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WARTIME OIL RESERVES IN THE EUROPEAN NATO AREA

REPORT BY THE PETROLEUM PLANNING COMMITTEE  
TO THE COUNCIL

Note by the Chairman of the Petroleum Planning Committee

In January 1957, following the Suez crisis, the Council recommended that member countries report on the state of their military POL stocks which, in some cases, had been seriously depleted. Accordingly, the Petroleum Planning Committee, in co-operation with SHAPE, prepared a questionnaire entitled "SHAPE LOG-66" which was circulated to Ministries of Defence.

2. The Petroleum Planning Committee has submitted three reports to the Council on the basis of the quarterly replies to this questionnaire. The three reports showed the wartime oil reserves in the European NATO area as of 1st January, 1st April and 1st October 1957, listing deficits of 180,000, 124,000, and 126,000 metric tons respectively.

3. Following the Council recommendations that nations should maintain "secure" stocks sufficient to meet all essential requirements for the first thirty days of war, the Petroleum Planning Committee has reviewed the damage factors applied by member countries to the military stock levels reported on 1st July 1958. The guidance used by the Petroleum Planning Committee in computing civilian consumption in wartime and in determining damage factors was established by the Senior Committee in documents AC/98-D/34 and AC/98-D/14(Final).

4. The attached report shows the number of days of "secure stocks" available in each country as of 1st July 1958, sub-divided into the six principal products used for military and civil purposes. Since this report has taken damage factors into account, it cannot be compared directly to the previous reports to the Council which listed total reserves, regardless of their vulnerability.

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5. The Council is invited to note that in the future a new questionnaire will be used which will combine the information needed by the Petroleum Planning Committee and by SHAPE. Subsequent reports will take into account both military and civilian damage factors and can thus be compared readily with this report. The Council will then have an overall picture of the military and civil stock position in member countries and can observe the quarterly changes.

6. The Council is invited to note the conclusions and approve the recommendations in paragraph 8 of the attached report.

(Signed) K. STOCK

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WARTIME OIL RESERVES IN THE EUROPEAN NATO AREA

Report by the Petroleum Planning Committee

In accordance with the Council's instructions (1), the Committee has continued to review the progress of member countries towards the minimum interim objective that each member country should establish secure oil stocks sufficient to meet all essential requirements (military and civil) during the first thirty days of war. The following report is designed to indicate the extent to which this interim minimum objective has been achieved and to recommend measures to remove the deficits that now exist. At the same time, the Committee is conscious that larger secure stocks than 30 days essential war requirements are needed and that the NATO military authorities attach importance to this point.

2. Peacetime oil stocks are for the most part located at major ports and in other primary target areas, and are therefore highly vulnerable to modern forms of attack. Moreover, a large proportion of military oil reserves in many countries consist in peacetime of stocks held in ordinary commercial storage, so that all stocks, both military and civil, would be liable to serious loss at the outset of a war. In 1957, the Committee established that only a few countries had achieved the urgent interim objective of 30 days' secure stocks. At 1st October 1957, there were still serious deficits and only a few countries reported secure stocks of 30 days or more to meet essential wartime requirements of all products; however, several countries reported firm plans for removing the deficits in the near future.

3. A recent survey of the stock position as of 1st July 1958 shows that of all the European NATO members only two (United Kingdom and France) consider that they have secure stocks to meet both the civil and military requirements for the 30-days period. Belgium, Denmark, Luxembourg and Norway show a deficit position for certain petroleum products which they hope to be in a position to correct in the near future. On the other hand, the position is particularly serious in Germany, Greece, Italy, Netherlands and Turkey. In some countries, there is lack of balance between military and civilian coverage; for example, the military stock position may appear to be relatively satisfactory, whereas civil stocks are not maintained at a comparable level. The Portuguese position cannot be established from that country's return, although it appears to be in deficit. A summary of the reports received showing the coverage expressed in number of days of wartime consumption is attached as annex.

4. Approximately two million cubic metres of petroleum products will be required to meet the estimated deficiencies in

(1) C-M(57)12, paragraph 43.

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civil and military wartime requirements during the first 30 days. A storage capacity of approximately 2.4 million cubic metres would be necessary to take care of the estimated deficiencies in secure stocks. Estimates of United States and Canada secure stocks in Europe (except for those of Canadian land forces included in the United Kingdom figures) have not been included in the attached table but will be included in future returns. It is estimated that the removal of the total deficit in the European NATO area would involve the expenditure of \$40 million - £50 million, of which £20 million - £30 million would be for storage installations and about £20 million for the purchase of oil. Programmes for the storage of oil are under consideration in several countries, notably Turkey where the deficiency in such facilities has been of serious proportions. In the Netherlands, progress has been made in the purchase of storage sites; in Norway further construction is underway.

ADMINISTRATIVE MEASURES TO REMOVE THE DEFICITS

5. In order to promote the fullest exchange of information and experience between member countries on the administrative and technical aspects of laying down reasonably secure oil reserves, the Committee held a special session bringing together from national capitals technical experts and officials responsible for framing policy on stockpiling and storage. Following this session, and in the light of the minimum interim objective of 30 days' secure stocks approved by the Council, the Committee have invited member countries:

- (1) to take all necessary steps to establish administrative machinery for the planning and execution of programmes of storage construction and oil stockpiling; the machinery should provide for close collaboration between all agencies of government concerned with military and civil oil requirements and oil industry representatives whose technical and executive services may be necessary both for planning and operating stockpiling and storage programmes;
- (2) with the help of this machinery,
  - (a) to determine the means by which any deficit in secure stocks can most satisfactorily be met, bearing in mind the various methods of reducing the vulnerability of oil storage, and
  - (b) to prepare skeleton programmes ready for implementation as and when funds became available.

6. Of those countries indicating deficits at 1st July 1958, against the minimum interim objective, Norway and the Netherlands have reported that administrative machinery for the planning and execution of storage etc. programmes has been established and that

appropriate plans and financial allotments have been made; Norway's deficit is expected to disappear in 1959, and the Netherlands' in the next few years. Turkey has reported that the decision has been taken to set up an appropriate organization, but the approval of the assembly is awaited. Belgium, Denmark, Germany and Italy have the subject under discussion. No information has been provided by Greece, Luxembourg and Portugal.

RELATIONSHIP BETWEEN STOCKPILING FOR PEACETIME EMERGENCIES AND FOR DEFENCE

7. Proposals for raising the level of oil stocks in Europe as an insurance against the dislocation of supplies from overseas in peacetime have been agreed in OEEC. In the context of OEEC planning, greater economic security for Europe's oil supplies would be obtained by an increase in the stocks normally held without regard to their vulnerability to enemy attack; and the choice between crude oil and finished products would be decided on the basis of economic considerations. However, additional stocks laid down in highly vulnerable areas would add little to the level of secure stocks, and additional stocks in the form of crude oil would be useful only if attack followed a period of economic siege. In any event, stocks that can be drawn from in peacetime emergency should be additional to the reserve of secure stocks needed to fight and survive a nuclear war. Even so, additional peacetime stocks that were both secure and in the form of products would give countries some additional cover in the event of a war not immediately preceded by an interruption of supplies. Thus it may be possible, to some extent, to combine the defence requirements of NATO planning with the economic insurance requirements of OEEC by the dispersal or protection of at least a part of the increase in peacetime stocks and by holding a substantial part in the form of products.

CONCLUSIONS AND RECOMMENDATIONS

8. The COMMITTEE invites the Council;
- (1) to note that only two European member countries have reported that they hold 30 days' secure oil stocks to meet essential wartime military and civil requirements, and that the deficits against this minimum interim target are in many cases large;
  - (2) to note that administrative machinery for planning and executing storage and stockpiling programmes has not yet been set up in a number of countries reporting such deficits;
  - (3) to recommend that all member countries who have not yet done so should as a matter of urgency:

- (a) establish the appropriate national organization to plan and administer the programmes required to achieve the minimum interim objective of 30 days secure national stocks.
- (b) achieve and maintain as soon as possible at least the minimum interim level of stocks sufficient to meet all essential requirements in the first 30 days of war.
- (4) to remind member countries of the interdependence of military and civil stocks and of the consequent need to maintain a satisfactory balance between them;
- (5) to recommend to member countries that they should bear in mind the NATO defence requirements when considering the OEEC recommendation for raising peacetime stock levels.

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ANNEX to  
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SUMMARY OF "SECURE STOCKS", 1st JULY 1958, AS EXPRESSED IN NUMBER OF DAYS' CONSUMPTION IN WARTIME

	AVGAS		MOTOR SPIRIT		JET FUEL		KEROSENE		GAS/DIESEL OIL		RESIDUAL	
	Mil.	Civil	Mil.	Civil	Mil.	Civil	Mil.	Civil	Mil.	Civil	Mil.	Civil
Belgium	(1)	-	24	30	46	-	57	52	80	19	62	15
Denmark	31	-	30	18	64	-	-	11	20	56	11	20
France	72	100	28	43	35	13	20	64	23-32 <sup>(3)</sup>	76	65	51
Germany	3	21	17	29	33	-	-	10	4	16	3	11
Greece	28	-	5	7	15	-	8	11	13	12	22	15
Italy	27	-	23	14	12	-	-	17	24	6	56	5
Luxembourg	(2)	10	(2)	27	-	-	(2)	32	(2)	35	(2)	(2)
Netherlands	12	(2)	13	12	18	(2)	30	10	30	13	30	51
Norway	19	-	26	26	56	-	41	41	59	59	60	60
Portugal (4)	-	-	-	-	-	-	-	-	-	-	-	-
Turkey	45	-	10	4	14	-	-	6	10	13	4	-
United Kingdom	30+	-	30+	30+	30+	-	30+	30+	30+	30+	30+	30+

(1) Belgian authorities have not revealed this figure.

(2) Unknown

(3) 23 = army requirements

32 = navy requirements

(4) Position cannot be determined from Portuguese report. See para 3.

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