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REPORT

CD NO.

50X1-HUM

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COUNTRY German Democratic Republic; USSR

DATE OF INFORMATION 1951

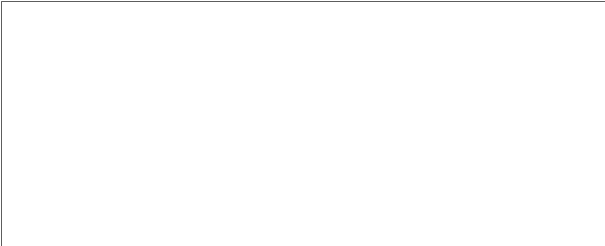
SUBJECT Economic - Foreign trade, chemical industry,
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CONTRACT FOR GDR PETROLEUM SHIPMENTS TO USSR IN 1951



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DAHA-Chemie (German Foreign Trade Agency, Chemical Products Division), called in this contract the seller or DAHA, and the Soviet All-Union Export-Import Association "Soyuznefteeksport," called the purchaser, concluded this contract for the products specified below:

Section 1

On the basis of the agreement of ... 195. between the governments of the USSR and the GDR, the seller sold and the purchaser bought the following quantities of goods fob Baltic ports of the GDR and/or tank cars fob border points of the GDR with third countries according to the option of the purchaser:

- Aviation gasoline B 95/130 ... tons
- 60-octane automobile gasoline ... tons
- Diesel fuel ... tons
- Ethyl benzene ... tons
- Industrial isooctane ... tons
- Paraffin ... tons

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STATE	<input checked="" type="checkbox"/>	NAVY	<input checked="" type="checkbox"/>	NSRB														
ARMY	<input checked="" type="checkbox"/>	NR	<input checked="" type="checkbox"/>	FBI														

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Note:

a. The diesel fuel sold under this contract must be delivered according to these specifications:

With a congelation point of minus 10 degrees centigrade	... tons
With a congelation point of minus 15 degrees centigrade	... tons

b. Under the terms of this contract the buyer has the option of changing the specifications for the contracted quantity of diesel fuel, within the period stipulated in this contract, from congelation points of minus 10 and minus 15 degrees centigrade to a congelation point of minus 35 degrees centigrade.

Section 2

DAHA is required to deliver the above-mentioned products in the quality indicated in the specifications listed in Enclosure 1 to this contract.

Section 3

Prices for goods to be delivered under Section 1 and 2 of the present contract are stated in rubles per metric ton (1,000 kilogram), net:

Aviation gasoline B 95/130	... rubles
60-octane automobile gasoline	... rubles
Diesel fuel	... rubles
Ethyl benzene	... rubles
Industrial isooctane	... rubles
Paraffin	... rubles

Note:

If the need should arise for delivery of ethyl-free 78-octane aviation gasoline and 70-72-octane ethyl automobile gasoline, these products are to be billed at:

Automobile gasoline	... rubles
Aviation gasoline	... rubles

The prices indicated for paraffin include packing material.

Section 4

DAHA is required to deliver the products between 1 January and 31 December 1951 in accordance with the distribution plans attached to this contract (Enclosure 2), and the purchaser is obliged to accept the shipments.

The purchaser must submit the distribution plans (including destinations and consignees) for the following month 25 days prior to the beginning of that month.

If delivery deadlines fixed in this contract are not met, the seller is liable for the idleness of wide-gauge railroad freight cars in Brest.

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Section 5

The products to be delivered under this contract are legally transferred to the risk of the purchaser as follows:

a. For railroad shipments, according to the weight in the railroad waybill authenticated by the official stamp at the railroad border station of the country which accepts the shipment from the German railroad. A list of the freight car contents must be attached specifying type of goods, number of freight or tank car, number of boxes, gross weight, tare weight, and net weight.

b. For ocean shipments, according to the weight recorded in the bill of lading. A ship's list executed by the seller is to be attached stating type of goods, number of each individual type of merchandise, gross weight, tare weight, and net weight.

If a shortage is established at the border point or destination which, by its nature, would exclude responsibility of the railroad (i.e., if the lead seals are intact, the tank cars are in good condition, or the boxes are undamaged), an appropriate document must be drafted stating the facts, on the basis of which the seller is obliged to replace the amount of the claimed shortage.

Section 6

Products are transferred from the seller to the purchaser according to the quality certificates drawn up by the supplier.

Each shipment of like goods must have a set of papers fixing the quality of the products; for shipments to the USSR, ten copies of the ocean bill of lading and railroad waybill must be included; in all other cases (for shipment to third countries and delivery at point of origin) at least three copies must be issued.

If the quality certificates do not correspond to the specifications of this contract, the purchaser is authorized to refuse the goods or to demand a suitable reduction of the price established under the contract.

Section 7

Under the terms of this contract, the date of contract performance is either the date of the ocean bill of lading or the date stamped on the railroad waybill by the border station accepting the shipment from the GDR.

Section 8

Payment for the products delivered according to the terms of this contract is to be made in rubles in the manner provided in the agreement on reciprocal merchandise deliveries between the governments of the USSR and the GDR, dated ... 1951.

For the payment of money which is due the seller for his deliveries, the purchaser is obliged to wire a revocable letter of credit, valid for 45 days, to the DN (Deutsche Notenbank, German Bank of Issue), Berlin, by the 5th of every month, in favor of the seller, in the amount corresponding to the requirements for the month. The DN will make payment to the seller upon presentation of the following documents:

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- a. The seller's bill, in duplicate.
- b. A quality certificate provided for under Section 6 of this contract.
- c. An ocean bill of lading and/or duplicate of the railroad waybill stamped by the railroad border station which is forwarding the shipment from the German railroads, on passage of goods across the border, and the certificate of acceptance of automobile gasoline at the point of origin.

Payments are made independent of the date and month during which shipments are dispatched from the point of origin.

Coincident with the presentation of the bills to the DN, the seller also transmits two copies of the bill to the purchaser.

If the sum of the letters of credit should be insufficient to pay for the bills, the purchaser will open an additional letter of credit in the required amount upon demand of the seller.

If the purchaser fails to open the required letter of credit by the date specified in the contract, and the seller performs the contract, then the purchaser is obliged to pay the seller an additional 0.5 percent of the value of the delivered goods for every full week of delay, figures from the date of presentation of the documents to the purchaser.

If, through the fault of the seller, the letter of credit established by the purchaser has been used to less than 70 percent of the amount by its date of expiration, then the seller will pay a penalty to the purchaser amounting to one percent of the unused amount of the letter of credit.

The expenses and the bank fee incident to opening a letter of credit are to be borne by the purchaser.

Section 9

The seller must notify the purchaser by wire of the shipment at the very latest within 12 hours after its dispatch; exact details must be provided on date, destination of goods, the number of the shipment, the number of freight cars, and the weight of each type of goods.

This telegraphic information must be confirmed in writing no later than 5 days after loading. The following documents are to be included: The duplicate of the railroad waybill and/or the triplicate of the ocean bill of lading, the acceptance transfer certificate, and the quality certificate for each lot of goods.

Section 10

The following documents are to be included for railroad deliveries to Brest-Zhabinka:

1. Railroad waybill.
2. Triplicate of the railroad waybill.
3. List of freight cars in triplicate.
4. Quality certificate in accordance with Section 6 of this contract.

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Section 11

All changes in or supplements to this contract are binding only if they are agreed upon and signed by authorized persons.

Section 12

Complaints or disputes regarding any partial delivery of goods shall not constitute a basis for refusal by either contracting party to deliver or to accept other lots of goods under this contract.

Section 13

Notices, statements and complaints of any kind in connection with fulfillment of this contract must be directed to the appropriate parties at their legal addresses.

Section 14

All disputes which may arise from or in connection with this contract come under the jurisdiction of the Foreign Trade Arbitration Commission of the All-Union Chamber of Commerce in Moscow. The decisions of this commission are to be final and binding for both parties.

Legal addresses:

Seller -- DAHA-Chemie, Berlin, C 2, Dircksenstrasse, 40.

Purchaser -- All-Union Export-Import Association "Soyuznefteeksport,"
Moscow, Proyezd Khudozhestvennogo teatra 2.

Seller

Purchaser

ENCLOSURE 1

Specifications for Motor Vehicle Gasoline

1. Octane rating not under 60
2. Fractional composition:
 - a. 10 percent must distill off below 79 degrees centigrade
 - b. 20 percent must distill off below 100 degrees centigrade
 - c. 50 percent must distill off below 145 degrees centigrade
 - d. End point not over 200 degrees centigrade
 - e. Residue and loss not over 2.5 percent
 - f. Residue not over 1.5 percent
3. Vapor pressure (Reid) not over 500 millimeters of mercury
4. Induction period not under 240 minutes

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5. Sulfur content not over .15 percent
6. Actual resin content not over 3 milligrams in 100 milliliters
7. Satisfactory test on copper plates
8. Test for water-soluble acids and alkalies not necessary
9. Test for water content and mechanical impurities not necessary
10. Appearance: colorless, transparent liquid

Specifications for Paraffin

<u>Characteristics</u>	<u>Type of Paraffin</u>			
	<u>50/52</u>	<u>52/54</u>	<u>54/56</u>	<u>56/58</u>
Appearance	Odorless and tasteless white crystalline mass			
Melting point according to Zhukov, in degrees centigrade	50/52	52/54	54/56	56/58
Percentage of oil, according to the acetone-benzene-pressure method, not over	0.5	0.5	0.5	0.5
Color stability -- will not turn yellow in daylight within ... days	7	7	7	7
Percentage of sulfur, below	0.05	0.05	0.05	0.05
Acid content in milligram KOH, below	0.1	0.1	0.1	0.1
Mechanical admixtures	--	--	--	--
Water-soluble acids and alkalies	--	--	--	--

Specifications for Diesel Fuel

	<u>Summer Fuel</u>	<u>Winter Fuel</u>
1. Fractional composition		
a. Percentage distillation up to 300 degrees centigrade	50	50
b. Percentage distillation up to 350 degrees centigrade	85	85
2. Viscosity at 20 degrees centigrade		
a. Kinematic viscosity in centistokes	5.0-8.5	5.0-8.5
b. Equivalent viscosity in degrees Engler	1.4-1.7	1.4-1.7

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	<u>Summer Fuel</u>	<u>Winter Fuel</u>
3. Flash point in degrees centigrade according to Martens-Penskiy, not less than	65	65
4. Congelation point in degrees centigrade, not over	-10	-35
5. Percentage of carbon residue, not over	0.1	0.1
6. Percentage of ash, not over	0.025	0.025
7. Percentage of sulfur, not over	0.2	0.2
8. Acid content, in milligrams of KOH per 100 milliliters of diesel fuel, not over	5	5
9. Percentage of water not over	--	--
10. Mechanical admixtures	--	--
11. Hydrogen sulfide	--	--
12. Water-soluble acids and alkalies	--	--

Specifications for Ethyl Benzene

- | | |
|--|--|
| 1. Appearance | Clear transparent liquid without visible mechanical admixtures |
| 2. Specific weight at 20 degrees centigrade | 0.8655-0.8665 |
| 3. Boiling range at 760 millimeters of mercury | |
| a. Start of distillation, in degrees centigrade, not under | 135.8 |
| b. End of distillation, in degrees centigrade, not over | 136.5 |

ENCLOSURE 2

Schedule of 1951 GDR Petroleum Shipments
(in 1,000 tons)

Item	Total 1951 Shipments	Quarterly Shipments			
		1st Qu	2d Qu	3d Qu	4th Qu
1. Automobile gasoline B 95/130	75.0	17.0	21.0	20.0	17.0
2. 60-octane automobile gasoline	15.0	4.0	4.0	4.0	3.0
3. Industrial isooctane	12.5	3.0	4.0	4.0	1.5

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<u>Item</u>	<u>Total 1951 Shipments</u>	<u>Quarterly Shipments</u>			
		<u>1st Qu</u>	<u>2d Qu</u>	<u>3d Qu</u>	<u>4th Qu</u>
4. Ethyl benzene	5.0	1.5	1.5	2.0	--
5. Diesel fuel	75.0	18.0	20.0	20.0	17.0
6. Paraffin	16.0	5.0	4.0	4.0	3.0

Remarks:

Monthly shipments of petroleum products must be made in equal portions of the above-stated quarterly quantities.

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