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CENTRAL INTELLIGENCE AGENCY

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INTELLIGENCE MEMORANDUM NO. IM - 195 10 August 1949

SUBJECT: US Tanker Participation in Communist Oil Movements

A major improvement in the Communist oil situation is about to be implemented in the Far East with direct participation of US tankers.

The United Tanker Corporation, an affiliate of the Chinese Petroleum Corporation, recently chartered several US and foreign-flag tankers (see particulars below) to transport gasoline and kerosene from Constanza, Rumania, to Shanghai and Dairen. Two of these, the Beauregard and the Kettleman Hills, have already passed into the Mediterranean bound for Dairen, carrying 20,984 metric tons of these products.

The background of the transaction is obscure. While the Chinese Petroleum Corporation is reported to be Nationalist controlled, it appears obvious that upon delivery, the oil products will fall under complete Soviet or Chinese Communist control.

Chartering of US vessels in this trade violates no US law and runs contrary to no clearly expressed US policy. That the traffic is inimical to US interests, however, seems beyond question.

The USSR has had difficulty in supplying its own petroleum requirements in the Far East, in view of the limited production of Sakhalin, inadequate capacity of the Trans-Siberian Railroad, shortages of tank cars, and the small fleet of Soviet tankers. Severe local shortages have led the USSR to move some oil by tanker from the Black Sea to the Maritime Provinces.

Continued use of only the four tankers known to have been chartered would augment the Soviet tanker fleet by 30 percent in tonnage, and provide the USSR with modern units which are practically unequalled for speed and efficiency in its own fleet. The four tankers of which particulars are given below could deliver 220,000 metric tons of oil annually in Dairen from the Black Sea via the Suez Canal. For military purposes the quantity of refined products (40,000 tons) which the four tankers can haul in one voyage each is of substantial importance. A concentration of first class tankers in Communist harbors, moreover, might well be an invitation to seizure.

Note: This memorandum has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

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NO CHANGE in Class. ☐
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Auth: DDA REG. 77/1763
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## Tankers Chartered For Oil Movements From Constanza to Dairen/Shanghai

| Name | Kettleman Hills | Kate Maersk | Beauregard | St.Christopher |
|---|---|---|---|---|
| Flag | US | Danish | Norwegian | US |
| Owner | Oceanic Maritime Corp. | Dampskebsselskabet af 1912 A/S | Skibs A/S Beaumont | American Viking Corp |
| Address of Owner | Dover, Del. | Copenhagen | Olso | New York |
| Knots | 14.5 | 10.5 | 14 | 14.5 |
| Year Built | 1944 | 1927 | 1945 | 1943 |
| Gross Tons | 10441 | 5952 | 8535 | 10172 |
| Dead-weight | 16303 | 8565 | 13500 | 16437 |

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REMARKS: Attached 13 copies of IM-195 (21-33) to be disseminated as follows: (Approved by DCI)
JIG - Col. Halversen - 2 copies
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REMARKS: Attached 5 copies of IR-195 (cs 1-5).

Informal discussion of this development with the Department of State and the Maritime Commission reveals concern in these agencies. It is understood that MSA is equally disturbed in view of its efforts to discourage Western European operators from hauling oil for the USSR.

Suggested distribution: NIE, IAC, ECA, Maritime Commission, Commerce

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