

5140

April 1965

MEMORANDUM FOR: ORR/St/PR

THROUGH: Chief, D/I

FROM: Chief, I/IS

SUBJECT: Memorandum for the Record of Information
Requested (via phone) 10 March and Transmitted
Orally that Day

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
1998

Haslan G.

1. On the morning of 19 March 1965 Mr. Moen of State, INR/RSE requested that I provide by c.o.b. that day any available information on merchant ships being purchased by Bloc parties from Free World sellers (or builders) on credit terms of longer than 5 years. INR was to compile this information for Mr. Morin of the Office of Telecommunications and Maritime Affairs in support of an international meeting taking place in New York the following day.

2. The following information was transmitted by phone that afternoon:

a. Joseph Boal & Sons of Temse, Belgium signed a contract in East Berlin on 14 January 1965 for the construction of 2 refrigerator ships for East Germany to be delivered in July and September of 1966. The contract price was \$4,236,000 of which 5% was to be paid when contract went into force (pending government approval), 5% to be paid on launching (not before 1 January 1966) and the balance in 12 equal semi-annual installments beginning six months after delivery. Interest on the 90% balance was to be at 6 1/2% per annum. (Confidential) On 18 February 1965 the Belgian Export Credit Guarantee Office agreed to guarantee the credit. (Confidential)

b. In early 1965 Rumania contracted with the U.K. builder Sir James Laing-Sunderland for the construction of two general cargo vessels of 15,000 d.w.t. each on a ten year credit term at 5 1/2% for 80 percent of the purchase price. (Unclassified) Total cost of the contract was said to be £ 3 million. (Confidential)

c. In January 1965, the government of Japan approved a Rumanian contract with the Hitachi Shipbuilding and Engineering Company for the construction of eight 25,000 d.w.t. bulk or liquid

~~CONFIDENTIAL~~

cargo carriers and two 35,000 d.w.t. tankers. The contract price was \$36 million with a twenty-five percent down payment. The balance was to be paid over a 7 year period (from delivery date) at 6½% interest. Deliveries were to be made in the 1965-67 period.

d. The major Soviet contracts in 1962 specified a repayment period of 6 years and covered the following ships:

1. 6 "Lisichansk" class 23,000 Grt tankers built by Mitsubishi (all but 2 delivered prior to 31 December 1964) Confidential.
2. 6 "Lisichansk" class 23,000 Grt tankers built by Ishikawajima-Harima (all delivered prior to 31 December 1964) Confidential.
3. 5 "Omsk" class 11,000 Grt dry cargo vessels built by Hitachi (all delivered prior to 31 December 1964) Confidential.
4. Dredges and barges for waterway maintenance and crane vessels built by Hitachi (Confidential).

e. The major contracts in 1963 specified repayment periods of 5½ years and covered the following ships:

1. 2 "Kegums" class liquified petroleum gas tankers of 3,400 Grt built by Mitsubishi (both delivered at the beginning of 1965) Unclassified.
2. 8 "Spaask" class fish factory ships of 18,000 Grt built by Mitsubishi (none delivered as of 1 March 1965) Unclassified.
3. 5 "Krasnyy Luch" class tuna factory ships of 5,100 Grt built by Hitachi (3 out of 5 delivered as of 1 March 1965) Confidential.

f. In 1963 the USSR contracted with the Kieler Howaldtswerke in West Germany for the construction of 8 "Rybatskaya Slava" class fish factory ships of 18,000 Grt. The repayment period is reported to be at least 6 years. (None of these ships had been delivered as of 1 March 1965.) Confidential

g. During 1964 the USSR entered into two contracts with the Danish firm of Burmeister and Wain for the delivery of additional refrigerator ships of the 4,700 Grt "Skryplev" class. The first

contract, covering 3 ships, specified a repayment period of 8 years. The repayment period for the second contract which covered 4 ships is not known. (Confidential)

cc: Department of State
Mr. Moen, INR/RSE