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INTELLIGENCE MEMORANDUM

FOREIGN SHIPPING
TO NORTH VIETNAM DURING MARCH 1966

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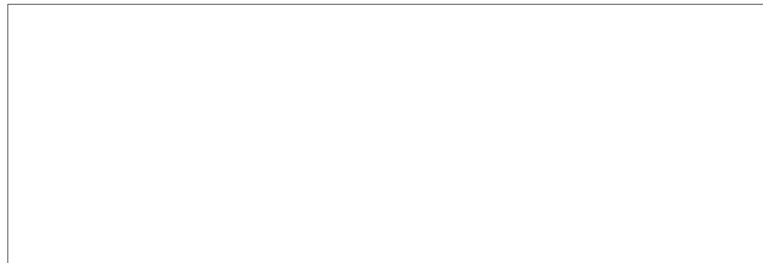
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FOREWORD

The data in this memorandum are preliminary and subject to modification as additional information becomes available. Significant changes may occur in data on ship arrivals and cargoes from Communist China and, to a lesser extent, in data on cargoes carried by ships of the Free World. All data on cargoes carried are expressed in metric tons. Data on Soviet and Eastern European ship arrivals and cargoes and on Free World ship arrivals are not likely to be changed significantly. As required, changes will be reported in subsequent memorandums.

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FOREIGN SHIPPING
TO NORTH VIETNAM DURING MARCH 1966*

Summary

The lowest recorded number of calls by Free World ships, an unusually high level of Soviet shipping, and an exceptionally large tonnage of seaborne imports highlighted foreign shipping activities for North Vietnam in March. There were only 35 calls by foreign ships at North Vietnamese ports, compared with a monthly average of 44 calls in 1965, but unusually large volumes of cargoes were carried, particularly by Communist ships.

Recent restrictive measures taken by the British and Greek governments brought about a further withdrawal of Free World ships from trade with North Vietnam, depressing Free World shipping to the lowest levels on record. The six Free World ships that called at North Vietnam in March included a Cypriot-flag ship under time charter to North Vietnam and five Hong Kong - owned ships under charter to Communist China. The arrivals of Chinese Communist and Eastern European ships were similar to the 1965 monthly averages, with 13 and 4 visits, respectively, but the 12 calls by heavily laden Soviet ships represented nearly double the 1965 monthly average, as shown in the following tabulation:

* The estimates and conclusions in this memorandum represent the best judgment of this Office as of 19 April 1966. For details on ship arrivals and the type and distribution of cargoes, see Tables 1, 2, 3, and 4.

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	<u>1966</u>		<u>Monthly Average 1965</u>
	<u>February</u>	<u>March</u>	
Total	<u>37</u>	<u>35</u>	<u>44</u>
Communist	<u>25</u>	<u>29</u>	<u>23</u>
USSR	10	12	7
Eastern Europe	1	4	4
Communist China	14	13	12
Cuba	0	0	Negl.
Free World	<u>12</u>	<u>6</u>	<u>21</u>
United Kingdom	11	5	11
Other	1	1	10

Exceptionally large imports of fertilizer, petroleum products, and timber pushed total seaborne imports 64 percent above the 1965 monthly average, despite below-average deliveries of all other major categories of imports. Communist ships carried 83 percent of seaborne imports. No cargoes of arms or ammunition were identified, although deliveries included two Soviet Mi-6 (Hook) helicopters, various types of trucks, and large quantities of construction materials and equipment. No bituminous coking coal arrived by sea in March, as Communist China apparently resumed shipment of this commodity by rail.

Coal, most of which went to Communist China, accounted for 86 percent of total seaborne exports. Exports of coal would have been substantially larger if supplies at Cam Pha had not been exhausted late in March so that three ships waiting to load had to depart empty. Extraordinarily large shipments from Cam Pha since last October apparently had outstripped the productive capacity of the mines. Exports of cement, which declined throughout last year and were nonexistent in January, were the heaviest since last June, but no exports of apatite or pig iron were noted. The lack of exports of these important earners of foreign exchange is puzzling because the rail line connecting Lao Cai with Haiphong has apparently been open most of the time since December.

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1. Communist Shipping

Foreign Communist ships made 29 calls at North Vietnamese ports in March. Thirteen were made by ships of Chinese Communist registry, 12 by Soviet ships, and 4 by Polish ships. The 12 calls by Soviet ships was nearly double the average number of calls per month made by these ships in 1965 and was the highest monthly total recorded for Soviet ships since January 1965. Arrivals of Chinese and Eastern European ships approximated the average levels of 1965.

Tonnages of cargoes identified aboard the Communist ships, inbound as well as outbound, were the largest detected in any single month since the end of 1964. The shares of seaborne cargoes carried by Communist ships also reached new peaks, as shown below:

	Percent		
	<u>1965</u>	<u>First Quarter 1966</u>	<u>March 1966</u>
Total seaborne cargoes	<u>100</u>	<u>100</u>	<u>100</u>
Communist ships	37	59	74
Free World ships	63	41	26
Imports	<u>100</u>	<u>100</u>	<u>100</u>
Communist ships	64	69	83
Free World ships	36	31	17
Exports	<u>100</u>	<u>100</u>	<u>100</u>
Communist ships	27	53	67
Free World ships	73	47	33

Soviet and Chinese ships accounted for 98 percent of the cargoes carried by Communist ships. Soviet ships carried the major share of identified imports, delivering unusually large volumes of fertilizer, petroleum, and timber. Except for two Soviet ships that carried timber from Cambodia while operating under time charter to North Vietnam and another that arrived with fertilizer from North Korea, all Soviet ships sailed from Soviet Black Sea ports. Other cargo identified aboard the Soviet ships included two Mi-6 helicopters, trucks, and construction equipment (see the photographs). Of the nine Soviet ships that departed

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from North Vietnam in March, one loaded general cargo for the USSR, six loaded coal for Free World countries, and only two left in ballast.

Cargoes identified aboard incoming Chinese Communist ships consisted of rice from China and fertilizer and miscellaneous general cargo (including 34 trucks) from Eastern European countries. The two Chinese ships arriving from European ports were under charter to the Chinese-Polish Shipbrokers Company (Chipolbrok). Chinese ships carried the major share of seaborne exports. All but two of the 12 Chinese ships that departed from North Vietnam in March carried coal back to China. The remaining two picked up miscellaneous general cargoes for destinations in Eastern Europe.

2. Free World Shipping

The total of six Free World ships that arrived at North Vietnamese ports in March was the lowest number for any month in recent years. British-flag ships, all Hong Kong - owned and sailing under time charters to Communist China, accounted for five calls, four of which were made by ships owned by companies controlled by Communist China. The only other call by a Free World ship was made by a Cypriot-flag ship under charter to North Vietnam.

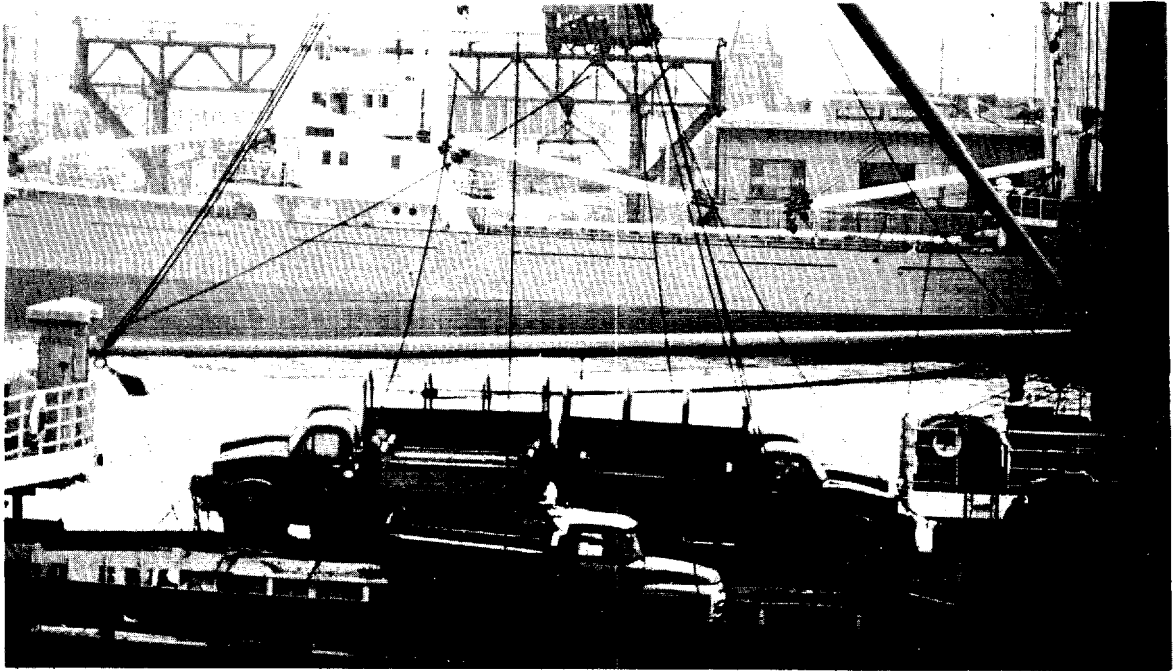
A principal cause of the decreased level of Free World ship activity in March was the formal and informal restrictive steps taken recently by Athens and London, respectively. The Greek Royal Decree prohibiting calls at North Vietnam by all Greek-flag ships, with the exception of those having unbreakable charter commitments, went into effect on 12 March and was cited by several Greek shipowners who refused to permit further voyages to North Vietnam by their ships. Some British shipowners, based in both Hong Kong and London, also took steps to withdraw their ships from trade with North Vietnam, acknowledging that they were responding to informal pressures from London.

The decline in Free World shipping activity led to new lows for the aggregate volume of seaborne cargoes carried in both directions by Free World ships calling at North Vietnam in March.

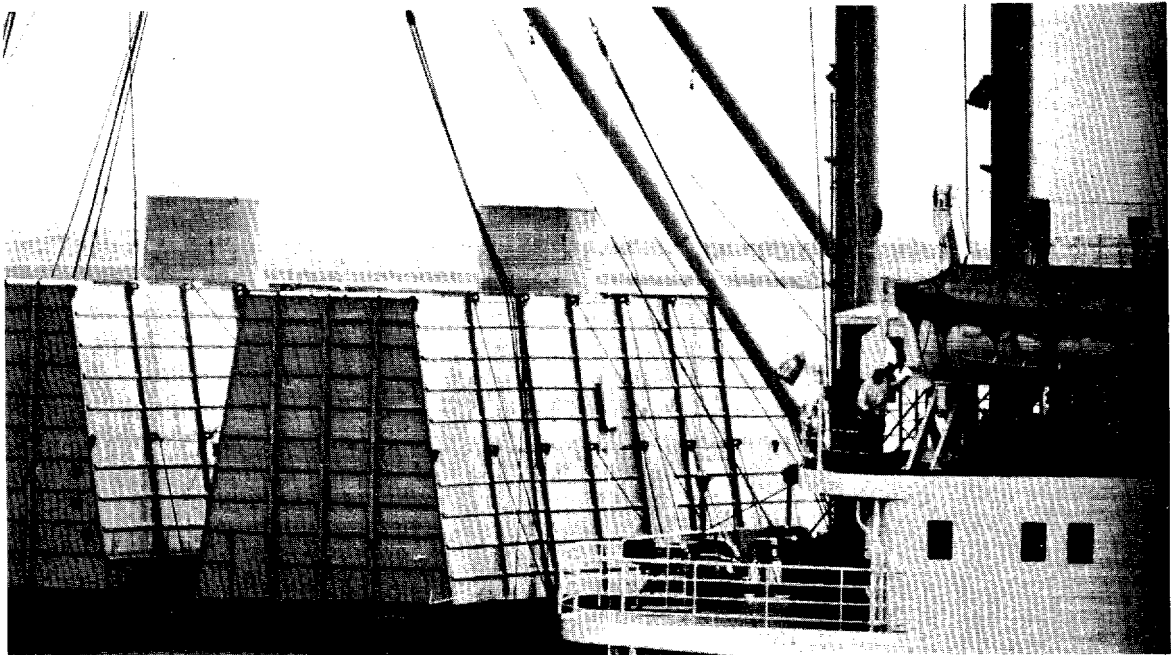
Except for the Cypriot-flag ship, which delivered fertilizer from Italy, all Free World ships arrived at North Vietnam from Communist Chinese ports. Two arrived with cargo, and one delivered only a small number of dump trucks to the coal port at Cam Pha.

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DECK CARGO OF TRUCKS (ABOVE) AND MI-6 HELICOPTER CRATES (BELOW) DELIVERED TO HAIPHONG IN MARCH BY THE SOVIET SHIP SOVETSK



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All nine Free World ships sailing from North Vietnam in March were fully loaded. Seven carried coal to China, and two loaded cement for Cambodia and Ceylon.

3. Cargoes

Identified cargoes of foreign ships handled at North Vietnamese ports in March totaled 230,200 tons, 15 percent more than the average monthly volume in 1965. This volume resulted from the second highest monthly total of identified imports and was accomplished in spite of a lower-than-average volume of exports, as shown below:

	<u>Thousand Metric Tons ^{a/}</u>	
	<u>Monthly Average 1965</u>	<u>March 1966</u>
Total seaborne cargoes	<u>200.4</u>	<u>230.2</u>
Imports	57.7	94.4
Exports	142.8	135.7

a. Because of rounding, components do not add to the totals shown.

Identified imports consisted for the most part of extraordinarily large imports of fertilizer, petroleum products, and timber. The volumes of other major categories of seaborne imports were below 1965 levels. Imports of fertilizers totaled 41,900 tons, three times the 1965 monthly average. About one-half of the fertilizer was of Soviet origin, and most of the remainder arrived from Italy and Poland. Imports of petroleum products were the largest since December and totaled 22,500 tons, compared with the 1965 monthly average of about 14,000 tons; the entire amount was delivered by Soviet ships from Black Sea ports.

All but 200 tons of the 6,800 tons of bulk foodstuffs delivered in March arrived from Communist China on Chinese ships, and all of the 4,500 tons of Cambodian timber was delivered by Soviet ships chartered to North Vietnam.

The 18,900 tons of imports of miscellaneous general cargoes approximated the 1965 monthly average and included two Soviet Mi-6 helicopters;

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trucks from the USSR, East Germany, and Communist China; large quantities of Soviet construction machinery and material; and marine diesel engines from East Germany and the USSR. No shipments of arms or ammunition were detected.

No bituminous coking coal was noted arriving by sea from Communist China in March, as China resumed full-scale use of rail lines for these shipments. Rail shipments of up to 20,000 tons were authorized for March by Chinese and Vietnamese railroad officials. Seaborne shipments from their inception in November through the end of February had averaged 8,400 tons a month.

Seaborne exports from North Vietnam in March consisted of 117,100 tons of coal, 13,000 tons of cement, and 5,700 tons of miscellaneous general cargoes. Communist China once again was the major importer of North Vietnam's coal, taking 87,000 tons via the sea route. Japan and France with shipments totaling 18,400 tons and 11,700 tons, respectively, took the remainder, which was carried by Soviet ships.

The volume of North Vietnam's seaborne exports of coal undoubtedly would have exceeded the high volumes of January and February had not supplies at Cam Pha been exhausted early in the fourth week of March. At least three ships waiting to load coal had to leave Cam Pha empty, and others may have been turned away. The reason for the shortage is not known, but it appears that the exceptionally large volumes shipped since October outstripped production capabilities at the Cam Pha mines. The average volume of North Vietnam's seaborne coal exports from January through October 1965 was 87,100 tons a month, but the rate of shipment increased nearly 50 percent to 129,600 tons a month during the five months ending on 31 March 1966.

Exports of cement, which declined throughout 1965 and disappeared altogether in January, amounted to 13,000 tons in March after attaining a volume of 8,100 tons in February. The reappearance of exports of cement follows the US bombing pause, which was used by North Vietnam to carry out a substantial program to repair damaged transport facilities.

No shipments of pig iron or apatite were detected, and the continued absence of shipments of these commodities remains unexplained. No apatite has been shipped since segments of the rail lines connecting the mines at Lao Cai with Haiphong were cut last July, although the line apparently has been open most of the time since mid-December. Recent North Korean bids to charter a ship to carry North Vietnamese apatite

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may, however, portend an early resumption of these shipments. No pig iron has been shipped from North Vietnam on foreign ships since December, but these exports presumably have not been affected by the air attacks.

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Table 1

Foreign-Flag Ship Arrivals in North Vietnam ^{a/}
February, March, and First Quarter 1966

Flag	February		March		First Quarter 1966 ^{b/}	
	Num-ber	Percent of Total	Num-ber	Percent of Total	Num-ber	Percent of Total
Total	<u>37</u>	<u>100.0</u>	<u>35</u>	<u>100.0</u>	<u>120</u>	<u>100.0</u>
Communist countries	<u>25</u>	<u>67.6</u>	<u>29</u>	<u>82.9</u>	<u>84</u>	<u>70.0</u>
USSR	10	27.0	12	34.3	31	25.8
Eastern Europe	1	2.7	4	11.4	9	7.5
Bulgaria	1	2.7			1	0.8
Poland			4	11.4	8	6.7
Communist China	14	37.8	13	37.1	43	35.8
Cuba					1	0.8
Free World	<u>12</u>	<u>32.4</u>	<u>6</u>	<u>17.1</u>	<u>36</u>	<u>30.0</u>
Cyprus			1	2.9	2	1.7
Greece	1	2.7			4	3.3
Italy					1	0.8
United Kingdom	11	29.7	5	14.3	29	24.2

a. Because of rounding, components may not add to the totals shown.

b. Including the arrival of one Chinese Communist ship not previously reported.

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Table 2

Tonnage of Foreign-Flag Ship Arrivals in North Vietnam a/
February, March, and First Quarter 1966

Flag	February		March		First Quarter 1966 ^{b/}	
	Num-ber	Thousand Gross Register Tons	Num-ber	Thousand Gross Register Tons	Num-ber	Thousand Gross Register Tons
Total	<u>37</u>	<u>205.4</u>	<u>35</u>	<u>202.4</u>	<u>120</u>	<u>676.8</u>
Communist countries	<u>25</u>	<u>133.2</u>	<u>29</u>	<u>176.4</u>	<u>84</u>	<u>485.0</u>
USSR	10	62.0	12	76.4	31	214.2
Eastern Europe	1	5.8	4	28.8	9	68.3
Communist China	14	65.4	13	71.1	43	192.6
Cuba					1	9.7
Free World	<u>12</u>	<u>72.2</u>	<u>6</u>	<u>26.1</u>	<u>36</u>	<u>191.8</u>

a. Many Soviet and Eastern European ships calling at North Vietnamese ports pick up or discharge only small parts of their total cargoes in North Vietnam, and many of the Free World ships only pick up export cargoes. For this reason, with the possible exception of Chinese Communist ships, aggregate tonnage of ships calling is not closely correlative to actual volume of cargoes moving into and out of North Vietnam, but these data are of value as indications of relative changes in the volume of shipping. Because of rounding, components may not add to the totals shown.

b. Including the arrival of one Chinese Communist ship not previously reported.

Table 3

Identified North Vietnamese Imports Carried by Foreign-Flag Ships a/
March 1966

Thousand Metric Tons

Flag	Commodity						Total
	Ammonium Sulfate and Other Fertilizers	Petroleum	Grain and Other Foodstuffs	Coal	Timber	Miscellaneous	
Total	<u>41.9</u>	<u>22.5</u>	<u>6.8</u>	<u>0</u>	<u>4.5</u>	<u>18.9</u>	<u>94.4</u>
Communist countries	<u>31.9</u>	<u>22.5</u>	<u>6.8</u>	<u>0</u>	<u>4.5</u>	<u>13.1</u>	<u>78.7</u>
USSR	21.9	22.5			4.5	7.6	56.5
Eastern Europe			0.2			2.0	2.1
Communist China <u>b/</u>	10.0		6.6			3.5	20.1
Cuba							
Free World	<u>10.0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5.7</u>	<u>15.7</u>

- a. Identified imports include some estimates of bulk cargoes, using methods which have proved to be highly reliable. Because of rounding, components may not add to the totals shown.
b. An additional unknown quantity of imports may have been carried by Chinese Communist ships.

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Table 4

Identified North Vietnamese Exports
Carried by Foreign-Flag Ships a/
March 1966

Flag	Commodity					Total
	Coal	Apatite	Cement	Pig Iron	Miscel- laneous	
Total	<u>117.1</u>	<u>0</u>	<u>13.0</u>	<u>0</u>	<u>5.7</u>	<u>135.7</u>
Communist countries	<u>86.1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5.4</u>	<u>91.5</u>
USSR	30.1				1.3	31.3
Eastern Europe					1.6	1.6
Communist China <u>b/</u>	56.0				2.6	58.6
Cuba						
Free World	<u>31.0</u>	<u>0</u>	<u>13.0</u>	<u>0</u>	<u>0.2</u>	<u>44.2</u>

a. Identified exports include some estimates of bulk cargoes, using methods which have proved to be highly reliable. Because of rounding, components may not add to the totals shown.

b. An additional unknown quantity of exports may have been carried by Chinese Communist ships.

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