N A T O   S E C R E T

ORIGINAL: ENGLISH   APAG(71)1
11th February, 1971

To: Members of the Atlantic Policy Advisory Group
        (through members of the Political Committee)

From: The Chairman

BACKGROUND PAPERS FOR THE FORTHCOMING MEETING
OF THE ATLANTIC POLICY ADVISORY GROUP AT BRUSSELS,
8TH-11TH MARCH, 1971

3-2-07(69) follow up

        In accordance with the requirements laid down in
paragraph 8 of PO/69/329 dated 2nd July, 1969, with particular
respect to the preparation of the forthcoming Political
Planning Session of the Atlantic Policy Advisory Group,
members will find attached two background papers on "The
Political Aims and Implications of the Soviet Global Maritime
Expansion", the first (Annex A) from the International
Military Staff and the second (Annex B) from the Economic
Directorate of the Political Affairs Division, International
Secretariat. These papers represent an effort – within the
limits of the information available to the International
Secretariat – to present documentation to the Group before its
coming discussions on Soviet Maritime Developments.
Accordingly, any supplementary intelligence on this subject
from delegations will be much appreciated. I would be grateful
if those delegations who wish to contribute such additional
intelligence and national papers would forward their
contributions, if possible in 60 copies, to the Secretary of
the Group (Mr. M. Jordan, Office B.210) as soon as possible,
and in any event not later than 20th February, 1971.

        2.   I make use of this opportunity to inform members
that a Question and Answer Period with the Chairman of the
Military Committee, Admiral Sir Nigel Henderson, has been
arranged for the opening of the Group's meeting, on
8th March, 1971. Therefore, if contributions from delegations
reach us before 20th February, 1971, this would allow the
Question and Answer Period to be based on a full knowledge,
by all members, of the information furnished by delegations,
the International Military Staff and the International
Secretariat.

This document consists of: 2 pages
                Annex A of: 12 pages
                Annex B of: 13 pages

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3.   Finally, with regard to the Outline and Procedure
of the Group's discussions, it is my intention to circulate
shortly a further communication.

(Signed) Jörg KASTL

NATO,
1110 Brussels.

ANNEX A to
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MILITARY ASPECTS OF SOVIET GLOBAL MARITIME EXPANSION

IMS contribution (IMSM-47-71) to APAG discussions on:

Political Aims and Implications of
Soviet Global Maritime Expansion

February, 1971

1.   Historically Russia has been a land power hampered in her maritime activity mainly by limited access to the world's oceans. After World War II the Soviet Union began to exploit systematically her technical resources and capabilities in order to overcome her geographic disadvantages. During the past twenty years marine engineering development and marine research have been emphasised. The change achieved in this period is most remarkable. Both in quantity and quality the Soviet naval force, the merchant navy and fishing fleet and her oceanographic survey fleet have grown rapidly to become a maritime force second only to the United States.

2.   The rôle of the Navy as merely "the faithful helper of the Red Army" was changed in 1962 when the Navy was accorded its own position as an individual service. Soviet Admiral Kasatonov stated in 1969 that any future conflict would mean operations in distant waters and that, in view of this, "the USSR had laid down a policy of developing a nuclear missile fleet as a self-contained global strike force". His demand to "be prepared for naval offensive operations" revealed that the Navy for the first time in history was becoming "one of the principal Soviet offensive arms".

3.   Soviet leaders have openly declared their plans for further large-scale maritime expansion in the future. Statements such as that of Admiral Gorshkov in 1968 that "the Soviet Navy will no longer be confined to its home waters but will exploit the freedom of the seas and through its global presence in peacetime will spread Communist influence outside the borders of the USSR", emphasise the political impetus of these developments.

4.   In the following three parts this paper will describe the main features of Soviet global naval expansion.

> Part I: Composition and strength of Soviet naval forces.
>
> Part II: Soviet Global Naval Activities
>
> Part III: Implications of these Activities

PART I

COMPOSITION AND STRENGTH OF SOVIET NAVAL FORCES

Fleets and Naval Vessels

5.   The Soviet Navy consists of four fleets: The Northern, Baltic, Black Sea and Pacific Fleets. Despite the assignment to a particular fleet, ships from several fleets are formed into task forces for exercise purposes and out-of-area deployment. A good example is the Soviet Mediterranean Squadron (SOVMEDRON) composed of units from different fleets.

6.   The Northern fleet, which has more submarines than any of the other fleets, has its main operational area in the North Atlantic. It is based in the Kola peninsula area and has access to the ice-free Barents and Norwegian Seas throughtout the year. The Baltic and Black Sea fleets are very large in relation to the requirements in those areas. The Pacific fleet operates from two widely separated areas (Kamchatka peninsula and Vladivostok) and can not only be increased in strength by local construction but also be transfers via the Northern Sea route and the Indian Ocean.

7.   Of the ships available in the four fleets a total of more than 100 surface vessels and about 200 submarines are capable of conducting long-range operations. For detailed figures on composition and strength see Appendix, Table 1.

Naval Aviation

8.   Soviet Naval Aviation consists mainly of a medium bomber force. It also includes long-range reconnaissance aircraft, light bombers, medium-range ASW aircraft, ASW amphibious aircraft, helicopters and transporters. Fighter aircraft are not available within Naval Aviation. With the exception of a number of helicopters based on the helicopter ships, all naval aircraft are land based. Most of the medium bombers (BADGER) have an in-flight refuelling capability. Detailed figures are in Appendix, Table 2.

Amphibious Capabilities

9.   Six brigades of naval infantry subordinate to the Soviet fleets are estimated to be available at present. There is sufficient assault lift capability for these brigades. Short-range combat operations can be carried out in all fleet areas.

10.   The transport capability over extended distances for large forces by using merchant shipping and over short distances for small forces by elements of the fishing fleet represent a further amphibious capacity under certain circumstances.

Logistics and Supply

11. Compared with the rapid build-up of naval combat forces, the support system is still in the stage of gradual development. While the logistic support capability in the Baltic and Black Sea fleets is considered more than adequate for any operation, the limited facilities in the Northern and Pacific fleets would, at the present stage, only be satisfactory to support operations in peacetime and to some extent in times of crisis and tension. Due to the lack of world-wide bases with supply and maintenance facilities the Soviet surface forces would not be capable of prolonged major oceanic operations in war. They seek to establish a system of "indirect support points" i.e. a number of harbours of host nations which could also be used by the Soviets in an emergency. They are also continuing to expand and improve their existing ocean-going afloat support which is still of limited efficiency and capacity.

Specialized Ships

12. About 50 intelligence collectors equipped for electronic and communications intelligence collection, as well as some 80 hydrographic and oceanographic research ships, are available for extensive surveillance activities. The regular employment of the latter units is maritime research throughout the world.

Space Events Support Ships (SSESS)

13. Soviet space events support ships, missile range units and other specially equipped vessels can operate for extended periods covering vast ocean areas. Although the primary mission of the SSESS is to provide specific space event data on a real time basis, the results of the activity of all these ships are partially of direct naval benefit.

Merchant and Fishing Fleets

14. The large Soviet merchant and fishing fleets, which are only addressed with regard to their military significance, have a built-in potential as naval auxiliaries capable of supporting military operations. About 400 cargo ships, with heavy lift capacity of 40 tons or more, could be used in support of amphibious operations. Some 290 ocean tankers and about 70 passenger ships could also be employed militarily. Since this fleet is operating under centralized government control at all times it would be available for military purposes at any chosen time. It has in fact been demonstrated that merchant ships on normal commercial voyages were diverted at will for the support of naval operations. In addition, vessels of the fishing fleet which can stay at sea for long periods independent of support were frequently used for the surveillance of naval activities and at times probably also as electronic intelligence collectors.

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Current Trends

15. A new phase of the Soviet naval construction programme became evident in about 1967. It can be described as the phase of "advanced technique". In general this programme has the aim of matching the technical standard of NATO high sea fleets with the following particular objectives:

(a) Defensively, to refine the weapons systems of surface combatants, submarines and aircraft for use against NATO's strike fleets and Polaris submarines.

(b) In the Offensive Field (which seems to have priority), to operate a Polaris type fleet and to develop types of naval vessels capable of world-wide operations independent of home bases.

16. Results of the implementation of this strongly accelerated programme became apparent in 1969/70:

   -   More sophisticated weapon systems (SSM/SAM and ASROC (Anti-Submarine Rocket)) on improved craft have been brought into service.

   -   New types and kinds of highly advanced surface and sub-surface vessels became operational.

17. The capability of the Soviet ballistic missile submarine force continues to increase rapidly and nearly half of the surface ships of ocean-going escort size or larger will soon have both a surface-to-surface (SSM) and surface-to-air (SAM) missile capability. Coastal escorts and fast patrol boats equipped with SSM or torpedos are also available in large numbers and supplement the surface fleet's capabilities (see Appendix, Table 1).

PART II

GLOBAL SOVIET NAVAL ACTIVITIES

18. The Soviet Navy followed a steady course of expanding its world-wide activities during the last ten years. In the North Atlantic they began to deploy their submarines for longer and more distant operational patrols. This action was followed by extended cruises and frequent visits by all types of vessels to foreign ports in various parts of the world. The establishment of the permanent presence of a Soviet Naval Squadron in the Mediterranean in 1967 and subsequently in the Indian Ocean since 1968 underline these developments.

19. Naval exercises usually confined to home waters were first observed in the Norwegian Sea during summer 1963. Patrols of Soviet Naval Aviation have been extended to the whole of the North Atlantic and a series of flights to Cuba have demonstrated the long-range capability of Soviet aircraft. The regular deployment of AGI (intelligence collectors) and AGS (survey ships) in all the oceans of the world offer further proof of the Soviet global naval interest and activities.

20. The general pattern of naval activity, mainly in the deterrent rôle, continued in 1970 as follows:

(a) Atlantic

- The Atlantic portion of the world-wide Soviet naval exercise "OKEAN" in April demonstrated their command and control capability to co-ordinate a wide variety of joint and combined operations involving units from different fleets. A total of more than 100 vessels participated in the exercise and up to 150 naval aircraft were employed in reconnaissance and strike rôles.

- The normal presence of 6 to 8 Soviet submarines in the Atlantic, includes 3 to 4 ballistic missile nuclear submarines at times.

- SAM helicopter carriers MOSKVA and LENINGRAD operated for the first time in Atlantic waters.

Other activities included:

- Marked increase in surveillance of NATO naval forces.

- Four visits by Soviet naval combatant groups to Cuba with indications that permanent support facilities there are available for Soviet naval use.

- Flights by naval aircraft over the Northern Atlantic and to Cuba.

- Semi-annual transit of submarines, accompanied by surface combatants, from the Northern Fleet to the Mediterranean on a regular schedule.

- Continuation of oceanographic and hydrographic research programmes in the Shetland/Faeroes, the Cape Verde Basin, the Caribbean region and in the Azores area.

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- The almost constant presence of AGIs north of
  Ireland, in the Gulf of Cadiz and off the US East
  Coast.

- Close surveillance during NATO exercises in
  connection with increasing sensitivity to NATO/
  Western naval forces, especially carriers.

(b) Mediterranean. Since the Arab/Israeli war in
June 1967 a large number of ships of various types
has been maintained throughout the year, with peaks
during larger scale exercises or in reaction to
crisis in the Middle East. The SOVMEDRON usually
consists of 8 to 10 submarines, 4 to 6 major and
8 to 9 minor combatants, and supporting auxiliaries.
A peak of more than 60 vessels was observed during
the Jordan crisis in September-October 1970. The
SOVMEDRON main operation area is the Eastern
Mediterranean but frequent activities in the Central
and Western areas have also been observed. Important
Mediterranean activity in different rôles in 1970
included:

- Deployment of SAM helicopter ships MOSKVA and
  LENINGRAD to the Mediterranean for prolonged periods.

- Amphibious landing exercises.

- Operations by AGIs in the Eastern Mediterranean,
  around Sicily and in the Western Mediterranean.

- Marked increase in surveillance of NATO units,
  particularly during the Jordan crisis.

- Emphasis on ASW-related hydrographic research
  activity in the Sicilian Straits.

- Construction activities carried out in Mersah Matruh,
  indicating the installation of a limited operational
  support facility in this area, probably to
  supplement the facilities in use at Port Said and
  Alexandria.

- Air support (mainly reconnaissance) by an increasing
  naval air component based at Cairo/West and Aswan,
  also using airfields in Libya.

(c) Indian Ocean. The average number of Soviet naval
vessels in the Indian Ocean was 7 to 8 between 1968
and 1970, drawn from European fleets via the Cape
route or from the Pacific Fleet through the Strait
of Malacca. This detachment usually included two
or three surface combatants, 1 LST (landing ship),

3 to 4 submarines, and 2 to 3 auxiliaries. Main
areas of operation are the Gulf of Aden including
the area around the island of Socotra and the Gulf
of Oman. Some information indicated a possible
Soviet attempt to become established on Socotra.
Oceanographic and hydrographic research was
apparently carried out in the Seychelles and Chagos
areas.

(d) Pacific. Activity of the Pacific Fleet outside home
waters was usually on a lesser scale but followed
the general pattern of other fleets. The
Phillipine Sea was increasingly used for ASW
exercises. The level of operational out-of-area
patrols by attack and missile submarines was much
lower than in the Atlantic or Mediterranean.
Deployment of ballistic missile nuclear submarines,
however, substantially increased the strategic
component aiming at North America.

World-Wide Soviet Naval Visits

21. A great number of Soviet visits and port calls by
all types of naval vessels, survey ships, space event support
ships and other smaller units in general following the pattern
of previous years was noted during 1970. These visits included
the following localities:

EUROPE:	Norway, Denmark, Iceland, United Kingdom, Netherlands, France, Gibraltar, Spain, Italy, Yugoslavia.
MIDDLE EAST AND AFRICA:	Syria, Lebanon, Egypt, Libya, Tunisia, Algeria, Morocco, Guinea, Ivory Coast, Liberia, Nigeria, Senegal, Sierra Leone, Somalia, Kenya, Tanzania, Ethiopia.
NORTH AMERICA:	Canada.
LATIN AMERICA:	Brazil, Cuba, Martinique, Jamaica, Uruguay.
ASIA AND INDIAN OCEAN:	India, Pakistan, Ceylon, Mauritius, Iraq, Yemen, South Yemen.

The above account was made from available material and although
it is by no means regarded as a complete listing of all Soviet
visits, it shows their world-wide interest and engagement.
(The Pacific area had to be excluded since data for this region
has not been available).

22.   This showing of the flag by Soviet ships and quite
often by groups of naval vessels concentrates not only on
those areas which have a special strategic or commercial
importance, but also on politically critical coastal regions.
There are examples of the appearance of Soviet ships directly
or indirectly connected with crises, particularly along the
African coast north of the Equator and along adjacent sea
areas.

23.   One rather recent event may serve as an example.
On 6th December, 1970, one Soviet destroyer and an oiler
arrived at Dakar from the Mediterranean, presumably to be
available in the area in the event of any further
disturbances resulting from the 22nd November raid on Conakry,
Guinea.   This group was eventually joined by a second
destroyer and operated off the coast of Guinea until entering
Conakry on 27th December.   All three vessels left the port on
3rd January, 1971.   One destroyer and the oiler returned
directly to the Mediterranean which they entered on
12th January, the second destroyer remained off the coast of
Guinea for a week before heading north to Dakar on
9th January.   The whole operation may have had two possible
aims.   First, it could have demonstrated Soviet support for
Guinea against the alleged aggressors, or second, it may have
been an attempt to increase Soviet influence countering
existing Chinese support for this country.

24.   Other reasons for naval visits conducted by the
Soviets include special events in the countries visited, such
as the Graduation Day of the Naval Academy in Ethiopia or the
recent Iraqi Armed Forces Day when a naval group visited the
port of Umm Qasr.

PART III

IMPLICATIONS OF SOVIET GLOBAL NAVAL ACTIVITIES

25.   On the one hand, the naval forces already contribute
considerably to the overall deterrent capability of the Soviet
armed forces.   On the other hand their deployment into distant
oceans, particularly when their presence is made known through
port visits, demonstrates to the world the Soviet ability to
establish a world-wide military presence, thereby serving
Soviet political objectives.

26.   In peacetime the world-wide deployment of Soviet
naval forces results in:

(a)   Training of their forces and gaining experience in
      operational control on the high seas and in distant
      waters; improving their tactics; practising material
      maintenance and exercising their support afloat and
      advancing their technical standards.

(b) Surveillance of NATO naval activities and gathering of intelligence.

(c) Support of Soviet foreign policy and economic goals.

(d) Capability to take action or even initiate hostilities in areas chosen by them at will, particularly in times of crisis and tension.

27. For wartime the Soviet Navy appears to be designed for the following tasks:

(a) Attack strategic NATO targets with submarine-launched ballistic missiles.

(b) Counter a threat from NATO naval strike forces including ballistic missile submarines.

(c) Interdict Western sea lines of communications, including vital NATO supply lines outside the NATO command areas.

(d) Support land and amphibious operations.

(e) Defend, in co-operation with non-Soviet Warsaw Pact navies, Soviet bloc countries and coastal regions against NATO forces.

28. Official Soviet statements underline the fundamental change in their outlook towards maritime affairs. They reveal a growing awareness of the nature and in particular the offensive potential of naval forces. Although originally conceived as a defensive instrument, the Soviet Navy has become more and more oriented towards offensive operations. Recent exercises in the Atlantic demonstrated the offensive as well as the defensive Soviet naval concept.

29. The failure in the Cuban crisis and the developments in the Middle East have taught the Soviets how their sea power can be exploited in peacetime to further their political aims. Although one of the tasks of the SOVMEDRON in the Mediterranean is to counter NATO's naval forces, it definitely exerts political influence to steer developments to Soviet advantage. To some extent the same could be said of the Soviet naval presence in the Indian Ocean. However, in this area mainly political and economic considerations were taken into account in the decision to deploy naval units there on a permanent basis.

30. The tremendous Soviet effort to become a global
naval power and the consequent build-up of the offensive
capability of their fleet, as well as the ambition behind it,
can only be judged correctly if one takes into consideration
the adverse geo-strategic position of the Soviet Union as a
maritime power. Severe climate, remote Soviet maritime
facilities which can easily be blockaded, long access routes
to the oceans and NATO sea lines of communication, and
insufficient air cover, render extremely difficult any
maritime operation which is to exceed the mere defence of the
coastal area or its approaches. Despite the flexible concept
which is presently used in the combined employment and control
of units of the three European fleets, and in spite of some
emphasis on a mobile and independent maritime logistical
system, the Soviet Union will - in the long run - have to
continue to improve fundamentally its unfavourable strategic
position in the Atlantic and Mediterranean areas.

31. The Soviets have been turning to the sea for
political, economic and military reasons. They are in the
process of spreading their influence around the world,
particularly to areas where Western influence is disputed and
has been or is being reduced. They are steadily pursuing
their declared goal of becoming a global maritime power and
their naval forces are already playing an important rôle in
this effort. However, when compared to NATO nations and their
Allies world-wide relations and activities, this effort is still
of limited military dimensions. Future naval developments are
expected to provide Soviet leaders with a centrally controlled
and flexible instrument offering them a wider range of options
in the approach to their objectives. Therefore, their on-going
global maritime expansion should be regarded as a first step to
outflank NATO forces with far reaching consequences for the
security of the free world.

TABLE 1

COMPOSITION AND STRENGTH OF SOVIET NAVAL FORCES

SUBMARINES CLASS/TYPE	NORTH 161/70	BALTIC 161/70	BLACK 161/70	PACIFIC 161/70	TOTAL 161/70
SSBN (Y, HII, HIII)	19	0	0	3	22
SSB (FI, GII, Z-Convert.)	15	0	0	9	24
SSGN (EI, EII)	14	0	0	17	31
SSG (J, W-Converted)	13	2	5	7	27
SS u/i (A, B)	2	0	0	3	5
SSN (C, V, N, EI-Convert.)	21	0	0	7	28
SS – L.R. (F, Z)	33	9	1	26	69
SS – M.R. (R, W)	44(6)	27(18)	23(4)	30(12)	124(40)
SS – S.R. (Q)	0	5(5)	5(5)	0	10(10)
TOTAL – NUCLEAR	54	0	0	27	81
TOTAL – NON-NUCLEAR	107(6)	43(23)	34(9)	75(12)	259(50)
GRAND TOTAL	161(6)	43(23)	34(9)	102(12)	340(50)

SURFACE VESSELS					
SAM HELICOPTER SHIPS	0	0	2	0	2
CRUISER (SSM/SAM CLG/CL, old)	5(1)	5(1)	6	6(1)	22(3)
DESTROYER, SSM/SAM/ DD ESCORT	15(4)	13(3)	28(4)	25(5)	81(16)
ESCORTS	29(3)	28(3)	26(3)	23(4)	106(13)
COASTAL ESCORTS	34	80	90	58	262
CORVETTES, PATROL CRAFTS	75	157	103	130	465
MINESWEEPERS (all types)	59	109	62	74	304
GRAND TOTAL	217(8)	392(7)	317(7)	316(10)	1,242(32)

AMPHIBIOUS SHIPS	20	40	29	27	116
AMPHIBIOUS CRAFT	3	16	76	28	123
GRAND TOTAL	23	56	105	55	239

NOTES: 1.   Additional ships estimated to be in reserve are shown
in parentheses.

2.   The total number of men under naval administration,
including coastal and air defence artillery, naval
infantry, warning and control stations as well as all
forms of naval support, is estimated at about 475,000.

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TABLE 2

USSR NAVAL AVIATION

AIRCRAFT AND ROLE	NORTH 161/70	BALTIC 161/70	BLACK 161/70	PACIFIC 161/70	TOTAL 161/70
Heavy Bomber					
Recce Subsonic	25	0	0	25	50
Medium Bomber					
Strike Subsonic	80	70	65	85	300
Recce Subsonic	20	5	5	30	60
Strike/Recce Super-sonic/DASH	0	30	30	0	60
Tanker	20	10	15	25	70
Light Bomber	0	50	0	0	50
ASW Patrol					
Fixed Wing	40	15	30	30	115
Helicopter	40	35	70(1)	55	200
GRAND TOTAL	225	215	215	250	905

(1) Ship-based helicopters included.

THE SOVIET MERCHANT AND FISHING FLEETS

I.   SOVIET MERCHANT SHIPPING

1.   The USSR has developed a considerable civil maritime
capability since the 1950s but has not attained a pre-eminent
position. Circumstantial evidence suggests that "defensive"
motives have dominated expansion of the Soviet merchant fleet —
(the desire to look after seaborne trade of the USSR and to
remedy past deficits in its balance of payments. Nevertheless,
Soviet merchant shipping also represents a capability for more
aggressive policies) — as a potential instrument of naval
support and/or heightened political or economic competition
with the West. The future activities and growth of the Soviet
merchant fleet will thus bear watching by governments of the
Alliance.

A.   CAPABILITIES OF THE SOVIET MERCHANT FLEET

2.   Size. According to figures released by the British
Board of Trade (see Appendix I), the Soviet merchant fleet on
31st December, 1969 was ranked sixth in the world in gross
registered tons (g.r.t.) and seventh in terms of deadweight
tons (d.w.t.). At 9.9 million g.r.t.(1), it was similar in
size to the Greek fleet, but only 40%-60% as large as those of
the US, Norway, Japan and the UK. According to Soviet data,
in 1970 Soviet merchant shipping increased about 600,000 g.r.t.,
and handled about 5% of world seaborne commerce.

3.   Growth. Soviet merchant shipping nearly quadrupled
during 1956-1969, growing over twice as rapidly as the world
fleet. Even faster growth, however, was registered by Greece
(whose fleet increased over 6 times), Liberia and Japan (see
Appendix II). As a proportion of world merchant tonnage
(in g.r.t.), the Soviet fleet rose from about 3% in 1955 to
5.2% in 1969. Further expansion of this share by 1980 seems
unlikely. The average annual rate of growth of the Soviet
merchant fleet has decelerated from over 11% during 1956-1965
to 7.5% during 1966-1969. A further slowdown to a 4.5% rate
by 1980 is implied by announced plans. The fleet is reportedly
scheduled to expand by one million tons annually during this
decade and to total about 17-18 million d.w.t. in 1975 and
22-23 million tons in 1980.

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(1)   This figure refers to vessels of 500 g.r.t. or more and
      does not include the Soviet fishing fleet (2.8 million
      g.r.t. in July 1969), auxiliary and salvage ships
      (389,000 g.r.t.), technical vessels (271,000) and others
      (223,000). A separate report has been prepared on the
      fishing fleet.

4.   Composition. Soviet claims that the Soviet fleet
is relatively modern may be somewhat exaggerated. In
comparison with the British merchant fleet, for instance, the
Soviet has a marginally higher proportion of ships less than
10 years old but Soviet dry-cargo ships are, on the average,
slower. Moreover, the USSR has been slow to join the trend
in many fleets toward bulk carriers, container ships and
large tankers - even though oil represents about half of
Soviet ocean freight. In 1969 the Soviet fleet consisted
largely of dry-cargo ships and small tankers (less than
150,000 d.w.t.).

5.   Some effort is apparently being made to catch up.
According to TASS, last December construction of the first
Soviet container vessels had been started and orders had been
placed for others. In the next 5 years container traffic is
apparently intended to increase 5 times and 150,000 ton
tankers are to be built in Leningrad.

6.   CEMA Aggregate. While the USSR has for years been
absorbing the greater part of the output of Polish shipyards,
the Soviets have not made great use of the existing merchant
fleets of their allies. Eastern European fleets, which
totalled about 4 million d.w.t. in December 1969, would
enlarge the Soviet fleet 37%, if combined with it (see
Appendix III), but are still dwarfed by the tonnage of
individual Western countries such as Greece, the Federal
Republic of Germany, Italy and France (Appendix I). At
present, i.e. 1969, the merchant fleet of the Warsaw Pact
Powers as a whole, represent 6.2% of the world total
(Appendix III).

7.   Poland, East Germany, Bulgaria and Rumania have an
appreciable capability in bulk carriers, but the CEMA total
in this category nevertheless represents only 1.7% of the
world total. The merchant fleets of these 4 countries have
grown considerably faster than that of the USSR since 1955,
when Poland had a substantial tonnage (393,000 d.w.t.) and
the other three each disposed of less than 50,000 d.w.t.
Polish and Bulgarian plans for 1975 seem ambitious, projecting
increases of 100% and 175% respectively, over expected fleet
tonnages in 1970.

8.　Soviet capacity to handle Soviet seaborne foreign trade. The USSR appears to be nearing its objective in this sphere. In 1970 merchant shipping of the Soviet Union reportedly fulfilled its plan to carry 57% of Soviet foreign trade (Appendix IV). If "cross trade"(1) is included, this proportion (which may be considered a sort of index of trade independence), rises to 65%-70%. The desired index is 70%-75%, according to frequent Soviet statements.

9.　Since the 1950s, the proportion of Soviet seaborne commerce moving in Soviet bottoms has fluctuated considerably. Soviet traders have considerable leverage to use their own shippers because of the terms of many of their transactions: about 40% of exports from the USSR (e.g. oil, coal, timber, ores) are sold c.i.f.; imports such as tropical fruit and cellulose are purchased f.o.b. In the early 1960s, however, these bargaining advantages could not be fully exploited because Soviet foreign trade grew considerably more rapidly than the merchant fleet. The index of trade dependence accordingly fell from 56% in 1958 to 37% in 1961. This loss was regained thereafter as deliveries of new merchant ships accelerated.

10.　Rôles of cross trade and foreign shipping. A built-in imbalance in use of Soviet merchant shipping stems from the fact that the bulk of Soviet seaborne foreign trade represents exports; Soviet imports (most of which are shipped by land) account for only about 10% of the seaborne total. The USSR thus has a choice of either using foreign shipping for some of its exports, letting its ships return empty from export runs, or seeking cross trade on a portion of the return voyage.

11.　The Soviets have in effect followed all 3 courses in recent years. They have endeavoured to expand cross trade, with some success (Appendix IV). Foreign ships have nevertheless continued to haul more Soviet cargoes each year, though at a decreasing growth rate. The share of other CEMA countries in these shipments has been small; most of the charters have gone to Western shipping companies.

12.　Distribution of Soviet merchant shipping. The Atlantic and Mediterranean still seem to be the principal loci of Soviet shipping routes and ports of call. According to Soviet data, in 1969 over half of Soviet shipping was based at Black Sea and other ports with access to the

(1)　"Cross trade" consists of foreign cargoes carried by Soviet ships between foreign ports. Like Soviet cargoes carried in Soviet ships, cross trade has a positive effect on the Soviet balance of payments.

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Mediterranean. Pacific and Baltic ports together served
about one-third of the Soviet merchant fleet (Appendix V).
Black Sea ports also handled over half of Soviet sea cargoes,
according to a Moscow broadcast. A Western survey of
March 1967 placed about 40% of the Soviet merchant fleet in
the Atlantic and 20% apiece in the Mediterranean, Indian Ocean
and Pacific. Soviet sources report that Northwest Europe was
the area where Soviet ships called most (38% of the time) in
1967; foreign ports on the Black, Mediterranean and Red seas
received 26% of the calls (Appendix VI). In 1967 58% of
Soviet cargoes carried by Soviet ships were reportedly
delivered to developed Western countries, 26% to Communist
destinations and 16% to developing countries. According to a
Soviet broadcast of last October, 2 Soviet ships had at that
time been chartered by North Vietnam and 21 others were
carrying 130,000 tons of cargo for Hanoi from Vladivostok,
Ilyichevsk, Odessa and other Black Sea ports.

13. The growth of cross trade has led Soviet ships onto
new routes. Tankers delivering oil to Cuba have also
delivered Cuban sugar to Europe. Dry-cargo ships that carry
Soviet exports of machinery and industrial equipment to
West Africa deliver cross trade cargoes in Western Europe en
route home. Ships taking exports to British and Continental
ports carry coal for Denmark and southern Sweden on the
return trip. Others returning from the Far East carry cargoes
from East to West Pakistan and from India to Europe.

14. Chartering of Soviet ships to other countries is
becoming an increasingly common practice during the months
when most Soviet northern ports are ice-bound. Such charters
include ice-breaker/cargo ships for the Japan-Montreal service
and timber and ore carriers.

15. The closure of the Suez Canal has also altered the
pattern of Soviet shipping lanes. Prior to that event, about
10% of Soviet seaborne foreign trade had passed through the
Canal annually, largely in Soviet ships. Of the 11 million
tons of Soviet cargo transiting the Canal per year, 9 million
had been southbound, including 6 million tons of oil (of which
4 million was destined for Japan), supplies for North Vietnam
and trade and aid shipments to India and other Afro-Asian
countries.

16. Following closure of the Canal, the USSR did not
attempt to maintain its former trade pattern by chartering
foreign tonnage on a large scale. Some cargoes were moved by
rail across the Trans-Siberian railway for trans-shipment
from Soviet Far Eastern ports, while the reverse route appears
to have been used on a modest scale for Japanese exports to
Europe and the Middle East. Those tankers caught east of
Suez were briefly hired out on charter to Japan to lift oil
cargoes from the Middle East.

17. The scheduling of regular Soviet lines and service has increased. According to a recent Soviet dispatch, Soviet vessels on 30 regular routes carried 5.5 million tons of cargo per year to 900 ports in 98 countries. Joint lines include two with CEMA countries (East Germany and Bulgaria) two with underdeveloped countries (Egypt and India) and several with developed Western countries (France, United Kingdom, Federal Republic of Germany, Netherlands, Belgium and Japan). Soviet liners now link Soviet ports to Latin America, Canada, Africa and Australia. They also run from Antwerp and Hamburg to Montreal and between Japan and Canada. It is also possible for foreign shippers to send transit freights on Soviet ships only, from London to Yokohama via the Northern sea route opened to foreign cargoes in 1967, and from Northern Europe to Persia via the Volga-Baltic canal and the Caspian, both routes being drastically shorter than the alternatives.

B.   SOVIET OBJECTIVES

18. In expanding its merchant fleet, the USSR probably has several objectives:

(a) Trade independence. The capability of the USSR to carry the bulk of its commerce in its own ships represents a form of insurance against the risk of costly charges, as well as shortages or denials of foreign shipping services.

(b) Balance of payments. Virtual self-sufficiency in Soviet shipping services would remove a source of substantial foreign exchange outflow.

(c) Political-economic competition with the West. The Soviet merchant fleet could be used as a link with developing countries or as an instrument of aggressive competition against Western shippers.

(d) Strategic. Merchant shipping can be viewed as a manpower reserve or potential logistic support for naval operations.

19. While it is difficult to draw firm conclusions, circumstantial evidence suggests that Soviet policy is influenced most strongly by the first two aims, which are closely related to the state of Soviet foreign trade. As we have seen above, expansion of the Soviet merchant fleet in the 1960s followed - and may well have been provoked by - a growth in Soviet foreign commerce that surpassed Soviet shipping capacity. Similarly, merchant fleet expansion has coincided with - and helped to assuage - trade deficits that arose in 1963 when a poor Soviet harvest necessitated unusually large wheat imports from the West for several years.

The increase in Soviet merchant shipping has occasioned little
outflow of hard currencies for purchase of vessels, most of
which have been built in the USSR or imported from "soft"
currency areas such as Poland, East Germany, Yugoslavia and
Finland. Finally, after their "index of trade independence"
and balance of payments improved the Soviets announced plans
implying a declining growth rate for the merchant fleet in
the 1970s.

    20. It seems unlikely, in any case, that the Soviet
Union built up its merchant marine solely for reasons of
naval strategy or competition with the West. As indicated in
the foregoing discussion, the viability of the Soviet merchant
fleet is limited. While impressive in regard to size and rate
of growth, it is surpassed in both respects by several
Western fleets and it is rather old-fashioned in composition
if not in age. To be sure, political motives have probably
been important in certain cases (shipping lines to India).
Occasionally the Soviet fleet has followed a somewhat
aggressive policy of cutting freight charges when competing
with established shipping conferences (e.g. for Australian
trade). It has been argued, however, that such cost-cutting
is normal commercial practice for lines attempting to enter
new markets. Moreover, the Soviets have sought admission to
established conferences, have apparently adhered to the rules
when admitted, and (in the Australian case) come to a
compromise agreement with the conference on the question of
the number of Soviet sailings. The USSR probably seeks cross
trade, not mainly for the purpose of winning shipping business
away from Western lines, but rather with a view to avoiding
empty return voyages and utilising spare capacity resulting
from Soviet export flows. Future growth of Soviet seaborne
commerce will probably tend to increase such cross trade, but
otherwise it may well absorb most of the planned expansion of
Soviet shipping.

II. THE SOVIET FISHING FLEET

    21. In world fishing the USSR has a somewhat more
prominent position than it does in merchant shipping. The
Soviet fishing fleet, which totalled 2.8 million gross
registered tons in July 1969, is considered to be among the
most modern and the largest in the world. With regard to
whaling, the USSR was second only to Japan in 1968, catching
about 40% of the world total. With regard to other types of
fishing, the Soviets were third behind Japan and Peru,
catching about 9.5% of the world total. Since the early 1950s,
the Soviet share of world whaling has quadrupled, while the
USSR has marginally increased its proportion of the world
catch of other types of fish.

22. In 1969, the heaviest concentration of Soviet
fishing vessels was in the North-East Atlantic, Norwegian Sea,
and the North American banks. Other areas of regular activity
included the West African coast and the Caribbean Gulf of
Mexico area. By deploying factory ships in such areas, the
Soviets were able to sell part of their catch to the American
market.

23. Despite this activity, fish products have in recent
years represented a relatively small and constant proportion
of total Soviet exports:

	(million US dollars)	
	1965	1969
Fish exports (less imports)	41	59
Total exports	8,174	11,655
Fish exports as percentage of total	0.5%	0.5%

24. The share of fish in Soviet retail trade in food
in 1968 did not exceed 3% amounting to 2.6 million rubles.

25. Presumably these moderate contributions to exports
and domestic food supply are the main objectives of Soviet
fishing operations. However, according to many reports (which
will be analysed in papers submitted by military analysts)
the Soviet fishing fleet also possesses substantial
capabilities for various types of naval missions.

III. IMPLICATIONS FOR THE ALLIANCE

26. While it is not easy to make a case that motives of
aggression dominate Soviet policy on merchant shipping, there
is no question that they are present at least as policy
options. The existence of a sizeable merchant fleet gives the
USSR a potential for strategic and political uses and for
"cutthroat" economic competition with the West. In view of
Soviet inclinations toward diverse and multiple policy
objectives, we may presume that trade motives are in the
ascendant but must assume that they are subject to exception
and change. The future activities of Soviet merchant shipping
will thus bear watching by governments of the Alliance.

APPENDIX I to
ANNEX B to
APAG(71)1

World Tonnage by Flag at 31st December, 1969
(seagoing merchant vessels of 500 g.r.t. and
over, excluding tugs, trawlers, etc.)

Country of Registry	Total Fleet		Tankers	Bulk Carriers(1)	Other Non-tankers
	million g.r.t.	million d.w.t.	million d.w.t.	million d.w.t.	million d.w.t.
Liberia	29.3	49.7	29.6	14.8	5.4
UK	22.3	32.4	17.0	5.1	10.3
Japan	20.7	32.3	13.2	10.3	8.9
Norway	18.0	28.6	15.1	9.3	4.2
US(2)	17.5	24.8	8.0	1.2	15.5
USSR	9.9	13.2	4.6	0.1	8.5
Greece	9.7	14.5	5.1	3.3	6.1
West Germany	6.7	9.9	2.3	2.1	5.5
Italy	6.3	8.8	4.1	2.4	2.3
Panama	5.6	8.6	5.3	0.6	2.6
France	5.6	7.9	4.8	1.0	2.0
Other CEMA	–	4.8	0.8	0.9	3.1
Others (less important)		55.6	18.6	19.1	27.8
WORLD TOTAL	193.0	291.1	128.7	60.2	102.2

Source: UK Board of Trade

(1) Defined as single-deck cargo vessels of 10,000 d.w.t. or over
(2) Includes some 6.3 million g.r.t. in the reserve fleet, but excludes all non-tanker tonnage owned by Military Authorities

APPENDIX II to
ANNEX B to
APAG(71)1

Comparative Growth of Some Major World Fleets
(see Appendix 1)

	Year ending				Growth 1955-69	
	1955	1960	1965	1969		
	————— million g.r.t. —————					%
Greece	1.3	4.9	6.9	9.7	+ 8.4	+ 646
Liberia	4.5	10.6	19.3	29.3	+ 24.8	+ 551
Japan	3.6	6.5	11.3	20.7	+ 17.1	+ 475
USSR	2.5	3.8	7.5	9.9	+ 7.4	+ 296
West Germany	2.5	4.3	5.3	6.7	+ 4.2	+ 168
Norway	7.1	10.8	15.6	18.0	+ 10.9	+ 154
UK	18.2	20.2	20.4	22.3	+ 4.1	+ 23
WORLD TOTAL (less US Reserve)	81.3	109.9	144.4	193.9	+ 112.6	+ 138

Source: UK Board of Trade

CEMA Merchant Fleet Tonnage, End 1969
(seagoing merchant vessels of 500 g.r.t.
and over, excluding tugs, trawlers, etc.)

Country	Tankers '000 d.w.t.	Bulk Carriers '000 d.w.t.	Other Non-tanker '000 d.w.t.	Total '000 d.w.t.
USSR	4,624	92	8,463	13,179
Poland	134	279	1,572	1,985
East Germany	270	208	763	1,241
Bulgaria	256	164	484	904
Rumania	110	191	225	526
Czechoslovakia	nil	67	54	121
Hungary	nil	nil	45	45
Total CEMA	5,394	1,001	11,606	18,001
Total WORLD	128,712	60,182	102,193	291,087
CEMA as % of World Fleet	4.2	1.7	11.4	6.2

Source: UK Board of Trade

Cargoes Carried by the Soviet Merchant Fleet in Foreign Trade
(million tons)

	Soviet Trade				Cross Trade
	In Soviet Ships		In Foreign Ships		
	Weight	%	Chartered by USSR	Other	
1958	16.6	56.3	n.a.	n.a.	2.3
1960	20.1	40.4	n.a.	n.a.	1.5
1961	23.0	36.9	19.3	20.0	1.3
1965	48.5	49.5	13.0	36.6	8.5
1967	64.3	51.9	n.a.	n.a.	15.7
1970 Plan	97.0	57.4	17.0	55.0	17.0

Sources: "Foreign Trade of the USSR" (statistical yearbook),
various years; "Transport and Communications in
the USSR", Kushkina, Statistical Publishing House,
Moscow, 1967

Geographical Distribution of Soviet Shipping, 1969

Area/Company	Base Port	Dry Cargo Fleet		Tanker Fleet	
		No.	'000 d.w.t.	No.	'000 d.w.t.
North					
Northern	Arkhangelsk	104	525	1	2
Murmansk	Murmansk	47	347	-	-
		151	872	1	2
Baltic					
Baltic	Leningrad	117	991	-	-
Estonian	Tallinn	55	157	-	-
Latvian	Riga	26	79	36	363
Lithuanian	Klaipeda	14	79	-	-
		212	1,306	36	363
South					
Black Sea	Odessa	151	1,948	-	-
Azov	Zhdanov	81	404	-	-
Novorossiysk	Novorossiysk	3	4	107	3,001
Georgian	Batumi	-	-	22	183
Caspian	Baku	19	57	41	200
Danube	Ismail	27	78	-	-
		282	2,491	170	3,384
Far East					
Far East	Vladivostok	175	1,183	33	239
Sakhalin	Kholmsk	52	209	-	-
Kamchatka	Petropavlovsk-Kamchatskiy	39	114	2	3
		266	1,506	35	242
	Grand Total	911	6,175	242	3,991

Source: Sovfracht "Soviet Merchant Sea-going Dry Cargo Ships and Oil Tankers", Reference Book, 1969

APPENDIX VI to
ANNEX B to
APAG(71)1

Calls by Soviet Ships at Foreign Ports in 1967

Region	No. of Calls	%	No. of Ports
North, Central and South America	2,333	12.3	95
North West Europe	7,269	38.4	330
Mediterranean, Black and Red Seas	4,956	26.2	177
West Africa	479	2.4	26
Indian Ocean	1,289	6.7	69
South East Asia, Oceania, Australia	756	4.0	56
West Pacific (including Japan, China, Korea)	1,892	10.0	95
Total	18,974	100.0	848

Source: "USSR on the World Sea Routes", 1969, Bakayev