

SECOND SUPPLEMENTAL REPORT  
 OF THE  
SUBCOMMITTEE OF THE NATIONAL PETROLEUM COUNCIL'S  
COMMITTEE ON  
MILITARY AND GOVERNMENT PETROLEUM REQUIREMENTS

(As of August 1, 1947)

On July 10, 1947 a supplemental report was prepared bringing down to that date the factual information as to military and government requirements and offers of supplies. The present report summarizes the situation as of August 1, 1947.

Requirements

The August 1, 1947 estimate of Government petroleum requirements for the fiscal year 1948 is summarized in the following tabulation which shows the changes in these estimates since the Committee's report of July 10th:

<u>Total Government Requirements</u> <u>Military and Civilian</u> <u>(Av. B/D, Fiscal Year 1948)</u>			
	<u>Per Committee</u> <u>Report of</u> <u>July 10</u>	<u>Per ANPB</u> <u>Data for</u> <u>August 1</u>	<u>Difference</u>
<u>Aviation Gasoline</u>			
Grade 115/145	17,300	17,300	-
" 100/130	18,900	21,800	/ 2,900
" 91/98	6,000	6,600	/ 600
" 73	700	500	- 200
<u>Total</u>	<u>42,900</u>	<u>46,200</u>	<u>/ 3,300</u>
Jet Fuel	3,900	4,000	/ 1,000
Motor Gasoline	55,700	46,600	- 9,100
Kerosene	2,400	3,100	/ 700
Navy Diesel	39,000	39,000	-
Other Diesel	19,600	22,600	/ 3,000
Navy Special	95,400	95,400	-
Other Heavy	66,700	66,700	-
Burner Fuel	24,700	24,700	-
<u>Total Major</u> <u>Products</u>	<u>349,400</u>	<u>348,300</u>	<u>- 1,100</u>

As shown by the above figures, the estimated total Government requirements for all major products combined are about the same as reported by the Committee on July 10th. However, there have been important changes in the various individual products. The increases in requirements for aviation gasoline and jet fuel are the result of a recalculation by the military based on revised factors for average hours of operation. These increases, which average in barrels per day as shown above for the fiscal year 1948, amount to the following additional quantities in total barrels over the last 6 months of the calendar year of 1947:

	<u>Increase in Requirements Last Six Months of 1947</u>
100/130 Aviation Gasoline	/ 363,000 bbls.
91/98 " "	/ 144,000 "
73 " "	- 47,000 "
Jet Fuel	/ 111,000 "

The change in motor gasoline requirements results from an apparent error involving duplication between the Army and Navy estimates plus a downward revision in the additional quantities for overseas areas that were given to the Committee on July 10th.

The increases in requirements for kerosene and other diesel fuel represent additional quantities for overseas areas desired from the East/Gulf coast area. For the last six months of the calendar year 1947, these increases in total barrels are as follows:

	<u>Increase in Requirements Last Six Months of 1947</u>
Kerosene	70,000 bbls.
Other Diesel	139,000 "

Coverage

Data from the Army-Navy Petroleum Board as of August 1st shows the following degree of coverage on military requirements (exclusive of purchases by the Federal Bureau of Supplies):

<u>Product</u>	<u>Total Requirements Last 6 mo's 1947 (1,000 bbl.)</u>	<u>Uncovered Portion</u>	
		<u>(1,000 bbl.)</u>	<u>Percent</u>
<u>Aviation Gasoline</u>			
Grade 115/145	3,160	2,034	64.4
" 100/130	3,192	/ 60 *	*
" 91/98	1,188	176	14.8
" 73	88	15	17.0
Total	<u>7,628</u>	<u>2,165</u>	<u>28.4</u>

\* 100/130 being used against shortage of 115/145

	Total Requirements Last 6 Mo's 1947	Uncovered Portion	
		(1,000 bbl.)	Percent
Jet Fuel	574	70	12.2
Motor Gasoline	5,123	949	18.5
Kerosene	439	238	54.2
Navy Diesel	6,600	-	-
Other Diesel	3,731	2,974	79.7
Navy Special	18,000	1,403	7.8
Other Heavy Burner Fuel	8,802	4,594	52.2
	<u>2,881</u>	<u>1,945</u>	<u>67.5</u>
Total Major Products	<u>53,778</u>	<u>14,338</u>	<u>26.7</u>

The above table reveals a condition of continued deficiencies of substantial proportions in relationship to demands. Of total requirements for the last six months of 1946 (53,778,000 barrels) the firm commitments totaled 39,440,000 barrels leaving an uncovered balance of 14,338,000 barrels, or 26.7 percent. On July 11th the firm commitments for this six month period totaled 36,014,000 barrels according to the reports of the Army-Navy Petroleum Board. This shows an increase in supply for the military of 3,426,000 barrels since July 11th only 6 percent of the total military requirements for the period.

The above figures do not take into consideration certain offers known to be under consideration. It is anticipated that these offers will result in a coverage of jet fuel requirements and some improvement, although not full coverage, in the aviation gasoline picture.

The July 10th report of the Committee showed that the requirements of the Federal Bureau of Supplies (including onshore Army Ground Force Requirements) averaged 44,550 barrels daily of which 17,220 barrels per day, or 39 percent, were uncovered as of July 7, 1947. The Federal Bureau of Supplies states that there has been no appreciable change in their position since that date.