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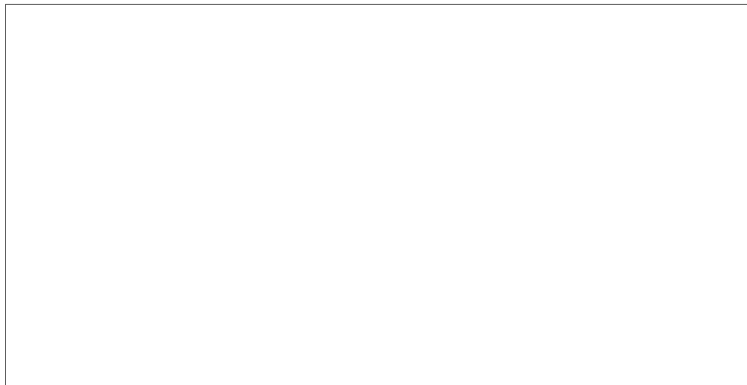
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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

29 August 1978

MEMORANDUM FOR: [REDACTED]

Presidential Briefing Coordinator

SUBJECT : Size of the NATO-Owned and Controlled
Merchant Fleet

1. Data provided by the Naval Intelligence Support Center (NISC) on the size of the NATO-flag merchant fleet are close to the figures cited in the intelligence assessment "The Role of Interdiction at Sea in Soviet Naval Strategy and Operations" (May 1978). The differences would not change the conclusions of the assessment, which used a figure of about 5,800 merchant ships in NATO's inventory suitable for resupplying Europe with military and economic cargoes. Data are available on the number of US-controlled ships registered under flags of convenience. Detailed research might produce comparable data for other NATO countries.

NATO-Flag Merchant Fleet

2. The assessment used statistics from Lloyd's Register of Shipping that showed over 9,600 NATO-flag merchant ships of more than 100 gross register tons (GRT). It further cited a study [REDACTED] that concluded that more than 5,000 of these would be suitable for a sealift of supplies and materiel from North America to Europe. After deleting ships smaller than 6,000 GRT from the Lloyd's statistics, the author of the assessment ended up with 5,800 ships suitable for delivering military and economic cargoes to Europe.

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3. NISC data show 5,565 NATO-flag merchant ships larger than 6,000 GRT, totaling about 236 million dead-weight tons (DWT), as shown in the following table:

NATO-Flag Fleet

| <u>Type of Ship</u> | <u>Number</u> | <u>1,000 DWT</u> |
|---------------------|---------------|------------------|
| <u>Total*</u> | <u>5,565</u> | <u>236,412</u> |
| of which | | |
| Liner types** | 2,364 | 32,565 |
| Bulk carriers | 1,443 | 51,002 |
| Tankers | 1,637 | 151,104 |

* Total includes miscellaneous types such as refrigerated ships, short sea ferries, and passenger ships, which are not included among the major components.

**Liner types include general cargo, container, roll-on/roll-off, and barge-carrying ships.

4. NISC analysts have raised some objections to the use of these numbers and would prefer to massage the data to get a more precise count of the ships both suitable and available for a sealift. They claim that the figures understate the amount of tonnage available because the 6,000 GRT cutoff excludes many ships, especially ro/ro ships, capable of transoceanic operations.*

5. Partly offsetting the undercounting of certain ships are two other factors: 1) because the ships are employed throughout the world's oceans, they may not be immediately available when needed, but would probably become available in the assessment's postulated 120-day war; and 2) only a portion of the available fleet is earmarked for resupply effort and these ships would receive special protection not accorded other ships.

* Because GRT measures only enclosed spaces, it excludes much of the cargo carrying capacity of ro/ro ships. Inclusion of ro/ro ships in the 1,000-5,999 GRT size range, however, would add only 183 NATO-flag ships at 624,000 DWT. On the other hand, inclusion of general cargo ships in this size range -- not all of which would be suitable -- would add over 1,500 ships totaling 6.8 million DWT.

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6. NISC data show 3,700 merchant ships larger than 6,000 GRT registered under flags of convenience as shown in the attached table.

7. Except for data on US-owned ships, only fragmentary information is available on ownership by nationality of flag of convenience ships. For example, a June 1977 press report indicated that almost 300 West German ships were operating under foreign flags, but no tonnage figure was given. Military Sealift Command statistics show 460 US-controlled foreign flag ships totaling about 46 million DWT. Many of these are tankers owned by US oil companies operating under the Liberian flag. Greeks and overseas Chinese are also major owners of flag of convenience ships and Japanese owners have begun to increase their holdings of such ships. Ownership and nationality of many of these ships are disguised for tax purposes. Extensive research would be required to produce data on ownership by nationality of convenience flag ships.

Chief
International Transportation Branch
International Trade and Services Division
Office of Economic Research

Attachment:
As stated

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| <u>Country</u> | <u>Total Fleet</u> | | <u>Liner Types</u> | | <u>Bulk Carriers</u> | | <u>Tankers</u> | |
|----------------------|--------------------|------------------|--------------------|------------------|----------------------|------------------|----------------|------------------|
| | <u>Number</u> | <u>1,000 DWT</u> | <u>Number</u> | <u>1,000 DWT</u> | <u>Number</u> | <u>1,000 DWT</u> | <u>Number</u> | <u>1,000 DWT</u> |
| TOTAL | 3,700 | 196,522 | 1,120 | 15,089 | 1,173 | 38,514 | 1,242 | 141,491 |
| Bahamas | 4 | 128 | | | 2 | 52 | 2 | 76 |
| Cyprus | 149 | 2,042 | 107 | 1,298 | 22 | 395 | 13 | 259 |
| Hong Kong | 13 | 411 | 5 | 72 | 6 | 323 | 1 | 16 |
| Honduras | 14 | 105 | 1 | 11 | | | | |
| Liberia | 2,146 | 153,386 | 326 | 5,167 | 784 | 28,615 | 960 | 119,038 |
| Netherlands Antilles | 35 | 3,036 | 7 | 80 | 7 | 306 | 18 | 2,635 |
| Panama | 972 | 26,175 | 488 | 6,099 | 276 | 6,564 | 163 | 13,066 |
| Seychelles | 2 | 17 | 1 | 8 | | | | |
| Singapore | 365 | 11,222 | 185 | 2,354 | 76 | 2,259 | 85 | 6,401 |

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