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INTELLIGENCE MEMORANDUM

FOREIGN SHIPPING TO NORTH VIETNAM
IN APRIL 1966

DIRECTORATE OF INTELLIGENCE

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WARNING

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

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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 memoranda.

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FOREIGN SHIPPING TO NORTH VIETNAM
IN APRIL 1966*

Summary

A continued low level of arrivals by Free World ships at North Vietnamese ports** helped to keep the total of calls by foreign ships in April to the lowest number since September 1965. Eleven Soviet ships delivered 83 percent of North Vietnam's seaborne imports, including a record volume of petroleum products. The same number of Chinese Communist ships carried 56 percent of identified seaborne exports, principally coal for Mainland China. US airstrikes against Cam Pha stopped coal shipments from that port, and for the first time inflicted damage on a foreign ship in North Vietnamese waters.

The 31 arrivals of foreign ships in April were distributed by flag as shown in the following tabulation:

	<u>1966</u>		<u>Monthly Average 1965</u>
	<u>March</u>	<u>April</u>	
Total	<u>35</u>	<u>31</u>	<u>44</u>
Communist	<u>29</u>	<u>24</u>	<u>23</u>
USSR	12	11	7
Eastern Europe	4	2	4
Communist China	13	11	12
Cuba	0	0	Negl.
Free World	<u>6</u>	<u>7</u>	<u>21</u>
United Kingdom	5	4	11
Other	1	3	10

* This memorandum was produced by the Office of Research and Reports; the estimates and conclusions represent the best judgment of the Directorate of Intelligence as of 20 May 1966.

** For details on ship arrivals and the type and distribution of cargo, see Tables 1 through 4 and Figure 1.

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All seven of the Free World ships that called in April were chartered to either North Vietnam or Communist China. Four were Hong Kong-owned British-flag ships, and the others were sailing under the flags of Cyprus, Greece, and Malta. The arrival of only 13 Free World ships at North Vietnam in March and April combined, compared with an average of more than 21 Free World arrivals per month in 1965, attests to the effective response of most Free World countries to the US démarche against such voyages.

As a result of the initial US airstrike against facilities at Cam Pha on 19 April, coal shipments from that port ceased immediately, but were resumed at a reduced rate early in May. There are indications that the rate of shipments will not return to previous levels before July. A prolonged reduction in these shipments would appreciably reduce North Vietnam's foreign exchange earnings, 25 percent of which are derived from coal exports.

Because of damage to one of its ships that was loading coal at quayside at the time of the 19 April strike against Cam Pha, Poland protested to the US Government, and there were indications that Poland was suspending the loading of Polish ships for North Vietnam. There have been no additional signs, however, that Poland would stop its ships from calling at North Vietnam. Such an action would be of little economic significance to either Poland or North Vietnam because the relatively small volume of cargoes by these ships could easily be taken over by Chinese-flag ships.

North Vietnam's seaborne trade in April was 14 percent below the average monthly level of 1965. Only cement was exported in larger-than-normal volumes, and only imports of POL (all from the USSR) and miscellaneous general cargoes arrived in above-average volumes. No shipments of arms or ammunition were detected.

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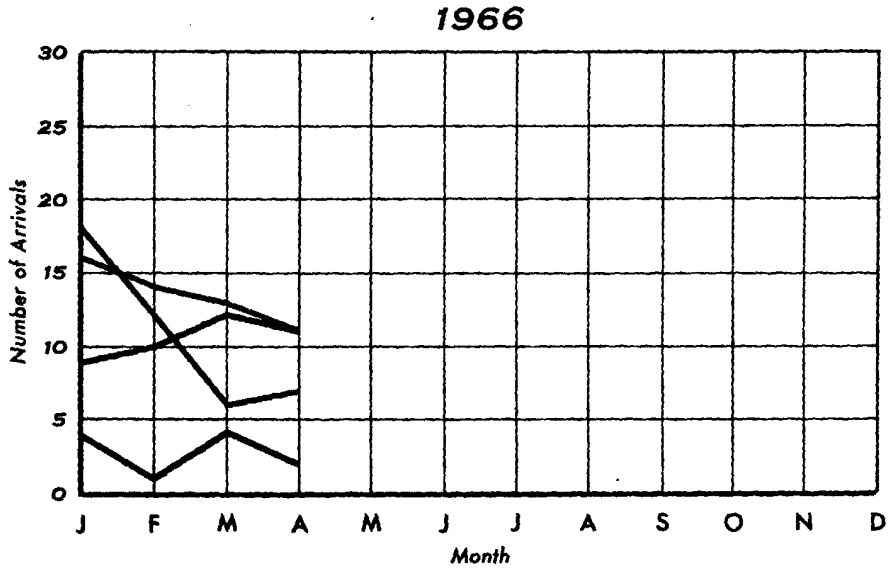
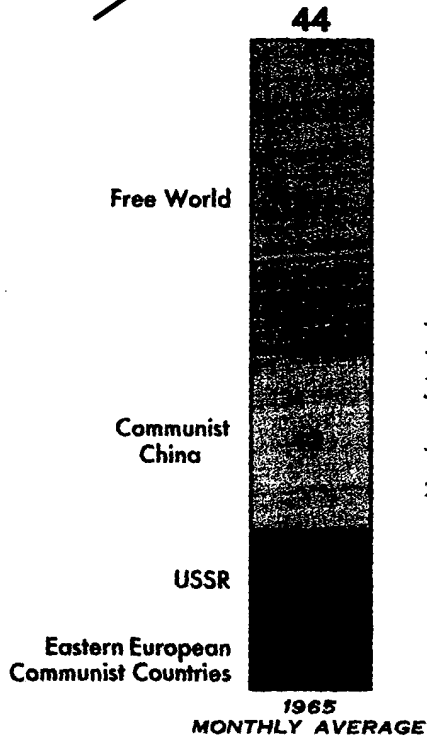
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Figure 1

North Vietnam: Foreign Ship Arrivals*

Monthly Average 1965 and January-April 1966



* Excluding one Cuban ship in January, 1966

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1. Communist Shipping

Soviet ships provided the principal support for North Vietnam's seaborne trade in April, particularly for the import trade. Eighty-three percent of identified inbound cargoes was delivered by eight Soviet ships -- all to Haiphong. The eight Soviet ships, including three tankers, arrived loaded from Black Sea ports. They carried the entire volume of POL and fertilizers delivered to North Vietnam by foreign ships in April. In addition, they delivered general cargo that included steel and other metals, trucks, cranes, and other equipment. One of the eight Soviet ships arrived with a load of cotton. Three other Soviet ships, operating under charter to North Vietnam, arrived in ballast to pick up North Vietnamese export cargoes. Of the nine Soviet ships that departed from North Vietnam in April, five (including two tankers) were empty and the other four carried coal to Japan.

Chinese ships calling at North Vietnam in April apparently were employed primarily in transporting export cargoes (mainly coal) from North Vietnam. Only two sailed to Haiphong, the principal port of discharge for import cargo, but nine sailed directly to the coal ports. Small amounts of inbound cargo were identified aboard only two of these nine ships. Because deliveries made to the coal ports normally consist only of small volumes of general cargoes for local consumption, it is assumed that most or all of the other seven ships arrived empty to load coal. There is no information about cargoes carried by the two Chinese ships that sailed to Haiphong.

All Chinese ships arrived at North Vietnam from China, and nine of the ten that left in April returned to China. One Chinese ship left Haiphong for northern Europe with a number of intermediate stops planned en route.

The two Eastern European ships that called at North Vietnam in April included a new Japanese-built Bulgarian bulk carrier on its maiden voyage to pick up a cargo of coal for France. The other was the Polish-flag ship Beniowski (see Figure 2), a 10,443-GRT dry cargo ship which became the principal figure in an incident resulting in an official Polish note of protest to the US government.

The Beniowski was one of four foreign ships at Port Cam Pha on 19 April when 24 US aircraft dropped over 41 tons of explosives on port facilities there. The Beniowski, which was loading coal for France

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when the strike occurred, allegedly was showered with debris and shaken by concussion from ten or more nearby explosions of bombs and rockets.* No ship's personnel were injured, but the bridge deck was reported to have been damaged by "flying splinters" and cabin interiors were said to have been damaged by concussion. The Polish note did not mention that the Beniowski is one of 16 ships jointly owned by Communist China and Poland and operated under the Polish flag by Chipolbrok, the Chinese-Polish Shipping Company.

There are indications that the incident may have caused the Poles to cancel future sailings to North Vietnam by Polish-flag ships, although no such policy change has yet been publicized. Such a restriction would result only in minor, temporary inconvenience to North Vietnam. The volume of cargo for North Vietnam handled by Polish ships has been relatively small, and could be easily taken over by Chinese-flag ships operating under charter to Chipolbrok.**

2. Free World Shipping

The seven Free World ships that called at North Vietnam in April included four Hong Kong-owned, British-flag ships and one each under the flags of Cyprus, Greece, and Malta. Four were under charter to Vietfracht (North Vietnam's ship-chartering organization) and three to Sinofracht (Communist China's ship-chartering organization). Only in March had fewer Free World ships visited North Vietnam. Only two Free World ships delivered cargo to North Vietnam in April -- one carried gypsum and general cargo from China; the other, a Greek-flag ship, delivered general cargo from North Korea and Japan. Four of the five Free World ships that departed North Vietnamese ports in April carried outbound cargoes -- three loaded coal for Japan, and one took cement to Cambodia.

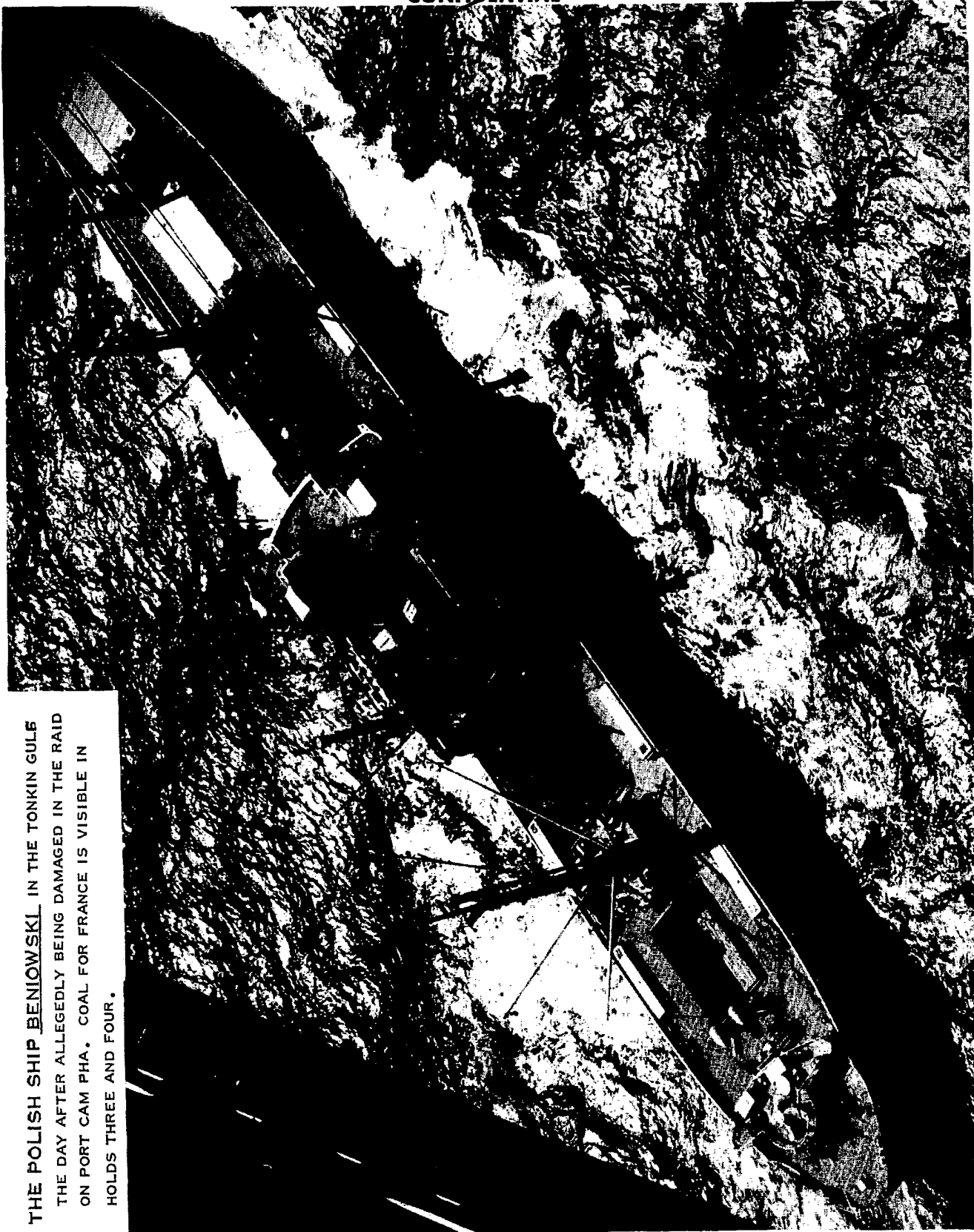
Fears for the safety of ships and crews sailing to North Vietnam were aroused again by the Beniowski incident. A Cypriot-flag ship approaching the outer entrance to Haiphong at the time of the airstrike was forced by a shaken crew to divert to Hong Kong. Resumption of the voyage to North Vietnam has been postponed until a replacement

* The other three ships (under Soviet, Chinese, and Maltese flags) did not report damage from the attack.

** There is precedent for such an arrangement. Of four Chipolbrok ships sold to Communist China and placed under the Chinese flag in 1965, three were immediately placed under charter to Chipolbrok.

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THE POLISH SHIP BENIEWSKI IN THE TONKIN GULF
THE DAY AFTER ALLEGEDLY BEING DAMAGED IN THE RAID
ON PORT CAM PHA. COAL FOR FRANCE IS VISIBLE IN
HOLDS THREE AND FOUR.

crew can be flown in from Greece. In another instance, a Greek-flag ship has had to depart Sihanoukville for Haiphong without eight crewmen who had refused to make the trip. The crew of another Greek ship signed a note of protest against being "forced" to sail to Haiphong, but did make the trip. More such incidents can be expected, and bonus payments for voyages to North Vietnam may be driven above the 100 percent rate that has become standard for these trips.

The share of North Vietnam's seaborne trade carried by Free World ships has declined steadily in recent months and reached a new low in April, as shown below:

	<u>Percent</u>	
	<u>April 1966</u>	<u>1965 Average</u>
Total seaborne trade	15	63
Imports	16	36
Exports	15	73

3. Seaborne Cargoes

Identified seaborne cargoes carried to and from North Vietnamese ports for foreign merchant ships in April totaled only 172,100 tons, the lowest since October 1965. Identified seaborne exports amounted to only 99,300 tons, compared with an average monthly volume of 142,800 tons in 1965, as the volume of all major exports except cement fell below normal levels. The volume of identified seaborne imports, on the other hand, was 72,800 tons, 26 percent above the monthly average for 1965. Exceptionally large imports of POL and miscellaneous general cargoes more than offset below-normal volumes of all other major categories of seaborne imports. No shipments of arms or ammunition were detected.

Seaborne deliveries of POL to North Vietnam reached a record high volume of 34,300 tons* in April, compared with an average monthly

* The previous high monthly volume of POL deliveries was 32,000 tons in December 1965.

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volume of 14,000 tons in 1965 and of 18,000 tons in the first three months of this year. The increase apparently was in response to Hanoi's request to the USSR that POL deliveries in the second quarter of this year average 40,000 tons a month.

There are indications that North Vietnam is finding it difficult to cope with the larger volume of bulk petroleum deliveries to Haiphong. A 10,300-GRT Soviet tanker that arrived there on 4 May required 11 days to discharge compared with an average discharge time of 6 days for tankers calling this year. The most plausible explanation for the delay is that the oil is being delivered more rapidly than it can be redistributed beyond the port area. The interruption of through service on the Haiphong-Hanoi rail line undoubtedly has made this problem more difficult.

Imports of miscellaneous general cargoes in April totaled 29,400 tons, 55 percent more than the average monthly volume in 1965 but only six percent above the average level of the first three months of this year. Of this total, Free World ships carried 11,300 tons from Japan, North Korea, and China. Deliveries from these countries included 3,100 tons of Chinese gypsum for the Haiphong cement plant, semifinished and finished industrial materials, and tractors. The 18,100 tons that arrived on Soviet ships from the USSR included cotton, assorted metals for industrial use, truck-mounted cranes, tank trucks, dump trucks, tires, helicopter engines, and steel rails.* Haiphong harbor remained free of congestion (see the photograph, Figure 3).

The volumes of other major categories of imports -- bulk foodstuffs, fertilizers, timber, and coal -- were all below average monthly levels for 1965. For the second consecutive month, no seaborne imports of coking coal were detected. Beginning in November 1965, some of these coal shipments were transferred from rail to sea, but full-scale use of the overland route apparently was resumed in March.

The major factor limiting April seaborne exports to a volume 30 percent below the 1965 average monthly level was the airstrike against Cam Pha, in which the coal-cleaning plant and repair shops apparently were gutted and coal-transporting facilities were damaged. Loading

* Since August 1965 Soviet ships have delivered 13,700 tons of rails, more than enough to complete the Kep-Thai Nguyen line and to add a third rail to the line from Hanoi to the Kwangsi border of China.

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Figure 3



HAIPHONG HARBOR, 10 APRIL 1966. IN STREAM, THE SOVIET SHIP EAYMAK DEPARTING EMPTY. AT QUAYSIDE, READING TOP TO BOTTOM: THE SOVIET SHIP MUKACHEVO UNLOADING FERTILIZER AND GENERAL CARGO; AN UNIDENTIFIED COASTAL FREIGHTER; THE CHINESE SHIP SONG JIANG LOADING CEMENT FROM LIGHTERS.

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activities, abruptly halted by the raid, were not resumed until early May and are proceeding at a slow rate. The first ship loaded in Cam Pha since the raids departed on 9 May. Several other ships have been waiting for coal cargoes since the first week of May, but the next shipment was not due out until after 15 May. There are indications that coal shipments will not return to normal before July.

Any prolonged reduction in coal shipments from Cam Pha would have a serious effect on North Vietnam's foreign exchange earnings, 25 percent of which are derived from coal exports. Most coal shipments move by sea, and over the past 15 months, 90 percent of North Vietnam's seaborne coal exports have originated from Cam Pha. The shipping capacity of the other major coal port, Hon Gay, is restricted by a shallower draft limitation.

Because of the interruption of shipments from Cam Pha, the total volume of North Vietnam's seaborne exports of coal in April amounted to only 82,900 tons, 35 percent below the average monthly volume of the preceding three months. China was the major customer for North Vietnam's anthracite in April, taking 55,100 tons by sea. The remainder went to Japan (19,500 tons) and France (8,300 tons).

Cement was the only major export commodity shipped in above-average volume in April. Foreign merchant ships loaded 15,100 tons of cement at Haiphong, more than double the average monthly volume of such shipments in 1965 and the largest monthly volume since 1964. The major share (9,000 tons) of the cement shipped in April went to Cambodia. The rest went to China (3,000 tons), Hong Kong (2,000 tons), and Singapore (1,100 tons).

Cement exports declined steadily after the first quarter of 1965, dropped to zero in January 1966, but recovered strongly in February, March, and April. The high correlation* between the decline in volume of cement exports and the intensity and duration of the bombing of North Vietnam strongly suggests the existence of a causal relationship, although none has been established. Exports of miscellaneous general cargoes amounted to only 1,400 tons in April, compared with an average of 10,000 tons a month in 1965. No shipments of apatite or pig iron were detected aboard foreign ships in April.

* Assuming a lag of one to two months in the changes in volume of cement exports.

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No seaborne exports of apatite have been detected since the Hanoi-Lao Cai rail line was cut in July 1965, although the line has been reopened on occasions since then. North Vietnam's failure to implement export shipments in the face of a strong market for its apatite remains a puzzle.

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Table 1

North Vietnam: Foreign-Flag Ship Arrivals a/
March, April, and Cumulative
1966

Flag	March		April		Cumulative	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Total	<u>35</u>	<u>100.0</u>	<u>31</u>	<u>100.0</u>	<u>151</u>	<u>100.0</u>
Communist countries	<u>29</u>	<u>82.9</u>	<u>24</u>	<u>77.4</u>	<u>108</u>	<u>71.5</u>
USSR	12	34.3	11	35.5	42	27.8
Eastern Europe	4	11.4	2	6.5	11	7.3
Bulgaria			1	3.2	2	1.3
Poland	4	11.4	1	3.2	9	6.0
Communist China	13	37.1	11	35.5	54	35.8
Cuba					1	0.7
Free World	<u>6</u>	<u>17.1</u>	<u>7</u>	<u>22.6</u>	<u>43</u>	<u>28.5</u>
Cyprus	1	2.9	1	3.2	3	2.0
Greece			1	3.2	5	3.3
Italy					1	0.7
Malta			1	3.2	1	0.7
United Kingdom	5	14.3	4	12.9	33	21.9

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

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Table 2

North Vietnam: Tonnage of Foreign-Flag Ship Arrivals a/
March, April, and Cumulative 1966

Flag	March		April		Cumulative	
	Number	Thousand Gross Register Tons	Number	Thousand Gross Register Tons	Number	Thousand Gross Register Tons
Total	<u>35</u>	<u>202.4</u>	<u>31</u>	<u>200.8</u>	<u>151</u>	<u>877.6</u>
Communist countries	<u>29</u>	<u>176.4</u>	<u>24</u>	<u>158.1</u>	<u>108</u>	<u>643.0</u>
USSR	12	76.4	11	86.6	42	300.8
Eastern Europe	4	28.8	2	16.7	11	85.1
Communist China	13	71.1	11	54.8	54	247.4
Cuba					1	9.7
Free World	<u>6</u>	<u>26.1</u>	<u>7</u>	<u>42.7</u>	<u>43</u>	<u>234.6</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.

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Table 3

North Vietnam: Identified Imports Carried by Foreign-Flag Ships a/
April 1966

Flag	Commodity							Total
	Ammonium Sulfate and Other Fertilizers	Petroleum	Grain and Other Foodstuffs	Coal	Timber	Miscellaneous		
Total	<u>8.1</u>	<u>34.3</u>	<u>1.0</u>	<u>0</u>	<u>0</u>	<u>29.4</u>	<u>72.8</u>	
Communist countries	<u>8.1</u>	<u>34.3</u>	<u>1.0</u>	<u>0</u>	<u>0</u>	<u>18.1</u>	<u>61.5</u>	
USSR	8.1	34.3				18.1	60.5	
Eastern Europe								
Communist China b/			1.0				1.0	
Free World	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11.3</u>	<u>11.3</u>	

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

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

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Table 4

North Vietnam: Identified Exports Carried
by Foreign-Flag Ships a/
April 1966

Thousand Metric Tons

Flag	Commodity					Total
	Coal	Apatite	Cement	Pig Iron	Miscel- laneous	
Total	<u>82.9</u>	<u>0</u>	<u>15.1</u>	<u>0</u>	<u>1.4</u>	<u>99.3</u>
Communist countries	<u>73.4</u>	<u>0</u>	<u>9.3</u>	<u>0</u>	<u>1.4</u>	<u>84.1</u>
USSR	19.5					19.5
Eastern Europe	8.3				0.7	9.0
Communist China <u>b/</u>	45.6		9.3		0.6	55.6
Free World	<u>9.5</u>	<u>0</u>	<u>5.8</u>	<u>0</u>	<u>0</u>	<u>15.3</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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