

will be the product in shortest supply, involving severe curtailment of military allocations and important reductions in the supplies necessary for road and water transport. It appears that this is now occurring and that an increasing paralysis of the German war machine is taking place.

4. Significant evidences of shortages are

(a) Severe restriction of training and operations of the German air force. Shortage of petrol is also apparently endangering the retreat of at least some of the German forces from the south of France.

(b) Appointment of a Commissioner General for motor vehicle repairs and installation of producer gas equipment, (Speer), which suggests that deterioration of road transport conditions in Germany has now reached serious proportions, aggravated by the fact that hitherto 40% of German producer gas unit requirements were obtained from France. The chaotic conditions in the organisation of movement of goods by road are indicated by a decree issued in Hitler's name. As road transport normally approaches its peak in the autumn lack of fuel appears likely to precipitate a crisis in German internal economy.

5. Conclusions. At present very few oil plants are in operation and the monthly rate of output of finished products at 1st September was only about 300,000 tons or under 25% of normal. Of this only about 90,000 tons was motor spirit and none of it was suitable for use in normal fighter aircraft. Even in the absence of further attacks Germany's output of oil products in September would be unlikely to exceed 43% of normal. If the belief that there are no longer any free reserves is correct, and if plants now out of action are kept out of action, then Germany's supplies of oil, and more particularly of petrol, will be so inadequate that her military situation will be rendered even worse than it is at present.

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EMH.