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Economic Intelligence Memorandum

CHARTERING OF NON-BLOC MERCHANT SHIPS
BY THE SINO-SOVET BLOC

1959
CIA HISTORICAL REVIEW PROGRAM
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CENTRAL INTELLIGENCE AGENCY
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FOREWORD

During 1960 this Office, with the agreement of the Subcommittee of Transportation of the Economic Intelligence Committee, adopted a new system of compiling information on ships chartered by countries of the Sino-Soviet Bloc from countries outside the Bloc. The new system is developed to the point where aggregative data for 1959 are now available, and it is expected that the charter register will be reasonably current by the end of 1961.

The charter of ships by the Sino-Soviet Bloc does not reflect completely the dependence of the Bloc on non-Bloc ships for shipping service. Part-load cargoes are shipped by Bloc countries on non-Bloc ships serving Bloc ports in liner service. This memorandum does not attempt to assess the magnitude or importance of non-Bloc liner service to the Sino-Soviet Bloc.

This memorandum has not been coordinated with other USIB agencies. This Office will welcome comments or suggestions from users of this memorandum.

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CHARTERING OF NON-BLOC MERCHANT SHIPS
BY THE SINO-SOVIET BLOC*
1959

1. Volume of Charters by Chartering Country**

During 1959, countries of the Sino-Soviet Bloc chartered merchant ships from non-Bloc countries for more than 2,000 voyages involving more than 16.5 million deadweight tons (DWT),*** according to records available to this Office. The tonnage of ships under charter averaged about 1.5 million DWT per month, of which more than 700,000 DWT represented ships under time charter.† These charters are estimated to have cost the Bloc at least US \$80 million during 1959.

The USSR and Communist China hired about two-thirds of the dead-weight tonnage involved. Among the European Satellites, Poland chartered the most extensively. No records are available of ships chartered to Albania or the Asian Satellites, but it is possible that their trade was carried primarily by ships owned or chartered by other countries of the Sino-Soviet Bloc. The following tabulation shows the distribution of chartering activity:

* The estimates and conclusions in this memorandum represent the best judgment of this Office as of 15 February 1961.

** Two major groups of sources were used in compiling these charter records. Source 1/ (for serially numbered source references, see Appendix C) was used in identifying the charterer, the ship chartered, and the cargo carried. Source 2/ provided such general reference material as dates and places of departure and arrival, ship tonnages, freight rates, and types of cargo.

*** Deadweight tonnage is the carrying capacity of a ship in metric tons -- that is, the difference between the displacement light and the displacement loaded. These listings are based on individual voyages rather than on individual ships. Voyages provide a more accurate measure of the extent of chartering, because one ship could have been chartered for a number of voyages. For ships under time charter the data are made comparable by calculating one voyage for the outbound trip and one voyage for the inbound trip. Summaries of data on these charters are presented in Appendix A, Tables 1 through 12, pp. 8 through 24, below.

† The method used in computing this estimate is explained in the footnote on p. 2, below.

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| <u>Charterer</u> | <u>Number of Voyages</u> | <u>Million Deadweight Tons</u> |
|------------------|--------------------------|------------------------------------|
| Communist China | 639 | 5.81 |
| USSR | 638 | 5.67 |
| Poland | 364 | 2.59 |
| Czechoslovakia | 180 | 1.04 |
| East Germany | 73 | 0.64 |
| Rumania | 59 | 0.35 |
| Bulgaria | 77 | 0.34 |
| Hungary | 19 | 0.11 |

The tabulation above does not indicate fully the extent to which Communist China surpassed the USSR in the amount of time that it had non-Bloc ships at its disposal, because Communist China relied heavily on time-chartered ships. For the same reason, China also spent considerably more money than did the USSR in chartering ships. These considerations are illustrated in the following tabulation:

| <u>Charterer</u> | <u>Index of Average Deadweight Tonnage per Month* (China = 100)</u> | <u>Estimated Payments for Charter Hire</u> | |
|------------------|---|--|--------------------------------|
| | | <u>Million US \$</u> | <u>Index (China = 100)</u> |
| Communist China | 100 | 33.1 | 100 |
| USSR | 30 | 22.9 | 69 |
| Poland | 19 | 13.7 | 41 |
| Czechoslovakia | 7 | 5.9 | 18 |
| Others | 8 | 5.7 | 17 |

In relation to deadweight tonnage per month, China appears to have paid less than the other countries, probably because it obtained ships for low time charter rates in 1958 and early 1959. The rest of the Bloc obtained ships largely by paying the higher voyage charter rates.

* Estimates of average deadweight tonnages per month were calculated on the basis of data in Appendix A, Table 2 through 9, pp. 9 through 17, below. The following methodology was used. China, for example, had 287 charter fixtures in 1959. If each charter fixture had extended for 12 months, the total (287 fixtures times 12) would have been 3,444 months of charter fixtures, and the total deadweight tons under charter during the year -- 3.1 million DWT -- would have been the average for 1 month. Estimated on the basis of individual voyages, however, the actual time over which charter fixtures extended was only 1,110.5 months, 32.2 percent of the possible total. Average deadweight tons per month, therefore, would also be 32.2 percent of the maximum possible total, or 1.0 million DWT.

Communist China concluded 133 time-charter fixtures in 1959, about 50 of which apparently were carried over from 1958. The USSR and Poland, with 18 and 14 time-charter fixtures, respectively, were the only other countries of the Sino-Soviet Bloc that engaged extensively in time-charter transactions.

2. Volume of Charters by Flag of Ship

The total voyages of non-Bloc merchant ships chartered by the Sino-Soviet Bloc in 1959 are listed by maritime flag in Table 1.* Flags that supplied more than 500,000 DWT were as follows, in order of tonnage:

| <u>Flag of Ship</u> | <u>Number of Voyages</u> | <u>Thousand Deadweight Tons</u> |
|---------------------|--------------------------|---------------------------------|
| Norwegian | 497 | 4,095 |
| Greek | 291 | 2,712 |
| British | 189 | 2,065 |
| Italian | 212 | 1,966 |
| German (West) | 241 | 1,019 |
| Swedish | 125 | 978 |
| Liberian | 69 | 859 |
| Danish | 110 | 750 |

3. Ships Under Time Charter

Tables 10** and 11*** present data on time-charter fixtures of non-Bloc ships concluded by countries of the Sino-Soviet Bloc in 1959. These charter fixtures amounted to 167, and the ships made at least 667 voyages involving 4.8 million DWT, or about 30 percent of the 16.5 million DWT involved under all types of charter in 1959. Communist China accounted for 83 percent of the voyage deadweight tonnage under time charter. Ships time-chartered for operations on the Chinese coast, however, were recorded only once per fixture,† and, therefore, the index of average deadweight tonnage per month gives even greater weight to China as a time charterer, as shown in the following tabulation:

* Appendix A, p. 8, below.

** Appendix A, p. 19, below.

*** Appendix A, p. 20, below.

† No attempt has been made to record each shuttle voyage in the coastal operations.

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| <u>Charterer</u> | <u>Percent of Total Time-Charter Fixtures*</u> | <u>Index of Average Deadweight Tonnage per Month** (China = 100)</u> |
|------------------|--|--|
| Communist China | 84.6 | 100.0 |
| USSR | 10.3 | 4.7 |
| Poland | 4.8 | 4.6 |
| Others | 0.3 | Negl. |

Ships under Norwegian and British flags provided the greatest amount of service under time charter, as shown in the following tabulation:

| <u>Flag of Ship</u> | <u>Average Deadweight Tonnage Per Month** (Thousand)</u> |
|---------------------|--|
| British | 205 |
| Norwegian | 193 |
| Greek | 124 |
| Danish | 94 |
| German (West) | 34 |

The average length of time that non-Bloc ships were under time charter varied according to the flag of the ship and the country doing the chartering. Ships under time charter to Communist China averaged 6 months; those to Poland, 5 months; and those to the USSR, only 2.4 months. Ships under Danish flag averaged almost 9 months; under Swedish flag, about 8 months; under Norwegian flag, almost 7 months; and under British flag, almost 6 months.

4. Tankers Under Charter

In 1959, countries of the Sino-Soviet Bloc chartered at least 314 tankers involving 319 voyages and about 4.9 million DWT. These amounts represent almost 16 percent of the total number of ships and almost 30 percent of the total voyage deadweight tons chartered by the Bloc during the year. The USSR accounted for about 75 percent and East Germany about 9 percent of the tanker tonnage. Records of tankers chartered by Rumania probably are incomplete. There is evidence that

* Based on the tonnage of the fixtures.

** The method used in computing this estimate is explained in the footnote on p. 2, above.

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Rumania exports most of its petroleum f.o.b., using tankers of the importing country, and there also is evidence that some of the tankers recorded as chartered by the USSR were actually for Rumanian use. Even if the records were incomplete by as much as 50 percent, however, Rumania would have accounted for only about 6 percent of the tonnage and is therefore a relatively unimportant charterer of tanker tonnage. Norwegian tankers constituted the largest share of chartered tanker capacity -- 1.9 million DWT, or about 40 percent of the total ship tonnage and 42 percent of the average tonnage available per month. Tankers under Italian flag supplied 1.0 million DWT, or 21 percent of the total, but the Italian tankers generally made shorter trips than the Norwegian and accounted for only 19 percent of the average tonnage available per month.

5. Impact of Sino-Soviet Bloc Chartering on the World Dry Cargo Tramp Fleet

The world dry cargo tramp fleet* at the end of 1959 amounted to about 24.9 million DWT, of which some 4.3 million DWT were laid up without employment. 3/ The average active tramp fleet in 1959 probably was about 17.8 million DWT, when allowance is made for the 6.6 million DWT of ships laid up on the average throughout the year 4/ and for one-half of an estimated 1 million DWT of additions to the fleet during the year. Dry cargo tramp ships represent about 70 percent of the total voyage deadweight tonnage of all non-Bloc ships hired by the Bloc in 1959, and the minimum average per month of non-Bloc dry cargo tonnage under charter to the Bloc was 1.1 million DWT. Therefore, the Bloc accounted for the employment of about 6 percent of the active and 4 percent of the total world tramp fleet during 1959.

Dry cargo fixtures reported on the world charter market amounted to 57.6 million DWT,** 5/ of which about 15 percent (8.5 million DWT) were recorded charter fixtures made by the Bloc.

The number of fixtures and the amounts of tonnage involved are significant only in that they indicate the amount of activity in the market and the influence that negotiations or lack of negotiations may have on charter rates. Because in fact many negotiations and actual charter fixtures are not reported, the actual tonnage of world dry cargo fixtures in 1959 was considerably in excess of the 57.6 million DWT reported by the maritime research services. Consequently, the influence of the Sino-Soviet Bloc on the world charter market was much less than would be indicated by use of the reported cargo-fixture data alone. The uncertainty about the total world dry cargo fixtures, therefore, makes the extent of Bloc influence on the world charter market more apparent when Bloc employment of shipping tonnage is related to the tonnage of the active world fleet.

* Vessels of 4,000 DWT and more.

** Including time charters and consecutive voyage charters.

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APPENDIX A

STATISTICAL TABLES

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Table 1

Non-Bloc Merchant Ships Chartered by the Sino-Soviet Bloc a/
1959

| Flag of Ship | Charter Fixtures | | Voyages b/ | | Months Involved c/ | Estimated Expenditures d/ (Thousand US \$) |
|---------------|------------------|----------------------------|------------|----------------------------|--------------------|--|
| | Number | Deadweight Tons (Thousand) | Number | Deadweight Tons (Thousand) | | |
| American (US) | 11 | 121 | 11 | 121 | 7.5 | 1,085 |
| Argentine | 7 | 94 | 7 | 94 | 6.0 | 595 |
| British | 149 | 1,670 | 189 | 2,065 | 368.0 | 11,880 |
| Costa Rican | 11 | 87 | 11 | 87 | 8.5 | 370 |
| Danish | 49 | 308 | 110 | 750 | 173.0 | 4,270 |
| Dutch | 48 | 332 | 83 | 365 | 41.0 | 1,565 |
| EGYPTIAN | 12 | 59 | 12 | 59 | 9.0 | 235 |
| Finnish | 47 | 327 | 447 | 447 | 155.0 | 2,350 |
| French | 7 | 46 | 7 | 46 | 5.0 | 165 |
| German (West) | 178 | 749 | 241 | 1,019 | 161.0 | 4,730 e/ |
| Greek | 250 | 2,212 | 291 | 2,712 | 326.5 | 15,205 |
| Italian | 212 | 1,966 | 212 | 1,966 | 151.0 | 7,365 |
| Lebanese | 27 | 108 | 27 | 108 | 20.5 | 565 |
| Liberian | 69 | 859 | 69 | 859 | 62.0 | 4,900 |
| Norwegian | 303 | 2,870 | 497 | 4,095 | 386.5 | 17,475 |
| Panamanian | 41 | 307 | 41 | 307 | 36.0 | 1,780 |
| Swedish | 71 | 721 | 125 | 978 | 104.5 | 4,650 |
| Turkish | 7 | 52 | 7 | 52 | 5.0 | 190 |
| Yugoslav | 31 | 266 | 31 | 266 | 27.5 | 990 |
| Others | 21 | 151 | 21 | 151 | 17.0 | 835 |
| Total f/ | 1,549 | 13,306 | 2,051 | 16,547 | 2,070.5 | 81,200 g/ |

- a. Because of inclusions of certain flags in the category "Others" in all tables, figures by flag given in Tables 2 through 9 will not necessarily add to the totals for each flag shown in this table.
- b. Each trip in and out of a ship under time charter is included as one voyage, making two voyages for each round trip, with the exception of Chinese-chartered ships operating on the Chinese coast only. The latter are counted only once per fixture.
- c. Estimated on an individual voyage basis.
- d. Estimates are minimal as far as possible and cover charter hire only.
- e. Not including expenditures for 18 voyages.
- f. Because of rounding, components may not add to the totals shown and for the same reason will not be in exact agreement with the sums of the totals in Tables 2 through 9.
- g. Not including expenditures for 26 voyages.

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Table 2

Non-Bloc Merchant Ships Chartered by the USSR
1959

| Flag of Ship | Charter Fixtures | | Voyages a/ | | Months Involved b/ | Estimated Expenditures c/ (Thousand US \$) |
|---------------|------------------|----------------------------|------------|----------------------------|--------------------|--|
| | Number | Deadweight Tons (Thousand) | Number | Deadweight Tons (Thousand) | | |
| Argentine | 2 | 36 | 2 | 36 | 1.5 | 270 |
| British | 19 | 229 | 25 | 263 | 22.0 | 1,000 |
| Denish | 15 | 64 | 15 | 64 | 8.5 | 230 |
| Dutch | 17 | 150 | 17 | 150 | 9.5 | 660 |
| Egyptian | 7 | 42 | 7 | 42 | 5.5 | 170 |
| Finnish | 22 | 142 | 22 | 142 | 12.5 | 815 |
| German (West) | 76 | 268 | 94 | 296 | 50.5 | 1,570 |
| Greek | 49 | 491 | 49 | 491 | 32.0 | 2,115 |
| Italian | 84 | 1,074 | 84 | 1,074 | 48.5 | 2,670 |
| Lebanese | 10 | 42 | 10 | 42 | 8.0 | 290 |
| Liberian | 23 | 303 | 23 | 303 | 18.0 | 1,480 |
| Norwegian | 209 | 1,953 | 220 | 2,097 | 130.5 | 8,820 |
| Panamanian | 12 | 95 | 12 | 95 | 10.0 | 610 |
| Swedish | 25 | 287 | 25 | 287 | 14.5 | 1,010 |
| Yugoslav | 16 | 162 | 16 | 162 | 15.5 | 550 |
| Others | 17 | 124 | 17 | 124 | 10.5 | 650 |
| Total. d/ | 603 | 5,462 | 638 | 5,668 | 397.5 | 22,910 e/ |

a. Each trip in and out by a ship under time charter is included as one voyage, making two voyages for each round trip.

b. Estimated on an individual voyage basis.

c. Estimates are minimal as far as possible and cover charter hire only.

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

e. Not including expenditures for eight voyages.

Table 3
Non-Bloc Merchant Ships Chartered by Poland
1959

| Flag of Ship | Charter Fixtures | | Voyages a/ | | Months Involved b/ | Estimated Expenditures c/ (Thousand US \$) |
|---------------|------------------|----------------------------|------------|----------------------------|--------------------|--|
| | Number | Deadweight Tons (Thousand) | Number | Deadweight Tons (Thousand) | | |
| American (US) | 11 | 121 | 11 | 121 | 7.5 | 1,085 |
| British | 18 | 194 | 18 | 194 | 17.0 | 1,085 |
| Danish | 7 | 37 | 15 | 93 | 22.0 | 470 |
| Dutch | 17 | 54 | 51 | 77 | 19.0 | 370 |
| Finnish | 10 | 72 | 18 | 146 | 20.0 | 815 |
| German (West) | 55 | 156 | 78 | 273 | 37.5 | 1,050 |
| Greek | 25 | 285 | 25 | 285 | 28.0 | 1,825 |
| Italian | 25 | 262 | 25 | 262 | 23.0 | 1,445 |
| Liberian | 26 | 338 | 26 | 338 | 25.0 | 2,095 |
| Norwegian | 29 | 285 | 31 | 304 | 35.5 | 1,575 |
| Panamanian | 6 | 50 | 6 | 50 | 5.0 | 235 |
| Swedish | 20 | 217 | 40 | 247 | 17.5 | 745 |
| Yugoslav | 9 | 85 | 9 | 85 | 8.0 | 340 |
| Others | 11 | 109 | 11 | 109 | 8.5 | 520 |
| Total d/ | 269 | 2,267 | 364 | 2,586 | 273.5 | 13,652 |

a. Each trip in and out by a ship under time charter is included as one voyage, making two voyages for each round trip.

b. Estimated on an individual voyage basis.

c. Estimates are minimal as far as possible and cover charter hire only.

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

Table 4

Non-Bloc Merchant Ships Chartered by Czechoslovakia
1959

| Flag of Ship | Voyages and Charter Fixtures a/ | | | Months Involved b/ | Estimated Expenditures c/ (Thousand US \$) |
|---------------|---------------------------------|-------------------------------|--|--------------------|---|
| | Number | Deadweight Tons (Thousand) | | | |
| Argentine | 3 | 35 | | 3.0 | 195 |
| British | 11 | 128 | | 15.0 | 875 |
| Danish | 7 | 46 | | 7.0 | 235 |
| Dutch | 2 | 11 | | 2.0 | 85 |
| Egyptian | 2 | 13 | | 2.5 | 45 |
| Finnish | 2 | 14 | | 1.0 | 30 |
| German (West) | 25 a/ | 97 a/ | | 19.5 | 560 |
| Greek | 32 | 106 | | 19.5 | 515 |
| Indian | 4 | 45 | | 5.0 | 240 |
| Italian | 38 | 218 | | 26.5 | 995 |
| Lebanese | 12 | 34 | | 7.5 | 90 |
| Liberian | 10 | 102 | | 8.5 | 560 |
| Norwegian | 6 | 17 | | 3.0 | 80 |
| Panamanian | 12 | 87 | | 9.5 | 490 |
| Swedish | 5 | 48 | | 4.0 | 780 |
| Yugoslav | 4 | 8 | | 2.0 | 20 |
| Others | 5 | 25 | | 4.0 | 80 |
| Total d/ | 180 | 1,036 | | 139.5 | 5,875 |

a. Only one time-charter fixture was recorded

b. Estimated on an individual voyage basis.

c. Estimates are minimal as far as possible and cover charter hire only.

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

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Table 5
Non-Bloc Merchant Ships Chartered by East Germany
1959

| Flag of Ship | <u>Voyages and Charter Fixtures a/</u> | | | Estimated Expenditures c/ (Thousand US \$) |
|---------------|--|---------------------------------------|-------------------------------|---|
| | <u>Number</u> | <u>Deadweight Tons (Thousand)</u> | <u>Months Involved b/</u> | |
| British | 8 | 121 | 7.0 | 515 |
| Dutch | 9 | 95 | 4.5 | 300 |
| German (West) | 7 | 35 | 6.0 | 50 |
| Norwegian | 17 | 206 | 10.5 | 725 |
| Swedish | 16 a/ | 45 a/ | 11.5 | 165 |
| Others | 16 | 139 | 10.5 | 520 |
| Total | <u>73</u> | <u>641</u> | <u>50.0</u> | <u>2,275 d/</u> |

a. Only one time-charter fixture was recorded, a Swedish ship. Therefore, figures for voyages and fixtures will be the same for all flags except Swedish. The number of Swedish fixtures is 6 compared with 16 voyages and 18,000 DWT of Swedish fixtures compared with 45,000 DWT of voyages. Total figures are 63 fixtures compared with 73 voyages and 614,000 DWT of fixtures compared with 641,000 DWT of voyages.

b. Estimated on an individual voyage basis.

c. Estimates are minimal as far as possible and cover charter hire only.

d. Not including expenditures for six voyages.

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Table 6
Non-Bloc Merchant Ships Chartered by Bulgaria
1959

| Flag of Ship | Voyages and Charter Fixtures a/ | | Months Involved b/ | Estimated Expenditures c/ (Thousand US \$) |
|---------------|---------------------------------|-------------------------------|--------------------|---|
| | Number | Deadweight Tons (Thousand) | | |
| German (West) | 7 | 51 | 3.5 | 180 |
| Greek | 14 | 43 | 10.0 | 215 |
| Italian | 38 | 134 | 21.5 | 460 |
| Others | 18 | 114 | 12.5 | 555 |
| Total | 77 | 342 | 47.5 | 1,410 |

a. There were no ships recorded as under time charter to Bulgaria. Therefore, the number and deadweight tonnage of voyages are the same as the number and deadweight tonnage of fixtures.

b. Estimated on an individual voyage basis.

c. Estimates are minimal as far as possible and cover charter hire only.

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Table 7

Non-Bloc Merchant Ships Chartered by Rumania
1959

| Flag of Ship | <u>Voyages and Charter Fixtures a/</u> | | | Estimated Expenditures c/ (Thousand US \$) |
|---------------|--|---------------------------------------|-------------------------------|---|
| | <u>Number</u> | <u>Deadweight Tons (Thousand)</u> | <u>Months Involved b/</u> | |
| German (West) | 3 | 11 | 1.5 | 30 |
| Greek | 31 | 112 | 19.5 | 545 |
| Italian | 5 | 21 | 3.0 | 105 |
| Norwegian | 6 | 71 | 3.5 | 245 |
| Swedish | 4 | 41 | 3.0 | 160 |
| Others | 10 | 93 | 6.0 | 340 |
| Total | <u>59</u> | <u>349</u> | <u>36.5</u> | <u>1,425</u> |

a. There were no ships recorded as under time charter to Rumania. Therefore, the number and deadweight tonnage of voyages are the same as the number and deadweight tonnage of fixtures.

b. Estimated on an individual voyage basis.

c. Estimates are minimal as far as possible and cover charter hire only.

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Table 8
Non-Bloc Merchant Ships Chartered by Hungary
1959

| <u>Flag of Ship</u> | <u>Number</u> | <u>Deadweight Tons</u> <u>(Thousand)</u> | <u>Months</u> <u>Involved b/</u> | <u>Estimated Expenditures c/</u> <u>(Thousand US \$)</u> |
|---------------------|---------------|---|-------------------------------------|---|
| Greek | 8 | 56 | 7.0 | 400 |
| Others | 11 | 56 | 8.5 | 195 |
| Total | <u>19</u> | <u>112</u> | <u>15.5</u> | <u>595</u> |

a. There were no ships recorded as under time charter to Hungary. Therefore, the number and deadweight tonnage of voyages are the same as the number and deadweight tonnage of fixtures.

b. Estimated on an individual voyage basis.

c. Estimates are minimal as far as possible and cover charter hire only.

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Table 9

Non-Bloc Merchant Ships Chartered by Communist China
1959

| I. Summary | | Charter Fixtures | | Voyages a/ | | Estimated Expenditures c/ | |
|-----------------|------------|-------------------------------|------------|-------------------------------|-----------------------|---------------------------|--------------------|
| Flag of Ship | Number | Deadweight Tons (Thousand) | Number | Deadweight Tons (Thousand) | Months Involved b/ | Charter Hire | Operating Costs |
| British | 88 | 942 | 122 | 1,301 | 302.5 | 8,110 | 4,140 |
| Danish | 16 | 136 | 69 | 521 | 131.0 | 3,280 | 2,150 |
| German (West) | 13 | 134 | 27 | 255 | 142.5 | 1,290 | 635 |
| Greek | 87 | 1,053 | 128 | 1,553 | 207.5 | 9,325 | 2,215 |
| Italian | 18 | 217 | 18 | 217 | 26.5 | 1,605 | 85 |
| Liberian | 7 | 85 | 7 | 85 | 8.5 | 600 | 0 |
| Norwegian | 35 | 327 | 216 | 1,386 | 203.0 | 5,970 | 3,335 |
| Swedish | 8 | 95 | 32 | 296 | 52.5 | 1,765 | 845 |
| Others | 15 | 143 | 20 | 159 | 134.5 | 1,130 | 385 |
| Total d/ | 287 | 3,133 | 532 | 5,814 | 1,110.5 | 33,052 | 13,790 |

| II. Ships Chartered for International Trading | | Voyages in International Trade a/ | | Voyages in Coastal Trade b/ | |
|---|------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| Flag of Ship | Number | Deadweight Tons (Thousand) | Months Involved b/ | Deadweight Tons (Thousand) | Months Involved b/ |
| British | 86 | 1,036 | 175.0 | 67 | 10.5 |
| Danish | 68 | 509 | 128.0 | 0 | 0 |
| German (West) | 20 | 240 | 40.5 | 15 | 2.0 |
| Greek | 111 | 1,350 | 178.5 | 172 | 22.5 |
| Italian | 17 | 206 | 21.5 | 0 | 0 |
| Liberian | 7 | 85 | 8.5 | 0 | 0 |
| Norwegian | 204 | 1,204 | 182.5 | 84 | 16.5 |
| Swedish | 27 | 243 | 44.0 | 53 | 8.5 |
| Others | 18 | 180 | 132.0 | 10 | 1.0 |
| Total d/ | 572 | 5,142 | 910.5 | 401 | 61.0 |

| III. Ships Chartered for Coastal Trading | | Charter Fixtures a/ | |
|--|-----------|-------------------------------|-----------------------|
| Flag of Ship | Number | Deadweight Tons (Thousand) | Months Involved b/ |
| British | 20 | 199 | 117.0 |
| Others | 7 | 72 | 22.0 |
| Total | 27 | 271 | 139.0 |

a. Each trip to and from China made by a ship time-chartered for international trading is counted as one voyage. When a time-chartered ship normally in international trading was transferred into the coastal service, the coastal service is counted as one voyage. When a ship making an international voyage calls at two or three Chinese ports during the voyage, the coastal calls are not counted separately. Ships chartered specifically for the coastal service are counted only by the number of fixtures. No attempt has been made to follow the coastal shuttle movements to assign the numbers of voyages in the coastal service.

b. Estimated on an individual voyage basis. Operating costs cover time-chartered ships only and include daily operating costs (estimated at an average of \$60 per ship per day b/) and Suez Canal tolls where applicable.

c. Estimates are minimal as far as possible.

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

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Table 10

Non-Bloc Merchant Ships Under Time Charter to the Sino-Soviet Bloc, by Flag of Ship a/
1959

| Flag of Ship | Charter Fixtures | | Voyages b/ | | Months Involved |
|---------------|------------------|----------------------------|------------|----------------------------|-----------------|
| | Number | Deadweight Tons (Thousand) | Number | Deadweight Tons (Thousand) | |
| British | 45 | 444 | 85 | 838 | 249.0 |
| Danish | 18 | 137 | 79 | 579 | 148.5 |
| Dutch | 3 | 11 | 38 | 44 | 15.0 |
| Finnish | 4 | 41 | 16 | 161 | 25.5 |
| German (West) | 15 | 104 | 78 | 374 | 59.5 |
| Greek | 26 | 321 | 67 | 821 | 120.5 |
| Norwegian | 44 | 424 | 238 | 1,646 | 240.5 |
| Swedish | 8 | 61 | 62 | 318 | 61.0 |
| Others | 4 | 35 | 4 | 35 | 10.5 |
| Total c/ | 167 | 1,578 | 667 | 4,815 | 930.0 |

a. Because of inclusions of certain flags in the category "Others," figures by flag given in Table 11, p. 20, will not necessarily add to the totals for each flag shown in this table.

b. For purposes of comparison with voyage charters, each trip in and out of a ship under time charter is included as one voyage, making two voyages for each round trip, with the exception of Chinese-chartered ships operating on the Chinese coast only. The latter are counted only once per fixture.

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

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Table 11

Non-Bloc Merchant Ships Under Time Charter, by Chartering Bloc Country
1959

| Chartering Country and Flag of Ship | Charter Fixtures | | Voyages ^a / _* | | Months Involved |
|--|------------------|-------------------------------|-------------------------------------|-------------------------------|--------------------|
| | Number | Deadweight Tons (Thousand) | Number | Deadweight Tons (Thousand) | |
| Communist China | | | | | |
| British | 41 | 420 | 75 | 779 | 237.0 |
| Danish | 15 | 116 | 68 | 501 | 130.0 |
| Finnish | 3 | 32 | 7 | 77 | 13.5 |
| German (West) | 8 | 80 | 22 | 201 | 36.5 |
| Greek | 26 | 321 | 67 | 821 | 120.5 |
| Norwegian | 31 | 279 | 212 | 1,338 | 212.5 |
| Swedish | 6 | 56 | 30 | 257 | 49.0 |
| Others | 3 | 31 | 4 | 42 | 11.5 |
| Total | <u>133</u> | <u>1,332</u> | <u>485</u> | <u>4,016</u> | <u>810.5</u> |

* Footnotes for Table 11 follow on p. 22.

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Table 11

Non-Bloc Merchant Ships Under Time Charter, by Chartering Bloc Country
1959
(Continued)

| Chartering Country and Flag of Ship | Charter Fixtures | | Voyages ^{a/} | | Months Involved |
|--|------------------|-------------------------------|-----------------------|-------------------------------|--------------------|
| | Number | Deadweight Tons (Thousand) | Number | Deadweight Tons (Thousand) | |
| Poland | | | | | |
| Danish | 3 | 21 | 11 | 77 | 18.5 |
| Dutch | 2 | 1 | 36 | 24 | 10.0 |
| Finnish | 1 | 9 | 9 | 83 | 12.0 |
| German (West) | 3 | 19 | 26 | 136 | 10.0 |
| Norwegian | 4 | 23 | 6 | 42 | 11.5 |
| Swedish | 1 | 2 | 21 | 32 | 6.0 |
| Total ^{b/} | <u>14</u> | <u>76</u> | <u>109</u> | <u>394</u> | <u>68.0</u> |
| USSR | | | | | |
| British | 4 | 24 | 10 | 58 | 12.0 |
| German (West) | 3 | 4 | 21 | 32 | 10.0 |
| Norwegian | 9 | 122 | 20 | 266 | 16.5 |
| Others | 2 | 14 | 2 | 14 | 4.0 |
| Total ^{b/} | <u>18</u> | <u>164</u> | <u>53</u> | <u>370</u> | <u>42.5</u> |

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Table 11

Non-Bloc Merchant Ships Under Time Charter, by Chartering Bloc Country
1959
(Continued)

| Chartering Country and Flag of Ship | Charter Fixtures | | Voyages a/ | | Months Involved |
|--|------------------|-------------------------------|------------|-------------------------------|--------------------|
| | Number | Deadweight Tons (Thousand) | Number | Deadweight Tons (Thousand) | |
| East Germany | | | | | |
| Swedish | <u>1</u> | <u>3</u> | <u>11</u> | <u>30</u> | <u>6.0</u> |
| Czechoslovakia | | | | | |
| German (West) | <u>1</u> | <u>1</u> | <u>2</u> | <u>6</u> | <u>3.0</u> |
| Total b/ | <u>167</u> | <u>1,578</u> | <u>667</u> | <u>4,815</u> | <u>930.0</u> |

a. For purposes of comparison with voyage charters, each trip in and out of a ship under time charter is included as one voyage, making two voyages for each round trip, with the exception of Chinese-chartered ships operating on the Chinese coast only. The latter have been counted only once per fixture.

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

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Table 12

Non-Bloc Tankers Under Charter to the Sino-Soviet Bloc
1959

| Flag of Ship | Charter Fixtures ^a / _* | | | Months Involved |
|--------------------------------------|--|-------------------------------|--------------|--------------------|
| | Number | Deadweight Tons (Thousand) | | |
| Argentine | 2 | 36 | 1.5 | |
| British | 20 | 359 | 14.0 | |
| Danish | 4 | 63 | 2.5 | |
| Dutch | 12 | 193 | 6.5 | |
| Finnish | 6 | 88 | 3.5 | |
| German (West) | 8 | 24 | 4.0 | |
| Greek | 35 | 473 | 20.5 | |
| Italian | 68 | 1,023 | 37.0 | |
| Liberian | 9 | 190 | 6.5 | |
| Norwegian ^a / | 119 | 1,904 | 77.5 | |
| Swedish | 22 | 328 | 13.0 | |
| Yugoslav | 5 | 64 | 2.5 | |
| Others | 4 | 69 | 3.0 | |
| Total ^a / | <u>314</u> | <u>4,814</u> | <u>192.0</u> | |

* Footnote for Table 12 follows on p. 26.

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Table 12

Non-Bloc Tankers Under Charter to the Sino-Soviet Bloc
* 1959
(Continued)

| Chartering Country and Flag of Ship | Charter Fixtures <u>a/</u> | | | Months Involved |
|--|----------------------------|-------------------------------|--|--------------------|
| | Number | Deadweight Tons (Thousand) | | |
| USSR | <u>225</u> | <u>3,594</u> | | <u>138.5</u> |
| Argentine | 2 | 36 | | 1.5 |
| British | 8 | 153 | | 5.5 |
| Dutch | 6 | 100 | | 3.5 |
| Finnish | 4 | 56 | | 2.0 |
| Greek | 24 | 328 | | 13.5 |
| Italian | 54 | 851 | | 28.0 |
| Liberian | 9 | 190 | | 6.5 |
| Norwegian <u>a/</u> | 95 | 1,538 | | 64.5 |
| Swedish | 12 | 166 | | 6.5 |
| Yugoslav | 5 | 64 | | 2.5 |
| Others | 5 | 111 | | 4.5 |

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Table 12
Non-Bloc Tankers Under Charter to the Sino-Soviet Bloc
1959
(Continued)

| Chartering Country and Flag of Ship | Charter Fixtures ^{a/} | | Months Involved |
|--|--------------------------------|-------------------------------|--------------------|
| | Number | Deadweight Tons (Thousand) | |
| East Germany | <u>28</u> | <u>445</u> | <u>15.0</u> |
| British | 5 | 86 | 2.5 |
| Dutch | 6 | 94 | 3.0 |
| Norwegian | 12 | 187 | 7.0 |
| Others | 5 | 79 | 2.5 |
| Rumania | <u>16</u> | <u>207</u> | <u>8.5</u> |
| Norwegian | 5 | 67 | 2.5 |
| Others | 11 | 140 | 6.0 |
| Communist China | <u>11</u> | <u>198</u> | <u>12.5</u> |
| British | 4 | 71 | 4.0 |
| Others | 7 | 127 | 8.5 |

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Table 12

Non-Bloc Tankers Under Charter to the Sino-Soviet Bloc
1959
(Continued)

| Chartering Country and Flag of Ship | Charter Fixtures ^{a/} | | Months Involved |
|--|--------------------------------|-------------------------------|--------------------|
| | Number | Deadweight Tons (Thousand) | |
| Poland | <u>13</u> | <u>190</u> | <u>6.5</u> |
| Norwegian | 5 | 83 | 2.5 |
| Swedish | 6 | 105 | 3.0 |
| Others | 2 | 2 | 1.0 |
| Czechoslovakia | <u>5</u> | <u>19</u> | <u>3.0</u> |
| Bulgaria | <u>7</u> | <u>15</u> | <u>3.5</u> |
| Unidentified Bloc Charterer | <u>9</u> | <u>146</u> | <u>4.5</u> |

a. With the exception of three Norwegian tankers time-chartered by the USSR, all tankers recorded in 1959 were on voyage charter or made only one voyage on time-charter terms. Total voyages, including the Norwegian time-chartered tankers, came to 319, involving 4,881,000 DWT. Voyages of Norwegian tankers totaled 124, involving 1,971,000 DWT. Norwegian tankers chartered by the USSR totaled 100 voyages, involving 1,605,000 DWT. Because of rounding, components may not add to the totals shown.

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APPENDIX B

GAPS IN INTELLIGENCE

Appendix A does not include all chartering activities of the Sino-Soviet Bloc, because complete data are not available. Soviet charters of West German ships that were not mentioned in records available to this Office, for example, amounted to at least 375 voyages involving 555,000 DWT.* On the basis of tonnage, this single item represents an understatement of about 3 percent in total Bloc charters, of 9 percent in total Soviet charters,

Charter fixtures of such ships are not reported by the charter markets in London, New York, or Athens,

It is believed that considerable tonnages in Swedish, Finnish, Dutch, and Danish coastal ships chartered for service in the Baltic also are unrecorded, as well as charters for voyages between countries of the Sino-Soviet Bloc and South America. 8/ The actual extent to which the charter records are incomplete cannot be determined.

* The West German press quoted Sovfracht (the Soviet chartering agency) as reporting that in 1959 the USSR chartered West German ships to make 465 voyages involving 845,000 DWT. 7/

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APPENDIX C

SOURCE REFERENCES

Evaluations, following the classification entry and designated "Eval.," have the following significance:

| <u>Source of Information</u> | <u>Information</u> |
|------------------------------|--------------------------------|
| Doc. - Documentary | 1 - Confirmed by other sources |
| A - Completely reliable | 2 - Probably true |
| B - Usually reliable | 3 - Possibly true |
| C - Fairly reliable | 4 - Doubtful |
| D - Not usually reliable | 5 - Probably false |
| E - Not reliable | 6 - Cannot be judged |
| F - Cannot be judged | |

Evaluations not otherwise designated are those appearing on the cited document; those designated "RR" are by the author of this memorandum. No "RR" evaluation is given when the author agrees with the evaluation on the cited document.

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