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TECHNICAL SUB-COMMITTEE ON AXIS OIL

COMMENTS ON U.S. J.I.C. 139/1

With reference to U.S. J.I.C.139/1 the following are the comments of the Technical Sub-Committee on Axis Oil on this Paper:-

We are in agreement with the general conclusions reached in this paper, namely, that Italy's withdrawal from the war will make available to Germany approximately 1 million tons of oil per annum formerly imported by Italy, and that the acquisition of air bases in South Italy renders the enemy's sources of oil supplies vulnerable to attack.

It is our opinion, however, that whereas future fighting in the Mediterranean zone may possibly result in heavier military oil consumption than heretofore, it is unlikely that consumption in the Italian mainland would attain a level approaching the additional quantity of oil which Germany may be expected to gain as the result of Italy's collapse.

Our views on the current European Axis oil position are given in J.I.C. (43) 480 dated 26th November, 1943.

Comments upon Appendix

Tables I, II, III and IV

There is some difference in our estimates of production and consumption although these differences do not alter the conclusion, with which we agree, namely, that Italy's withdrawal represents a gain to the Axis of oil supplies equivalent to one million tons per annum.

The consumption of oil by the Italians during the first eight months of 1943 is estimated as follows:

	Approx. rate in metric tons per annum
Civilian	500,000
Army	200,000
Navy	575,000
Air Force	200,000
Total	1,475,000

These requirements were met from the following sources:

(1)	Imports from Roumania ..	900,000	
(2)	" " Hungary ..	75,000	
(3)	" " Germany ..	145,000	1,120,000 tons
	Crude oil from Albania ..	190,000	
	Indigenous crude oil ..	10,000	
	Alcohols	30,000	
	Tar Oils	100,000	
	Benzol	10,000	
	Regenerated Lubricating Oils etc.	20,000	320,000 tons
			1,440,000 "

Assuming that no oil is being used for civilian and industrial purposes in the parts of Italy now occupied by German troops, the amount of oil available to Germany as a result of Italy's withdrawal will be equivalent to 1,120,000 tons per annum (items (1), (2), (3)). As, however, there will be some increase in the German own oil requirements resulting directly from the Italian withdrawal, the nett saving of oil to Germany is estimated at about 1,000,000 tons per annum.

It is not known whether Germany is now taking all the Roumanian and Hungarian oil formerly acquired by Italy, but pending further information, it is assumed that this is happening.

In regard to the statement at the end of para. 13 to the effect that the loss to the Axis will necessitate sending some 500,000 tons/year of crude oil to be refined elsewhere, we believe this figure to be rather too high. Exclusive of Albanian crude, the actual figure is not likely to be more than about 150,000 tons. The actual quantity is not easily assessed in view of the fact that part of the oil previously imported into Italy was in the form of artificial crude.

Comments in Annex "B"

The following comments are made upon the various objectives listed:-

Paragraph 13a (2). The Vienna District. Recent aerial photographs of the new Lobau refinery indicate that the plant, so far not completed, is likely to have a capacity of between 200,000 - 300,000 t.p.a. The observed storage capacity amounts to about 47,000 tons.

We believe that it is quite likely that the refinery has been constructed to treat crude from the Austrian fields than that from Hungary. As the refineries in the Vienna area are already working to capacity they will not be available as an alternative to the Hungary refineries, should the latter be put out of action.

Item (7). The refineries at Sporia - Fiume - Trieste - Venice. Present information is that these refineries are not now receiving crude oil from Roumania. It is questionable whether these refineries are at present in operation.

Item (8). The Hungarian (Duna Mohi) refinery. This refinery was extended about 3 years ago to include lubricating oil production and has a capacity of over 150,000 tons per annum. A new refinery is said to be under construction nearby at Szeony.

Item (9). The Brod and Osjrag refineries. We estimate the capacities of the Brod and Osjrag refineries at 100,000 and 120,000 tons per annum respectively.

Paragraph 13b (10). The Blechhammer hydrogenation plants. It is believed that the north and south plants at Blechhammer will together not have produced more than 150,000 tons by the end of 1943. Their ultimate annual capacities are estimated at 500,000 and 750,000 tons respectively, but their construction is unlikely to be completed for many months.

Item (11). The Leuna hydrogenation plant. Progress in the construction of the Leuna plant has been slow. It will be a considerable time before the plant reaches its ultimate capacity, which may be designed to be as high as 1,250,000 tons

Item (12). The Brüx Zeitz hydrogenation plant. When this plant was photographed in July 1943, it was evident that extensions to the plant had been seriously delayed. There were four stalls awaiting the provision of pressure vessels and, on the evidence available, it appears unlikely that the output of this plant would attain the projected ultimate capacity by the end of this year.

Movement of the German Oil Industry Eastwards. With reference to the last sentence of the Summary and Conclusions regarding the movement of oil operations eastwards, there does not appear to have been any noticeable trend in support of this view. Except for such evidence as is afforded by the dismantling of certain French refineries (the equipment apparently being needed to implement refining facilities in South-East Europe), it is not apparent that any attempt has been made to move producing units out of range of air attack.

Maps. In regard to the maps attached some modifications are considered necessary:-

(a) The Deschowitz Plant (No.16) lies to the Northwest of the Blechhammer plants.

(b) The Ludwigshafen plant (No.15) should not be classified as a synthetic oil plant.

(c) We do not know of the existence of a refinery at Lwow in Poland.

In addition we feel that some revision is necessary to the points marked as Important Seaports or Rail Terminals as less important points have been marked to the exclusion of more important ones.