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'DAMMAM DHAHRAN PROJECT'

Holding Institution	British Library: India Office Records and Private Papers
Reference	IOR/R/15/2/475
Date(s)	29 Nov 1946-23 Dec 1950 (CE, Gregorian)
Written in	English in Latin
Extent and Format	1 file (11 folios)
Copyright for document	Open Government Licence



About this record

This file concerns Aramco construction projects at Dammam [Dammām] and Dhahran [al-Zahrān], Saudi Arabia, including a proposal for a seven mile pier (folio 3) and 330 mile-long railway running from Dammām to Riyadh (folio 4). The file also includes 'Notes on visit to Dhahran - 26th/27th November, 1950' prepared by Meikle which provides details of infrastructure, shipping, cargo, oil industry and customs. Correspondence in the file is between the Political Resident in the Persian Gulf at Bahrain; the Political Agent at Bahrain; the India Office, London; and His Majesty's Minister at Jeddah.

'DAMMAM DHAHRAN PROJECT' [front] (1/26)

①

IOR:R|15|2|475 File No. 11/15
19 . Collection No.

CONFIDENTIAL **CONFIDENTIAL**

Pros Serial Nos.

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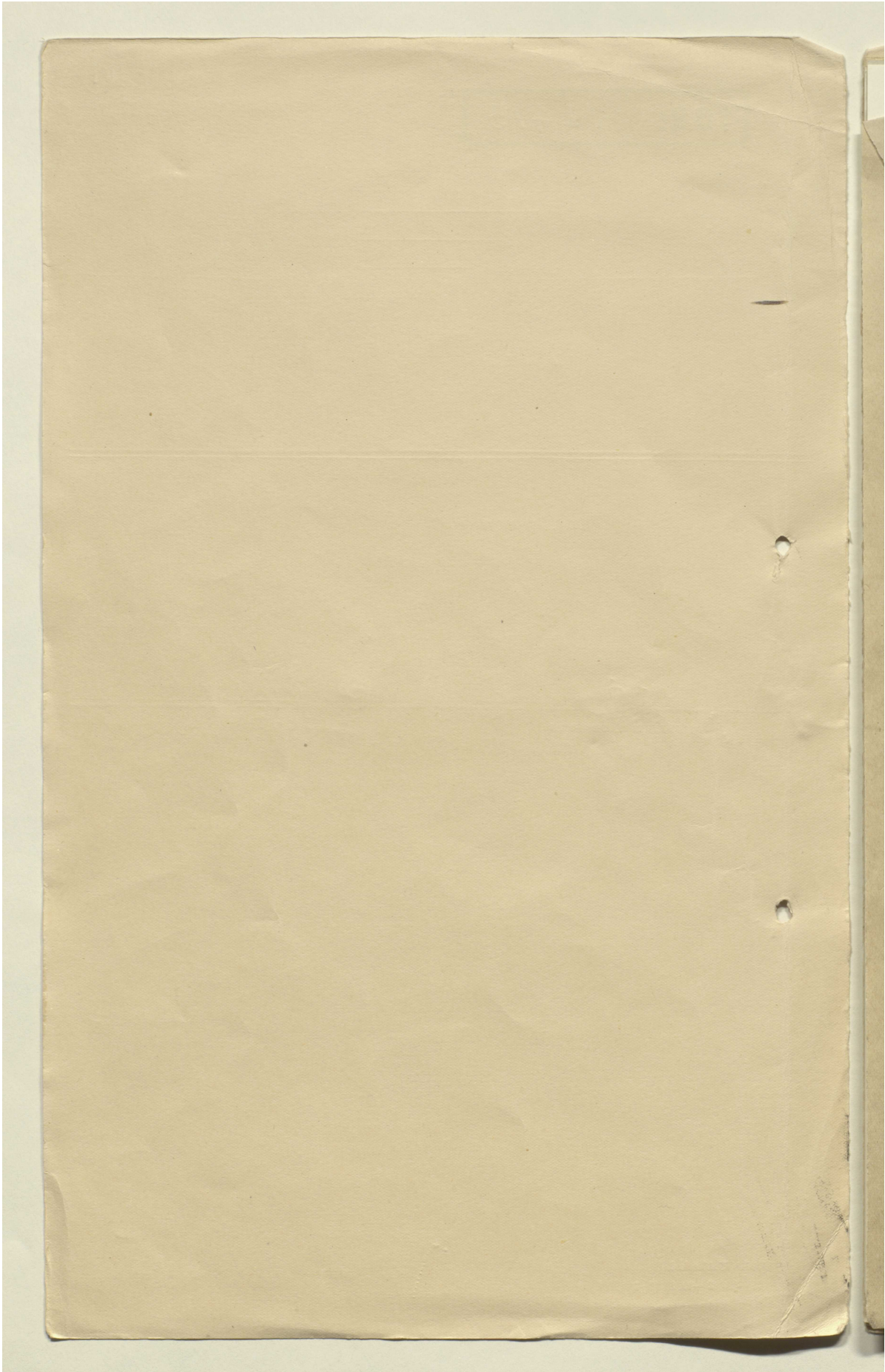
Subject.
DAMMAM.
DHAHRAN PROJECT.

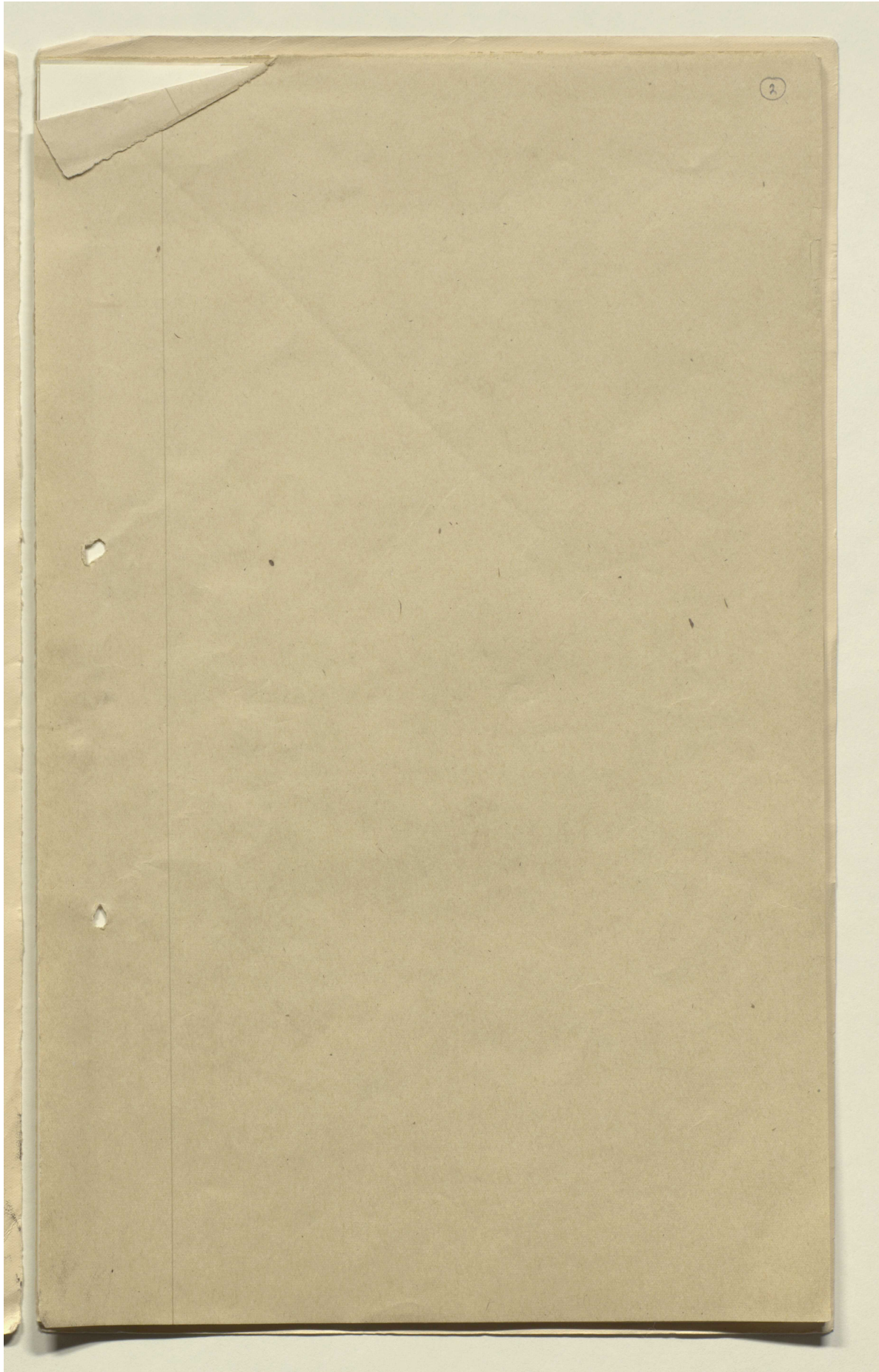
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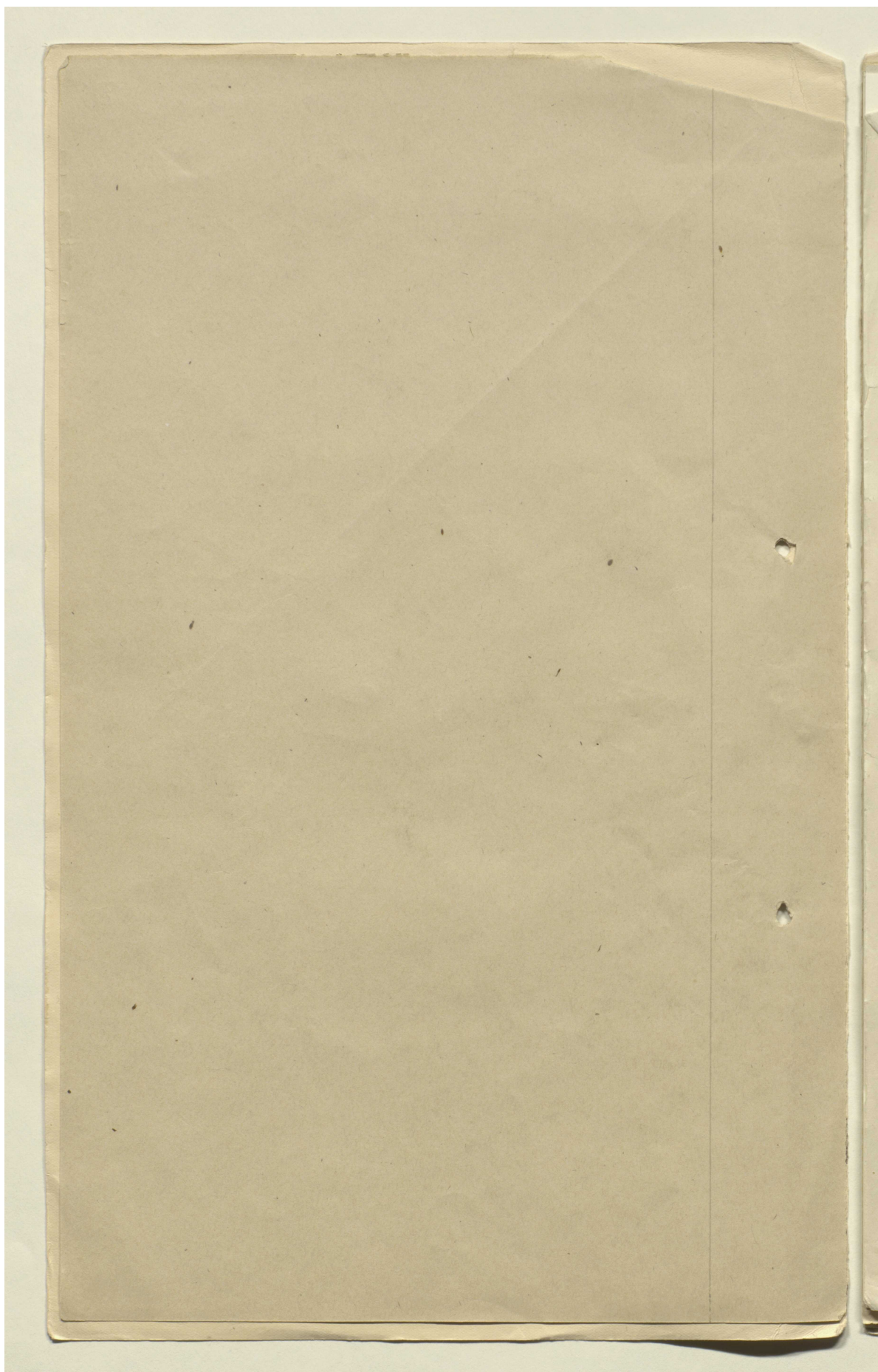
11/15

'DAMMAM DHAHRAN PROJECT' [front-i] (2/26)





'DAMMAM DHAHRAN PROJECT' [2v] (4/26)



'DAMMAM DHAHRAN PROJECT' [3r] (5/26)

11/15

2 (3)

Telegram Code.
From Political Resident, Bahrain.
To India Office, London.
Repeated H.M.Minister, Jeddah.
No. 1383.
Dated the 29th November 1946.

(1)

Messrs. Gray Mackenzie here have been informed by Aramco that latter intend to start work at once on seven mile pier stretching into sea N.E. of Damman with standard gauge railway from pier-head to Dhahran. The project is expected to be completed in about twenty months' time.

2. To India Office only. For further details please consult Gray Mackenzie's London Office to whom their Bahrain branch reported under their letter MD/221 November 12th.

- REPGU -

CONFIDENTIAL

No. C/483.

Office of the Political Resident,
Persian Gulf,
aboard S.Y. "King Faisal I".
4th December 1946.

Copy forwarded with compliments to -

THE POLITICAL AGENT, BAHRAIN,
for information.

W18/12

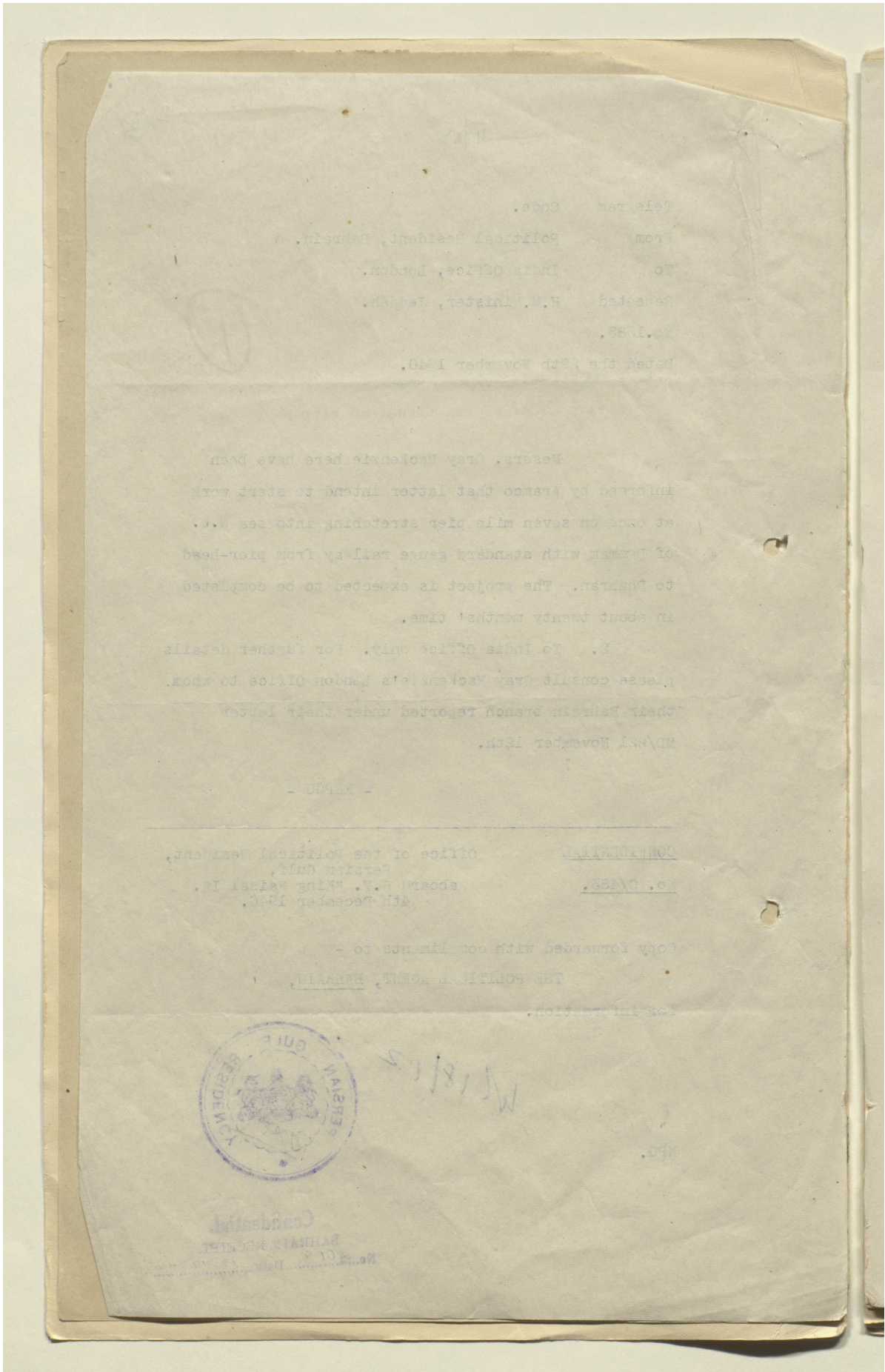
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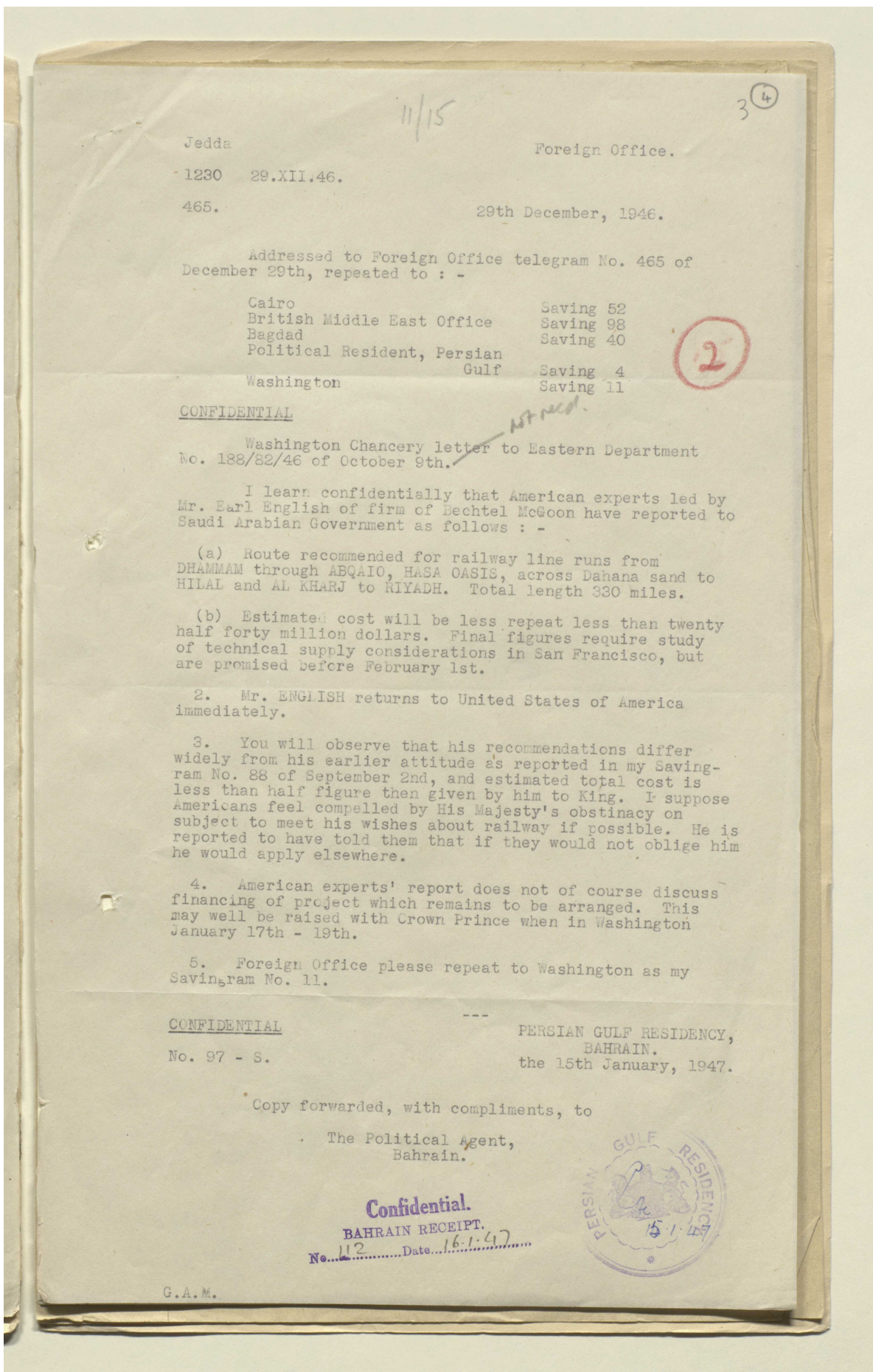
Confidential.

BAHRAIN RECEIPT.
No. 2019. Date. 19. 12. 46.

'DAMMAM DHAHRAN PROJECT' [3v] (6/26)



'DAMMAM DHAHRAN PROJECT' [4r] (7/26)



Jedda

Foreign Office.

1230 29.XII.46.

465.

29th December, 1946.

Addressed to Foreign Office telegram No. 465 of December 29th, repeated to : -

Cairo	Saving	52
British Middle East Office	Saving	98
Bagdad	Saving	40
Political Resident, Persian Gulf	Saving	4
Washington	Saving	11

CONFIDENTIAL

Washington Chancery letter to Eastern Department No. 188/82/46 of October 9th.

I learn confidentially that American experts led by Mr. Earl English of firm of Bechtel McGoan have reported to Saudi Arabian Government as follows : -

(a) Route recommended for railway line runs from DHAMMAM through ABQAIO, HASA OASIS, across Dahana sand to HILAL and AL KHARJ to RIYADH. Total length 330 miles.

(b) Estimated cost will be less repeat less than twenty half forty million dollars. Final figures require study of technical supply considerations in San Francisco, but are promised before February 1st.

2. Mr. ENGLISH returns to United States of America immediately.

3. You will observe that his recommendations differ widely from his earlier attitude as reported in my Savingram No. 88 of September 2nd, and estimated total cost is less than half figure then given by him to King. I suppose Americans feel compelled by His Majesty's obstinacy on subject to meet his wishes about railway if possible. He is reported to have told them that if they would not oblige him he would apply elsewhere.

4. American experts' report does not of course discuss financing of project which remains to be arranged. This may well be raised with Crown Prince when in Washington January 17th - 19th.

5. Foreign Office please repeat to Washington as my Savingram No. 11.

CONFIDENTIAL

No. 97 - S.

PERSIAN GULF RESIDENCY,
BAHRAIN.

the 15th January, 1947.

Copy forwarded, with compliments, to

The Political Agent,
Bahrain.

Confidential.

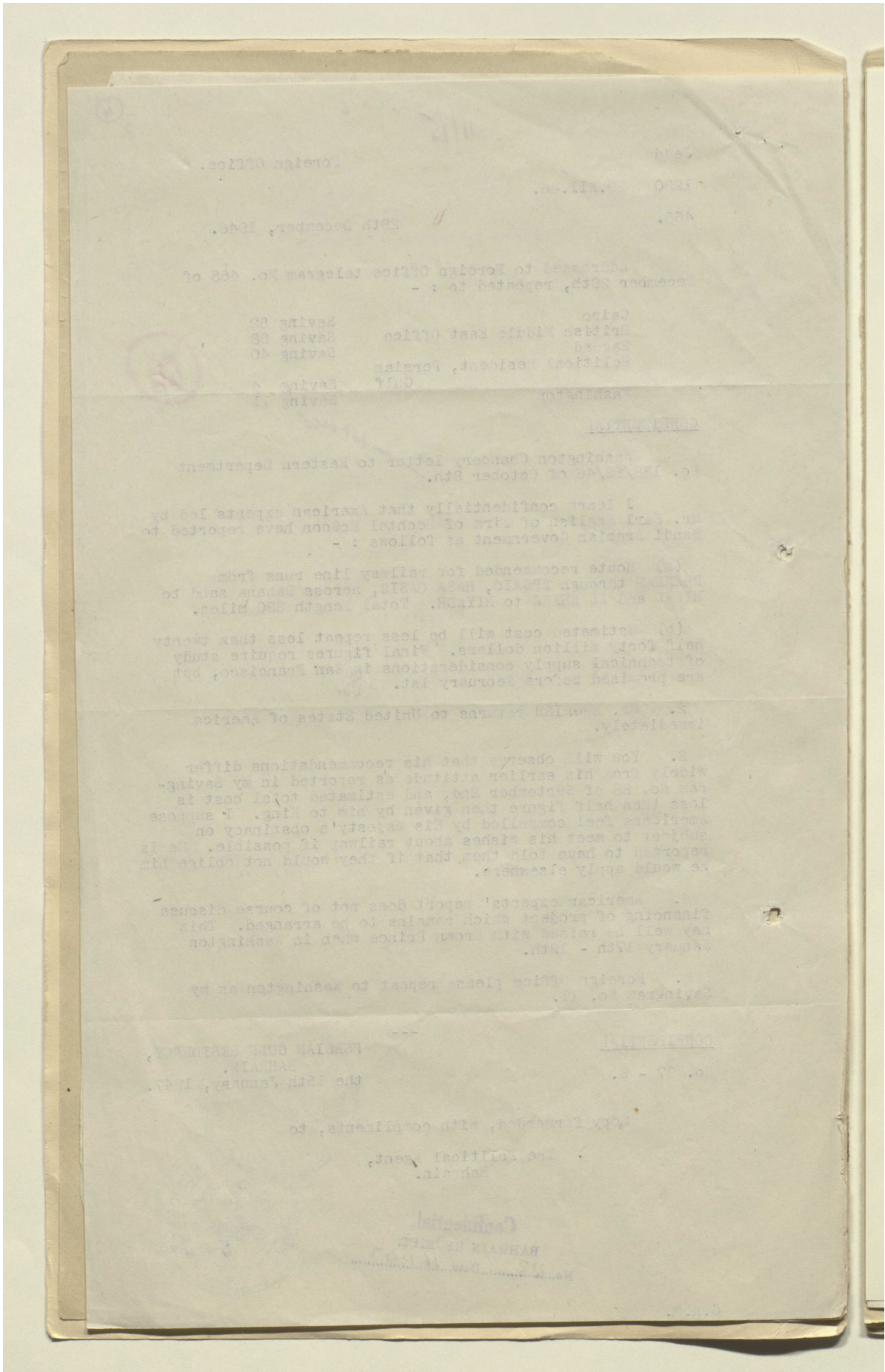
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No. 112 Date 16.1.47

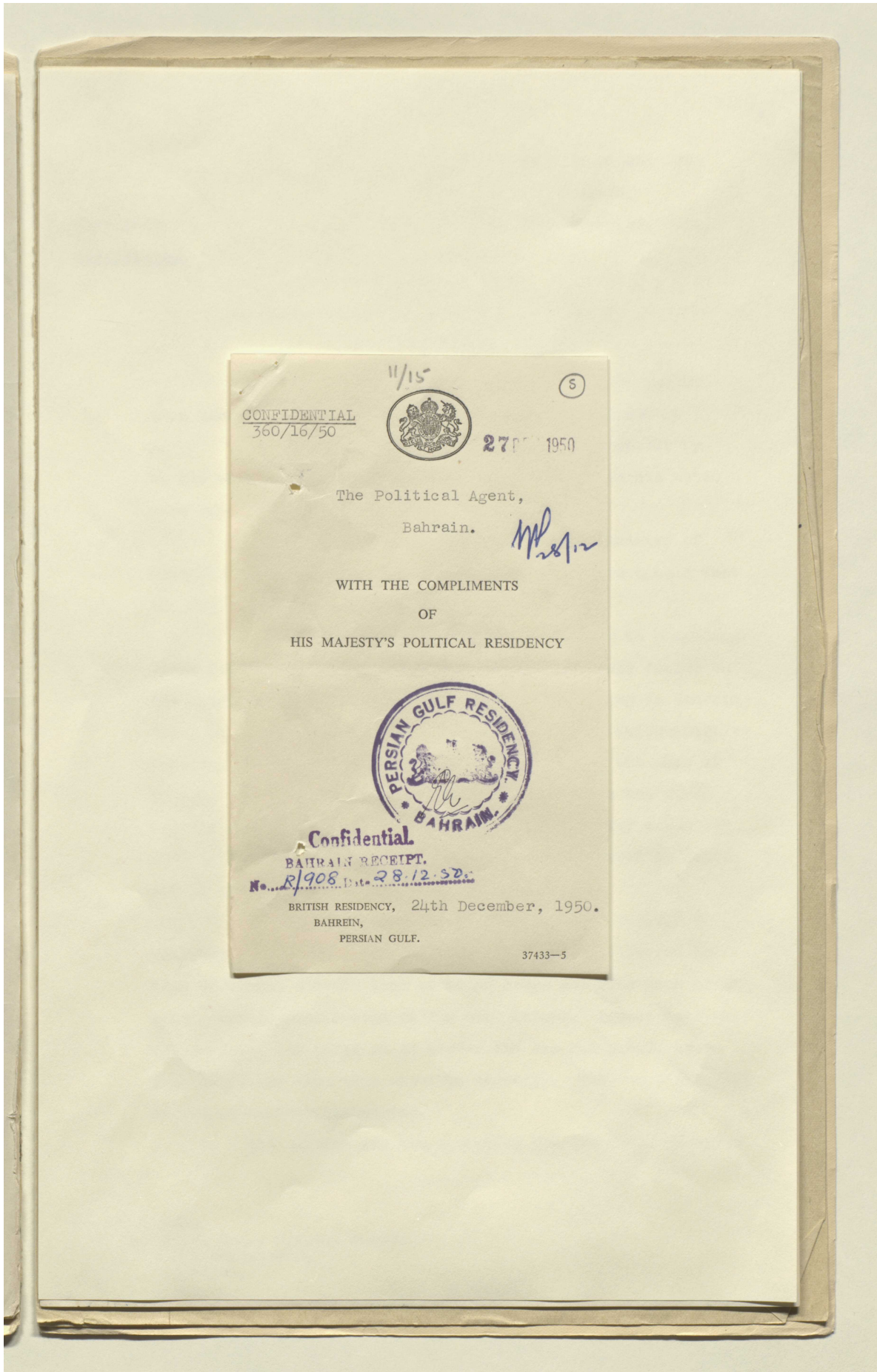
G.A.M.



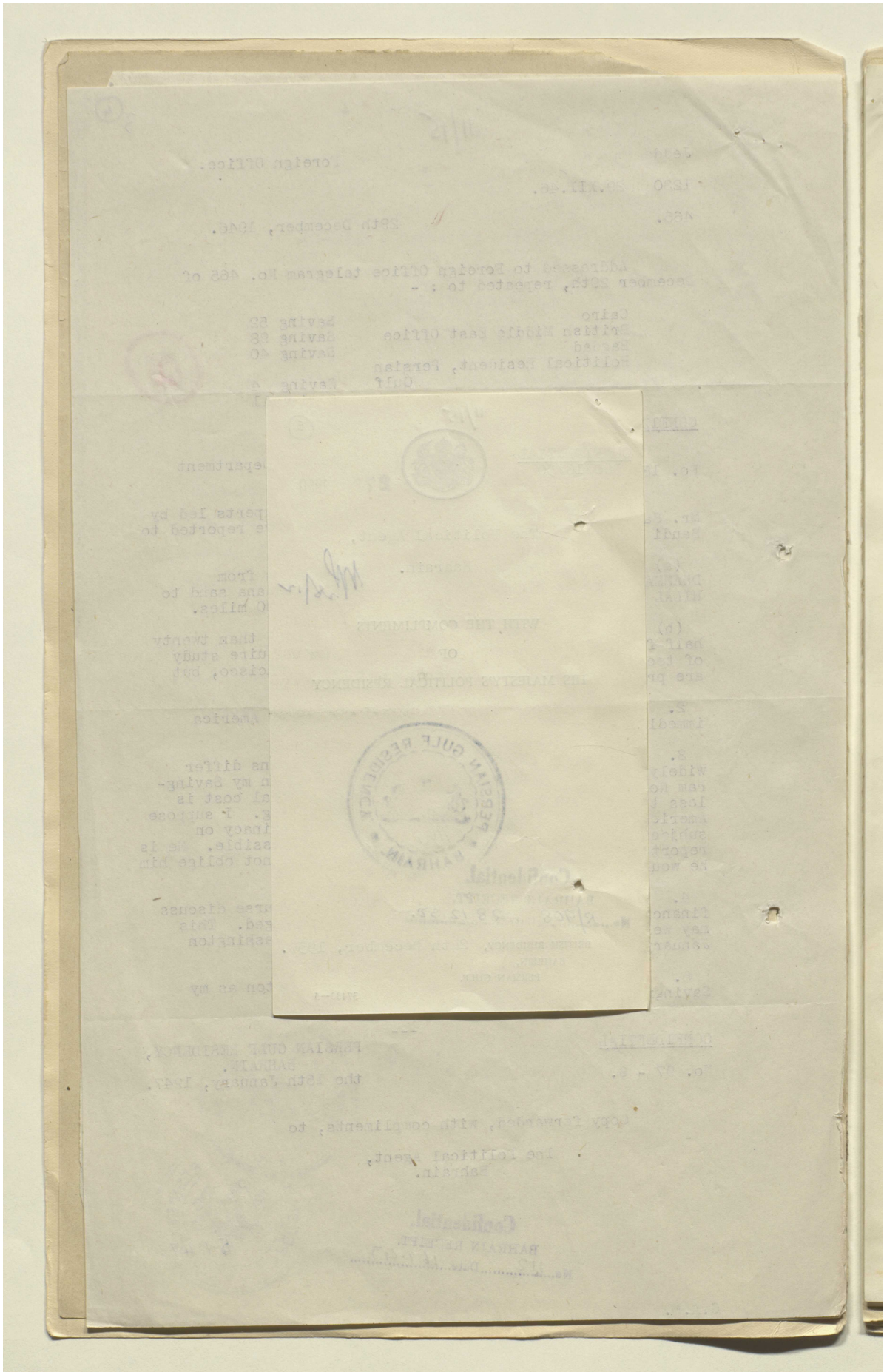
'DAMMAM DHAHRAN PROJECT' [4v] (8/26)



'DAMMAM DHAHRAN PROJECT' [5r] (9/26)



'DAMMAM DHAHRAN PROJECT' [5v] (10/26)



'DAMMAM DHAHRAN PROJECT' [6r] (11/26)

4 (5)

BRITISH RESIDENCY,
BAHRAIN.

(360/16/50)

23rd December, 1950.

CONFIDENTIAL

I forward herewith some notes prepared by Meikle on a visit he paid to Dhahran on the 26th-27th November.

2. The following information was given me orally by Meikle who has paid another visit to Dhahran since his notes were recorded:-

(a) The local representative of the Ministry of Finance, Shaikh Abdullah bin Adnan, told him quite openly that Ibn Saud was more or less finished.

(b) He is having increasing difficulty in obtaining visas for his employees who, it is intended, should reside on the mainland. One, Captain Milne, has been waiting in Bahrain for a month for a visa. Gray Mackenzies' Senior Representative on the mainland, Blackmore, applies for visas to the Amir at Damman. Visas for a visit of a few days duration are given readily and with little delay, but applications for visas for more or less permanent residence have to be referred to Jeddah and it is weeks before replies are received.

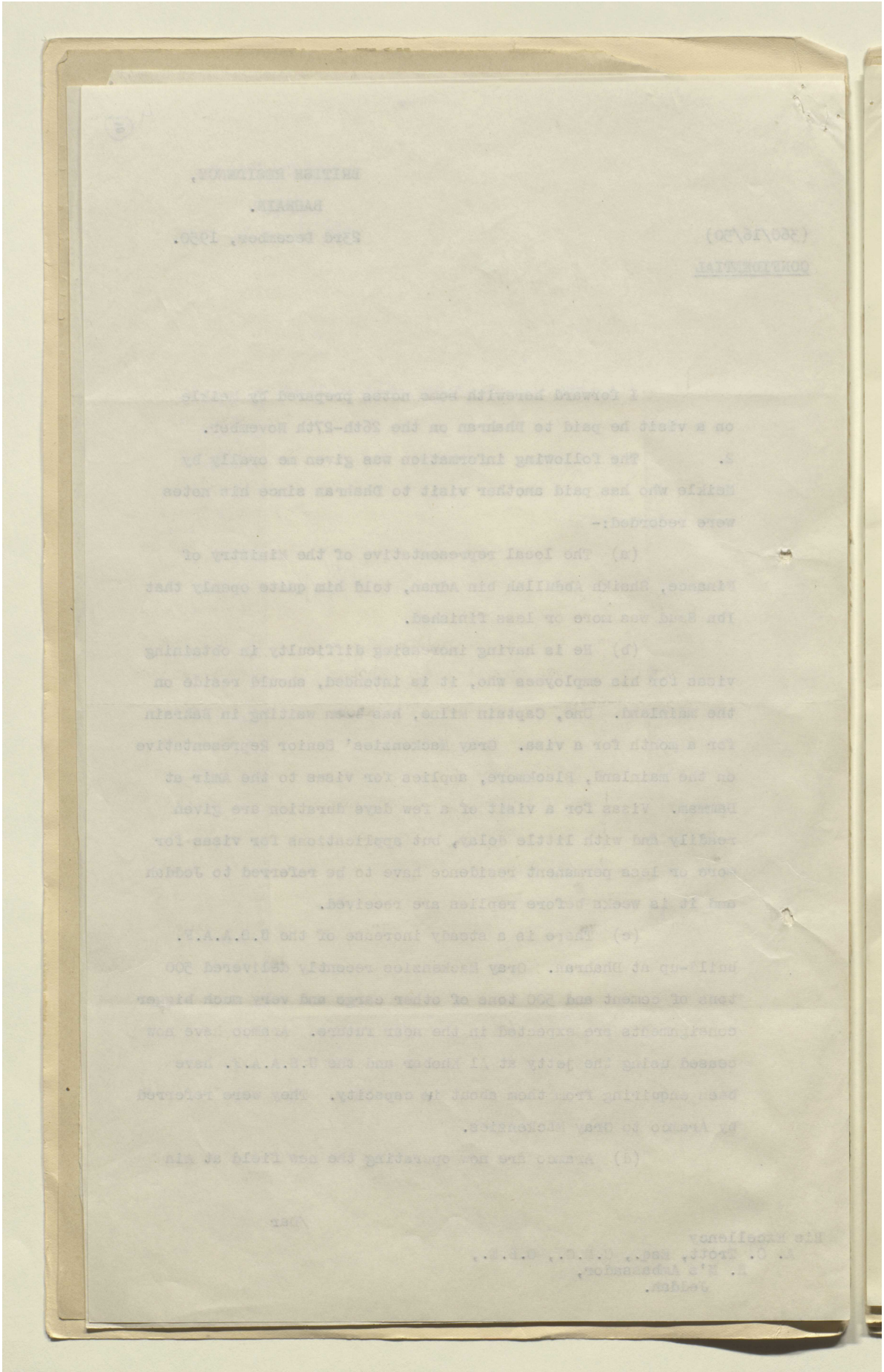
(c) There is a steady increase of the U.S.A.A.F. build-up at Dhahran. Gray Mackenzies recently delivered 500 tons of cement and 500 tons of other cargo and very much bigger consignments are expected in the near future. Aramco have now ceased using the jetty at Al Khobar and the U.S.A.A.F. have been enquiring from them about its capacity. They were referred by Aramco to Gray Mackenzies.

(d) Aramco are now operating the new field at Ain

/Dar

His Excellency
A. C. Trott, Esq., C.M.G., O.B.E.,
H. M.'s Ambassador,
Jeddah.

'DAMMAM DHAHRAN PROJECT' [6v] (12/26)



'DAMMAM DHAHRAN PROJECT' [7r] (13/26)

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7

- 2 -

(?)
Dar, 23 miles west of Abqaiq and also a field called Al Harara somewhere in the vicinity. They are drilling wells in the seabed off Saffaniyah, south of Mishab. He says that at this site there is the biggest dome in the whole of Arabia.

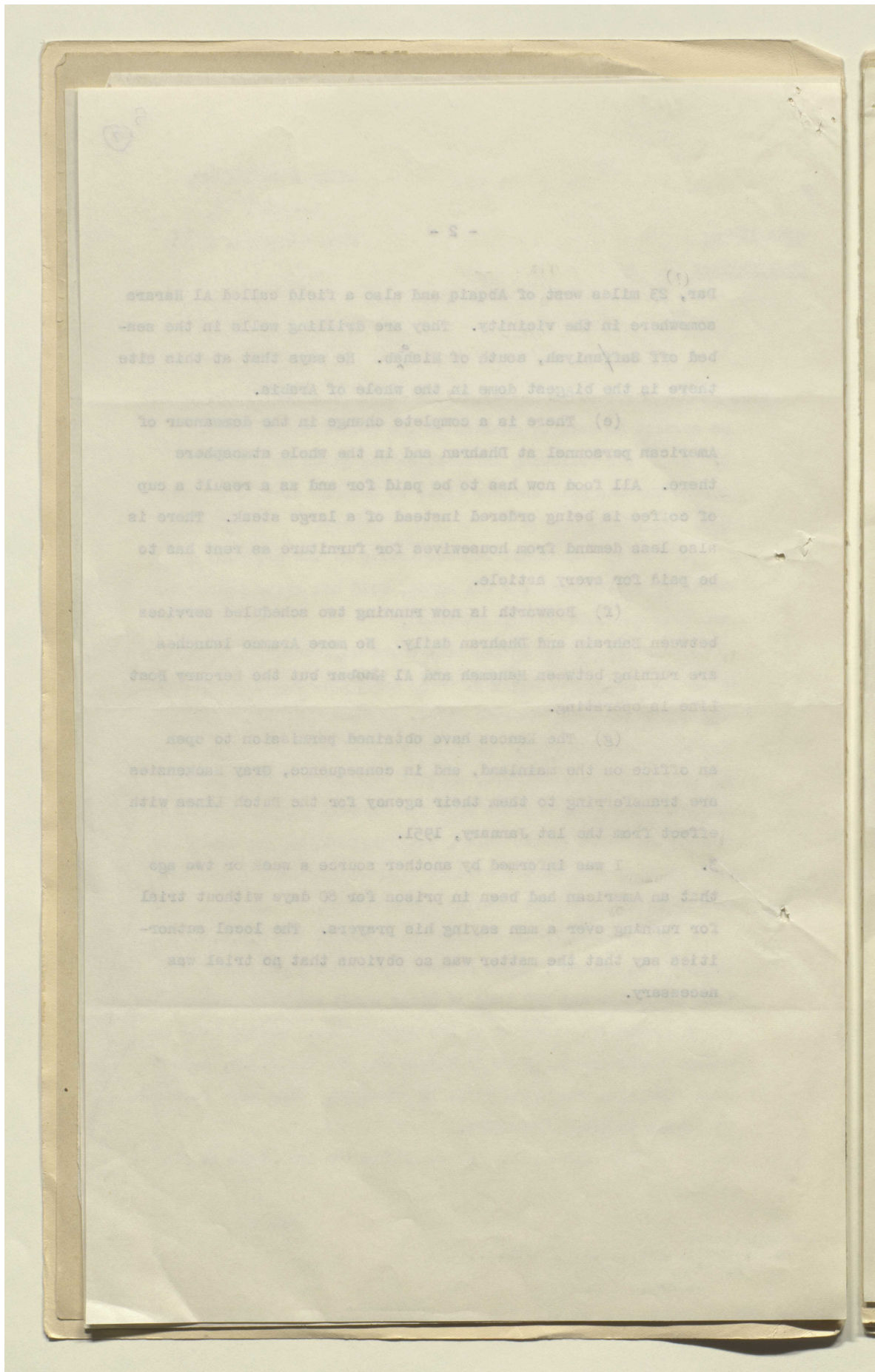
(e) There is a complete change in the demeanour of American personnel at Dhahran and in the whole atmosphere there. All food now has to be paid for and as a result a cup of coffee is being ordered instead of a large steak. There is also less demand from housewives for furniture as rent has to be paid for every article.

(f) Bosworth is now running two scheduled services between Bahrain and Dhahran daily. No more Aramco launches are running between Manamah and Al Khobar but the Mercury Boat Line is operating.

(g) The Kanoos have obtained permission to open an office on the mainland, and in consequence, Gray Mackenzies are transferring to them their agency for the Dutch Lines with effect from the 1st January, 1951.

3. I was informed by another source a week or two ago that an American had been in prison for 80 days without trial for running over a man saying his prayers. The local authorities say that the matter was so obvious that no trial was necessary.

'DAMMAM DHAHRAN PROJECT' [7v] (14/26)



'DAMMAM DHAHRAN PROJECT' [8r] (15/26)

Notes on visit to Dhahran - 26th/27th November, 1950.

I called upon Mr. Duncan in charge of P. & S. where I met Mr. Stepney, his Assistant Manager, and had a general discussion when I endeavoured to elicit some information as to the future tonnages likely to be coming forward and also what their lighterage requirements are likely to be, but I could get very little information. Mr. Duncan spoke of the difficulty they are now experiencing with Saudi Customs at Damman and showed me the translation of a recent letter dated 18th November, 1950 from the Directorate of Al Hasa Customs wherein they state that in future they require a barge manifest well in advance giving particulars of all cargo lightered from ships at Damman to Ras Tanura. This of course is quite impossible as we cannot state beforehand in which particular craft the cargo is to be lightered to Ras Tanuar will be barged. This can only be ascertained as and when the barges are loaded alongside the ship and in respect of which documentation has been provided hitherto in the shape of CA.17s.

I also called on Mr. Mackenzie who has taken Mr. Webster's place temporarily, the latter now being in Mishab where he is taking over from Tapline, who will now disappear from that area. Mr. Mackenzie showed me a letter from Lloyds Agents at Bahrain asking for particulars of the North Pier at Ras Tanura which information is required by Lloyds. Mr. Mackenzie said that they are not permitted to give us this information but showed me a copy of their letter to Mr. H.O. Thompson who is in charge of Public Relations, New York, and who has been asked to supply the particulars.

With Mr. Fraser, Claims Arbitrator, I visited Damman where I called on Mr. Gildae and Capt. Babb (the latter has replaced Capt. Allan). They are all very concerned at the attitude of the Saudi Customs which is causing tremendous delays on all sides. Mr. Fraser informs me that Customs are insisting on checks at the ship's side and again at Damman, and that they require each mark to be accounted for separately. Aramco have five main destinations to which their cargo goes forward and it appears that the ship will be used as a
/sorting depot

'DAMMAM DHAHRAN PROJECT' [8v] (16/26)

Notes on visit to Dhahran - 22/11/50

I called upon Mr. Hanson in charge of P. & O. where I met Mr. Stoney, the Assistant Manager, and had a general discussion when I endeavored to elicit some information as to the future cargoes likely to be coming forward and also what their lightering requirements are likely to be, but I could get very little information. Mr. Hanson spoke of the difficulty they are now experiencing with Saudi Customs at Damman and showed me the translation of a recent letter dated 12th November, 1950 from the Directorate of Ali Haneh Customs wherein they state that in future they require a cargo manifest well in advance giving particulars of all cargo lightered from ships at Damman to Ras Tanura. This of course is quite important as we cannot state beforehand in which particular craft the cargo is to be lightered to Ras Tanura will be barges. This can only be ascertained as and when the barges are loaded alongside the ship and in respect of which documentation has been provided in accordance with the rules of D.A.T.A.

I also called on Mr. MacKenzie who has taken Mr. Stoney's place temporarily, the latter now being in Riyadh where he is taking over from Taylor, who will now disappear from that area. Mr. MacKenzie showed me a letter from Lloyd's Agents at Bahrain asking for particulars of the north pier at Ras Tanura which information is requested by Lloyd's. Mr. MacKenzie said that they are not permitted to give us this information but showed me a copy of their letter to Mr. H.C. Thompson who is in charge of public relations, law cost, and who has been asked to supply the particulars.

With Mr. Treason, Claims Arbitrator, I visited Damman where I called on Mr. Gilman and Capt. Reddy (the latter has resigned Capt. Allen). They are all very concerned at the attitude of the Saudi Customs which is causing tremendous delay on all sides. Mr. Treason informs me that Customs are insisting on checks at the ship's side and again at Damman, and that they require each mark to be accompanied for separate. Treason says the main objection is that their cargo goes forward and it appears that the ship will be used as a

Coasting depot

'DAMMAM DHAHRAN PROJECT' [9r] (17/26)

-3-

7 (9)

opinion that Aramco Management must realise that if ships cannot depend on receiving reasonable despatch at the port of Dammam, ship-owners are bound to recompense themselves for the cost of such delays at the expense of consignees.

To me it appears that much of the trouble with Customs is due to the fact that no one seems to know just what they are trying to do. There is no proper system or organisation, regulations are continually being changed and even junior customs officials may suddenly give new orders which must be carried out. Aramco seem to be in a very weak position which they, to a large extent, have brought on themselves. Although it was well-known that the importation of certain articles was strictly prohibited, nevertheless the Customs on occasional spot checks would continually find such items in personal effects, so now the Customs insist on opening every package - even Company's stores - and Aramco do not appear to be in a position to raise any objection. (Mr. Fraser's own personal effects have been lying in the Customs for the past five weeks and he still does not know when he will receive them.) This of course causes further delay, not to mention expense and annoyance to Aramco, as delicate instruments are ill treated and exposed to sand have to be reconditioned.

I explained that although my visit was primarily a courtesy one on my return from leave, I did want to try to find out, if at all possible, what the future is likely to hold for us particularly in regard to tonnages coming forward and to what extent we would be required to provide lighterage. Mr. Duncan had mentioned 48,000 tons as expected during November, December, January and Mr. Cundall said that he thought 20% of their cargo would require to be barged back to Ras Tanura. He said that their supplies were roughly divided 50% to Dhahran and 25% each to Abqaiq and to Ras Tanura, but that part of the Ras Tanura stores would be channelled through Dhahran. This would particularly apply to reefer cargo, such as fresh meat, when the railways have their refrigerated cars operating in January. (From Dhahran such cargo would go by road to Ras Tanura.) I

/could

'DAMMAM DHAHRAN PROJECT' [9v] (18/26)

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-3-

opinion that management must realize that it might be
dependent on receiving reasonable facilities at the port of Damman,
and that it is bound to recognize themselves for the cost of
such delays at the expense of cargoes.

To me it appears that most of the trouble with Customs
is due to the fact that no one seems to know just what they are
trying to do. There is no proper system or organization,
regulations are continually being changed and even further
officials may suddenly give new orders which must be carried out.
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extent, have brought on themselves. Although it was well-known
that the imposition of certain duties was strictly prohibited,
nevertheless the Customs on occasional spot checks would con-
tinually find a lot of items in personal effects, so that the Customs
insist on opening every package - even Dargary's boxes - and
Aman does not appear to be in a position to raise any objection.
(Mr. Dargary's own personal effects have been lying in the Customs
for two days now and he will have to wait now when he will
receive them.) This of course causes further delay, and to
mention expense and annoyance to Aman, as detailed instructions
are all needed and exposed to and have to be reconsidered.

I explained that although my visit was primarily a
courtesy one on my return from Japan, I did want to try to find
out, if at all possible, what the future is likely to hold for
us particularly in regard to business coming toward and to that
extent we would be required to provide lighters, etc. Aman
had mentioned \$5,000 tons as expected during November, December,
January and Mr. Chabail said that he thought 50% of their cargo
would require to be barged back to Basrah. He said that
their supplies were roughly divided 50% to Basrah and 50% each
to Adalat and to Basrah, but that part of the Basrah
stores would be channelled through Dhahran. This would per-
taining apply to motor cargo, such as fresh meat, when the
relatives have their refrigerated cars operating in January.
(The Dhahran such cargo would be sent to Basrah.)

1/10/47

'DAMMAM DHAHRAN PROJECT' [10r] (19/26)

- 4 -

8 (10)

I could obtain no information of any likelihood to lighterage being required to any other discharge point, and when I asked Mr. Duncan point blank if all their cargo would go over Damman pier - except that for Ras Tanura - he said that they would not wish it to be routed otherwise. I asked if in view of the delays being experienced with Customs at Damman it might not be considered desirable to barge some cargo to Al Khobar and he replied that they definitely do not want to reopen Al Khobar since they have not now got the necessary organisation - neither personnel nor trucks. I was really trying to find out if the development of a new oil field would not call for lighterage to some other discharging point but I could get no information at all, although I have heard talk of a new field to be opened about 40 miles west of Abqaiq and of possible developments off-shore from Suffaniya. (There are still no signs of the new field at Abu Hadriyeh being opened). If operations are developed off-shore in the Suffaniya area - which I believe will be the case - then presumably Mishab will be used as the port of discharge in which case lighterage craft will be necessary. Test holes have already been drilled with most favourable results; the dome there is said to be one of the biggest in Arabia.

I mentioned the probability of our having to build one or perhaps two houses at Damman for our European staff and I said that I understand that houses for Americans may be built at Damman in the near future. Mr. Cundall recommended that I discuss this matter with Mr. Gildae who is just about to place an order with a local contractor for 50 houses. I shall be giving this matter further attention shortly.

Generally I got the impression that the retrenchment phase has passed and that now the pendulum is swinging the other way. The price of crude has advanced recently, and the economy campaign seems to have been forgotten for the moment. Commercial cargo is now coming in through Damman, the U.S. Army tonnages are steadily increasing and they say will continue to increase.

'DAMMAM DHAHRAN PROJECT' [10v] (20/26)

- 4 -

I could obtain no information of any likelihood of lighters being required for any other discharge point, and when I asked Mr. Hansen point blank if all their cargo would go over Damman pier - except that for his tanks - he said that they would not wish it to be routed otherwise. I asked if in view of the delays being experienced with Customs at Damman it might not be considered desirable to bring some cargo to Al Khobar and he replied that they definitely do not want to reopen Al Khobar since they have not got the necessary organization - neither personnel nor trucks. I was really trying to find out if the development of a new oil field would not call for lighters to some other discharging point but I could get no information at all, although I have heard talk of a new field to be opened about 40 miles west of Adair and of possible developments off-shore from Bahariya. (There are still no signs of the new field as the lighters being opened). If operations are developed off-shore in the Bahariya area - which I believe will be the case - then presumably lighters will be used as the port of discharge in which case lighters will be necessary. Test holes have already been drilled with most favorable results; the hole there is said to be one of the biggest in Arabia.

I mentioned the possibility of our having to build one or perhaps two houses at Damman for our European staff and I said that I regretted that houses for Americans may be built at Damman in the near future. Mr. Daniels recommended that I discuss this matter with Mr. O'Brien who is just about to place an order with a local contractor for 20 houses. I shall be trying this matter further attention shortly.

Generally I got the impression that the Government plans are sound and that now the position is waiting the other way. The price of crude has advanced recently, and the economy campaign seems to have been forgotten for the moment. Commercial cargo is now coming in through Damman, the S.S. ship manager are especially interesting and they say will continue to increase.

11/15

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Residency Enclt No C/483 dtd 4/12/46.

1. It is understood that Mr. Meikle has been carrying on a voluminous correspondence with the Residency on this subject.

1052
29/12.

ATA. pl op. W. 30/12.

2. c/c. Sp. I suggest we ask G.M. for copies of this correspondence.

W. 30/12.

3. P.A. There is no reason why G.M. was not corresponded direct with G.M. P.R. It is entirely an error that no answer is to be sent, unless ATA has any special reason for this.

W. 30/12

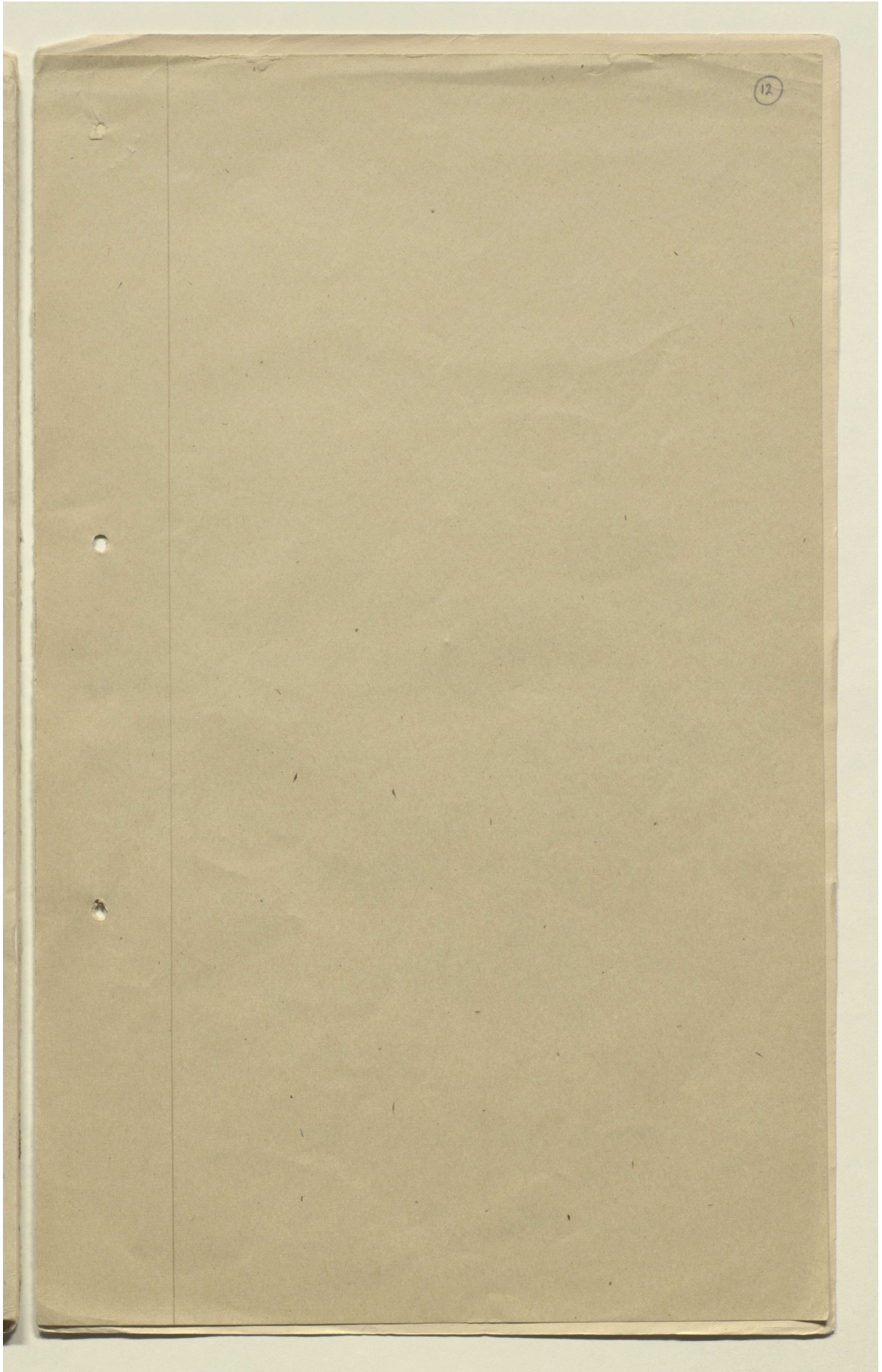
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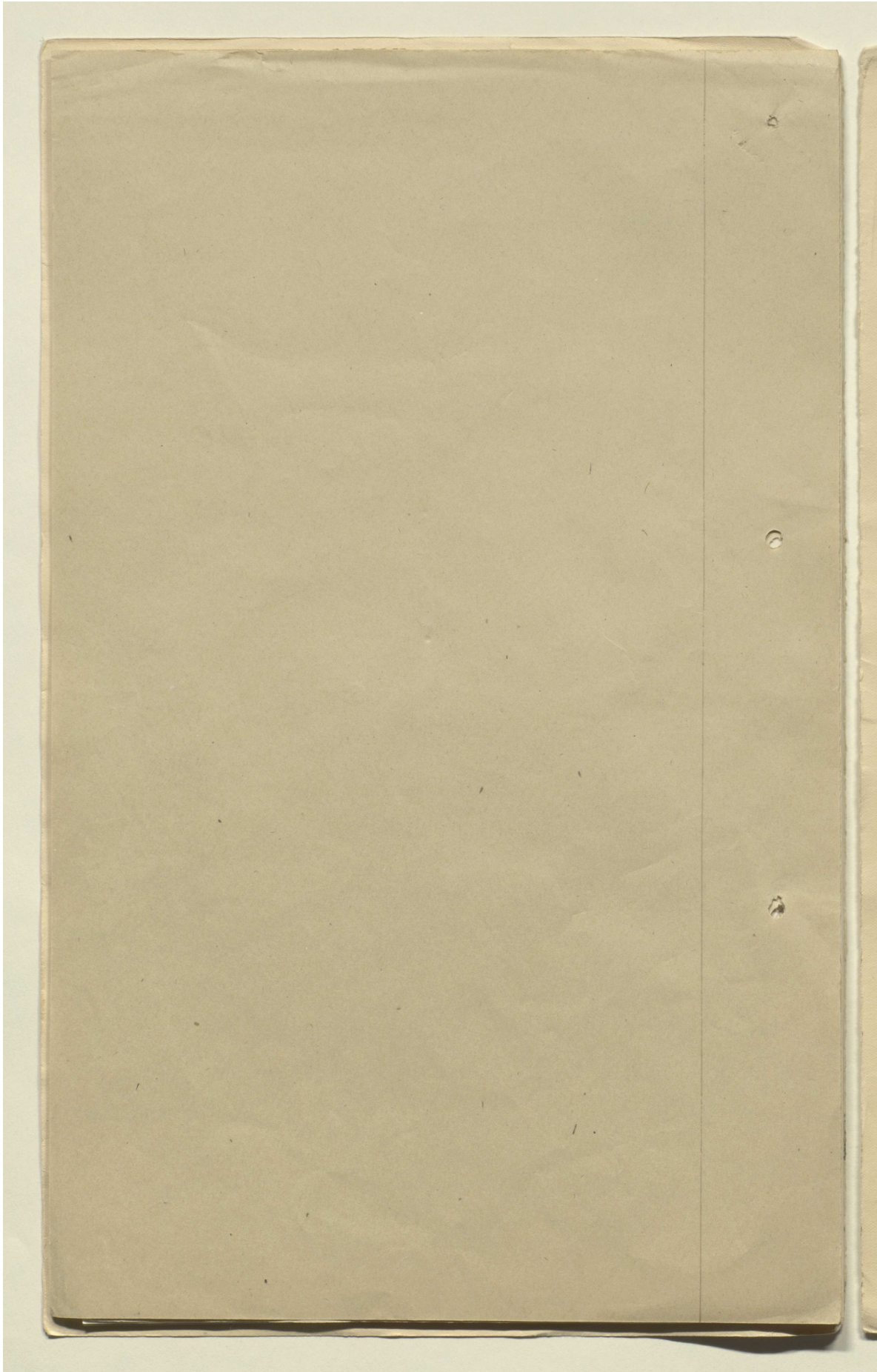
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'DAMMAM DHAHRAN PROJECT' [11v] (22/26)

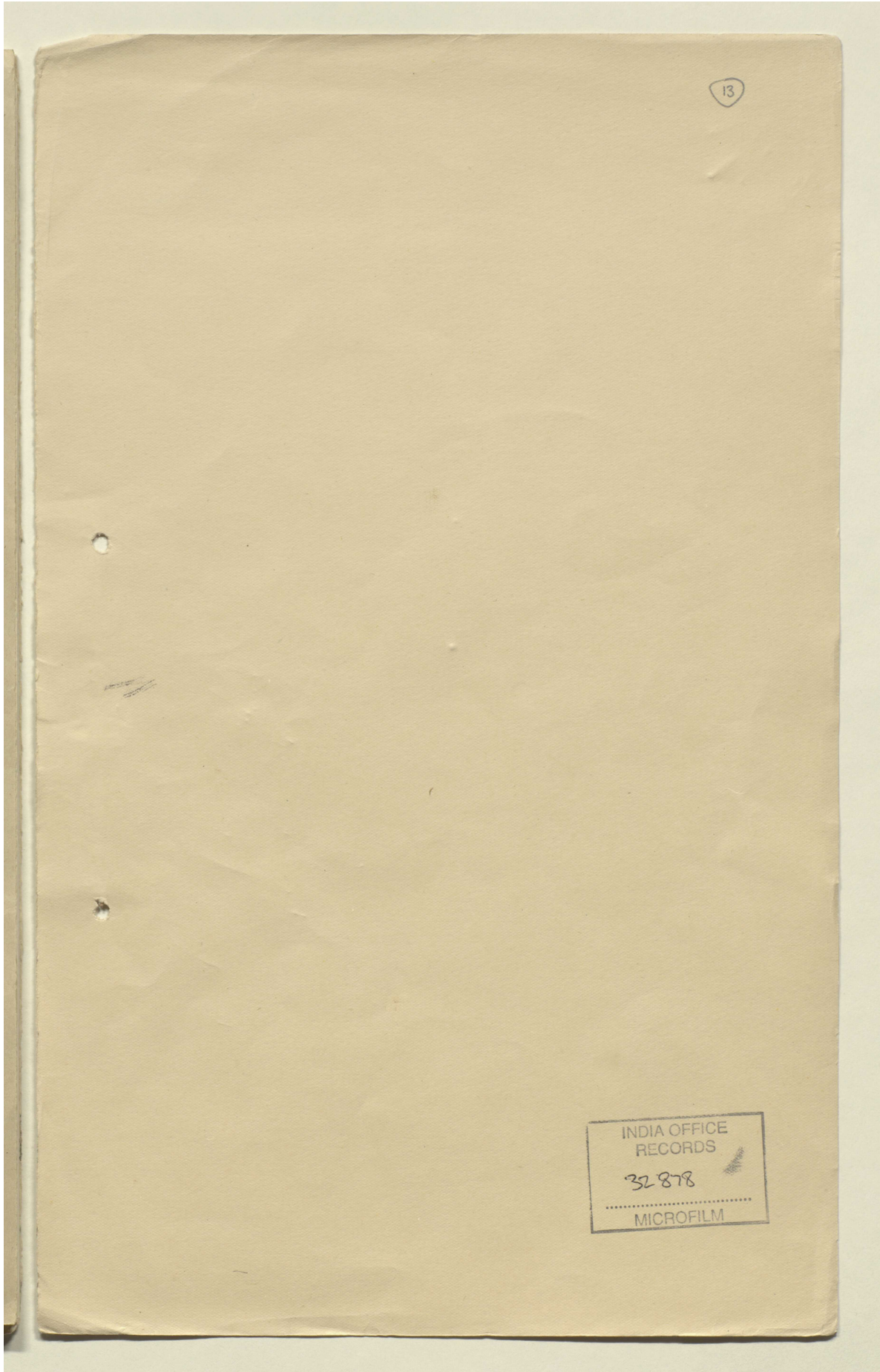
11/15
(2)
Residency Enclit No 97-5 dtd 15/1/47.
May file after ADA has seen
PA
18.1.47
16/1
Wright I have seen previous papers
about this proposed railway. Is there
anything in office on another file?
Wright
C. Please see articles
forming enclosure to S. 21 of F. 4/7.
Ass. Sec. Thankyou. 20/1
File no. W. 20/1
(3)
C.S. no 360/16/50 dt 24.12.50 drawn in Residency.
Filed by order. 28.12.50.

'DAMMAM DHAHRAN PROJECT' [12r] (23/26)





'DAMMAM DHAHRAN PROJECT' [back-i] (25/26)



'DAMMAM DHAHRAN PROJECT' [back] (26/26)

