

3898

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

October 7, 1973

**UNCLASSIFIED**

Oil Contingency Paper

U. S. Vulnerability to Arab Cut-Off

Currently the U. S. imports about 1.7 million barrels of Arab crude oil and refined products which originate from Arab countries -- about 10% of total consumption. This is expected to increase to about 2.3 million barrels per day this winter (15% of total consumption). See Table 1 for details for both the U. S. and Canada.

Currently we hold about 940 million barrels of oil stocks of which 420 million barrels would be available to fill the gap. In total, these stocks would provide between 210 to 250 days supply if all Arab oil were cut off.

Although stocks are large in the aggregate, major regional shortages would occur almost immediately and Treasury believes that the President would be forced to implement a formal rationing, or at least a more comprehensive mandatory allocation, system.

An expanded mandatory allocation and perhaps complete rationing could also be required even if a less than total cut-off of all Arab oil occurred. For example, if Libya cut off production of 200 thousand barrels per day (or about 1% of total consumption) a recent study concluded that there would be a major impact on the winter situation. Cessation of Libyan crude production would reduce available emergency stocks by 20%. Sulphur air quality standards would have to be relaxed.

These conclusions stand, despite the many actions that could be taken to surge production and cut back on demand. A list of possibilities is on Table 2.

Europe and Japan

The impact on Japan and Europe would be far worse and would cause severe economic damage even with rationing. Europe receives over 75% and Japan over 50% of its total oil consumption from Arab sources (compared to 10% for the U. S.). A detailed list for 1972 is given on Table 3.

**UNCLASSIFIED**

DDRS

TABLE 1

Sources of U.S. Oil Imports  
 October 1, 1973

[thousands of barrels per day]

Crude oil direct to U.S. from Arab countries	1,100
Refined products from Arab countries	
Through Caribbean	330
Through Europe	<u>260</u>
<u>TOTAL U.S. from Arab sources</u>	<u>1,690</u>
Additional winter needs	600
<u>TOTAL projected U.S. needs in winter</u>	<u>2,290</u>
 TOTAL U.S. oil consumption	 17,000

Estimate of Sources of Oil  
 [thousands of barrels - October, 1973]

Libya	200
Algeria	300
Iraq	20
Kuwait	100
Saudi Arabia	870
UAE	200
 <u>TOTAL</u>	 <u>1,690</u>

DECLASSIFIED

Authority EO 12958  
By ht NARA Date 5/9/05

TABLE 1 (Continued)

Canadian Imports from British Sources  
(Thousands of barrels/day)

British Crude to Canada	350
Refined Products	40
Total Canadian	390
U. S. Imports	1,690
TOTAL North American	2,080

DECLASSIFIED

Authority EO 12958  
 By ht NARA Date 5/9/05

TABLE 2

U. S. Stock Position  
 [millions of barrels ]

Total existing	940
Less stock needed	
To keep refineries operating	400
To meet normal winter	120
<u>TOTAL available</u>	<u>420</u>

Measures to Overcome Shortages  
 [thousands of barrels per day]

<u>Measure</u>	<u>Time to Implement</u>	<u>Impact</u>
Conservation	0 - 90 days	2,500
Surge domestic oil production	60 - 90 days	350
Substitute coal where possible	60 - 90 days	250
<u>TOTAL</u>		<u>3,100</u>

Conservation Measures  
 [thousands of barrels per day]

<u>Measure</u>	<u>Effect</u>
Set speed at 50 MPH	250
Ration gasoline	420
Set thermostats two degrees lower .	370
Increase airline load factors	200
<u>TOTAL</u>	<u>1,240</u>

TABLE 3

U. S. and Allied Oil Imports  
[percent in 1972]

Percent Oil Consumption Supplied From

	<u>Saudi Arabia</u>	<u>Libya</u>	<u>Iraq</u>	<u>All Arab Nations</u>
Europe	22	14	9	75
Japan	18	1	1	50
U. S.	5	1	Negl. <sup>1/</sup>	10

1/ Less than one-tenth of one percent

DECLASSIFIED

Authority EO 12958  
By JK NARA Date 5/9/05

~~SECRET~~  
~~UNCLASSIFIED~~

October 7, 1973

Other Arab Reaction

--Jordan has refrained from joining the battle, but apparently did open anti-aircraft fire on Israeli planes near Amman. The longer the fighting goes on, the greater the pressures for Jordanian involvement. Prime Minister Rifai has expressed a grudging admiration for Syrian fighting ability, and has suggested that if Egypt and Syria succeed in recovering some occupied territory, perhaps Jordan should try to do likewise, preferably with Israeli tacit acquiescence.

--Lebanon provided some facilities for Syrian aircraft and was sternly warned by Israel not to cooperate further with the Syrian attack. Thus far the Lebanese front has been quiet, with one exception of fedayeen activity and Israeli reaction.

--Iraq has nationalized remaining US oil company assets and one Iraqi squadron of Hawker Hunters in Egypt has reportedly participated in the fighting on the Suez front.

--Other Arab countries have all expressed support for the battle, and several, including Morocco and Tunisia, have offered to send troops. No movement of other Arab troops to the areas of conflict have been noted. Forces have been placed on alert in most Arab countries.

Talking Points

--What is the likelihood of Jordan getting caught up in the battle? What if Israel cuts through Jordan to outflank the Syrians?

--When Israel begins the counterattack in earnest, how will other Arab states react? It seems more likely they would turn on US citizens and threaten to cut off oil rather than throw more forces into a losing battle.

--Do we need to consider any further demarche to Hussein warning him to stay out of the fighting?

--How can we best defend our position of calling for a ceasefire and return to the status quo ante in the Arab world? Ambassadors Buffum and Stoltzfus are obviously concerned by the inconsistency of our position in 1967 and now.

9/8/02

DECLASSIFIED

Authority EO 12958  
By ht NARA Date 5/4/05

~~SECRET~~  
**UNCLASSIFIED**

October 7, 1973

Evacuation

All U.S. embassies in the area are reviewing their evacuation contingencies (full list of Amcit communities attached). None has as yet reported any problems for U.S. citizens as a result of current hostilities.

Talking Points:

1. If it becomes necessary to evacuate American citizens from one or more Arab countries, are we prepared?
  - Can we realistically evacuate Americans from several countries at once?
  - In particular, could we manage a forced evacuation from both Libya and Lebanon? [See Libya Contingency paper for assets needed to evacuate by force from Libya.]
2. Should U.S. military assets be moved to forward positions now for evacuation in the eastern Mediterranean? What about the Western Mediterranean area?
3. Can we rely on the British to help evacuate U.S. citizens in the Persian Gulf area?

~~SECRET~~  
**UNCLASSIFIED**

4/8/82  
RS

DECLASSIFIED

Authority EO 12958  
By mt NARA Date 5/4/05

APPROXIMATE EVACUEES BY COUNTRY

Western Mediterranean

Libya	2,900
Tunisia	850
Morocco	3,900
Algeria	800

(sub-total 8,450)

Confrontation Zone

Egypt	1,200
Lebanon	7,900
Jordan	650
[Israel]	57,000]

(sub-total 9,750)

Gulf

Saudi Arabia	8,400
Kuwait	1,100
Sudan	90
Iraq	
Syria	

(sub-total 9,600)

DECLASSIFIED

Authority EO 12958  
By mt NARA Date 5/9/05

1200 October 7, 1973

Emergency and Evacuation Situation Report

We have received status reports from all posts potentially threatened by direct or indirect manifestations of the current hostilities, with the exception of Baghdad, Rabat, and Casablanca. The reports indicate that the situation is calm in each of the NE and AF cities covered. All posts are on alert, and reviewing E&E planning and standing by for further developments. There is no indication of anti-American manifestations at this time.

Attached is a breakdown country-by-country indicating what steps have been taken by the individual posts and the numbers of Americans in the respective countries. The total of Americans in Israel and the Arab countries of the Middle East and North Africa is slightly over 92,000. This figure includes large numbers of Americans resident in Lebanon, Jerusalem, Israel, and Jordan who owing to family ties would probably not accept evacuation if offered. We have asked the posts to report on the actual numbers of Americans who would request evacuation should the situation require such action.

We have taken the normal precautions to assure the availability of necessary contacts with U.S. air carriers to arrange commercial charter flights if necessary.

As of October 6, there were 84 U.S. military aircraft, including 62 transports, in Europe and the Middle East, with a total capacity of 6,200 seats which could be used for evacuation.

Attachment:

Breakdown

DECLASSIFIED/RELEASED ON 4/8/02  
by mt on the recommendation of the NSC  
under provisions of E.O. 12958 RS

2

ABU DHABI - The situation is reported as normal with the authorities continuing to provide police protection at the Embassy. Americans in Abu Dhabi and at nearby Dubai have been alerted through the E&E Warden System. American residents in Abu Dhabi and Dubai total 2,200.

ALGIERS - Reports post in warning phase of E&E plan with Warden System being used to request citizens bring registration up-to-date. Post has been assured by government that there is no danger to security of Mission or citizens. Latter total 740.

AMMAN - Situation is normal, and post has not declared warning phase, but has convened E&E committee. American residents total 1,100.

BEIRUT - E&E Committee convened and watching situation. Local situation is reported as calm. Americans total 7,500.

CAIRO - Situation is calm. Under Secretary Khalil has made it clear to Spanish Charge that GOE is alert of its responsibility for security. USINT is in phase one of its E&E plan, with Cultural Affairs Officer remaining in Maadeto coordinate activities in event road closed. Americans total 1,750.

CASABLANCA - Americans total 1,350.

DHAHRAN - Situation is reported as calm, with employees and Americans informed to exercise caution. Americans in Dhahran area total 5,700.

JERUSALEM - Consulate General has declared Stand Fast, informing dependents to stay at home. Americans in Jerusalem total 13,500.

JIDDA - Situation is reported as normal with American School opened and business activities functioning in usual manner. Destruction of selected files has been completed. Americans in Jidda and surrounding area total 2,070.

DECLASSIFIED

Authority

EO 12958

By

NARA Date 5/4/05

3

KHARTOUM - Embassy reports situation calm, with Americans exercising caution in daily activities. American community totals 106.

KUWAIT - Embassy reports situation calm, with Embassy now reducing classified holdings. National Guard forces are guarding Embassy compound. Americans in Kuwait total 1,300.

MANAMA - Situation is calm with Embassy maintaining contact with appropriate officials. Americans in Bahrain total 1,400.

MUSCAT - Situation normal. Americans total 65.

NOUAKCHOTT - Post watching situation, but sees no current danger to U.S. personnel or property. Americans total 25.

RABAT - Americans total 450.

SANAA - Situation normal. Americans total 1,200.

TANGIERS - Sees no indication of danger to U.S. community, but remaining alert. Americans total 750.

TEL AVIV - In standfast position and coordinating closely with CONGEN Jerusalem. Americans in Israel total 48,000.

TRIPOLI - Situation is normal. However, Embassy reducing classified holdings. Americans total 2,370.

TUNIS - Situation normal. Americans total 850.

DECLASSIFIED

Authority EO 12958  
By ht NARA Date 5/9/05

CABLES

State guidance to all diplomatic posts concerning hostilities.

Amb. Keating's reaction to State guidance -- strongly endorses ceasefire tied to status quo ante requirement.

Embassy Beirut queries on State guidance as it relates to US position on ceasefire in 1967.

Amb. Scali talk with SGY of UN, Waldheim.

President Sadat talk with British ambassador in Cairo.

President Sadat talk with French ambassador in Cairo.

Israeli press political assessment of current situation.

Embassy Amman on alternative for Jordan.

Saudi views.

4/8/02

~~SECRET~~  
**UNCLASSIFIED**

October 7, 1973

Soviet Role

- Most Soviet naval forces have continued their movement away from the areas of conflict and appear headed to a rendezvous near Crete.
- The Israeli press so far has interpreted the Soviet evacuations from Syria and Egypt as a sign that Moscow wanted nothing to do with what it calculated was an impending Arab fiasco.
- Soviet transport planes are heading for Syria in an apparent effort to resume evacuations.
- The Soviet Government has issued a statement placing responsibility for the crisis "entirely on Israel and those external reactionary circles which constantly encourage Israel in its aggressive ambitions."
- According to an Eastern European attache in Cairo, the Soviets learned in early October of the Egyptian intention to attack, turned down Sadat's request for full Soviet backing, and began to evacuate technicians and dependents.

Talking Points

- In what ways might the Soviets alter their present hands-off policy if the fighting starts to turn decisively in the Israeli's favor?
- What if any counsel has gone from the Soviet Government to Sadat or Asad since the hostilities began?
- If the Arabs are defeated, will the Soviets be likely to conclude that they should cut their losses, or will they try to seize on the opportunity to rebuild their eroded position in Egypt and Syria?
- How can we best take advantage of this crisis to reduce Soviet influence in the Middle East?

~~SECRET~~  
**UNCLASSIFIED**

EVACUATION DATA - LIBYA

1. Personnel to be evacuated

a. USG Personnel	12
b. Dependents of USG Personnel	7
c. American Businessmen	700
d. Dependents of American Businessmen	1,250
e. Other (clergy, education)	<u>30</u>
Approximate Total	2,000

2. Distribution of Evacuees

a. Tripoli and Suburbs	1,500
b. Benghazi	70
c. Marsa Brega (Exxon Terminal)	250
d. Remainder (scattered at 10-20 sites along coast and throughout desert)	180