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## INTELLIGENCE REPORT

### FOREIGN INFLUENCE ON THE NORTH VIETNAMESE ECONOMY

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FOREIGN INFLUENCE ON THE NORTH VIETNAMESE ECONOMY\*

Summary and Conclusions

The expansion of modern industry and transportation in North Vietnam and the equipping and training of the military establishment remain heavily dependent on imports of goods and services from other Communist countries, primarily the USSR and Communist China. The greater part -- perhaps as much as two-thirds -- of the cumulative total of \$1 billion\*\* in commodity imports during 1955-63 has been subsidized under Communist economic assistance programs (by grants, discounts, low interest credits, and the like.\*\*\*) In addition, these programs have included sizable amounts of military and technical aid.

In spite of the dependence on foreign economic and military aid, the regime's strategic vulnerability to foreign economic warfare is rated minimal because of the basically agrarian structure of the economy in the North and the guerrilla nature of its war effort against the South.

The USSR and Communist China together have accounted for more than 85 percent of the total of \$1 billion in economic aid offered to North Vietnam since it acquired a national status in 1954. Support to North Vietnam's economic development by the USSR and the European Satellites has involved primarily machinery, equipment, and technical assistance to heavy industry and motor vehicles to the transportation sector. By contrast, and in keeping with their economic capabilities, the Chinese Communists have supplied larger quantities of basic materials and manpower, have constructed only a few heavy industrial plants, have assumed the leading role in the rehabilitation and expansion of transportation facilities as well as in the reconstruction and development of the irrigation system, and have been largely responsible for the growth of light industry in North Vietnam.

The critical shortage of trained personnel in North Vietnam for the construction and operation of modern industry and transportation has been offset in part by the influx of several thousand technicians, chiefly from the USSR and Communist China. It is believed that there are at present 100 to 200 Soviet technicians and

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\* The estimates and conclusions in this report represent the best judgment of this Office as of 1 March 1965.

\*\* All dollar values in this report are in current US dollars.

\*\*\* More than \$2 billion in US economic aid has been extended to South Vietnam since 1954. Included in US economic aid programs are commodity import assistance, financing for counterinsurgency and rural pacification, assistance for development projects, and technical assistance.

1,500 to 3,000 Chinese advisers in North Vietnam. This influx of foreign technicians has been one of the most important features of Communist technical assistance, which also has included the supply of technical data, advice in planning, and the provision of training facilities for North Vietnamese abroad.

Throughout North Vietnam's 10-year history, deliveries on credit have continued to be the mainstay of North Vietnamese foreign trade. In 1963, for the third successive year of the First Five Year Plan (1961-65), North Vietnam was unable to expand its commercial exports significantly. Ambitious export plans have not been met, primarily because of continued shortfalls in agricultural production, and, therefore, imports have been scaled back each year to well below planned levels.

Most of North Vietnam's trade (about 85 percent) is with Communist countries, and the Free World has accounted for approximately 15 percent of total trade in recent years. Japan is by far the largest trading partner in the Free World, although its share in North Vietnam's trade has been declining somewhat in recent years as Hanoi has widened its Western trade contacts to include more countries.

Ultimately the repercussions of the Sino-Soviet dispute for pro-Chinese North Vietnam could lead to a loosening of economic ties with the USSR and indirectly may promote some moderate shift toward the West in the country's trade. The trade data for 1963, however, suggest that aid deliveries from all Communist countries were maintained at previous high levels. The economic assistance promised by the Communist countries for the First Five Year Plan consists of the construction of more than 100 major industrial projects and constitutes the core of the regime's plans for the continued development of modern industry and transportation as well as its hope for the improvement and diversification of agriculture.

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I. Foreign TradeA. Measures of Dependence

The extent of the dependence of North Vietnam on external sources to support its nonagricultural economic sectors is such that the country can be characterized as an economic ward of the Communist world, particularly the ward of Communist China and the USSR. Not only must North Vietnam rely heavily on foreign sources for machinery and the greater part of its industrial raw materials but also it must depend on the receipt of foreign aid in order to finance the purchase of these goods. Cumulatively, from 1955 through 1963 -- virtually from the inception of the regime -- the import surplus amounted to about \$460 million, or nearly half of all imports (see Table 1\*). If imports of technical services, transportation and other service facilities connected with trade, and military goods are added to the import surplus in nonmilitary commodities, the considerable magnitude of foreign aid as a support to the North Vietnamese economy becomes evident. In 1963, total trade approximated \$253 million, of which imports were \$156 million and exports \$97 million. In other words, about 38 percent of imports were not paid for out of current earnings. Between 1960 and 1963, imports and exports grew at approximately the same rate. The desire of the regime to reduce dependence by greater production for domestic consumption and exports has achieved relatively little success in the past several years.

The high investment content of imports, about 90 percent of which consisted of producer goods in 1960-62 (see Table 2\*\*), points up both the relatively undeveloped status of the economy and the intensity of the Communist regime's preoccupation with industrialization. During 1961-63, roughly one-half of the total imports consisted of machinery and equipment, most of which were complete plants supplied by Communist countries. Moreover, the large flow of these goods, as well as technical services on grant or credit, has been a major factor in the domestic investment program. In 1960, foreign aid provided roughly one-fourth of total investment, was equivalent to about 6 percent of gross national product, and represented some 20 percent of total budget revenues. 1/\*\* The importance of foreign aid to the economy probably was much the same in 1963, and, as discussed below, foreign aid continues to be a critical factor in North Vietnam's current long-term plan.

The rising trend of imports of machinery and equipment is indicated by growing Soviet exports of these goods to North Vietnam. Soviet deliveries of equipment for complete plants grew particularly rapidly, accounting for 13 percent of imports from the USSR in 1960 and 43 percent

\* Appendix A, p. 15, below.

\*\* Appendix A, p. 16, below.

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in 1963, when they totaled \$24.4 million (see Table 3\*). Imports from the European Satellites roughly approximated the pattern of those from the USSR but with an even greater percentage share of machinery and equipment. Communist China's exports to North Vietnam consist largely of industrial raw materials and semimanufactures, with machinery being less important than it is in Soviet exports. Free World exports to North Vietnam consist primarily of manufactured goods and chemicals.

The over-all share of industrial goods -- including capital equipment, fuels, and industrial raw materials -- in imports apparently has grown from 70 percent in 1957 to 90 percent in 1962, whereas the share of consumer goods has declined correspondingly. About two-fifths of North Vietnam's imports are composed of raw and processed industrial materials such as metal products, raw cotton, industrial chemicals, and petroleum products. Because of necessary purchases of food abroad in late 1963, the share of consumer goods expanded and the share of producer goods declined.

Among the more critical industrial products, no petroleum products originate in North Vietnam, and virtually all supplies were obtained from the USSR until 1963. In that year, Rumania became an important supplier, providing an estimated one-fifth of the total of about 125,000 tons\*\* of petroleum imported. Most of the industrial chemicals consumed also must be imported, although Hanoi hopes to lessen this dependence in the near future. With the assistance of the USSR and Communist China, projects have been undertaken to expand the small chemical industry, especially in production of chemical fertilizers. The Soviet-aided Lam Thao superphosphate plant at Phu Tho was completed in June 1962 and has an annual capacity of 100,000 tons. A nitrogen fertilizer plant at Phu Lang Thuong, being built by the Chinese, is scheduled to be completed by the end of 1965 or early 1966.

North Vietnam has practically no domestic armament industry, and its military establishment relies heavily on the USSR and Communist China for technical advisers as well as for materiel. The considerable value of military imports is not precisely known; it is believed that the North Vietnamese data on total imports (as shown in Table 1) exclude all such items. Most military goods probably are delivered to North Vietnam as grants-in-aid.

#### B. Capabilities for Expanding Exports

The failure of North Vietnam to fulfill its foreign trade plan in 1963 was fairly typical of performance in recent years and symptomatic of the inability to make exports grow faster than imports. The

\* Appendix A, p. 17, below.

\*\* Tonnages are given in metric tons throughout this report.



original goals for 1963 had called for exports to increase by 19 percent and imports by 12 percent, 2/ representing an increase in total trade of about 15 percent above the level of \$239 million in 1962. Some time during the year the North Vietnamese apparently scaled down these plan goals as it became evident that a major shortfall was inevitable. By this means the State Statistical Bureau was able to announce fulfillment of the trade plan, although exports increased by only 5.5 percent and imports by 5.9 percent compared with 1962 3/ and total trade amounted to only \$253 million instead of the \$274 million originally planned.

The shortfall in exports in 1963 resulted primarily from continuing difficulties in agricultural production. During the years 1960-63, North Vietnam had poor harvests caused by both adverse weather and mismanagement. Exports of unprocessed agricultural products have declined since 1959, and exports of handicraft products made from agricultural raw materials have shown only modest expansion (see Table 2). The failure to achieve the expected growth in exports during 1963 forced the regime to restrict imports, which rose to about \$156 million rather than to the \$165 million originally planned. North Vietnam nevertheless failed to achieve the planned reduction in the import surplus, which, in fact, registered an increase of about 7 percent.

What expansion has occurred in exports since 1960 has been made possible chiefly by the growing capacity of the extractive and light industries (see Table 2). North Vietnam's extractive industries were developed by the French during their administration of Indochina, and the Communist regime has continued to expand mining operations. Anthracite coal, North Vietnam's largest single export commodity, accounted for about one-fourth of total exports in 1962 and for about two-thirds of total exports to the Free World (see Table 4\*). Japan and Communist China, the principal foreign markets, together purchase about 90 percent of the coal exported by North Vietnam.

Similarly, with a considerable growth in production of apatite (a phosphate source for production of fertilizer), which reached 678,000 tons in 1962, 4/ North Vietnam has been able to increase significantly its exports of apatite to Communist markets, primarily Communist China and the European Satellites. Between 1958 and 1962, exports of apatite reportedly quadrupled. 5/ Because North Vietnam has only a small capacity for processing apatite into usable form, most of it (80 percent in 1962) always has been exported.

### C. Predominance of Chinese and Soviet Influence

The overwhelming dependence of North Vietnam's economy on the Communist world is evident from the fact that trade with Communist

\* Appendix A, p. 19, below.

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countries in 1955-56 made up more than 95 percent of total trade and has remained at about 85 percent since that time. In absolute terms this trade has increased in every year except 1958 and in 1963 amounted to \$211 million, representing an increase of only 5 percent above the level of the preceding year (see Table 1). The large import surplus each year has been financed under the Communist assistance programs to North Vietnam, which consisted mainly of grants during the years 1955-56 and of long-term, low-interest credits in succeeding years.

The USSR and Communist China overshadow all other trading partners of North Vietnam, together accounting for approximately two-thirds of the latter's total trade. Soviet - North Vietnamese trade in 1963 was valued at \$92 million, a slight increase above the level of 1962. In 1963, North Vietnam's trade with Communist China is estimated to have been between \$70 million and \$75 million. In general, it is clear that North Vietnam's trade with the Communist countries will continue in the future, as it has in the past, to be determined largely by the composition and amount of the economic assistance component of that trade. Trade with the European Satellites has fluctuated in absolute value and has accounted for less than one-fifth of North Vietnam's total trade in recent years. Although North Vietnam's trade with Rumania increased in 1963, its trade with the European Satellites as a whole declined.

In general, trade with the non-Communist world has been a marginal share of the total foreign trade effort of North Vietnam down to the present time (see Tables 4 and 5\*). Although trade with the Free World increased at a much higher rate than with Communist countries, in 1963 it still accounted for about 17 percent of total trade. Japan is by far the largest trading partner in the Free World (see Figure 1), but its share of North Vietnam's total trade with the Free World has been declining, from about 67 percent in 1960 to about 29 percent in 1963. Of the remaining trade with the Free World, the majority was with the industrialized countries. For the most part this trade appears to be designed more to enhance political prestige than to reap economic benefits.

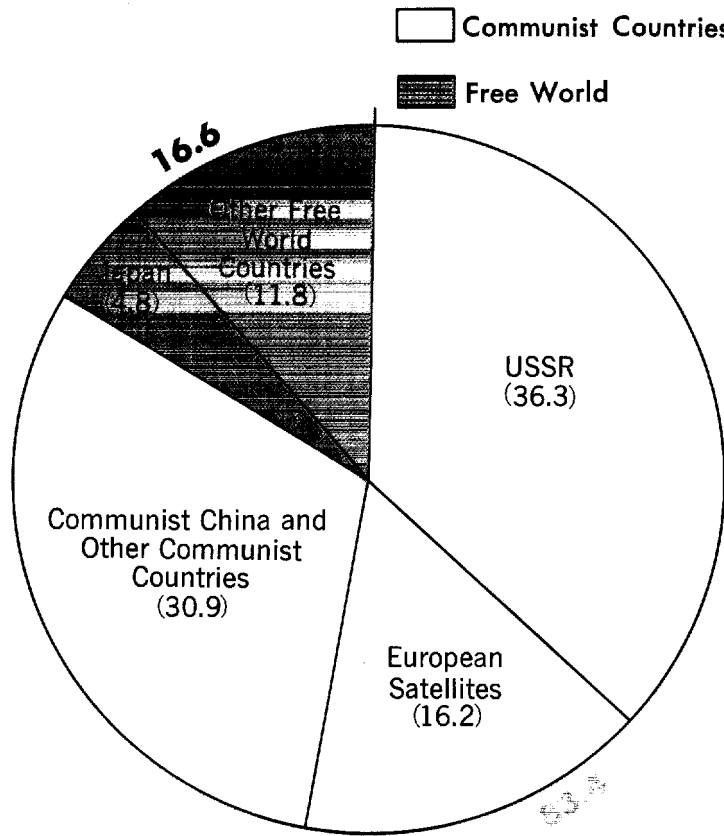
Although any large growth in trade with the Free World during the next few years is unlikely, North Vietnam probably will attempt to increase the share of the Free World in its trade. To date, North Vietnam has made only a few contacts with Free World suppliers of industrial equipment, but it has followed the example set by Communist China and North Korea in discussing orders in the West for some capital

\* Appendix A, pp. 19 and 21, respectively, below.

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Figure 1

**NORTH VIETNAM: DIRECTION OF TRADE, 1963**  
(Percent of total)



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equipment, including a vinylon plant with the Japanese. Prospects for expanding exports to the Free World seem limited, but the difficulties that North Vietnam would have in financing imports of equipment from non-Communist countries could be mitigated if Free World credits or Chinese loans of Free World currencies were available.

## II. Communist Economic Assistance to North Vietnam

### A. Economic Credits and Grants

Known economic credits and grants extended by other Communist countries to North Vietnam during the past decade have amounted to more than \$956 million, 6/ from 70 to 80 percent of which is estimated to have been drawn by the end of 1963.\* Parallel with their status as North Vietnam's chief trading partners, Communist China and the USSR also are the largest contributors of foreign aid as shown in Figure 2.\*\* Together they provided about 85 percent of the total aid received by North Vietnam. Communist China has extended financial aid amounting to \$457 million (or 48 percent of total Communist aid to the country), followed by the USSR, whose aid totals about \$369 million, or 39 percent of the total (see Tables 6 and 7\*\*\*). Credits and grants extended by the European Satellites account for the remainder of foreign aid received but have been small by comparison, amounting to approximately \$130 million. Rumania has been the major Satellite contributor, followed by Poland and Czechoslovakia. Albania, Mongolia, and North Korea have delivered only small amounts of aid, consisting mainly of consumer goods, medical supplies, and livestock.

About 40 percent of total economic assistance to North Vietnam has been in the form of grants, most of which were extended in 1955 and used in the years 1955-59 as a platform of subsidy from which industrialization could be launched. As the economy developed, however, grant aid was replaced by the long-term, low-interest credits (with interest rates of 2 percent on the average and repayment periods of up to 10 years and even longer) that continue to be drawn on. With the exception of the early postwar years, when assistance consisted largely of food and other consumer goods, the economic assistance programs have served mainly to finance the import of machinery and equipment (particularly complete plants), which reportedly made up 87 percent of total aid deliveries in 1962. 7/ More than 40 percent of total economic assistance extended by the Communist countries has been promised for the First Five Year Plan, approximately 48 percent of which has been pledged by the USSR, about 37 percent by Communist China, and 15 percent by the European Satellites.

\* In addition to the cumulative import surplus of \$460 million during 1955-63 in the official commodity trade series, technical services and possibly shipments of goods unrecorded in the trade figures would be included in drawings on credits.

\*\* Following p. 8.

\*\*\* Appendix A, pp. 23 and 24, respectively, below.

B. Major Aid Projects

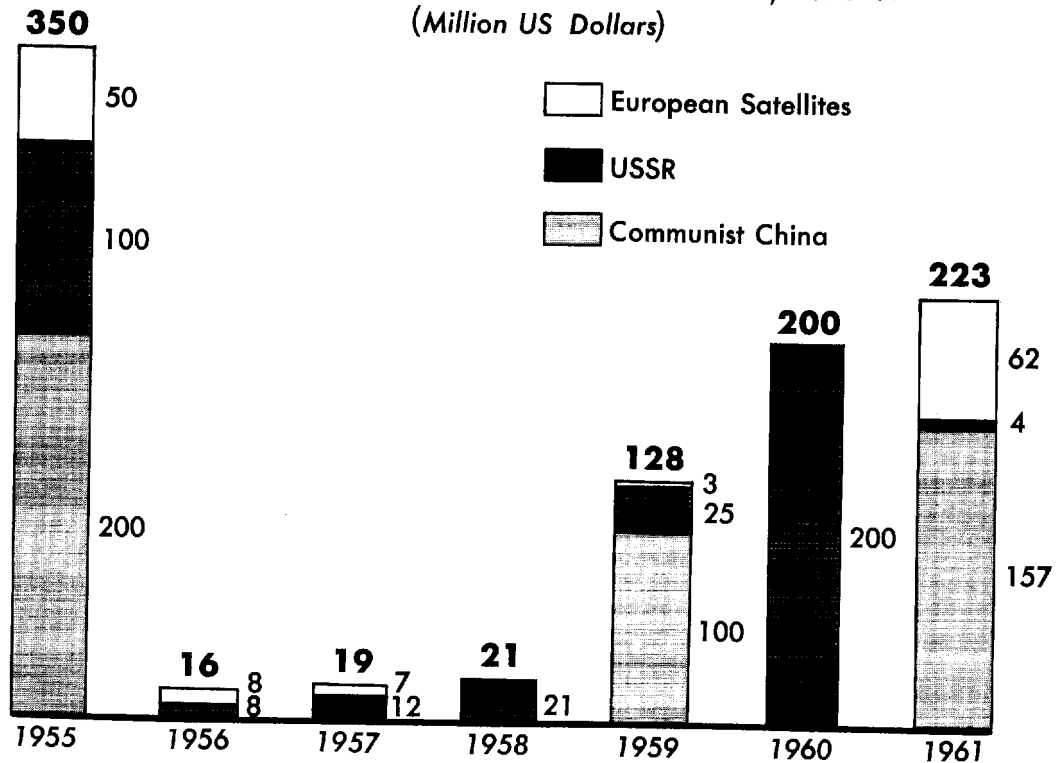
In contrast to the policies of 1955-60, which stressed the development of agriculture and light industry, North Vietnam's First Five Year Plan emphasizes the expansion of heavy industry, in particular the machine building, chemical, electric power, and metallurgical industries. Some diversification of agriculture is provided for, primarily through the development of tropical export crops. Because of domestic limitations, foreign capital goods and technical aid provided on credit will continue to be of key importance to this plan, especially if the domestic economy continues to be held down by a weak agricultural sector.

Chinese Communist aid during the early years of reconstruction (1955-56) was concentrated on the rehabilitation of motor, rail, and water transport facilities and telecommunications and on the development of irrigation projects. Following this reconstruction phase, greater stress was placed on the construction and expansion of light industrial projects, including 14 rice plants; 5 sugar refineries; a rubber goods factory; a textile mill; and several factories to produce consumer goods, including soap, stationery, enamelware, matches, cigarettes, and porcelain. Most of these projects have been completed. Beginning in 1959, however, the Chinese began to direct an increasing proportion of their aid to the construction of several heavy industrial projects, most notable the iron and steel complex at Thai Nguyen with a planned capacity of 200,000 tons of iron and steel a year by the end of 1965. Thermal electric powerplants at Thai Nguyen and Viet Tri were built with Chinese aid, with further assistance for expanding these plants promised under the 1961 agreement. The Chinese also have aided in the development of the chemical industry by building the Viet Tri chemical products complex and currently are constructing a nitrogen fertilizer plant at Phu Lang Thuong.

In contrast to the Chinese aid program, Soviet assistance to North Vietnam has been channeled primarily to the heavy industrial sector of the economy, especially the mining, manufacturing, and power industries. Projects to be financed with Soviet credits during the First Five Year Plan are in the same general areas as projects undertaken in the pre-1961 period. For the period 1961-65 the USSR has promised assistance for the construction of eight thermal electric and hydroelectric powerplants with a total capacity of about 200 megawatts, including the large Thac Ba hydroelectric powerplant with a planned capacity of 120 megawatts in 1965. Further assistance will be made available to the coal mining industry, including some for the expansion of the Hon Gay - Cam Pha anthracite mining region and the construction of new mines at Mao Khe and Dam Dau. The increased production of coal will be of significant value to the North Vietnamese economy because coal is both a major source of energy and the most important single export commodity. The initial phase of the establishment of a machine building industry has been financed by Soviet aid.

Figure 2

**NORTH VIETNAM: ECONOMIC CREDITS AND GRANTS  
 EXTENDED BY COMMUNIST COUNTRIES, 1955-61\***  
 (Million US Dollars)



\*In 1962 the USSR extended a credit; value unknown.  
 In 1963 no credits were extended.

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In addition to the Hanoi engineering plant, completed in 1958, the USSR has promised assistance in the construction of several machine building enterprises during the First Five Year Plan.

The USSR in recent years also has provided aid to the agricultural sector of the economy. In 1960 the USSR extended a credit of \$88 million to build 19 new state farms and to develop 27 existing ones for production of tropical crops, such as coffee, tea, rubber, pineapples, oranges, and spices, and for the construction of enterprises to process these products. 8/ The development of tropical agriculture would enhance North Vietnam's export potential to countries of the Soviet Bloc because these countries are deficient in tropical products.

A variety of projects has been financed under the Satellite aid programs, including facilities in the mining, telecommunications, power, medical, and light industries. Rumanian aid has been concentrated mainly on the development of the cement and fertilizer industries. Financial assistance from Poland has been used for the expansion of several power projects, a sugar refinery, and a coal-washing plant and for deliveries of consumer goods. Czechoslovakia has rendered aid for the development of light industry, mining, and medical facilities. East German aid has been devoted mainly to constructing and equipping medical facilities, a glass factory, and telecommunications. Aid provided by Hungary has been principally in support of the construction or expansion of light industrial and power projects. Bulgarian aid has been used for restoring a hospital, developing food-processing projects, and constructing a concrete-mixing plant.

In addition to capital goods the Communist countries have provided technical assistance (advisers, blueprints, and training) on a credit or grant basis to North Vietnam. Chinese personnel in North Vietnam in different levels of advisory capacity may number from 1,500 to 3,000 a year. Soviet advisers in recent years are estimated at 100 to 200. 9/ Reportedly, more than 3,000 Vietnamese students and on-the-job trainees were studying in the USSR in the 1963/64 academic year, and an undetermined number are receiving training in Communist China. The European Satellites, too, have provided technicians and have trained Vietnamese students but on a much smaller scale than have the USSR and Communist China.

### III. Communist Military Assistance to North Vietnam

Analogous to North Vietnam's dependence on other Communist countries for economic support is its reliance on these same countries for military materiel. The Vietnamese military establishment has been equipped primarily through Chinese and Soviet military assistance programs, which are supplemented only marginally by weapons captured from the French during the Indochina War and by some small

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ordnance items produced domestically. In addition, Chinese and Soviet military advisers have been provided to North Vietnam, and Vietnamese ground and air officers have been trained in the USSR and Communist China. It is believed that much of the military assistance to North Vietnam has been made available on a grant basis.

North Vietnam's capacity for producing military items, many of which are crudely fashioned, is restricted to grenades, mines, mortars, and ammunition for small arms. It has no capacity to manufacture more sophisticated weapons. All of North Vietnam's heavy military equipment and most of its small arms and ammunition are obtained from imports, the greater part coming from Communist China, which has provided military assistance to the Vietnamese Communists since 1949. Available information is insufficient to list in detail the quantities and types of equipment received from each country. It is believed, however, that Communist China has been the main supplier of trucks, small arms, and ammunition and that the USSR has provided such heavy equipment as anti-aircraft guns, tanks, and artillery.

North Vietnam is completely dependent on the USSR and Communist China for aircraft, anti-aircraft artillery, electronic equipment, and armed boats used in its air and coastal defense. The country has approximately 50 to 75 aircraft, used for training and transport, more than half of which were left by the USSR after the Laos airlift in 1962. In the late summer of 1964 the North Vietnamese acquired several jet fighters from Communist China. It is believed that North Vietnamese are being trained as pilots in the aircraft by Chinese instructors. Although Communist China has supplied other military equipment to North Vietnam in contravention of the Geneva Agreement, it had not previously provided combat aircraft. The transfer of these jet fighters occurred immediately after the retaliatory strike of the US against North Vietnamese ports during the recent US - North Vietnamese clashes in the Gulf of Tonkin.

#### IV. Strategic Implications of Economic Dependence

The industry of North Vietnam is extensively dependent on foreign sources of supply, chiefly trade with and economic aid from the USSR and Communist China. Because of the relative backwardness of the economy, however, the strategic vulnerability of the regime to economic warfare is considerably less than might be suggested by the extent of economic dependence. Analysis of the effects of an economic blockade or interdiction of port facilities suggests that if both Haiphong Harbor and the rail line from Fort Bayard, China, to North Vietnam were cut off, the country would be denied most of its imports.

The only significant economic impact of an effective cutting off of imports to North Vietnam would be on the nascent industrial sector. With industrial output by factories accounting for only about 12 percent of gross national product in 1962, the economy is still basically



one of subsistence agriculture. With an essential self-sufficiency in food, the denial to North Vietnam of imports would have minimal effect on the population's food supply and, for that matter, on the cohesion of nonindustrial economic organization generally.

In industry, on the other hand, a depletion of inventories of imported steel and machinery and equipment would soon cause a cessation of activity in capital construction. In the manufacturing industries, stockpiles of materials would be depleted within 2 months after the imposition of a denial of imports, and production in such industries as machine building and textiles -- lacking steel and raw cotton supplies -- would be greatly cut back. The effects of the denial of imports of petroleum products, in particular, would be felt both quickly and generally. Disruptive bottlenecks, the shutting down of plants, and the halting of motor transport would occur within a month or two. Similarly, blocking the flow of imported spare parts for machinery and equipment would soon have a serious impact on both industry and transportation.

In contrast to the crippling effect that an interdiction of imports would have on North Vietnamese industry, the impact on military capabilities would cause inconveniences but would not severely hamper the war effort against South Vietnam. The military operation being carried on by the North Vietnamese is essentially a guerrilla type of warfare employing unconventional methods of fighting, mostly with small arms. Even assuming that a total cessation of commercial trade could be effected, a complete cutoff of small arms and ammunition could hardly be accomplished, because these items could be airlifted or brought across the Chinese border by other than the usual modes and routes of transportation. Furthermore, the recent threat of a severance of the supply lines from abroad of both military and economic goods probably conditions current military plans. The North Vietnamese probably have been preparing for such an emergency by adding to their already considerable stockpiles of military supplies, including larger items of military equipment. Thus the impact of interdiction on the supply of military materiel probably would be felt gradually rather than immediately. As noted above, North Vietnam is basically an agrarian country, relatively self-sufficient in foodstuffs, so that a cessation of imports would have little effect on the supply of food for civilians and soldiers alike. Of all the imported goods, the denial of petroleum products would have the greatest impact on military operations because North Vietnam is without indigenous supplies of these commodities. Although a cutoff of transportation equipment and fuel to operate this equipment would reduce the mobility of some military forces, the North Vietnamese generally could substitute extensive use of manpower for the transportation of necessary goods.

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APPENDIX A

STATISTICAL TABLES

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Table 1

North Vietnam: Direction of Trade a/  
1955-63

	1955		1956		1957		1958		1959		1960		1961		1962		1963		Million US \$
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	
Total	<u>6.8</u>	<u>73.6</u>	<u>20.4</u>	<u>78.6</u>	<u>41.0</u>	<u>99.5</u>	<u>51.2</u>	<u>63.3</u>	<u>67.3</u>	<u>104.5</u>	<u>79.9</u>	<u>127.9</u>	<u>80.5</u>	<u>143.7</u>	<u>91.6</u>	<u>147.7</u>	<u>96.6</u>	<u>156.4</u>	
Communist countries	<u>6.2</u>	<u>73.0</u>	<u>18.2</u>	<u>77.0</u>	<u>27.1</u>	<u>88.4</u>	<u>41.0</u>	<u>53.5</u>	<u>53.9</u>	<u>90.7</u>	<u>69.6</u>	<u>117.5</u>	<u>66.3 b/</u>	<u>132.0 b/</u>	<u>72.5</u>	<u>128.5</u>	<u>77.0</u>	<u>134.0</u>	
USSR <u>c/</u>	Negl.	0.3	1.4	2.8	3.2	9.7	9.9	8.2	15.7	19.8	23.1	24.4	25.7	41.3	30.2	54.7	35.3	56.6	
European Satellites <u>c/</u>	N.A.	N.A.	N.A.	N.A.	14.0	13.7	14.1	16.3	14.7	25.8	21.9	32.1	15.7	25.5	22.3	21.9	19.0 <u>d/</u>	22.0 <u>d/</u>	
China and other Communist countries <u>e/</u>	N.A.	N.A.	N.A.	N.A.	9.9		17.0		23.5		24.6		24.9		20.0	51.9	22.7	55.4	
Free World	<u>0.6</u>	<u>0.6</u>	<u>2.2</u>	<u>1.6</u>	<u>13.9</u>	<u>11.1</u>	<u>10.2</u>	<u>9.8</u>	<u>13.4</u>	<u>13.8</u>	<u>10.3</u>	<u>10.4</u>	<u>14.2 f/</u>	<u>11.7 f/</u>	<u>19.1</u>	<u>19.2</u>	<u>19.6</u>	<u>22.4</u>	
Of which:																			
Japan	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	6.6 <u>f/</u>	1.4	6.5 <u>f/</u>	4.4	7.9 <u>f/</u>	6.0	9.7 <u>f/</u>	4.6	9.9 <u>f/</u>	3.4	7.9 <u>f/</u>	4.3	
France									2.1 <u>f/</u>	3.0	Negl.	1.8	0.7 <u>f/</u>	1.7	1.6 <u>f/</u>	2.9	2.6 <u>f/</u>	2.5	

a. The North Vietnamese data on total imports are believed to include all goods imported, including grants-in-aid but excluding military deliveries. Trade data from the USSR and the European Satellites, which are used to indicate North Vietnam's imports from these countries, are believed to exclude all goods shipped to North Vietnam on a grant basis.

b. Derived as a residual.

c. Derived from trade statistics published by the trading partner.

d. Preliminary estimate.

e. Exports are derived as a residual. Except for 1962-63, imports cannot be derived as a residual, because shipments of goods under grants-in-aid are excluded from trade statistics in the Soviet and Satellite handbooks. Data for 1961-63 include Cuba.

f. Data on Free World trade with North Vietnam as compiled by the US Department of Commerce from the official trade statistics of Free World countries present North Vietnam's exports on a c.i.f. basis. Because it is believed that North Vietnam presents both exports and imports on an f.o.b. basis, the figures on exports by North Vietnam to the Free World have been adjusted to eliminate insurance and freight costs. In addition, because data on imports by North Vietnam from the Free World include a small amount of double counting -- because of reexports -- these figures have been reduced slightly.

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Table 2

North Vietnam: Commodity Composition of Foreign Trade <sup>a/</sup>  
1957-63

Commodity	Million US \$ and Percent of Total													
	1957		1958		1959		1960		1961		1962		1963	
	Value	Percent	Value	Percent	Value	Percent	Value	Percent	Value	Percent	Value	Percent	Value	Percent
<b>Exports</b>														
Total	<u>41.0</u>	<u>100.0</u>	<u>51.2</u>	<u>100.0</u>	<u>67.3</u>	<u>100.0</u>	<u>79.9</u>	<u>100.0</u>	<u>80.5</u>	<u>100.0</u>	<u>91.6</u>	<u>100.0</u>	<u>96.6</u>	<u>100.0</u>
Industrial, including handicraft products	<u>16.3</u>	<u>39.7</u>	<u>27.2</u>	<u>53.1</u>	<u>39.7</u>	<u>59.0</u>	<u>57.0</u>	<u>71.4</u>	<u>66.0</u>	<u>82.0</u>	<u>78.2</u>	<u>85.4</u>	<u>83.7</u>	<u>86.6</u>
Of which:														
Mineral	10.0	24.4	12.2	23.8	18.0	26.7	22.3	27.9	28	35	30 <sup>b/</sup>	33 <sup>b/</sup>	N.A.	N.A.
Building materials	2.6	6.3	5.8	11.3	5.1	7.6	6.6	8.3	7	9	8 <sup>b/</sup>	9 <sup>b/</sup>	N.A.	N.A.
Light industrial products	Negl.	Negl.	1.4	2.7	3.6	5.3	4.2	5.2	11	14	16 <sup>b/</sup>	17 <sup>b/</sup>	N.A.	N.A.
Small handicraft products	2.4	5.8	4.6	8.9	11.2	16.7	18.5	23.1	19	24	22 <sup>b/</sup>	24 <sup>b/</sup>	N.A.	N.A.
Agricultural products, unprocessed	<u>24.7</u>	<u>60.3</u>	<u>24.0</u>	<u>46.9</u>	<u>27.6</u>	<u>41.0</u>	<u>22.9</u>	<u>28.6</u>	<u>14.5</u>	<u>18.0</u>	<u>13.4</u>	<u>14.6</u>	<u>12.9</u>	<u>13.4</u>
<b>Imports</b>														
Total	<u>99.5</u>	<u>100.0</u>	<u>63.3</u>	<u>100.0</u>	<u>104.5</u>	<u>100.0</u>	<u>127.9</u>	<u>100.0</u>	<u>143.7</u>	<u>100.0</u>	<u>147.7</u>	<u>100.0</u>	<u>156.4</u>	<u>100.0</u>
Producer goods	<u>69.6</u>	<u>70.0</u>	<u>44.9</u>	<u>71.0</u>	<u>84.6</u>	<u>81.0</u>	<u>111.8</u>	<u>87.4</u>	<u>129.6</u>	<u>90.2</u>	<u>132.5</u>	<u>89.7</u>	<u>130.1</u>	<u>83.2</u>
Consumer goods	<u>29.9</u>	<u>30.0</u>	<u>18.4</u>	<u>29.0</u>	<u>19.9</u>	<u>19.0</u>	<u>16.1</u>	<u>12.6</u>	<u>14.1</u>	<u>9.8</u>	<u>15.2</u>	<u>10.3</u>	<u>26.3</u>	<u>16.8</u>

a. Value data are derived from percentage figures which were applied to total exports and imports from Table 1, p. 15.

b. Preliminary estimates.

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Table 3

North Vietnam: Commodity Composition of Trade with the USSR  
1955-63

	Million US \$									
Commodity	1955	1956	1957	1958	1959	1960	1961	1962	1963	
Exports <u>a</u> / <sup>*</sup>										
Total	Negl.	<u>1.4</u>	<u>3.2</u>	<u>9.9</u>	<u>15.7</u>	<u>23.1</u>	<u>25.7</u>	<u>30.2</u>	<u>35.3</u>	
Manufactured consumer goods		0.5	0.6	2.7	8.9	13.0	14.3	18.6	19.5	
Of which:										
Clothing except footwear		Negl.	0.2	1.8	6.9	9.3	10.1	13.5	13.9	
Food and beverages	Negl.	0.5	1.3	4.6	2.1	5.2	1.9	2.1	2.5	
Wood products		0.1	0.5	1.0	2.0	3.0	6.1	4.8	6.3	
Jute				0.3	0.8	0.3	0.8	0.2	1.2	
Oilseeds and other produce for industrial purposes		0.1	0.2	0.2	0.7	0.2	0.3	0.1	0.3	
Other goods		0.2	0.6	1.1	1.2	1.4	2.3	4.4	5.5	
Imports <u>b</u> /										
Total		<u>0.3</u>	<u>2.8</u>	<u>9.7</u>	<u>8.2</u>	<u>19.8</u>	<u>24.4</u>	<u>41.3</u>	<u>54.7</u>	
Machinery and equipment	Negl.	1.0	1.9	2.9	5.8	11.8	19.5	31.4	34.0	
Of which:										
Complete plants				0.2	0.1	0.1	3.2	11.6	21.8	
Motor vehicles and transportation and garage equipment	Negl.	0.2	0.4	1.2	2.2	2.6	2.4	2.5	2.7	

\* Footnotes follow on p. 18.

Table 3

North Vietnam: Commodity Composition of Trade with the USSR  
1955-63  
(Continued)

	Million US \$								
Commodity	1955	1956	1957	1958	1959	1960	1961	1962	1963
Imports (Continued)									
Petroleum products		0.5	1.4	1.0	2.8	2.8	2.9	4.2	4.1
Of which:									
Gasoline		Negl.	0.8	0.5	1.1	0.9	1.2	1.7	1.2
Metal and metal products	0.1	0.1	1.3	0.6	3.2	3.7	5.9	7.8	7.6
Ferrous metals and products	0.1	Negl.	1.0	0.5	2.7	3.1	4.6	6.3	6.0
Of which:									
Rolled ferrous metal	0.1	Negl.	0.9	0.1	1.7	2.1	3.5	4.4	4.2
Nonferrous metals and products	Negl.	Negl.	0.3	0.1	0.6	0.7	1.3	1.5	1.6
Ammonium sulfate			0.4	0.7	1.8	0.8	2.1	1.6	1.5
Manufactured consumer goods	0.1	0.5	2.0	0.2	0.7	1.6	1.6	2.9	3.6
Other goods	0.1	0.7	2.7	2.8	5.5	3.7	9.3	6.8	5.8

- a. Derived from trade statistics published by the trading partner.  
b. Excluding military deliveries.

Table 4

North Vietnam: Commodity Composition of Trade with the Free World a/\*  
1962-63

Commodity	Percent of Total	
	1962	1963
Total exports	<u>100</u>	<u>100</u>
Food and beverages	12	14
Of which:		
Cereal and cereal preparation	5	5
Of which:		
Rice	5	5
Coal	67	64
Manufactured goods	13	14
Of which:		
Cement	10	10
Crude materials except mineral fuels	6	5
Other goods	2	3
Total imports	<u>100</u>	<u>100</u>
Manufactured goods	51	35
Of which:		
Base metals and manufactures	7	4
Textile yarn, fabrics, and other manufactures except clothing	32	23
Chemicals	18	21
Of which:		
Nitrogen fertilizer	8	16

\* Footnote follows on p. 20.

Table 4

North Vietnam: Commodity Composition of Trade with the Free World a/  
1962-63  
(Continued)

Commodity	Percent of Total	
	<u>1962</u>	<u>1963</u>
Total imports (Continued)		
Machinery and equipment	6	12
Food and beverages	2	11
Of which:		
Corn <u>b/</u>	1	3
Textile fibers	8	5
Crude rubber	7	7
Other goods	8	9

a. Distribution of trade of North Vietnam with the Free World is based on data as compiled by the US Department of Commerce from the official trade statistics of countries of the Free World, which present North Vietnam's exports on a c.i.f. basis. Because it is believed that North Vietnam presents both exports and imports on an f.o.b. basis, the figures on exports by North Vietnam to the Free World have been adjusted to eliminate insurance and freight costs. In addition, because data on imports by North Vietnam from the Free World include a small amount of double counting -- because of reexports -- these figures have been reduced slightly.

b. A large volume of corn was reexported by Hong Kong.



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Table 5

North Vietnam: Commodity Composition of Trade with Selected Countries of the Free World <sup>a/</sup>\*  
1962-63

Commodity	Percent of Total									
	Japan		France		Hong Kong		Italy		Cambodia	
	1962	1963	1962	1963	1962	1963	1962	1963	1962	1963
Exports										
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Food and beverages	2	1	4	2	54	66	Negl.	Negl.	24	3
Of which:										
Rice					32	29				
Coal	92	90	83	83	12	6	60	64		
Cement					15	15			69	80
Crude materials except mineral fuels	4	4	2	4	8	7	31	21		
Other goods	2	5	11	11	11	6	9	15	7	17
Imports										
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u> b/	<u>100</u> b/	<u>100</u>	<u>100</u>	c/	c/
Manufactured goods	77	50	73	51	47	21	24	16		
Of which:										
Base metals and manufactures	17	10	3	5	Negl.	Negl.	1			
Textile yarn, fabrics, and other manufactures except clothing	58	38	45	32	Negl.	Negl.	18	7		

\* Footnotes follow on p. 22.

Table 5

North Vietnam: Commodity Composition of Trade with Selected Countries of the Free World a/  
1962-63  
(Continued)

Commodity	Percent of Total									
	Japan		France		Hong Kong		Italy		Cambodia	
	1962	1963	1962	1963	1962	1963	1962	1963	1962	1963
Imports (Continued)										
Chemicals	13	39	12	8	31	27	68	31		
Of which:										
Nitrogen fertilizer	6	36					38	21		
Machinery and equipment	8	3	12	13	6		8	42		
Food and beverages			2	24		52	Negl.			
Of which:										
Corn		Negl.			<u>d/</u>	<u>d/</u>				
Textile fibers	2	7								
Other goods	Negl.	Negl.	1	4	16	Negl.		11		

a. Distribution of trade of North Vietnam with the Free World is based on data as compiled by the US Department of Commerce from the official trade statistics of Free World countries, which present North Vietnam's exports on a c.i.f. basis. Because it is believed that North Vietnam presents both exports and imports on an f.o.b. basis, the figures on exports by North Vietnam to the Free World have been adjusted to eliminate insurance and freight costs. In addition, because data on imports by North Vietnam from the Free World include a small amount of double counting -- because of reexports -- these figures have been reduced slightly.

b. Excluding reexports.

c. A breakdown by commodity is unavailable.

d. A large volume of corn was reexported by Hong Kong.

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Table 6

North Vietnam: Economic Credits and Grants Extended, by Communist Countries a/  
1955-61

	Million US \$							Total
	1955	1956	1957	1958	1959	1960	1961	1955-61
Total	350.2	15.8	18.8	20.7	127.5	200.0	223.4	956.4
Communist China	200.0 <u>b/</u>				100.0 <u>c/</u>		157.0	457.0
USSR	100.0 <u>b/</u>	7.5 <u>d/</u>	11.8 <u>d/</u>	20.7 <u>d/</u>	25.0	200.0 <u>e/</u>	3.9	368.9
European Satellites	50.2 <u>f/</u>	8.3 <u>b/</u>	7.0		2.5	Negl.	62.5	130.5 <u>f/</u>
Bulgaria	4.0 <u>b/</u>						2.5	6.5
Czechoslovakia	9.0 <u>b/</u>						7.5	16.5
East Germany	15.0 <u>b/g/</u>					Negl.		15.0
Hungary	2.0				2.5		7.5	12.0
Poland		7.5 <u>b/</u>	7.0				7.5	22.0
Rumania	4.0 <u>b/</u>	0.8 <u>b/</u>					37.5	42.3

a. Insignificant amounts of aid have been extended by Albania, Mongolia, and North Korea. In 1962 the USSR extended a credit of unknown value, and in 1963 no new credits were extended by any country.

b. Grant.

c. Including a grant of \$25 million.

d. The USSR extended \$40.0 million in credits during 1956-58, of which \$7.5 million was extended in 1956; \$11.8 million in 1957; and the remainder, \$20.7 million, is presumed to have been extended in 1958.

e. Including a grant of \$5 million.

f. Including credits with a total value of \$16.2 million extended by Czechoslovakia, Poland, and Rumania in 1955, but the amount extended by each is unknown. Also including the grant by East Germany for the period 1955-58.

g. Extended for the period 1955-58.

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Table 7

North Vietnam: Economic Assistance from Communist Countries, by Project a/\*  
1955-63

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
Communist China	July 1955	200.0	Originally 1955-59; extended to early 1960		Grant for reconstruction and development, such as irrigation projects, transport facilities, communications, and industrial projects, in- cluding:  14 rice mills (known location as follows)  Hanoi (capacity, 180 metric tons per day) Bang Giang (capacity estimated at 90 metric tons per day) Viet Tri (capacity, 90 metric tons per day) Haiphong (capacity, 180 metric tons per day) Yen My (Hung Yen) (capacity, 90 metric tons per day) Nghia Lo (capacity, 15 metric tons per day) Nam Dinh (capacity, 180 metric tons per day) Thai Binh (capacity, 90 metric tons per day) Ninh Binh (capacity estimated at 90 metric tons per day) Hai Duong (capacity, 180 metric tons per day) Ham Rong (Thanh Hoa) (capacity, 90 metric tons per day) Vinh (capacity, 90 metric tons per day) Ninh Giang (capacity, 180 metric tons per day) Nong Cong (Thanh Hoa) (capacity estimated at 90 tons per day)  Thong Nhat match factory, Hanoi  Equipping of chromium mines, Co Dinh b/	Completed in 1958     Completed in 1959 Completed in 1959 Completed in 1958 Completed in 1960 Completed in 1958 Completed in 1958  Completed in 1959     Completed in 1959 Completed in 1958  Completed in 1959  Completed in 1959  Completed in 1956  Expanded in later agree- ment; completed in 1962

\* Footnotes follow on p. 37.

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Table 7  
(Continued)

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
Communist China	July 1955 (Continued)				Equipping of iron mines at Trailau (Thai Nguyen) b/	Completed
					Restoration of Hon Gay coal mine b/	Completed
					Equipment for Nam Dinh textile mill (1,100 looms)	Completed
					Repair of 3,500 kilometers of highways, including bridges b/	Completed
					Restoration of 311 kilometers of railroads, and furnishing 7,000 metric tons of rails, 100,000 ties, locomotives, and rail cars b/	Completed
					Restoration of Hanoi railroad repair shop b/	Completed
					Restoration and equipping of principal water conservation works, notably the hydraulic installations at Phang and the Bai Thuong dam b/	Completed
					Helped build Bac Hung Hai irrigation system b/	Completed
					Reestablishment of damaged telephonic and telegraphic communications facilities. The system was extended to include a radio-receiver-transmitter station. b/	Completed in 1959
						For the construction and equipping of 16 to 18 factories including:
				Haiphong storage battery plant	Completed in July 1959	
				Thieu Nien Tien Phang plastic factory (toys), Haiphong (100 metric tons of plastic products)	Completed in July 1959	
				Hanoi hosiery plant	Completed in April 1959	
				Haiphong enamel and aluminum factory (capacity 1.2 million pieces of enamelware and 800,000 pieces of aluminumware per year)	Completed in 1959	
				Hong Ha stationery goods plant, Hanoi	Completed in September 1959	
				Hanoi rubber goods factory (motorcycle and bicycle tires)	Reportedly produced bicycle tires in 1960	
				Ngoc Lan toothpaste plant	Completed in November 1958	
	March 1958	c/	1958-60	N.A.		

Table 7

North Vietnam: Economic Assistance from Communist Countries, by Project a/  
1955-63  
(Continued)

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
Communist China	March 1958 (Continued)				Porcelain goods manufacture, Hai Duong (capacity 2,200 metric tons of chinaware per year) Thanh Long tobacco factory  Soap factory, Haiphong  Viet Tri industrial zone:  Sugar refinery (capacity, 7,500 metric tons per day) Powerplant (capacity, 16,000 kilowatts) Paper mill (capacity, 20,000 metric tons per year) Nylon factory Alcohol distillery Chemical products complex including:  Caustic soda, chlorine plant Insecticides (1,000 metric tons per year) Polyvinyl chloride	Completed in 1960 Nearly complete in January 1960 Completed    Completed in 1960 Completed in 1961 Completed Construction began in 1960  Completed in 1961 Completed
	February 1959	25.0 75.0	N.A.	Repayable during 1967-76 at 1 percent interest per year	Grant Credit to build 49 industrial and communica- tions enterprises including:  Iron and steel complex, Thai Nguyen (to produce 200,000 metric tons a year by the end of 1965) Thermal electric powerplant, Thai Nguyen (capacity, 24 megawatts) Brickery-tillery, Viet Tri Sawmill "Bach Ha", Viet Tri Dong Xuan knitgoods mill, Hanoi (jointly with East Germany and Czechoslovakia)	First blast furnace com- pleted in December 1963  Begun in July 1960; completed in 1963 Completed in 1960 Completed in July 1959  Completed in 1959

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Table 7  
(Continued)

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
Communist China	February 1959 (Continued)				Thuong Dinh soap factory, Hanoi Hanoi sugar refinery New railroad linking Thai Nguyen Steel Center to Hanoi - Lao Kay line (meter-gauge line) Nitrogen fertilizer plant, Phu Lang Thuong (Bac Giang) (capacity, 200,000 metric tons of nitrogen fertilizer per year)	Completed in 1960 Under construction 1960  Completed in 1961 Under construction, to be completed by the end of 1965 or early 1966
	January 1961	157.0	1961-67	N.A.	For the construction and expansion of 28 indus- trial and transportation enterprises including:  Expansion of thermal electric powerplant (from 16 to 24 megawatts), Viet Tri Expansion of thermal electric powerplant (from 24 to 36 megawatts), Thai Nguyen Expansion of chromium mines (capacity, 30,000 metric tons of chromite concentrate per year), Co Dinh Establishment of iron ore mine, Linh Nam Construction of a blast furnace (capacity, 30,000 metric tons per year), Vinh Expansion of Nghe An or Song Lam sugar refinery Expansion of Viet Tri sugar refinery Construction of sugar refinery, Thai Nguyen Construction of sugar refinery, Quang Dinh Construction of three small vertical-kiln cement plants between Haiphong and Hon Gay Expansion of Nam Dinh textile mill Construction of three writing paper factories at Vinh, Thai Nguyen, and Quang Dinh Expansion of caustic soda and chlorine factory Widening of track gauge from 1 to 1.45 meters between Hanoi and Mu Nan Kuan  Construction railway station, Hanoi	Construction has not begun Construction has not begun  Completed in 1962       Completed   Some work completed, but the project never was completed Under construction in 1964

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Table 7

North Vietnam: Economic Assistance from Communist Countries, by Project a/  
1955-63  
(Continued)

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
Communist China	January 1961 (Continued)				Construction of Ham Rong bridge (both highway and railroad bridge over Song Ma River) Construction of a film studio Establishment of a fresh water fishery institute Construction of national assembly building	Completed in May 1964
	Other projects (specific agreements under which they were financed are unknown)				Thai Nguyen oxygen factory Construction of railroad freight car factory, Haiphong (to produce 20-ton freight cars) Nghe An or Song Lam sugar refinery, Vinh (capacity, 5,000 metric tons per year) Van Dien phosphorous fertilizer plant (capacity, 20,000 metric tons of calcium magnesium phosphate per year) Ha Dong farm tool plant Haiphong rubber goods factory (rubber shoes) Rang Dong electric lamp and vacuum bottle factory Haiphong sulfuric acid plant Tin can factory Hanoi textile mill (capacity, 40 million linear meters of cloth per year) (Eight March Textile Mill) Van Diem sugar refinery (in cooperation with Poland) Haiphong shipyard Equipment for Gia Lam locomotive works Ben Thuy sugar refinery (capacity scheduled at 5,000 metric tons per year)	Basically completed in October 1960 Completed in 1958 Completed in 1960 Began commercial production in September 1963 Completed Completed in January 1963 Construction began in February 1959 Begun in 1960; partly complete in early 1964 Completed in November 1961 Under construction; possibly complete in 1964 Completed Construction began in April 1959

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Table 7  
(Continued)

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
Communist China	Other projects (specific agree- ments under which they were financed are unknown) (Continued)				Construction of powerplant, Co Dinh (capacity, 0.75 megawatts -- possibly expanded under 1961 agreement) Sugar refinery, Cao Bang	Completed in 1959 Completed in early 1963
USSR	July 1955	100.0	1955-57		Grant: For consumer goods (\$25.6 million) and industrial projects (\$74.4 million) including:  Hanoi engineering plant Lam Thao superphosphate plant, Phu Tho (capacity, 100,000 metric tons of calcium superphosphate per year) Thermal electric powerplant, Vinh (capacity, 8 megawatts) Thermal electric powerplant, Thanh Hoa (capacity, 5 megawatts) Thermal electric powerplant, Lao Kay (capacity, 8 megawatts) Thermal electric powerplant, Phu Tho (capacity, 1 megawatt) Hydroelectric powerplant, Ta Sa (capacity, 1.5 megawatts) Hydroelectric powerplant, Na Ngan (capacity, 1.5 megawatts) Lao Kay apatite mine Tinh Tuc tin mine Lang Cam coal mine Fish cannery works, Haiphong (capacity, 2,000 to 3,000 metric tons of fish per year) Two Phu Tho tea plants (capacity, 2,000 metric tons of green tea and 2,500 metric tons of black tea per year) Construction of five general schools Construction of meteorological observatory Wired diffusion broadcasting system	Completed in April 1958 Completed in June 1962  Completed in 1959 Completed Completed in 1959 Completed in 1959 Completed in 1957 Completed in 1957 Completed Completed in 1956  Completed Completed in 1957 Completed Begun in 1956; completed in 1957

Table 7

North Vietnam: Economic Assistance from Communist Countries, by Project a/  
1955-63  
(Continued)

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
USSR (Continued)	1956	7.5	N.A.	Repayable during 1960-64 at 2 percent interest per year	A total of \$40.0 million extended during 1956-58, of which \$7.5 million was extended in 1956; \$11.8 million in 1957; the remainder, \$20.7 million, is believed to have been extended in 1958	Completed
	1957	11.8	N.A.	N.A.	For machine parts, chemicals, fuel, metalwares, and chemical fertilizers	Completed
	1958	20.7	N.A.	N.A.		Completed
	March 1959	25.0	N.A.	N.A.	For industrial projects including:  Thermal electric powerplant, Uong Bi (capacity, 24 megawatts) (in 2 stages of 12 megawatts each) Expansion of Hon Gay - Cam Pha coal combine Ben Thach hydroelectric powerplant (Thanh Hoa) (capacity, 1 megawatt) Refrigerating plant, Haiphong Peoples university Polytechnical college, Hanoi Equipment for laboratories of the Institute of Agriculture and Forestry A match factory, Thanh Hoa	Started in May 1961; first stage completed in late 1963  Started in June 1959; completed in January 1962
	June 1960	87.5	1960	1970-80	To build 19 new farms and develop 27 existing ones for the production of tropical crops, such as coffee, tea, rubber, oranges, mandarins, bananas, pineapples, and peppers, and to build enterprises to process the products of these plants; repayable in products from the new plants	
	December 1960	107.5	1961-65	N.A.	Thermal electric powerplant, Uong Bi (originally scheduled under 1959 agreement) (in 2 stages at 12 megawatts each)	Started in May 1961; first stage completed in late 1963

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Table 7  
(Continued)

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
USSR	December 1960 (Continued)				Expansion of Lao Kay thermal electric power-plant (capacity, 8 to 12 megawatts) Expansion of Vinh thermal electric powerplant (capacity, 8 to 12 megawatts) Construction of hydroelectric powerplant, Thac Ba (capacity, 120 megawatts) Construction of hydroelectric powerplant, Quang Cu Construction of hydroelectric powerplant, Lang Hit Construction of hydroelectric powerplant, Lao Van Chay Construction of hydroelectric powerplant, Na Han (capacity, 1.3 megawatts) Transformer stations: Installation of 40,000 kilovolt amperes, Van Dien Installation of 20,000 kilovolt amperes, Bac Giang Installation of 20,000 kilovolt amperes, Cam Pha Installation of 20,000 kilovolt amperes, Nam Dinh Electric power lines of 110 kilovolt capacity to be installed between: Thac Ba - Dong Anh (144 kilometers) Thac Ba - Viet Tri (92 kilometers) Uong Bi - Cam Pha (60 kilometers) Dong Anh - Van Dien (30 kilometers) Van Dien - Nam Dinh (90 kilometers) Don Anh - Bac Giang (40 kilometers) Quang Cu - Viet Tri (30 kilometers) Lang Hit - Thai Nguyen (25 kilometers) Expansion of Hon Gay - Cam Pha anthracite mining region to 3.4 million metric tons by 1965	Started in 1962; to be completed in 1965 Construction has not begun Construction has not begun Construction has not begun Started in 1962 70 kilometers completed in May 1964

Table 7

North Vietnam: Economic Assistance from Communist Countries, by Project a/  
1955-63  
(Continued)

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
USSR	December 1960 (Continued)				<p>Construction of new coal mine at Mao Khe Construction of new coal mine at Dam Dau Engineering industries:</p> <p>Construction of repair shops for mining equipment Construction of machine tool plant Expansion of Hanoi tool plant (probably Hanoi engineering plant) Construction of "cutting tools" factory Construction of diesel engine factory, Haiphong Construction of automobile accessories plant, Haiphong Construction of motor vehicle repair shop, Haiphong Construction of mining repair shop, Uong Bi Construction of aircraft repair shop, Gia Lam airfield, Hanoi Construction of electric motor repair shop A flour mill utilizing maize as a raw material (4,000 metric tons of meal per year)</p> <p>Schools and institutes to be established:</p> <p>Central Geological Research Institute Experimental Physics Institute Biological Science Institute Institute for Tropical Research Central Laboratory for Chemical Analysis and Testing of Industrial Materials Secondary school for teaching textile production techniques</p>	

S-E-C-R-E-T

Table 7  
(Continued)

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
USSR	December 1960 (Continued)				Military schools Aviation schools	
	1961	5.0	N.A.		Grant: for medical and chemical products	Completed
	September 1962	3.9	N.A.	N.A.	For delivery of goods	Completed
		N.A.	N.A.	N.A.	For pumping stations for irrigation and drainage, soda and insecticide factory, workshop produc- ing fuel pumps, expansion of Uong Bi thermal electric powerplant (24 to 48 megawatts), and agricultural machinery	
	Other projects (specific agree- ments under which they were financed are unknown)				Tran Hung Dao machine tool plant, Hanoi 50-kilowatt broadcasting station Expansion of port facilities at Haiphong Vietnam-USSR Friendship Hospital (gift)	Completed Completed Under construction in 1963
Bulgaria	1955	4.0	N.A.		Grant: restoration of military hospital, Hanoi	
	March 1961	2.5	1961-65	N.A.	For the installation of three small hydro- electric powerplants (total capacity, 2 megawatts) Construction of two flour mills Installation of refrigeration equipment Construction of a fruit cannery (capacity, 5,000 metric tons per year) Construction of a mechanized slaughterhouse Construction of a concrete mixing plant	Completed
Czechoslovakia	1955	9.0	N.A.		Grant	
		N.A.	N.A.	N.A.	Czechoslovakia, Rumania, and Poland extended credits amounting to \$16.2 million. The amount extended by each is unknown.	
	June 1956	N.A.	1957-58		Credit or grant: to build and equip 550-bed hospital at Haiphong; supplementary aid ex- tended in 1961 by 2 years	

Table 7

North Vietnam: Economic Assistance from Communist Countries, by Project a/  
1955-63  
(Continued)

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
Czechoslovakia (Continued)	April 1961	7.5	1961-65	N.A.	For the construction of a brick factory (nearly complete), tannery, and shoe factory, Haiphong; installation of air conditioning equipment at a textile mill; aid to Haiphong hospital extended for 2 years Medical college, Haiphong (under separate protocol concluded in 1961)	
	Other projects (specific agreements under which they were financed are unknown)				"Cau Duong" plywood factory, Hanoi Vinh sawmill (capacity, 20,000 cubic meters of wood per year) Machinery for Lua Viet paper mill, Phu Tho Equipping of cigarette factory, Hanoi Construction and equipping of zinc and lead mine, Cho Dien Hanoi brewery (capacity, 3 million to 6 million liters of beer per year) Equipping of Dong Xuan knitgoods mill, Hanoi (in cooperation with Communist China and East Germany) Supplying of auto busses, trucks, cranes, and tractors	Completed by 1958  1955-58  Completed in 1958 Completed in 1959
East Germany	1955-58	15.0	N.A.		Grants:  Factory for manufacture of artificial limbs Equipping of hospital, Phu Doan Equipping of clinic "Phu Gay" (Nhe An) Equipping of hospital, Thai Nguyen Construction of maternity establishment Construction of kindergarten Construction of a pediatric clinic Equipping of the Nam Dinh mobile medical unit One fully equipped dispensary Four ambulances with X-ray machines Glassworks factory, Haiphong	1956-57         Completed in March 1964

S-E-C-R-E-T

Table 7  
(Continued)

Donor	Date	Amount (Million US \$)	Period	Repayment Terms	Description	Status	
East Germany	1955-58 (Continued)				Construction of the "Tien Bo" printing plant Construction of school, Hanoi Installation of automatic telephone system, Hanoi Yen Vien oxygen factory Supplied 20 modern trawlers Dong Xuan knitgoods mill, Hanoi (in coopera- tion with Communist China and Czechoslovakia) 1,000 agricultural machines and other machines	Completed in 1957 Completed in July 1961  Completed in 1959	
	October 1960	N.A.	N.A.		Grant: 11.5 metric tons of sports equipment		
	Other projects (specific agree- ments under which they were financed are unknown)					Installation of manual telephone system, Haiphong Installation of manual telephone system, Nam Dinh	Completed Completed
	December 1955	2.0	1955-56		Grant: for industrial equipment, machinery, transportation equipment, metals, medicines, and consumer goods		
Hungary	April 1959	2.5	N.A.		For the construction of a factory producing generators, transformers, and electric motors at Thanh Hoa	Begun in April 1960	
	1961	7.5	1961-65		For technical assistance and complete sets of plants and transport equipment including:  Construction of two stages of a thermal electric powerplant, Quang Ding (capacity of first stage, 3 megawatts; second stage, 5 megawatts) Construction of various factories to produce electric appliances Construction of factories to produce scales, household implements, and utensils		

S-E-C-R-E-T

S-E-C-R-E-T

Table 7

North Vietnam: Economic Assistance from Communist Countries, by Project a/  
1955-63  
(Continued)

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
Hungary	1961 (Continued)				Construction of plant for manufacture of tele- phone sets, telecommunications components, and electric current meters Construction of modern slaughterhouse and cold storage facilities Thermal electric powerplant, Thanh Hoa	Uncompleted  Completed in May 1964
Poland	1955	N.A.	N.A.	N.A.	Poland, Czechoslovakia, and Rumania extended credits amounting to \$16.2 million. The amount extended by each is unknown.	
	February 1956	7.5	1955-56		Grant: commodity shipments	
	February 1957	7.0	N.A.	N.A.	For the construction of a sugar refinery and the development of a number of powerplants and factories; repayable in exports Project under 1955-57 aid:  Four 300-horsepower tug boats (fitted by Polish technicians in Haiphong) 12 barges Supplied 80 trucks and 70 light cars Thermal equipment (steam boilers) for several powerplants	
					Reconstruction of hydroelectric powerplant, Cha Pa Expanded thermal electric powerplant, Hon Gay (8 to 15 megawatts) Expanded thermal electric powerplant, Nam Dinh (7.5 megawatts) Expanded thermal electric powerplant, Hanoi (32.5 megawatts)	Completed in 1959 Completed in 1960 Completed in 1957 Completed in 1960

S-E-C-R-E-T



S-E-C-R-E-T

Table 7  
(Continued)

Donor	Date	Amount (Million US \$)	Drawing Period	Repayment Terms	Description	Status
Poland	February 1957 (Continued)				Sugar refinery, Viet Tri (in cooperation with Communist China) Equipping of the Cha Pa and Phu Lien observatories	Completed in 1960
	1961	7.5	N.A.	N.A.	For the construction of a coal-washing plant at Cam Pha coal mine (to be built in two stages, each with a capacity of 400 metric tons) Construction of a two-unit silicate brick factory (capacity, 10 million bricks each per year) Rolling stock repair shop, Gia Lam	Under construction; probably delayed
	Other projects (specific agreements under which they were financed are unknown)				Van Dinh sugar refinery (in cooperation with Communist China) (capacity, 120 metric tons per day); main section of the factory has an automatic production line equipped by Poland and a press supplied by Communist China Built and equipped Thanh Hoa hospital	Completed in 1961 Construction began in 1962
Rumania	1955	N.A.	N.A.	N.A.	Rumania, Czechoslovakia, and Poland extended credits amounting to \$16.2 million. The amount extended by each is unknown.	
	April 1956	4.0 N.A.	N.A. 1956-57	N.A.	Grant For purchase of tractors, farm tools, generators, and clothing	
	December 1956	0.8	N.A.		Grant: for purchase of food, fuel, and building materials	
	February 1961	37.5	N.A.	N.A.	Repayable in apatite. Expansion of Lao Kay apatite mine Complete apatite enriching plant Improving rail line from Lao Kay to Hanoi Training of North Vietnamese technicians Expansion of Haiphong cement plant	Under construction Completed in 1963

- a. Other projects may have been included under listed aid agreement; however, information is insufficient to identify those projects.  
b. May include aid made available before the 1955 agreement.  
c. Projects under this agreement are believed to have been financed under the 1955 and 1959 aid agreements.

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