the B.O.D. pipeline should take the southern route and terminate at Haifa. The first reason was that the measures of defence necessary for the I.P.C. pipeline would probably cover the two. The second was that a measure such as this would tend for the development of Haifa, on which the Admiralty placed considerable importance. The ideal solution would be that the B.O.D. Company should build their own pipeline to Haifa.

مجموعة ٢١/١٧ "النفط في العراق" [٨ ظ] (١٧٨/١٦)



مجموعة ٢١/١٧ "النفط في العراق" [٩و] (١٧٨/١٧)

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SIR ALFRED FAULKNER pointed out that there was no likelihood whatever of Mosul Oil Fields Ltd. constructing an independent pipeline to Haifa. If Haifa were to be the Mediterranean terminal, the Company would obviously make some arrangement to benefit by the existing pipeline system - pumping stations, roads, etc. - of the I.P.C.

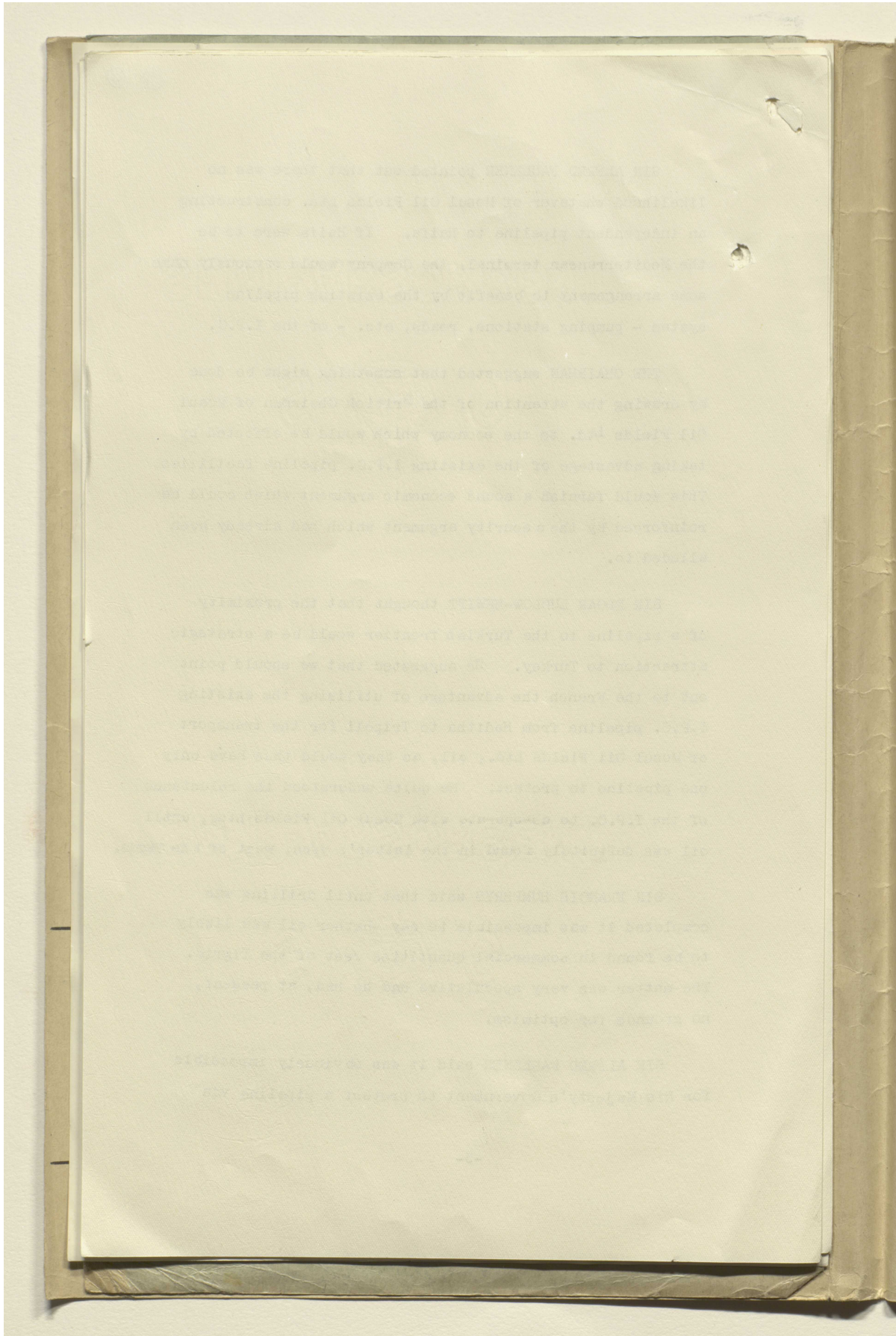
THE CHAIRMAN suggested that something might be done by drawing the attention of the British Chairman of Mosul Oil Fields Ltd. to the economy which would be effected by taking advantage of the existing I.P.C. pipeline facilities. This would furnish a sound economic argument which could be reinforced by the security argument which had already been alluded to.

SIR EDGAR LUDLOW-HEWITT thought that the proximity of a pipeline to the Turkish frontier would be a strategic attraction to Turkey. He suggested that we should point out to the French the advantage of utilising the existing I.P.C. pipeline from Haditha to Tripoli for the transport of Mosul Oil Fields Ltd., oil, as they would thus have only one pipeline to protect. He quite understood the reluctance of the I.P.C. to co-operate with Mosul Oil Fields Ltd., until oil was definitely found in the latter's area, west of the Tigris.

SIR FRANCIS HUMPHRYS said that until drilling was completed it was impossible to say whether oil was likely to be found in commercial quantities west of the Tigris. The matter was very speculative and he had, at present, no grounds for optimism.

SIR ALFRED FAULKNER said it was obviously impossible for His Majesty's Government to protect a pipeline via

مجموعة ٢١/١٧ "النفط في العراق" [٩ظ] (١٧٨/١٨)



مجموعة ٢١/١٧ "النفط في العراق" [١٠ و] (١٧٨/١٩)

(15) 9

Aleppo. which ran through French territory. He had used this argument in his discussions with Viscount Goschen, Chairman of Mosul Oilfields Ltd.

THE CHAIRMAN observed that the present situation seemed far too speculative to render any satisfactory agreement between the two Companies possible. Until Mosul Oil Fields Ltd. had definitely struck oil and the quality of that oil had been proved, the I.P.C. could hardly be expected to commit themselves to any arrangement.

MR. STARLING mentioned the possibility of the Italian group ultimately securing control of Mosul Oil Fields Ltd. by buying up shares at present held by the British group. He asked what the effect of this would be on the position.

THE CHAIRMAN replied that, in his view, such a development would not necessarily be to our disadvantage, since the Italians would probably prefer that the terminal of the pipeline should not be under French control, and might therefore be all the readier to reach some agreement by which that terminal should be at Haifa.

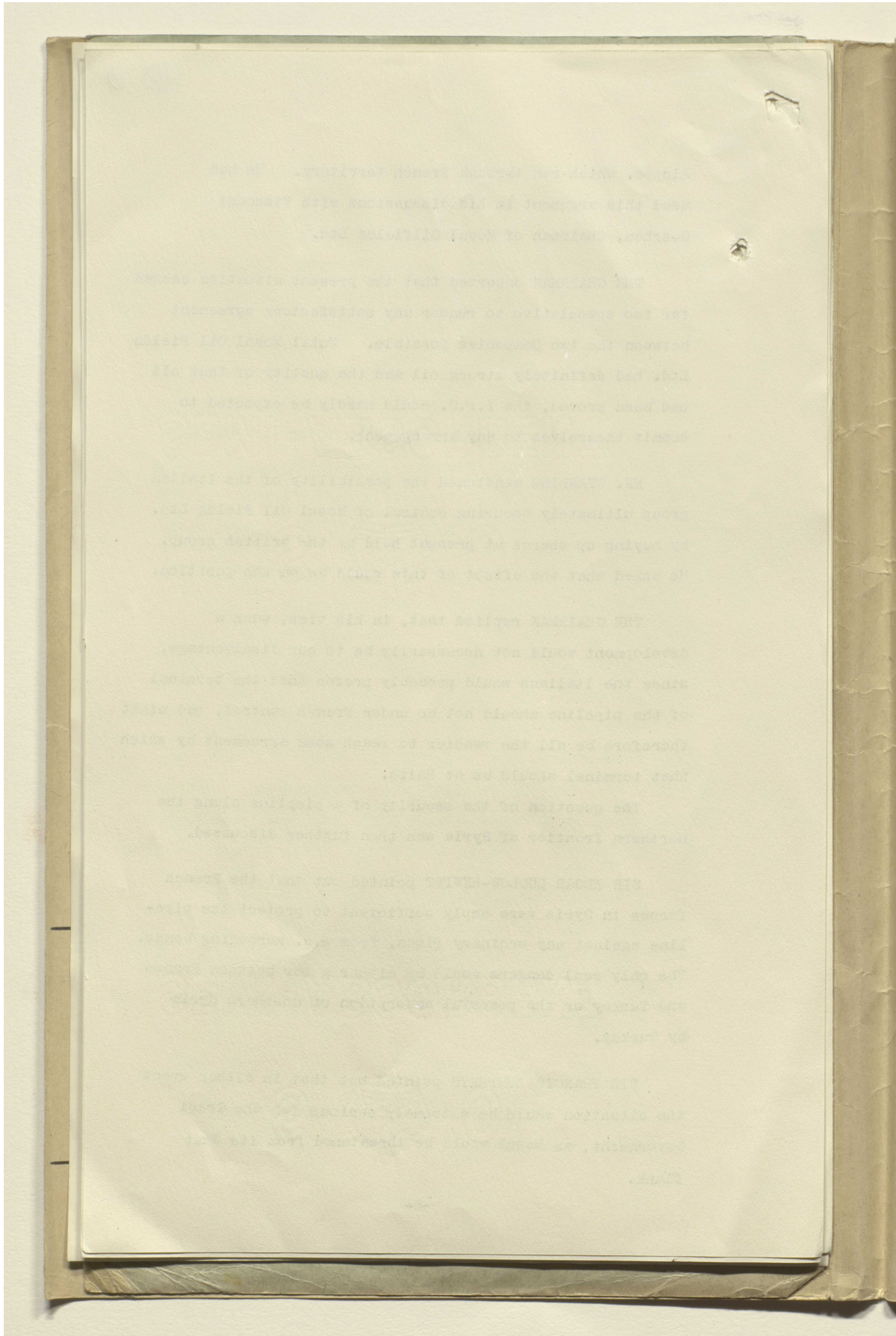
The question of the security of a pipeline along the northern frontier of Syria was then further discussed.

SIR EDGAR LUDLOW-HEWITT pointed out that the French forces in Syria were amply sufficient to protect the pipeline against any ordinary risks, from e.g. marauding bands. The only real dangers would be either a war between France and Turkey or the peaceful absorption of northern Syria by Turkey.

SIR FRANCIS HUMPHRYS pointed out that in either event the situation would be extremely serious for the Iraqi Government, as Mosul would be threatened from its West flank.

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مجموعة ٢١/١٧ "النفط في العراق" [١٠ ظ] (١٧٨/٢٠)



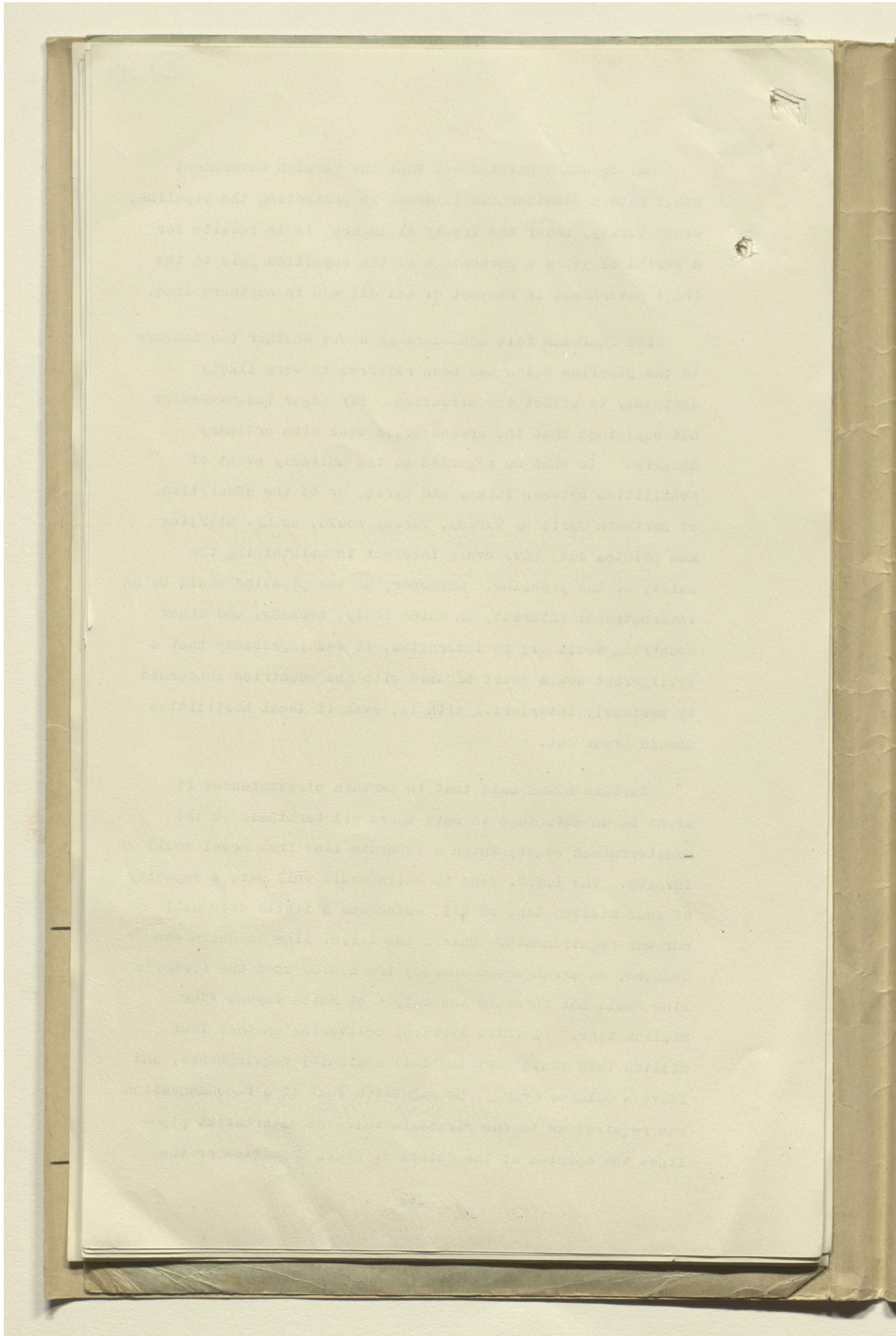
مجموعة ٢١/١٧ "النفط في العراق" [١١ و] (١٧٨/٢١)

MR. STARLING pointed out that the Turkish Government would have a considerable interest in protecting the pipeline, since Turkey, under the Treaty of Angora, is to receive for a period of years a percentage of the royalties paid to the Iraqi Government in respect of all oil won in northern Iraq.

THE CHAIRMAN felt considerable doubt whether the dangers to the pipeline which had been referred to were likely seriously to affect the situation. Sir Edgar Ludlow-Hewitt had explained that the French could deal with ordinary dangers. In what he regarded as the unlikely event of hostilities between Turkey and Syria, or of the absorption of northern Syria by Turkey, Turkey would, as Mr. Starling had pointed out, have every interest in maintaining the safety of the pipeline. Moreover, as the pipeline would be an international interest, in which Italy, Germany, and other countries would all be interested, it was improbable that a belligerent would court trouble with the countries concerned by seriously interfering with it, even if local hostilities should break out.

CAPTAIN MOORE said that in certain circumstances it might be an advantage to have three oil terminals on the Mediterranean coast, which a separate line from Mosul would involve. The I.F.C. line to Haifa would only have a capacity of four million tons of oil, which was a little over half our war requirements. Unless the I.F.C. line to Haifa was doubled, an arrangement whereby the B.O.D. used the former's line would not increase the output at Haifa beyond four million tons. A third terminal delivering another four million tons would meet the full Admiralty requirements, and leave a balance over. He suggested that if a recommendation was required as to the strategic value of alternative pipelines the opinion of the Chiefs of Staff Committee or the

مجموعة ٢١/١٧ "النفط في العراق" [١١ ظ] (١٧٨/٢٢)



مجموعة ٢١/١٧ "النفط في العراق" [١٢] [١٧٨/٢٣]

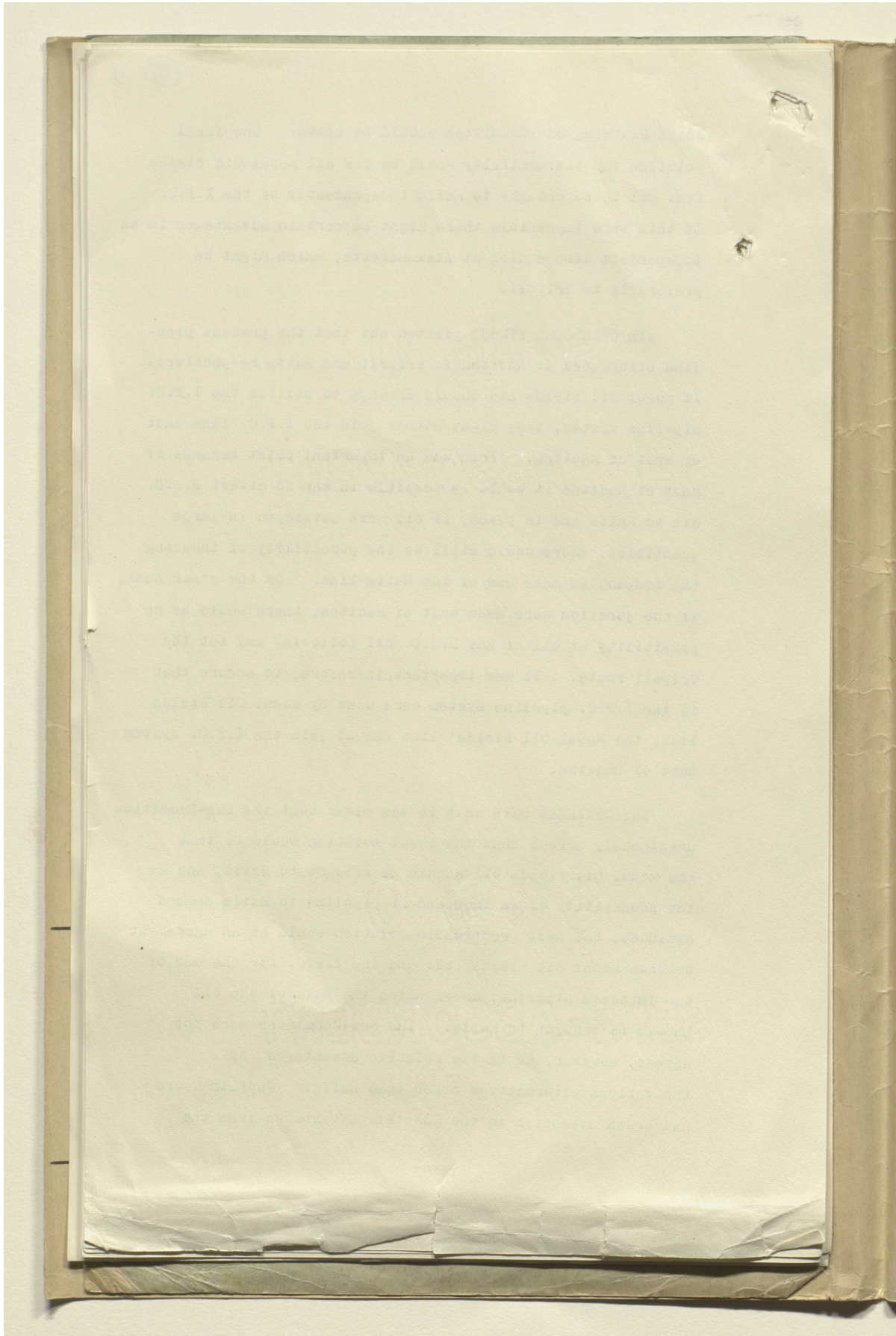
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Joint Planning Sub-Committee should be asked. The ideal solution for the Admiralty would be for all Mosul Oil Fields Ltd. oil to be brought to Haifa independently of the I.P.C. If this were impossible there might be certain advantages in an independent line ending at Alexandretta, which might be preferable to Tripoli.

AIR COMMODORE FIERSE pointed out that the present pipeline bifurcated at Haditha to Tripoli and Haifa respectively. If Mosul Oil Fields Ltd. should arrange to utilise the I.P.C. pipeline system, they might either join the I.P.C. line east or west of Haditha. This was an important point because if east of Haditha it would be possible in war to divert B.O.D. oil to Haifa and in peace, if oil were developed in large quantities, there would still be the possibility of inducing the company to make use of the Haifa line. On the other hand, if the junction were made west of Haditha, there would be no possibility at all of any B.O.D. oil following any but the Tripoli route. It was important, therefore, to secure that if the I.P.C. pipeline system were used by Mosul Oil Fields Ltd., the Mosul Oil Fields' line should join the I.P.C. system east of Haditha.

THE CHAIRMAN said that it was clear that the Sub-Committee unanimously agreed that the ideal solution would be that the Mosul Oil Fields oil should be brought to Haifa, and as the possibility of an independent pipeline to Haifa seemed excluded, the best practicable solution would be an agreement between Mosul Oil Fields Ltd. and the I.P.C. for the use of the latter's pipeline, under which the bulk of the oil should be brought to Haifa. The Sub-Committee were not agreed, however, as to the relative advantages of the various alternatives other than Haifa. Captain Moore had drawn attention to the possible advantages from the

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مجموعة ٢١/١٧ "النفط في العراق" [١٢ ظ] (١٧٨/٢٤)



مجموعة ٢١/١٧ "النفط في العراق" [١٣و] (١٧٨/٢٥)

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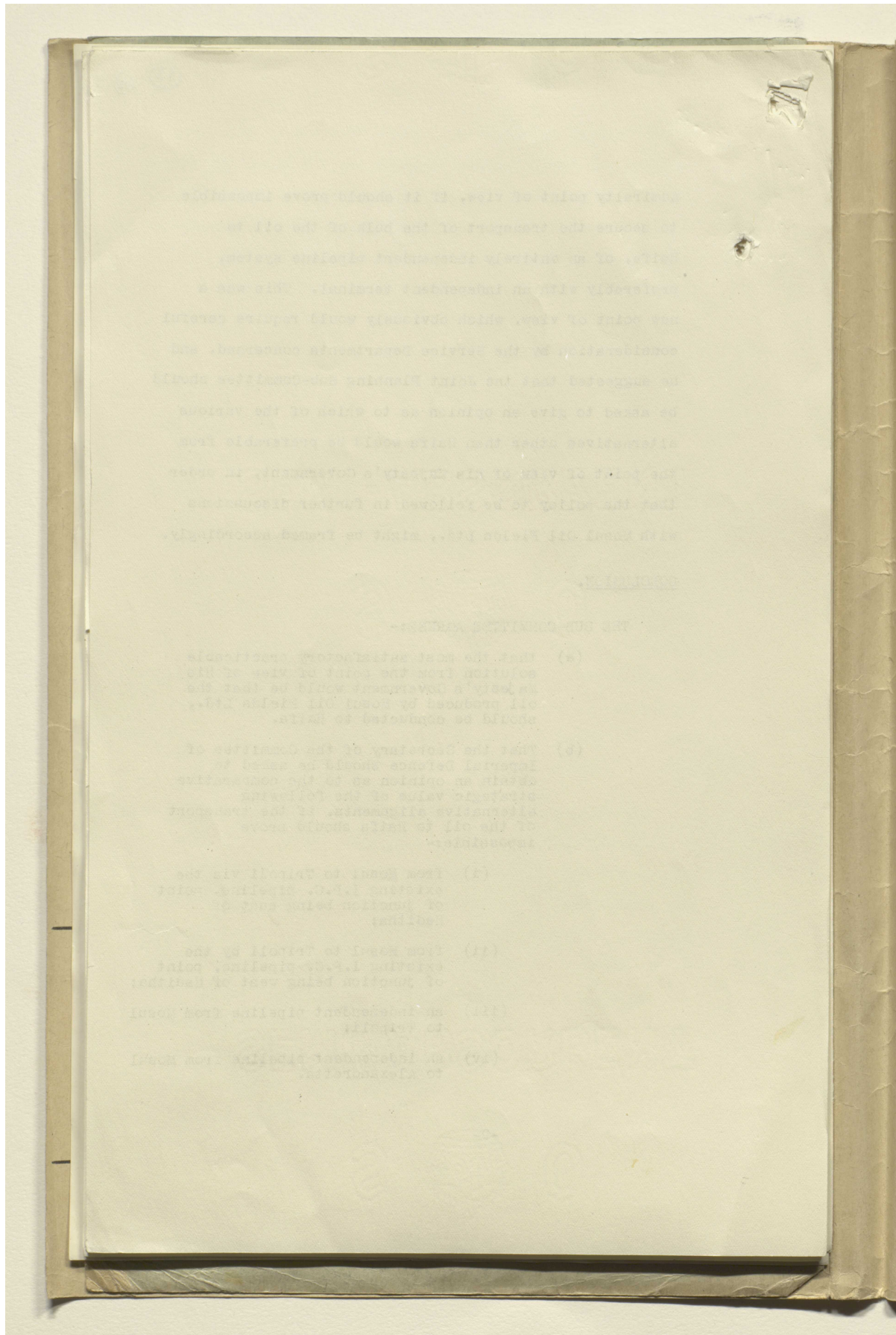
Admiralty point of view, if it should prove impossible to secure the transport of the bulk of the oil to Haifa, of an entirely independent pipeline system, preferably with an independent terminal. This was a new point of view, which obviously would require careful consideration by the Service Departments concerned, and he suggested that the Joint Planning Sub-Committee should be asked to give an opinion as to which of the various alternatives other than Haifa would be preferable from the point of view of His Majesty's Government, in order that the policy to be followed in further discussions with Mosul Oil Fields Ltd., might be framed accordingly.

CONCLUSION.

THE SUB-COMMITTEE AGREED:-

- (a) that the most satisfactory practicable solution from the point of view of His Majesty's Government would be that the oil produced by Mosul Oil Fields Ltd., should be conducted to Haifa.
- (b) That the Secretary of the Committee of Imperial Defence should be asked to obtain an opinion as to the comparative strategic value of the following alternative alignments, if the transport of the oil to Haifa should prove impossible:-
 - (i) from Mosul to Tripoli via the existing I.P.C. pipeline, point of junction being east of Haditha;
 - (ii) from Mosul to Tripoli by the existing I.P.C. pipeline, point of junction being west of Haditha;
 - (iii) an independent pipeline from Mosul to Tripoli;
 - (iv) an independent pipeline from Mosul to Alexandretta.

مجموعة ٢١/١٧ "النفط في العراق" [١٣ ظ] (١٧٨/٢٦)



مجموعة ٢١/١٧ "النفط في العراق" [١٤و] (١٧٨/٢٧)

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S E C R E T.

M.E. (O) 93.

COPY NO. 8

COMMITTEE OF IMPERIAL DEFENCE.
STANDING OFFICIAL SUB-COMMITTEE FOR QUESTIONS
CONCERNING THE MIDDLE EAST.

MOSUL OIL FIELDS, LTD., AND THE BRITISH
OIL DEVELOPMENT CONCESSION IN IRAQ.

PROPOSED PIPELINE FROM THE MOSUL AREA
TO THE MEDITERRANEAN.

Note by the Secretary.

1. The Mines Department of the Board of Trade have brought the question of the proposed pipeline from the British Oil Development Company's concession near Mosul* in Iraq to the Mediterranean, to the notice of the Committee of Imperial Defence.
2. The attached memorandum by the Petroleum Department has, at the direction of the Secretary of the Committee of Imperial Defence, been referred for consideration in the first instance by the Official Sub-Committee for Questions Concerning the Middle East, as to whether there is a case on strategic or other grounds for action by His Majesty's Government to influence the choice of alignment of the proposed pipeline, and, if so, what action is most likely to be effective.
3. This paper has also been circulated to the Oil Board for information.

(Signed) G. HIND,

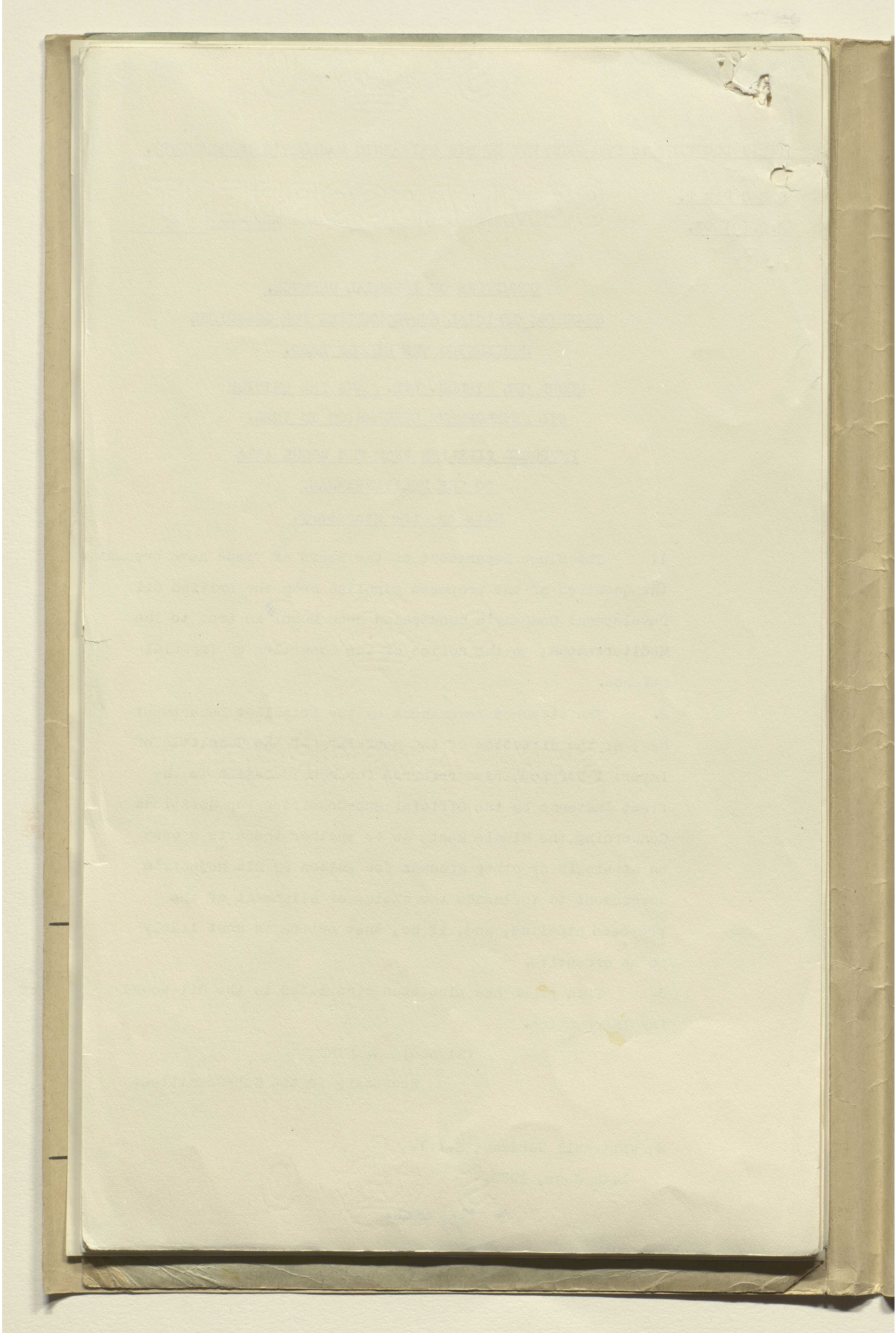
Secretary to the Sub-Committee.

2, Whitehall Gardens, S.W.1.,

14th June, 1933.

* Map attached.

مجموعة ٢١/١٧ "النفط في العراق" [٤١ ظ] (١٧٨/٢٨)



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Mosul Oilfields Limited and the British Oil Development
Concession in Iraq.

Memorandum by Petroleum Department.

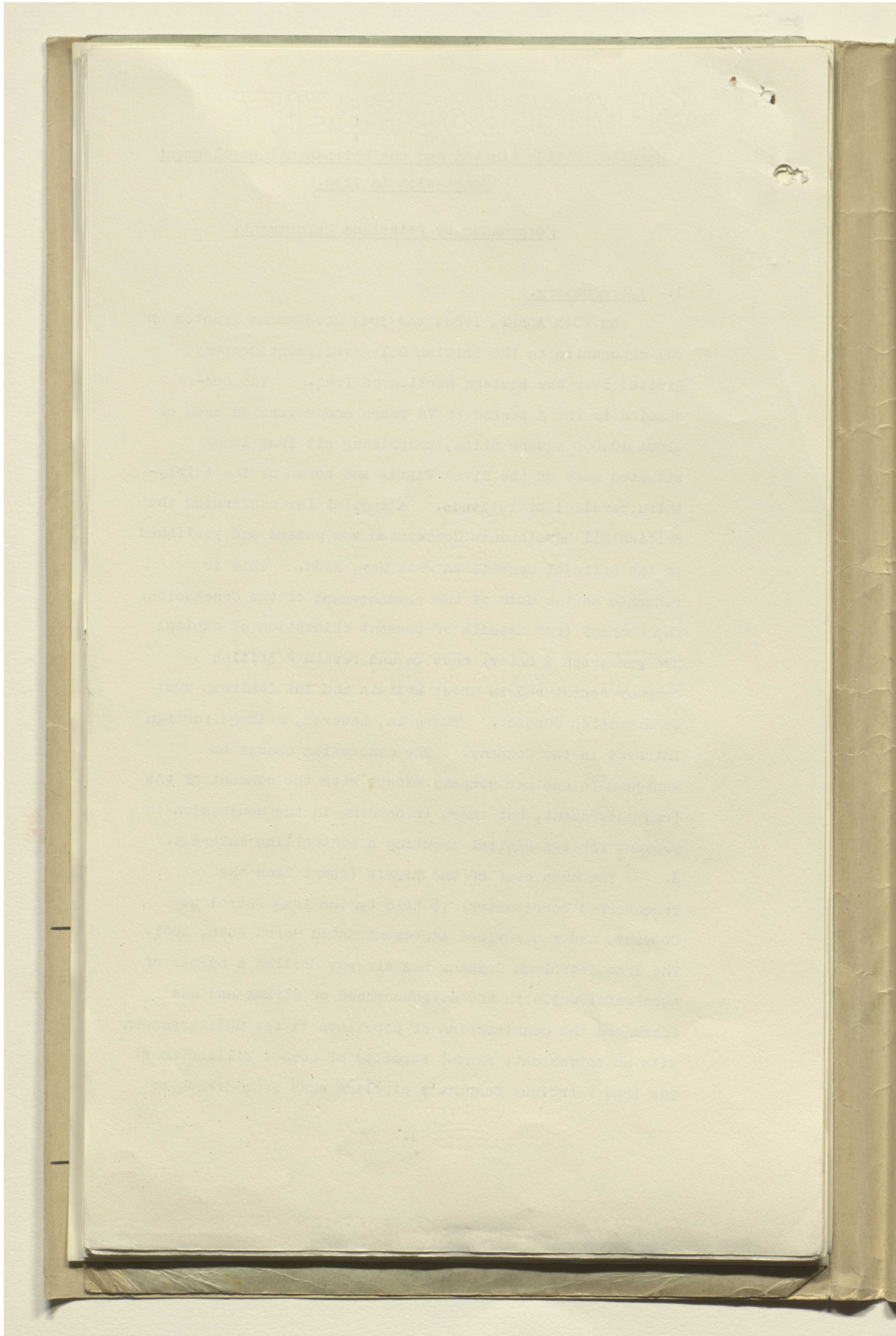
1. Introductory.

On 20th April, 1932, the Iraq Government granted an oil concession to the British Oil Development Company Limited over the western portion of Iraq. The concession is for a period of 75 years and covers an area of about 40,000 square miles, comprising all Iraq lands situated west of the River Tigris and north of the thirty-third parallel of latitude. A special law confirming the British Oil Development Concession was passed and published in the Official Gazette on 29th May, 1932. This is reckoned as the date of the commencement of the Concession. The Company (for details of present allocation of capital see paragraph 6 below) must be and remain a British Company registered in Great Britain and the Chairman must be a British subject. There is, however, a large foreign interest in the Company. The concession cannot be assigned to another company except with the consent of the Iraq Government, but there is nothing in the concession to prevent foreign capital securing a controlling interest.

2. The area east of the Tigris (apart from the Transferred Territories) is held by the Iraq Petroleum Company, under a revised Agreement dated March 24th, 1931. The Iraq Petroleum Company has already drilled a number of successful wells in the neighbourhood of Kirkuk and has commenced the construction of pipelines to the Mediterranean with an approximate annual capacity of some 4 million tons. The Iraq Petroleum Company's pipeline runs from Kirkuk to

1.

مجموعة ٢١/١٧ "النفط في العراق" [١٥ ظ] (١٧٨/٣٠)



مجموعة ٢١/١٧ "النفط في العراق" [١٦ و] (١٧٨/٣١)

(15) (16)

to Haditha on the Euphrates where it divides, one branch running by the Northern route through French Syria to Tripoli; the southern branch runs through Iraq and Palestine territory via Rutbah, terminating at Haifa. These pipelines are due, under the concession, for completion in 1935, but such good progress has been made that it is thought they will be completed well in advance of the stipulated date.

Obligations of the British Oil Development Company
under their concession.

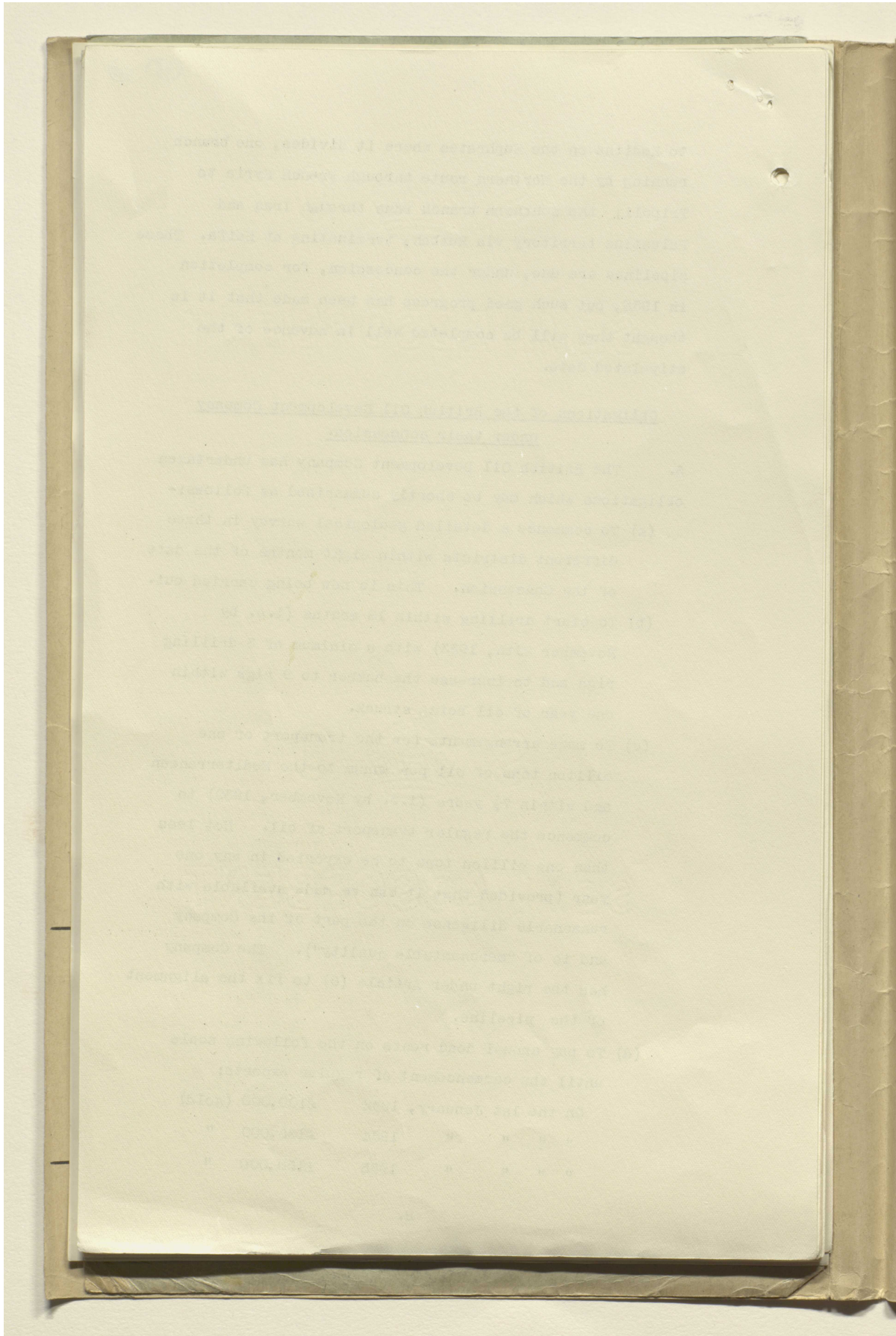
3. The British Oil Development Company has undertaken obligations which may be shortly summarised as follows:-

- (a) To commence a detailed geological survey in three different districts within eight months of the date of the Concession. This is now being carried out.
- (b) To start drilling within 18 months (i.e. by November 29th, 1933) with a minimum of 3 drilling rigs and to increase the number to 9 rigs within one year of oil being struck.
- (c) To make arrangements for the transport of one million tons of oil per annum to the Mediterranean and within 7½ years (i.e. by November, 1939) to commence the regular transport of oil. Not less than one million tons to be exported in any one year (provided that it can be made available with reasonable diligence on the part of the Company and is of "merchantable quality"). The Company has the right under Article (6) to fix the alignment of the pipeline.
- (d) To pay annual dead rents on the following scale until the commencement of regular exports:

On the 1st January, 1933	£100,000 (gold)
" " " " 1934	£125,000 "
" " " " 1935	£150,000 "

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مجموعة ٢١/١٧ "النفط في العراق" [١٦ ظ] (١٧٨/٣٢)



مجموعة ٢١/١٧ "النفط في العراق" [١٧] (١٧٨/٣٣)

(17) 85

On the 1st January, 1936 £175,000 (gold)
" " " " 1937 £200,000 "

and of a similar amount on the 1st January in each succeeding year.

(The 1933 payment has already been made).

- (e) Royalty at the rate of 4/- per ton until a date 20 years after the commencement of regular exports, thereafter to be revised every ten years by reference to the profits of the Company in the preceding period. Minimum royalty £200,000 per annum conditional on the oil obtained being of "Merchantable quality". The Iraq Government is entitled to 20 per cent. of all petroleum won, free of cost at the well head, but no royalty is payable in respect of this oil and the Government may not export such oil although it can sell it back to the Company at a price to be agreed.

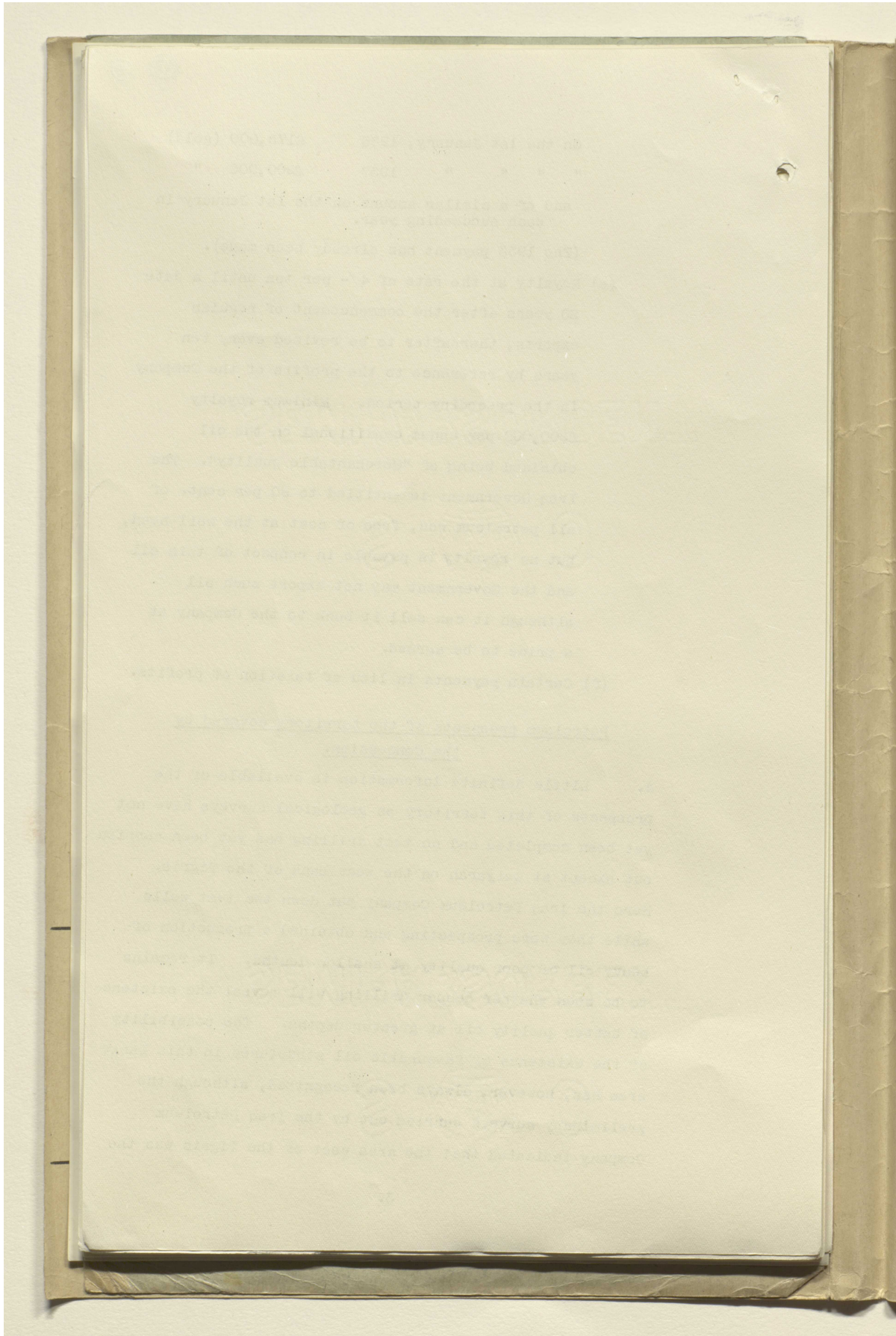
- (f) Certain payments in lieu of taxation of profits.

Petroleum prospects of the territory covered by the Concession.

4. Little definite information is available of the prospects of this territory as geological surveys have not yet been completed and no test drilling has yet been carried out except at Qaiyarah on the west bank of the Tigris. Here the Iraq Petroleum Company put down two test wells while they were prospecting and obtained a production of heavy oil of poor quality at shallow depths. It remains to be seen whether deeper drilling will reveal the existence of better quality oil at greater depths. The possibility of the existence of favourable oil structures in this large area has, however, always been recognised, although the preliminary surveys carried out by the Iraq Petroleum Company indicated that the area east of the Tigris was the

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مجموعة ٢١/١٧ "النفط في العراق" [١٧ظ] (١٧٨/٣٤)



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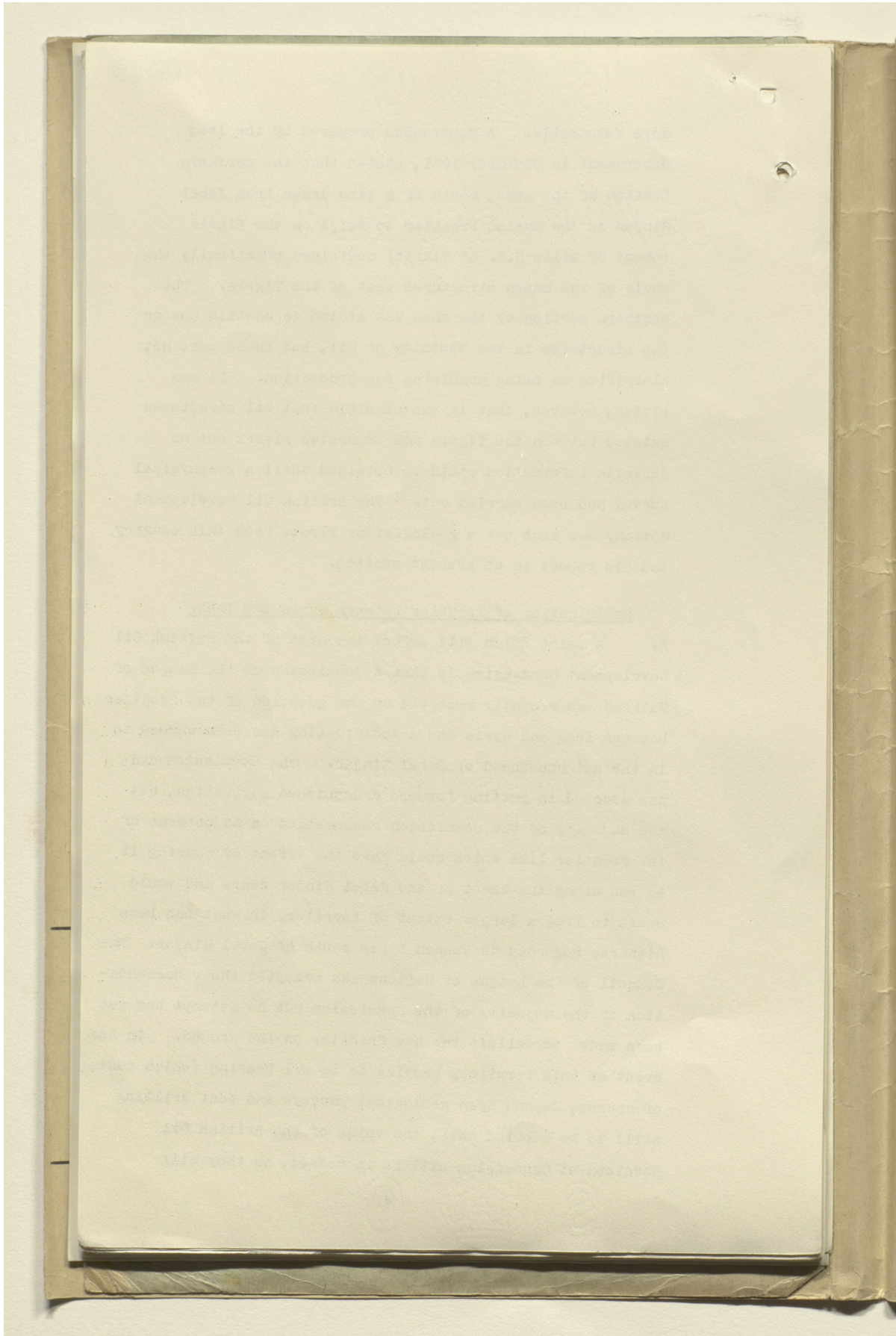
more favourable. A memorandum prepared by the Iraq Government in November 1931, stated that the northern portion of the area, north of a line drawn from Jebel Sinjar on the Syrian frontier to Baiji on the Tigris (about 30 miles N.E. of Tikrit) contained practically the whole of the known structures west of the Tigris. The southern portion of the area was stated to contain one or two structures in the vicinity of Hit, but these were not classified as being promising for production. It was stated, however, that it was possible that oil structures existed between the Tigris and Euphrates rivers but no definite information could be obtained until a geophysical survey had been carried out. The British Oil Development Company has sent out a geologist of repute from this country and his report is at present awaited.

Modification of Frontier between Syria and Iraq.

5. A point which will affect the area of the British Oil Development Concession is that a Commission of the League of Nations has recently reported on the question of the frontier between Iraq and Syria and a modification has been agreed to in the neighbourhood of Jebel Sinjar. The Commission did not succeed in putting forward a unanimous suggestion, but the majority of the Commission recommended an adjustment of the frontier line which would have the effect of causing it to run along the crest of the Jebel Sinjar range and would award to Iraq a larger extent of territory in what has been hitherto regarded as French Syria south of Jebel Sinjar. The Council of the League of Nations has accepted the recommendation of the majority of the Commission but no attempt has yet been made to delimit the new frontier on the ground. In the event of this territory proving to be oil bearing (which must, of course, depend upon geological surveys and test drilling still to be carried out), the value of the British Oil Development Concession will be increased, as they will

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مجموعة ٢١/١٧ "النفط في العراق" [١٨ ظ] (١٧٨/٣٦)



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automatically acquire some additional territory west of the old frontier line and nearer the Mediterranean.

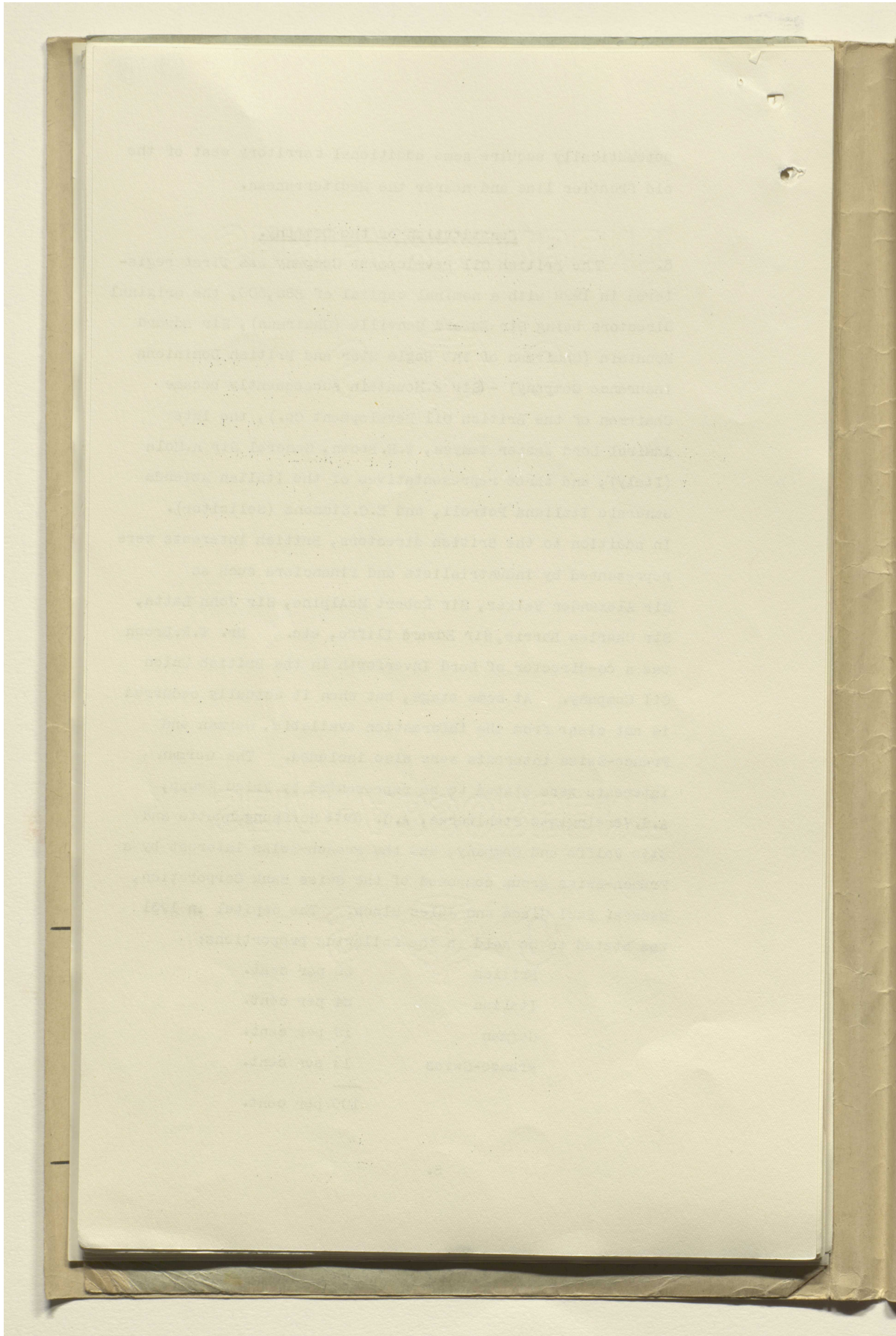
Constitution of the Company.

6. The British Oil Development Company was first registered in 1928 with a nominal capital of £82,500, the original directors being Sir Edward Manville (Chairman), Sir Edward Mountain (Chairman of the Eagle Star and British Dominions Insurance Company) - (Sir E.Mountain subsequently became Chairman of the British Oil Development Co.), the late Admiral Lord Wester Wenyss, W.R.Brown, General Sir A.Mola (Italy), and three representatives of the Italian Azienda Generale Italiana Petroli, and E.C.Simmons (Solicitor). In addition to the British directors, British interests were represented by industrialists and financiers such as Sir Alexander Walker, Sir Robert McAlpine, Sir John Latta, Sir Charles Barrie, Sir Edward Iliffe, etc. Mr. W.R.Brown was a co-director of Lord Inverforth in the British Union Oil Company. At some stage, but when it actually occurred is not clear from the information available, German and Franco-Swiss interests were also included. The German interests were stated to be represented by Fried Krupp, A.G.Vereingigte Stahlwerke, A.G. Gute Hoffnungshuette and Otto Wolffe and Company, and the French-Swiss interest by a French-Swiss group composed of the Swiss Bank Corporation, Messrs. Paul Girod and Jules Bloch. The capital in 1931 was stated to be held in the following proportions:

British	52 per cent.
Italian	24 per cent.
German	12 per cent.
Franco-Swiss	12 per cent.
	—
	100 per cent.

5.

مجموعة ٢١/١٧ "النفط في العراق" [١٩ ظ] (١٧٨/٣٨)



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Formation of Mosul Oilfields Limited.

7. In December, 1932, a new company was formed known as "Mosul Oilfields, Limited" to acquire the shares in the British Oil Development and to carry on its operations. The Company had a nominal capital of £1,000,000 in £1 shares. In March, 1933, the Board of this Company was reconstructed and the Foreign Office was informed by the Company that the Directorate was as follows - Viscount Goschen (Chairman), Other British Directors (5): Sir Edward Mountan (Deputy Chairman), Admiral Lord Wester Wemyss, Lord Glenconner (Director of Hambro's Bank), W.R. Brown (Director of British Union Oil Company) and Sir Alwin Dickinson (formerly the representative of the British Government on the British Phosphate Commission) as Managing Director. Italian Directors (3): Professor Alessandro Martelli, Gr. Uff. Arnaldo Petretti, and Gr. Uff Vittorio Amoretti (Azienda Generale Italiana Petroli). German Directors (2): Herr Thomas Brown and Herr M. Hirschfeld. French Director (1): M. Paul Girod. Iraq Government Director (1): Jafar Pasha, a total of 13.

In a recent communication to the Under Secretary for Mines, it was stated that the present allocation of capital is British 52 per cent., and Foreign 48 per cent.

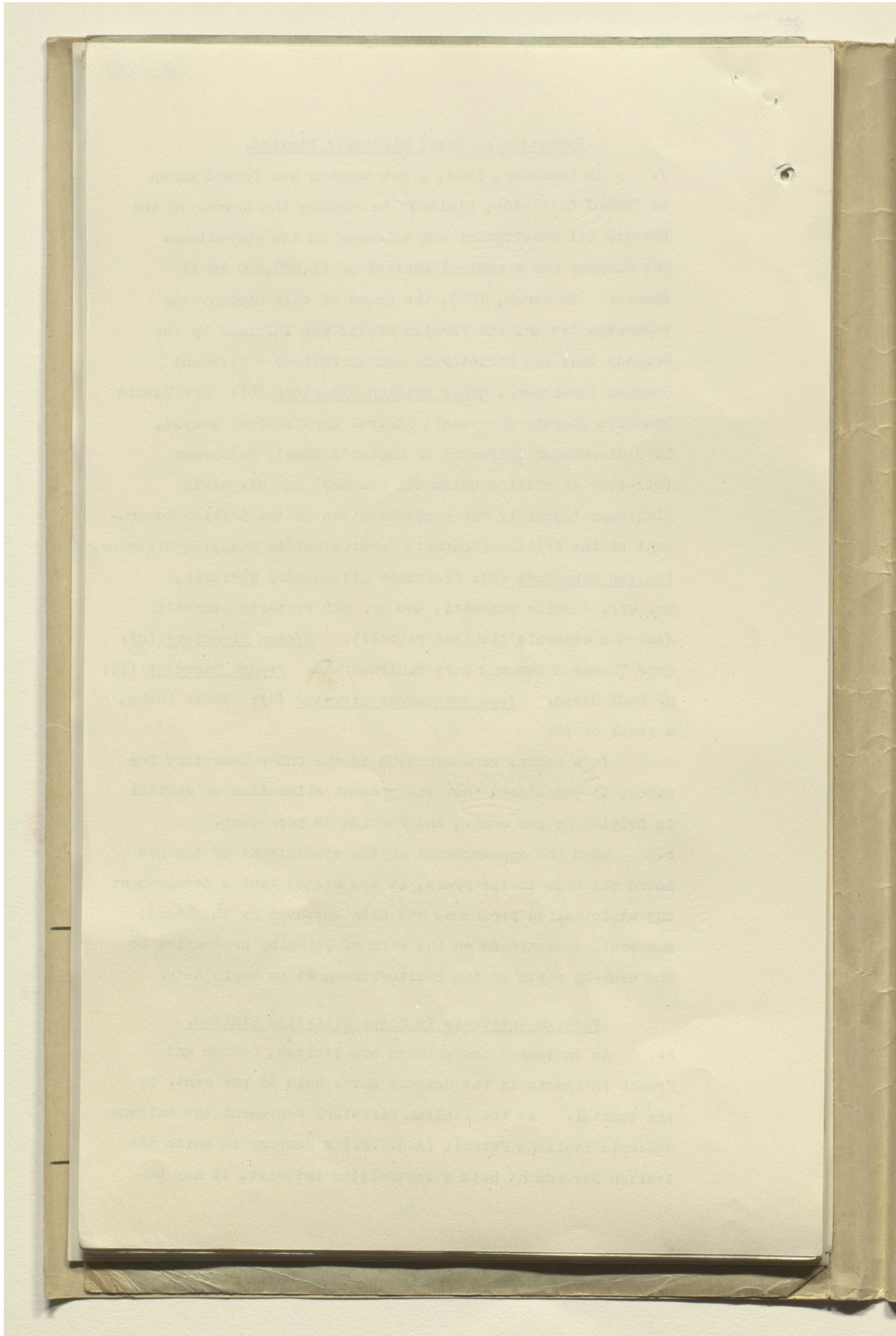
8. When the announcement of the appointment of the new Board was made in the Press, it was stated that a development and exploitation programme had been approved by the Board, who would concentrate on the work of bringing production to the near-by ports of the Mediterranean at an early date.

Foreign Interests in Mosul Oilfields Limited.

9. As indicated above there are Italian, German and French interests in the Company which hold 48 per cent. of the capital. As the Italian Directors represent the Azienda Generale Italiana Petroli (A.G.I.P.) a Company in which the Italian Government hold a controlling interest, it may be

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مجموعة ٢١/١٧ "النفط في العراق" [٢٠ ظ] (١٧٨/٤٠)



مجموعة ٢١/١٧ "النفط في العراق" [٢١ و] (١٧٨/٤١)

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assumed that that Government is actively concerned in this venture. Italy has practically no native supplies of oil and is known to be anxious to secure control of supplies outside Italy. Unless the British Oil Development had secured their concession in Iraq there was a likelihood that the Italian Government would have opposed the entrance of Iraq to the League of Nations.

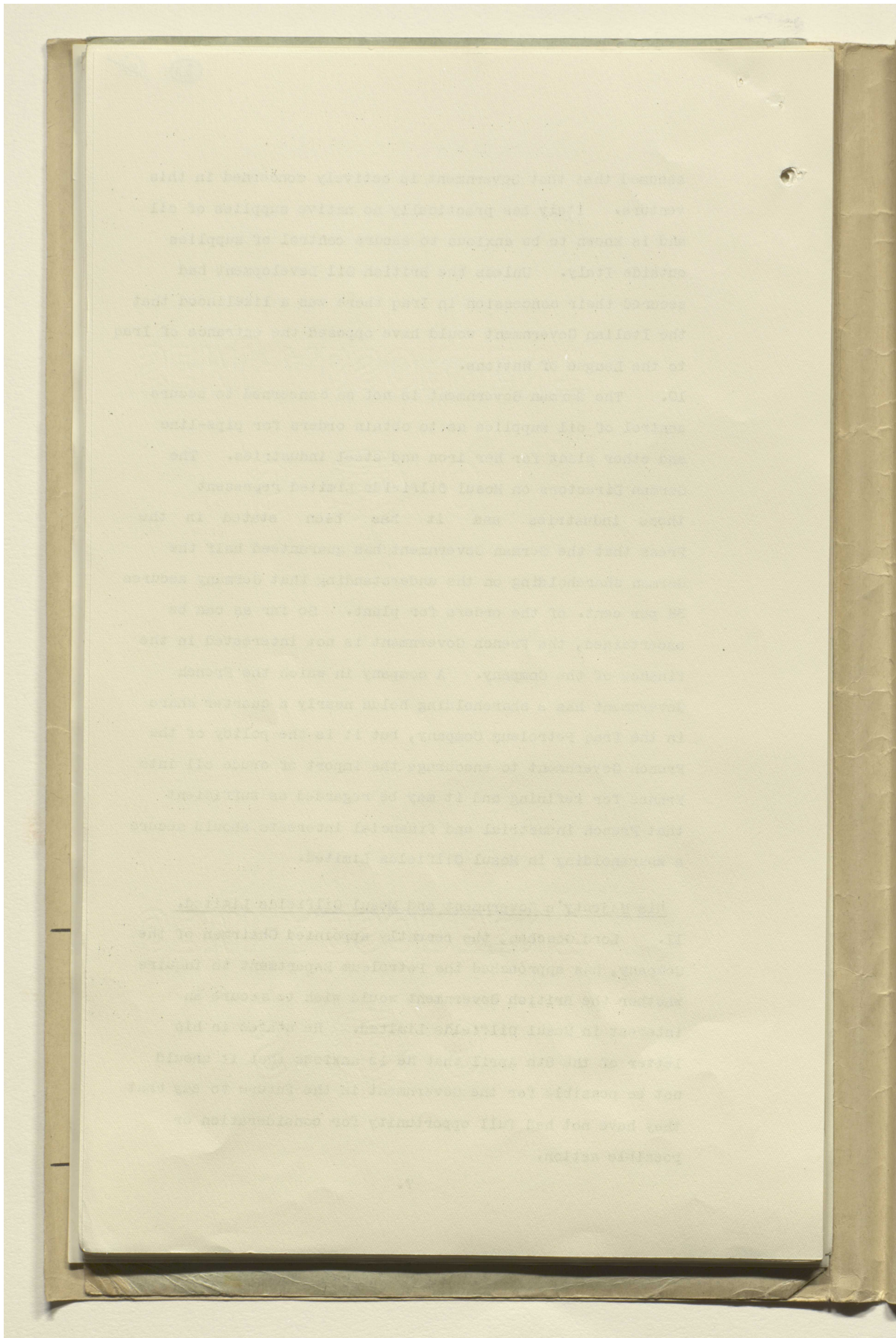
10. The German Government is not so concerned to secure control of oil supplies as to obtain orders for pipe-line and other plant for her iron and steel industries. The German Directors on Mosul Oilfields Limited represent those industries and it has been stated in the Press that the German Government has guaranteed half the German shareholding on the understanding that Germany secures 38 per cent. of the orders for plant. So far as can be ascertained, the French Government is not interested in the finance of the Company. A company in which the French Government has a shareholding holds nearly a quarter share in the Iraq Petroleum Company, but it is the policy of the French Government to encourage the import of crude oil into France for refining and it may be regarded as sufficient that French industrial and financial interests should secure a shareholding in Mosul Oilfields Limited.

His Majesty's Government and Mosul Oilfields Limited.

11. Lord Goschen, the recently appointed Chairman of the Company, has approached the Petroleum Department to inquire whether the British Government would wish to secure an interest in Mosul Oilfields Limited. He states in his letter of the 8th April that he is anxious that it should not be possible for the Government in the future to say that they have not had full opportunity for consideration or possible action.

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مجموعة ٢١/١٧ "النفط في العراق" [٢١ ظ] (١٧٨/٤٢)



مجموعة ٢١/١٧ "النفط في العراق" [٢٢و] (١٧٨/٤٣)

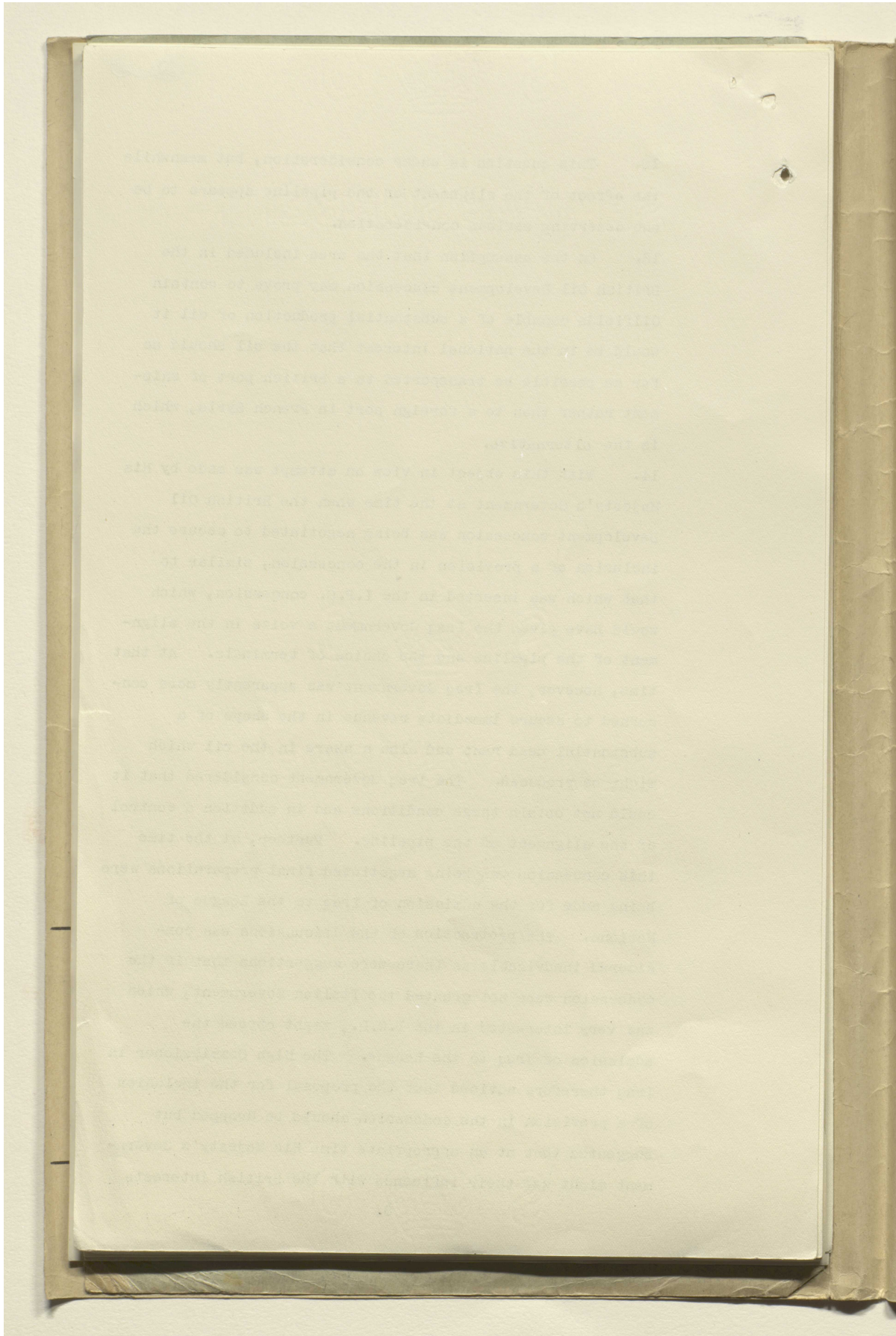
12. This question is under consideration, but meanwhile the effect of the alignment of the pipeline appears to be one deserving serious consideration.

13. On the assumption that the area included in the British Oil Development concession may prove to contain Oilfields capable of a substantial production of oil it would be in the national interest that the oil should so far as possible be transported to a British port of shipment rather than to a foreign port in French Syria, which is the alternative.

14. With this object in view an attempt was made by His Majesty's Government at the time when the British Oil Development concession was being negotiated to secure the inclusion of a provision in the concession, similar to that which was inserted in the I.P.C. concession, which would have given the Iraq Government a voice in the alignment of the pipeline and the choice of terminals. At that time, however, the Iraq Government was apparently more concerned to secure immediate revenue in the shape of a substantial dead rent and also a share in the oil which might be produced. The Iraq Government considered that it could not obtain these conditions and in addition a control of the alignment of the pipeline. Further, at the time this concession was being negotiated final preparations were being made for the admission of Iraq to the League of Nations. The protraction of the discussions was considered inadvisable as there were suggestions that if the concession were not granted the Italian Government, which was very interested in the B.O.D., might oppose the admission of Iraq to the League. The High Commissioner in Iraq therefore advised that the proposal for the inclusion of a provision in the concession should be dropped but suggested that at an appropriate time His Majesty's Government might use their influence with the British interests

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مجموعة ٢١/١٧ "النفط في العراق" [٢٢ ظ] (١٧٨/٤٤)



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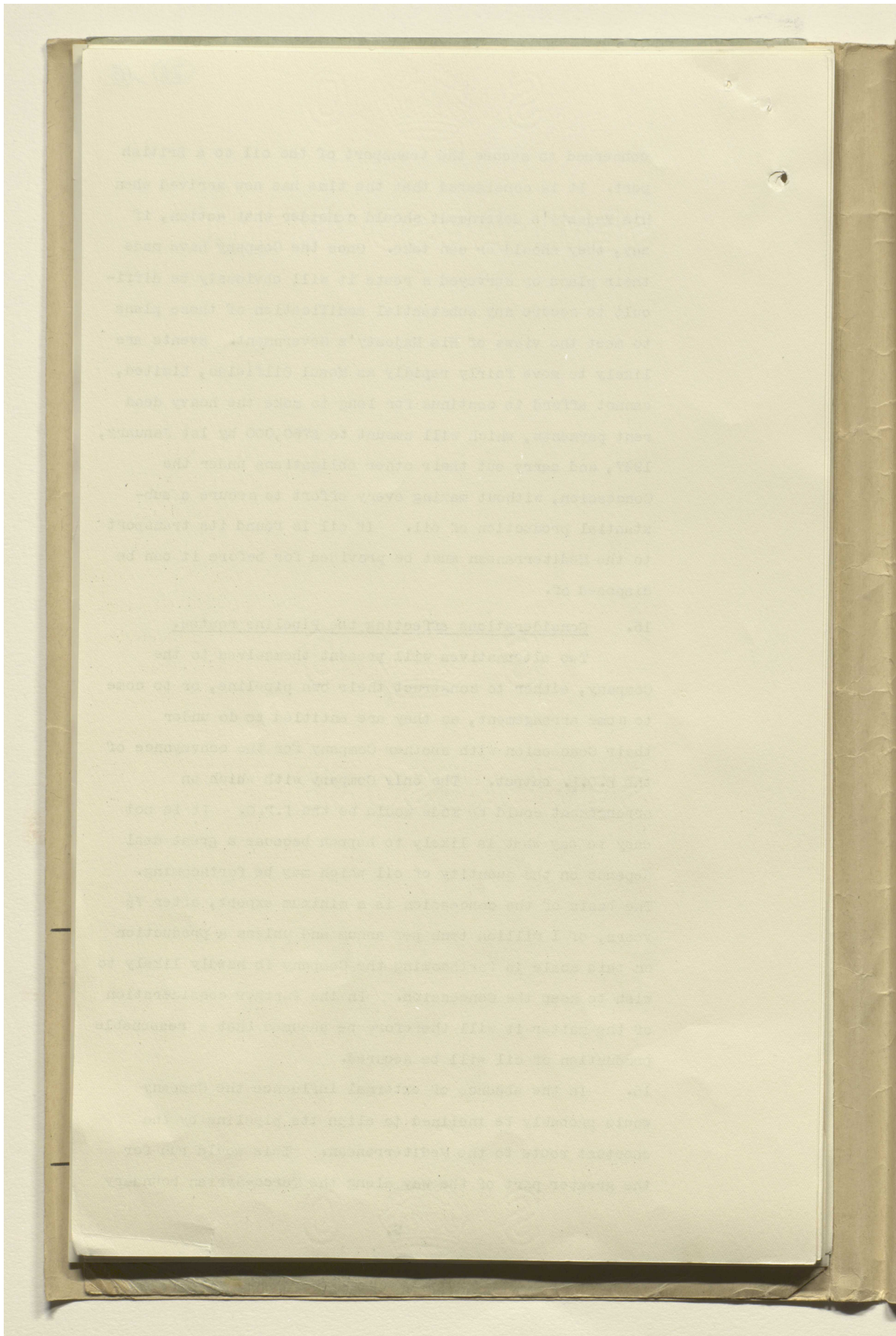
concerned to secure the transport of the oil to a British port. It is considered that the time has now arrived when His Majesty's Government should consider what action, if any, they should or can take. Once the Company have made their plans or surveyed a route it will obviously be difficult to secure any substantial modification of those plans to meet the views of His Majesty's Government. Events are likely to move fairly rapidly as Mosul Oilfields, Limited, cannot afford to continue for long to make the heavy dead rent payments, which will amount to £750,000 by 1st January, 1937, and carry out their other obligations under the Concession, without making every effort to secure a substantial production of oil. If oil is found its transport to the Mediterranean must be provided for before it can be disposed of.

15. Considerations affecting the Pipeline routes.

Two alternatives will present themselves to the Company, either to construct their own pipeline, or to come to some arrangement, as they are entitled to do under their Concession with another Company for the conveyance of the B.O.D. output. The only Company with which an arrangement could be made would be the I.P.C. It is not easy to say what is likely to happen because a great deal depends on the quantity of oil which may be forthcoming. The basis of the concession is a minimum export, after 7½ years, of 1 million tons per annum and unless a production on this scale is forthcoming the Company is hardly likely to wish to keep the Concession. In the further consideration of the matter it will therefore be assumed that a reasonable production of oil will be secured.

16. In the absence of external influence the Company would probably be inclined to align its pipeline by the shortest route to the Mediterranean. This would run for the greater part of the way along the Turco-Syrian boundary

مجموعة ٢١/١٧ "النفط في العراق" [٢٣ ظ] (١٧٨/٤٦)

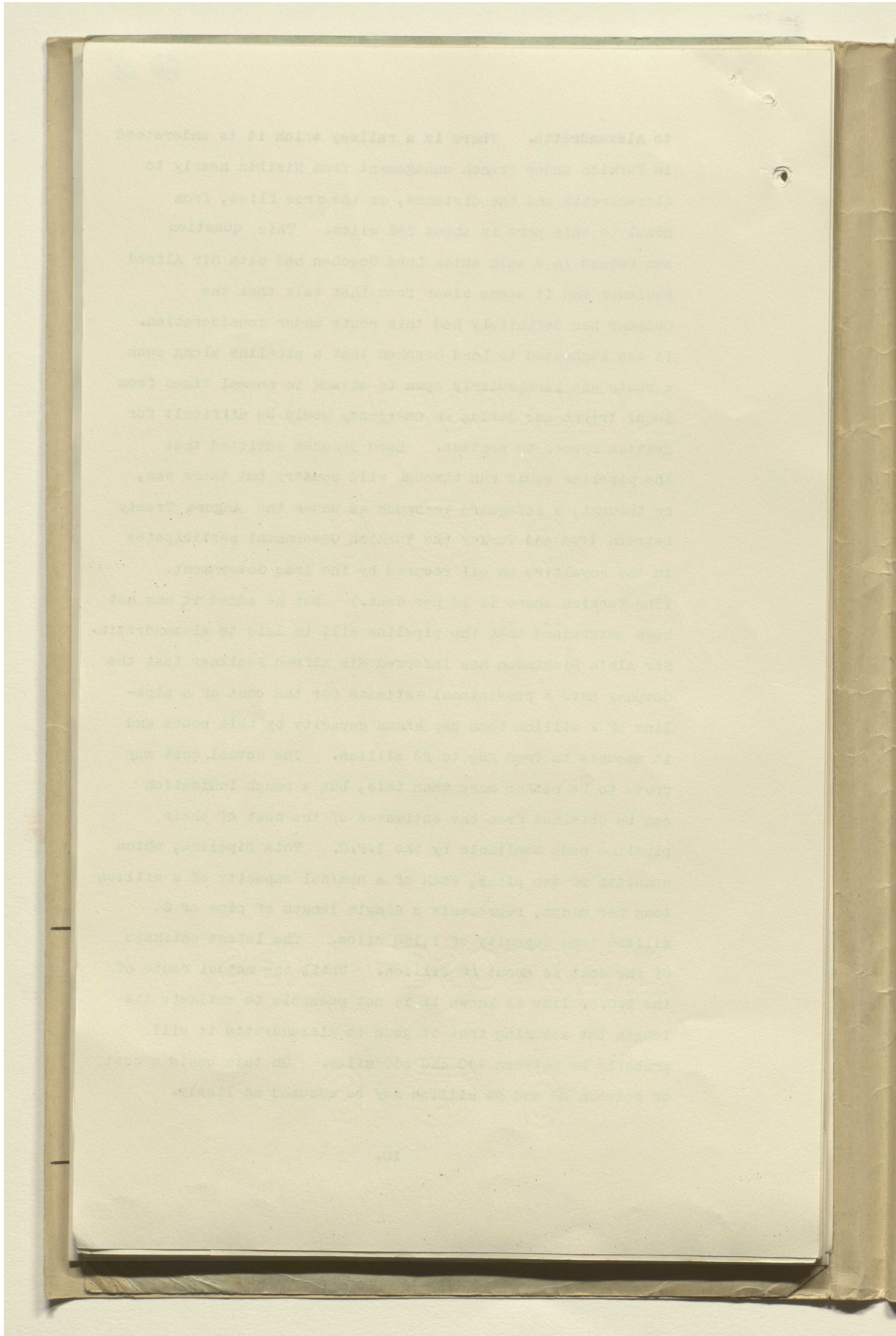


مجموعة ٢١/١٧ "النفط في العراق" [٢٤ و] (١٧٨/٤٧)

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to Alexandretta. There is a railway which it is understood is Turkish under French management from Nisibin nearly to Alexandretta and the distance, as the crow flies, from Mosul to this port is about 385 miles. This question was raised in a talk which Lord Goschen had with Sir Alfred Faulkner and it seems clear from that talk that the Company has definitely had this route under consideration. It was suggested to Lord Goschen that a pipeline along such a route was particularly open to attack in normal times from local tribes and during an emergency would be difficult for British forces to protect. Lord Goschen admitted that the pipeline would run through wild country but there was, he thought, a safeguard inasmuch as under the Angora Treaty between Iraq and Turkey the Turkish Government participates in the royalties on oil secured by the Iraq Government. (The Turkish share is 10 per cent.) But he added it has not been determined that the pipeline will be laid to Alexandretta. Sir Alwin Dickinson has informed Sir Alfred Faulkner that the Company have a provisional estimate for the cost of a pipeline of 2 million tons per annum capacity by this route and it amounts to from £2½ to £3 million. The actual cost may prove to be rather more than this, but a rough indication can be obtained from the estimates of the cost of their pipeline made available by the I.P.C. This pipeline, which consists of two pipes, each of a nominal capacity of 2 million tons per annum, represents a single length of pipe of 2 million tons capacity of 1,150 miles. The latest estimate of the cost is about £8 million. Until the actual route of the B.O.D. line is known it is not possible to estimate its length but assuming that it goes to Alexandretta it will probably be between 450 and 500 miles. On this basis a cost of between £3 and £4 million may be assumed as likely.

مجموعة ٢١/١٧ "النفط في العراق" [٢٤ ظ] (١٧٨/٤٨)



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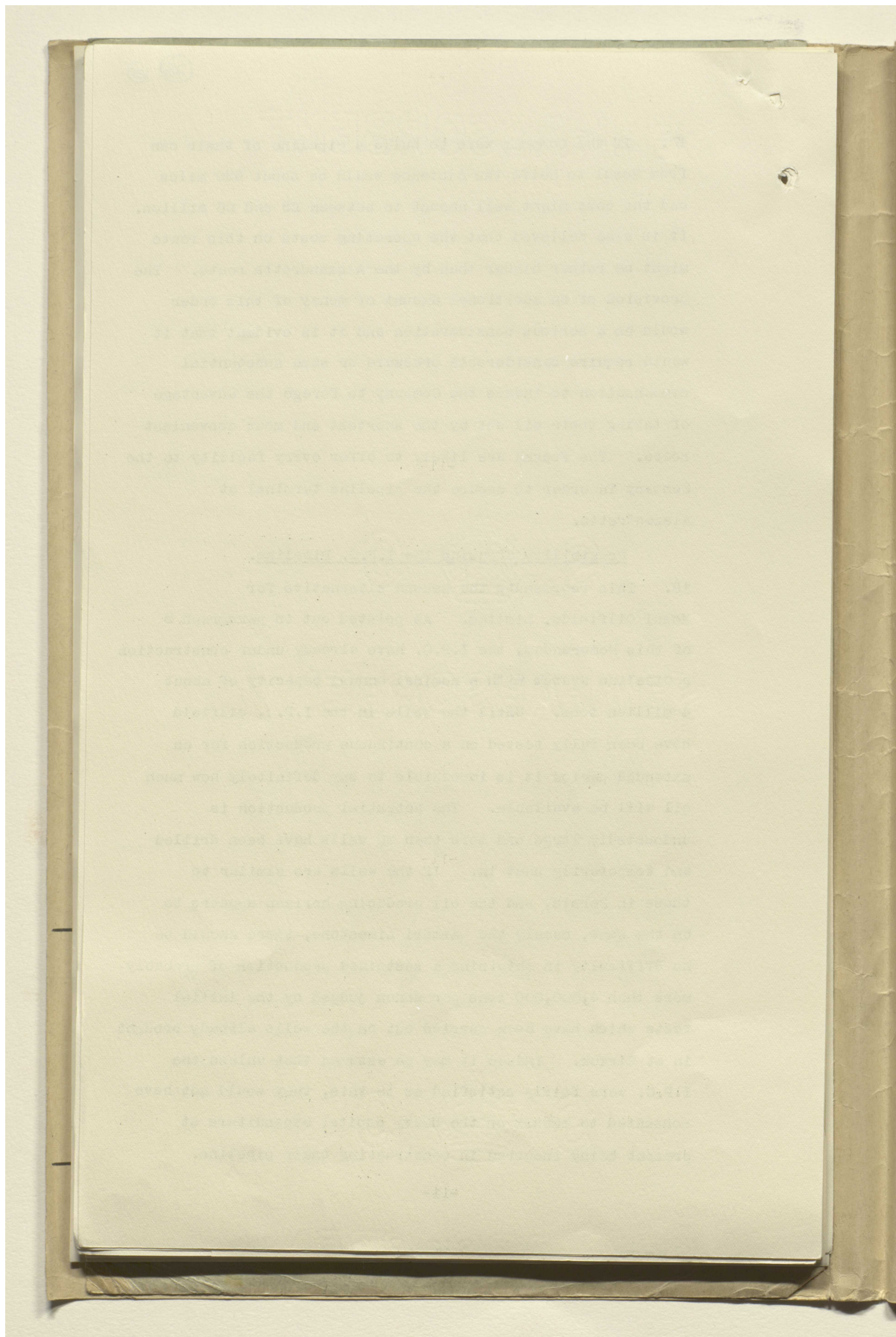
17. If the Company were to build a pipeline of their own from Mosul to Haifa the distance would be about 620 miles and the cost might well amount to between £5 and £6 million. It is also believed that the operating costs on this route might be rather higher than by the Alexandretta route. The provision of an additional amount of money of this order would be a serious consideration and it is evident that it would require considerable pressure or some substantial compensation to induce the Company to forego the advantage of taking their oil out by the shortest and most convenient route. The French are likely to offer every facility to the Company in order to secure the pipeline terminal at Alexandretta.

Possibility of using the I.P.C. Pipeline.

18. This represents the second alternative for Mosul Oilfields, Limited. As pointed out in paragraph 2 of this Memorandum, the I.P.C. have already under construction a pipeline system with a nominal annual capacity of about 4 million tons. Until the wells in the I.P.C. oilfield have been fully tested on a continuous production for an extended period it is impossible to say definitely how much oil will be available. The potential production is undoubtedly large and more than 30 wells have been drilled and temporarily shut in. If the wells are similar to those in Persia, and the oil producing horizon appears to be the same, namely the Asmari Limestone, there should be no difficulty in obtaining a sustained production of probably more than 4,000,000 tons per annum judged by the initial tests which have been carried out on the wells already brought in at Kirkuk. Indeed it may be assumed that unless the I.P.C. were fairly satisfied as to this, they would not have consented to embark on the heavy capital expenditure at present being incurred in constructing their pipeline.

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مجموعة ٢١/١٧ "النفط في العراق" [٢٥ ظ] (١٧٨/٥٠)



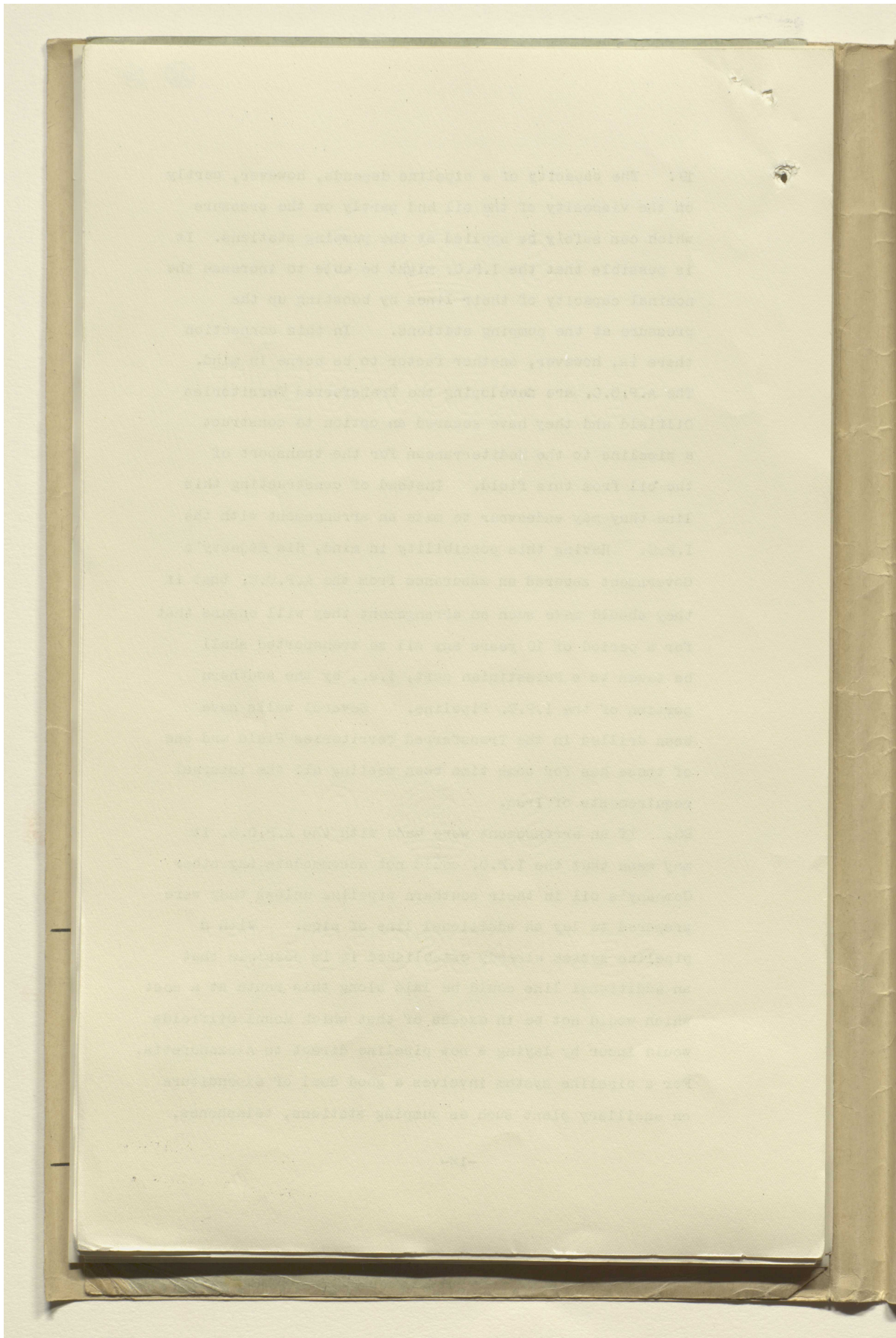
مجموعة ٢١/١٧ "النفط في العراق" [٢٦ و] (١٧٨/٥١)

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19. The capacity of a pipeline depends, however, partly on the viscosity of the oil and partly on the pressure which can safely be applied at the pumping stations. It is possible that the I.P.C. might be able to increase the nominal capacity of their lines by boosting up the pressure at the pumping stations. In this connection there is, however, another factor to be borne in mind. The A.P.O.C. are developing the Transferred Territories Oilfield and they have secured an option to construct a pipeline to the Mediterranean for the transport of the oil from this field. Instead of constructing this line they may endeavour to make an arrangement with the I.P.C. Having this possibility in mind, His Majesty's Government secured an assurance from the A.P.O.C. that if they should make such an arrangement they will ensure that for a period of 10 years any oil so transported shall be taken to a Palestinian port, i.e., by the southern portion of the I.P.C. Pipeline. Several wells have been drilled in the Transferred Territories Field and one of these has for some time been meeting all the internal requirements of Iraq.

20. If an arrangement were made with the A.P.O.C. it may mean that the I.P.C. could not accommodate any other Company's oil in their southern pipeline unless they were prepared to lay an additional line of pipe. With a pipeline system already established it is possible that an additional line could be laid along this route at a cost which would not be in excess of that which Mosul Oilfields would incur by laying a new pipeline direct to Alexandretta. For a pipeline system involves a good deal of expenditure on ancillary plant such as pumping stations, telephones,

مجموعة ٢١/١٧ "النفط في العراق" [٢٦ ظ] (١٧٨/٥٢)



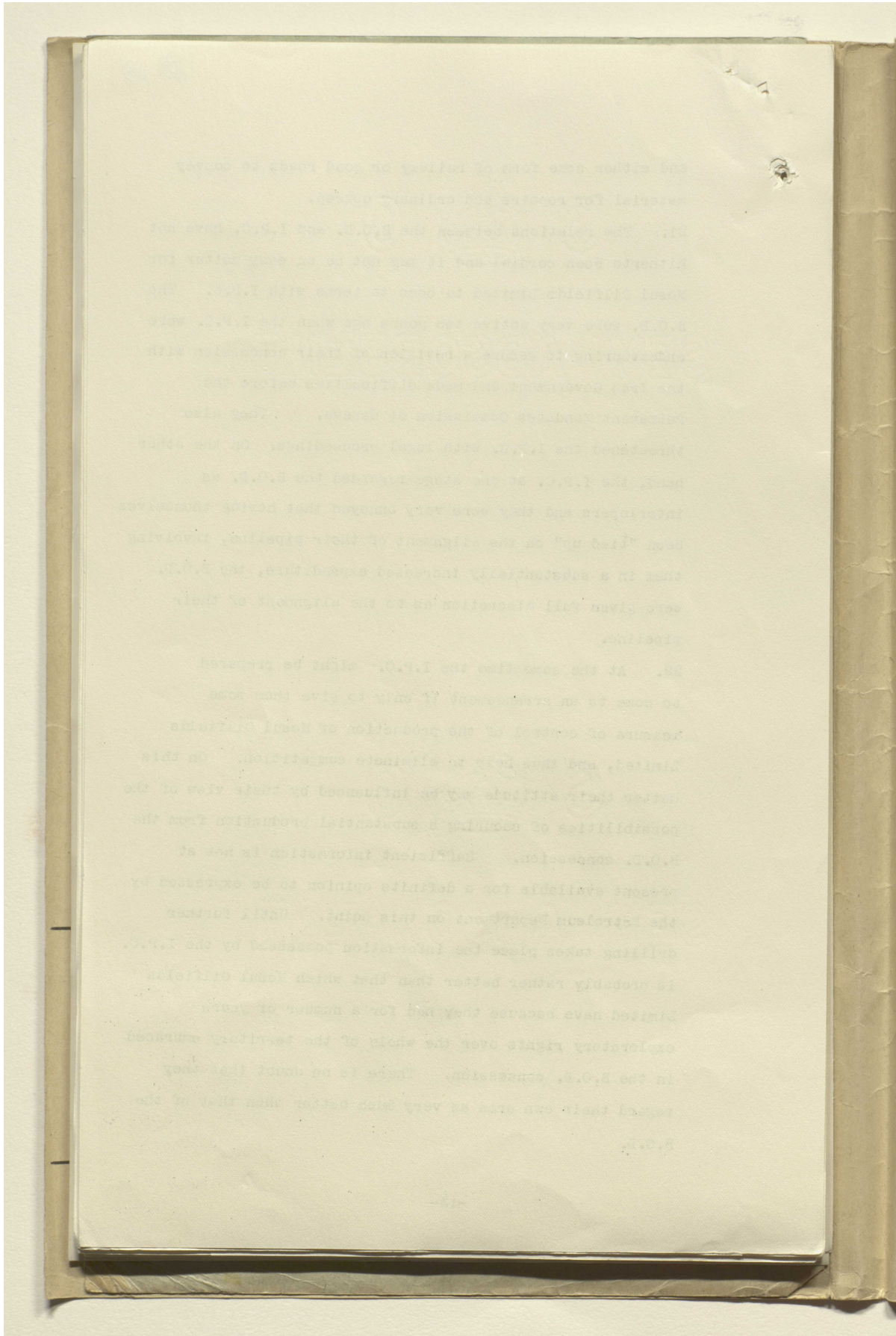
مجموعة ٢١/١٧ "النفط في العراق" [٢٧و] (١٧٨/٥٣)

and either some form of railway or good roads to convey material for repairs and ordinary upkeep.

21. The relations between the B.O.D. and I.P.C. have not hitherto been cordial and it may not be an easy matter for Mosul Oilfields Limited to come to terms with I.P.C. The B.O.D. were very active two years ago when the I.P.C. were endeavouring to secure a revision of their concession with the Iraq Government and made difficulties before the Permanent Mandates Commission at Geneva. They also threatened the I.P.C. with legal proceedings. On the other hand, the I.P.C. at one stage regarded the B.O.D. as interlopers and they were very annoyed that having themselves been "tied up" on the alignment of their pipeline, involving them in a substantially increased expenditure, the B.O.D. were given full discretion as to the alignment of their pipeline.

22. At the same time the I.P.C. might be prepared to come to an arrangement if only to give them some measure of control of the production of Mosul Oilfields Limited, and thus help to eliminate competition. On this matter their attitude may be influenced by their view of the possibilities of securing a substantial production from the B.O.D. concession. Sufficient information is not at present available for a definite opinion to be expressed by the Petroleum Department on this point. Until further drilling takes place the information possessed by the I.P.C. is probably rather better than that which Mosul Oilfields Limited have because they had for a number of years exploratory rights over the whole of the territory embraced in the B.O.D. concession. There is no doubt that they regard their own area as very much better than that of the B.O.D.

مجموعة ٢١/١٧ "النفط في العراق" [٢٧ ظ] (١٧٨/٥٤)



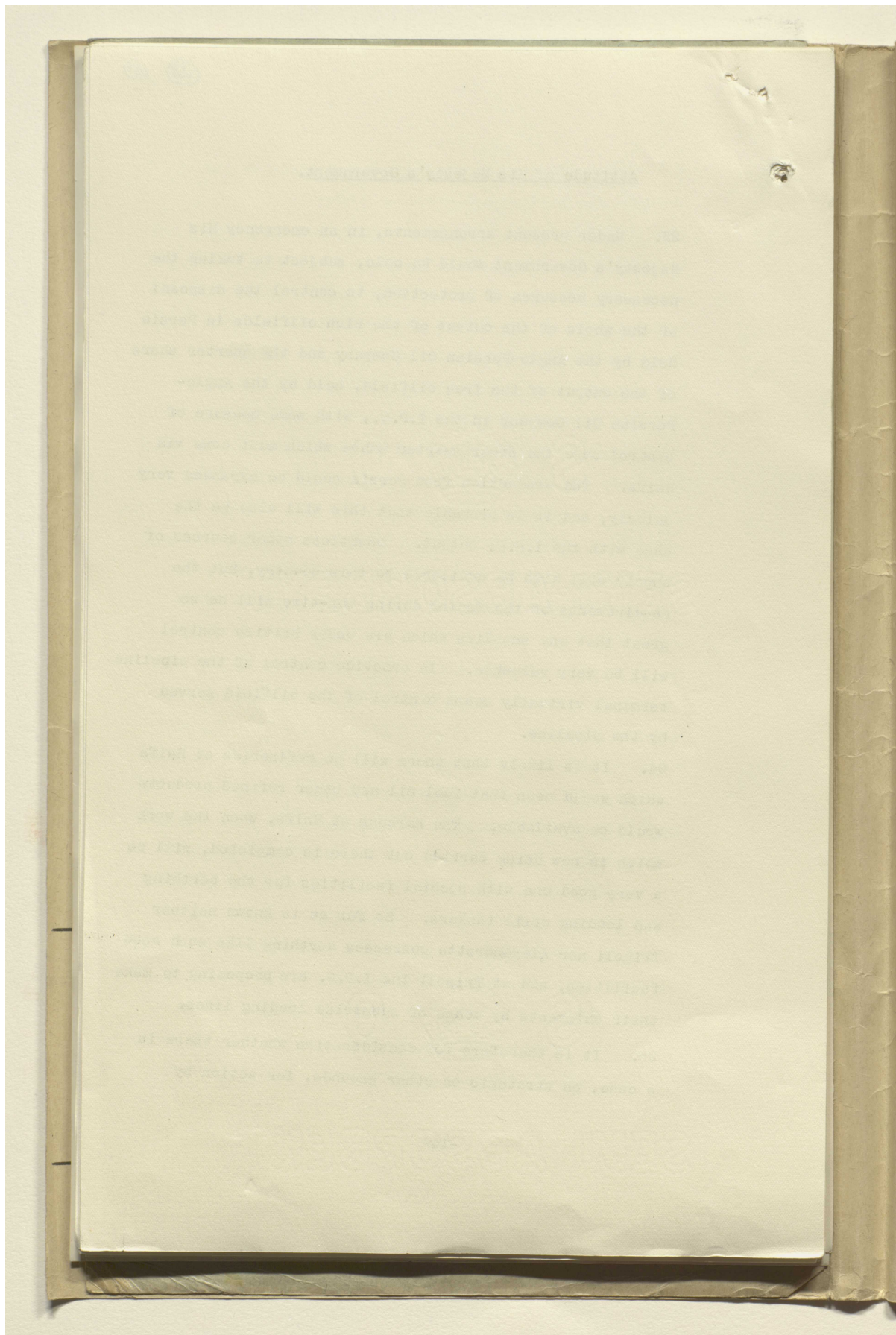
Attitude of His Majesty's Government.

23. Under present arrangements, in an emergency His Majesty's Government would be able, subject to taking the necessary measures of protection, to control the disposal of the whole of the output of the rich oilfields in Persia held by the Anglo-Persian Oil Company and the quarter share of the output of the Iraq oilfield, held by the Anglo-Persian Oil Company in the I.P.C., with some measure of control over the other quarter share which must come via Haifa. The production from Persia could be expanded very quickly, and it is probable that this will also be the case with the I.P.C. output. Doubtless other sources of supply will also be available to this country, but the requirements of the Empire during war-time will be so great that any supplies which are under British control will be very valuable. In practice control of the pipeline terminal virtually means control of the oilfield served by the pipeline.

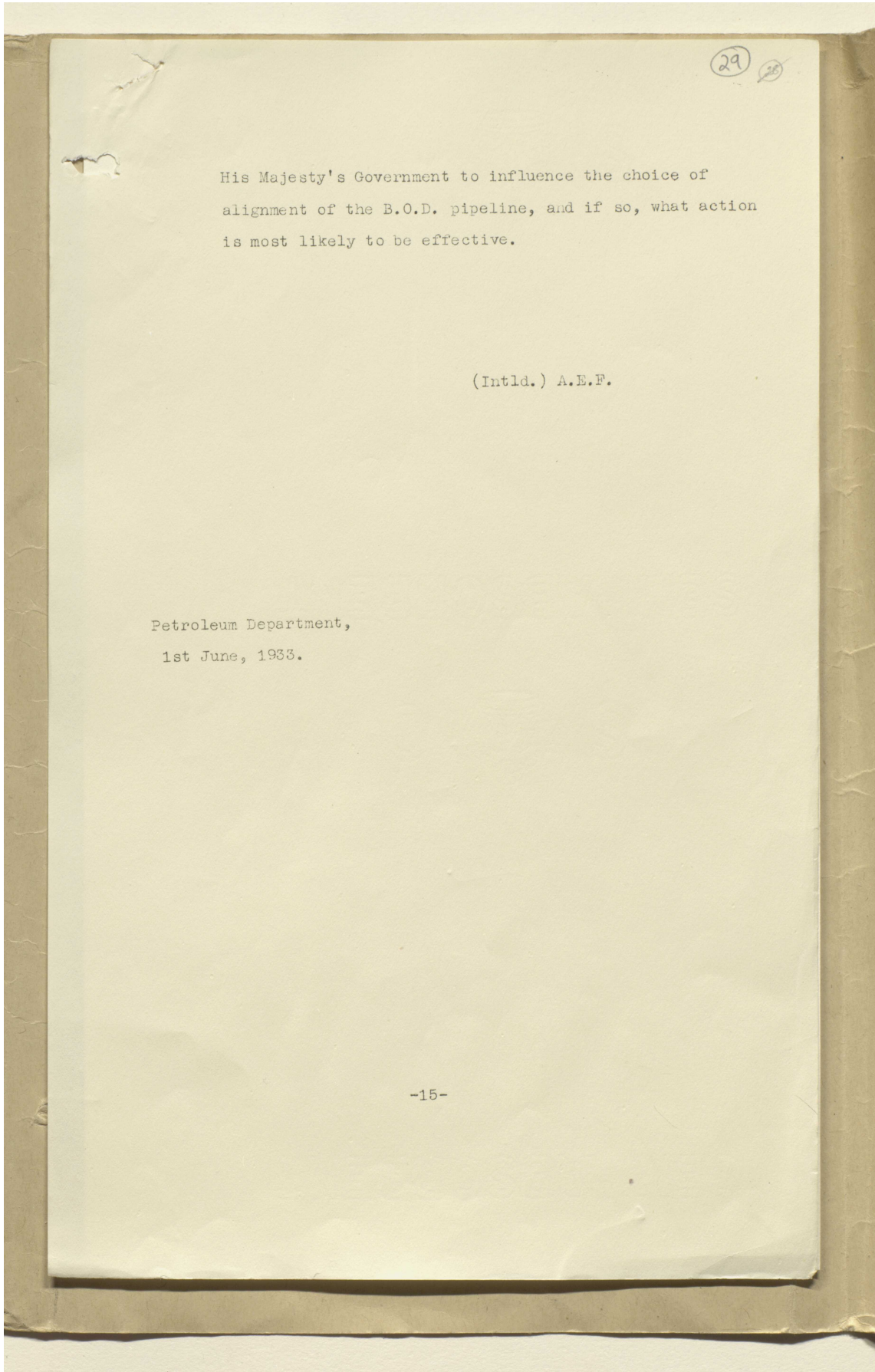
24. It is likely that there will be refineries at Haifa which would mean that fuel oil and other refined products would be available. The harbour at Haifa, when the work which is now being carried out there is completed, will be a very good one with special facilities for the berthing and loading of oil tankers. So far as is known neither Tripoli nor Alexandretta possesses anything like such good facilities, and at Tripoli the I.P.C. are proposing to make their shipments by means of submarine loading lines.

25. It is therefore for consideration whether there is a case, on strategic or other grounds, for action by

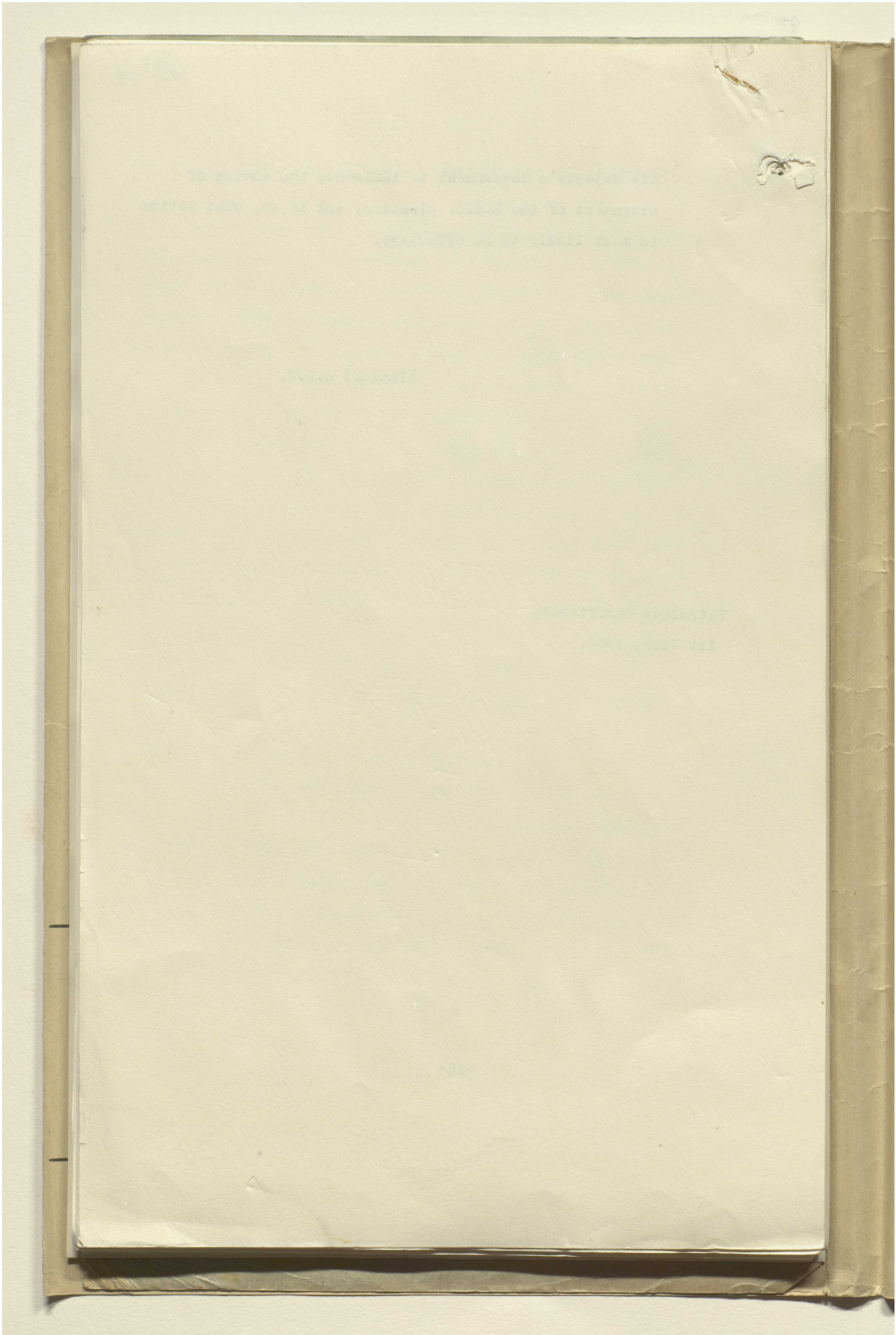
مجموعة ٢١/١٧ "النفط في العراق" [٢٨ ظ] (١٧٨/٥٦)



مجموعة ٢١/١٧ "النفط في العراق" [٢٩و] (١٧٨/٥٧)



مجموعة ٢١/١٧ "النفط في العراق" [٢٩ظ] (١٧٨/٥٨)



مجموعة ٢١/١٧ "النفط في العراق" [٣٠] [١٧٨/٥٩]

(THIS DOCUMENT IS THE PROPERTY OF HIS BRITANNIC MAJESTY'S GOVERNMENT.)

S E C R E T.

M.E.(O) 24th Mtg.

COPY NO. 9

COMMITTEE OF IMPERIAL DEFENCE.

STANDING OFFICIAL SUB-COMMITTEE FOR QUESTIONS
CONCERNING THE MIDDLE EAST.

A meeting of the Sub-Committee will be held
in Conference Room "A", No. 2, Whitehall Gardens,
S.W.1, on Monday, 17th July, 1933, at 3.30 p.m.

A G E N D A.

1. PROPOSED PIPELINE FROM THE BRITISH OIL DEVELOPMENT
COMPANY'S CONCESSION NEAR MOSUL TO THE MEDITERRANEAN.

Memorandum by the Petroleum Department.
(Paper No. M.E.(O) 93 - already circulated).

2. TRANS-DESERT RAILWAY FROM BAGHDAD TO HAIFA.

Memoranda by the Secretary of State for War and
the Secretary of State for Air.
(Paper No. M.E.(O) 92 - already circulated).

Copies of Despatches received by the Foreign
Office from Baghdad - to be circulated.

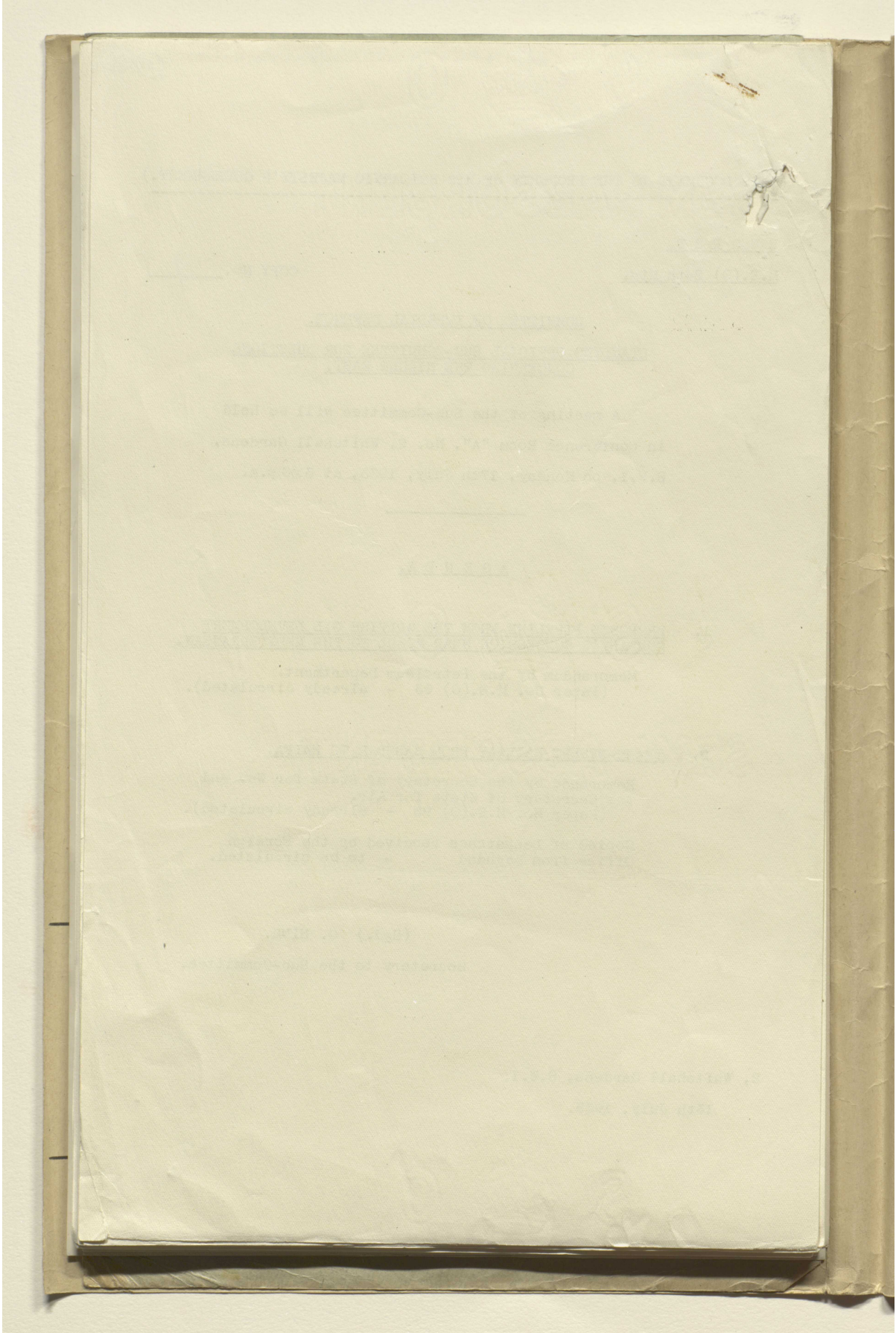
(Sgd.) G. HIND.

Secretary to the Sub-Committee.

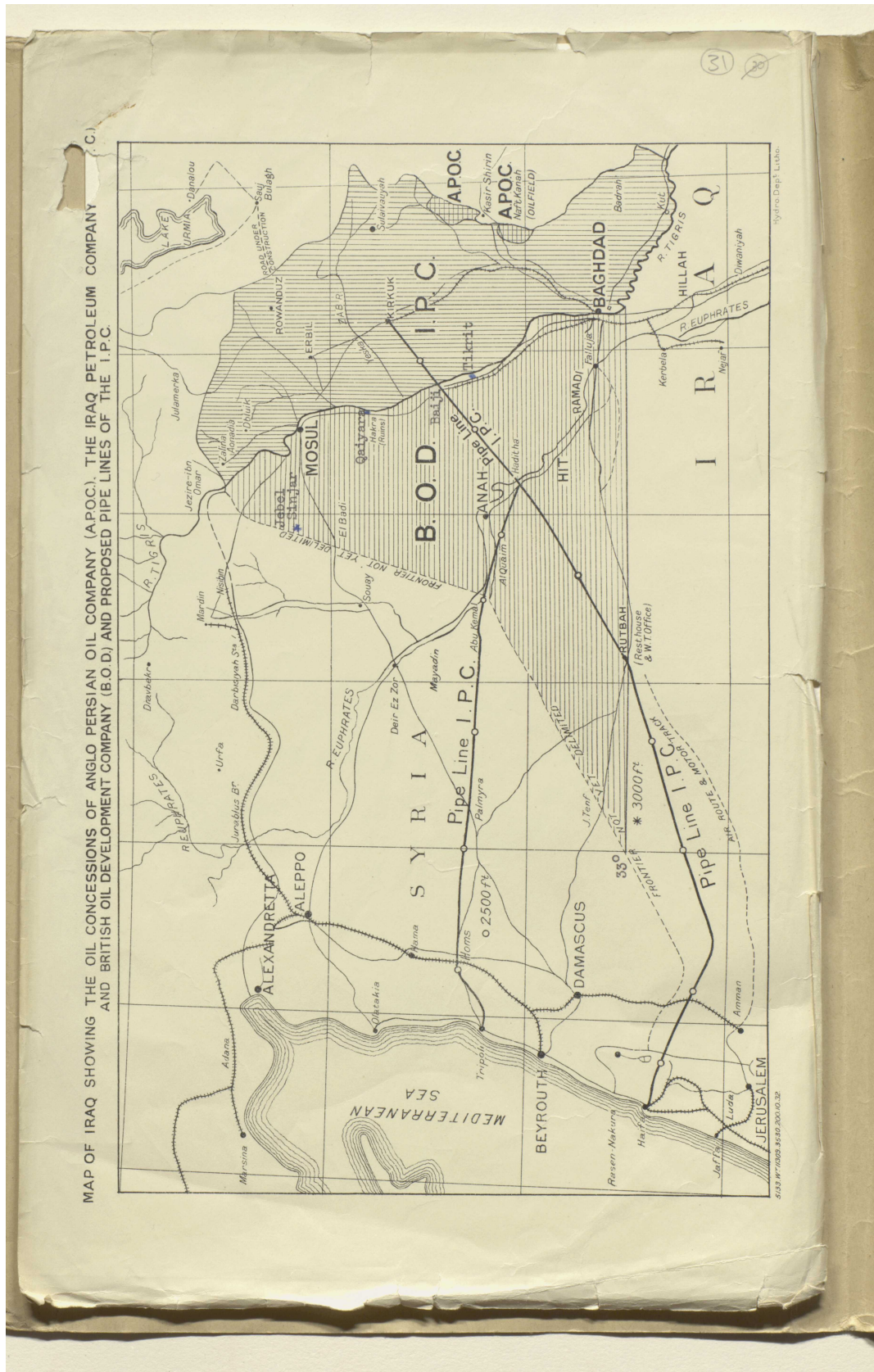
2, Whitehall Gardens, S.W.1.

13th July, 1933.

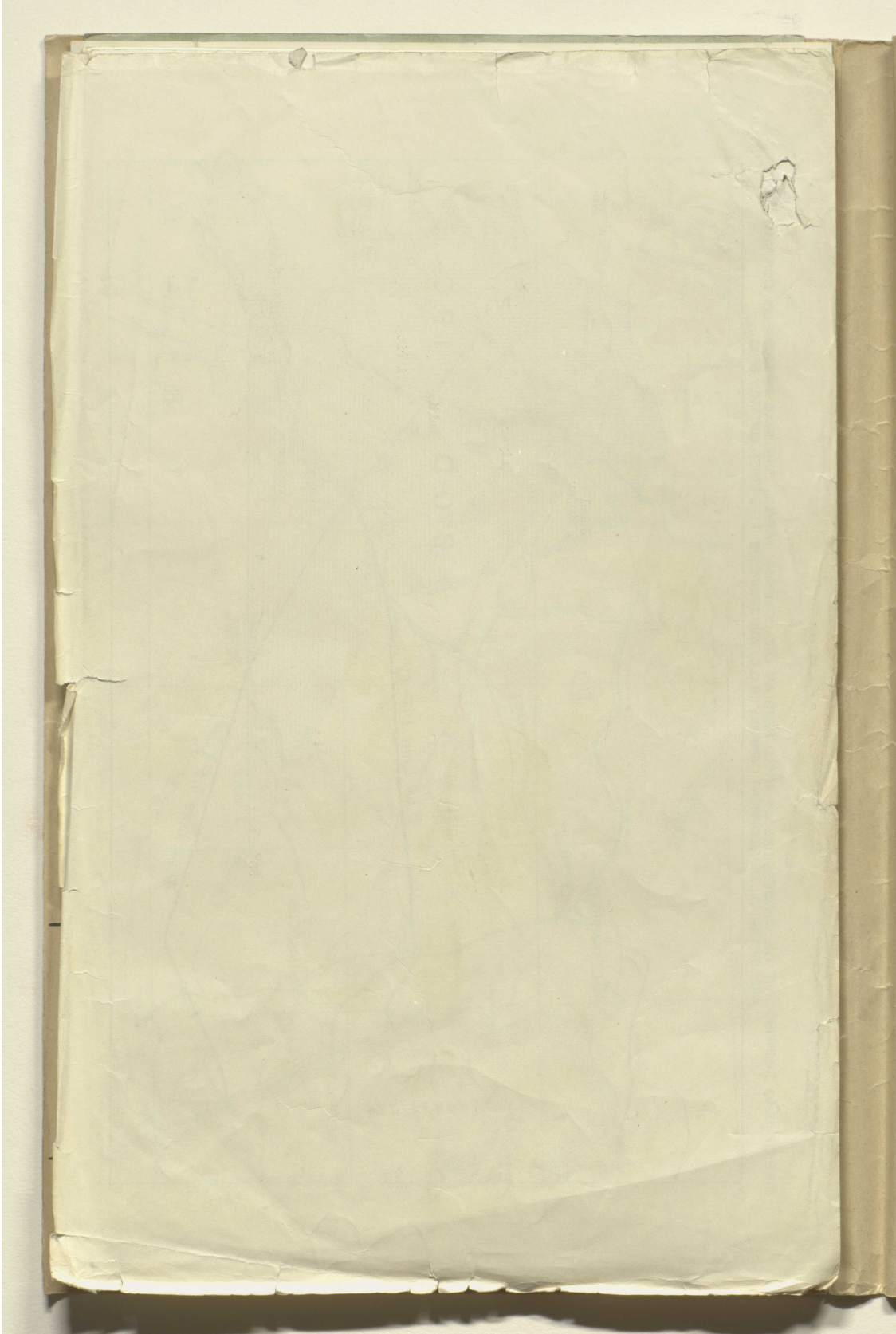
مجموعة ٢١/١٧ "النفط في العراق" [٣٠ ظ] (١٧٨/٦٠)



"خريطة للعراق تُظهر الامتيازات النفطية لشركة النفط الأنجلو-فارسية،
وشركة نفط العراق، والشركة البريطانية لتطوير النفط المحدودة وخطوط
أنابيب النفط المقترحة لشركة نفط العراق" [٣١ و] (٢/١)



"خريطة للعراق تُظهر الامتيازات النفطية لشركة النفط الأنجلو-فارسية،
وشركة نفط العراق، والشركة البريطانية لتطوير النفط المحدودة وخطوط
أنابيب النفط المقترحة لشركة نفط العراق" [٣١ ظ] (٢/٢)



مجموعة ٢١/١٧ "النفط في العراق" [٣٢و] [١٧٨/٦٣]

INDEXED
B
12b

Communications on this subject should be addressed to—
THE UNDER SECRETARY OF STATE,
COLONIAL OFFICE,
LONDON, S.W.1,
and the following number quoted:—
38178/1/34

1747
1935
Subject: Opening of the Iraq Petroleum Company's pipe-line in Palestine and Transjordan

Reference to previous correspondence: *pp 1040. 19/3*

Letter *to* the *Foreign* Office of the **14 FEB 1935**

Transmitted by direction of the Secretary of State for the Colonies.

A copy has also been sent to the
Admiralty
Air Ministry
Foreign Office
India Office
~~Treasury~~
War Office

Colonial Office, Downing Street,
12 March 1935

ENCLOSURE IN WEEKLY LETTER
NO. 12 21 MAR 1935
FROM SECRETARY, POLITICAL AND
SECRET DEPT. INDIA OFFICE

From High Commissioner for Palestine 16.2.35

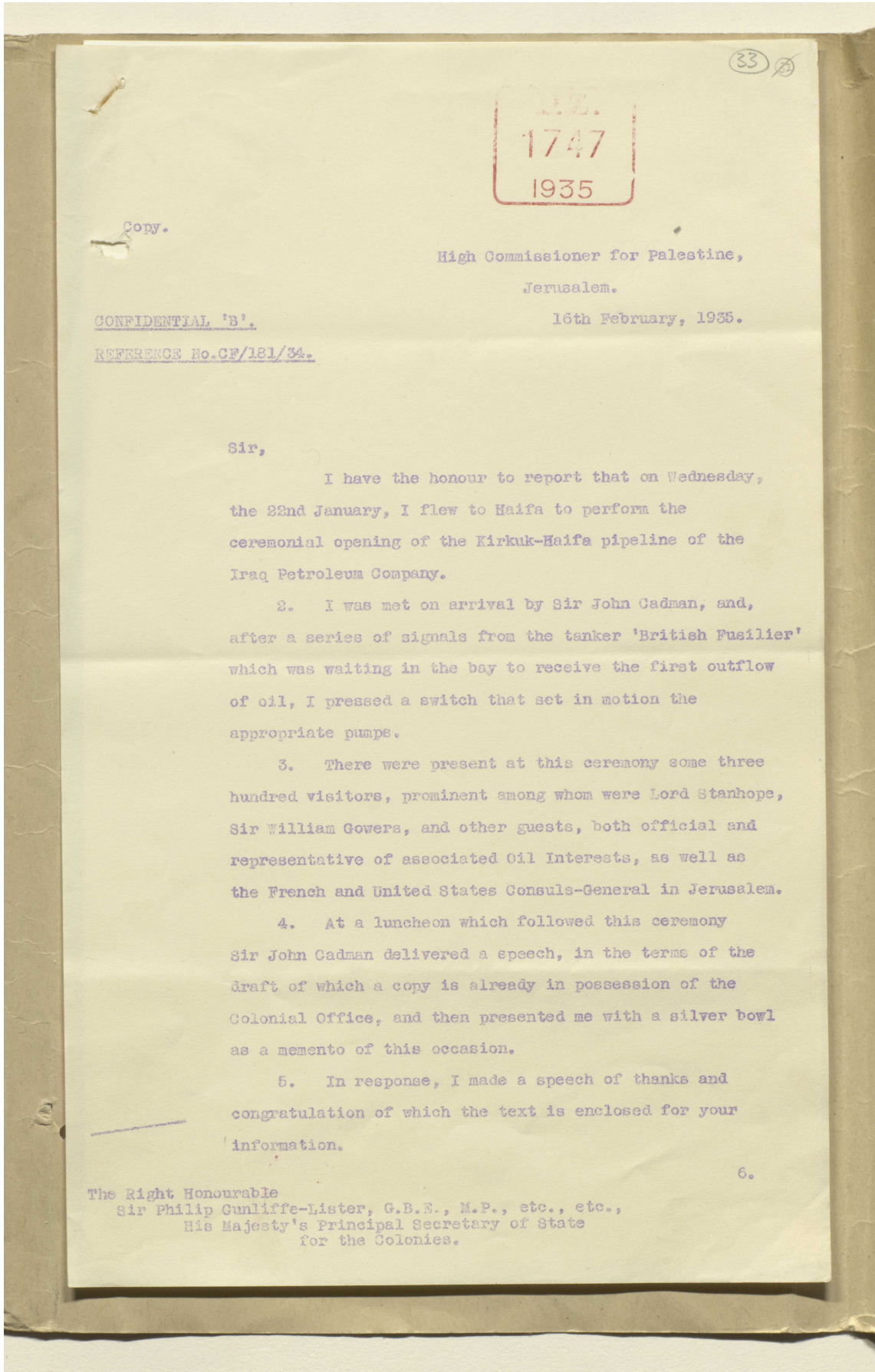
Petroleum Dept. Board of Trade.

X (R9750) Wt 15117/2750 10,000(2) 12/21 H & S Gp 112

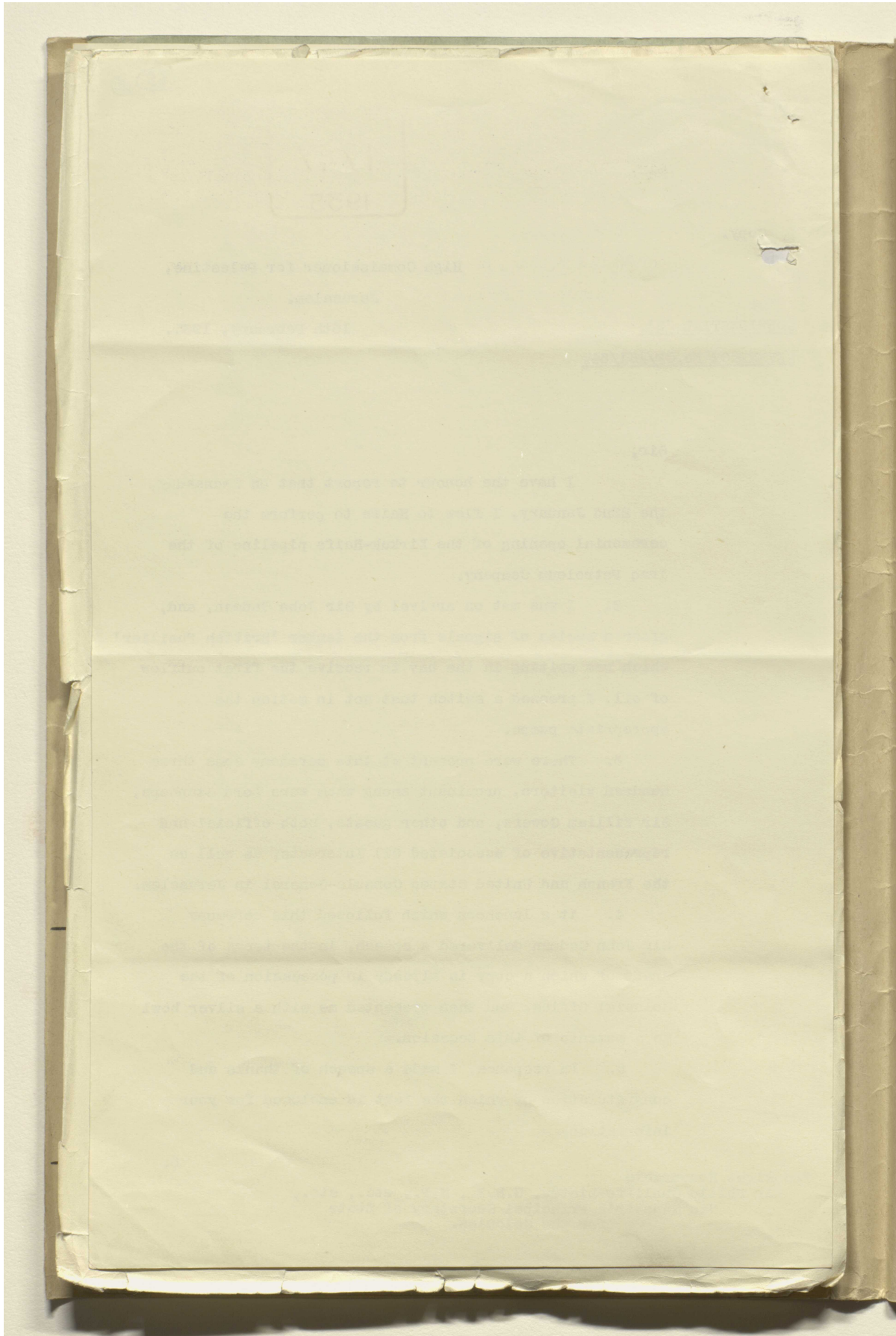
مجموعة ٢١/١٧ "النفط في العراق" [٣٢ ظ] (١٧٨/٦٤)



مجموعة ٢١/١٧ "النفط في العراق" [٣٣و] (١٧٨/٦٥)



مجموعة ٢١/١٧ "النفط في العراق" [٣٣ظ] (١٧٨/٦٦)



مجموعة ٢١/١٧ "النفط في العراق" [٣٤ و] (١٧٨/٦٧)

6. The arrangement of this function was admirably planned and carried out, the Iraq Petroleum Company having spared neither trouble nor expense.

7. On the 24th January the final ceremony in connection with the inauguration of the pipelines was held at Amman, in the form of a reception and luncheon party given by Sir John Cadman, at which His Highness the Amir Abdullah was the guest of honour.

8. His Highness was accompanied by Their Highnesses Amir Talal, Amir Naif, and Amir Jemil, and among the other guests, who numbered rather more than a hundred, were Lord Stanhope and other official visitors from Europe, Lieutenant Colonel Cox and other British officers and officials, Ibrahim Hashem Pasha and some sixty other Trans-Jordanians, official and otherwise, as well as officials and organisers of the Iraq Petroleum Company.

9. At the luncheon party Sir John Cadman addressed the Amir and the rest of the company in a speech, and presented His Highness with a gold casket in honour of the occasion: the Amir briefly replied. I transmit copies of both speeches herewith for your information: that of Sir John Cadman differs in certain minor particulars from the advance text which is in possession of the Colonial Office.

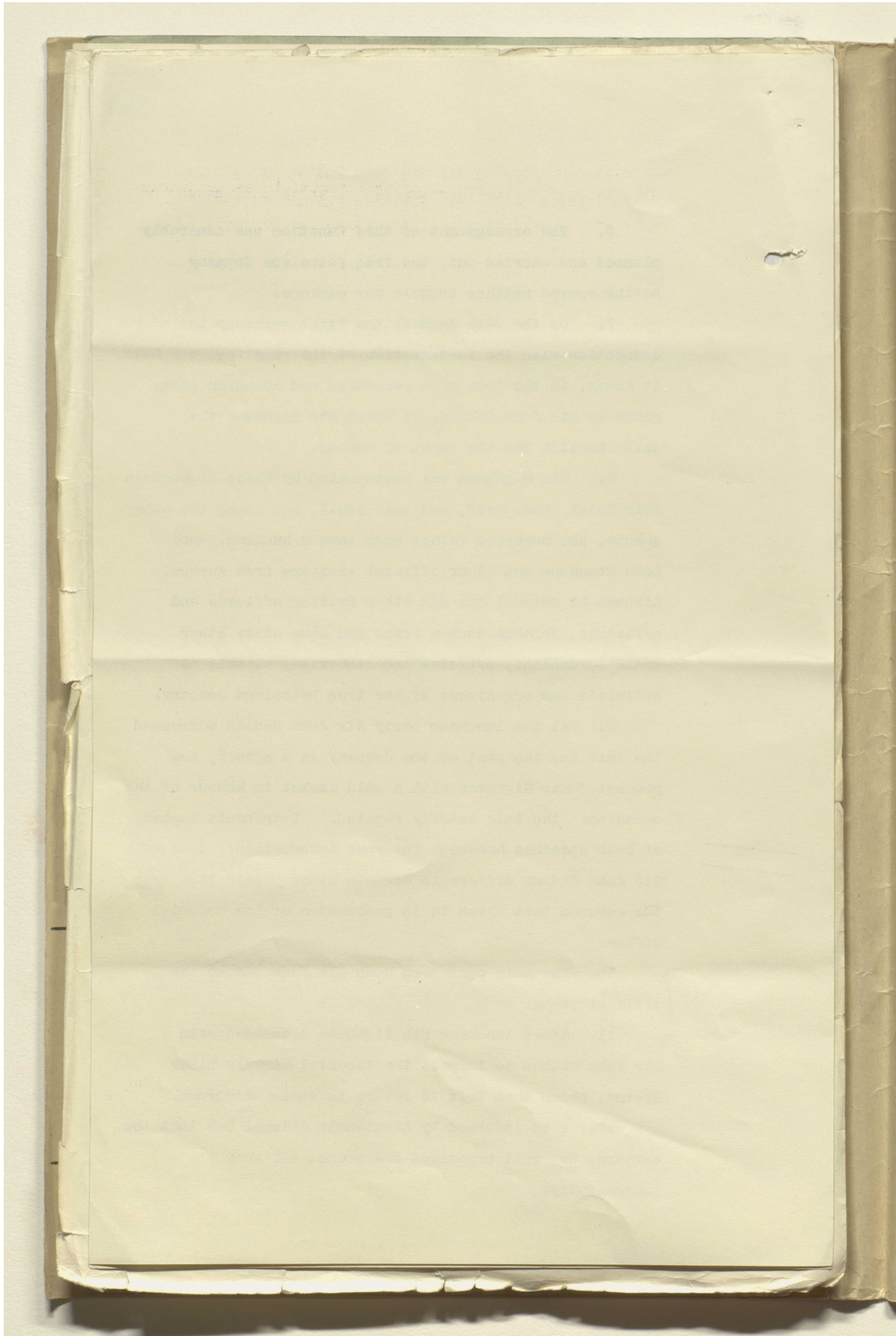
10. The Amir conferred upon Sir John Cadman the title of Pasha.

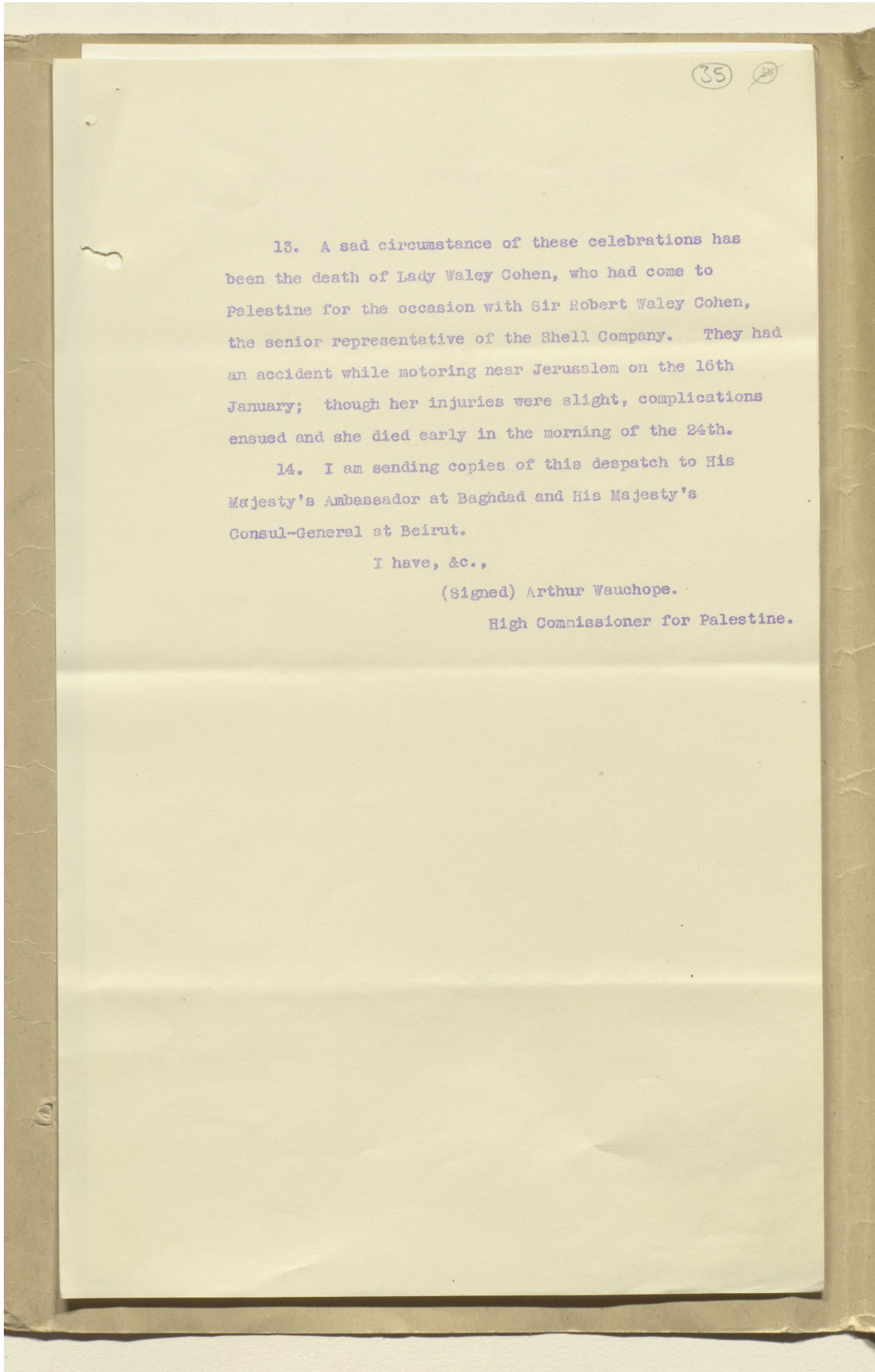
11. After luncheon His Highness proceeded with Sir John Cadman to inspect the Imperial Airways Liner Syrinx, which then left to return to Ramleh aerodrome.

12. I am informed by Lieutenant Colonel Cox that the ceremony was well organised and passed off very successfully.

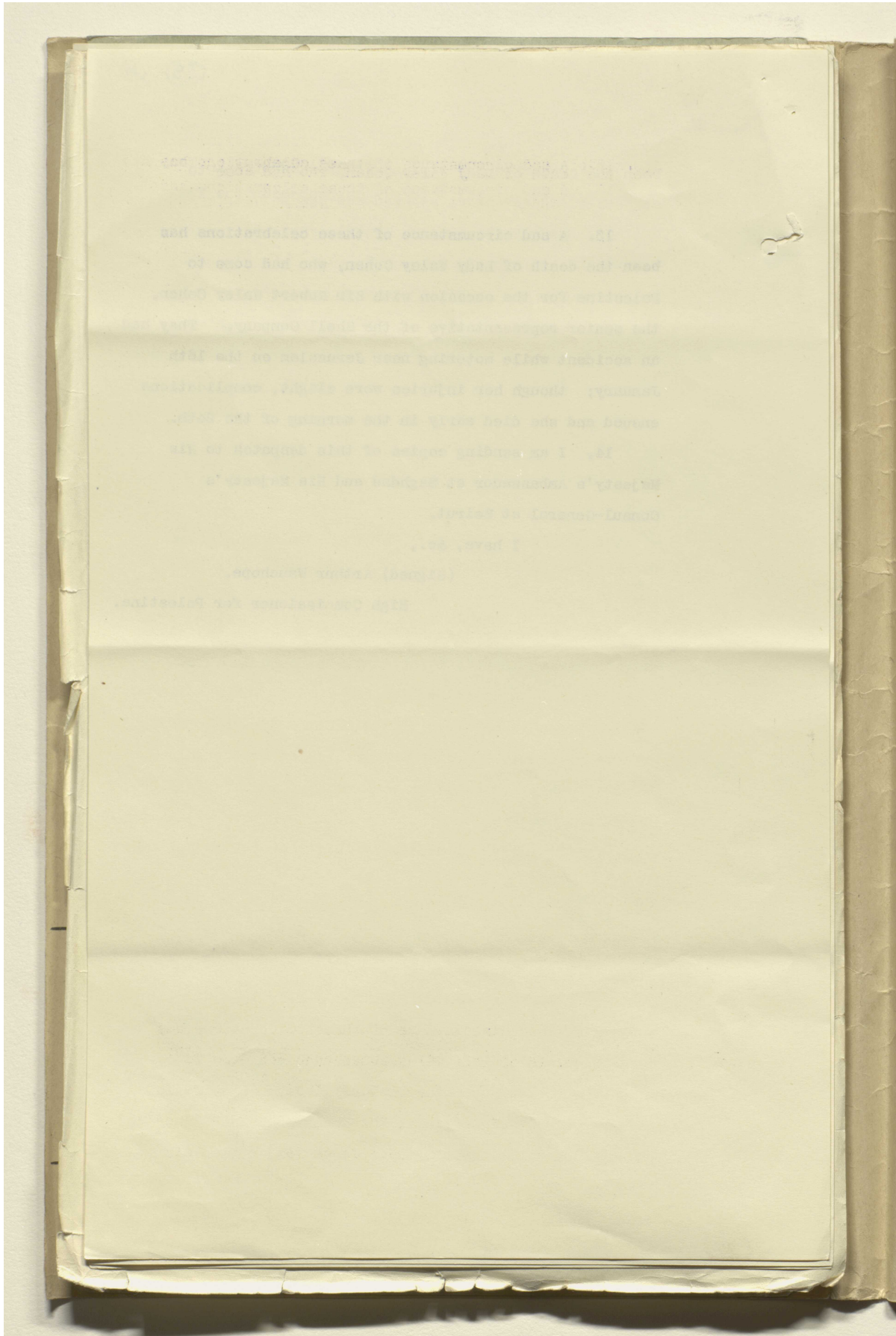
13.

مجموعة ٢١/١٧ "النفط في العراق" [٤٣ظ] (١٧٨/٦٨)





مجموعة ٢١/١٧ "النفط في العراق" [٣٥ ظ] (١٧٨/٧٠)



(36) (36)

OIL ON SHIFTING SANDS.

Speech of the High Commissioner.

I look upon it as a great compliment that you have asked me to open the pipe line officially to-day, and it was with great pleasure that I accepted the invitation to be present, so that as High Commissioner I may extend the warmest welcome to Sir John Cadman and the many distinguished strangers who have come from far and wide to be present at this gathering to-day.

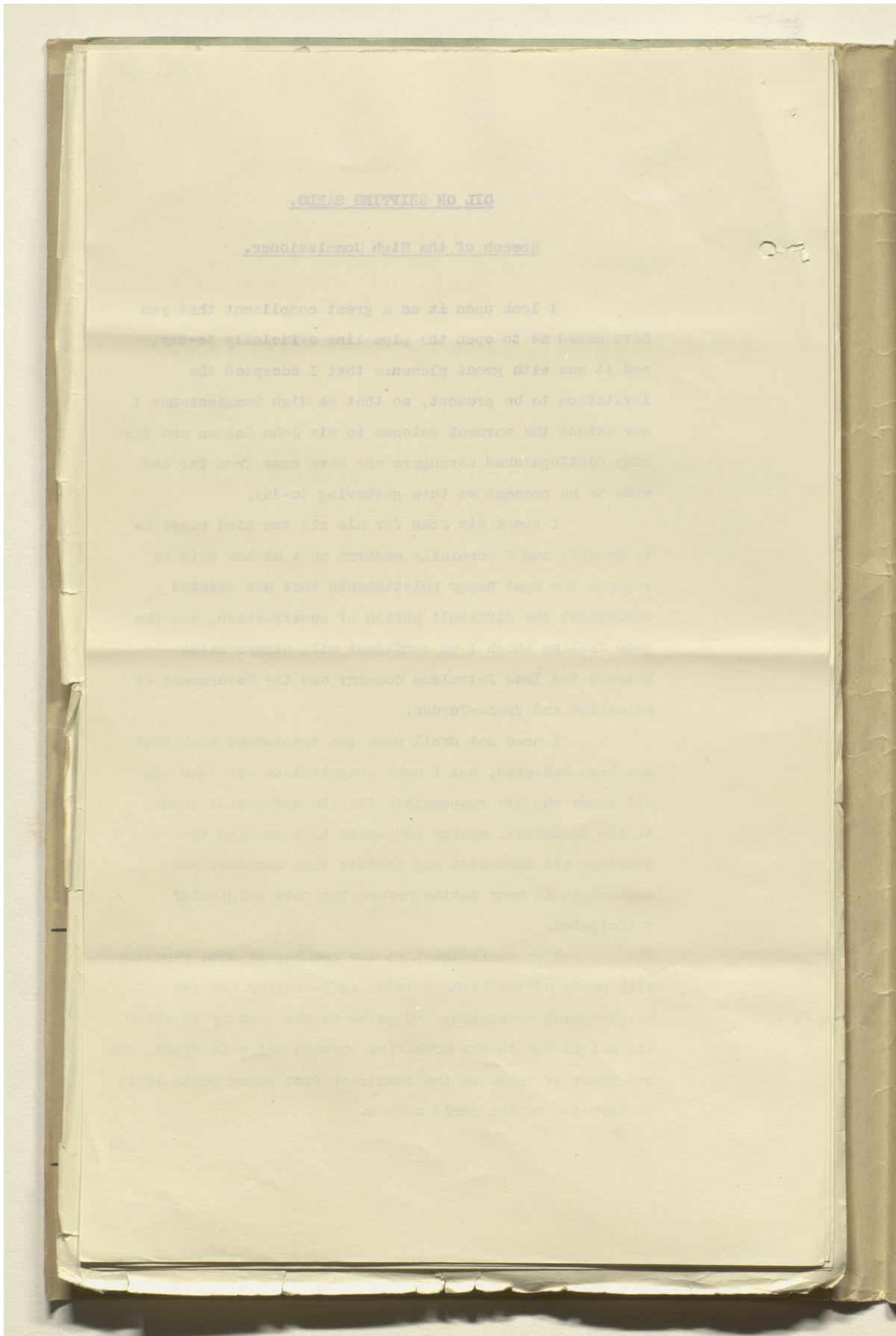
I thank Sir John for his all too kind words as to myself, and I cordially endorse what he has said as regards the most happy relationship that has existed throughout the difficult period of construction, and the good feeling which I am confident will always exist between the Iraq Petroleum Company and the Government of Palestine and Trans-Jordan.

I need not dwell upon the tremendous task that has been achieved, but I must congratulate Sir John and all those who are responsible for its successful issue on the foresight, energy and skill that enabled them to overcome all obstacles and achieve that success, and accomplish it many months before the date originally anticipated.

I am confident that the opening of this Pipeline will prove of the highest value to Palestine and the neighbouring countries; of value to the country in which the oil is won to the countries through which it flows, and not least of value to the countries from whose ports it is distributed to the world market.

AS

مجموعة ٢١/١٧ "النفط في العراق" [٣٦ظ] (١٧٨/٧٢)



(37) (36)

As High Commissioner I am happy to think that the Port of Haifa already contains the sea loading terminals which we have seen in operation to-day and that in the not very distant future our new Harbour will provide sheltered facilities in a specially constructed dock for the export of crude oil, and perhaps later on for the export of refined oil.

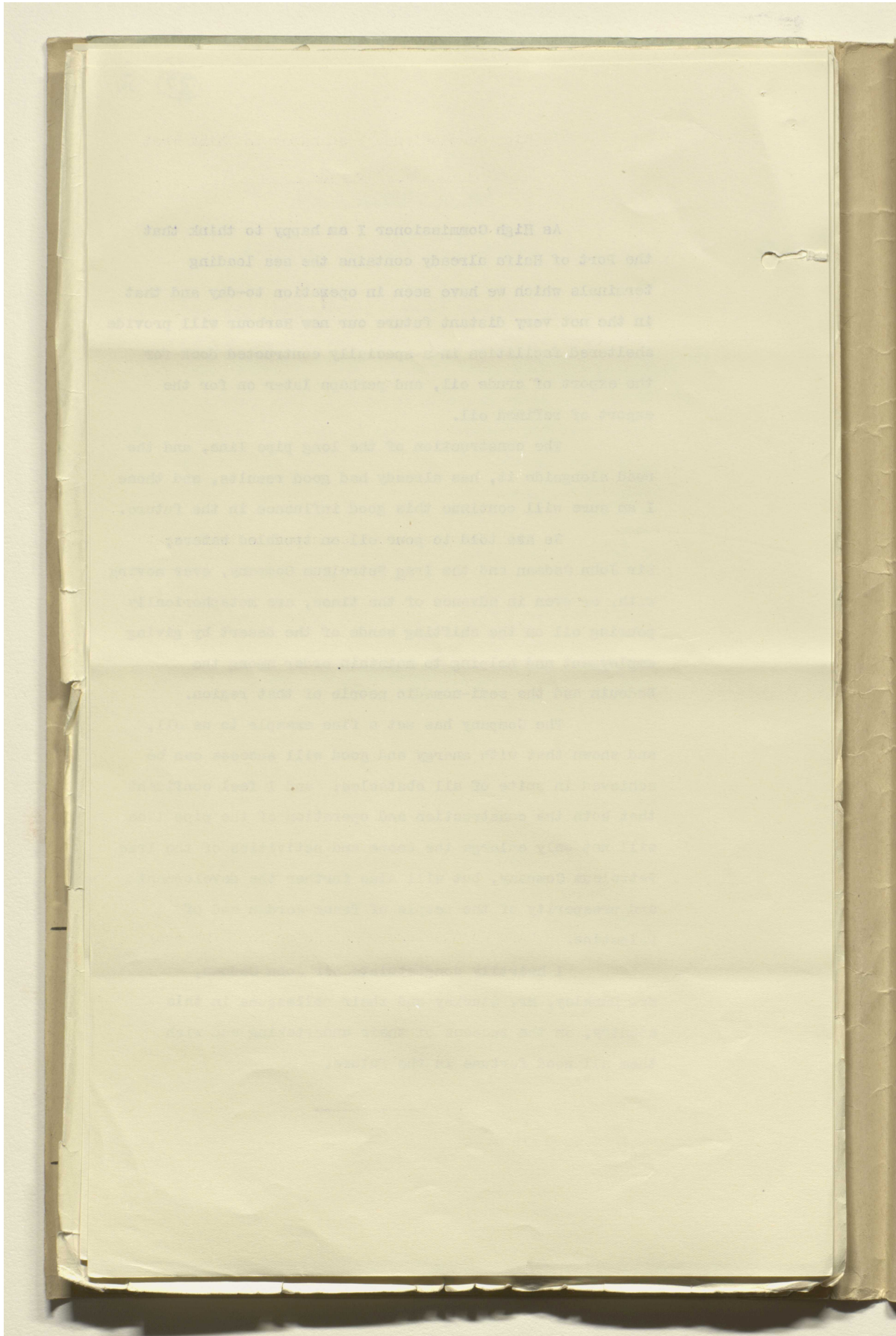
The construction of the long pipe line, and the road alongside it, has already had good results, and those I am sure will continue this good influence in the future.

We are told to pour oil on troubled waters; Sir John Cadman and the Iraq Petroleum Company, ever moving with, or even in advance of the times, are metaphorically pouring oil on the shifting sands of the desert by giving employment and helping to maintain order among the Bedouin and the semi-nomadic people of that region.

The Company has set a fine example to us all, and shown that with energy and good will success can be achieved in spite of all obstacles; and I feel confident that both the construction and operation of the pipe line will not only enlarge the scope and activities of the Iraq Petroleum Company, but will also further the development and prosperity of the people of Trans-Jordan and of Palestine.

I heartily congratulate Sir John Cadman, Mr. Dunkley, Mr. Stuckey and their colleagues in this country, on the success of their undertaking and wish them all good fortune in the future.

مجموعة ٢١/١٧ "النفط في العراق" [٣٧ظ] (١٧٨/٧٤)



مجموعة ٢١/١٧ "النفط في العراق" [٣٨ و] (١٧٨/٧٥)

38

Speech to be delivered by Sir John Cadman to
His Highness The Amir Abdulla
at Amman, on January 24th, 1935.

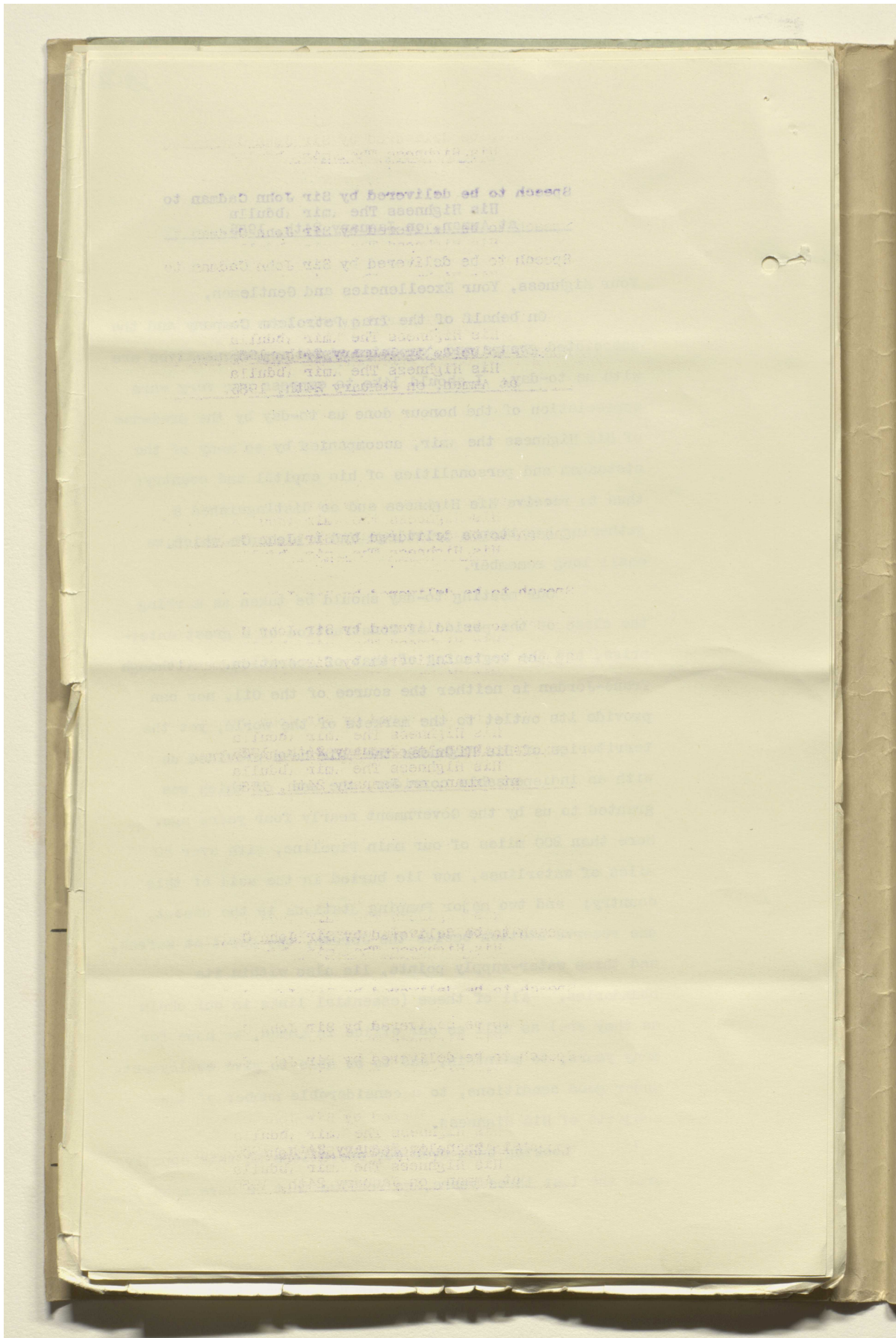
Your Highness, Your Excellencies and Gentlemen,

On behalf of the Iraq Petroleum Company and the associated groups and Companies whose representatives are with us to-day, I should like to express our very warm appreciation of the honour done us to-day by the presence of His Highness the Amir, accompanied by so many of the statesmen and personalities of his capital and country: thus to receive His Highness and so distinguished a gathering has been a privilege and a pleasure which we shall long remember.

Our meeting to-day should be taken as marking the close of the period of Construction of a great enterprise, and the beginning of that of Operation. Although Trans-Jordan is neither the source of the Oil, nor can provide its outlet to the markets of the world, yet the territories of His Highness the Amir have provided us with an indispensable corridor, the use of which was granted to us by the Government nearly four years ago. More than 200 miles of our main Pipeline, with over 50 miles of waterlines, now lie buried in the soil of this country; and two major Pumping Stations in the desert, one reserve station beside the Jordan, the Depot at Mafrak, and three water-supply points, lie also within its boundaries. All of these (essential links in our chain as they are) as well as our office in Amman, we hope for many years, to maintain, and to be able to give employment, under good conditions, to a considerable number of the subjects of His Highness.

Looking back over our operations in this country over the last three years, we realise that we have many reasons

مجموعة ٢١/١٧ "النفط في العراق" [٣٨ ظ] (١٧٨/٧٦)

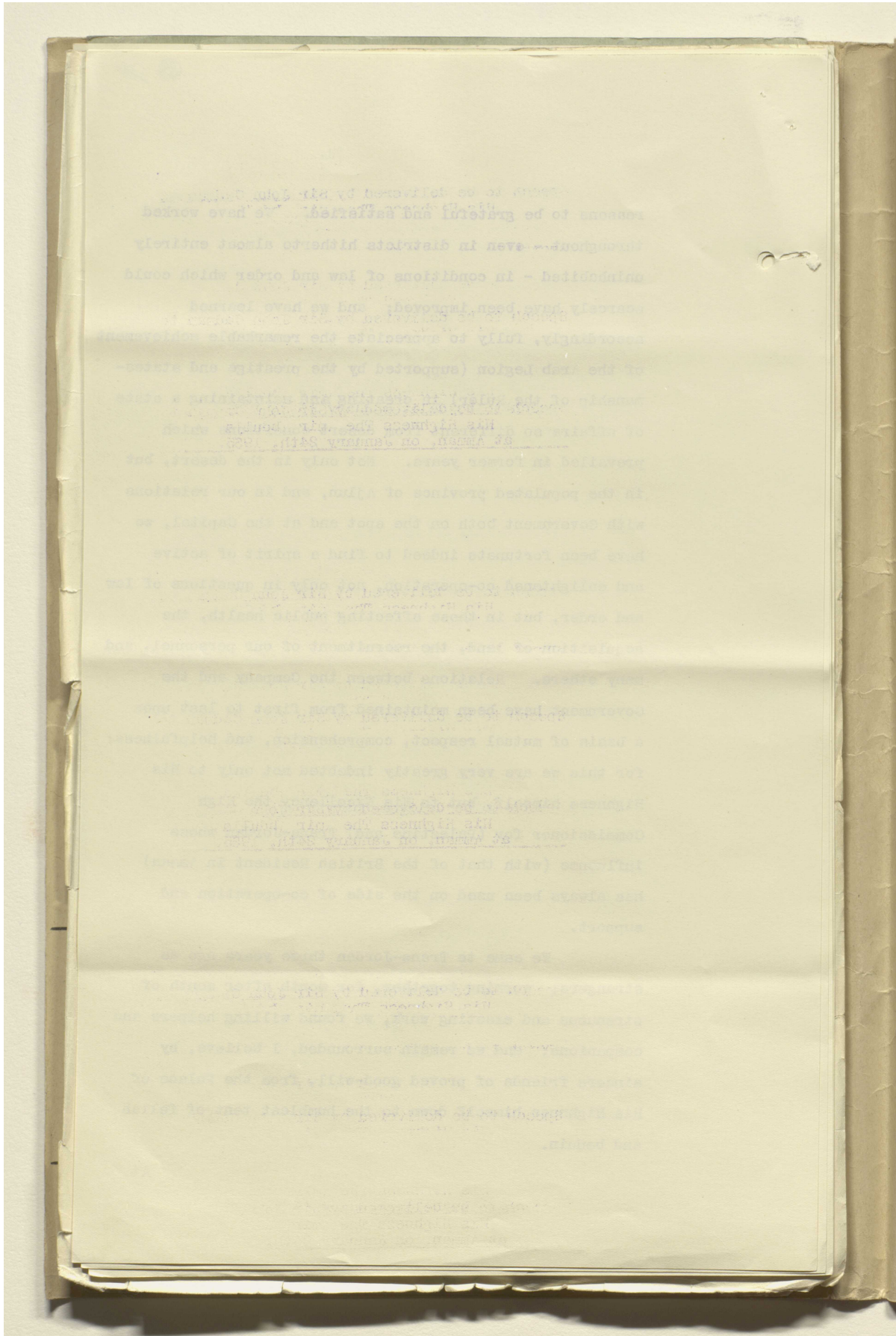


reasons to be grateful and satisfied. We have worked throughout - even in districts hitherto almost entirely uninhabited - in conditions of law and order which could scarcely have been improved; and we have learned accordingly, fully to appreciate the remarkable achievement of the Arab Legion (supported by the prestige and statesmanship of the Ruler) in creating and maintaining a state of affairs so different from desert conditions which prevailed in former years. Not only in the desert, but in the populated province of Ajlun, and in our relations with Government both on the spot and at the Capital, we have been fortunate indeed to find a spirit of active and enlightened co-operation, not only in questions of law and order, but in those affecting public health, the acquisition of land, the recruitment of our personnel, and many others. Relations between the Company and the Government have been maintained from first to last upon a basis of mutual respect, comprehension, and helpfulness; for this we are very greatly indebted not only to His Highness himself, but to His Excellency the High Commissioner for (Palestine and) Trans-Jordan whose influence (with that of the British Resident in Amman) has always been used on the side of co-operation and support.

We came to Trans-Jordan three years ago as strangers; working together, for month after month of strenuous and exacting work, we found willing helpers and companions; and we remain surrounded, I believe, by sincere friends of proved good-will, from the Palace of His Highness himself down to the humblest tent of fellah and beduin.

At

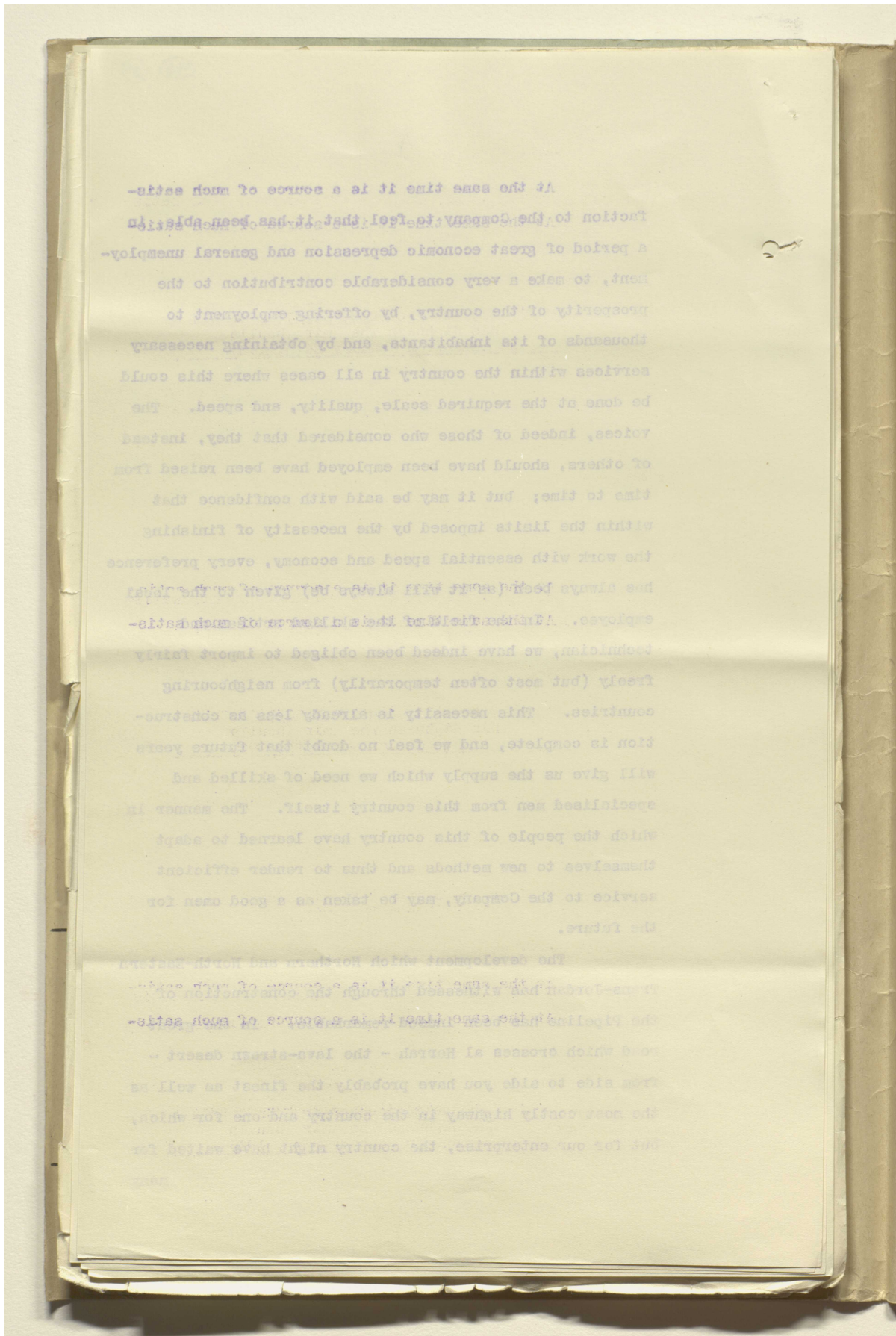
مجموعة ٢١/١٧ "النفط في العراق" [٣٩ ظ] (١٧٨/٧٨)



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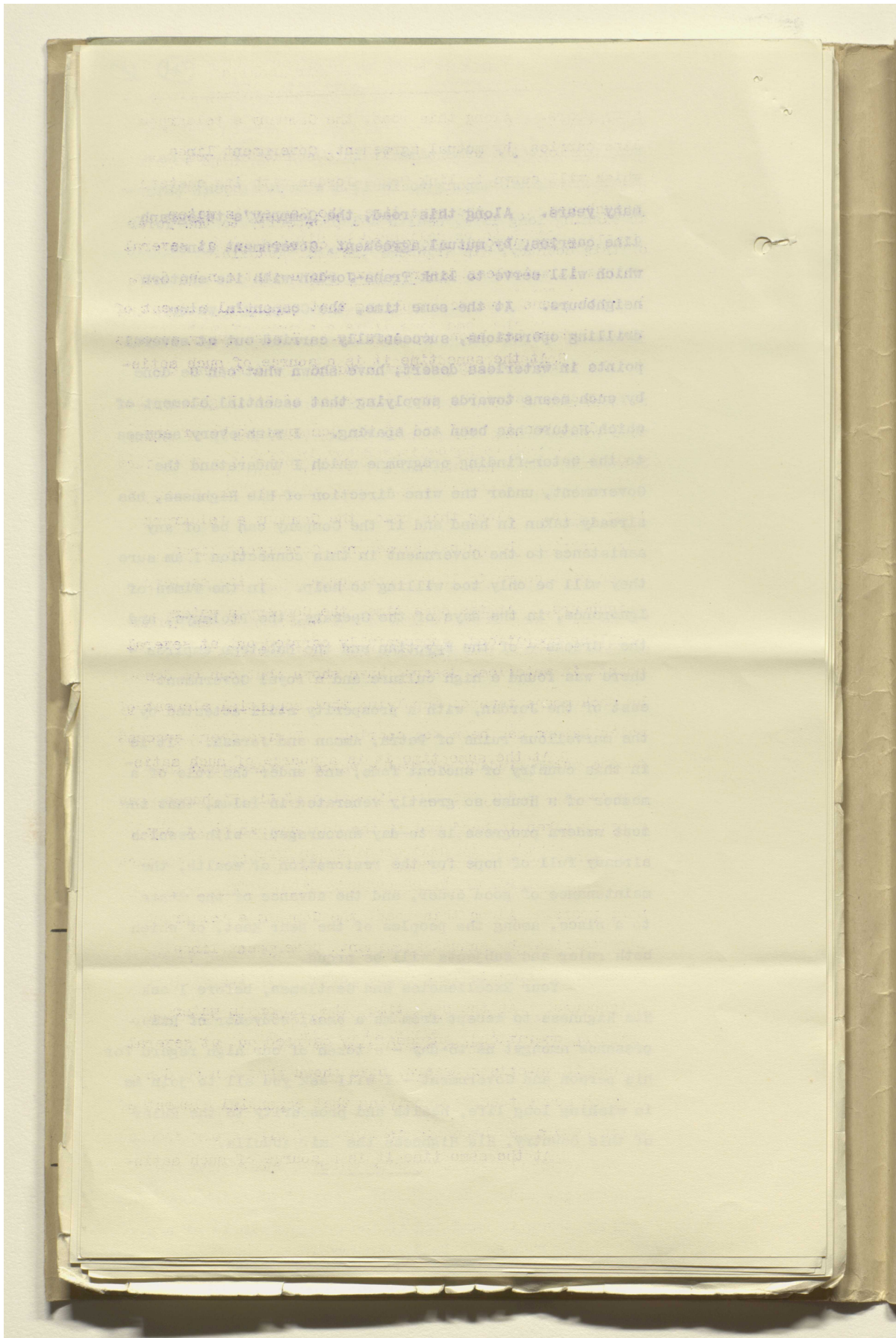
At the same time it is a source of much satisfaction to the Company to feel that it has been able, in a period of great economic depression and general unemployment, to make a very considerable contribution to the prosperity of the country, by offering employment to thousands of its inhabitants, and by obtaining necessary services within the country in all cases where this could be done at the required scale, quality, and speed. The voices, indeed of those who considered that they, instead of others, should have been employed have been raised from time to time; but it may be said with confidence that within the limits imposed by the necessity of finishing the work with essential speed and economy, every preference has always been (as it will always be) given to the local employee. In the field of the skilled artisan and technician, we have indeed been obliged to import fairly freely (but most often temporarily) from neighbouring countries. This necessity is already less as construction is complete, and we feel no doubt that future years will give us the supply which we need of skilled and specialised men from this country itself. The manner in which the people of this country have learned to adapt themselves to new methods and thus to render efficient service to the Company, may be taken as a good omen for the future.

The development which Northern and North-Eastern Trans-Jordan has witnessed through the construction of the Pipeline has been indeed remarkable. In the great road which crosses al Harrah - the lava-strewn desert - from side to side you have probably the finest as well as the most costly highway in the country and one for which, but for our enterprise, the country might have waited for many



many years. Along this road, the Company's telegraph line carries, by mutual agreement, Government lines which will serve to link Trans-Jordan with its eastern neighbours. At the same time, the Company's water drilling operations, successfully carried out at several points in waterless desert, have shown what can be done by such means towards supplying that essential element of which Nature has been too sparing. I wish every success to the water-finding programme which I understand the Government, under the wise direction of His Highness, has already taken in hand and if the Company can be of any assistance to the Government in this connection I am sure they will be only too willing to help. In the Times of Ignorance, in the days of the Caesars, the Ptolemys, and the Greeks - of the Egyptian and the Nabatean empires - there was found a high culture and a royal Government east of the Jordan, with a prosperity still attested by the marvellous ruins of Petra, Amman and Jerash. It is in this country of ancient fame, and under the rule of a member of a House so greatly venerated in Islam, that the most modern progress is to-day encouraged: with results already full of hope for the restoration of wealth, the maintenance of good order, and the advance of the State to a place, among the peoples of the Near East, of which both ruler and subjects will be proud.

Your Excellencies and Gentlemen, before I ask His Highness to accept from me a small souvenir of his presence amongst us to-day - a token of our high regard for his person and Government - I will ask you all to join me in wishing long life, health and prosperity to the Ruler of this country, His Highness the Amir Abdulla.



His Highness The Amir's Speech in Answer to
Sir John Cadman.

Amman Ceremony - 24th January, 1935.

Gentlemen,

I am very pleased to be present with you at this ceremony which is being held for the formal inauguration of the Pipeline.

We have all heard the eloquent speech delivered by Sir John Cadman, the Chairman of the Board of Directors of the Iraq Petroleum Company Limited, regarding this great enterprise which has been accomplished.

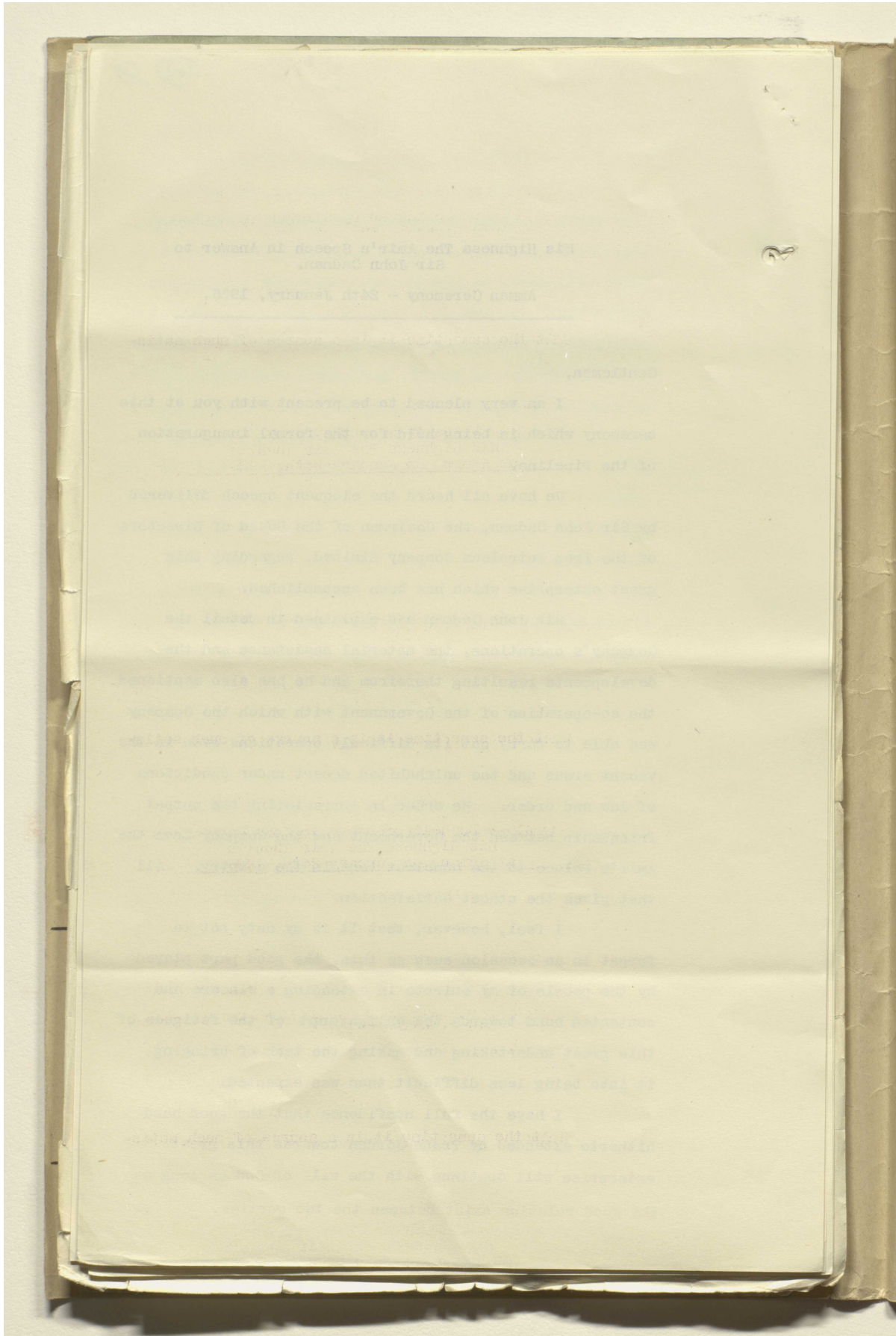
Sir John Cadman has explained in detail the Company's operations, the material assistance and the developments resulting therefrom and he has also mentioned the co-operation of the Government with which the Company was able to carry out its difficult operations even in the vacant areas and the uninhabited desert under conditions of law and order. He ended in appreciating the mutual friendship between the Government and the Company from the Amir's Palace to the humblest tent in the country. All that gives the utmost satisfaction.

I feel, however, that it is my duty not to forget in an occasion such as this, the good part played by the people of my emirate in extending a sincere and contented hand towards the enlightenment of the fatigues of this great undertaking and making the task of bringing it into being less difficult than was expected.

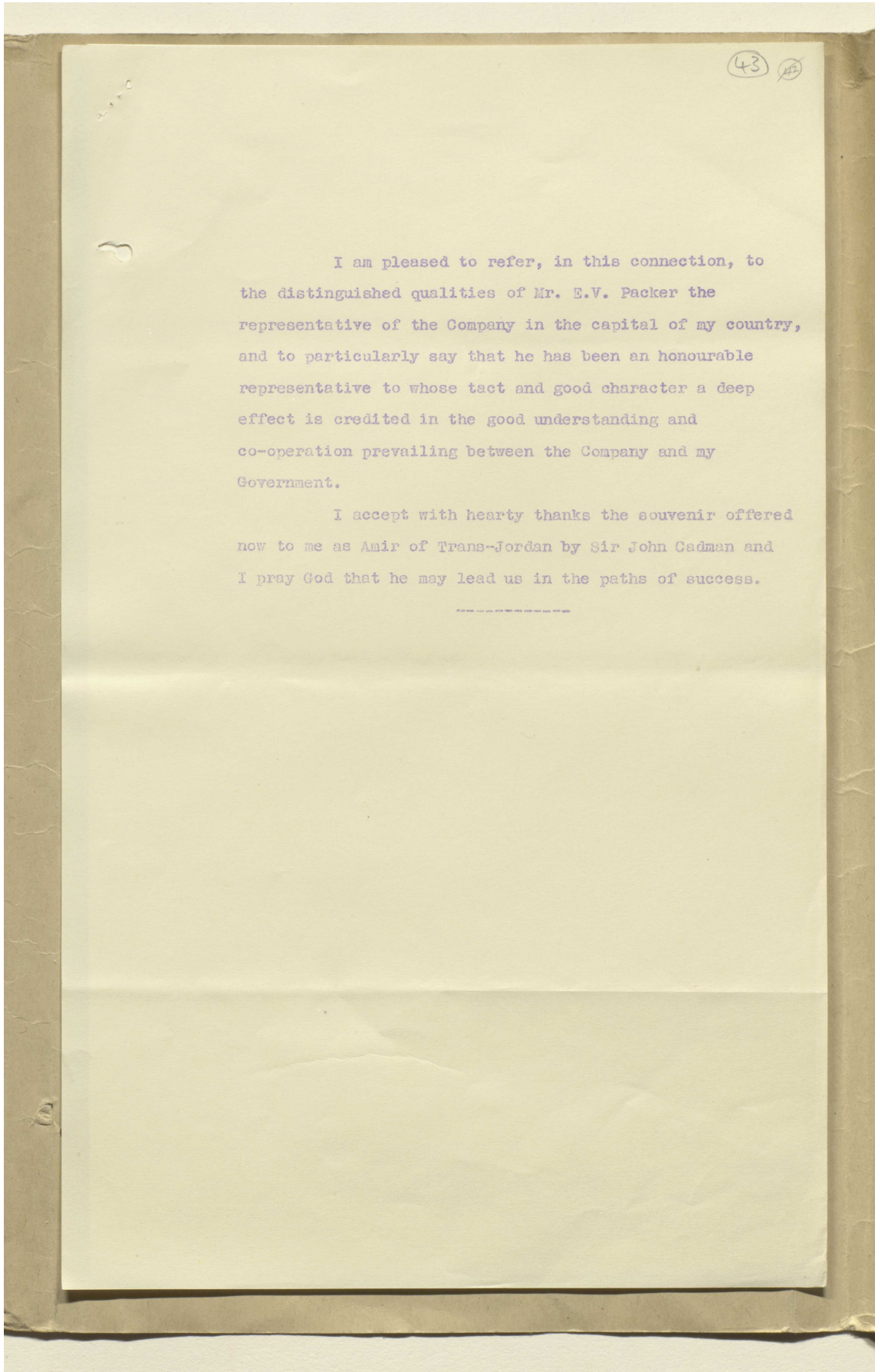
I have the full confidence that the good hand hitherto extended by Trans-Jordan towards this great enterprise will continue with the will of God as long as the good relation exist between the two parties.

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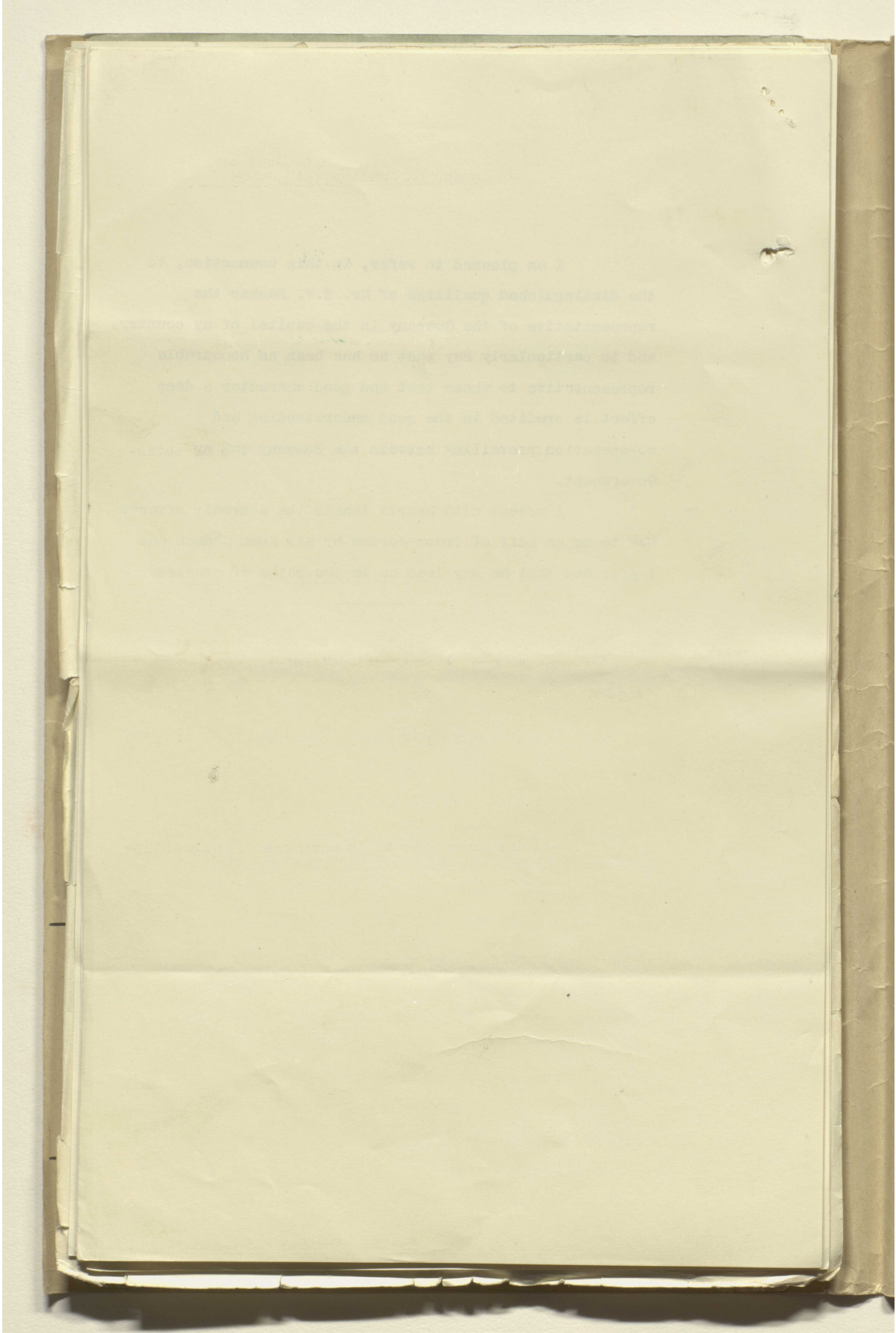
مجموعة ٢١/١٧ "النفط في العراق" [٢٤ ظ] (١٧٨/٨٤)



مجموعة ٢١/١٧ "النفط في العراق" [٣، و] (١٧٨/٨٥)



مجموعة ٢١/١٧ "النفط في العراق" [٣:٤ظ] (١٧٨/٨٦)



مجموعة ٢١/١٧ "النفط في العراق" [٤ و] (١٧٨/٨٧)

(44) (43)

Notes.

Minute Paper.

Register No.
P.Z.
1090/35

SECRET.
POLITICAL DEPARTMENT.

Dated 193
Rec.

	Date.	Initials.	SUBJECT.
To			<u>Oil in Iraq.</u>
Under Secretary	4.2.35	V.A.H.	
Secretary of State...			Official opening of I.P.C.
Committee.....	2. iii	W.S.	pipe-line connecting Kirkuk
Under Secretary....			with Haifa by King Ghazi.
Secretary of State....			

Copy of to

FOR INFORMATION.

Para. 12 of Sir Francis Humphrys' despatch is interesting on the potential output of the Kirkuk oil-field. As regards the Bagdad-Haifa railway project mentioned by the Ambassador, the Committee of Imperial Defence recently decided against proceeding with the scheme at any rate for the present on the grounds that, economically, ~~it~~ ^{the railway} would not be a paying concern, that, while strategically it was desirable, the strategic arguments were not conclusive, and that it would require a somewhat large grant of money from the British Treasury. Sir Francis Humphrys is a strong advocate of the railway. H.E. Grouble 18/2/35

SEEN
POLITICAL COMMITTEE
12 MAR 1935

Previous papers:—

2730 1000 4.34

2730 1000 4.34

مجموعة ٢١/١٧ "النفط في العراق" [٤٤ ظ] (١٧٨/٨٨)

As I remember rightly Sir Francis Humphreys was also an advocate
of British financed railways - Afghanistan -

WHL
12/3

مجموعة ٢١/١٧ "النفط في العراق" [٥٤٠] (١٧٨/٨٩)

INDEXED

In any further communication on this subject, please quote
No. E 624/153/98
and address—not to any person by name, but to—
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

P. Z. 1090 CONFIDENTIAL

India 45 MC

THE Under-Secretary of State for Foreign Affairs presents his
compliments to the Under-Secretary of State for
India and, by direction of the Secretary of State,
transmits herewith copies of the under-mentioned paper.

Foreign Office,
Feb 14, 1935.

Reference to previous correspondence :

Description of Enclosure.

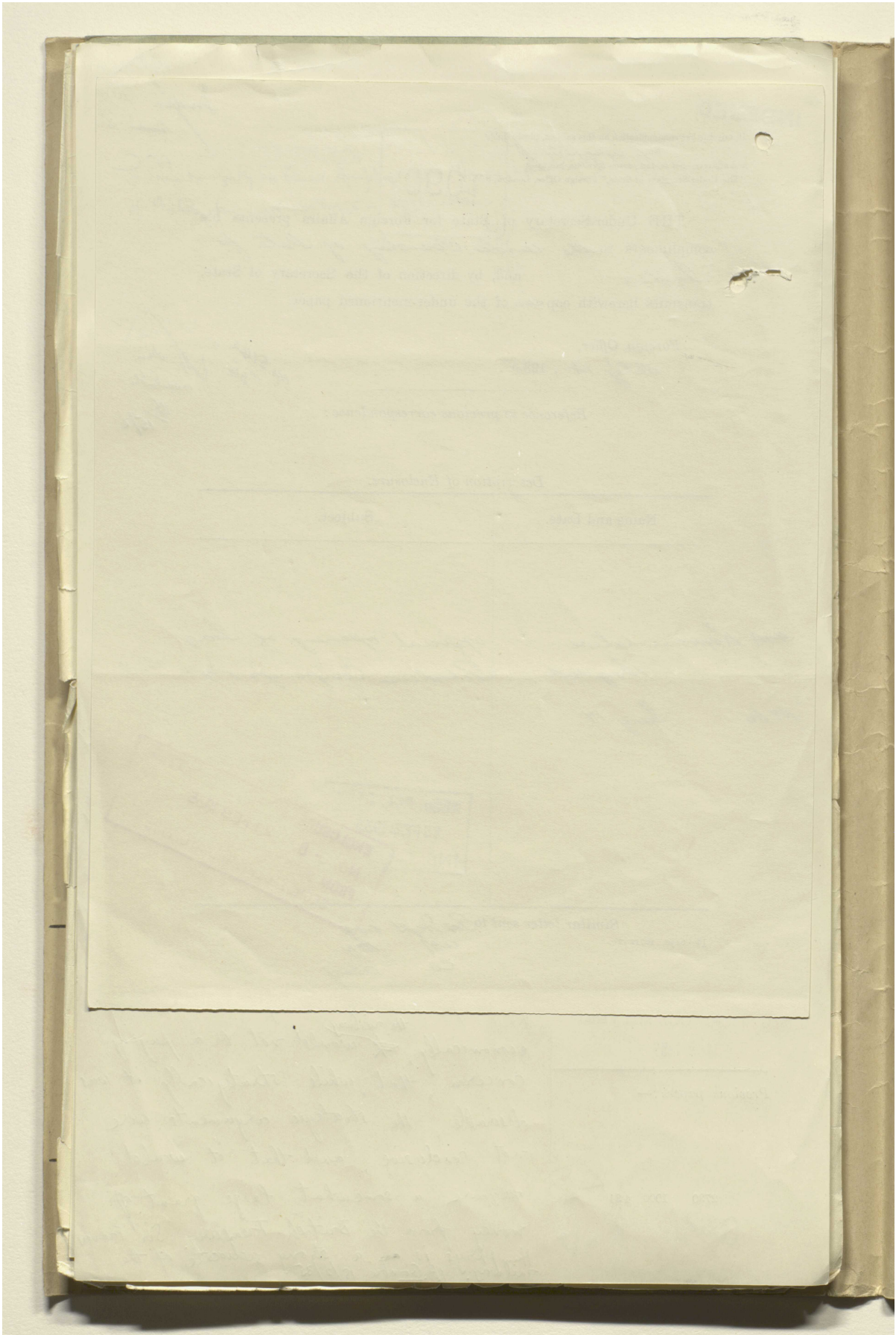
Name and Date.	Subject.
AM Representative Bagdad No 36. Jan. 17.	official opening of Iraq Petroleum Company's pipe line

REGD. POL. DEPT.
15 FEB 1935
IND

ENCLOSURE LETTER
No. 8 21 FEB 1935
FROM SEC.
SECRET DEPT. INDIA OFFICE

Similar letter sent to Per Dept. and
14-6130 10712 (2)
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co aty

مجموعة ٢١/١٧ "النفط في العراق" [٥٤ ظ] (١٧٨/٩٠)



مجموعة ٢١/١٧ "النفط في العراق" [٤٦ و] [١٧٨/٩١]

THIS DOCUMENT IS THE PROPERTY OF HIS BRITANNIC MAJESTY'S GOVERNMENT

EASTERN (IRAQ).

January 28, 1935.

CONFIDENTIAL.

SECTION 1.

[E 624/53/93]

No. 1.

Sir F. Humphrys to Sir John Simon.—(Received January 28.)

(No. 36.)
Sir,

Bagdad, January 17, 1935.

I HAVE the honour to report that the pipe-line of the Iraq Petroleum Company connecting the oil-field at Kirkuk with the Mediterranean port of Haifa was officially opened by His Majesty King Ghazi on the 14th January.

2. A fortnight prior to this event Sir John Cadman had arrived at Bagdad from Abadan to take personal charge of the arrangements for the ceremony; he and Lady Cadman and their two daughters were my guests during their stay in Bagdad, and Sir John was able to make many interesting and useful contacts with the Iraqi politicians, members of the Diplomatic Body, and senior British and Iraqi officials, who were present at the parties which were given at the Embassy in his honour.

3. On the 30th December Sir John paid a flying visit to Tehran in one of the company's aeroplanes to be received in audience by the Shah. On his return journey his machine was unfortunately compelled by bad weather to make a forced landing between Hamadan and Kermanshah. Happily, neither the aeroplane nor its passengers suffered any injury and, after a short delay in Hamadan, Sir John was able to reach Bagdad on the 5th January without further mishap.

4. On the 12th January some thirty-five distinguished guests of the company, the chief of whom was Lord Stanhope, representing His Majesty's Government in the United Kingdom, arrived in Bagdad from Europe in two specially chartered passenger aeroplanes. British oil interests were represented by Major the Honourable Thomas Cochrane, Director of the Anglo-Saxon Petroleum Company, and Lieutenant-Colonel H. R. Medlicott, Deputy-Director of the Anglo-Persian Oil Company. M. Paul Bastid, President of the Foreign Affairs Committee in the French Chamber, and M. Robert Cayrol, director of the Compagnie française des Pétroles, were the principal representatives of France, while Mr. G. H. Siedel, director of the Standard Oil Company of New Jersey, represented the American holding in the company.

5. Lord Stanhope accepted my invitation to stay at the Embassy during his visit, and Colonel and Mrs. Medlicott were the guests of my first secretary. The other members of the party were accommodated in the Maude Hotel, which had been exclusively reserved by the company for this purpose.

6. On the same evening, King Ghazi dined at the Embassy and had an opportunity to exchange views with Lord Stanhope and the other principal British members of the party whose acquaintance His Majesty had particularly desired to make.

7. In all, over 250 guests were invited by the company to attend the opening ceremony, and elaborate arrangements were made for their transport. The majority of the guests from Iraq travelled to and from Kirkuk by a special train, while those who came from Europe made the journey in the aeroplanes in which they had flown to Iraq. Lord Stanhope accompanied me in my private aeroplane. One of the outstanding features of the day was the large part played by air transport, no fewer than fourteen aeroplanes landing on the company's aerodrome at Kirkuk.

8. The ceremony itself is described fully in the enclosed copy of the *Iraq Times*, which also contains the full text of Sir John Cadman's speech and the King's reply.⁽¹⁾ I need only add that the programme was carried out from beginning to end without a hitch and in a manner which does great credit to the efficiency of the company's organisation and personnel. The arrival of His Majesty in one of a flight of five Hart Audax military machines was particularly

⁽¹⁾ Not printed.

impressive, and the manner in which the Iraqi pilots handled these fast machines called forth universal admiration.

9. The next day King Ghazi entertained some of the senior British and foreign guests of the company, and the members of the Iraqi Cabinet, at a banquet at the Qasr-al-Zuhur. Unhappily, the King was overcome by the excessive heating of the dining-room and was obliged to leave the table after the third course. As His Majesty has been in indifferent health lately, and had already carried through a long and tiring programme at Kirkuk, it was considered inadvisable that he should attend the reception at the British Embassy which took place later in the evening. This was unfortunate, as His Majesty particularly wished to bid farewell to the distinguished foreign guests who had participated in the ceremony and were due to leave Bagdad for Syria next morning.

10. On the 16th January Sir John Cadman and his guests left by air for the official opening of the second sector of the line from Haditha to Tripoli.

11. Sir John Cadman may well be satisfied with the unparalleled engineering feat which has been achieved by the Iraq Petroleum Company under his inspiring guidance, and completed without a hitch one whole year earlier than had been thought possible. It is, indeed, a magnificent piece of work which will confer lasting benefits on this country and which should emphasise the identity of the interests of Great Britain and Iraq in future. The friendliness and good-fellowship displayed at the recent ceremonies has afforded welcome proof that responsible Iraqis of all shades of political opinion are proud to be associated with Sir John Cadman and his splendid team of engineers in the successful completion of this remarkable enterprise.

12. Among the most interesting comments by Iraqi statesmen and business men which I heard during the celebrations was the desire that the earliest opportunity should be taken for increasing the output of Iraq oil to the Mediterranean, and I understand that the Kirkuk oil-field, measuring about 51 miles in length and an average of $1\frac{1}{2}$ miles in breadth, which is probably the largest structure of its kind in the world, would be capable of exporting not less than 20 million tons of oil annually, if markets could be found for such a quantity. In any case, it seems safe to assume that additional pipe-lines will have to be constructed to the Mediterranean in the not far distant future, and I need not emphasise the effect which a railway from Bagdad to Haifa would have in determining the direction of future pipe-lines from the point of bifurcation at Haditha. It is significant that Yasin Pasha informed me at the opening ceremony that Iraqis would much prefer that these additional pipe-lines should go to Haifa rather than to Tripoli. The extra distance of about 90 miles, however, which is involved by choosing the Haifa route must weigh heavily with the company unless some cheaper means of transport can be provided as a set-off against the extra cost of the pipes.

13. I am sending copies of this despatch to His Majesty's Minister at Tehran, the High Commissioner for Palestine, His Majesty's consul-general at Beirut and the Department of Overseas Trade.

I have, &c.

F. H. HUMPHRYS.

مجموعة ٢١/١٧ "النفط في العراق" [٧٤٠] (١٧٨/٩٣)

(47) ٤٥

Notes.

Minute Paper.

Register No.
P. Z.
880/35

SECRET.
POLITICAL DEPARTMENT.

Dated 193
Rec.

	Date.	Initials.	SUBJECT.
To			<u>Oil in Iraq.</u>
Under Secretary	11. 2.	...	
Secretary of State...			
Committee.....	13	W	Payment of oil royalties to
Under Secretary.....			Iraqi Govt.
Secretary of State...			

Copy of to

FOR INFORMATION.

The I.P.C. duly paid ~~the~~ the amount owing to the Iraqi Govt. in respect of royalties on 1st Jan. this year but the B.O.D. Coy. have again failed to pay up on 1st Jan. They have three months' grace in which to make the payment. It will be remembered that last year the British group in the B.O.D. were unable to put up their share of the money and that the Italian group, who supplied the necessary resources, thus secured the majority holding in the Company. (P.Z. 4484/34)

SEEN
POLITICAL COMMITTEE

Previous papers:—

2730 1000 4.34

8/2/35 in financial position

مجموعة ٢١/١٧ "النفط في العراق" [٧٤/١٧٨]

of the T.B.O.D. is of indirect interest to us in connection with the efforts of traders, etc. (individual members of which office to be closely connected with the T.B.O.D.) to obtain an oil concession for Kuwait. The Kuwait oil Co., who finally obtained the concession, representing as they do the A.P.O.C. and the Gulf Oil of Pennsylvania are in a very strong financial position & good for ~~the~~ financial engagements into which they have entered; ~~and~~ while there wd. always have been the risk with traders (unless they obtained additional support ~~from~~ ~~some~~ additional to that disclosed to us) that they might, ~~if~~ if they failed to secure a market for their oil, or developed it on unsound lines, have found themselves in the same embarrassments as regards payments under their contract with the Sheikh & the T.B.O.D. have experienced in the last two years.

P. A. Leitch

11.11.35

The constituents of the Kuwait oil Co. are more likely to make a good job of their concession than the parties backing Traders Ltd.

SEEN
POLITICAL COMMITTEE.

18 FEB 1935

camp

RR

10/2

11.11.35

مجموعة ٢١/١٧ "النفط في العراق" [٨ و] (١٧٨/٩٥)

INDEXED

In any further communication on this subject, please quote
No. E 432/432/93.
and address—not to any person by name, but to—
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

880 CONFIDENTIAL

THE Under-Secretary of State for Foreign Affairs presents his
compliments to the Under Secretary of State for
India and, by direction of the Secretary of State,
transmits herewith copies of the under-mentioned paper.

Foreign Office,
6 Feb, 1935.

Reference to previous correspondence: / 602/34.

F.O. letter E 326/326/93 of 25 Jan 1934

Description of Enclosure.

Name and Date.	Subject.
M. H. Representative Bagdad 20 Jan.	Payment to Iraqi Govt. by oil companies.

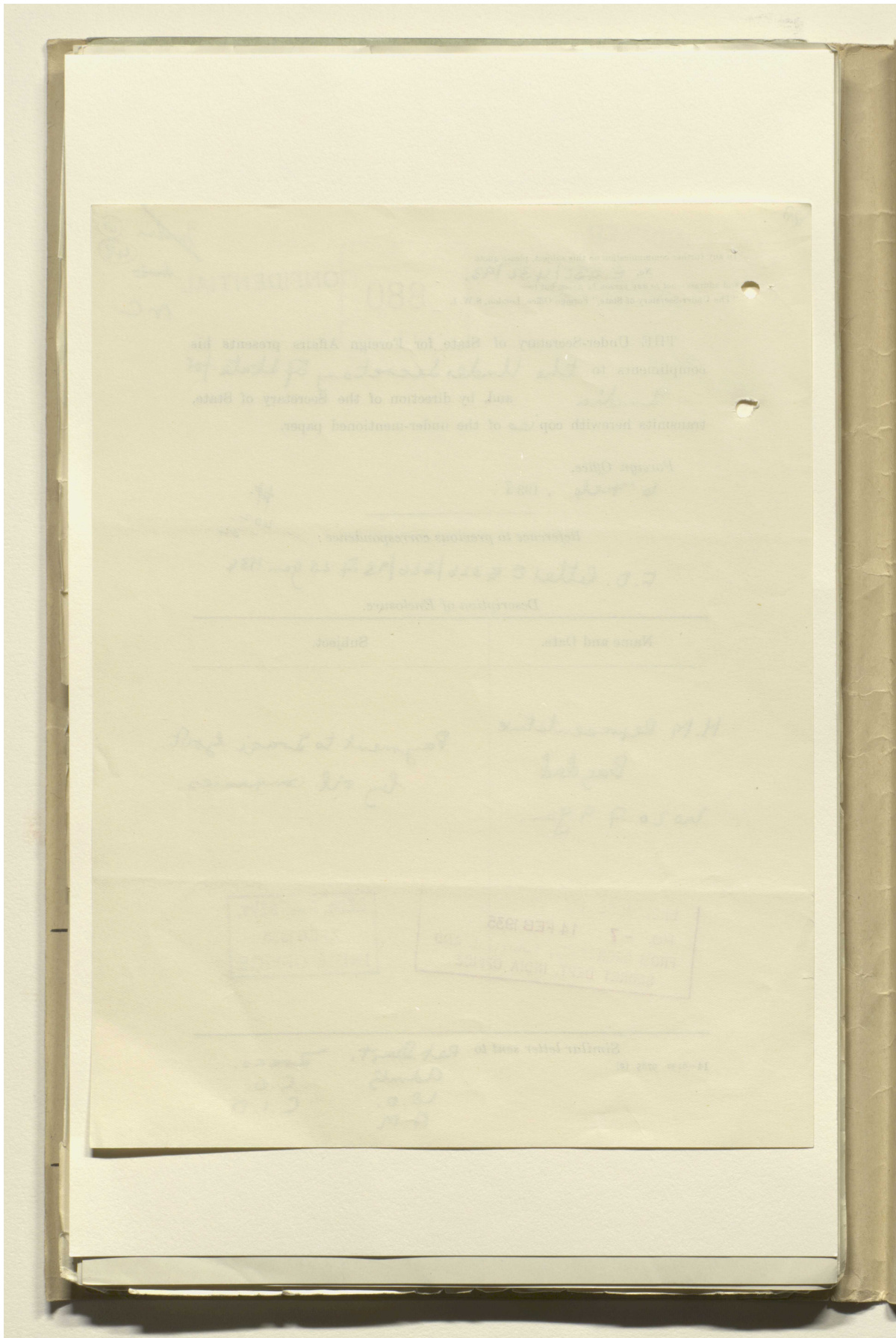
ENCLOSURE III WEEKLY LETTER
NO. - 7 14 FEB 1935
FROM SECRETARY, POLITICAL AND
SECRET DEPT. INDIA OFFICE

REC'D. POL. DEPT.
7 FEB 1935
INDIA OFFICE

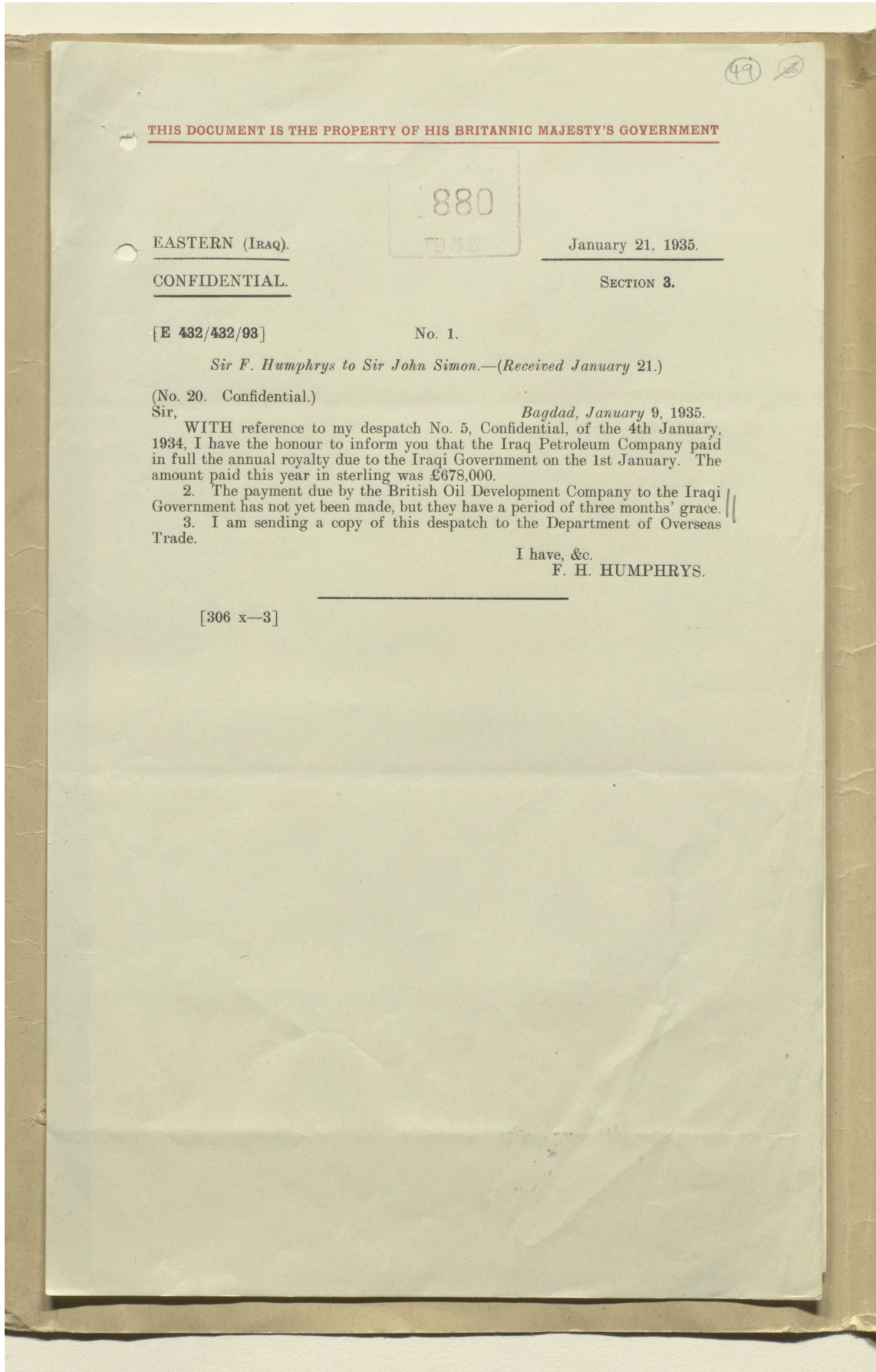
Similar letter sent to 14-6130 9785 (2)

Ref. Dept. Treas.
Adm. C.O.
W.O. C.I.D.
A.M.

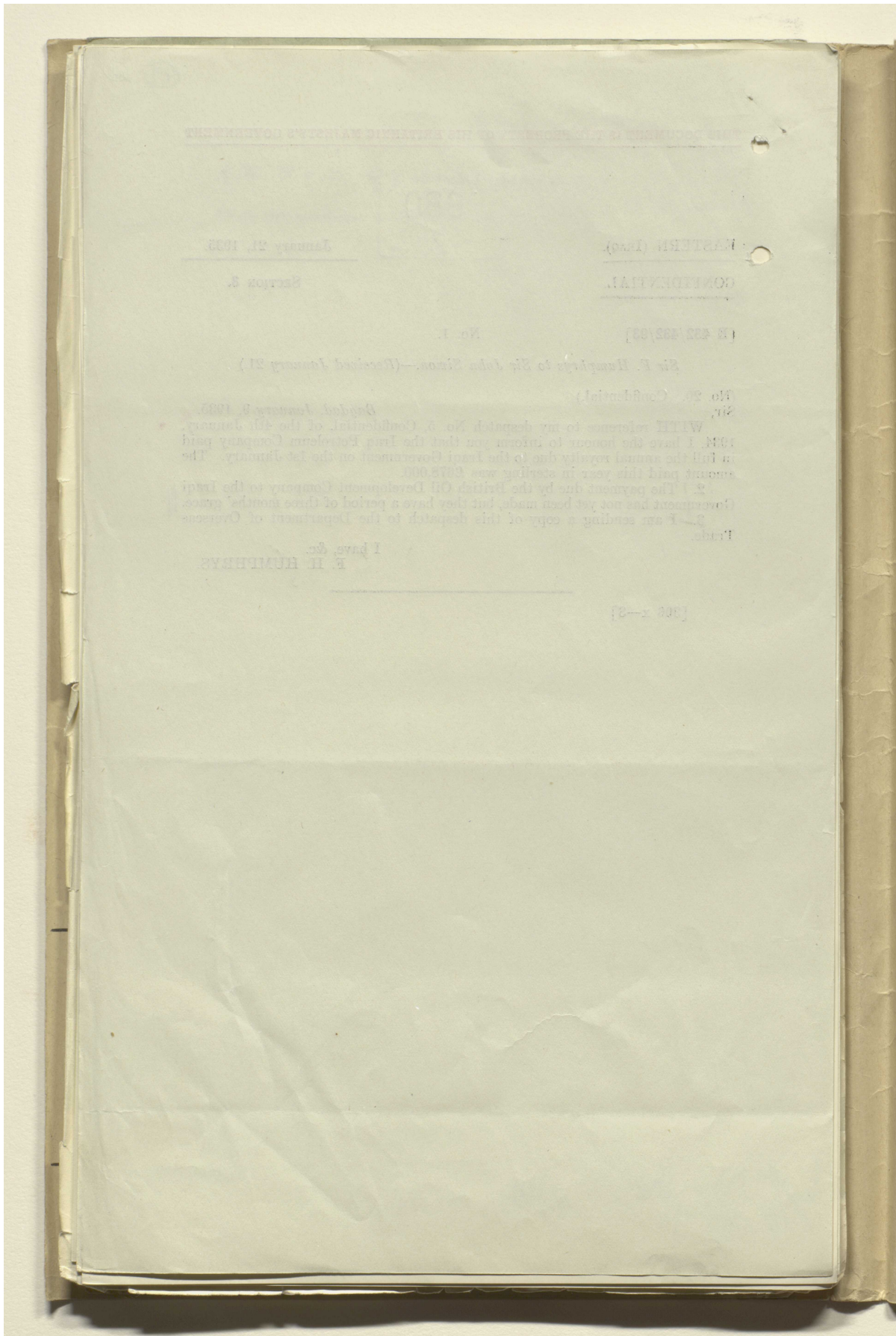
مجموعة ٢١/١٧ "النفط في العراق" [٨٤٨] (١٧٨/٩٦)



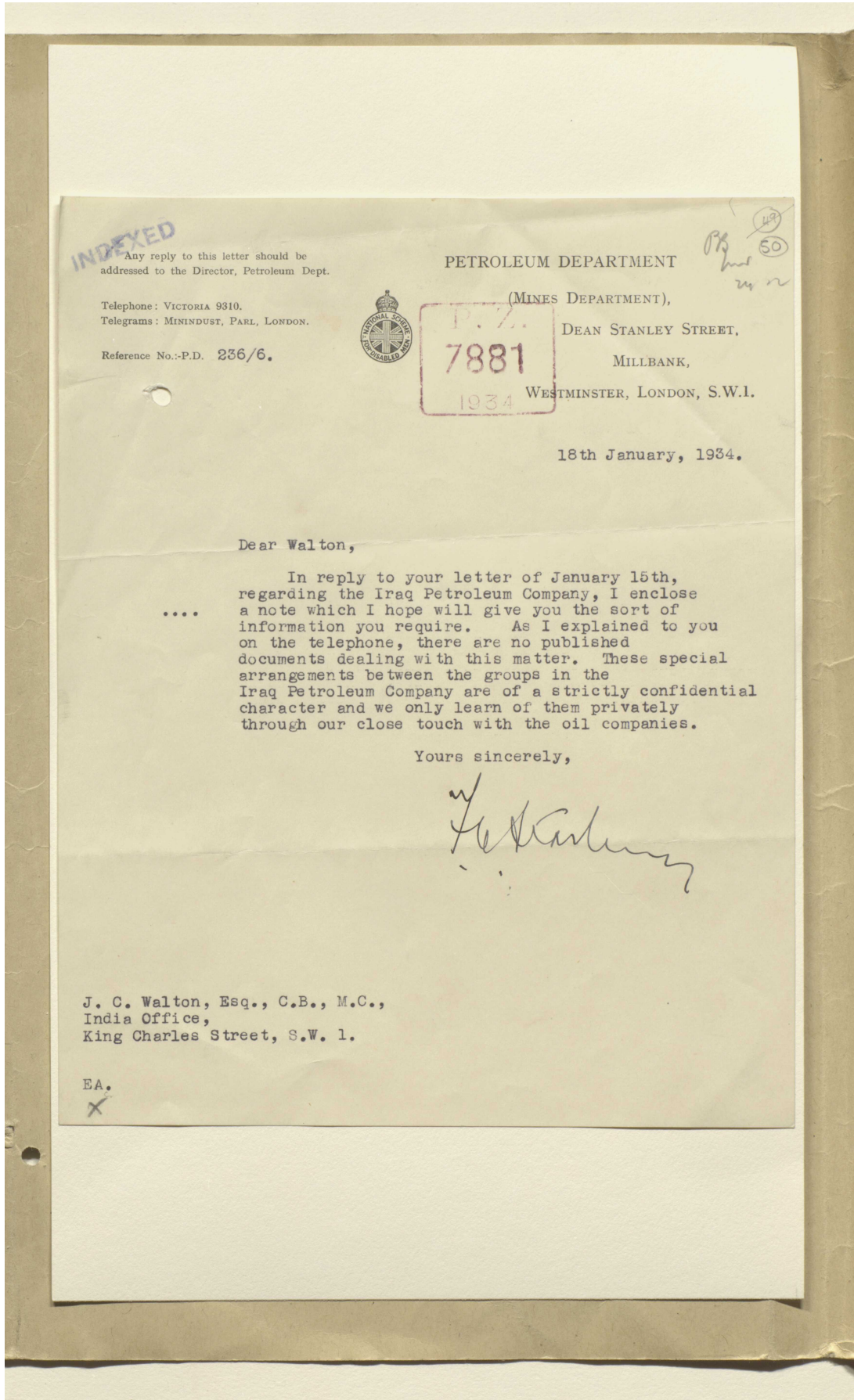
مجموعة ٢١/١٧ "النفط في العراق" [٩٤و] (١٧٨/٩٧)



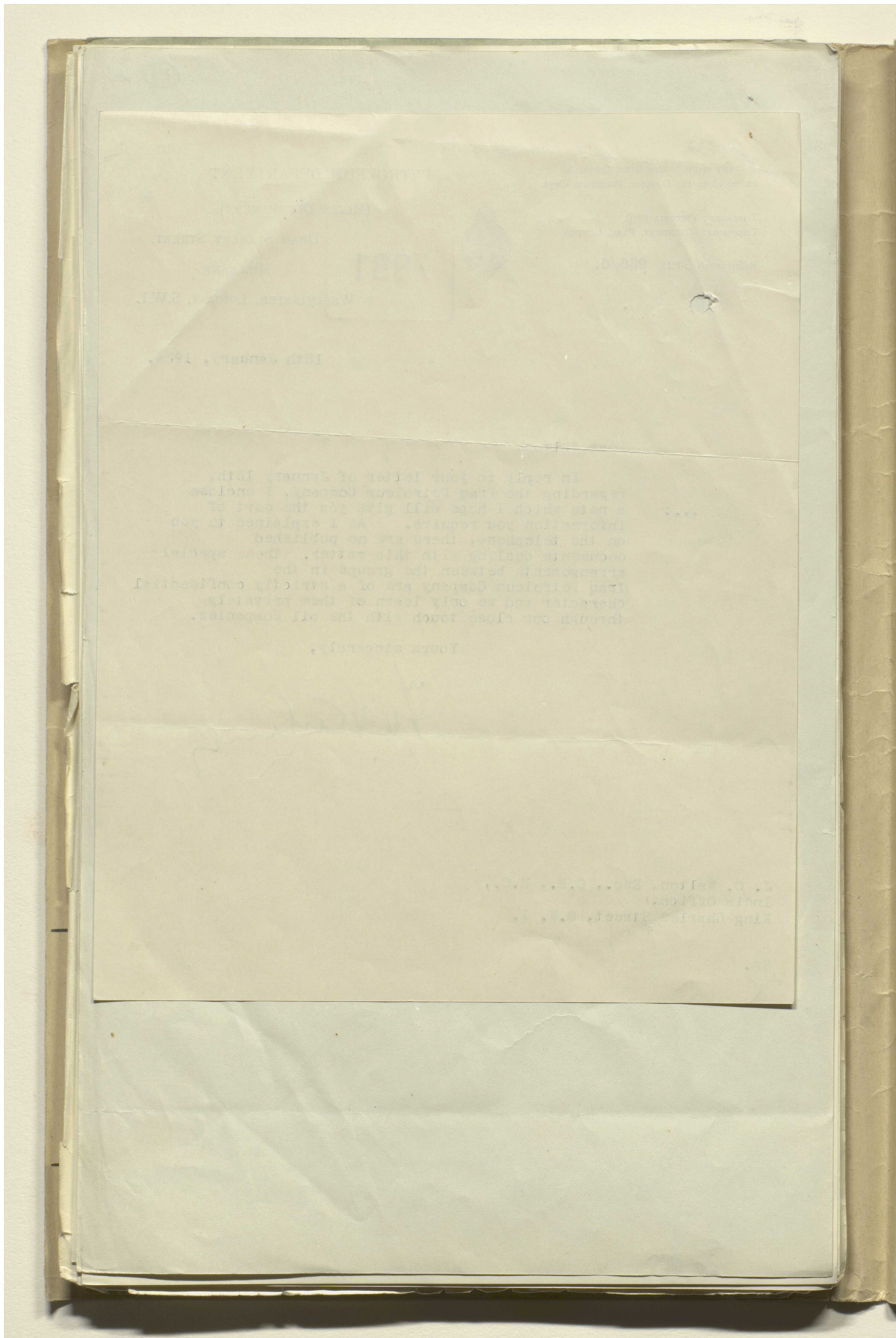
مجموعة ٢١/١٧ "النفط في العراق" [٩٤٩] (١٧٨/٩٨)



مجموعة ٢١/١٧ "النفط في العراق" [٥٠] [١٧٨/٩٩]



مجموعة ٢١/١٧ "النفط في العراق" [٥٠ ظ] (١٧٨/١٠٠)



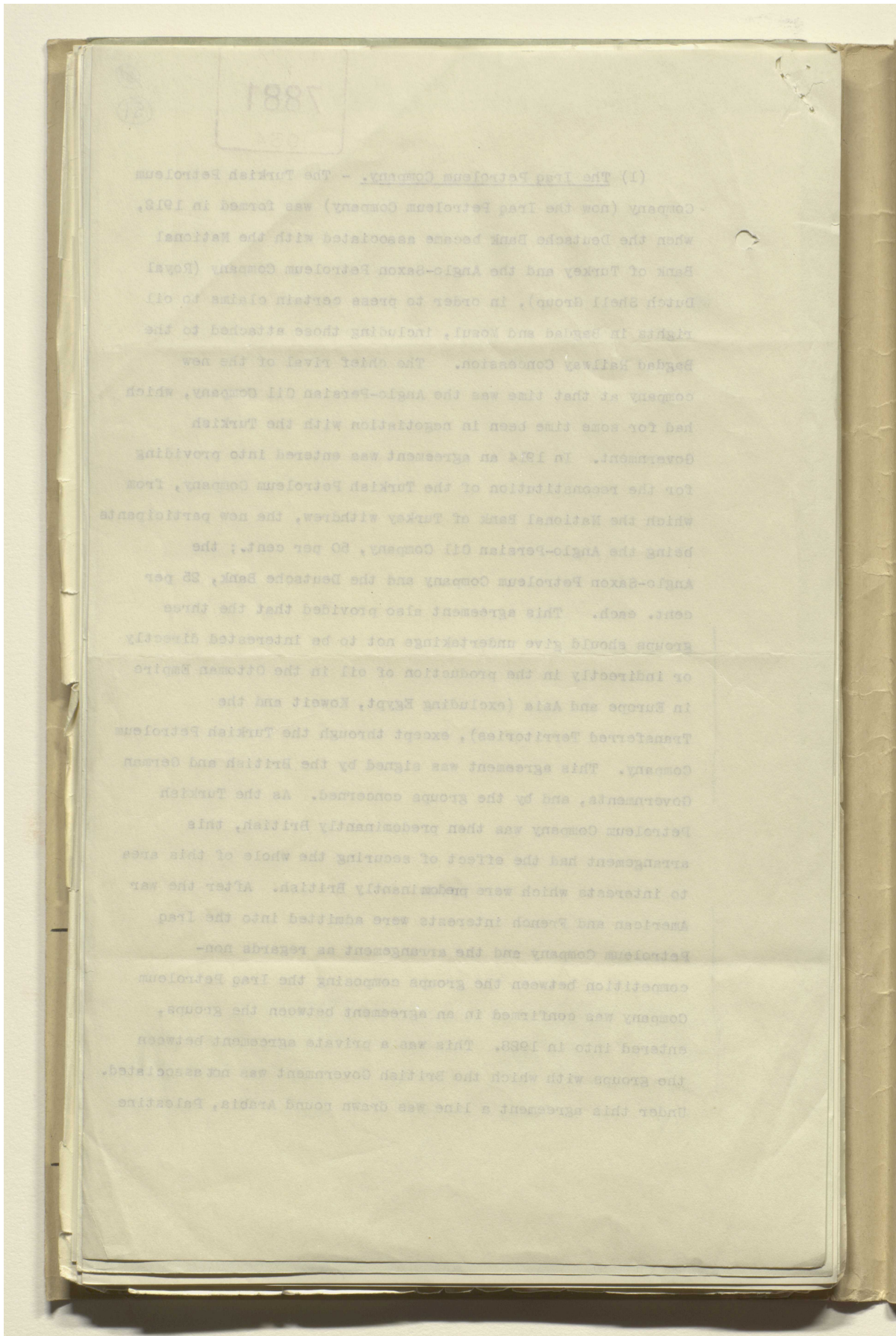
مجموعة ٢١/١٧ "النفط في العراق" [٥١] (١٧٨/١٠١)

P. Z.
7881
1934

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(1) The Iraq Petroleum Company. - The Turkish Petroleum Company (now the Iraq Petroleum Company) was formed in 1912, when the Deutsche Bank became associated with the National Bank of Turkey and the Anglo-Saxon Petroleum Company (Royal Dutch Shell Group), in order to press certain claims to oil rights in Bagdad and Mosul, including those attached to the Bagdad Railway Concession. The chief rival of the new company at that time was the Anglo-Persian Oil Company, which had for some time been in negotiation with the Turkish Government. In 1914 an agreement was entered into providing for the reconstitution of the Turkish Petroleum Company, from which the National Bank of Turkey withdrew, the new participants being the Anglo-Persian Oil Company, 50 per cent.; the Anglo-Saxon Petroleum Company and the Deutsche Bank, 25 per cent. each. This agreement also provided that the three groups should give undertakings not to be interested directly or indirectly in the production of oil in the Ottoman Empire in Europe and Asia (excluding Egypt, Koweit and the Transferred Territories), except through the Turkish Petroleum Company. This agreement was signed by the British and German Governments, and by the groups concerned. As the Turkish Petroleum Company was then predominantly British, this arrangement had the effect of securing the whole of this area to interests which were predominantly British. After the war American and French interests were admitted into the Iraq Petroleum Company and the arrangement as regards non-competition between the groups composing the Iraq Petroleum Company was confirmed in an agreement between the groups, entered into in 1928. This was a private agreement between the groups with which the British Government was not associated. Under this agreement a line was drawn round Arabia, Palestine

مجموعة ٢١/١٧ "النفط في العراق" [٥١ ظ] (١٧٨/١٠٢)



مجموعة ٢١/١٧ "النفط في العراق" [٥٢و] (١٧٨/١٠٣)

-2-

and Asia Minor, which excluded the Sultanate of Koweit and the Farsan Islands, but included Bahrein, and an area was thus defined within which the various groups constituting the Iraq Petroleum Company agreed that they would not seek for or obtain oil concessions otherwise than through the Iraq Petroleum Company or its nominee.

On the admission of French and American interests the share capital of the Iraq Petroleum Company was distributed as follows:-

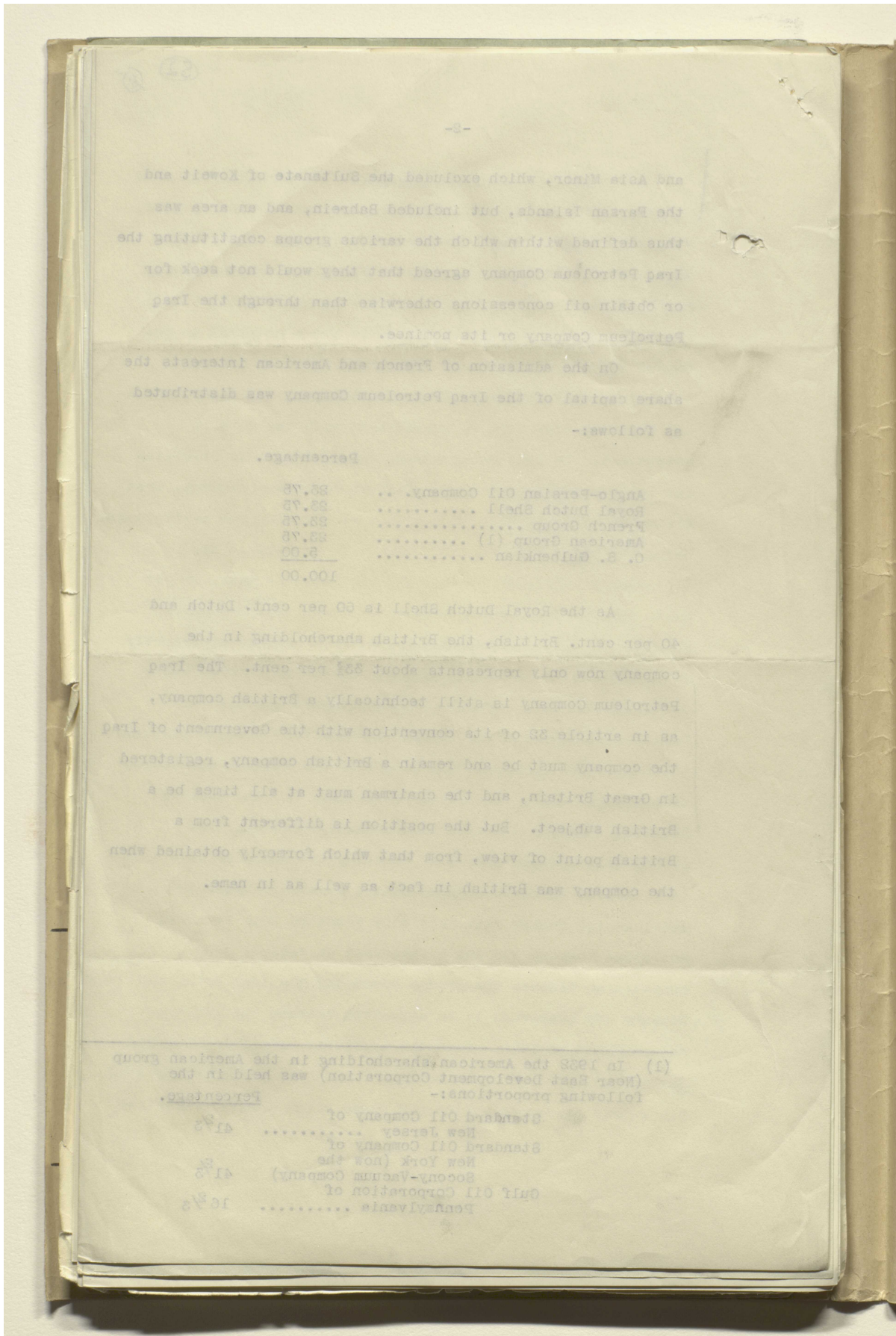
	Percentage.
Anglo-Persian Oil Company. . .	23.75
Royal Dutch Shell	23.75
French Group	23.75
American Group (1)	23.75
C. S. Gulbenkian	5.00
	100.00

As the Royal Dutch Shell is 60 per cent. Dutch and 40 per cent. British, the British shareholding in the company now only represents about 33 $\frac{1}{3}$ per cent. The Iraq Petroleum Company is still technically a British company, as in article 32 of its convention with the Government of Iraq the company must be and remain a British company, registered in Great Britain, and the chairman must at all times be a British subject. But the position is different from a British point of view, from that which formerly obtained when the company was British in fact as well as in name.

(1) In 1932 the American shareholding in the American group (Near East Development Corporation) was held in the following proportions:-

	Percentage.
Standard Oil Company of New Jersey	41 $\frac{2}{3}$
Standard Oil Company of New York (now the Socony-Vacuum Company)	41 $\frac{2}{3}$
Gulf Oil Corporation of Pennsylvania	16 $\frac{2}{3}$

مجموعة ٢١/١٧ "النفط في العراق" [٢٥٢ ظ] (١٧٨/١٠٤)



مجموعة ٢١/١٧ "النفط في العراق" [٥٣] (١٧٨/١٠٥)

٤٥

In any further communication on this subject, please quote
No. E. 6092/1752/93.
and address - not to any person by name, but to -
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

INDEXED

P. Z.
6520

THE Under-Secretary of State for Foreign Affairs presents his
compliments to the Under Secretary of State for
India and, by direction of the Secretary of State,
transmits herewith copies of the under-mentioned paper.

Foreign Office,
18 Oct. , 1934.

Reference to previous correspondence :
F.O. letter E 3516/1752/93 of 7 July 26

Description of Enclosure.

Name and Date.	Subject.
H.M. Representative Bagdad no 558 of 20 Sept.	Drilling operations of B.O. & Co.

ENCLOSURE IN WEEKLY LETTER
NO. 43 25 OCT 1934
FROM SECRETARY, FOREIGN AND
SECRET DEPT. INDIA OFFICE

MAILS BRANCH
19 OCT 1934
INDIA OFFICE

MAILS BRANCH
19 OCT 1934
INDIA OFFICE

Similar letter sent to
14-6130 10292 (2)

Ext. Dept.
admtg
B.O.T.

A.M.
W.O.
Treas.

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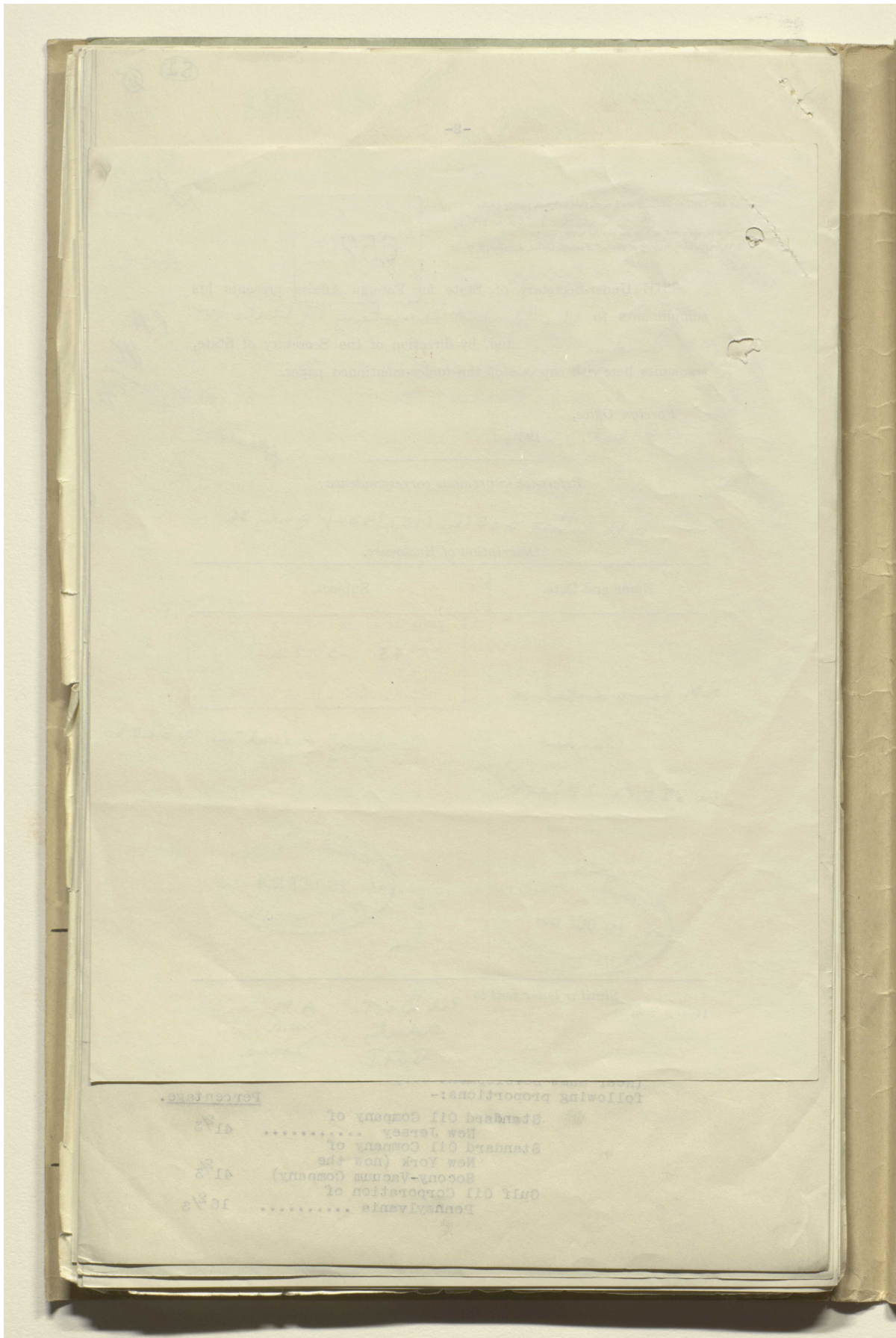
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١٠٠

مجموعة ٢١/١٧ "النفط في العراق" [٥٣ظ] (١٧٨/١٠٦)

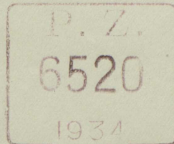


مجموعة ٢١/١٧ "النفط في العراق" [٤٥] (١٧٨/١٠٧)

THIS DOCUMENT IS THE PROPERTY OF HIS BRITANNIC MAJESTY'S GOVERNMENT

EASTERN (Iraq).

CONFIDENTIAL.



October 1, 1934

SECTION 6.

[E 6097/1752/93]

No. 1.

Mr. Ogilvie-Forbes to Sir John Simon.—(Received October 1.)

(No. 558.)

Bagdad, September 20, 1934.

Sir,

IN his despatch No. 257 of the 9th May, His Majesty's Ambassador transmitted copy of the drilling return of the British Oil Development Company for the month of April. Owing to the absence on leave of the company's local manager and the unwillingness of his substitute to supply this information without specific authority, I have been unable to obtain copies of similar monthly returns since that date, but I have now received from the acting British consul at Mosul a report on the present stage of the company's undertaking.

2. At Qaiyarah, the headquarters of the oil-fields, there are three wells. No. 1 was drilled by the Germans during the war, and is still exploited to produce bitumen for sale to the Public Works Departments, who are now erecting a small refinery close to the British Oil Development Company's camp for refining the bitumen. No. 2 was drilled about 1928 by the Iraq Petroleum Company in the course of their prospecting, and has been filled up, and would need redrilling to exploit. No. 3 was drilled by the British Oil Development Company, and is mudded down.

3. Other wells are being or have been drilled at various points lying west of the Tigris, within a radius of some 35 miles of Qaiyarah. Of the three wells at Najmah, No. 1 is complete and mudded down; No. 2 is being drilled by percussion, and is all but complete and ready to "come in" any day; No. 3 is being drilled by American rotary drill (Sullivan type), and has reached a depth of 800 feet, or approximately two-thirds of the depth anticipated to be required.

4. At Jawan are one well and two projected wells. No. 1 is being drilled by percussion, and is half drilled. Of the remaining two, one is being prepared for the erection of a large German rotary drill, and has got as far as concrete platforms and about one storey of the derrick; while the other is being prepared for percussion drill, and has got as far as concrete platforms.

5. At Habbarah, an emplacement is being prepared for a large German rotary drill similar to that at Jawan, and has reached about the same stage.

6. At Sadid, another emplacement for a German rotary drill is being put up.

7. A well was completed last winter at Mishrak, but though the geological indications were all correct, the oil had disappeared, probably through centuries of seepage, and the well is being demolished.

8. The German drilling machinery is from Hanell and Lue, Dusseldorf, and the firm, being under guarantee, is sending out selected German drillers to work it. Two or three have arrived, and the remainder, to the number of thirteen, are expected soon.

9. The company have not shown much activity in the direction of building or road-making. This is but prudent at this early stage of their operations. No information is available at present as to the prospects of marketable oil being found in commercial quantities, but I hope to be able to report on this point shortly.

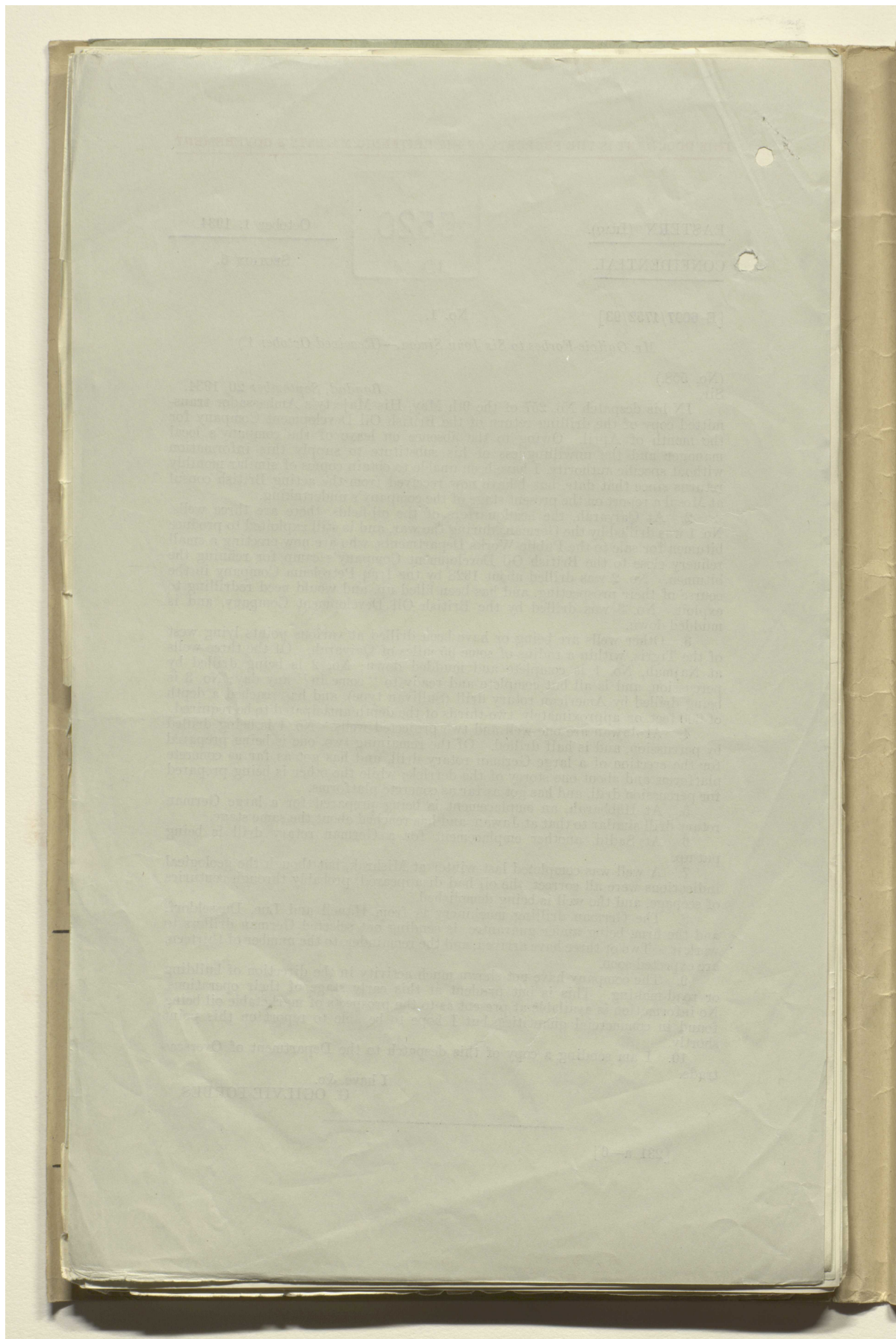
10. I am sending a copy of this despatch to the Department of Overseas trade.

I have, &c.

G. OGILVIE-FORBES.

[231 a—6]

مجموعة ٢١/١٧ "النفط في العراق" [٤٥٤ هـ] (١٧٨/١٠٨)



مجموعة ٢١/١٧ "النفط في العراق" [٥٥] (١٧٨/١٠٩)

هذه الصفحة لا يمكن إتاحتها نظراً لضوابط متعلقة بحقوق النشر أو حماية البيانات.

مجموعة ٢١/١٧ "النفط في العراق" [٥٥ظ] (١٧٨/١١٠)

هذه الصفحة لا يمكن إتاحتها نظراً لضوابط متعلقة بحقوق النشر أو حماية البيانات.

مجموعة ٢١/١٧ "النفط في العراق" [٥٦] (١٧٨/١١١)

(56) (58)

Notes.

Register No.
P. Z.
5142/34

Minute Paper.

SECRET.
POLITICAL DEPARTMENT.

Dated 193 .
Rec.

	Date.	Initials.	SUBJECT.
To			
Under Secretary	11.8.		<i>Iraq Petroleum Company.</i>
Secretary of State...			
Committee.....	13.8		<i>Official opening of pipe-line</i>
Under Secretary....			<i>at Tripoli (Syria).</i>
Secretary of State...			

Copy of to

FOR INFORMATION.

As already reported in the press the first oil from the I.P.C. fields in Iraq arrived via the pipe-line at Tripoli on 14th July. Presumably both sections of the pipe-line (in Syria & in Palestine) will soon be in regular use.

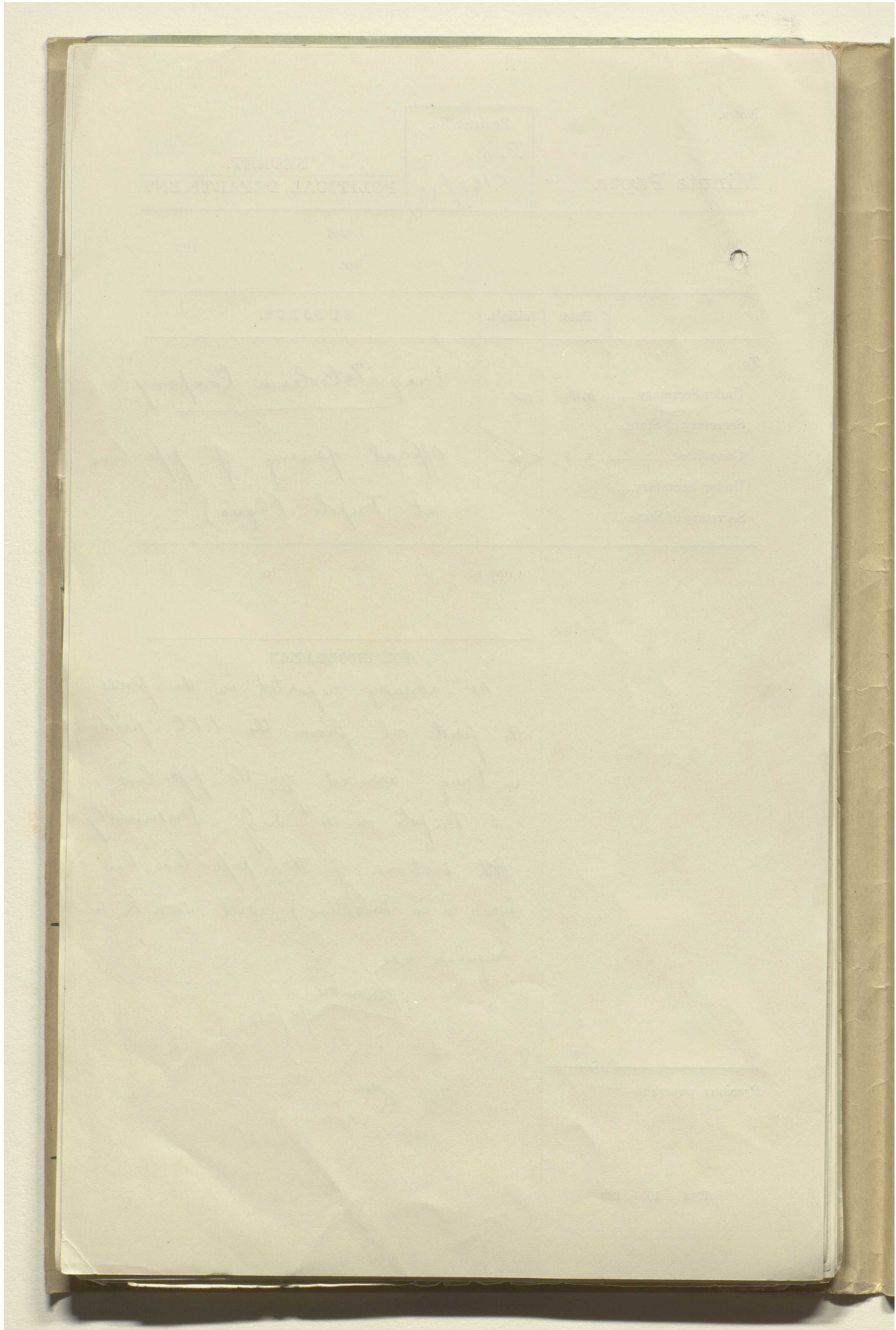
H. Brombi
10/8/34

Previous papers :—

1743 1000 3.33

SEEN
POLITICAL COMMITTEE
14 AUG 1934

مجموعة ٢١/١٧ "النفط في العراق" [٥٦ظ] (١٧٨/١١٢)



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INDEXED

In any further communication on this subject, please quote
No. E 4999/194/93.
and address—not to any person by name, but to—
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

P.Z.
5142

India (56)
India (57)
hvc

THE Under-Secretary of State for Foreign Affairs presents his
compliments to *the Under Secretary of State for*
India and, by direction of the Secretary of State,
transmits herewith copies of the under-mentioned paper.

Foreign Office,
7 Aug, 1934.

Reference to previous correspondence:

F.O. Letter E 7441/736/93 of Dec 18, 1933.

Description of Enclosure.

Name and Date.	Subject.
H. M. Consul General Beirut notes of 24 July	I.P.C. pipe line to Mediterranean

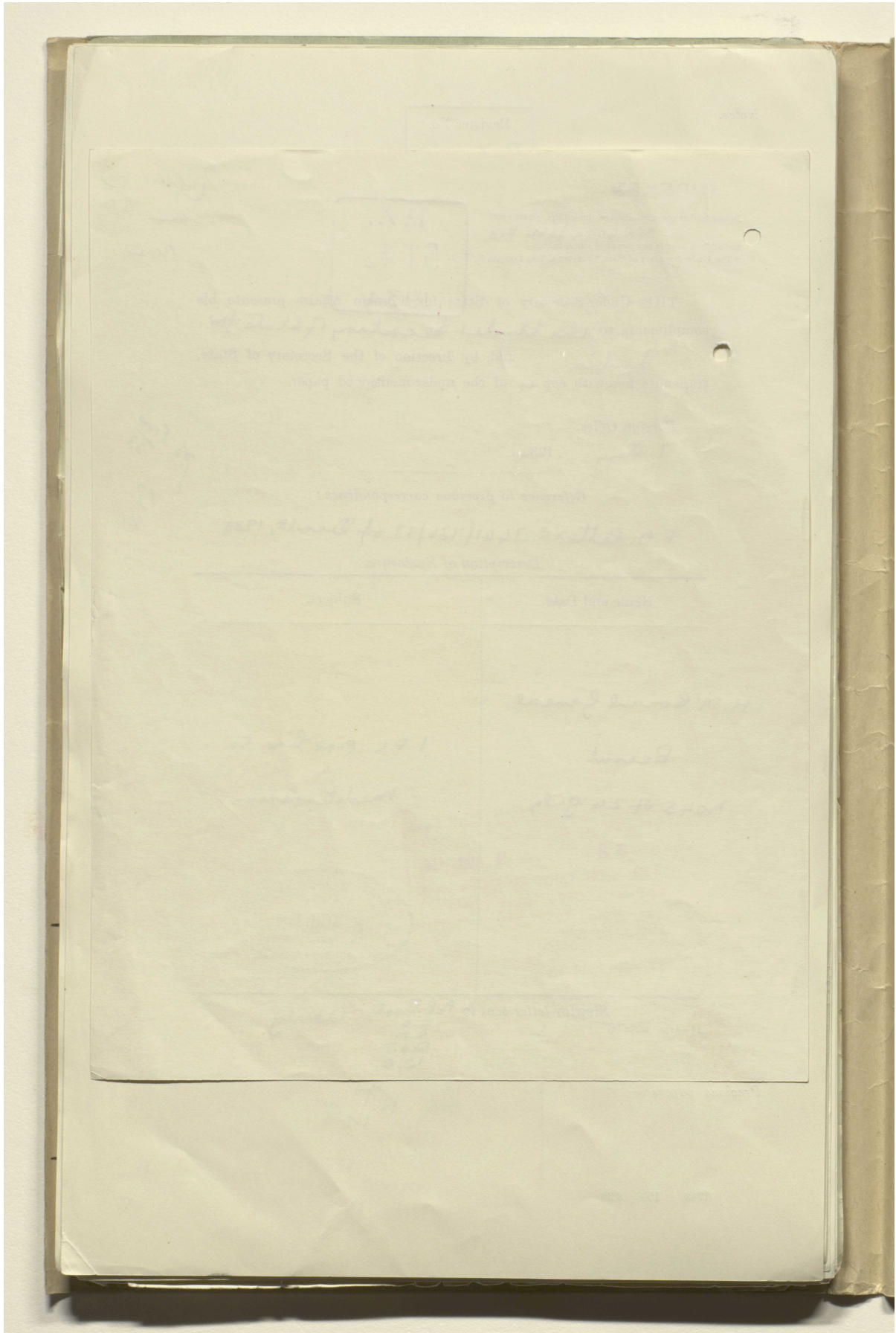
ENCLOSURE IN WEEKLY LETTER
NO. 32
9 AUG 1934
FROM SECRETARY, POLITICAL AND
SECRET DEPT. INDIA OFFICE

MAILS BRANCH
8 AUG 1934
INDIA OFFICE

Similar letter sent to *Pet. Dept. Admty*
C.O.
A.M.
D.O.T.
W.O.

14-6130 10292 (2)

مجموعة ٢١/١٧ "النفط في العراق" [٥٧ظ] (١٧٨/١١٤)



مجموعة ٢١/١٧ "النفط في العراق" [٥٨و] (١٧٨/١١٥)

COPY
(E 4999/194/93)
GTH/MP
N 45
1037/44/34

P.Z.
5142
1934

H.B.M. Consulate General,
Beirut, 24th July, 1934.

Sir,

I have the honour to inform you that the first oil from the Iraq Petroleum Company's fields in Iraq arrived through the pipe-line at Tripoli on the evening of 14th July.

2. On the 18th July the French High Commissioner visited Tripoli to be present at the official opening of the pipe-line.

3. It is stated that the first oil tanker will arrive at Tripoli on or about the 7th August.

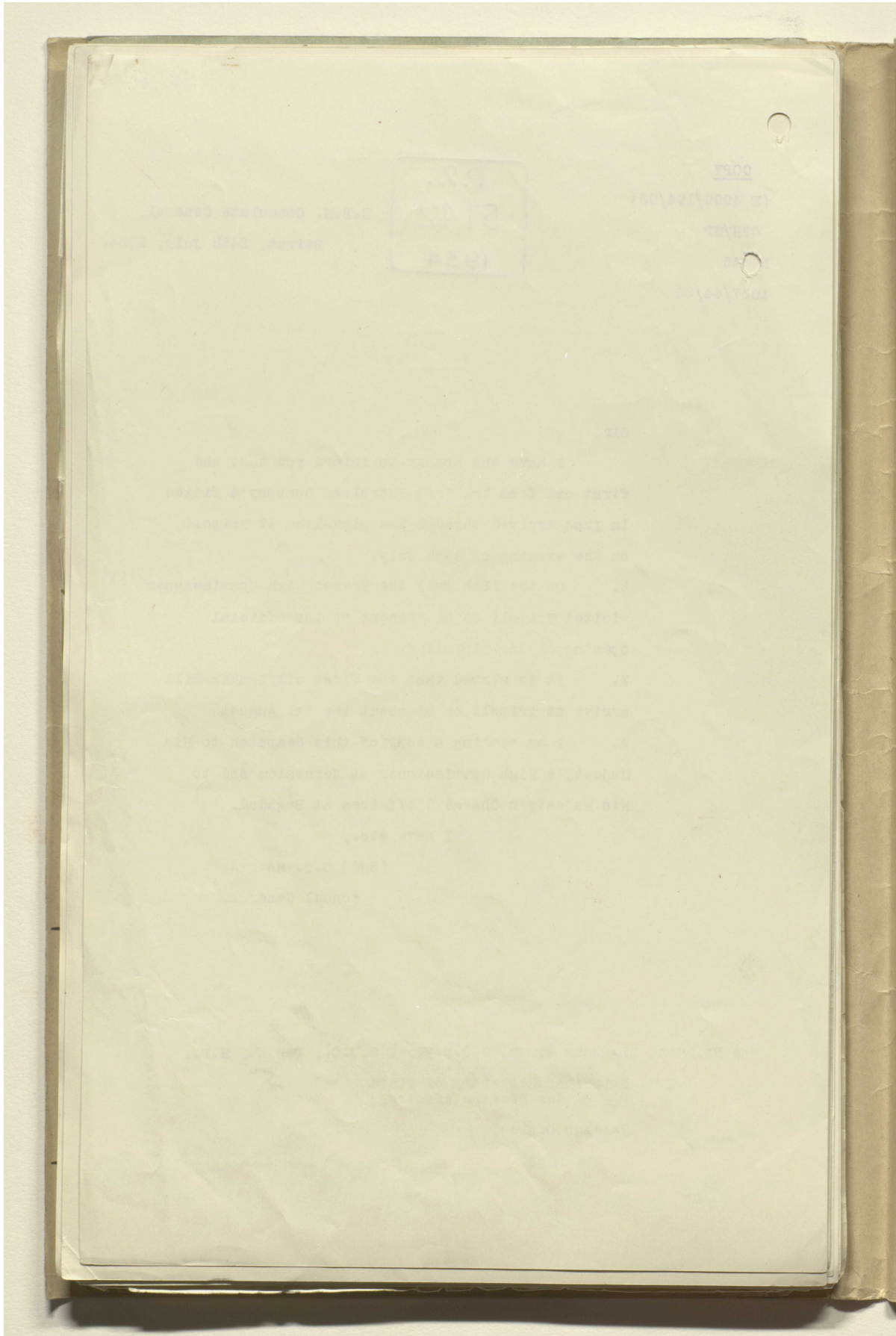
4. I am sending a copy of this despatch to His Majesty's High Commissioner at Jerusalem and to His Majesty's Chargé d'Affaires at Baghdad.

I have etc.,

(Sgd) G.T. Havard.
Consul General.

The Rt. Hon. Sir John Simon, G.C.S.I., K.C.V.O., O.B.E., M.P.,
H.M. Principal Secretary of State
for Foreign Affairs,
Foreign Office,
London.

مجموعة ٢١/١٧ "النفط في العراق" [٥٨ظ] (١٧٨/١١٦)



مجموعة ٢١/١٧ "النفط في العراق" [٥٩] (١٧٨/١١٧)

Notes.

Minute Paper.

Register No.
P. Z.
4484/34

SECRET.
POLITICAL DEPARTMENT.

Dated 19 .
Rec.

	Date.	Initials.	SUBJECT.
To			
Under Secretary	31.7.34	19.1.	BRITISH OIL DEVELOPMENT COMPANY'S CONCESSION IN IRAQ.
Secretary of State...			
Committee.....	1.8		
Under Secretary.....			
Secretary of State...			

Acquisition of controlling majority
by Italians.
holding

Copy of to

FOR INFORMATION.

It will be seen that the British Group in the B.O.D. Company were unfortunately unable to raise their share of the dead rent payment due to the Iraq Government last January, and that the money was put up by the Italian Group, apparently on condition of the transfer to themselves of additional shares and voting power in the Company. The Italian Group has thus succeeded the British Group in the position of majority shareholders in the Company, but it is just possible that the British Group may be able to regain its former predominance if and when it finds itself in a position to repay the money advanced by the Italian Group. I understand that the British Group attempted to obtain

SEEN
POLITICAL COMMITTEE
3 AUG 1934

Previous Papers :-

5041 2000 1.31

مجموعة ٢١/١٧ "النفط في العراق" [٥٩ظ] (١٧٨/١١٨)

financial assistance from His Majesty's Government but that this request was turned down by the Foreign Office and the Board of Trade. According to Sir Francis Humphrys, the root of the trouble is that the Company undertook to pay far too high a dead rent for a field which was not only undeveloped but the potential wealth of which was a matter of guesswork.

H.M.G. have no hold over the B.O.D. such as would enable them to prevent the British group parting with their shares.

H. Browne

7.9.34

31/7/34

7

15/8

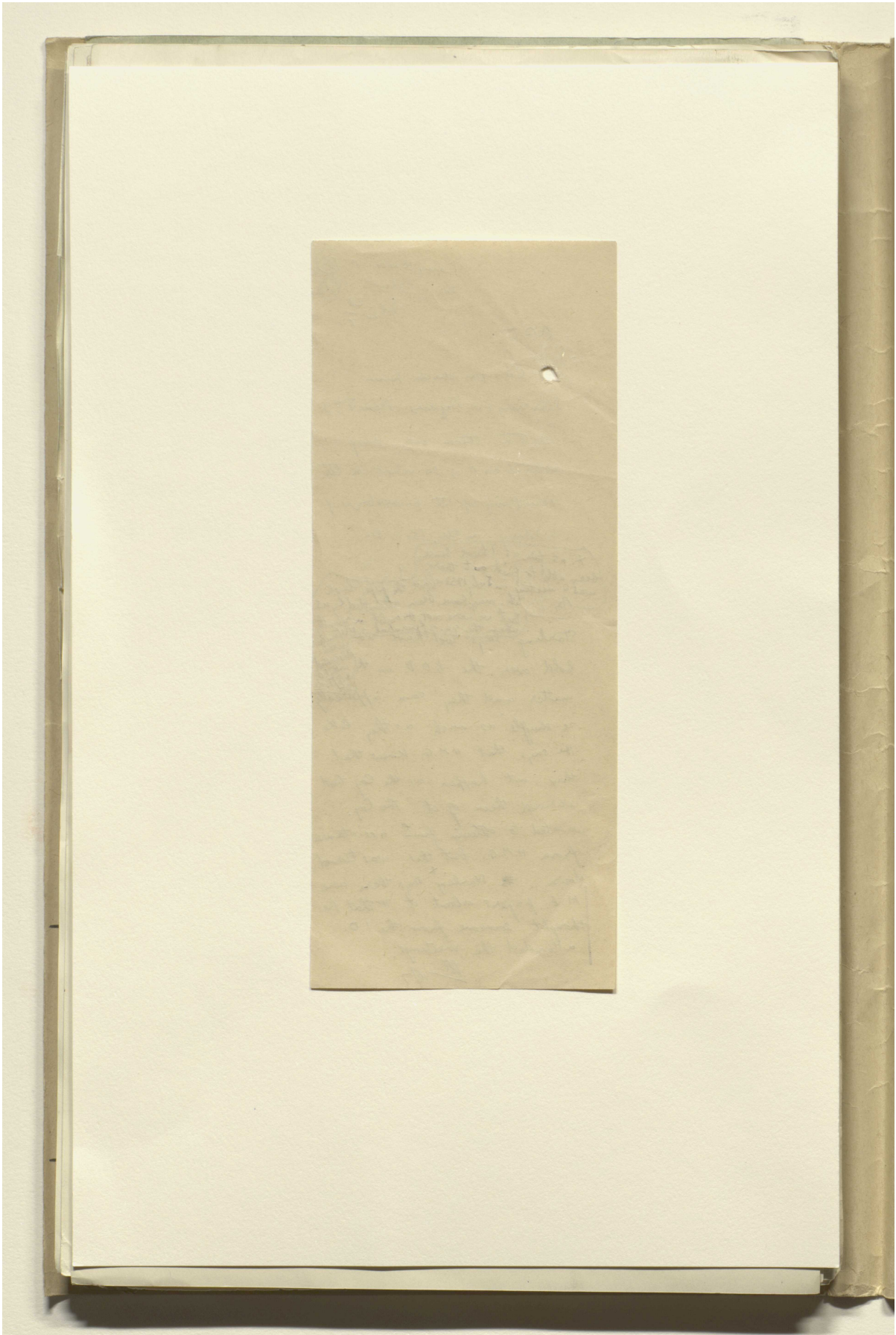
RRL

3/8

SEEN
POLITICAL COMMITTEE.

3 AUG 1934

مجموعة ٢١/١٧ "النفط في العراق" [٦٠ظ] (١٧٨/١٢٠)



مجموعة ٢١/١٧ "النفط في العراق" [٦١و] (١٧٨/١٢١)

INDEXED

In any further communication on this subject, please quote
No. **E3516/1252/93**
and address—not to any person by name, but to—
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

P.Z.
4484
1934

India (10) (51)

THE Under-Secretary of State for Foreign Affairs presents his
compliments to *the Under Secretary of State for*
India and, by direction of the Secretary of State,
transmits herewith copies of the under-mentioned paper.

Foreign Office,
6 July 1934

Reference to previous correspondence :

Description of Enclosure.

Name and Date.	Subject.
<i>H. M. Representative</i> <i>Bagdad</i> <i>No 267 of 15 May</i>	<i>Activities of B.O.P. Co. in Iraq</i>

ENCLOSURE IN WRITING LETTER
No. 28 **12 JUL 1934**
FROM SECRETARY, POLITICAL AND
SECRETARY, FINANCIAL OFFICE

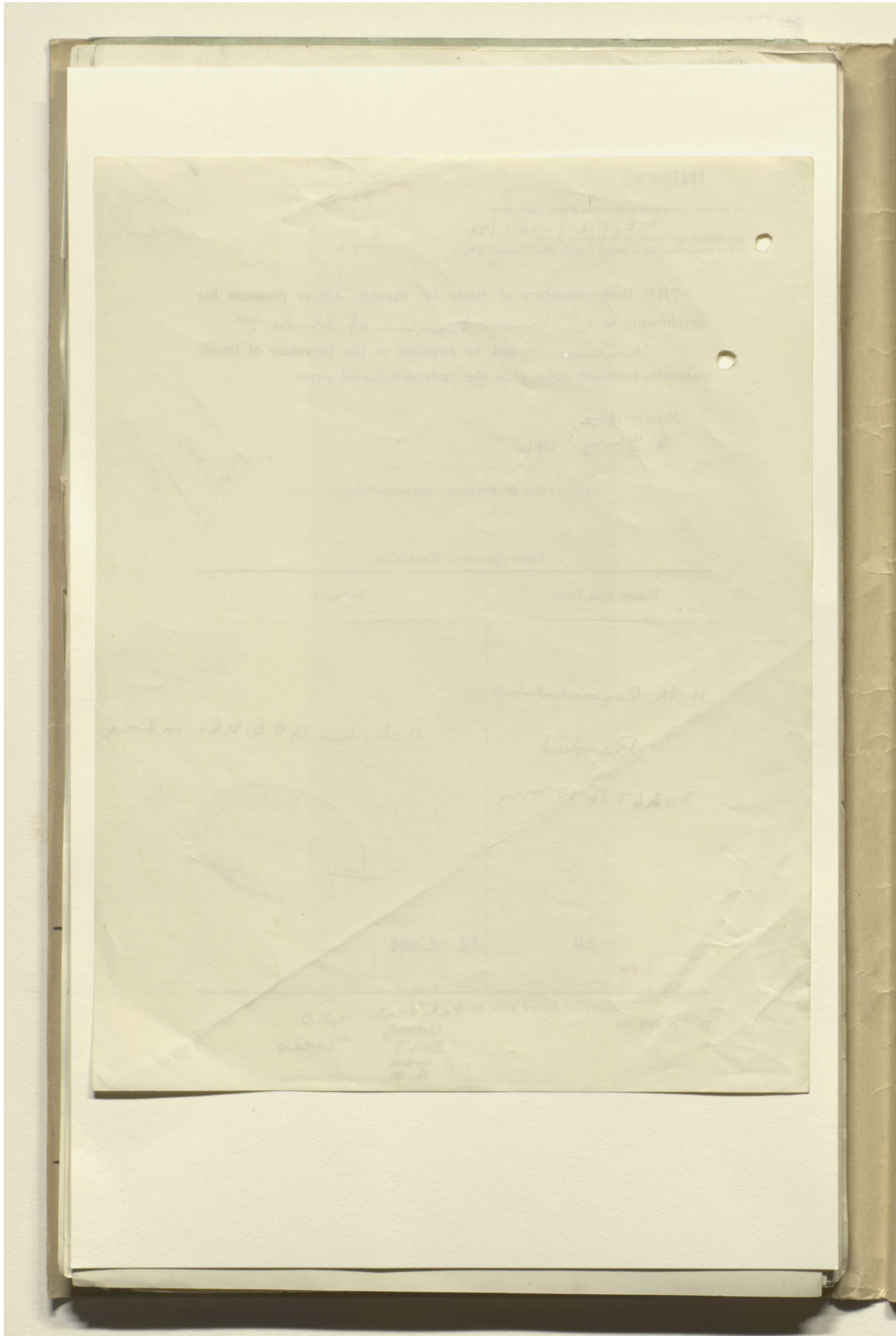
Similar letter sent to *Pat. Dept.*
Admt.
Boz.
A.M.

W.O.
Treas.

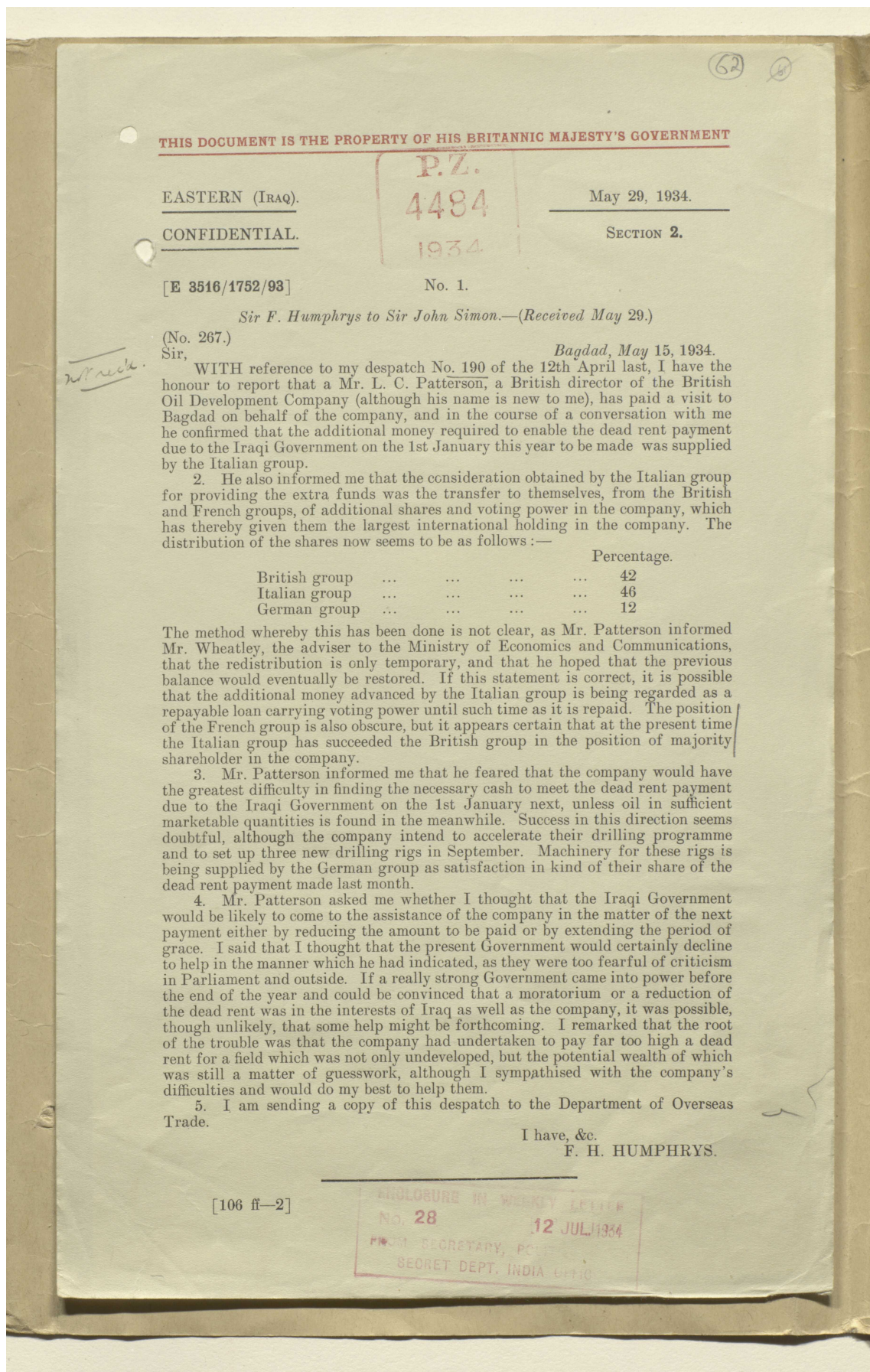
MAILS BRANCH
7 JUL 1934
INDIA OFFICE

14-6130 9785 (2)

مجموعة ٢١/١٧ "النفط في العراق" [٦١ظ] (١٧٨/١٢٢)



مجموعة ٢١/١٧ "النفط في العراق" [٦٢] [١٢٣/١٧٨]



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EASTERN (Iraq).

CONFIDENTIAL.

May 29, 1934.

SECTION 2.

[E 3516/1752/93]

No. 1.

Sir F. Humphrys to Sir John Simon.—(Received May 29.)

(No. 267.)

Bagdad, May 15, 1934.

Sir,

WITH reference to my despatch No. 190 of the 12th April last, I have the honour to report that a Mr. L. C. Patterson, a British director of the British Oil Development Company (although his name is new to me), has paid a visit to Bagdad on behalf of the company, and in the course of a conversation with me he confirmed that the additional money required to enable the dead rent payment due to the Iraqi Government on the 1st January this year to be made was supplied by the Italian group.

2. He also informed me that the consideration obtained by the Italian group for providing the extra funds was the transfer to themselves, from the British and French groups, of additional shares and voting power in the company, which has thereby given them the largest international holding in the company. The distribution of the shares now seems to be as follows:—

	Percentage.
British group	42
Italian group	46
German group	12

The method whereby this has been done is not clear, as Mr. Patterson informed Mr. Wheatley, the adviser to the Ministry of Economics and Communications, that the redistribution is only temporary, and that he hoped that the previous balance would eventually be restored. If this statement is correct, it is possible that the additional money advanced by the Italian group is being regarded as a repayable loan carrying voting power until such time as it is repaid. The position of the French group is also obscure, but it appears certain that at the present time the Italian group has succeeded the British group in the position of majority shareholder in the company.

3. Mr. Patterson informed me that he feared that the company would have the greatest difficulty in finding the necessary cash to meet the dead rent payment due to the Iraqi Government on the 1st January next, unless oil in sufficient marketable quantities is found in the meanwhile. Success in this direction seems doubtful, although the company intend to accelerate their drilling programme and to set up three new drilling rigs in September. Machinery for these rigs is being supplied by the German group as satisfaction in kind of their share of the dead rent payment made last month.

4. Mr. Patterson asked me whether I thought that the Iraqi Government would be likely to come to the assistance of the company in the matter of the next payment either by reducing the amount to be paid or by extending the period of grace. I said that I thought that the present Government would certainly decline to help in the manner which he had indicated, as they were too fearful of criticism in Parliament and outside. If a really strong Government came into power before the end of the year and could be convinced that a moratorium or a reduction of the dead rent was in the interests of Iraq as well as the company, it was possible, though unlikely, that some help might be forthcoming. I remarked that the root of the trouble was that the company had undertaken to pay far too high a dead rent for a field which was not only undeveloped, but the potential wealth of which was still a matter of guesswork, although I sympathised with the company's difficulties and would do my best to help them.

5. I am sending a copy of this despatch to the Department of Overseas Trade.

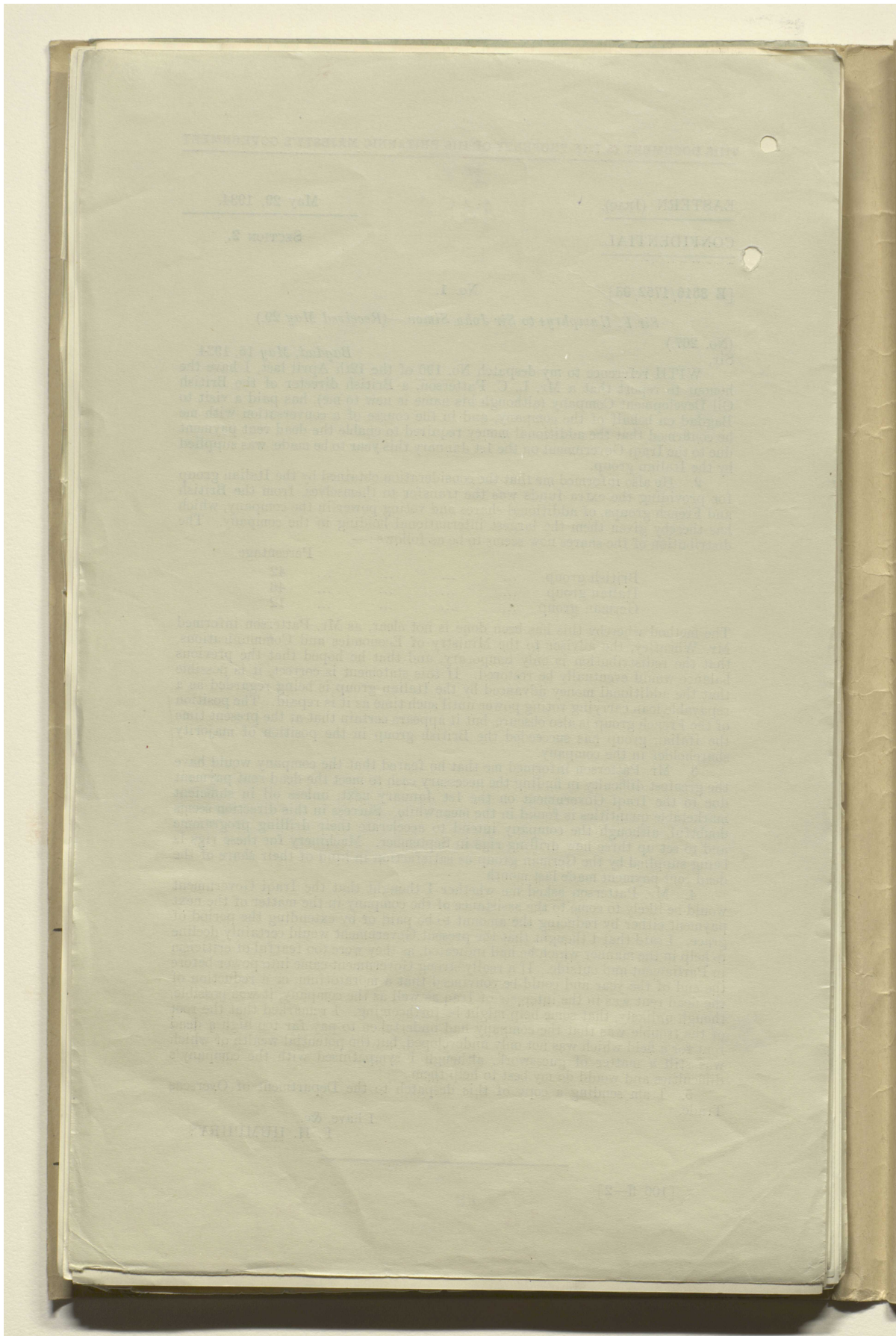
I have, &c.

F. H. HUMPHRYS.

[106 ff—2]

ENCLOSURE IN WEEKLY LETTER
NO. 28 12 JUL 1934
FROM SECRETARY, POST OFFICE
SECRET DEPT. INDIA OFFICE

مجموعة ٢١/١٧ "النفط في العراق" [٢٦٢ظ] (١٧٨/١٢٤)



مجموعة ٢١/١٧ "النفط في العراق" [٦٣و] (١٧٨/١٢٥)

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In any further communication on this subject, please quote
No. E 1915 11452/193.
and address—not to any person by name, but to—
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

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P. Z.
2315
1934

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P. Z.
W. P.

THE Under-Secretary of State for Foreign Affairs presents his
compliments to the Under Secretary of State for
India and, by direction of the Secretary of State,
transmits herewith copies of the under-mentioned paper.

Foreign Office,
6 Apr. , 193 .

Reference to previous correspondence :
F.O. letter E 7930/84/937 Jan 9. 234

Description of Enclosure.

Name and Date.	Subject.
H.M. Representative Bagdad No 14887 15 Mar.	Operations of B.O.D. Co. in Iraq

ENCLOSURE IN WEEKLY LETTER
NO. 15 12 APR. 1934
FROM SECRETARY, POLITICAL AND
SECRET DEPT. INDIA OFFICE

REC'D. POL. DEPT.
-7 APR 1934
OFFICE

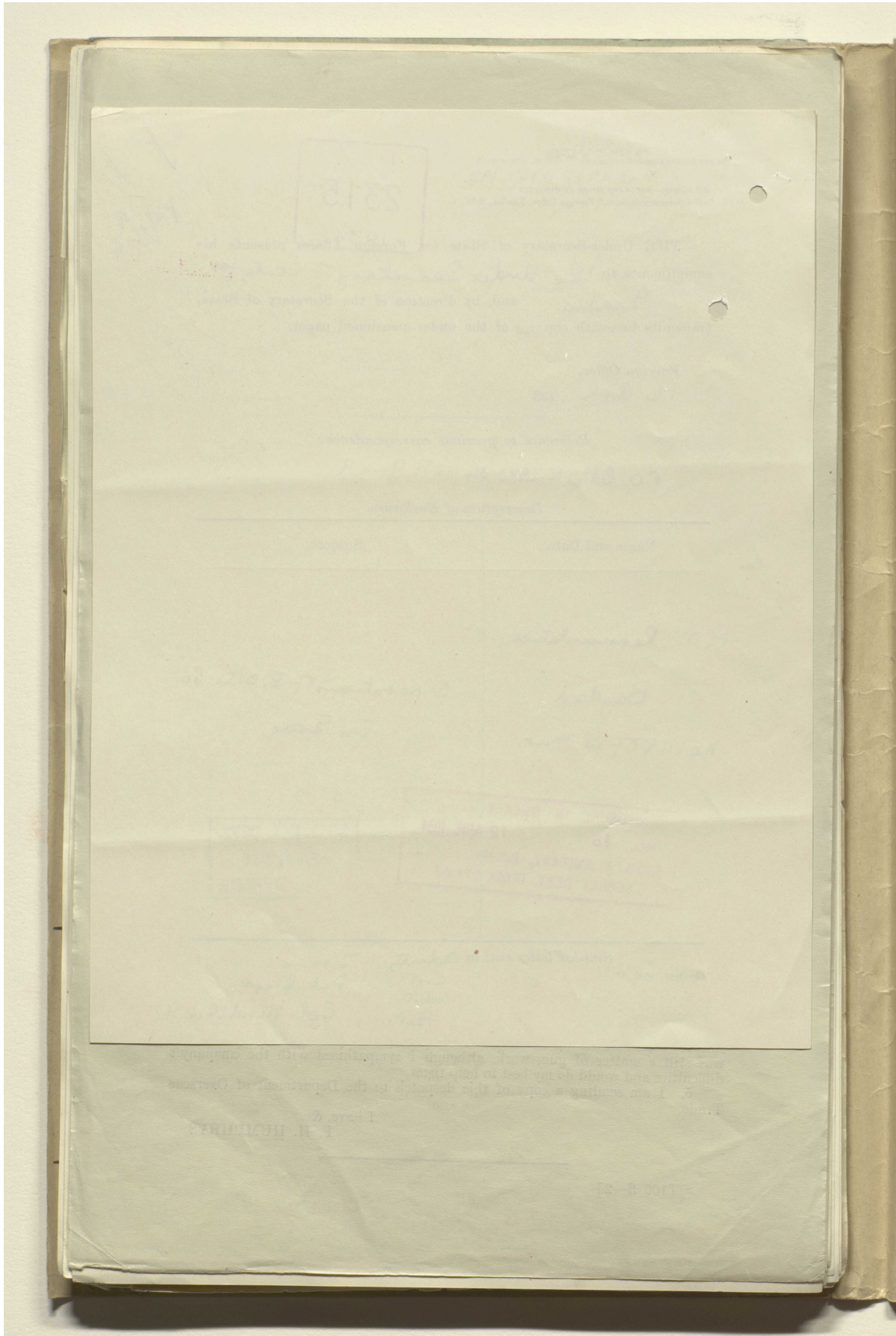
Similar letter sent to
14-6130 9508 (2)

Admty
C.O.
W.O.
A.M.

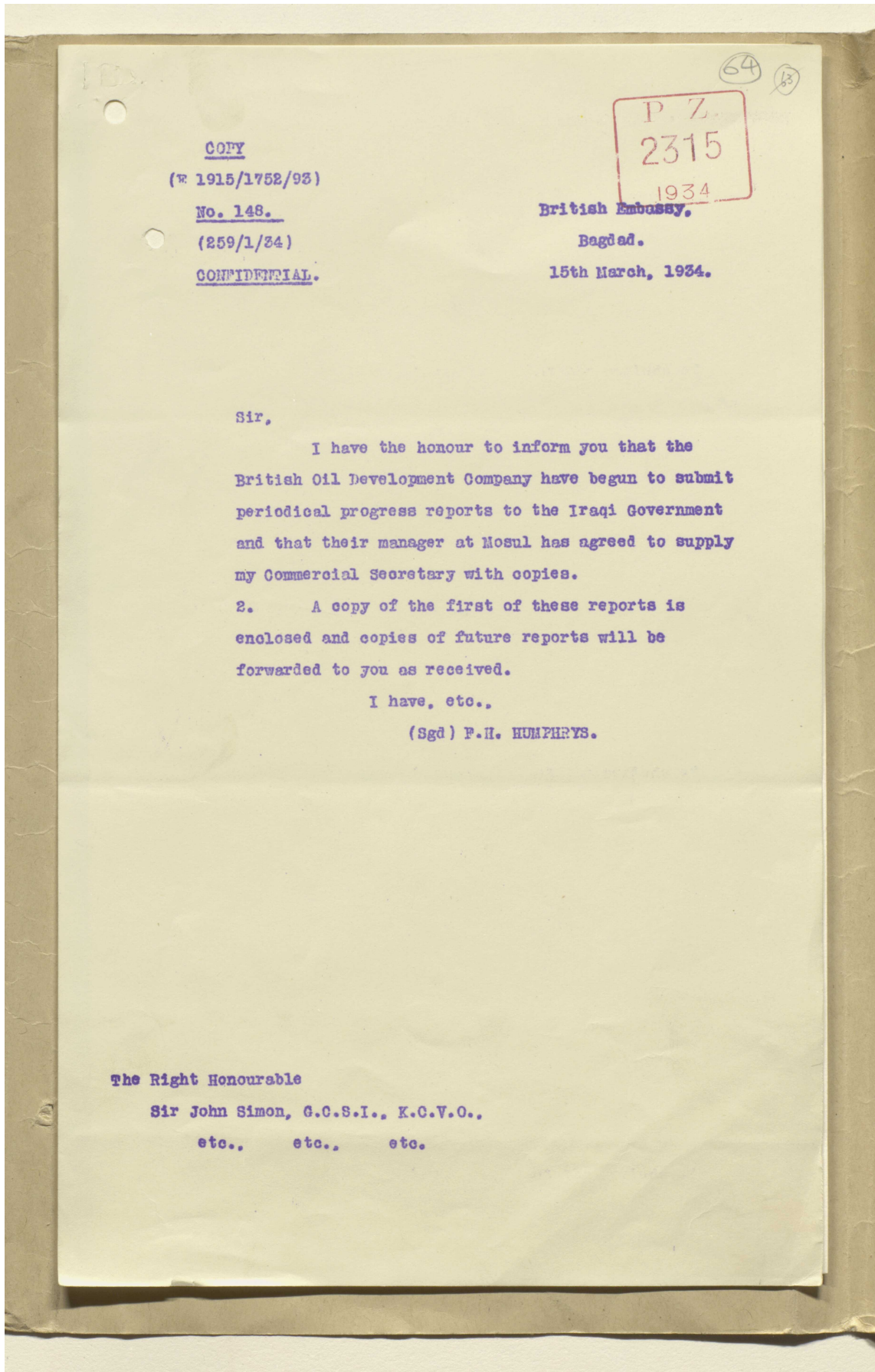
Treas
Pat. Dept.
Col. Hind (C.I.D.)

6471
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مجموعة ٢١/١٧ "النفط في العراق" [٦٣ظ] (١٧٨/١٢٦)



مجموعة ٢١/١٧ "النفط في العراق" [٦٤و] (١٧٨/١٢٧)



COPY

(W 1915/1752/93)

No. 148.

(259/1/34)

CONFIDENTIAL.

P. Z.
2315
1934

British Embassy,

Bagdad.

15th March, 1934.

Sir,

I have the honour to inform you that the British Oil Development Company have begun to submit periodical progress reports to the Iraqi Government and that their manager at Mosul has agreed to supply my Commercial Secretary with copies.

2. A copy of the first of these reports is enclosed and copies of future reports will be forwarded to you as received.

I have, etc.,

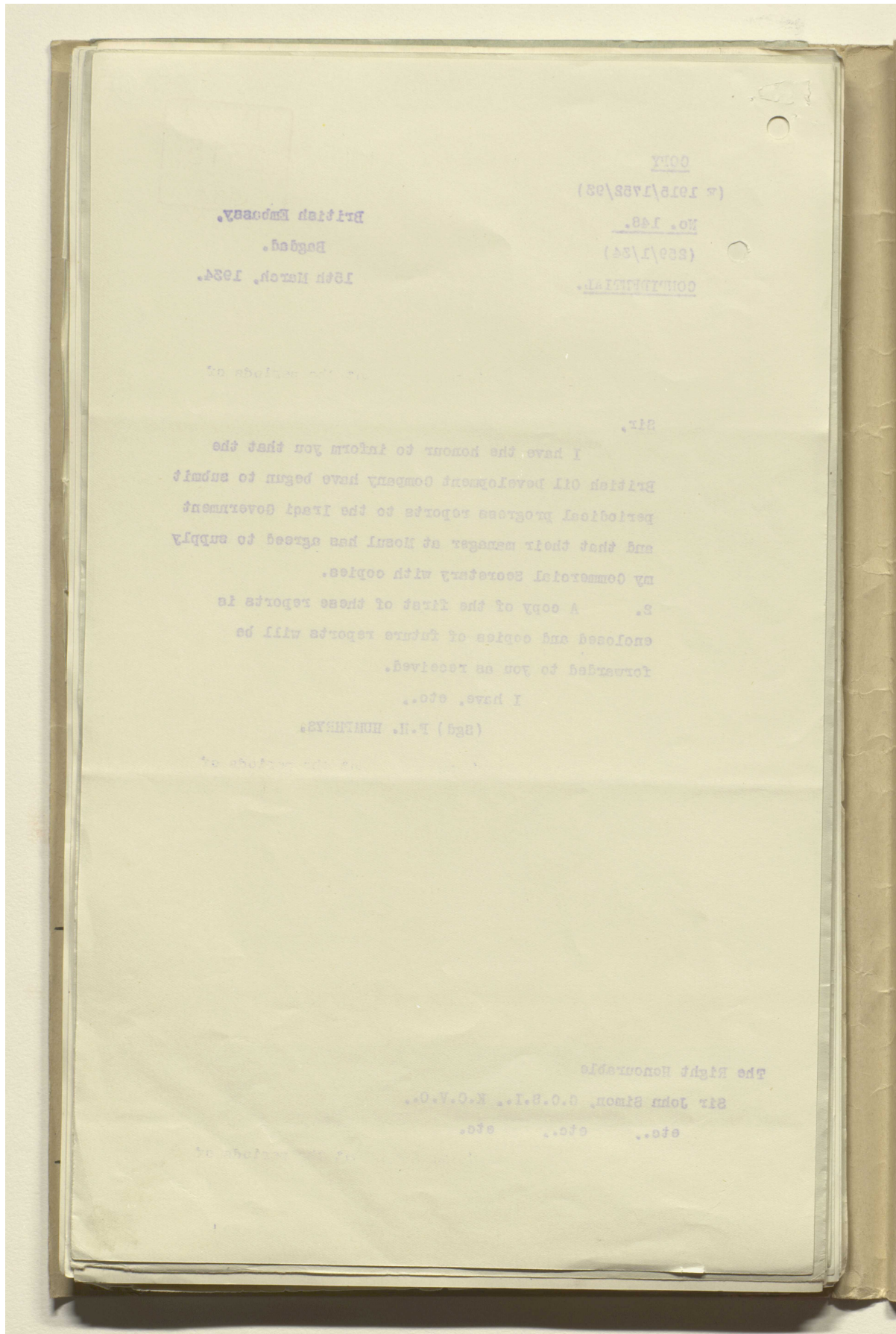
(Sgd) F.H. HUMPHREYS.

The Right Honourable

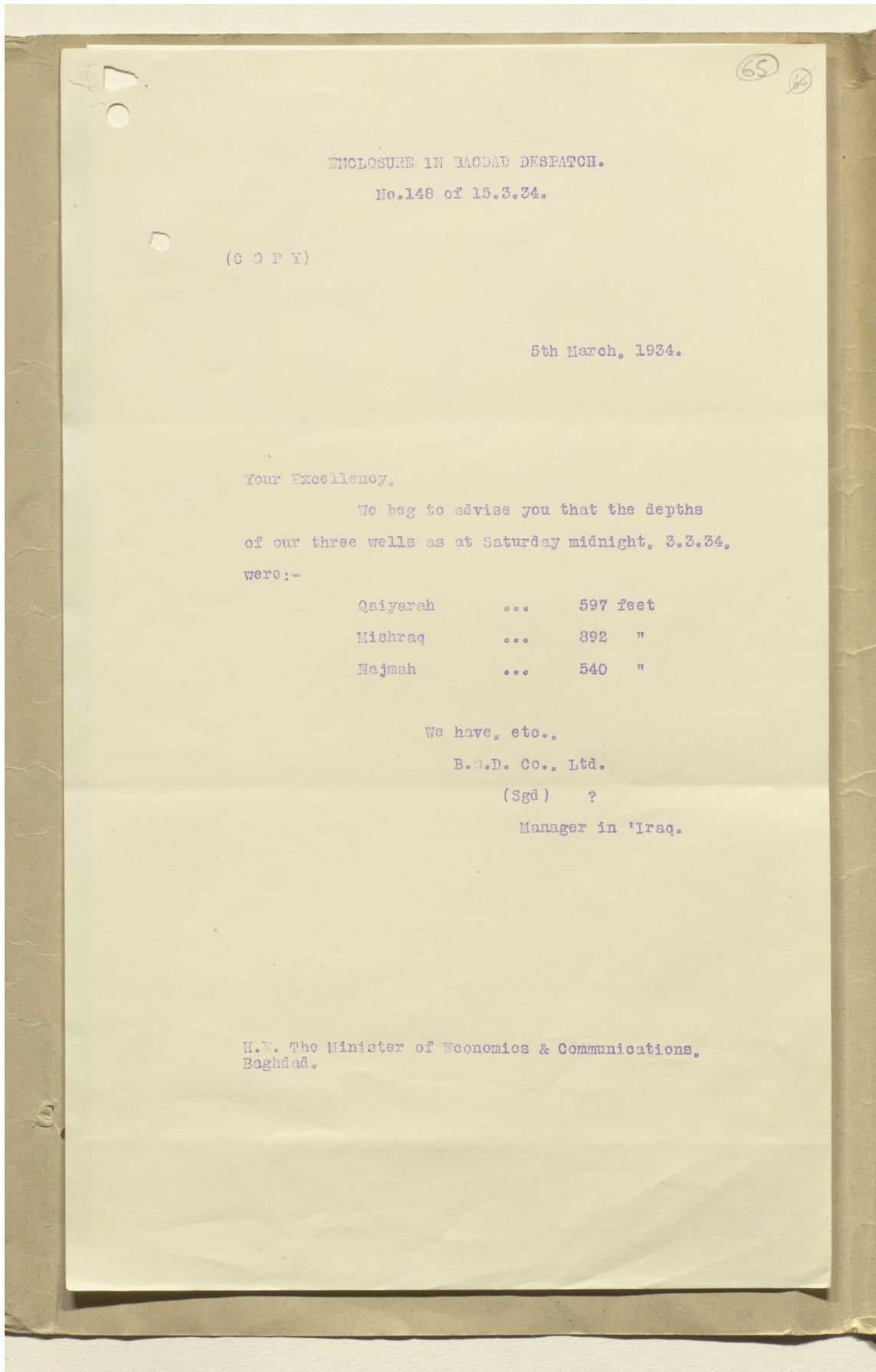
Sir John Simon, G.C.S.I., K.C.V.O.,

etc., etc., etc.

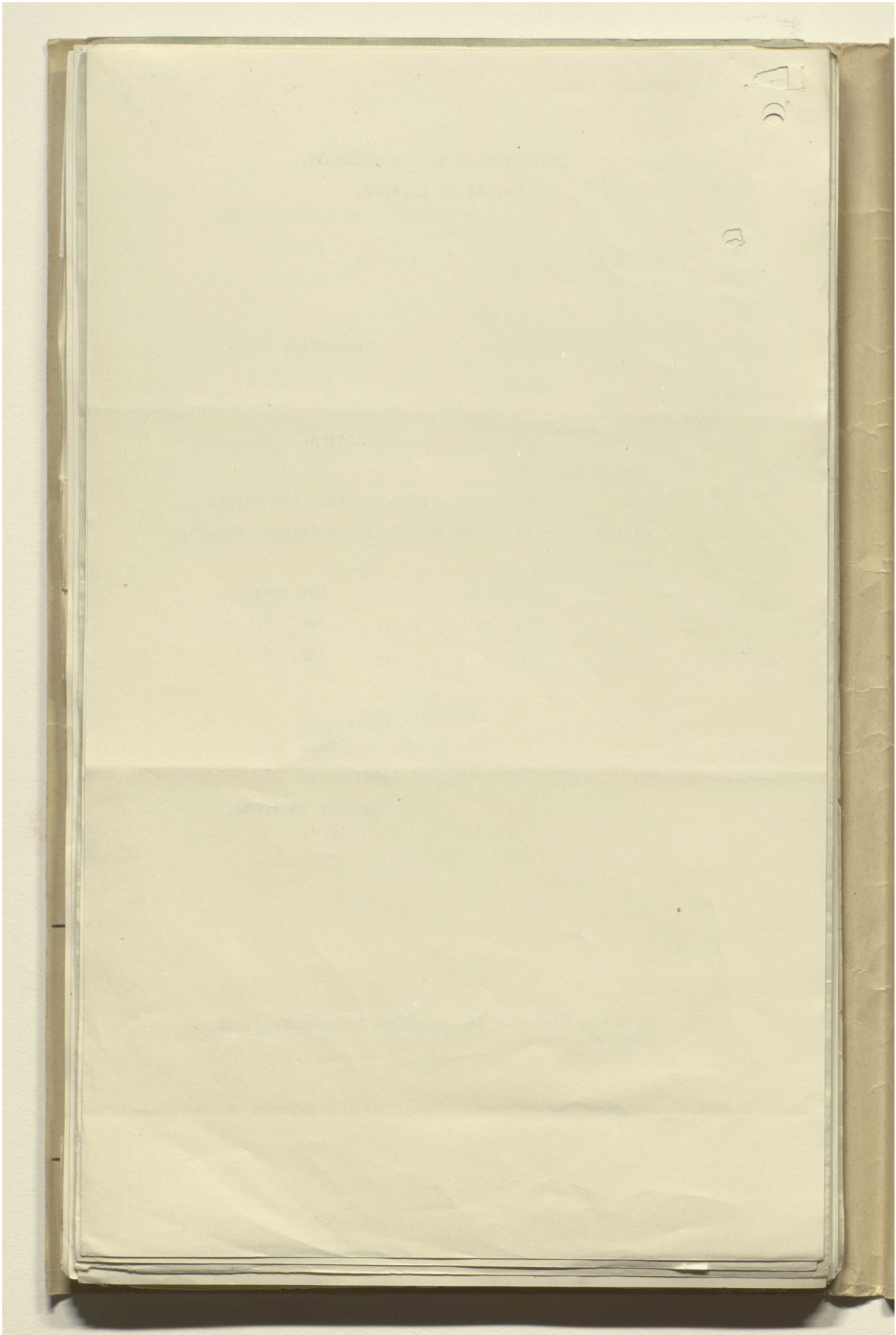
مجموعة ٢١/١٧ "النفط في العراق" [٤٦:٤] (١٧٨/١٢٨)



مجموعة ٢١/١٧ "النفط في العراق" [٦٥] (١٧٨/١٢٩)



مجموعة ٢١/١٧ "النفط في العراق" [٦٥ظ] (١٧٨/١٣٠)



مجموعة ٢١/١٧ "النفط في العراق" [٦٦و] (١٧٨/١٣١)

INDEXED

In any further communication on this subject, please quote
No. *E 16/10/93*
and address—not to any person by name, but to—
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

CONFIDENTIAL 551

THE Under-Secretary of State for Foreign Affairs presents his
compliments to *the Under Secretary of State for India*
and, by direction of the Secretary of State,
transmits herewith copy of the under-mentioned paper.

Foreign Office,
22 January, 1934

Reference to previous correspondence:

To letter No E 7920/84/93 of 9 January

Description of Enclosure.

Name and Date.	Subject.
<i>H.M. Representative Bagdad No 805 21st December 1933</i>	<i>Habbaniyah Escape Report</i>

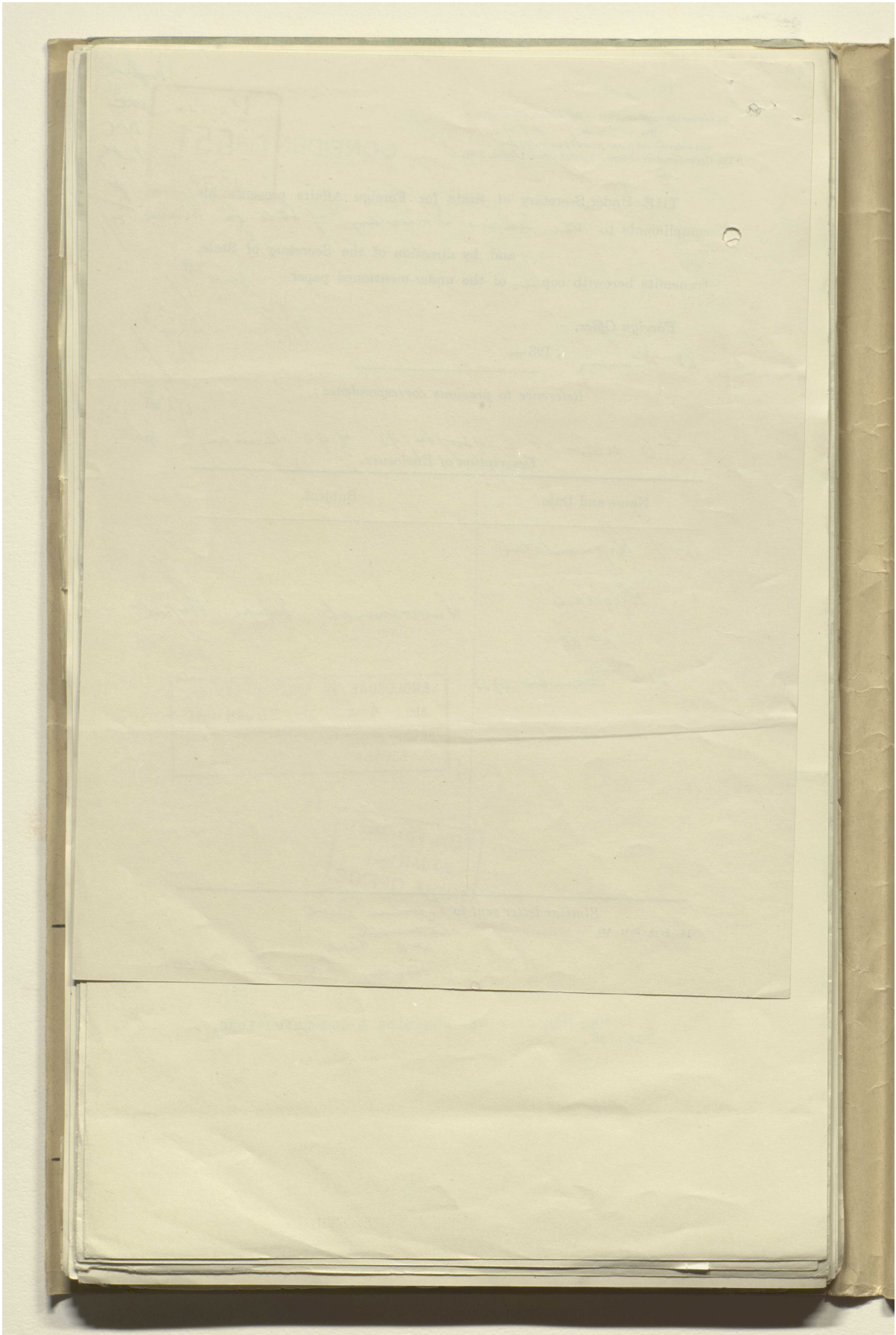
ENCLOSURE IN WEEKLY LETTER
NO. 4 25 JAN. 1934
FROM SECRETARY, POLITICAL AND
SECRET DEPT. INDIA OFFICE

REC'D. POL. DEPT.
23 JAN 1934
INDIA OFFICE

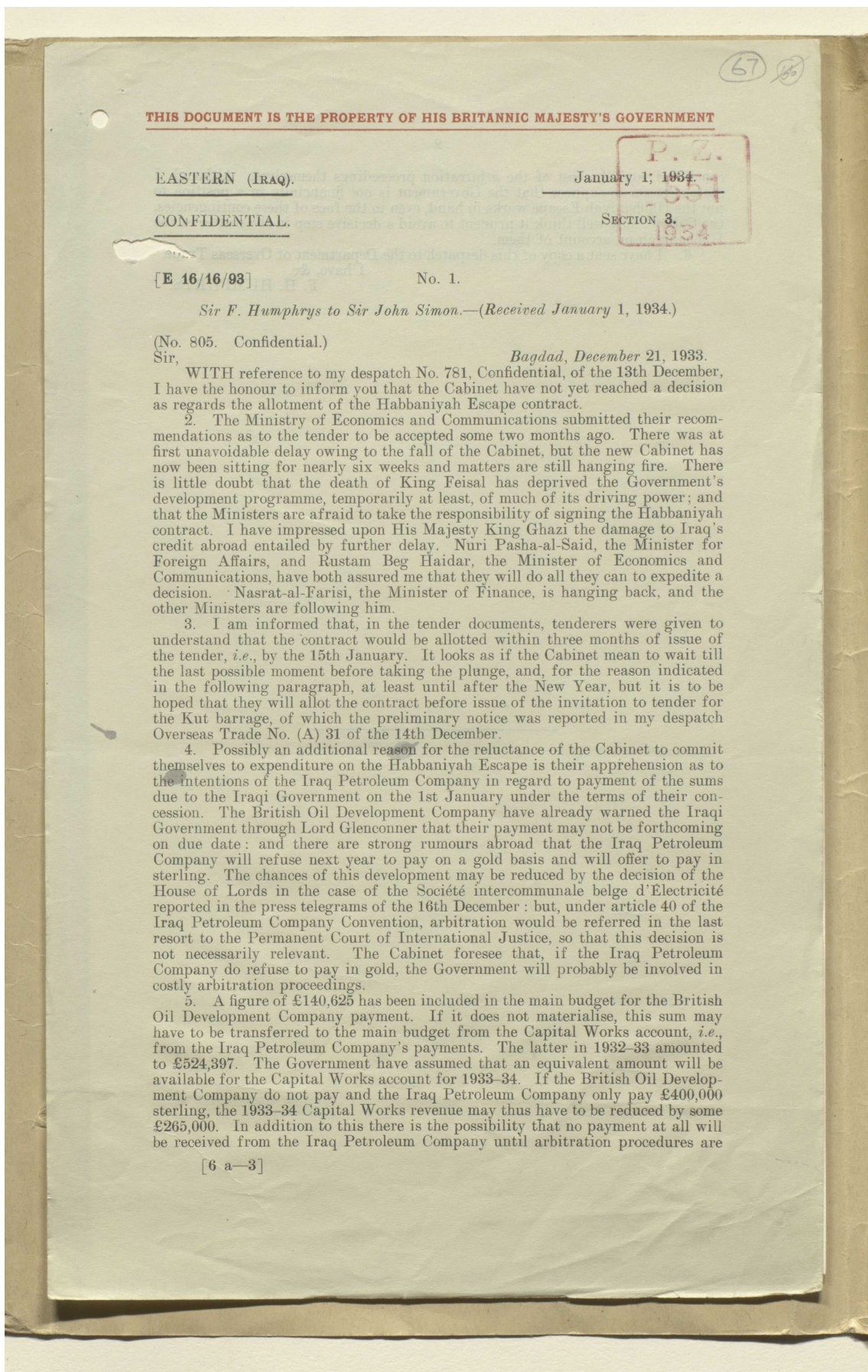
Similar letter sent to *Petroleum Dept.
Admiralty
W.O. Rail
Treasury Co. Lt. Col. Hind*

14-6130 8931 (2)

مجموعة ٢١/١٧ "النفط في العراق" [٦٦ظ] (١٧٨/١٣٢)



مجموعة ٢١/١٧ "النفط في العراق" [٦٧] (١٧٨/١٣٣)



مجموعة ٢١/١٧ "النفط في العراق" [٦٧ظ] (١٣٤/١٧٨)

2

concluded, and the cost of the arbitration proceedings themselves. Although I see no reason to suppose that the Government is not financially in a position to put the Habbaniyah Escape works in hand, even in the face of these contingencies, the Cabinet may well think it prudent to avoid a decisive step in the matter of the Habbaniyah on account of them.

6. I have sent a copy of this despatch to the Department of Overseas Trade.

I have, &c.

F. H. HUMPHRYS.

مجموعة ٢١/١٧ "النفط في العراق" [٦٨ و] (١٣٥/١٧٨)

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In any further communication on this subject, please quote
No. **E 326/326/93.**
and address—not to any person by name, but to—
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

CONFID 602AL
1934

THE Under-Secretary of State for Foreign Affairs presents his
compliments to the *Under Secretary of State for*
India and, by direction of the Secretary of State,
transmits herewith copies of the under-mentioned paper.

Foreign Office,
25 Jan, 1934.

Reference to previous correspondence:
F.O. letter E 16/16/93 of Jan 22.

Description of Enclosure.

Name and Date.	Subject.
H.M. Representative Bagdad no 5 of Jan 4	Payments to Iraqi Government by oil companies

ENCLOSURE IN WEEKLY LETTER
No. 5, 11 FEB. 1934.
FROM SECRETARY, POLITICAL AND
SECRET DEPT. INDIA OFFICE

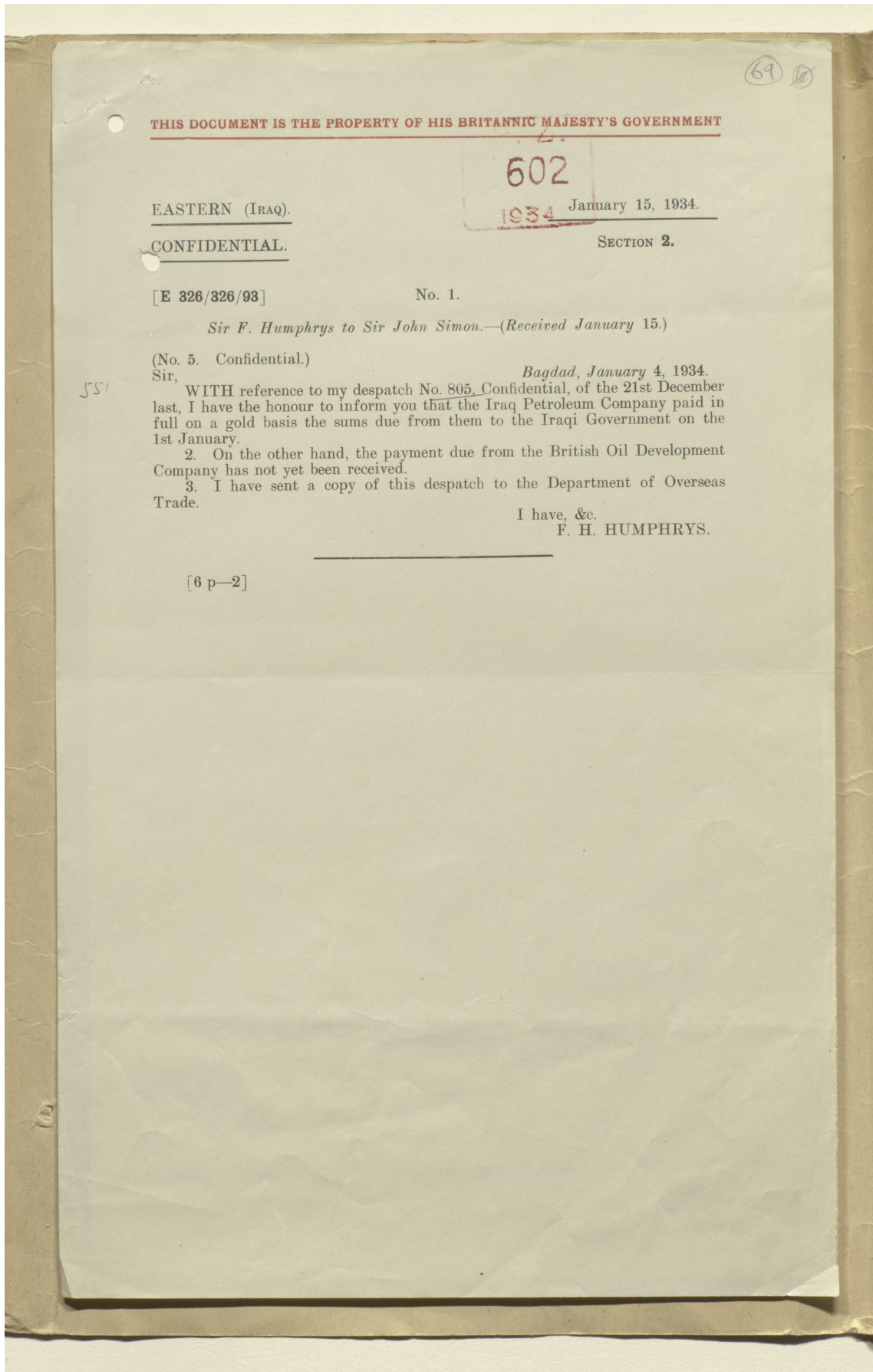
REC'D. POL. DEPT.
26 JAN 1934
INDIA OFFICE

Similar letter sent to *Pet. Dept.*
14-6130 8931 (a)
A.M.
W.O.
Treas
Admty
C.O.
Col Hind (C.I.D.)

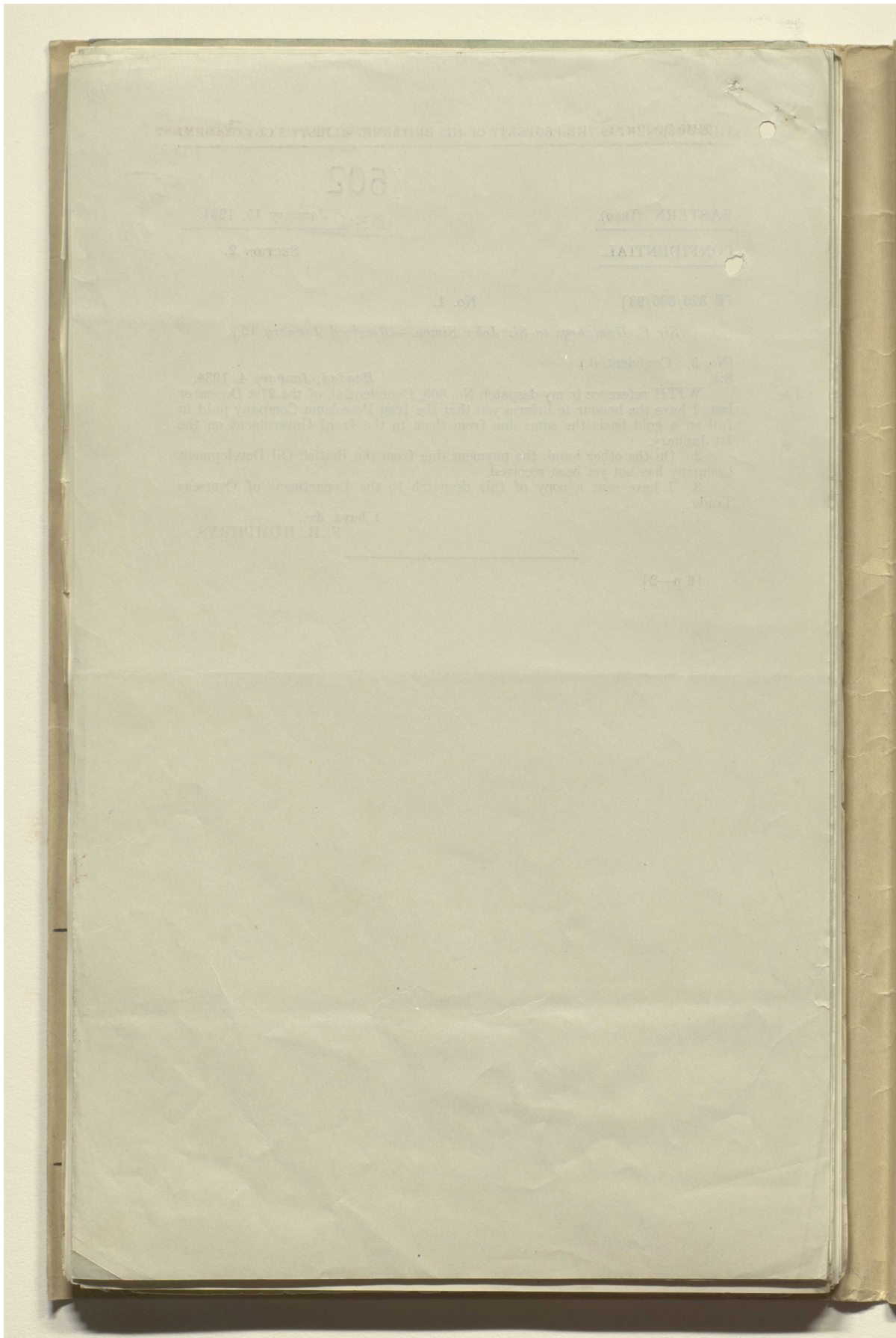
مجموعة ٢١/١٧ "النفط في العراق" [٦٨ ظ] (١٧٨/١٣٦)



مجموعة ٢١/١٧ "النفط في العراق" [٦٩و] (١٧٨/١٣٧)



مجموعة ٢١/١٧ "النفط في العراق" [٦٩ظ] (١٧٨/١٣٨)



مجموعة ٢١/١٧ "النفط في العراق" [٧٠] (١٧٨/١٣٩)

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In any further communication on this subject, please quote
No. *E7930/84/93*
and address—not to any person by name, but to
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

THE Under-Secretary of State for Foreign Affairs presents his
compliments to *the under-secretary of state for*
India. and, by direction of the Secretary of State,
transmits herewith copies of the under-mentioned paper.

Foreign Office,
January 9th, 1934.

Reference to previous correspondence:
C. I. D. Paper: M. E. (O). 24th Meeting of July 19th 1933.

Description of Enclosure.

Name and Date.	Subject.
<i>N. M. Representative at Baghdad. No 780 of Dec. 13th 1933.</i>	<i>Operations of B. S. D. Company in Iraq.</i>

14-6130 8931 (2)

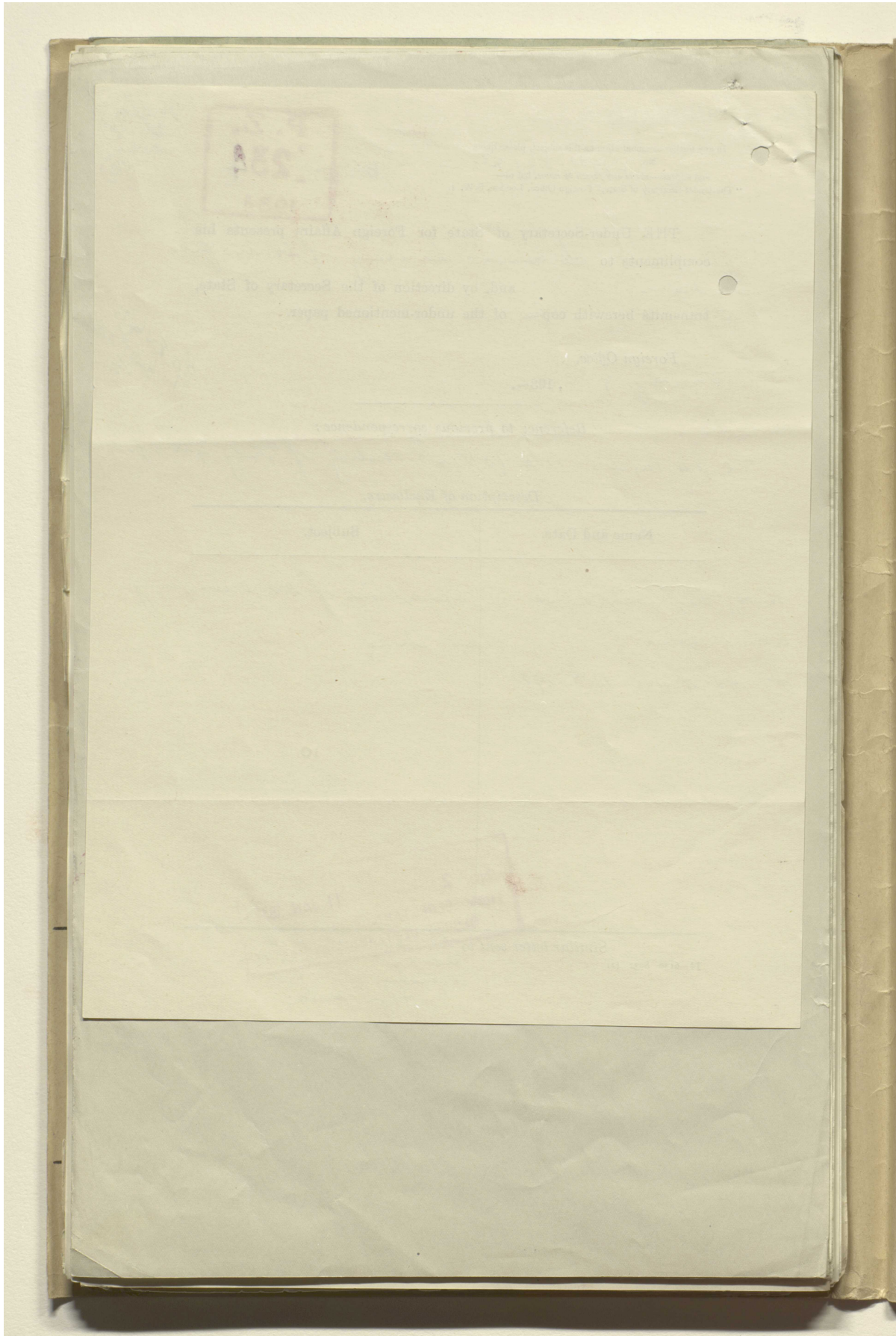
Similar letter sent to *Admty.
Treasury.
Maj. Genl.*

ENCLOSURE IN *W. 11. 1934*
NO. 2
FROM SECRETARY, POL. DEPT.
SECRET DEPT. INDIA OFFICE
11 JAN. 1934
C. I. D.

RECD. POL. DEPT.
10 JAN 1934
INDIA OFFICE

India (69) (70)
*pp. 8146/33
647/32*

مجموعة ٢١/١٧ "النفط في العراق" [٧٠ظ] (١٧٨/١٤٠)



مجموعة ٢١/١٧ "النفط في العراق" [٧١] [١٧٨/١٤١]

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EASTERN (Iraq).

CONFIDENTIAL.

[E 7930/84/93]

No. 1.



December 27, 1933.

SECTION 1.

Sir F. Humphrys to Sir John Simon.—(Received December 27.)

(No. 780. Secret.)

Sir,

Bagdad, December 13, 1933.

LORD GLENCONNER, who was appointed general manager of the Mosul Oil-fields last July, arrived in Bagdad on a tour of inspection on the 15th November and left on the 8th December. While in Bagdad he had several interviews with Rustam Beg Haidar, Minister of Economics and Communications, and Nuri Pasha, on the subject of the operations of the company, and, particularly, in regard to the payment of the instalment of dead rent, amounting to £125,000 gold, equivalent to about £190,000, in accordance with article 10 of the convention, which is due on the 1st January.

2. Lord Glenconner informed me that the company were not in a position to raise fresh capital on the London market until the value of their concession had been proved; in other words, until oil of a marketable quality had been struck. Three rigs had been erected in the Mosul Province and drilling had already reached a depth of about 120 feet. He said that he had arranged for a cable to be sent to him from London each week reporting progress, but it was, of course, open to doubt whether oil would be struck by the 31st March, on which date the period of grace for payment of next year's dead rent to the Iraqi Government would expire.

3. Lord Glenconner informed me that he had spoken very frankly to Rustam Haidar about the company's position, and he said that, if the prospects of the company did not greatly improve by the 31st March, they would have to default over payment of the dead rent unless they were granted an extension of time. This would mean, under article 15 (i), that the Government would have the right of cancelling the concession. Lord Glenconner told me that he had informed Rustam Haidar that, if an extension of time were granted, the company would be prepared to work at least twice as many rigs this year as they were required to do under the agreement, and he said that if the concession were cancelled he did not think that the Iraqi Government would find any other foreign company who would be willing to conclude an agreement on such onerous terms as had been accepted by the British Oil Development Company.

4. I pointed out to Lord Glenconner that it was possible that, if there was default over the payment due next March and the concession was cancelled, the Government might employ foreign experts at their own expense to drill in selected areas west of the Tigris, and if oil of a suitable quality was discovered they might put up the concession for tenders again in the hope of obtaining at least equally favourable terms, after pocketing a year's dead rent from the British Oil Development Company and taking over all their gear for nothing.

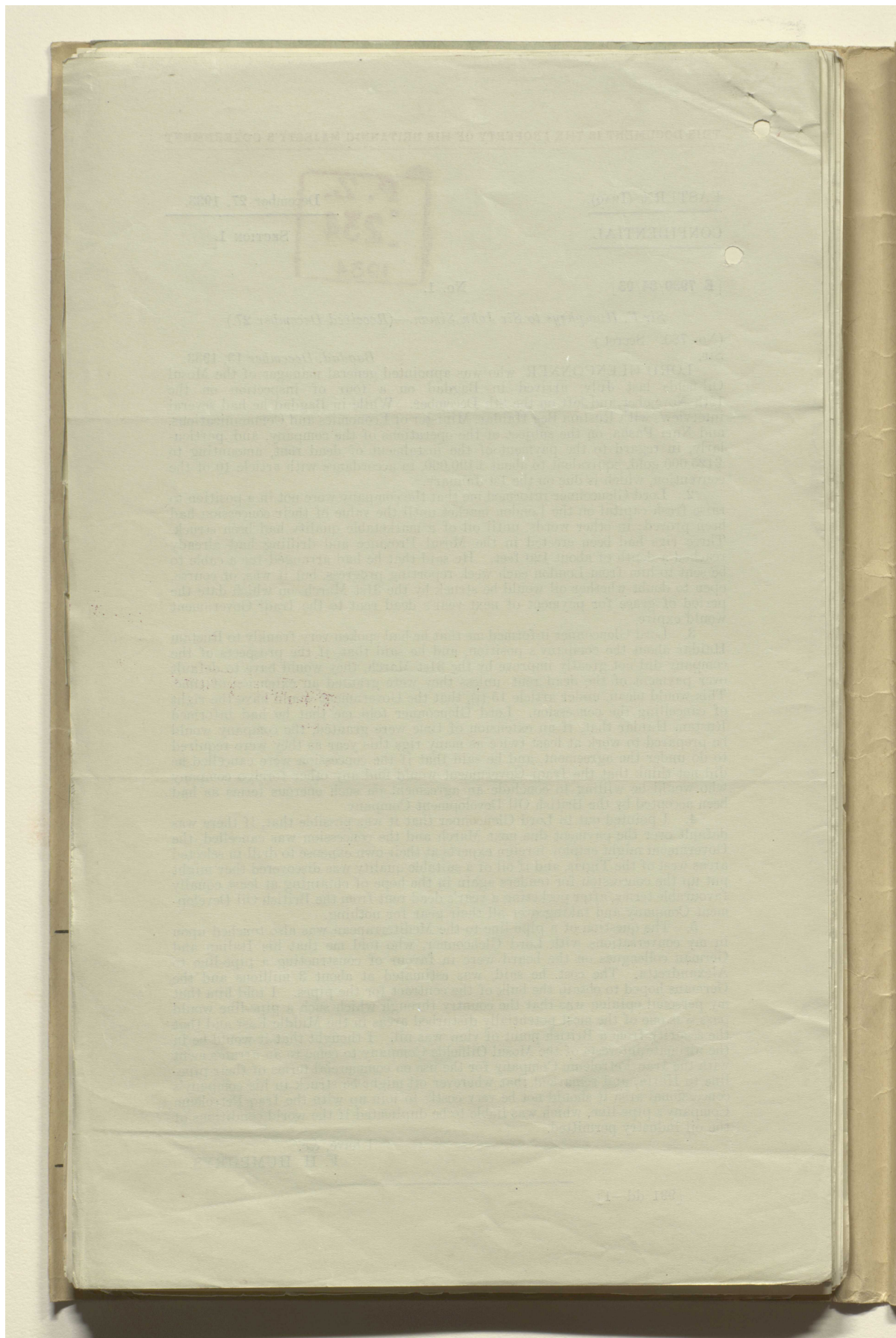
5. The question of a pipe-line to the Mediterranean was also touched upon in my conversations with Lord Glenconner, who told me that his Italian and German colleagues on the board were in favour of constructing a pipe-line to Alexandretta. The cost, he said, was estimated at about 3 millions and the Germans hoped to obtain the bulk of the contract for the pipes. I told him that my personal opinion was that the country through which such a pipe-line would pass was one of the most potentially disturbed areas in the Middle East and that the security from a British point of view was nil. I thought that it would be in the ultimate interests of the Mosul Oilfields Company to come to an arrangement with the Iraq Petroleum Company for the use on commercial terms of their pipe-line to Haifa, and remarked that wherever oil might be struck in his company's concessional area it should not be very costly to join up with the Iraq Petroleum Company's pipe-line, which was liable to be duplicated if the world conditions of the oil industry permitted.

I have, &c.

F. H. HUMPHRYS.

[991 dd—1]

مجموعة ٢١/١٧ "النفط في العراق" [٧١ظ] (١٧٨/١٤٢)



مجموعة ٢١/١٧ "النفط في العراق" [٧٢و] (١٧٨/١٤٣)

INDEXED

In any further communication on this subject, please quote
No. E 7441/736/93
and address—not to any person by name, but to—
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

P.Z.
8146
1933

THE Under-Secretary of State for Foreign Affairs presents his
compliments to the Under-Secretary of State for
India and, by direction of the Secretary of State,
transmits herewith copies of the under-mentioned paper.

Foreign Office,
18th Dec, 1933.

Reference to previous correspondence :

Description of Enclosure.

Name and Date.	Subject.
H.M. Representative Bagdad No 740 of 23rd nov	Completion of Iraq Petroleum Company's pipe- line

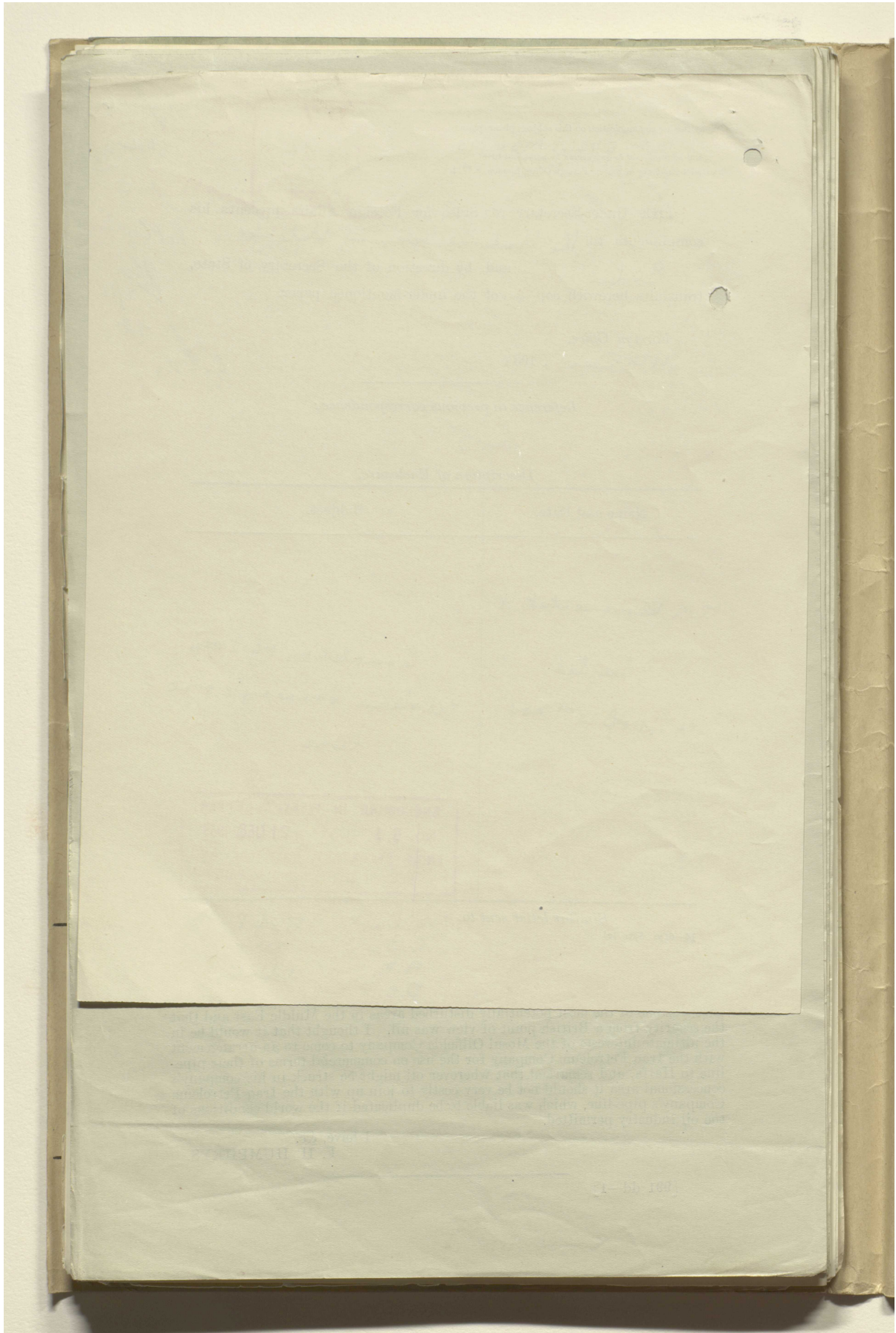
MAILS BRANCH
10 DEC 1933
INDIA OFFICE

ENCLOSURE IN WEEKLY LETTER
No. 511 21 DEC. 1933
FROM SECRETARY, POLITICAL AND
SECRET DEPT. INDIA OFFICE

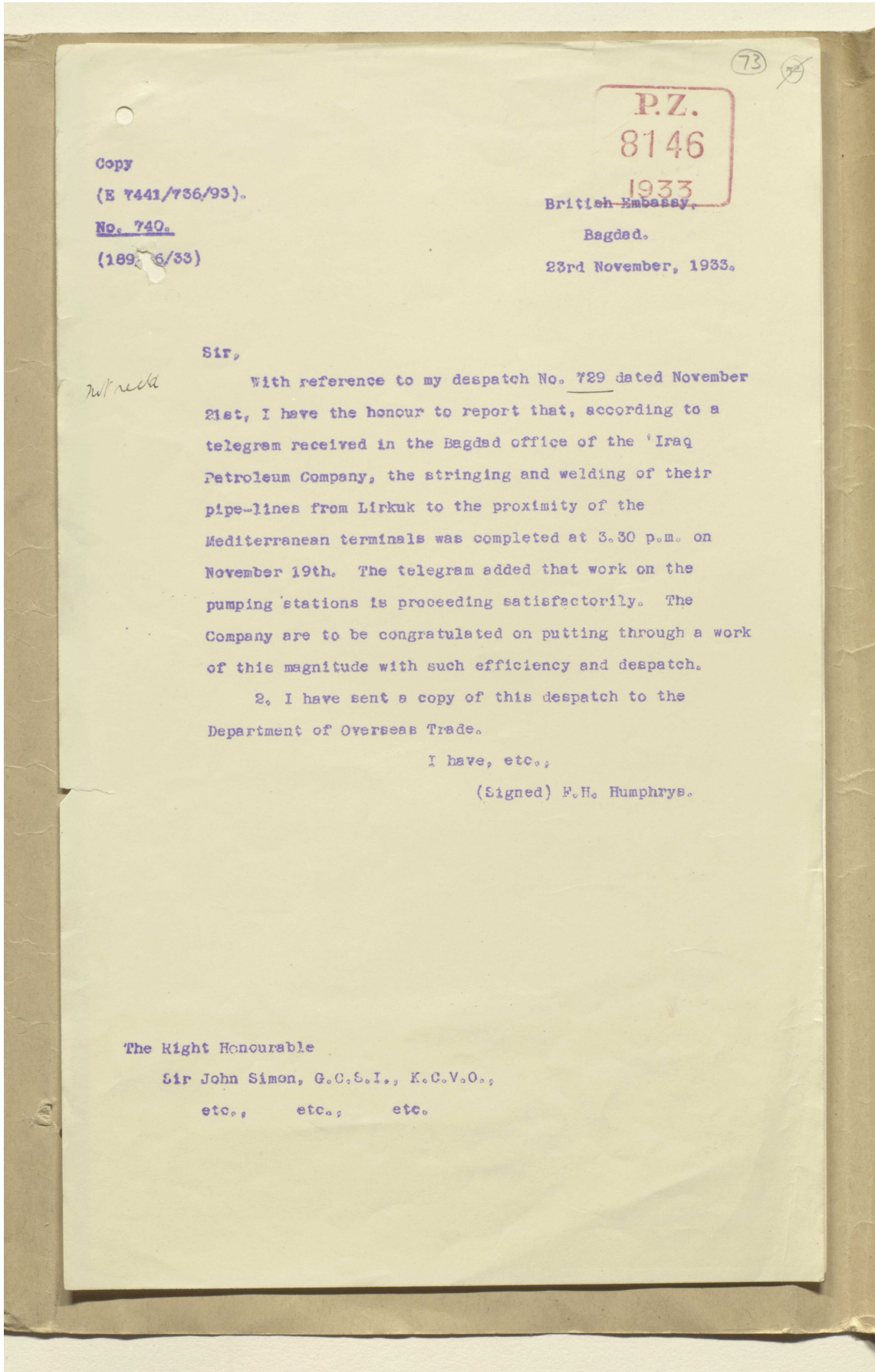
Similar letter sent to Pet. Dept. BofT.
C.O. W.O.
A.M. Admty.
D.O.T.

14-6130 8931 (2)

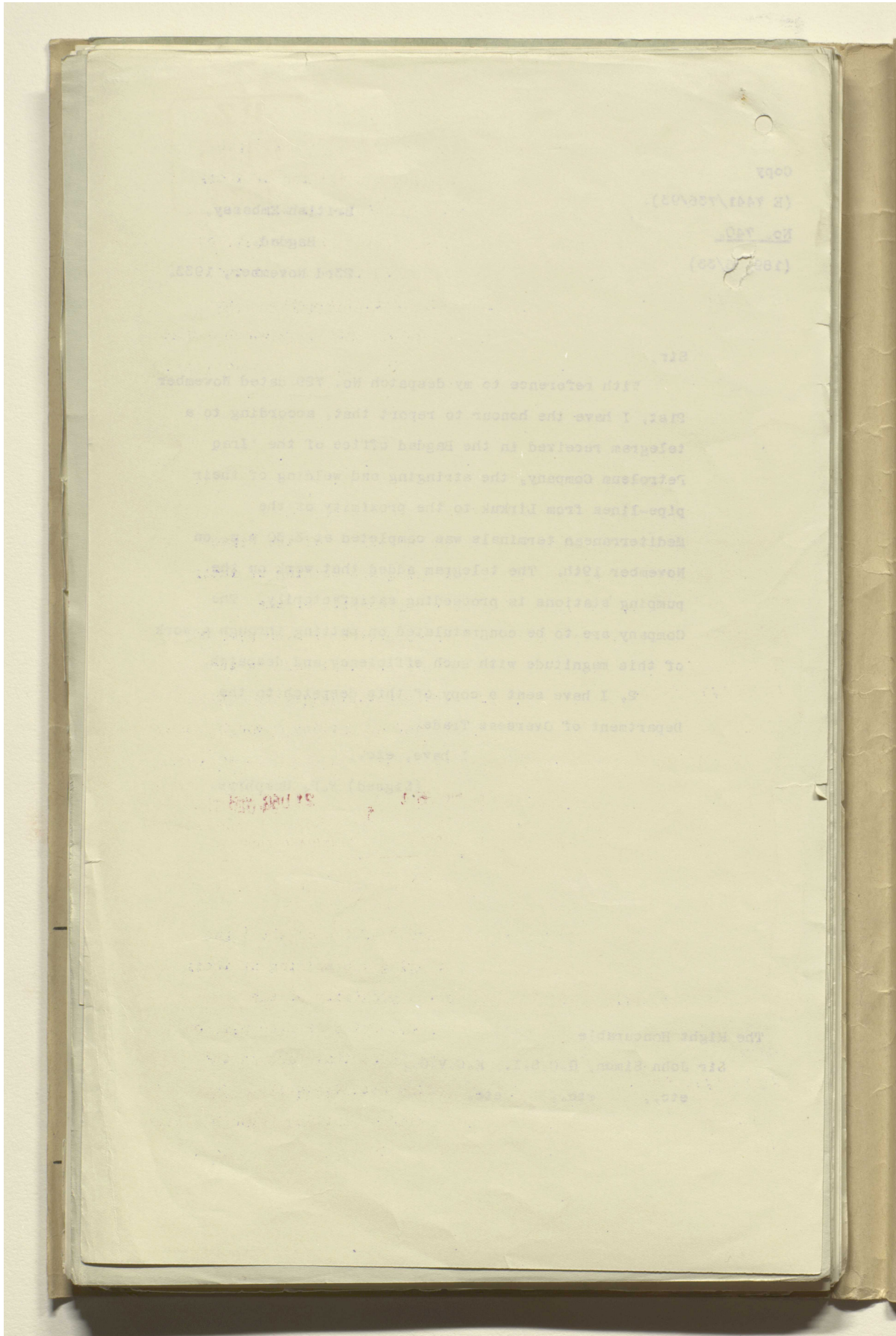
مجموعة ٢١/١٧ "النفط في العراق" [٧٢ظ] (١٧٨/١٤٤)



مجموعة ٢١/١٧ "النفط في العراق" [٧٣و] (١٧٨/١٤٥)



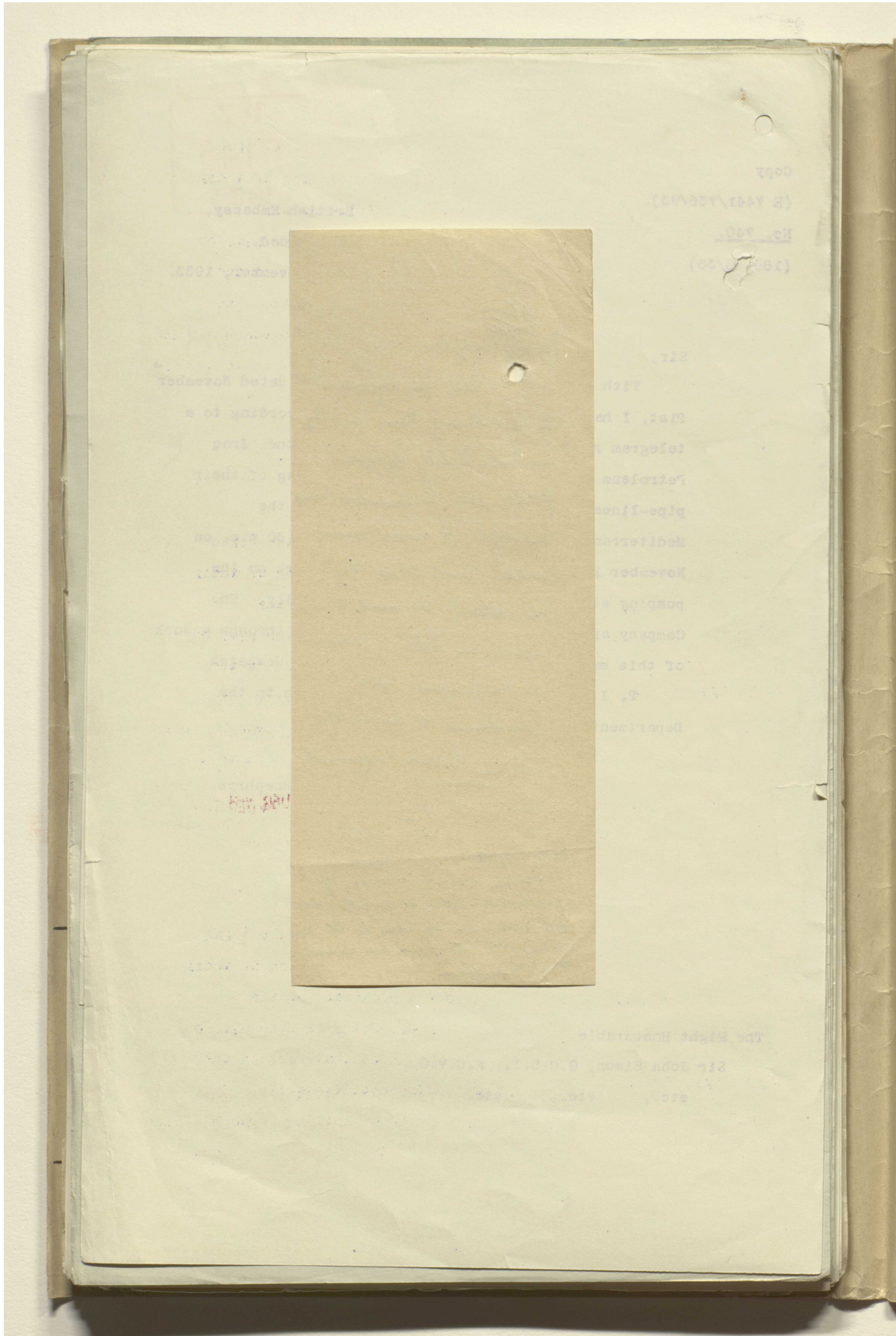
مجموعة ٢١/١٧ "النفط في العراق" [٧٣ظ] (١٧٨/١٤٦)



مجموعة ٢١/١٧ "النفط في العراق" [٧٤و] (١٧٨/١٤٧)

Put 3
D.C. 2/10
Dear Monsieur
Live no objection
to moving this part by
in our Dept. if you
prefer, but I should have
thought it was more
suited (and also the
file below) to find a
home in Pol. None
of the papers have
anything to do with
oil in India apparently
Yours
W.R.
Dear Raguer,
These pp. are not it seems of
particular interest to either dept.
but I see no objection to Pol. Dept.
taking over both if you have no desire
to keep them. W.R. 27/10

مجموعة ٢١/١٧ "النفط في العراق" [٧٤ظ] (١٧٨/١٤٨)



مجموعة ٢١/١٧ "النفط في العراق" [٧٥] [١٧٨/١٤٩]

INDEXED

In any further communication on this subject, please quote
No. E 5419/250/93.
and address—not to any person by name, but to—
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

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1932

75 30
7424
187
1532

THE Under-Secretary of State for Foreign Affairs presents his
compliments to *the Under-Secretary of State*
for India and, by direction of the Secretary of State,
transmits herewith copies of the under-mentioned paper.

Foreign Office,
24th Oct, 1932.

Reference to previous correspondence

Description of Enclosure.

Name and Date.	Subject.
<i>To</i> <i>Petroleum Dept.</i> <i>22nd Oct.</i>	<i>British Oil Development</i> <i>Company's oil concession</i> <i>in Iraq.</i>

Similar letter sent to *Admly*
A.M.
W.O.
C.O.

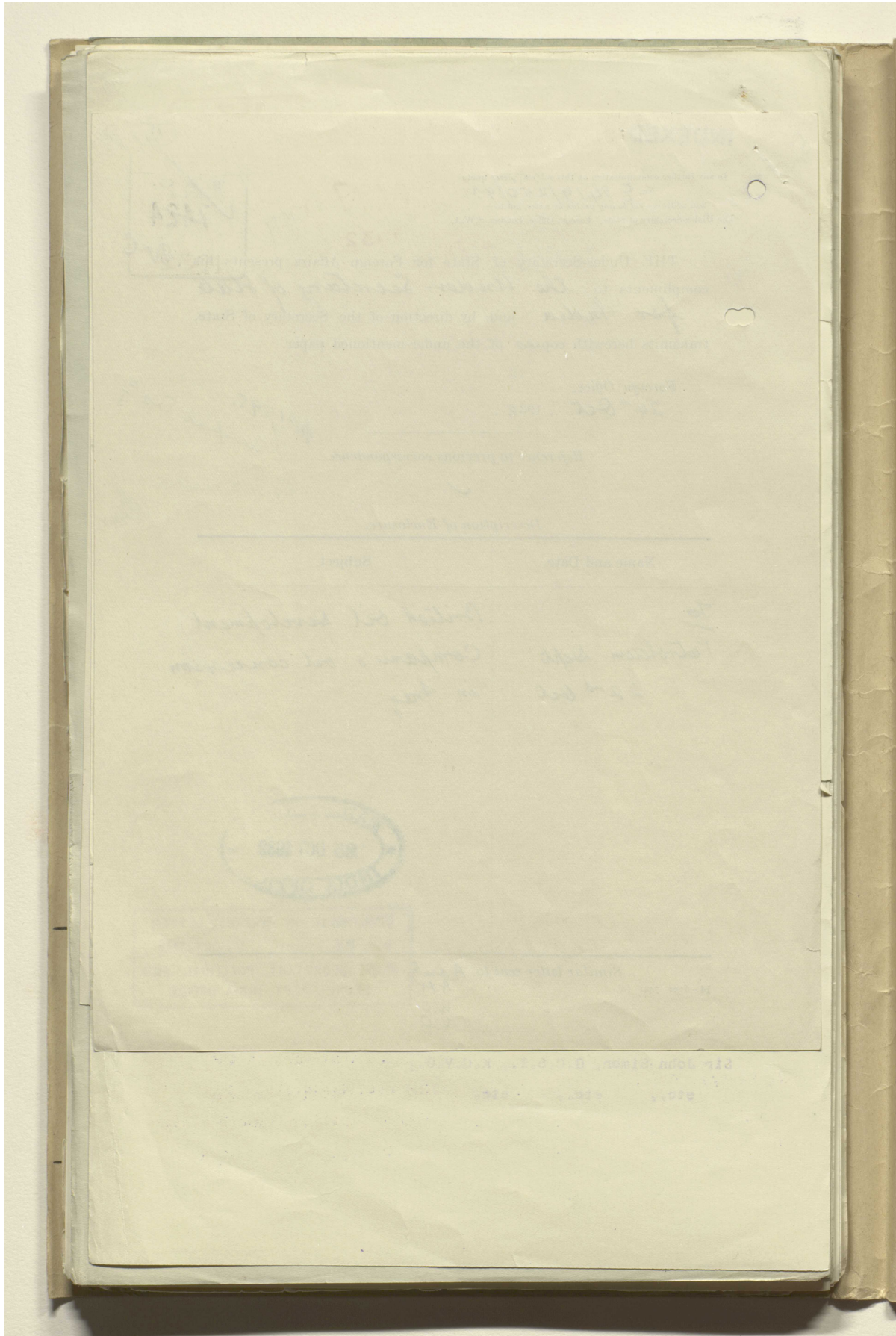
14-6130 7441 (2)

MAIL
* 25 OCT 1932
INDIA OFFICE

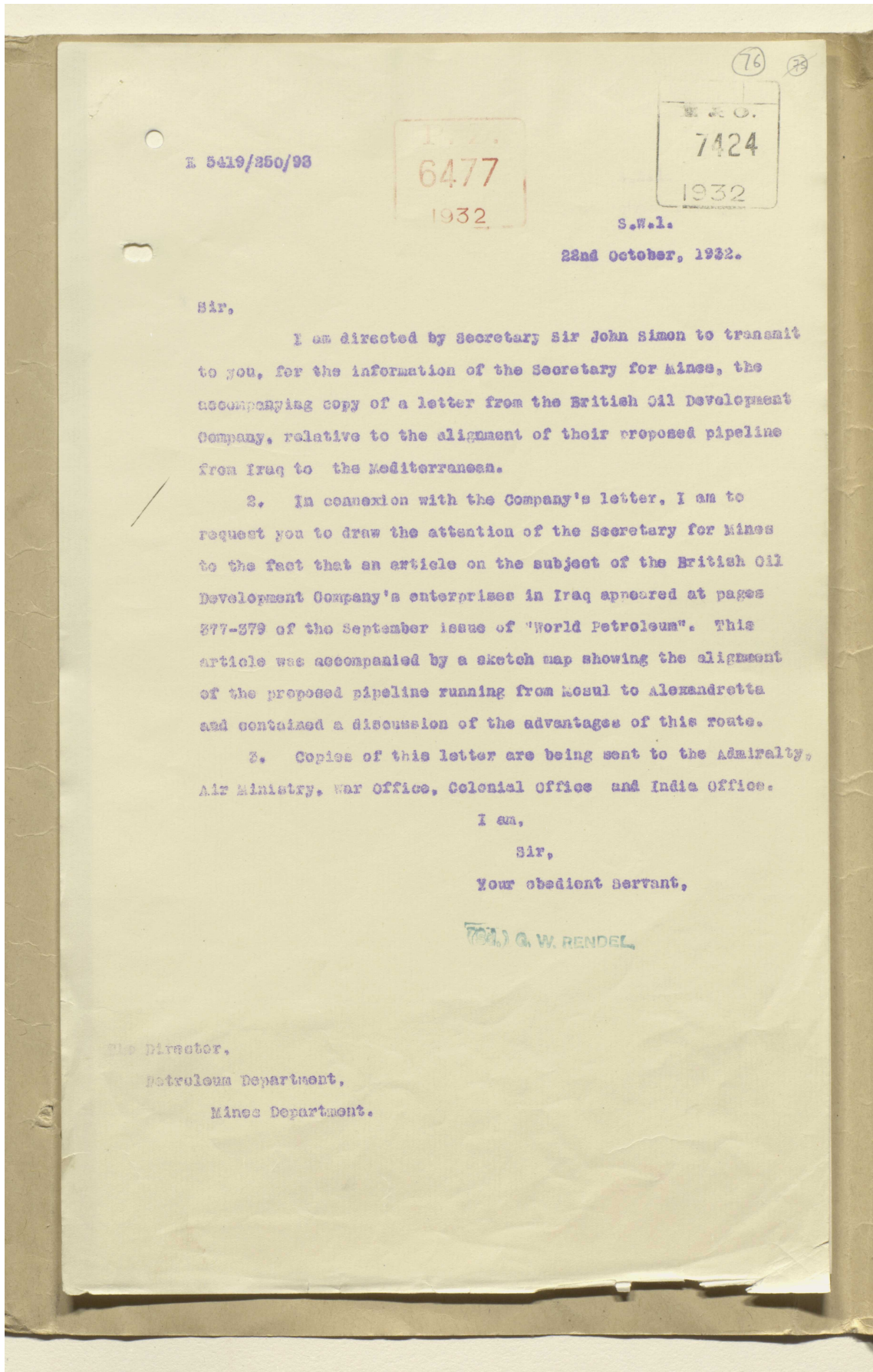
ENCLOSURE IN WEEKLY LETTER
No. *143* — 27 OCT. 1932
FROM SECRETARY, POLITICAL AND
SECRET DEPT. INDIA OFFICE

pp 1595.
2nd part E no 1/3.
No connection with.
Al-Sayid

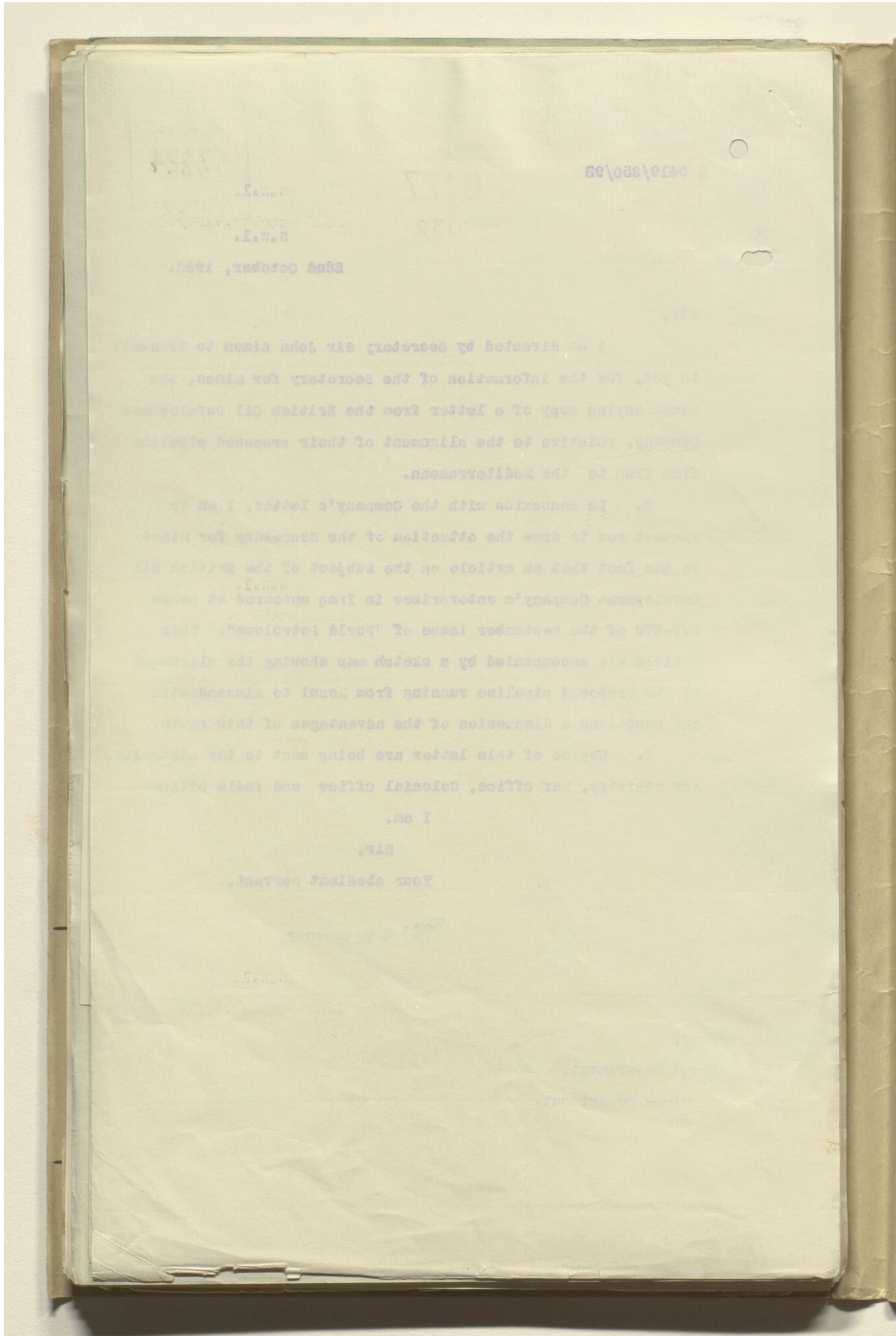
مجموعة ٢١/١٧ "النفط في العراق" [٧٥ظ] (١٧٨/١٥٠)



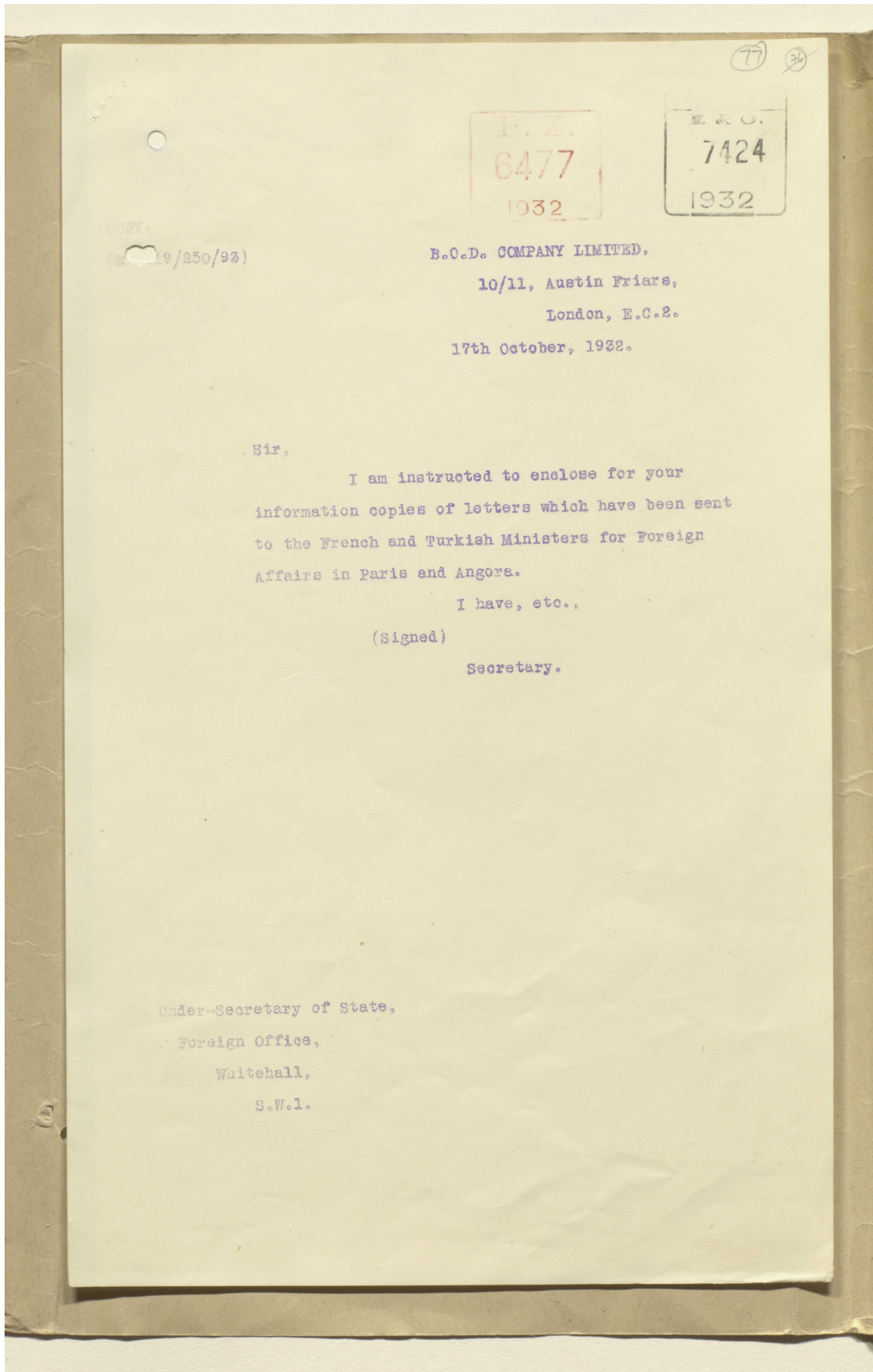
مجموعة ٢١/١٧ "النفط في العراق" [٧٦و] (١٧٨/١٥١)



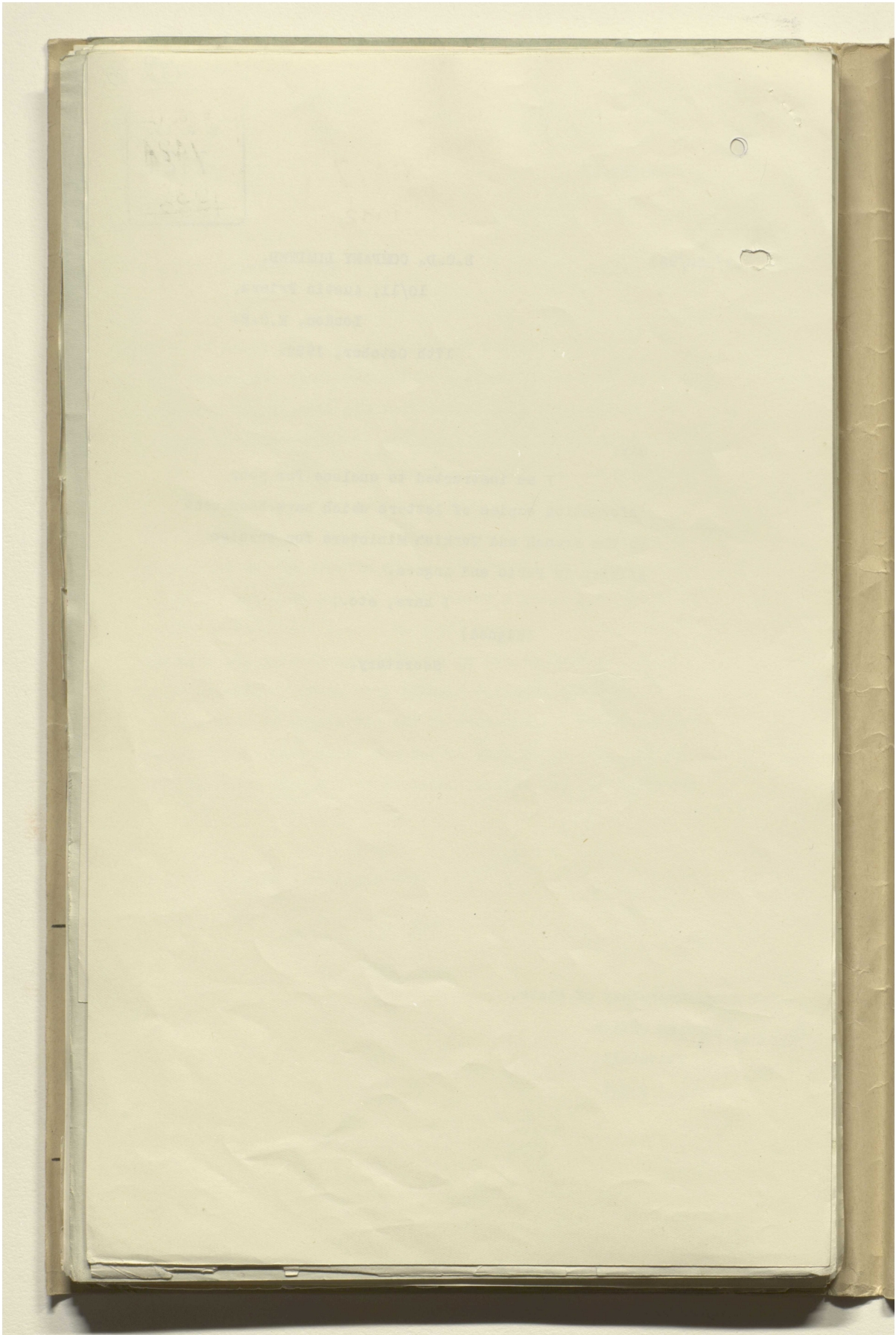
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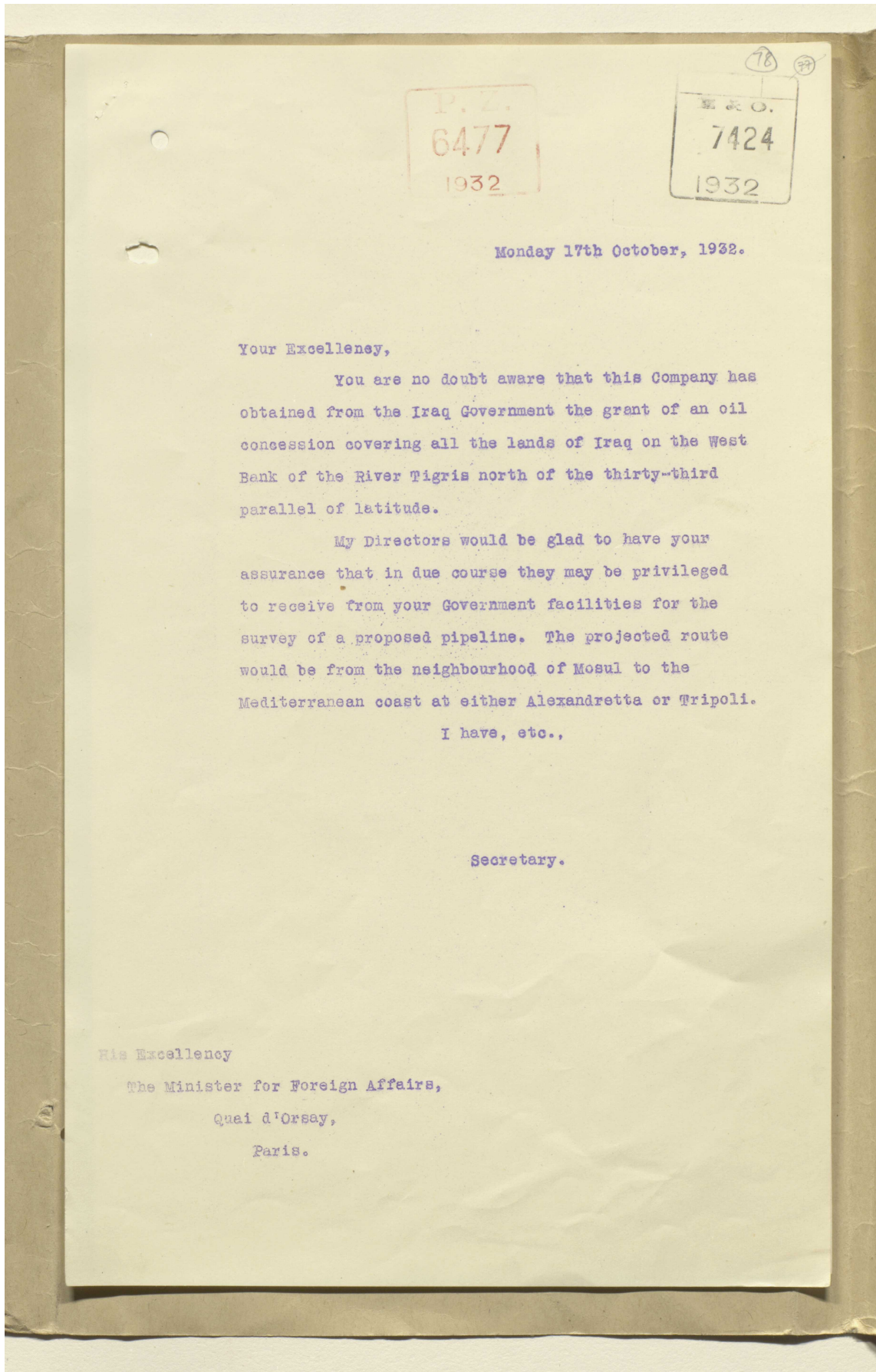
مجموعة ٢١/١٧ "النفط في العراق" [٧٧و] (١٧٨/١٥٣)



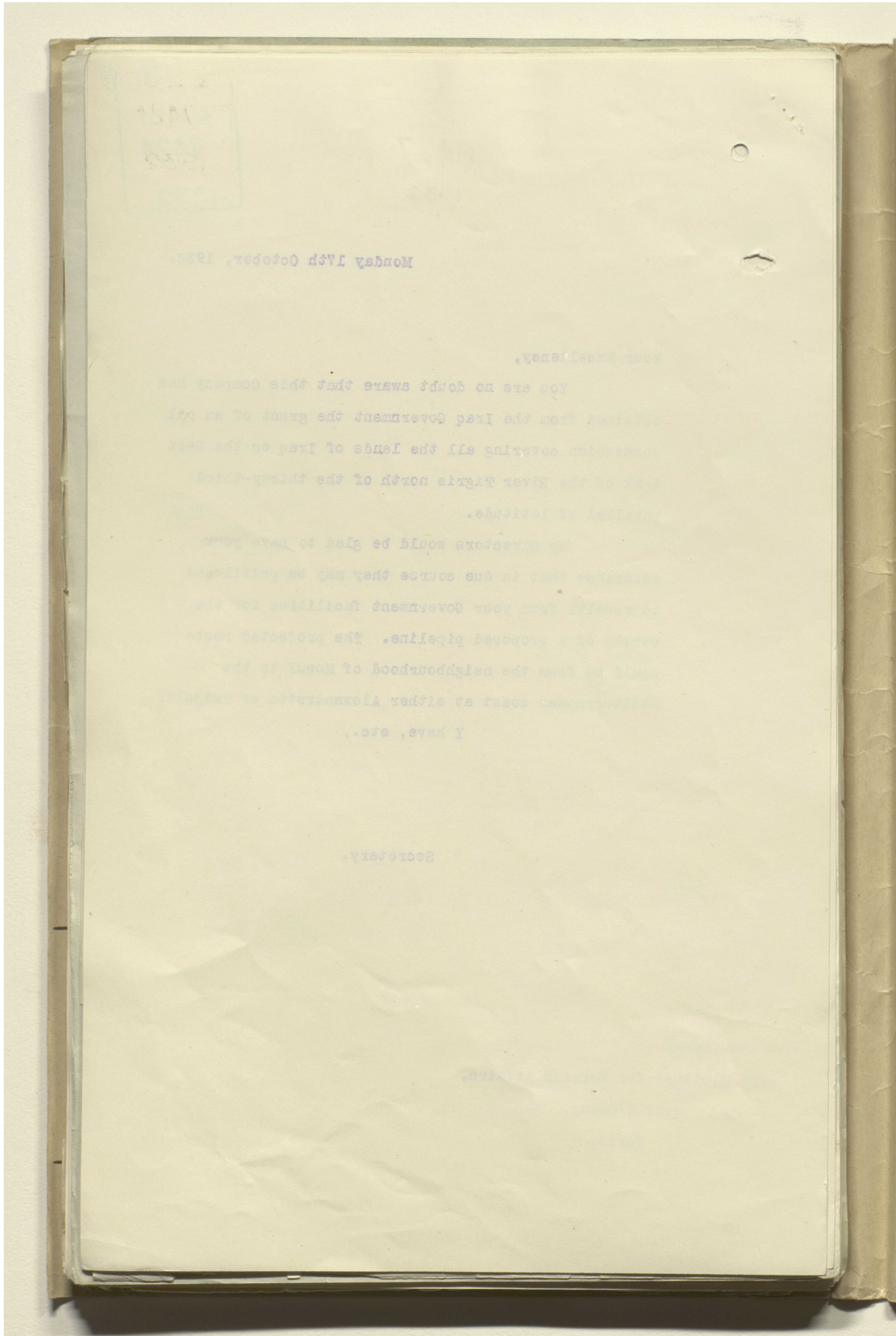
مجموعة ٢١/١٧ "النفط في العراق" [٧٧ظ] (١٧٨/١٥٤)

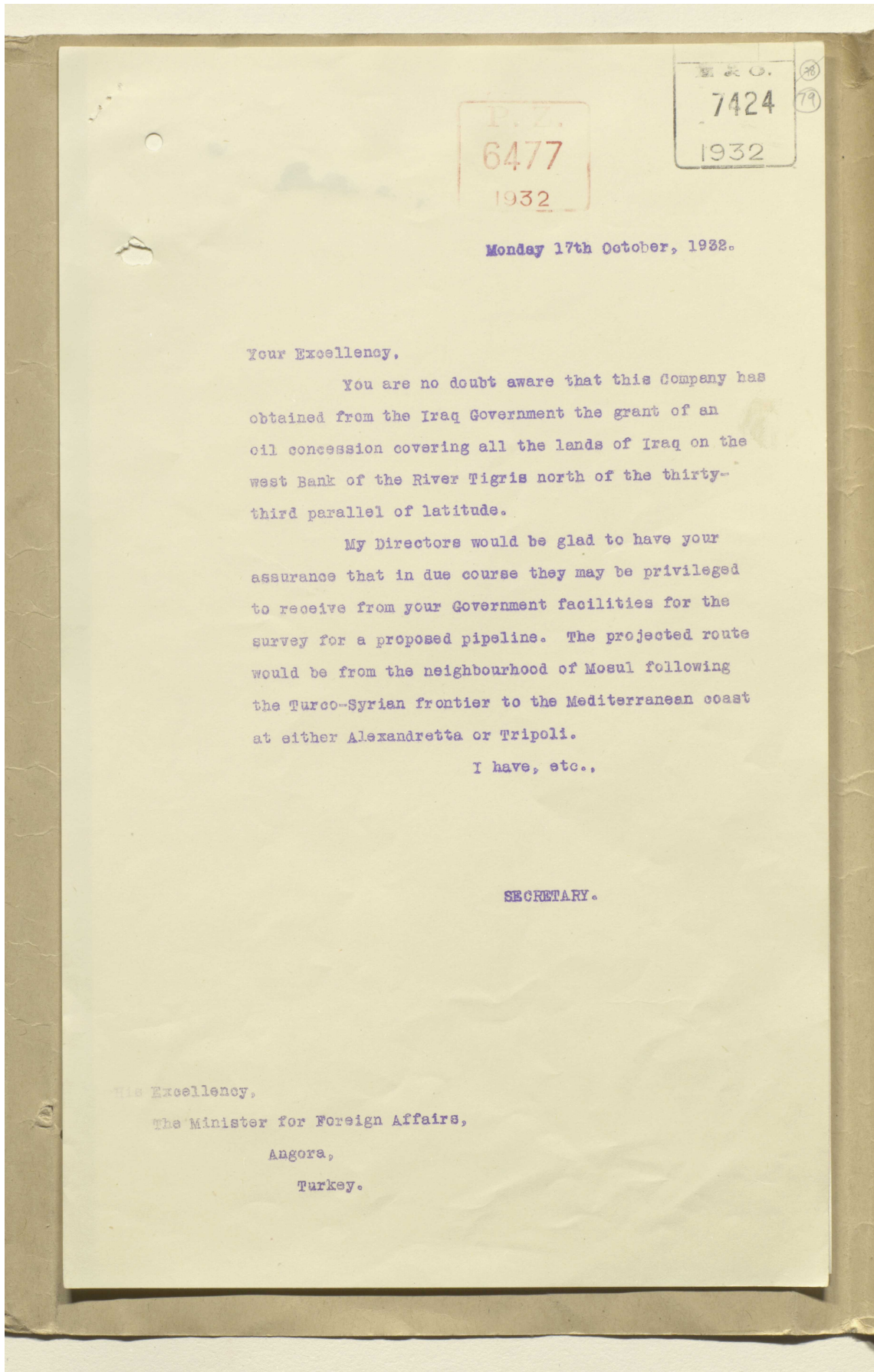


مجموعة ٢١/١٧ "النفط في العراق" [٧٨و] (١٧٨/١٥٥)

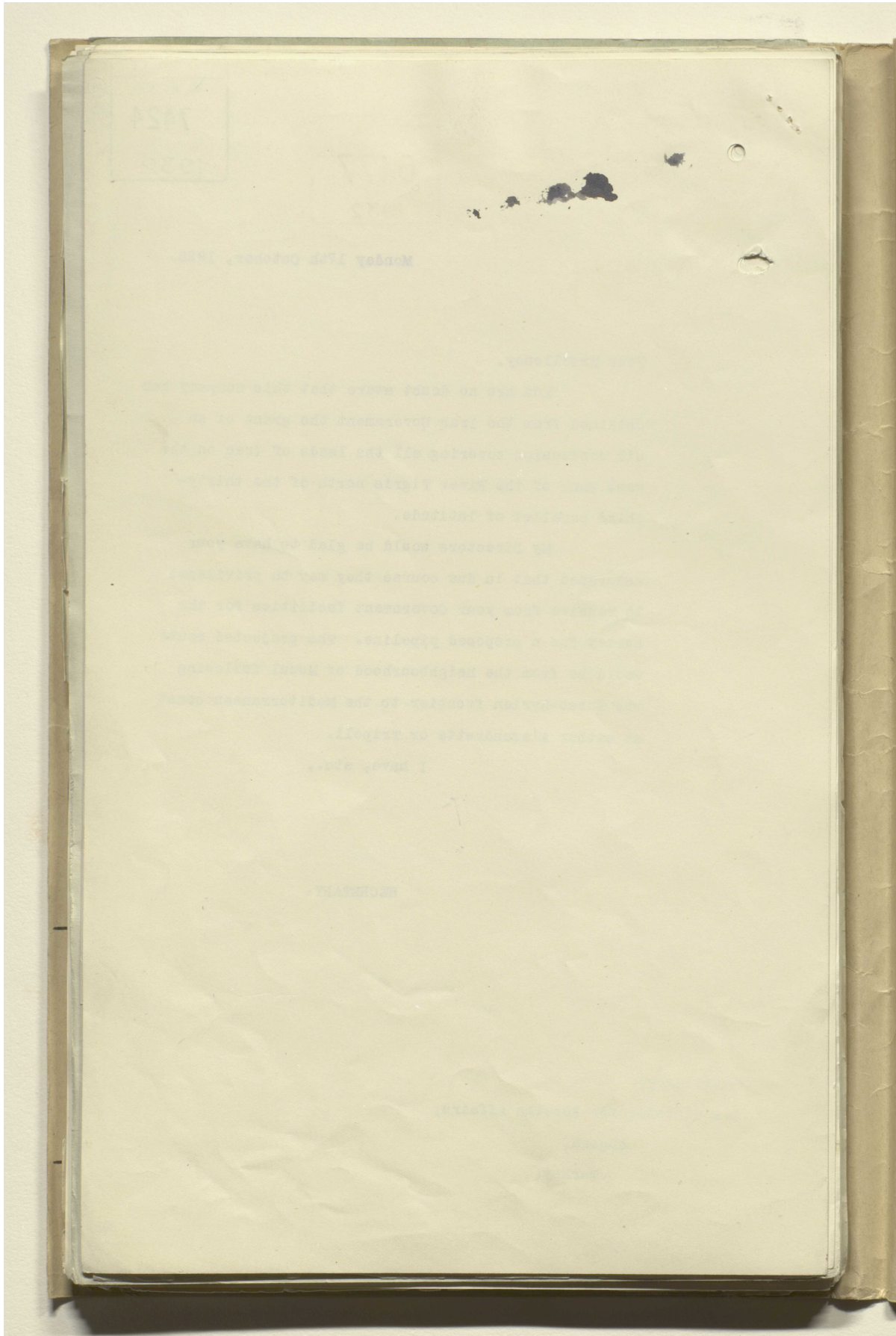


مجموعة ٢١/١٧ "النفط في العراق" [٧٨ظ] (١٧٨/١٥٦)





مجموعة ٢١/١٧ "النفط في العراق" [٧٩ظ] (١٧٨/١٥٨)



(80) 7

Petroleum Subject of File. *between*
Dispute with the
Iraqi Government
&
The Iraq Petroleum
Company

E. & O.
368
32

Previous
File.....E. & O.
Next
File.....E. & O.

MEMORANDA.

This File contains the following papers:—

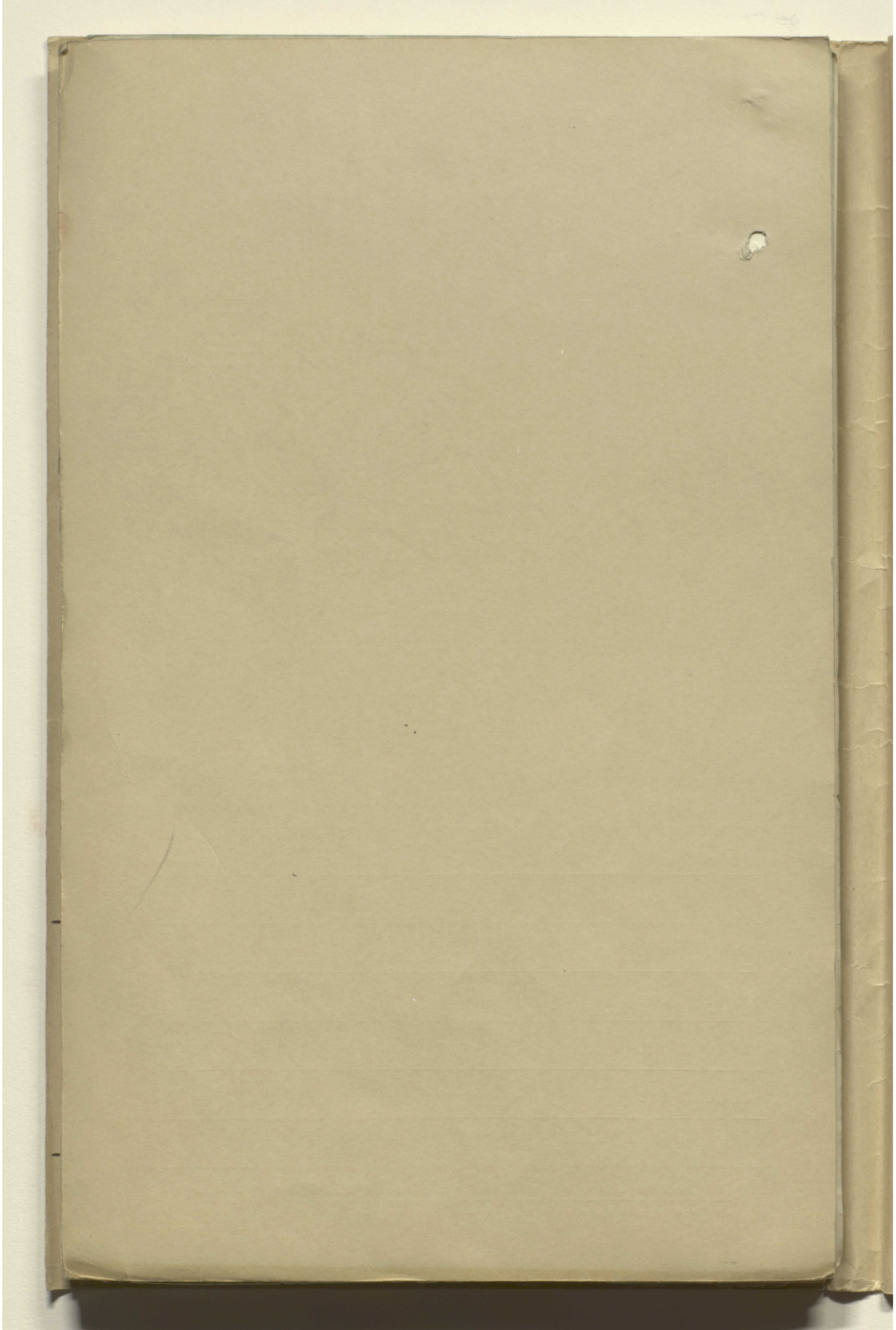
YEAR.
19 32. E. & O. 368 1346 1844

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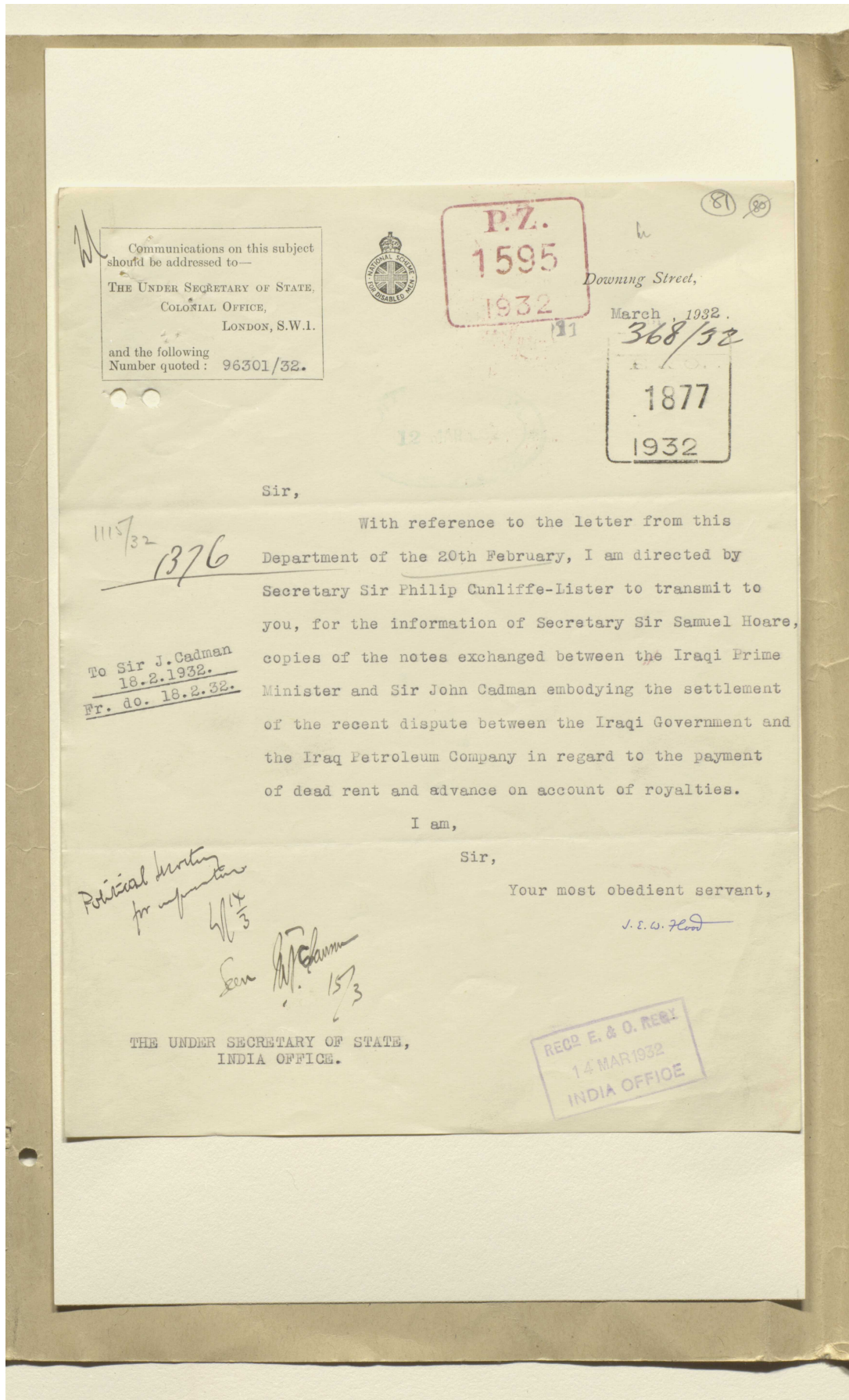
 Papers are only to be removed from or placed within this Jacket by the Registry.

5019 1000 12.30

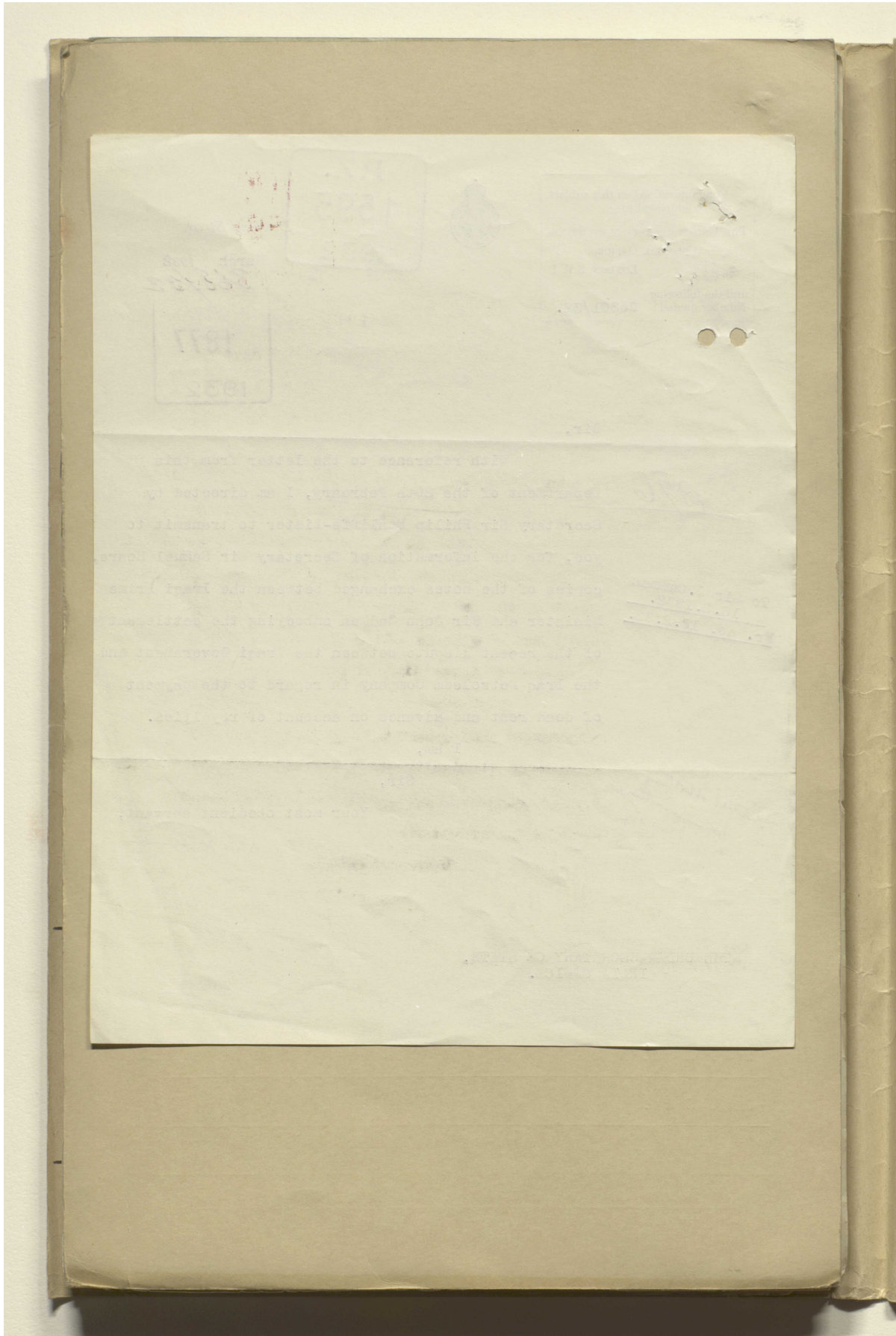
مجموعة ٢١/١٧ "النفط في العراق" [٨٠ظ] (١٧٨/١٦٠)



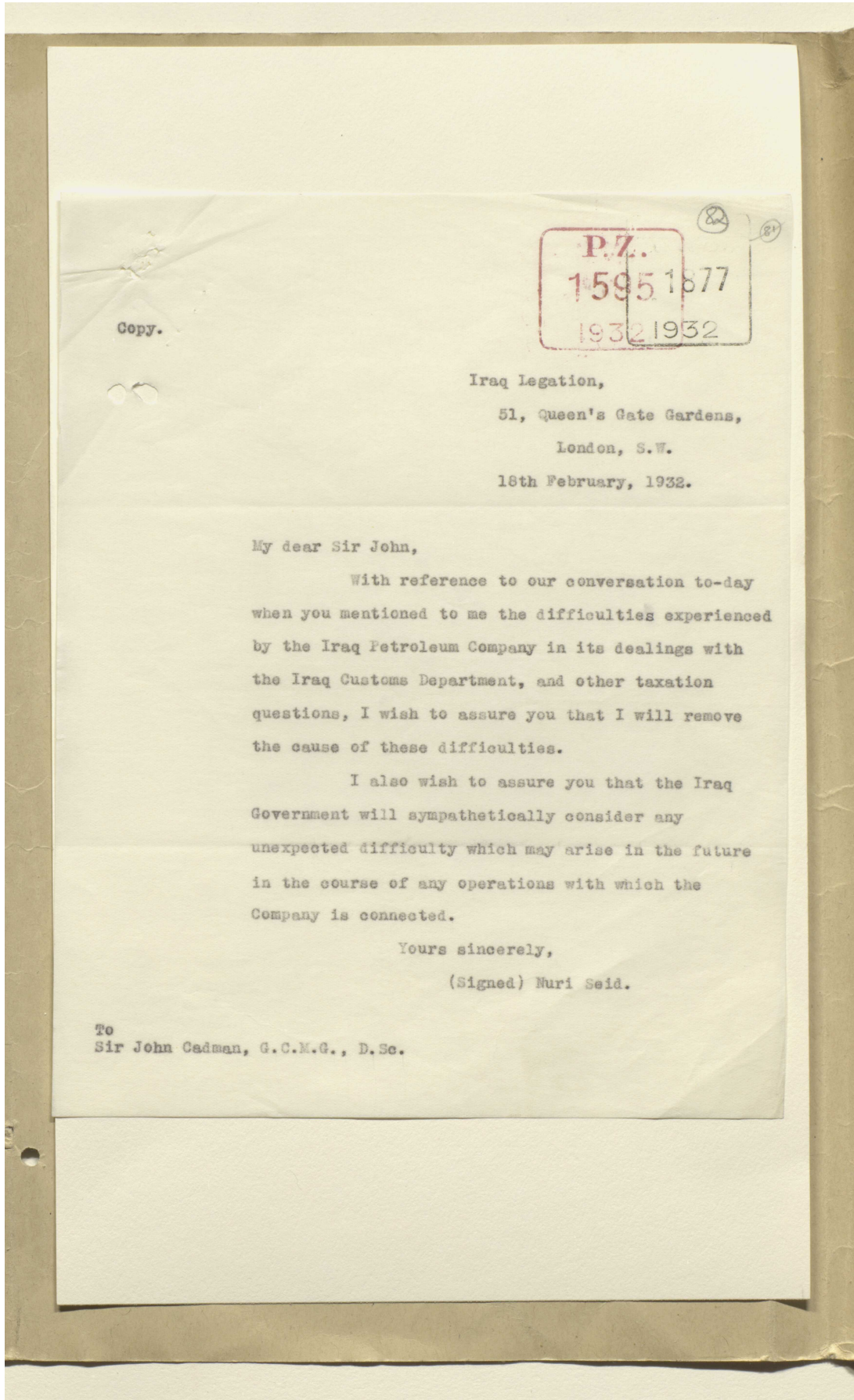
مجموعة ٢١/١٧ "النفط في العراق" [٨١و] (١٧٨/١٦١)



مجموعة ٢١/١٧ "النفط في العراق" [٨١ظ] (١٧٨/١٦٢)



مجموعة ٢١/١٧ "النفط في العراق" [٨٢و] (١٧٨/١٦٣)



Copy.

Iraq Legation,
51, Queen's Gate Gardens,
London, S.W.
18th February, 1932.

My dear Sir John,

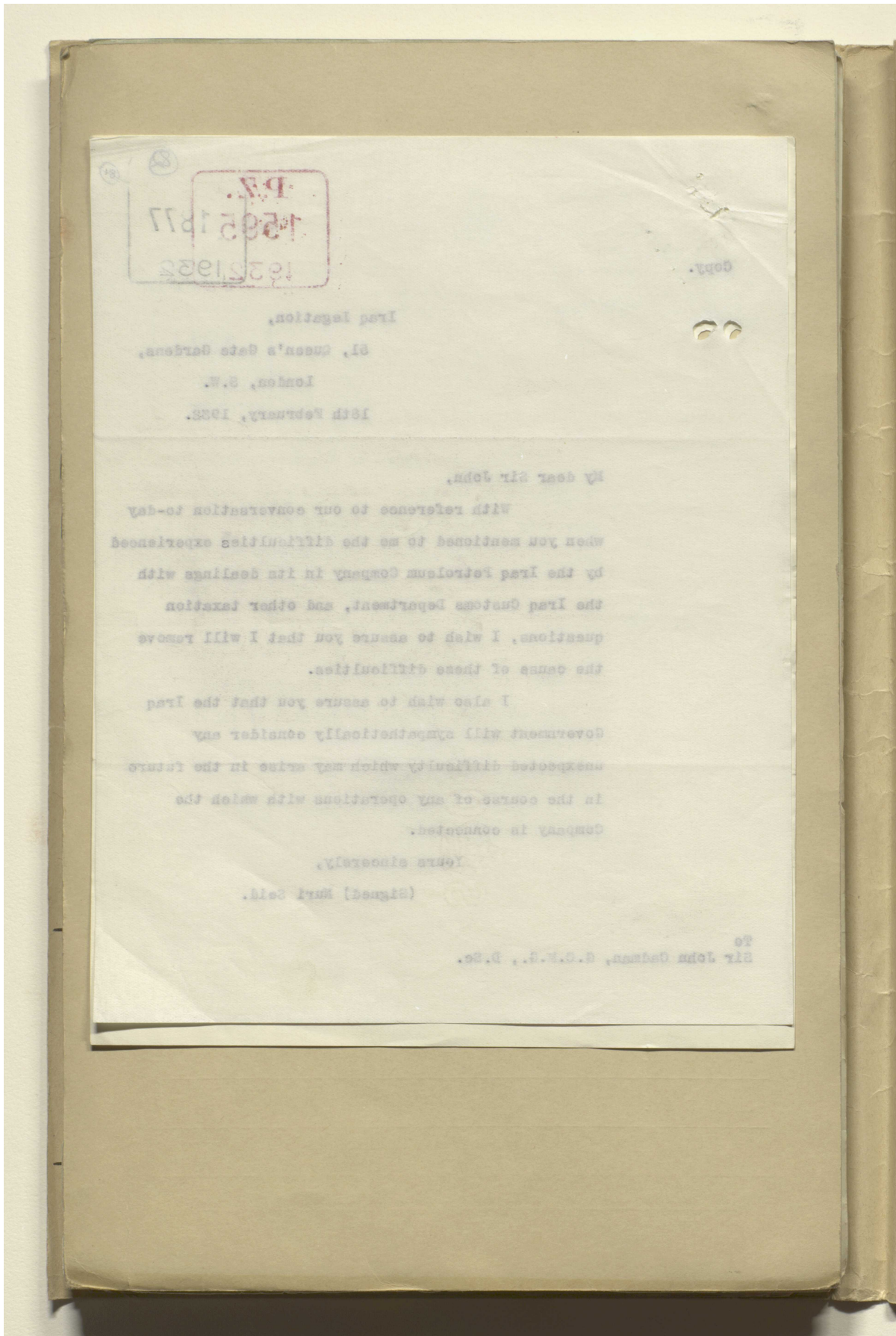
With reference to our conversation to-day when you mentioned to me the difficulties experienced by the Iraq Petroleum Company in its dealings with the Iraq Customs Department, and other taxation questions, I wish to assure you that I will remove the cause of these difficulties.

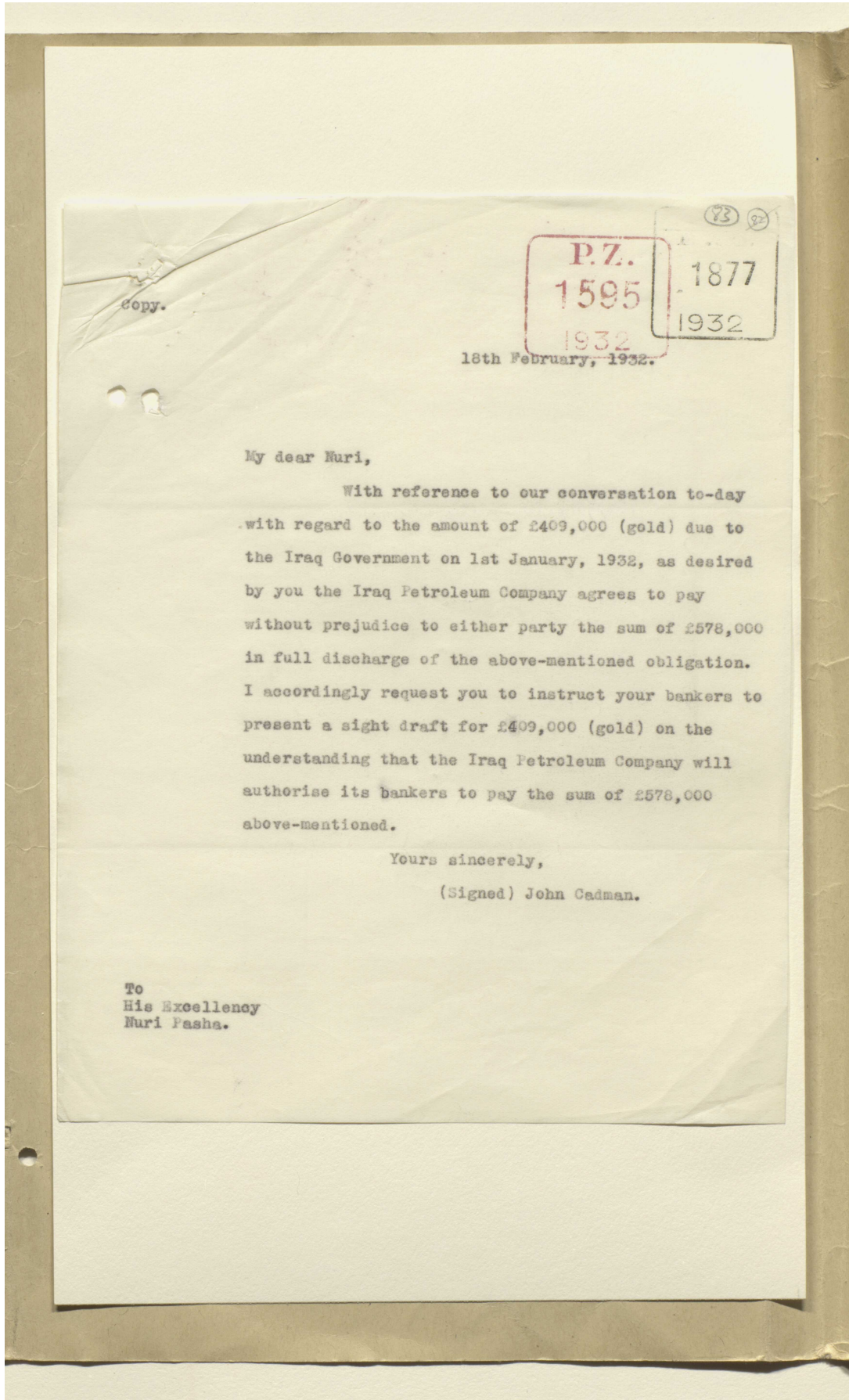
I also wish to assure you that the Iraq Government will sympathetically consider any unexpected difficulty which may arise in the future in the course of any operations with which the Company is connected.

Yours sincerely,
(Signed) Nuri Seid.

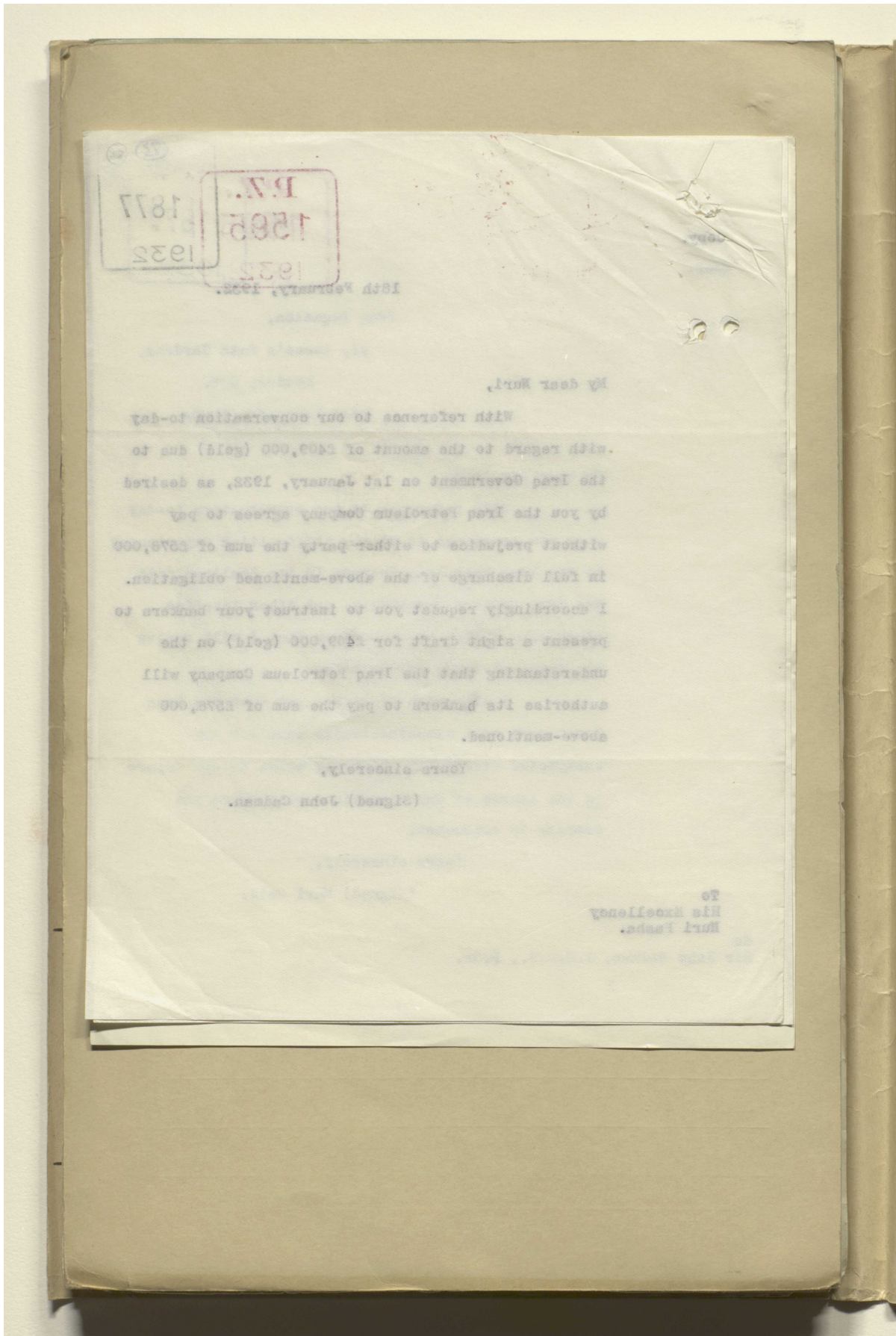
To
Sir John Cadman, G.C.M.G., D.Sc.

مجموعة ٢١/١٧ "النفط في العراق" [٨٢ظ] (١٧٨/١٦٤)





مجموعة ٢١/١٧ "النفط في العراق" [٨٣ظ] (١٧٨/١٦٦)



مجموعة ٢١/١٧ "النفط في العراق" [٨٤و] (١٧٨/١٦٧)

B
12b

Communications on this subject should be addressed to—
THE UNDER SECRETARY OF STATE,
COLONIAL OFFICE,
LONDON, S.W.1,
and the following number quoted:—
96301/32

Subject: *Iraq Petroleum Co's*
royalties
P.Z.
1115-368/32
1932
1376
1932 368/32

Reference to previous correspondence:

Letter ^{to} from the Colonial Office of the *12th January*

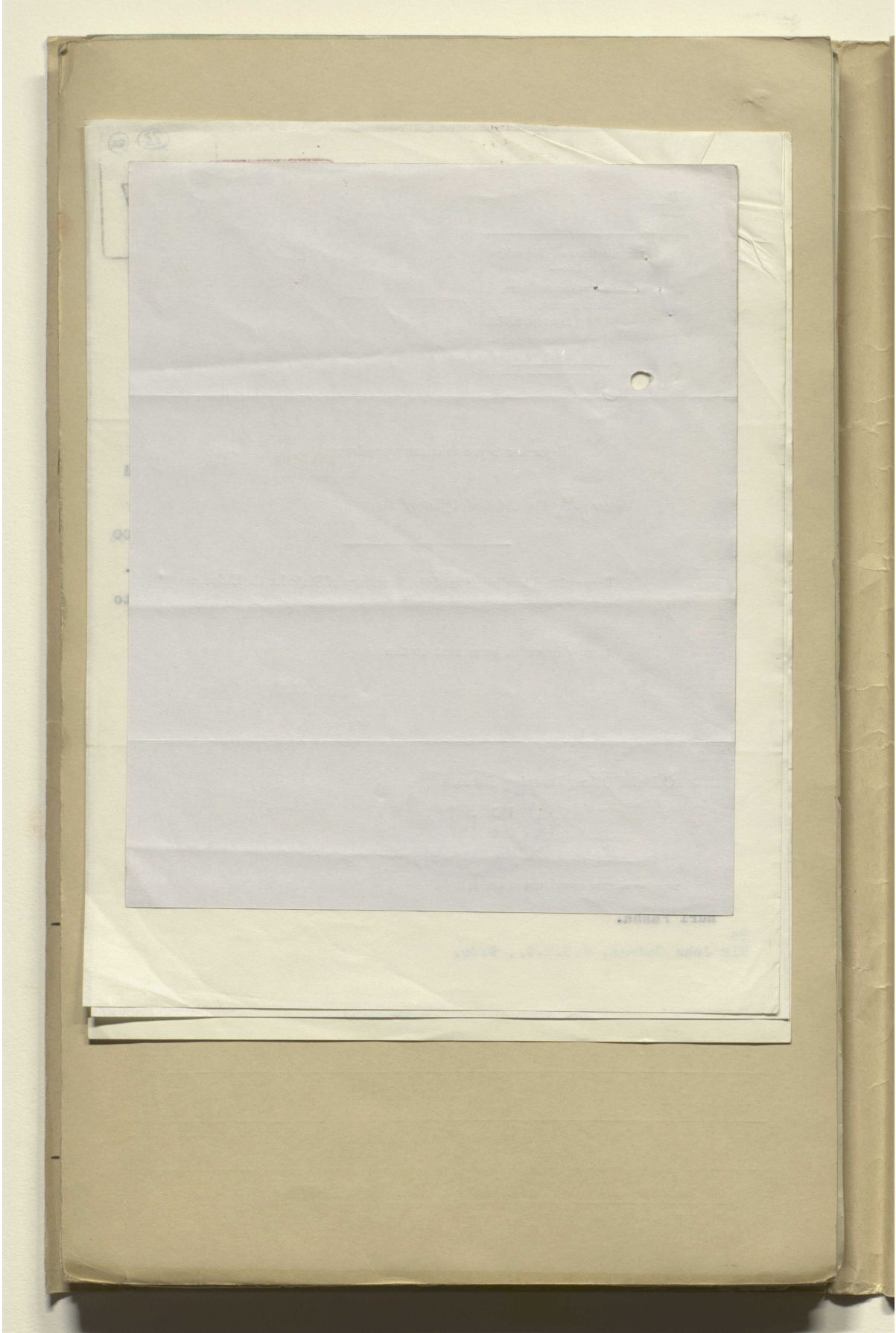
Transmitted by direction of the Secretary of State for the Colonies.

A copy has also been sent to the *to Pet Dept Henry*
B/Y. to army admin Cabinet Office.

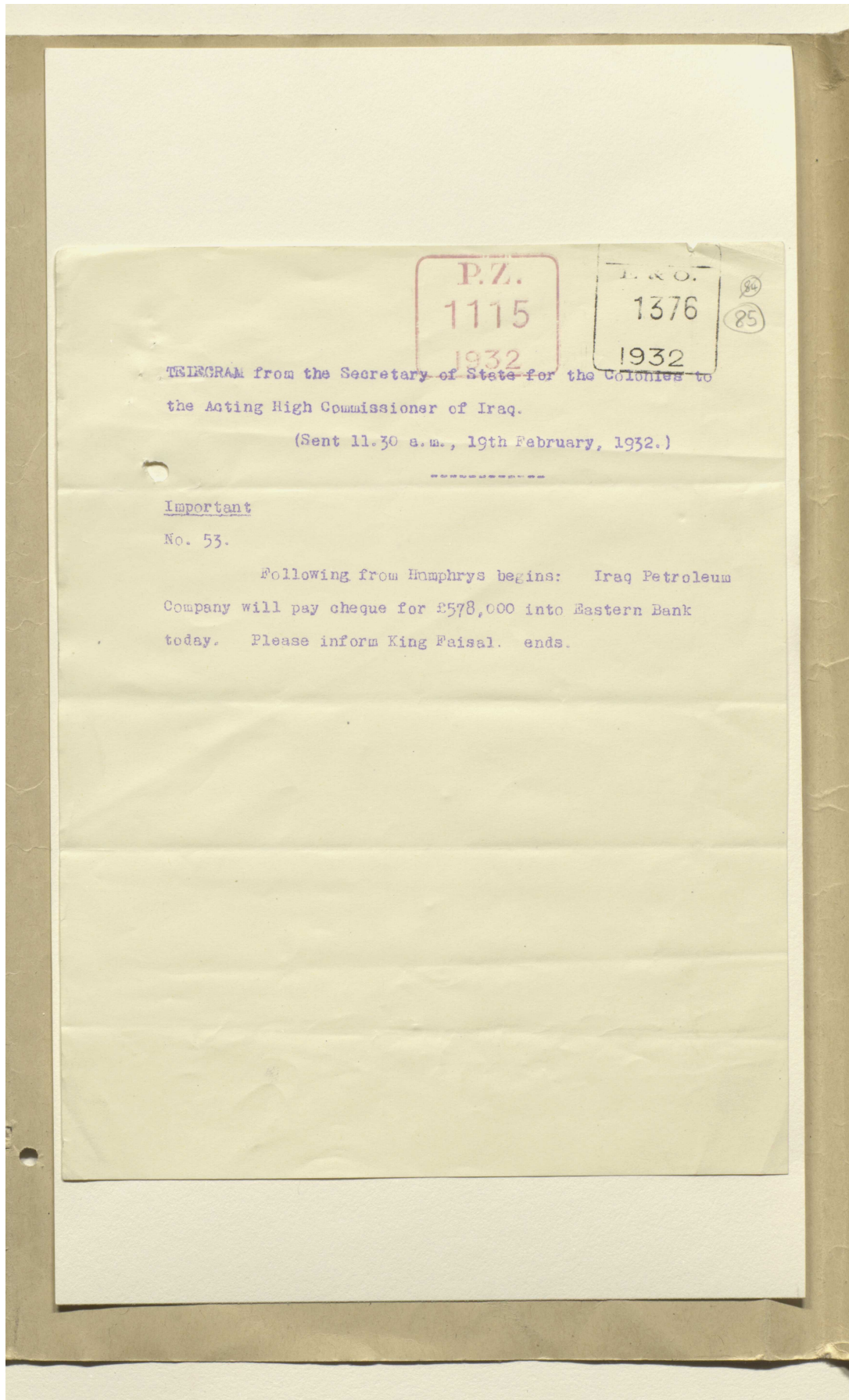
Colonial Office, Downing Street
20 Feb 1932
1932 FEB 1932
REC'D E. & O. REG
24 FEB 1932
INDIA OFFICE

(R9720) Wt 15117/2750 10,000(2) 12/51 H & Sp Gp 112

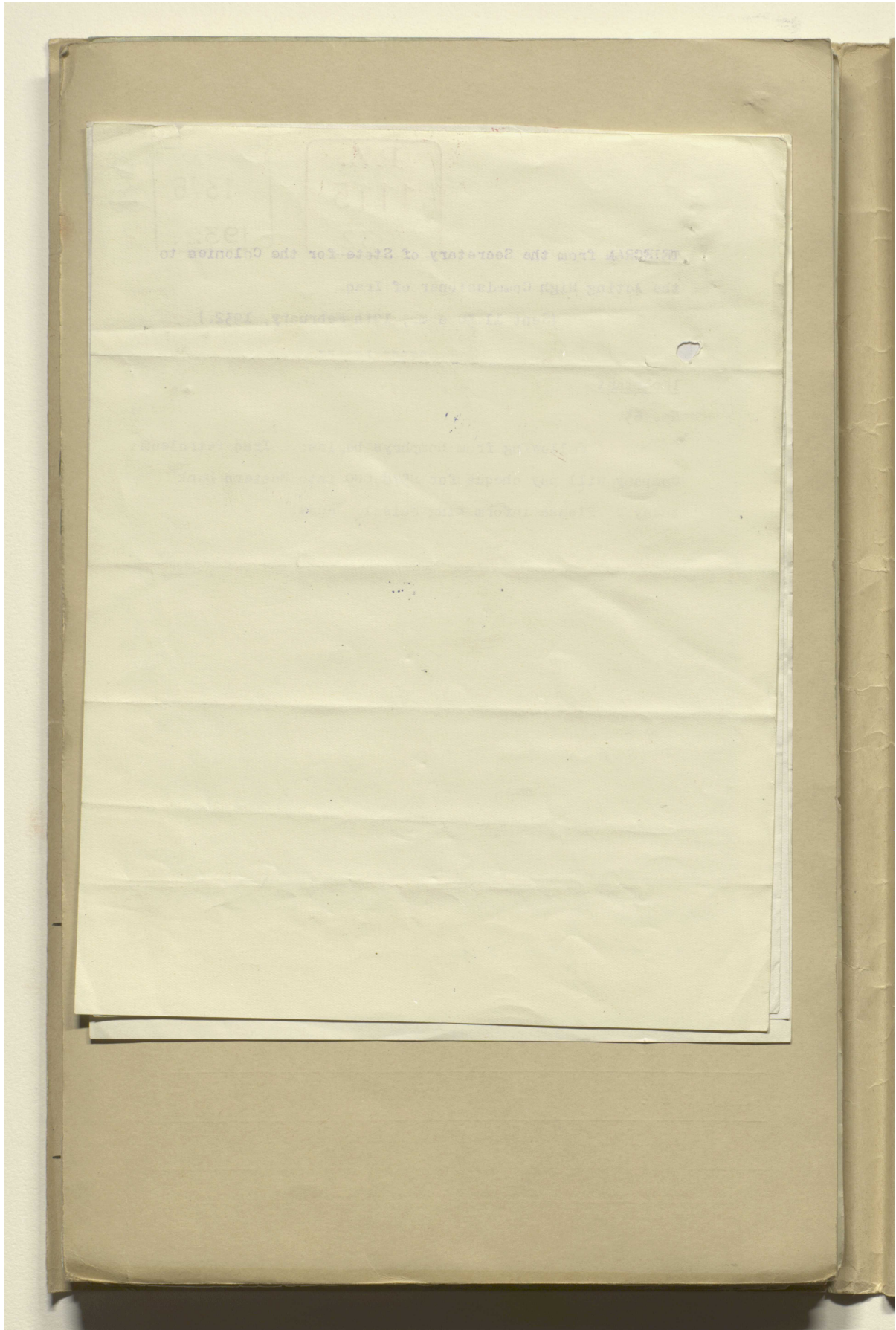
مجموعة ٢١/١٧ "النفط في العراق" [٨٤ظ] (١٧٨/١٦٨)



مجموعة ٢١/١٧ "النفط في العراق" [٨٥و] (١٧٨/١٦٩)



مجموعة ٢١/١٧ "النفط في العراق" [٨٥ظ] (١٧٨/١٧٠)



مجموعة ٢١/١٧ "النفط في العراق" [٨٦و] (١٧٨/١٧١)

W B
12b

Communications on this subject
should be addressed to—
THE UNDER SECRETARY OF STATE,
COLONIAL OFFICE,
LONDON, S.W.1,
and the following number quoted :—
9630/31

Subject. Iraq Petroleum Company

Reference to previous correspondence:

Letter to the Colonial Office of the
from

Transmitted by direction of the Secretary of State for the Colonies.

A copy has also been sent to the

RECD E. & O. 1101
15 JAN 1932
INDIA OFFICE

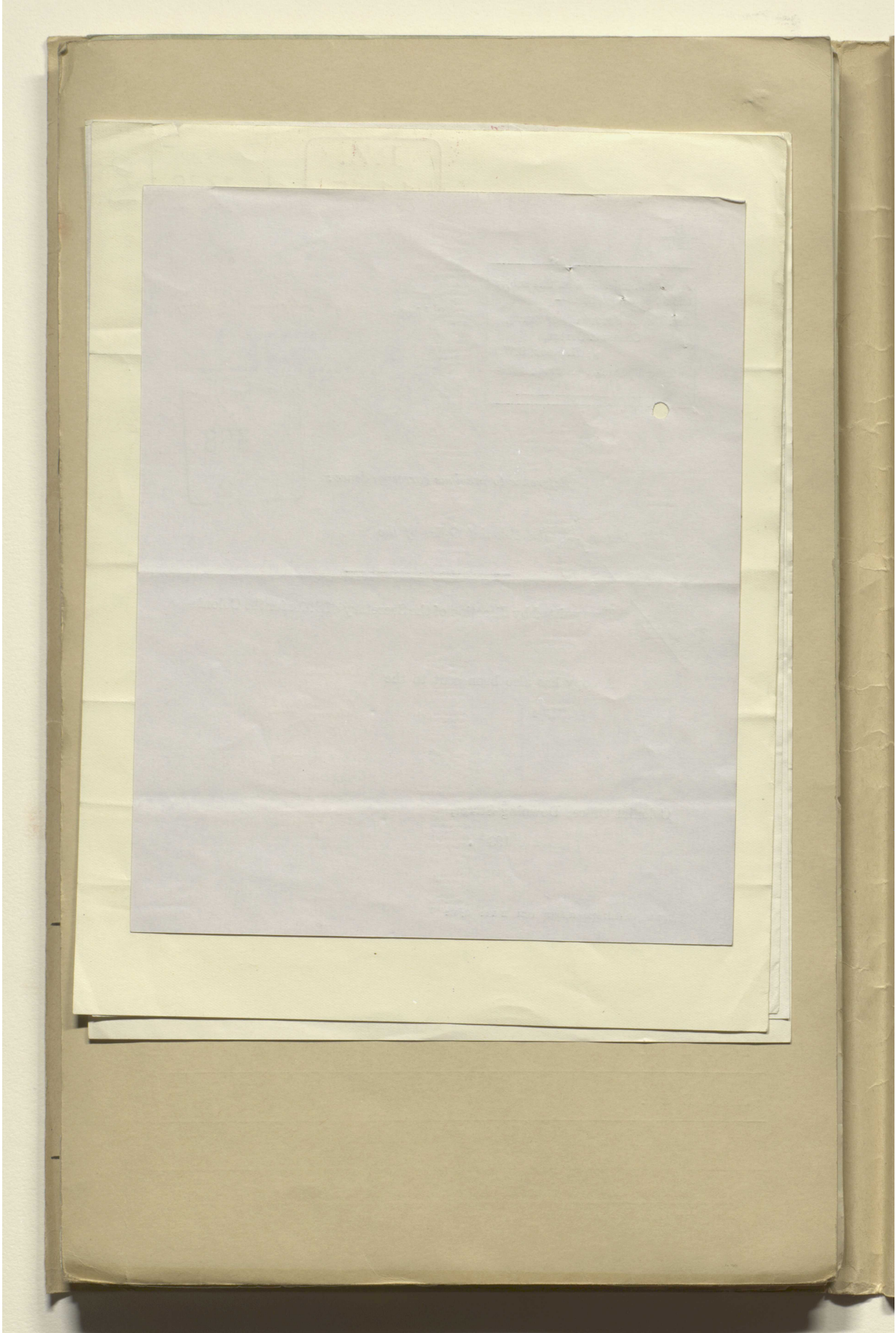
Colonial Office, Downing Street,
12 January 1931.

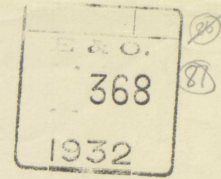
Treasury
Fo.
Petroleum Dept
B.T.
Air Ministry
W.O.
Commodore Allen
Admiralty

13 JAN
INDIA OFFICE

(R9720) Wt 18117/2750 10,000(2) 12/31 H & SF Gp 112

مجموعة ٢١/١٧ "النفط في العراق" [٨٦ظ] (١٧٨/١٧٢)





TELEGRAM from the High Commissioner of Iraq to the
Secretary of State for the Colonies.

Dated 2nd January, 1932.

(Received Colonial Office 3.35 p.m. 2nd January, 1932)

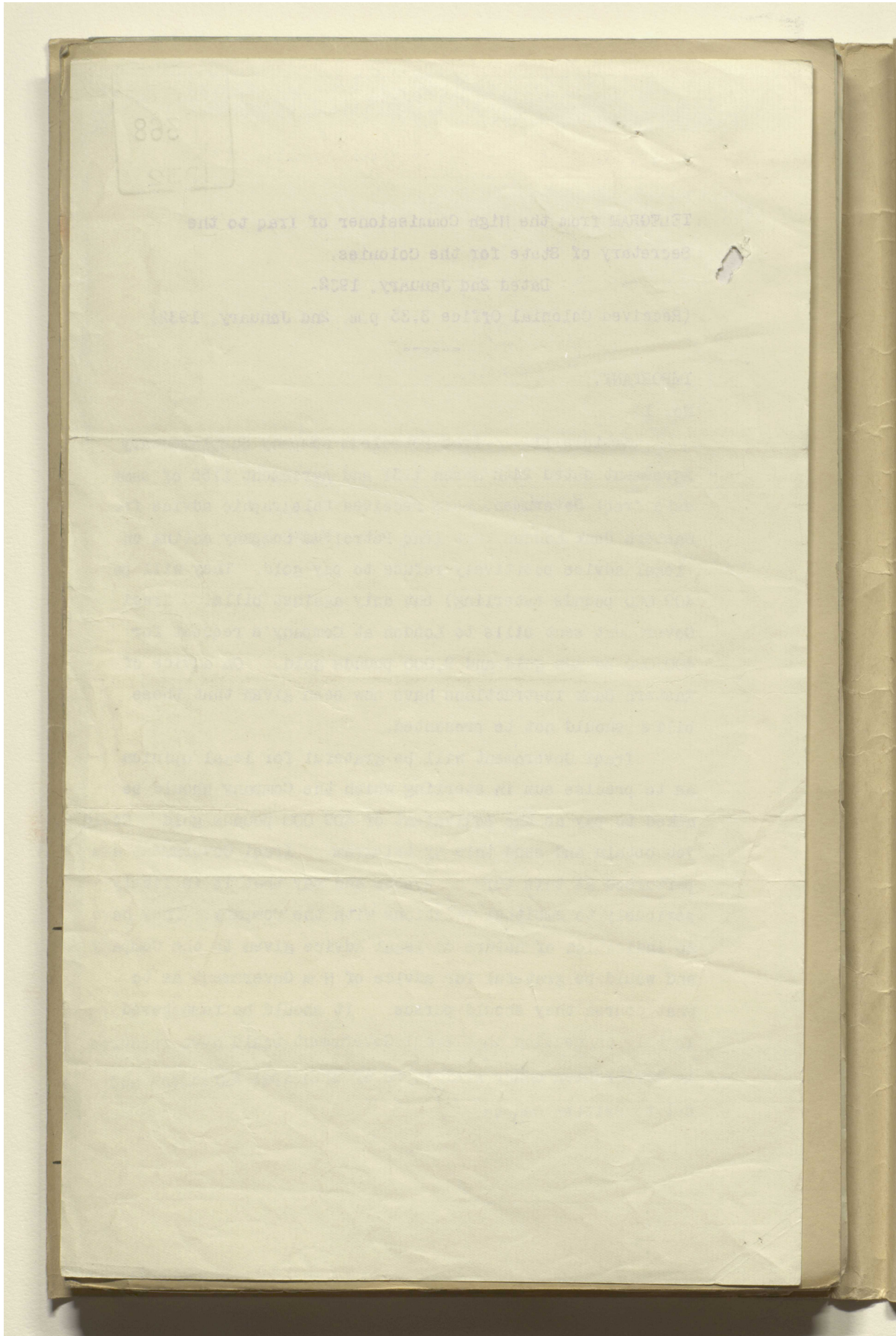
IMPORTANT.

No. 1.

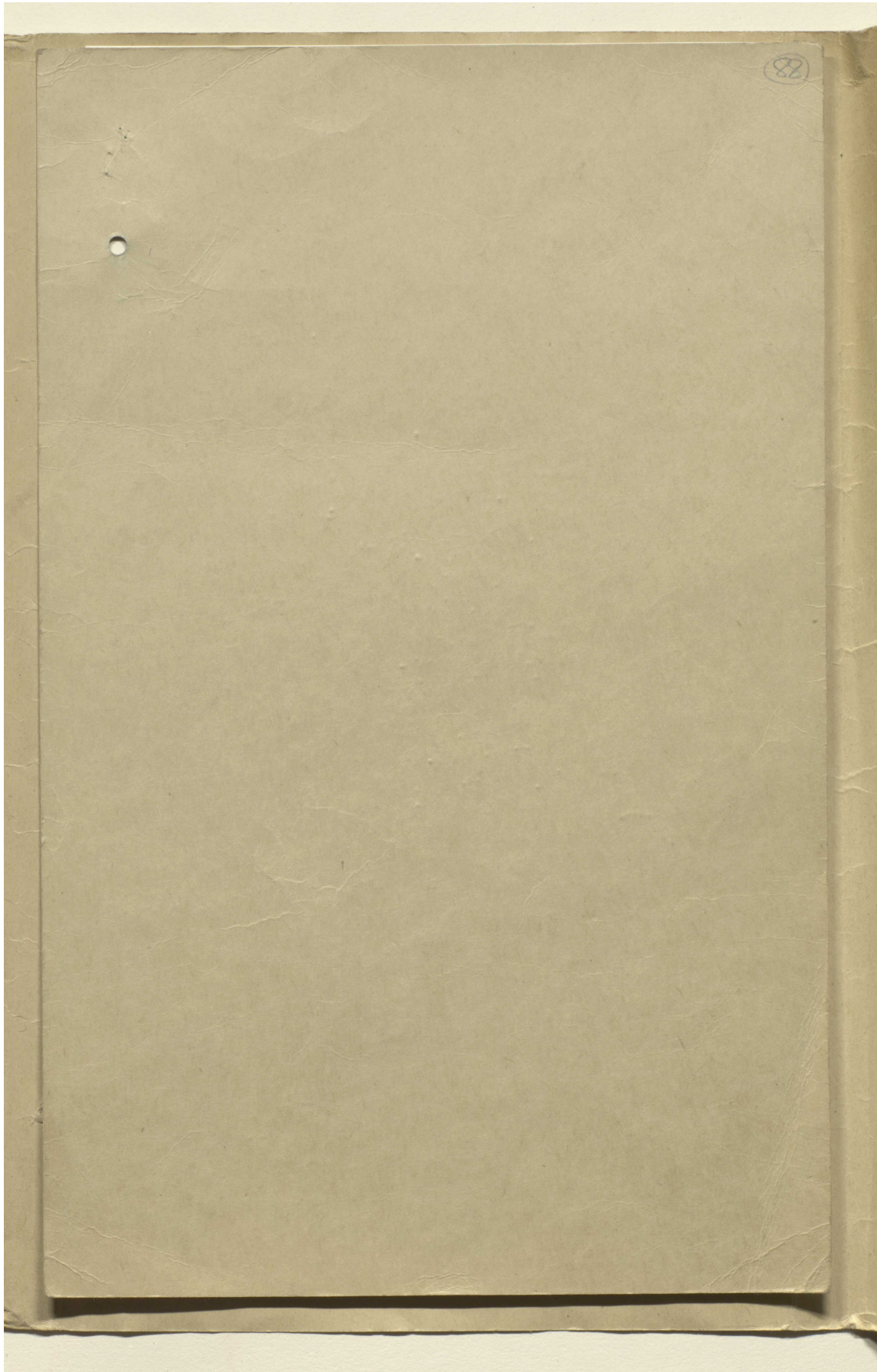
Article II. Iraq Petroleum Company Supplementary Agreement dated 24th March 1931 and Agreement 1155 of same date Iraqi Government have received telegraphic advice from Eastern Bank London that Iraq Petroleum Company acting on legal advice positively refuse to pay gold. They will pay 409,000 pounds (sterling) but only against bills. Iraqi Government sent bills to London at Company's request for 400,000 pounds gold and 9,000 pounds gold. On advice of Eastern Bank instructions have now been given that these bills should not be presented.

Iraqi Government will be grateful for legal opinion as to precise sum in sterling which the Company should be asked to pay as the equivalent of 409,000 pounds gold. Could you obtain and send this by telegram. Iraqi Government are perturbed at this turn of events and say that it is likely seriously to smother relations with the Company. They have no indication of nature of legal advice given to the Company and would be grateful for advice of H.M. Government as to what course they should pursue. It should be remembered in this connection that Iraqi Government would have recourse to arbitration under Article 40 of principal agreement and not to British Courts.

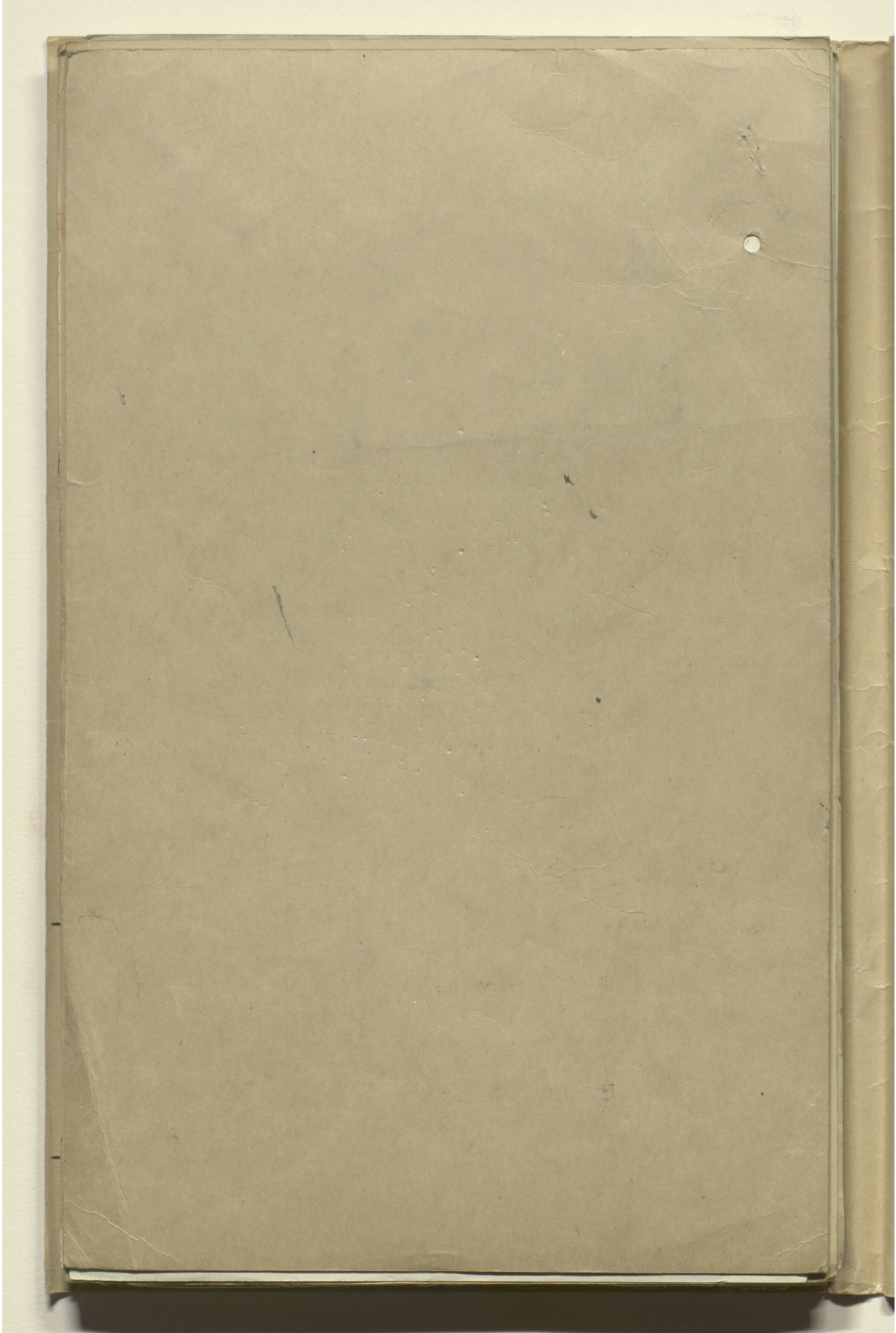
مجموعة ٢١/١٧ "النفط في العراق" [٨٧ظ] (١٧٨/١٧٤)



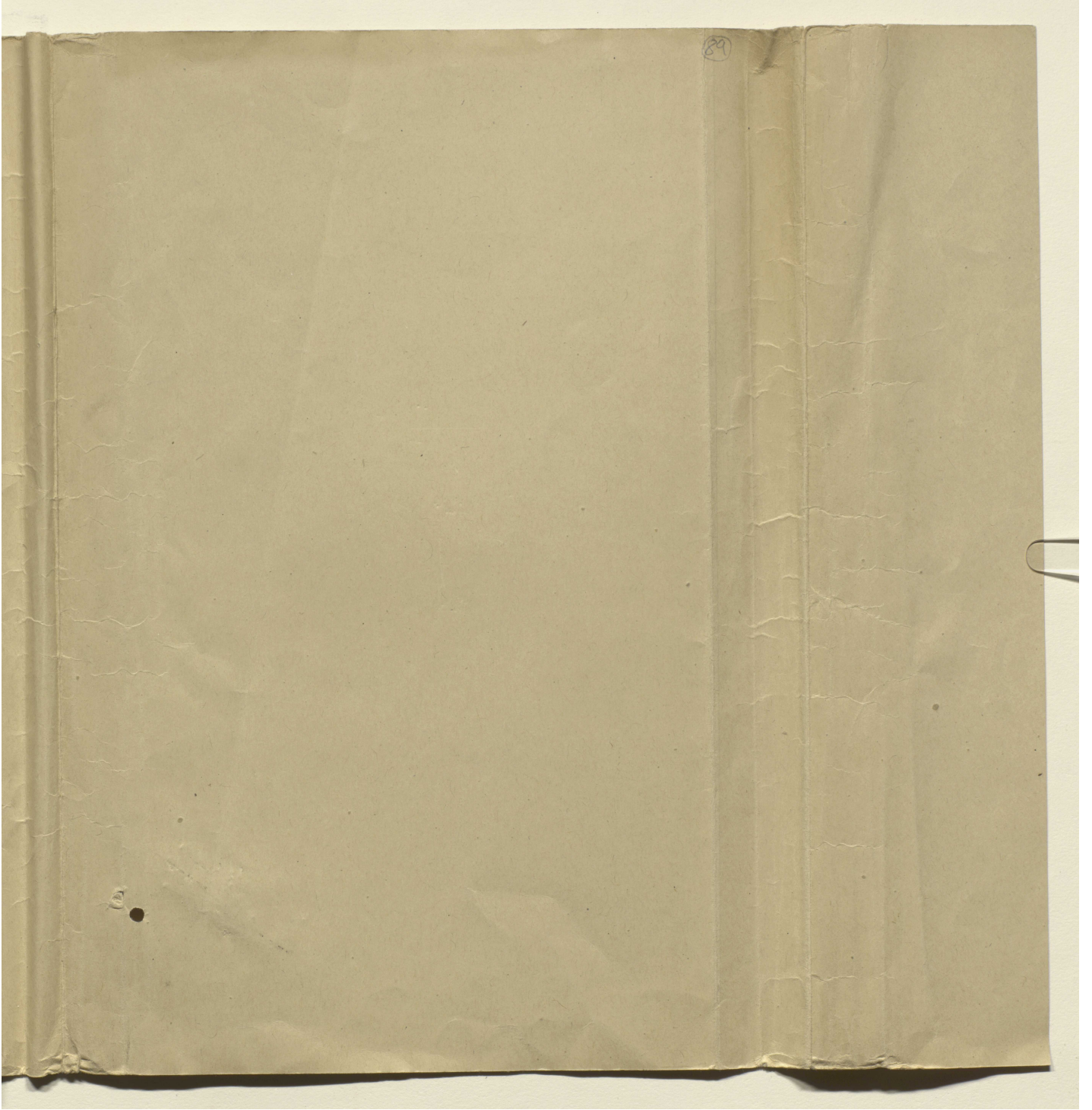
مجموعة ٢١/١٧ "النفط في العراق" [٨٨و] (١٧٨/١٧٥)



مجموعة ٢١/١٧ "النفط في العراق" [٨٨ظ] (١٧٨/١٧٦)



مجموعة ٢١/١٧ "النفط في العراق" [خلفي-داخلي] (١٧٨/١٧٧)



مجموعة ٢١/١٧ "النفط في العراق" [خلفي] (١٧٨/١٧٨)

