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INTELLIGENCE BRIEF

FOREIGN SHIPPING TO NORTH VIETNAM IN JULY 1965

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FOREWORD

The data in this publication 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. 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 publications.

FOREIGN SHIPPING TO NORTH VIETNAM IN JULY 1965

Large exports of coal and apatite pushed the volume of North Vietnam's seaborne trade in July to a new high for 1965 despite a continuing decline in port calls by both Free World and Communist ships. Shipments of coal and apatite were 39 and 18 percent higher, respectively, than the average monthly shipments in the first half of this year. There were 38 calls by foreign-flag ships at North Vietnamese ports in July 1965 as follows:

Foreign-Flag Shipping to North Vietnam in 1965

	Number of Calls		
	<u>July</u>	<u>June</u>	<u>Monthly Average January-July</u>
Communist countries	17	18	21
Free World	21	24	27
Total	<u>38</u>	<u>42</u>	<u>48</u>

Free World ships, most of them under charter to Communist China, carried 87 percent of North Vietnam's known seaborne exports and about 55 percent of the seaborne imports.

The Lebanese Government appears to be effectively implementing the restriction it imposed in June on trade with North Vietnam by vessels flying the Lebanese flag. Japanese ships continued to be excluded from North Vietnam's ports as a result of an earlier agreement between ship-owners and seamen.

Reluctance of crews of some Free World ships to call at North Vietnam continues to plague both owners and charterers. Communist China's ship-chartering organization, to which most of the Free World ships calling at North Vietnam are chartered, continued to pay bonuses for voyages to North Vietnam, but only when it was required to do so.



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No seaborne shipments of petroleum to North Vietnam were detected in July, and no shipments of either arms or ammunition were identified on Soviet, Eastern European, or Free World ships. Nothing is known of the cargoes carried on the six Chinese Communist-flag arrivals in Haiphong in July. Anticipated shortages of apatite for export, resulting from US bombings of the rail line from the apatite mines at Lao Cai to Haiphong, presumably prompted Hanoi's advice to the East German authorities to cancel a Greek ship chartered to load apatite at Haiphong and not to resume chartering for such cargoes unless notified by Hanoi.

Free World Shipping to North Vietnam

There were 21 calls made by Free World ships at North Vietnamese ports in July, the lowest total since the 8 made in April. These arrivals represented about 55 percent of the total calls made by foreign-flag ships during the month. At least 16 of these Free World ships were under charter to either Communist China or North Vietnam.

The most frequently observed Free World flags in North Vietnam's ports during July were those of the United Kingdom (9 calls) and Greece (7 calls). Norwegian-flag ships also made 3 calls; ships flying the flags of Liberia and Malta made one call each.

25X1 The average size of Free World ships arriving at North Vietnamese ports in July was 5,900 gross register tons (GRT), about one-fourth larger than the average size of all Free World ships that called in the first seven months of this year. These data reflect the heavy utilization of Free World bulk cargo ships to carry North Vietnam's large exports of coal and apatite in July. Free World ships carried 89 percent of the tonnage of these commodities exported by sea in July and carried about 87 percent of total seaborne exports. Free World ships also carried 55 percent of North Vietnam's seaborne imports during the month.

During the second week of July the Danish Shipowners' Association agreed to demands presented by Denmark's seven seamen's organizations for double pay for service on ships sailing within 10 miles of either North or South Vietnam. The terms of the agreement are similar to those established by Norwegian owners and seamen's unions in June. No Danish ships have visited North Vietnam this year, but Norwegian ships accounted for 6 percent of the calls by foreign-flag ships in the first seven months of 1965.

Sinofracht, *to which most of the Free World ships calling at North Vietnam are chartered, appears to be paying bonuses for voyages to North Vietnam only when it is required to do so. The specific bonus payments apparently are determined through negotiation rather than in accordance with any established schedule.

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Serious uneasiness among crews of some Free World ships engaged in North Vietnamese trade continues to plague their owners and charterers. The captain and 28 crewmen of a Lebanese-flag ship that brought coal to Japan under North Vietnamese charter refused to continue service with the ship unless they were assured that it would not again visit North Vietnam. All of the protesting crewmen were Greek nationals, one of whom was so distressed that he attempted suicide. Press reports of the incident attributed at least part of the objections to ideological principles. Some of the crew claimed to have fought the Communists in the Greek civil war and objected to aiding the Communist aggression in Vietnam. The most recent reports indicated that the issue still had not been resolved.

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2. Communist Shipping

There were 17 known calls by Communist ships at North Vietnamese ports in July. Visits by Soviet ships (7) exceeded known arrivals of Communist Chinese ships (6) for the first time since January of this year. Four Polish-flag ships also made calls at North Vietnamese ports during the month. Two of these Polish-flag ships are owned in part by Communist China.

* Communist China's ship-chartering organization.

The Soviet ships carried nearly 13 percent of the identified seaborne exports of North Vietnam in July and about 36 percent of its seaborne imports. Two of the Soviet ships that arrived in July, both of which carried coal to Japan, were under charter to North Vietnam. Cargoes brought to Vietnam by Soviet ships consisted of fertilizer, bulk foodstuffs, and miscellaneous cargo.

The Polish-flag ships transported 8 percent of the identified import cargoes but carried only an insignificant amount of exports. Except for one shipment of 50 metric tons (mt) of timber, all cargoes carried in and out of Vietnam's ports on the Polish-flag ships consisted of miscellaneous general cargoes.

Nothing is known of cargoes carried by the Chinese Communist ships. The average size of the six Chinese Communist ships calling at North Vietnam in July was only 2,000 GRT -- less than one-half the average size of the seven that called in June and considerably smaller than the average size of the Chinese ships known to have visited North Vietnamese ports in the first seven months of this year. The reason for this change is not apparent but may be due in part to China's use in July of large Free World ships to transport a major part of its imports of North Vietnamese anthracite (39,100 mt) and apatite (31,500 mt).

There was further evidence during the month of continuing close cooperation between Communist China and North Vietnam in chartering of ships. Several Free World ships chartered to Sinofracht still are operating under subcharters to North Vietnam, and some shipments of Cuban sugar apparently are being carried to China on ships chartered by Hanoi. When a

Lebanese ship under charter to North Vietnam was ordered out of the Vietnamese trade, Sinofracht promptly took the ship on subcharter.



THE CHINESE COMMUNIST DRY CARGO SHIP, NAN HAI 155 (3,247 GRT), AN OCCASIONAL CALLER AT HAIPHONG.

Conflicting Czechoslovak and Chinese Communist views as to whether the jointly owned Czechoslovak-flag ship Dukla should call at North Vietnam apparently reached an impasse in July. The Dukla, a 6,508-GRT dry cargo ship with a Chinese captain and a predominantly Chinese crew, is one of several ships that are jointly owned by China and the Czechoslovak Ocean Shipping Company.*

* The Communist Chinese also are owners, at least in part, of a number of ships registered under the Polish and Albanian flags.

3. Cargoes*

North Vietnam's seaborne trade in July reached a new monthly high for 1965, and coal was exported in record high tonnages for the second consecutive month.

Large exports by sea of both coal and apatite pushed total seaborne exports to 176,600 mt in July. Shipments of coal amounted to 111,200 mt, the largest monthly volume during 1965, and apatite cargoes to 51,900 mt. These amounts exceeded the average monthly tonnage of exports of these commodities in the first half of this year by 39 percent and 18 percent, respectively. July was the first month of this year in which no shipments of cement were identified.

Japan and Communist China were the major buyers of North Vietnam's anthracite. Coal loadings for Japan totaled 44,350 mt, and loadings for China amounted to 39,100 mt. The remainder of the coal went to Cuba (17,800 mt) and France (10,000 mt). Exports of apatite were divided between Communist China and Rumania.

Congestion at the coal ports -- Cam Pha and Hon Gai -- caused delays in loading of up to four days. There also were occasional shortages of coal available for loading, possibly due to depletion of dockside stockpiles by the unusually heavy volume of loadings in June and July.

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* Excluding those carried by the six Chinese Communist-flag ships that called at Haiphong in July.



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Identified seaborne imports in July totaled 58,200 mt, of which 18,600 mt consisted of fertilizers, 24,100 mt of miscellaneous cargoes, and 15,500 mt of bulk foodstuffs. Imports of bulk foodstuffs were more than double the monthly average of the first half of this year but were not significantly above the average of 13,500 mt per month that were imported in 1964.

Although shipments of POL to North Vietnam in the first six months of this year averaged nearly 14,500 mt a month, with only moderate variation, no such shipment was detected in July. No shipments of either arms or ammunition were identified.

Table 1

Foreign-Flag Ship Arrivals in North Vietnam
June, July, and January-July 1965

Flag	June		July		Total January-July	
	Num- ber	Percent of Total ^{a/}	Num- ber	Percent of Total ^{a/}	Num- ber	Percent of Total ^{a/}
Total	<u>42</u>	<u>100.0</u>	<u>38</u>	<u>100.0</u>	<u>334</u>	<u>100.0</u>
Communist countries	<u>18</u>	<u>42.9</u>	<u>17</u>	<u>44.7</u>	<u>145</u>	<u>43.4</u>
USSR	6	14.3	7	18.4	48	14.4
Eastern Europe	5	11.9	4	10.5	31	9.3
Bulgaria					2	0.6
Czechoslovakia	1	2.4			4	1.2
Poland	4	9.5	4	10.5	25	7.5
Communist China	7	16.7	6	15.8	66	19.8
Free World	<u>24</u>	<u>57.1</u>	<u>21</u>	<u>55.3</u>	<u>189</u>	<u>56.6</u>
France					1	0.3
Greece	4	9.5	7	18.4	25	7.5
Italy					1	0.3
Japan					37	11.1
Lebanon	3	7.1			9	2.7
Liberia			1	2.6	3	0.9
Malta			1	2.6	1	0.3
Netherlands	1	2.4			5	1.5
Norway	3	7.1	3	7.9	20	6.0
Panama					1	0.3
United Kingdom	13	31.0	9	23.7	86	25.7

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

Table 2

Tonnage of Foreign-Flag Ship Arrivals in North Vietnam ^{a/}
 June, July, and Monthly Average, January-July 1965

Flag	June		July		Monthly Average January-July	
	Num- ber	Thousand Gross Register Tons	Num- ber	Thousand Gross Register Tons	Num- ber	Thousand Gross Register Tons
Total	<u>42</u>	<u>241.2</u>	<u>38</u>	<u>213.9</u>	<u>48</u>	<u>229.6</u>
Communist countries	<u>18</u>	<u>108.5</u>	<u>17</u>	<u>90.8</u>	<u>21</u>	<u>104.4</u>
USSR	6	38.2	7	51.7	7	41.2
Eastern Europe	5	36.7	4	26.8	4	30.5
Communist China	7	33.6	6	12.3	9	32.7
Free World	<u>24</u>	<u>132.7</u>	<u>21</u>	<u>123.1</u>	<u>27</u>	<u>125.2</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.

Table 3

Identified North Vietnamese Imports
Carried by Foreign-Flag Ships a/
July 1965

Thousand Metric Tons

Flag	Commodity				Total
	Ammonium Sulfate and Other Fertilizers	Petro-leum	Grain and Other Foodstuffs	Miscellaneous	
Total <u>b/</u>	<u>18.6</u>	<u>0.0</u>	<u>15.5</u>	<u>24.1</u>	<u>58.2</u>
Communist countries	<u>8.6</u>	<u>0.0</u>	<u>5.5</u>	<u>11.8</u>	<u>25.9</u>
USSR	8.6		5.5	7.2	21.3
Eastern Europe				4.6	4.6
Free World	<u>10.0</u>	<u>0.0</u>	<u>10.0</u>	<u>12.3</u>	<u>32.3</u>

a. Identified imports include some estimates of bulk cargoes using methods which have proved to be highly reliable.

b. In addition, an unknown quantity of imports was carried by Chinese Communist ships.

Table 4

Identified North Vietnamese Exports
Carried by Foreign-Flag Ships a/
July 1965

Thousand Metric Tons

<u>Flag</u>	<u>Commodity</u>				<u>Total</u>
	<u>Coal</u>	<u>Apatite</u>	<u>Cement</u>	<u>Miscel- laneous</u>	
Total <u>b/</u>	<u>111.2</u>	<u>51.9</u>	<u>0.0</u>	<u>13.5</u>	<u>176.6</u>
Communist countries	<u>7.8</u>	<u>9.9</u>	<u>0.0</u>	<u>6.1</u>	<u>23.8</u>
USSR	7.8	9.9		5.7	23.4
Eastern Europe				0.4	0.4
Free World	<u>103.4</u>	<u>42.0</u>	<u>0.0</u>	<u>7.4</u>	<u>152.8</u>

a. Identified exports include some estimates of bulk cargoes using methods which have proved to be highly reliable.

b. In addition, an unknown quantity of exports was carried by Chinese Communist ships.

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10 September 1965

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