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MILITARY INTELLIGENCE DIVISION W. D. G. S.

MILITARY ATTACHÉ REPORT Germany
(Country reported on)

Subject German Oil Situation I. G. No. 4115
(Brief descriptive title)

From M. A. London Report No. 46027 Date 5 January 1942

Source and degree of reliability:

Ministry of Economic Warfare

SUMMARY.—Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.

German oil stocks,
November 1941 .... 2,100,000 to 2,600,000 tons

Monthly excess of consumption
over production, November 1941 .. 400,000 tons approx.

Maximum possible increased
monthly production in 1942....... 200,000 tons

How long stocks will last therefore depends on three factors;

1. Whether military consumption is maintained at the present rate;
2. To what extent civilian consumption can be further reduced,
3. Whether additional sources of oil can be acquired, in the Caucasus or elsewhere.

Attached hereto is the full text of the Ministry of Economic Warfare's report on the Enemy Oil Position, dated November 1941.

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WAR DEPARTMENT
O. C. S. 17 (Rev.)

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The following information is summarized from a report entitled "Enemy Oil Position" prepared by the Ministry of Economic Warfare and dated November 1941, a copy of which is attached as Enclosure "A".

General Situation

It is estimated that Germany's stocks of oil amounted to 5 to 5½ million tons in September 1939. Consumption in Axis Europe from the outbreak of the war to 1 July 1941 was almost exactly equal to production and stocks seized in occupied countries, so that stocks in Axis Europe on 1 July 1941 were still 5 to 5½ million tons.

It is estimated that enemy consumption exceeded production by 400,000 tons per month during the months July-October 1941, calling for a withdrawal of about 1,500,000 tons from stock and leaving a stock of 3½ to 4 million tons.

All of this stock is not available for consumption; approximately 1,400,000 tons are immobilized by process and transit, leaving available stocks at 2,100,000 to 2,600,000 tons.

No estimate has been made of (a) oil necessary to maintain efficient local distribution; and (b) civil consumption in German-occupied Russia, though if Germany is to derive any benefit from the Ukraine (a region largely dependent on oil for its agricultural work) she will presumably have to release some oil for use there.

Germany's future oil position depends on:

1. Degree of contraction in military consumption during the winter

   (a) If the whole Eastern Front were static, the saving would be about 300,000 tons per month, or
   (b) If the Southern Russian Front remains active and the rest shuts down, the saving will be about 200,000 tons per month.

2. Forced contraction in civil and industrial consumption

The estimate of civil consumption assumes that war industry is going full blast and that allowances to occupied countries cannot be cut down without also reducing the amount of help they are giving to the German war effort. Consumption could, however, be cut down by reducing the efficiency of war industries for the sake of giving priority to military requirements of oil. It is also reckoned that the use of producer gas is effecting a saving of 260,000 tons per year, and that this saving could be increased.

3. Expanding production of crude oil and synthetic and substitute fuels

It is believed that in 1942 some 400,000 tons of crude oil can be added to Germany's supplies from Polish oilfields.

Synthetic production is expected to be increased by 330,000 tons in 1942.

Production of Ethyl alcohol could also be increased to 1,848,000 tons in 1942 if a proportion of wine and sugar were withdrawn from human consumption.

Maximum possible increase from all these sources seems to be about 200,000 tons per month.

4. Acquisition of Russian oilfields by the Germans

5. Extent and effectiveness of Allied interference

Comment

If there is no decrease in activity on the Russian front, consumption in 1942 would still exceed maximum production by about 200,000 tons per month; i.e. stocks now estimated at 2,100,000 to 2,600,000 tons would last about 11-13 months from November 1941.

Against this estimate must be set three unknown factors:

1. Whether military consumption is maintained at the present rate.
2. To what further extent civilian consumption can be reduced.
3. Whether additional sources of oil can be acquired, in the Caucasus or elsewhere.

SUMMARY OF APPENDICES

Appendix I: Analysis of Enemy Oil Position from Outbreak of War and Estimate of Available Stocks on November 1, 1941

	Tons
Total Stocks in Greater Germany, Sept.1, 1939	5,000,000 to 5,500,000
Consumption, Sept.1, 1939, to June 30, 1941	25,095,000
Production, " " " " "	24,984,000
Total Stocks in Axis Europe, July 1, 1941	5,000,000 to 5,500,000
Consumption, July 1 to Nov.1, 1941	6,147,000
Production, " " " "	4,579,000
Net withdrawal from stocks in these four months	1,568,000
Total Stocks, Nov.1, 1941	3,450,000 to 3,950,000
Transit and process stocks	1,400,000
Available Stocks, Nov.1, 1941	2,050,000 to 2,550,000

Appendix II: German Oil Stocks at Outbreak of War

It is assumed that the German Government did not start accumulating stocks till the beginning of 1935. The Standard Oil Company of New Jersey estimates stocks at January 1, 1935, at a total of 1,450,000 tons.

The figure of German stocks at the outbreak of the war has been reached by tracing all imports to Germany, Holland and Belgium and production in those countries, and deducting from this figure the totals of domestic consumption, exports to other countries, and stocks accumulated in Holland and Belgium.

This gives a total of 2,550,000 tons unaccounted for during the period Jan.1, 1935 to Sept.30, 1939, which presumably went to swell German stocks.

In addition some 1,400,000 tons were put into stock by the German Navy during the same period.

On the other hand it is estimated that the German Air Force used during this period about 250,000 tons more than it acquired, and this amount must have been withdrawn from stock.

This gives a grand total as follows:

Stocks, January 1 1935	1,450,000
Put into stock, Jan.1 1935 to Sept.3 1939	2,550,000
Accumulated by German Navy	1,400,000
	5,400,000
Withdrawn by German Air Force	- 250,000
Total	5,150,000

Appendix III: Civil and Industrial Consumption

It is estimated that the present civil consumption of all oil products in Greater Germany is at the rate of 4,250,000 tons per year. It has also been assumed that consumption in occupied territories has declined to 15% of pre-war consumption, not including bunker consumption.

Italian civil and industrial consumption is estimated at 1,000,000 tons per year.

A table attached gives estimated civil consumption in all Axis Europe at 688,000 tons during October 1941; this is at the rate of 8,256,000 tons per year, which is considerably less than the actual consumption for the whole of the year 1941.

Appendix IV: Consumption by Enemy Armed Forces since Outbreak of War

A table is attached to this Appendix (Enclosure "A") showing the estimated monthly consumption of oil since the outbreak of the war by the German, Italian, Roumanian and Hungarian army, navy and air force, and by the Todt Organization and Aerodrome Construction Corps. This figure has risen from around 310,000 tons in the early months of the war, to 902,000 tons in October 1941.

Appendix V: Summary of Supplies in Axis Europe, September 1, 1939 to December 31, 1942 - Petroleum and Substitutes

Very detailed charts are given, which are summarized as follows:

	1 Sept.39 to 30 June 41	1 July 41 to 30 Dec.42
Production in Greater Germany	14,101,000	12,437,000
Production in other Axis areas	4,123,000	11,268,000
Loot and stocks acquired	6,760,000	?
Total	24,984,000	23,705,000

Appendix VI: Transit and Process Stocks

Transit Oil	874,000 tons
Process Oil	550,000 "
Total	1,424,000 "

Appendix VII: Selection of Intelligence Reports

This Appendix contains a number of reports dating from April 1940 to November 1941 showing great and increasing stringency in the regulation and supply of gasoline and lubricating oil, both in Germany itself and in occupied Europe, as well as estimates from various sources of the amount of German reserves.

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Assistant Military Attache

2 encls.
"A" - Report on Enemy Oil Position (1 with Master Copy)
"B" - Graph of Enemy Consumption and Production (3 with Master Copy, one with copy).

From M.A.London Report No.46087 5 January 1942

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Office of the Military Attache, American Embassy, London, England. 5 January 1942. To: A.C. of S., G-2, War Dept., Washington, D.C.

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