

January 18, 1957

Dr. Otto E. Guthe
Central Intelligence Agency
2430 E Street, N. W.
Washington 25, D. C.

Dear Dr. Guthe:

Smb Recently the EDAC Community, through Working Group I, has initiated renewed consideration of the question of multilateral controls over the provision of ships and ship services to the Soviet bloc. Two papers on this subject, one prepared by Defense (WG I D-53) and the other from Commerce (WG I D-53.1), have been discussed in the Working Group.

The Group has agreed that further analysis of the subject by CIA and the other agencies of the economic defense intelligence community would be desirable, before consideration of action possibilities, and has agreed on the attached outline for the study, recognizing that some modifications might seem appropriate as work progresses.

Representatives of the Group who have been considering this problem have suggested, through the WG I Chairman, that I write to you on it. I believe further analysis is important, and I should like to request that CIA take responsibility for conducting an inter-agency intelligence study, along the lines of the attached outline, through such organizational arrangements as CIA sees fit to make.

As you know, this is a difficult subject, with a long history, and the question of what to do about ship controls has from time to time enjoyed considerable high-level attention. Prior to the next OG meeting, we shall have to decide what the U.S. position should be on the subject. For these reasons, I hope that the study can be pursued with the best-equipped personnel available in the appropriate agencies. I hope the study can be transmitted to Working Group I within the next four or five weeks. With that in hand, the Group will be able to consider, and prepare its recommendations on, the action problem.

Sincerely yours,

Attachment

W. S. Delany
Deputy Director for
Mutual Defense Assistance Control

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INTRODUCTION

The Intelligence Community is requested to prepare a paper providing the necessary background information for an evaluation of the adequacy of current shipping controls under the prevailing international situation. The topical outline presented below represents the opinion of the EDAC agencies regarding the specific information which such a paper should contain if it is to satisfy the needs of Working Group I for background information.

- I. Introduction (Background - What the paper will do)
- II. Composition of Present Sino-Soviet Bloc Merchant Fleet (Including Naval Auxiliaries) by Type of Vessel, Size, Speed and Age Group.
Comparison Bloc Fleet with That of Free World
- III. Sino-Soviet Bloc Requirements for Merchant Shipping
 - A. Ocean Going Vessels
 1. Sino-Soviet Bloc Shipping in Bloc World Trade as Indicated by Voyage Analysis, 1955-1956
 - a. Tankers
 - b. Dry Cargo Vessels
 2. Western Shipping in Bloc World Trade as Indicated by Voyage Analysis, 1955-1956.
 - a. Tankers
 - b. Dry Cargo Vessels
 3. Estimated Total Bloc Requirements 1960
 - a. If all trade moved in Bloc Ships, Allowing for repairs and Replacement of Bottoms now in Service
 - b. If Western Shipping Continues Available to the Bloc
 - (1) At 1955-1956 levels in Actual Tonnage
 - (2) At 1955-1956 levels as the Percentage of Total Bloc Shipping Requirements

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- E. Coastal Vessels
 - 1. Current Bloc Position
 - 2. Capability to Supply Future Requirements
- IV. Bloc Capabilities to Supply Its Merchant Shipping Requirements
 - A. Given continued availability of Western Shipping Under Current International Agreements
 - B. On the Assumption that Western Shipping Would not be Available for Sino-Soviet Bloc Trade
- V. Western Capabilities to Construct Shipping for Bloc
 - A. Tonnage Currently Constructed or Repaired
 - 1. During 1955
 - 2. During 1956
 - 3. Under Construction or on Order as of January 1957
 - B. Prospects for Providing Tonnage in Addition to that Already Under Construction or on Order as of January 1957
- VI. Summary

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