

**INVESTIGATION AND STUDY OF THE ADMINIS-
TRATION, OPERATION, AND ENFORCEMENT
OF THE EXPORT CONTROL ACT OF 1949, AND
RELATED ACTS**

HEARINGS
BEFORE
SELECT COMMITTEE ON EXPORT CONTROL
HOUSE OF REPRESENTATIVES
EIGHTY-SEVENTH CONGRESS
SECOND SESSION
PURSUANT TO
H. Res. 403

A RESOLUTION CREATING A SELECT COMMITTEE TO
CONDUCT AN INVESTIGATION AND STUDY OF THE ADMIN-
ISTRATION, OPERATION, AND ENFORCEMENT OF THE
EXPORT CONTROL ACT OF 1949, AND RELATED ACTS

SEPTEMBER 13 AND 14, AND OCTOBER 2 AND 3, 1962

PART 3

Printed for the use of the Select Committee on Export Control



CONTENTS

STATEMENTS

	Page
Ball, Hon. George W., Under Secretary of State.....	806
Becker, Hon. Frank J., a Representative in Congress from the State of New York.....	706
Behrman, Hon. Jack N., Assistant Secretary of Commerce for International Affairs.....	638, 675
Bonner, Hon. Herbert C., a Representative in Congress from the State of North Carolina.....	700
Bourdon, Reginald A., assistant legislative director, American Maritime Association.....	734
Braderman, Eugene M., Director, Bureau of International Programs.....	638, 675
Chaves, Abram, legal adviser, Department of State.....	806
Curran Joseph, president, National Maritime Union, AFL-CIO.....	708
Boekersmith, Forrest D., Director, Office of Export Control.....	638, 675
Hurwitch, Robert A., special assistant to the Assistant Secretary of State for Inter-American Affairs.....	806
Kahn, Joseph, president, Committee for American Tanker Owners.....	730
Lewis, Dean B., Assistant General Counsel, Department of Commerce.....	638, 675
McAllister, Breck B., chairman, American Committee for Flags of Necessity.....	723
Meclavin, Peter M., executive secretary-treasurer, Maritime Trades Department, AFL-CIO.....	764
Rogers, Hon. Paul G., a Representative in Congress from the State of Florida.....	763
Thau, Theodore L., Director, Export Policy Staff.....	638, 675
Wright, Robert B., Director, Mutual Defense Control Staff.....	806

OTHER MATERIAL FILED FOR THE RECORD

Bonner, Hon. Herbert C., a Representative in Congress from the State of North Carolina, section 402(a) of Public Law 480.....	702
Bourdon, Reginald A., assistant legislative director, American Maritime Association:	
Correspondence with various Government departments.....	739
List of tankers and owners in Communist oil export trade as of March 29, 1962.....	743
Partial list of vessels engaged in the Cuban trade.....	742
Commerce, Department of:	
Exhibit A--Export Control Act of 1949.....	645
Exhibit B--The customs role in export control.....	648
Exhibit C--Licensing of exports to Soviet bloc countries since extension of Export Control Act of 1949.....	652
Exhibit D--Dr. Behrman's letter of August 16, 1962, to Chairman Kitchin.....	658
Exhibit E--Dr. Behrman's letter of August 27, 1962, to Chairman Kitchin.....	659
Exhibit F--Department of Commerce Press Release No. C 62-152 entitled "U.S. Automotive Machine Tools Denied to Soviet Bloc".....	660
Exhibit G--Hon. Frederick G. Dutton's letter of July 30, 1962, to Chairman Kitchin with list of commodities supplied by Yugoslavia to the U.S.S.R., January 1960-September 1961 enclosed.....	661
Licenses approved for grain for shipment to Eastern Europe (except Poland) and Cuba, January 1-September 19, 1962.....	698

Commerce, Department of--Continued	
Value of licenses issued and re-exportation authorizations granted for shipments to Yugoslavia, July 1-September 13, 1962	657
Curran, Joseph, president, National Maritime Union, AFL-CIO:	
List of Canadian ships operating in Cuban waters	718
List of ships transferred to Greek registry	719
Defense, Department of, letter dated October 16, 1962, from Hon. William P. Bundy, Assistant Secretary of Defense, to Chairman Kitchin:	712
Free world shipping in the Cuban trade	769
International Longshoremen's Association, AFL-CIO:	
Statement by J. A. Condon, public relations director	912
Telegram dated October 2, 1962, from William V. Bradley, president, and Thomas W. Geason, executive vice president, to Chairman Kitchin	912
McAllister, Breck P., chairman, American Committee for Flags of Necessity:	
Letter from Hon. J. W. Guisek, Acting Maritime Administrator, Maritime Administration	727
Telegram to the President dated September 26, 1962	725
Presidential Proclamation No. 3447, "Embargo on all Trade With Cuba":	768
State, Department of:	
Canadian trade with Cuba	886
Cuban missile sites	894
Free world shipping in the Cuban trade	815
Letter dated September 11, 1962, from Hon. Frederick G. Dutton, Assistant Secretary, to Chairman Kitchin	897
Letter dated September 20, 1962, from Hon. Frederick G. Dutton, Assistant Secretary, to Chairman Kitchin	897
Memorandum re policy toward Poland	898
Statement of the Secretary of State respecting section 107 of the House appropriations bill for the Foreign Assistance Act of 1961, as amended	899
Treasury, Department of the: Letter dated October 17, 1962, from Fred B. Smith, Acting General Counsel, to Fred Halford, staff director, House Select Committee on Export Control:	913

**INVESTIGATION AND STUDY OF THE ADMINISTRATION,
OPERATION, AND ENFORCEMENT OF THE EXPORT
CONTROL ACT OF 1949, AND RELATED ACTS**

THURSDAY, SEPTEMBER 13, 1962

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON EXPORT CONTROL,
Washington, D.C.

The committee met, pursuant to notice, at 9:30 a.m., in room 403, Cannon Building, Hon. A. Paul Kitchin (committee chairman) presiding.

Mr. KITCHIN. The committee will come to order.

Dr. Behrman, as chairman of the select committee, I want to personally express my appreciation, as well as that of my colleagues on the committee, for your courteous acceptance of my invitation to appear before this committee this morning.

You have appeared before the committee on prior occasions and I am sure you are well aware of the interest this committee has in export control matters, with particular reference to control of exports to Communist countries.

As a result of our study, made through committee hearings and staff inquiries, a detailed report was submitted in May 1962, containing an analysis of our export control program. Incorporated in this report were a number of pertinent constructive suggestions and recommendations designed to strengthen control over exports to Communist countries. By delegation from the President, the Secretary of Commerce is the administrator of the basic export control statute—the Export Control Act of 1949. You are in charge of the export control program in the Department of Commerce and, as I understand it, responsible directly to the Secretary of Commerce for its administration.

The select committee has an obligation during the remainder of this session of the Congress to follow up actions taken on its recommendations, which it has been doing with other responsible Government officials in agencies and departments having jurisdiction in some facets of export control matters.

The sole purpose of this hearing today is in furtherance of carrying out that recognized responsibility. Among other things, the committee wants to be advised of any changes in policy resulting from amendments to the Export Control Act which became effective July 1, 1962.

At this point, I believe you have a prepared statement that you would like to submit to the committee.

STATEMENT OF JACK N. BEHRMAN, ASSISTANT SECRETARY OF COMMERCE FOR INTERNATIONAL AFFAIRS; ACCOMPANIED BY FORREST D. HOCKERSMITH, DIRECTOR, OFFICE OF EXPORT CONTROL; EUGENE M. BRADERMAN, DIRECTOR, BUREAU OF INTERNATIONAL PROGRAMS; THEODORE L. THAU, DIRECTOR, EXPORT POLICY STAFF; AND DEAN B. LEWIS, ASSISTANT GENERAL COUNSEL, DEPARTMENT OF COMMERCE

Mr. BEHRMAN. Yes. I am very glad to appear again before you on behalf of Secretary Hodges and the Department of Commerce, to talk about the administration and enforcement of the Export Control Act of 1949.

I have appeared before you on several occasions and frequently by myself. I think Mr. Lipscomb at one time had a question in his mind as to whether or not I was running this thing by myself.

I want to bring before you this morning people who have been spending a very large amount of their time in carrying out the recommendations of the committee, and to have them participate in the questioning you may have of our activities.

On my right is Mr. Eugene Braderman, Director of the Bureau of International Programs, which has administrative responsibility for the act. On his right is the Director of the Office of Export Control, Mr. Forrest D. Hockersmith.

On my left is Mr. Theodore Thau, who advises the Director of the Bureau on many of the policy matters and the more difficult cases that come before us.

On my far right is Mr. Dean Lewis, Assistant General Counsel for International Affairs, who provides legal counsel on the investigations and the followthrough on them.

Mr. LIPSCOMB. Do you still have final approval on all licenses granted?

Mr. BEHRMAN. Final approval on the licenses is in the Secretary of Commerce. I think you are referring to the personal review I have made of licenses that do not come in to the Secretary.

Yes, I am every other day or so going through a stack of licenses that Mr. Hockersmith brings me and we sit down and go over each one individually before it is issued for shipments to the Soviet bloc.

Mr. KITCHIN. You said "before it is issued." Are there licenses denied that do not get to your desk?

Mr. BEHRMAN. That's correct.

Mr. KITCHIN. Anything approved by an echelon below your desk comes to you for review?

Mr. BEHRMAN. That's correct, sir.

Mr. KITCHIN. Those going to the Communist countries?

Mr. BEHRMAN. Those going to the Soviet bloc area, plus Yugoslavia, do come to me for individual review before they are issued.

Mr. KITCHIN. How about Poland?

Mr. BEHRMAN. Poland as well.

Mr. LIPSCOMB. I still think you are in charge of the Department.

Mr. BEHRMAN. I know you have a number of questions to ask on this subject, but I believe it will be helpful to you if I first briefly summarize—

1. What we are doing with respect to the recommendations set forth in your report of May 25, 1962.
2. How we are interpreting and applying the 1962 amendments to the act.
3. The considerations that have led to our approving and denying since July 1 applications to export various items to the Soviet bloc.

I

We have given close and careful attention to your report of May 25. We regard it as a very important and constructive analysis of problems involved in carrying out the Export Control Act. We consider your recommendations, of course, especially significant. As we see it, recommendations B, C, and D are addressed particularly to this Department. The others we read as directed primarily to the Congress and the Departments of State and Treasury.

My letter to your chairman, dated August 16, reported what we were doing at that time to carry out your recommendations. I presume that letter will be part of your record. I would like here to bring that statement of our progress up to date.

Your recommendation to increase the size of the export control investigation staff has already been partly implemented by adding seven investigators and two clerks. However, current budgetary problems, of which this committee is doubtless aware, are limiting our ability to do more in this area at this time. Our long-range plan is to bring the investigation staff up to a total of about 50 people by fiscal year 1967. Today we have a total of 35 people engaged in this work, of whom 23 are investigators.

We have also moved to implement your recommendation that our investigation staff exercise more initiative and be more actively involved in planning the entire enforcement program, including that part carried out by delegations to the Bureau of Customs and the Foreign Service. For some time now our departmental order assigning responsibilities in connection with the administration and enforcement of export controls has specifically provided that our export control investigation staff and our General Counsel's Office and our Office of Export Control should work together in the enforcement of the export regulations and control programs, including the initiation, development, and recommendation of policy and measures for the control of the U.S. exports. These responsibilities are given to our investigation staff, in addition to the duty of investigating possible violations and developing evidence for appropriate administrative and penal actions.

Our investigation staff is also participating actively in new enforcement programs we are in the process of developing with Customs and the Foreign Service.

Your recommendation that the enforcement activities of Customs insure more adequate detection of export control violations is to be implemented on a number of fronts. Our principal efforts to date have been described in my August 16 letter. However, the budgetary problems to which I have already referred, have constrained our ability to move very far in this field right now. On the subject of Customs enforcement of export controls, I would like to call to your attention our report (the 60th) for the second quarter of 1962. Chapter IV, beginning at page 22, is a special review of the work of the Customs

Bureau in our export control program. In effect, it tells what Customs does with the money that is transferred to it annually from our export control appropriation.

Following your recommendation to strengthen Foreign Service participation in the export control program, we have been reviewing this subject with the Department of State. Our investigation staff is taking an active part in this review. Your recommendation specifically asks that there be initiated an adequate training program for Foreign Service personnel for export control responsibility abroad; that the duties and responsibilities of such personnel be fixed; and that adequate personnel be assigned to insure that illegal diversions of strategic commodities are detected. We are creating our own program to train those Foreign Service officers who will hereafter be going overseas to perform export control functions. We are talking with State Department people to try to get a reasonable time to train each economic defense officer before he leaves for his oversea assignment. Our program would seek to give these Foreign Service officers a thorough understanding of the Export Control Act and U.S. export licensing policies as well as our investigation staff's techniques and methods for preventing illegal diversions, and for detecting and investigating violations which occur. Further, we are planning to have our investigation staff and other enforcement people go overseas more often than in the past to give Foreign Service officers on-the-job training, and also to lead regional meetings in exchanges of ideas and information in this field. As far as your recommendation pertains to the fixing of duties of Foreign Service personnel, and the number to be assigned to this work by the Department of State, you will appreciate that these responsibilities are basically committed to that Department. While we are consulting with State on your recommendations I should defer to them on further details of what they are planning to do to implement this recommendation.

We are also undertaking to effectuate your recommendation that, as an enforcement aid, we should arrange to see that Foreign Service personnel are promptly notified of outbound shipments moving under validated licenses so that they can check on possible illegal diversions. Since we issue about 140,000 export licenses a year and under each license there may be from 1 to 10 (or even more) partial shipments, it seems to us that the most feasible way to carry out the substance of your recommendation is on a spot check basis. Otherwise, as you will appreciate, we would quickly swamp at least a number of our key foreign service posts abroad. We have asked our investigation staff to devise a program of the kind we believe your committee contemplates. They have proposed a procedure to increase substantially our postshipment checks in preselected cases. They will select particular shipments for checking from scrutiny of ships' manifests and bills of lading. Information on these selected shipments will be transmitted to our Foreign Service personnel, with requests for postshipment checks. Under this procedure neither the exporter nor the importer will know in advance that his particular shipment has been selected for checking. Our investigation staff has also undertaken to work with our Foreign Service posts in certain sensitive countries to institute tracing investigations of select shipments made to those countries in recent months.

Before turning to your recommendation about technical data, I would like to assure you that we have also taken careful note of the statement at the conclusion of your recommendations on enforcement, that we should increase the number of our prelicense investigations, as well as our examinations of outbound shipments, of parcels sent by mail, and of our postshipment followups. I have already stated what we are doing in regard to increasing postshipment investigations, and in my August 16 letter I told your chairman that we have substantially increased the number of our prelicense checks from 187 in 1961 to 258 in the first half of 1962. Actually, in the last 4 months we quadrupled such checks over the number made in the last calendar year. I also mentioned in my August 16 letter that we are working with the Post Office Department and Customs to increase inspections of mail shipments.

Turning now to your recommendation that we take immediate steps to control more effectively exports of technical data, I want to make it clear that we fully share your concern on this subject. As you know, one of the principal reasons why we asked Congress to extend the Export Control Act permanently was that we thought it would facilitate our hiring the kind of skilled engineering and scientific personnel necessary to review new technological developments for control purposes and to pass upon applications for licenses to export technical data. Although the act was only extended for 3 years, we have been making efforts to recruit this kind of talent (a very difficult task these days, at best). The current budgetary situation has, however, led to a temporary freeze on hiring in the Department, and this has so far prevented us from doing very much in this direction.

On the substance of your recommendation, I know that the members of this committee appreciate that control of exports of technical data presents some very difficult problems. For one thing, data can be transmitted in spoken as well as written form, so that full control of technical data exports can involve us in problems of control over movements of engineers and other people having knowledge of this kind in their heads. In addition, there is a problem that results from the fact that exports of published technical data cannot be effectively controlled with our free press and other means of communication. Consequently, we have dealt almost wholly with exports of unpublished technical data. But this restraint raises the question whether controls can and should be placed on the ability of people to frustrate our control by turning their unpublished technical data into published form through the simple process of putting it into a book, magazine, or patent. Furthermore, there is the question of the extent to which we ought to go beyond control of direct exports of technical data to the Soviet bloc, to deal with exports of unpublished technical data to free world countries in order to curb reexports of such data from free world countries to the Soviet bloc and exports of foreign-made products of such technical data from the free world to the Soviet bloc. As the committee knows, we do impose restraints of this latter kind on exports of unpublished technical data to free world countries in the limited fields of petrochemical plant technology, petroleum pipeline manufacturing technology, aircraft technology, and airborne electronics equipment technology.

We will endeavor to implement the committee's recommendation on this score as much as possible. We believe that it is a subject, however, that must be approached with great care so as not to do unnecessary damage to our freedoms and to the growth of our economy and of the free world. We know such growth is very much tied up with the free flow of technological information, back and forth, within the free world.

Your final recommendation of direct concern to this Department is that we maintain tight control of exports of prototypes and single units to Communist countries. As I stated in my August 16 letter to the chairman, we are scrutinizing each application for the bloc from the standpoint of the commodity's possible significance as a prototype. We will continue doing this. We find, of course, that not every request for one unit means that it will be used as a prototype. Many times in the export business, as in domestic business, it appears that single units are purchased when only one is needed or because of the buyer's desire to determine from testing one, whether he should ultimately order a large quantity. We also find that not every purchase of a single unit involves a risk of copying. In fact, there are many situations where it is not possible to copy an item merely by having one or more units to take apart and study.

Of course, I would like to add here that our ability to do a better job in this field will be improved as and when we are able to recruit the technologically trained people that we previously told you we need.

II

I turn now to my second subject: the 1962 amendments to the Export Control Act, and how we are interpreting and applying them.

The amendment to section 1 (b) makes it a finding of Congress that unrestricted exports without regard to their potential military and economic significance may adversely affect our national security. This amendment we interpret as affecting our implementation of the amendments to sections 2 and 3.

The first amendment to section 2 declares it to be the policy of the United States to formulate, reformulate and apply export controls to the maximum extent possible in cooperation with other nations, and to formulate a unified commerce and trading policy to be observed by non-Communist nations in their dealings with Communist nations.

In keeping with the first clause of this amendment, we (a) assist the Department of State in efforts to maintain the cooperation of other nations in a high level of multilateral export controls, and (b) formulate, reformulate and apply the U.S. export controls we administer as much as possible to accord with the multilaterally agreed level, subject, of course, to one major qualification. This qualification is that we should not abandon control over exports of an item simply because other countries fail or refuse to cooperate with us in such control. The other part of this amendment, that which refers to unified commercial and trading policies to be formulated with non-Communist countries, includes much more than the scope of export control as heretofore understood. We are working with the Department of State on ways of making certain that we have proper methods of trading with the bloc, but this will be a long-term problem and it is too early, I believe, to give you any definitive report.

The other amendment to section 2 of the act declares it to be the policy of the United States to use our economic resources and advantages in trade with Communist nations so as to further our national security and foreign policy objectives. Having in mind that our economic resources and advantages in trade obviously include much more than our power to impose export controls, we construe the scope of this amendment as transcending our former statutory authority and responsibility under the Export Control Act. To the extent the policy expressed in this amendment can be effectuated under control procedures, however, we undertake it by denying licenses when this is found to be for the benefit of our national security and foreign policy, and by approving them when that course appears to be beneficial to those national interests. Further, we believe this amendment gives congressional policy authorization to our varying the scope and severity of export controls to particular countries, from time to time, as our national security and foreign policy interests require, e.g., during a period of heightened international tension. Finally, we believe that the policy of this amendment must be related to the policy expressed in the amendment to section 3(a), a finding of a trade "advantage" being one means, for example, of counterbalancing what might otherwise be a claim of "detriment."

The amendment to section 3(a) appears designed to make it an explicit responsibility to do as we have been doing by implicit authority of the law prior to the amendment. It states that our rules and regulations shall provide for denial of export licenses to ship any item to a nation or combination of nations threatening our national security under the conditions set forth therein. We have adopted a regulation to this effect which has just been published in the Federal Register. As we interpret this amendment, we are called upon, in the case of any application to ship an item to the Soviet bloc, for example, to consider whether that item will significantly contribute to the military or economic potential of the bloc. If the item does, from the information available to us, contribute in a significant way to the bloc's military potential, then we should certainly deny the application because it is very difficult to see how approval would not prove detrimental to our national security and welfare. When, however, it is found that an item will contribute significantly to the economic potential of the Soviet bloc, it may or may not be detrimental to our national security and welfare to approve it. There is, of course, a burden on anyone who would argue that there is no such detriment. One situation where this burden can at times be met is where the same item, or a close equivalent, is readily available to the bloc from other free world sources. We have in particular cases concluded that, under such circumstances, and assuming that we are unable to persuade other free world countries to refuse to export the item in question to the Soviet bloc, we should properly conclude that export of the item from the United States would not be detrimental to our national security or welfare. In such cases we have decided that as long as the bloc can get the same or a similar item elsewhere, it is the fact of acquisition and use by the bloc that affects our security and welfare—not the source of the export. And, when we consider that denial under such circumstances only operates to the detriment of our own business firms and workers, we believe we are not unwise in concluding on bal-

ance that there is more detriment to our national security and economic welfare in denial than there is in approval. There is, of course, a "gray" area between the military and economic, where we may find an item that appears to contribute to both potentials, but contributes significantly more to the one than the other. Such items must, of course, be dealt with on a case-by-case basis, in the light of such factors as the relative degree of contribution to the military or economic potentials, and the relative degree of effectiveness of our control. Finally, we read this amendment as saying that if an item will not contribute significantly to either the military potential or economic potential of the bloc, we should—unless there is some other reason to deny it—approve the license.

I do not want you to get the impression that we see this amendment to section 3(a) of the act as clearly and easily applied in every case that comes before us. On the contrary, to find facts bearing on whether a proposed export would or would not contribute to the "military or economic potential" of the Soviet bloc and is or is not detrimental to our national security and welfare, is very often a difficult and time-consuming project. However, we realize that it is our responsibility to carry out this law to the very best of our ability, and we shall strive constantly to do so.

Lastly, with regard to the increased criminal penalties provided by the amendment to section 5, I should point out that we have not yet had any criminal case to which the amendment will apply, and therefore have no judicial interpretation to bring to your attention. However, I can tell you that we have regarded the congressional intention implicit in the amendment as being applicable by analogy in our administrative export denial proceedings, warranting more severe sanctions for willful and repeated violations than may heretofore have been applied. In addition, at our request, Customs has recently increased the penalties they will impose in seizure cases involving export violations.

III

My foregoing remarks about our interpretation and application of the amendments to the Export Control Act lead me to my final topic—an explanation of our reasons for granting and denying various applications to ship items to the Soviet bloc since July 1, 1962. As stated in my August 16 letter to your chairman, we recently denied 112 applications for \$43 million of automotive machine tools. Our reasons for so doing were stated in my August 27 letter to your chairman, which I trust will also be part of the record, along with our explanatory press release of August 18, copies of which are available for your information.

We also recently approved a number of applications covering a variety of commodities and some technical data, as also described in my August 27 letter. As stated therein, our reasons for approval were that these items appeared to be readily and immediately available to the bloc from non-U.S. sources, and they were not deemed significant to the military or economic potential of the bloc in any way that would prove detrimental to the national security and welfare. Our August 27 letter, incidentally, also mentions a number of other items that we recently denied to the bloc. They included

items which we are in a position to control unilaterally, as to which we believed we could make our denials effective so far as the bloc is concerned, and items deemed significantly advanced from a technological standpoint.

My associates and I will be glad to give your committee more detail on any of the cases that are mentioned in my August 16 and 27 letters, or, on any of the other cases that we licensed to the bloc since July 1, 1962.

In conclusion, I would like to call to your attention some statistics on our export licensing to Eastern Europe from our most recent quarterly report—the 60th—as well as some that are more up to date than those available to you from that report. On page 4 of the 60th quarterly report, we stated that in the second quarter of 1962 we approved \$10.8 million of applications for Eastern Europe as compared with \$13.3 million in the first quarter. In the first 6 months of 1962, we approved a total of \$24.2 million of exports to Eastern Europe, approximately 35 percent less than in the first two quarters of 1961. In addition, in the second quarter of 1962—as appears from page 6 of the report—we rejected applications for Eastern Europe valued at \$1.2 million.

Thus far in the third quarter of 1962—July 1–September 13—we have processed applications valued at \$60.3 million for Eastern Europe of which we rejected \$44.4 million—including the 112 cases of automotive machinery. During this period we approved \$15.9 million of applications. A comparison of the value of applications approved for Eastern Europe from January through September 13, 1962, with the value of applications approved for Eastern Europe in the first three quarters of 1961, shows that at this point we are approving about 20 percent below 1961; namely, \$40.1 million as against \$49.9 million in the 1961 period. This includes the cases referred to in my August 18 and 27 letters.

We will be glad to answer questions for you.

Mr. KITCHIN. Thank you very much.

Before we get into questions, I think probably we ought to make a matter of record some of the items that have been referred to by Dr. Behrman in his statement.

First, I would like to submit for the record as exhibit A a copy of the newly amended statute known as the Export Control Act of 1949 as amended. Amendments are set forth in italic.

(The document referred to, exhibit A, follows:)

EXHIBIT A

EXPORT CONTROL ACT OF 1949

(As extended and amended by Public Law 87-515, 87th Cong.)

AN ACT To provide for continuation of authority for the regulation of exports, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Export Control Act of 1949."

FINDINGS

SECTION 1. (a) Certain materials continue in short supply at home and abroad so that the quantity of United States exports and their distribution among importing countries affect the welfare of the domestic economy and have an important bearing upon fulfillment of the foreign policy of the United States.

(b) The unrestricted export of materials without regard to their potential military and economic significance may adversely affect the national security of the United States.

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and to aid in fulfilling its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security of the United States.

The Congress further declares that it is the policy of the United States to formulate, reformulate, and apply such controls to the maximum extent possible in cooperation with all nations with which the United States has defense treaty commitments, and to formulate a unified commercial and trading policy to be observed by the non-Communist-dominated nations or areas in their dealings with the Communist-dominated nations.

The Congress further declares that it is the policy of the United States to use its economic resources and advantages in trade with Communist-dominated nations to further the national security and foreign policy objectives of the United States.

AUTHORITY

SEC. 3. (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this Act, such rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person. *Such rules and regulations shall provide for denial of any request or application for authority to export articles, materials, or supplies, including technical data, from the United States, its territories and possessions, to any nation or combination of nations threatening the national security of the United States if the President shall determine that such export makes a significant contribution to the military or economic potential of such nation or nations which would prove detrimental to the national security and welfare of the United States.*

(b) The President may delegate the power, authority, and discretion conferred upon him by this Act, to such departments, agencies, or officials of the Government as he may deem appropriate.

(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

CONSULTATION AND STANDARDS

SEC. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any department, agency, or official making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provisions shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department, or agency, or official to carry out the policies of this Act.

VIOLATIONS

SEC. 5. (a) Except as provided in subsection (b) of this section, in case of any violation of any provision of this Act or any regulations, order, or license issued hereunder, the violator or violators, upon conviction, shall be punished by

a fine of not more than \$10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment. For a second or subsequent offense, the offender shall be punished by a fine of not more than three times the value of the exports involved or \$20,000, whichever is greater, or by imprisonment for not more than five years, or by both such fine and imprisonment.

(b) Whoever willfully exports any material contrary to any provision of this Act or any regulation, order, or license issued hereunder, with knowledge that such exports will be used for the benefit of any Communist-dominated nation, shall be punished by a fine of not more than five times the value of the exports involved or \$20,000, whichever is greater, or by imprisonment for not more than five years, or by both such fine and imprisonment.

ENFORCEMENT

SEC. 6. (a) To the extent necessary or appropriate to the enforcement of this Act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpoena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in the case of contumacy by, or refusal to obey a subpoena issued to, any such person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application, and after notice to any such person and hearing, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443) shall apply with respect to any individual who specifically claims such privilege.

(c) No department, agency, or official exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 7. The functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

QUARTERLY REPORT

SEC. 8. The head of any department or agency or official exercising any functions under this Act shall make a quarterly report, within 45 days after each quarter, to the President and to the Congress of his operations hereunder.

DEFINITION

SEC. 9. The term "persons" as used herein shall include the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

EFFECTS ON OTHER ACTS

SEC. 10. The Act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tin-plate scrap, is hereby superseded; but nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

EFFECTIVE DATE

SEC. 11. This Act shall take effect February 28, 1949, upon the expiration of section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations, rules, regulations, orders, licenses, or other forms of administrative action under said section 6 of the Act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

TERMINATION DATE

SEC. 12. The authority granted herein shall terminate on June 30, 1965, or upon any prior date which the Congress by concurrent resolution or the President may designate.

Mr. KITCHIN. Next, I would like to offer for the record exhibit B, at the suggestion of Dr. Behrman—a very informative statement—“Customs Role in Export Control” as contained in the 60th quarterly report, the second quarter of 1962, published by the Department of Commerce. (Exhibit B referred to follows:)

EXHIBIT B

THE CUSTOMS ROLE IN EXPORT CONTROL

The 59th quarterly report discussed the broad aspects of enforcement of export controls. The major source of assistance in enforcement of regulations outside of the Department is the Treasury Department's Bureau of Customs. The role played by that Bureau is so important to the export control program that it warrants separate treatment.

GENERAL

During the calendar year 1961 approximately 7 million shipments requiring export declarations and valued at almost \$20.9 billion were made from the United States.¹ It is anticipated that the number and value of export shipments will continue to increase annually as the export expansion program gains momentum.

Exportations from the United States must be cleared either through U.S. customhouse (or customs airport office) or through a post office. The bulk of these shipments, from the standpoint of quantity, value, and strategic significance, are cleared through customs.

The Bureau of Customs has the important task of assuring that all export shipments (except shipments by mail for which the Post Office Department is responsible) are made strictly in accordance with export control regulations. Customs performs this task by three related activities: (1) examination of shipping documents, including validated export licenses, shippers' export declarations, bills of lading, air waybills, carrier manifests, etc.; (2) physical examination of export shipments; and (3) appropriate actions against violators, including seizure of proposed shipments being made or about to be made in violation of export control regulations.

The Department of Commerce transfers approximately one-third of its export control funds to the Bureau of Customs for that agency's export control activities. The amount transferred during the fiscal year 1962 was \$1,237,000. The transferred funds pay for program supervision and direction, and for the salaries and expenses of the following types of personnel: export control specialists who examine shipping documents; inspectors who physically examine export shipments; openers and packers who assist inspectors; Customs agents; Customs port investigators and export guards who cover certain international bridges on the Mexican border for the purpose of preventing unauthorized exportations. There are a total of 200 such employees.

EXAMINATION OF SHIPPING DOCUMENTS

The Customs role in export control begins with examination of shipping documents. Primarily, this examination provides insurance against (1) willful

¹This figure includes shipments to Canada for consumption in Canada. Shipments in this category do not require export licenses from the Department of Commerce.

or inadvertent attempts to export strategic commodities under a general license when a validated export license² is required; or (2) other willful or inadvertent violations of export control regulations.

The two principal documents used by Customs in clearing export shipments are the validated export license and the shipper's export declaration. The export declaration is a document on which the exporter "declares" his shipment—in other words, tells the Government what and how much he is shipping, to whom he is shipping, and to what country he is shipping. The declaration also includes other pertinent information, such as gross weight, marks and numbers of the packages, name of the exporter's forwarding agent, name of the intermediate consignee, etc.

If an exporter is shipping a commodity which requires a validated license, he must present the license and a shipper's export declaration to Customs. If he is making a shipment which does not require a validated license, he presents only a shipper's export declaration to Customs. The principal phases of the documentary examination activity are as follows:

1. If the exporter is shipping under a general license—i.e., presents only an export declaration—Customs must make sure that the shipment meets the terms of the general license and does not require a validated license. For example, an exporter might present a declaration covering the exportation to Belgium of lithium bromide, an industrial chemical, without presenting a validated export license. In that case Customs would reject the declaration since lithium bromide requires an export license to all foreign destinations except Canada.

Experience shows that each month the Customs Service stops several hundred attempts to export merchandise without the required export licenses. While most of these attempts are made through ignorance or misunderstanding of the regulations, they constitute potential violations which, if not stopped, would jeopardize the objectives of the export control program.

2. If the exporter presents an export license as well as an export declaration, Customs must compare the two documents to ascertain that the declared shipment is within the terms of the license and that it is consigned to the destination and consignee authorized by the license.

3. Customs makes sure that the shipper's export declaration is properly prepared in all respects, that it is signed and presented by the exporter or his authorized forwarding agent, and that it meets the requirements of the regulations in all other respects.

4. Customs is supplied with a list of U.S. firms and persons suspended from the privilege of exporting, and with a list of foreign firms and persons suspended from the privilege of receiving U.S. goods, because of previous violations of the regulations. Export declarations are checked against these lists to assure that such firms and persons neither export nor receive U.S. goods.

5. Customs requires presentation of bills of lading, air waybills, commercial invoices, shipping instructions, or other documents bearing upon a particular exportation whenever there is suspicion of a false commodity description on the export declaration or some other violation of export control regulations, and when review of these documents may assist in allaying or confirming the suspicion.

6. Export control examiners see to it that the exporter has complied with any special instructions on the face of the license (usually designed as safeguards against unauthorized transshipment from the authorized country of destination) and has met all other applicable requirements.

7. Customs makes a record of shipments against each export license so that the total quantity shipped under the license will not exceed the amount licensed and so that the Department of Commerce may be informed of the actual shipments made under each license issued.

8. Export control regulations provide that a "destination control statement" must appear on the export declaration, the bill of lading (or air waybill), and the commercial invoice for virtually all commercial exports. This statement serves to notify foreign parties and their agents of countries to which reexportation of U.S.-origin goods has been authorized, and conversely to inform them of their responsibility not to divert U.S.-origin commodities to unauthorized destinations. Customs export control examiners make sure that the statement appears on export declarations in clearing individual shipments. In addition,

² The terms "general license" and "validated export license" are defined on p. 1 of this quarterly report.

Customs conducts occasional spot checks of bills of lading, air waybills, and commercial invoices to test compliance with the regulation insofar as those documents are concerned.

9. Another important part of export document review is examination of carrier manifests (a) to assure that all shipments are covered by export declarations; (b) to detect any commodity descriptions inconsistent with those on the corresponding export declarations.

PHYSICAL EXAMINATION OF EXPORT SHIPMENTS

Customs inspectors have been called "the last line of defense" in the United States against violators of export control regulations. Up until the time the inspector enters the picture, proposed exports have been checked only against documents. Customs inspectors, on a spot check basis, see the merchandise itself and decide whether it is actually what the documents say it is.

Shipments selected for examination are those which, due to a combination of factors, such as destination, exporter, consignee, commodity, etc., are deemed most likely to involve violations. For example, special emphasis is placed on inspection of shipments consigned to Soviet bloc countries and Cuba. Particular shipments are also inspected on the basis of tips by informants or other special information. The inspection program includes examination of passengers' and crewmembers' baggage as well as inspection of cargo.

From time to time Customs inspectors employ a technique, known as "blitz inspections," which supplements and strengthens the normal spot check program. A "blitz" inspection is basically a concentrated inspection effort. For example, a port may assign a number of inspectors to examine as much of the cargo being laden aboard a given vessel or plane as possible. Blitzes may also take the form of (a) inspection of all shipments, or as many shipments as possible, for a given "sensitive" destination or known transshipment point; (b) temporary concentration of inspection effort on air shipments; or (c) a "commodity blitz"—i.e., inspection of all shipments, or as many as possible, of certain types of commodities in connection with which violations are deemed most likely to occur.

Experience has shown that news of such a blitz tends to spread rapidly along the waterfront or in airport cargo rooms. Thus blitzes advertise the fact that export shipments are subject to inspection and have a good psychological effect with respect to the prevention of future violations.

Customs inspectors also conduct periodic physical examinations of shipments at international dispatching depots of the Post Office Department as a means of detecting and preventing violations of export control regulations by shippers using the mails. A sufficient number of these inspections are held (a) to assure that mailers generally are complying with the regulation in a reasonably satisfactory way; and (b) to detect specific violations and take appropriate action against firms or persons involved in such violations. Inspections also serve as a means of educating mailers with respect to their responsibility under export control regulations.

In some cases Customs port investigators, working under the Customs Agency Service, which is the investigative and enforcement branch of the Bureau of Customs, conduct physical examinations of merchandise. These examinations are conducted primarily in connection with tips by informants, blitz inspections, and inspections of passengers' and crewmembers' baggage.

SHIPMENTS TO SOVIET BLOC COUNTRIES AND CUBA

Shipments to Soviet bloc countries receive special scrutiny and attention. For example, vessels and planes departing directly or indirectly for ports in Soviet bloc countries or Cuba must present to Customs complete cargo manifests prior to Customs clearance for that portion of the cargo which is to be discharged at a port or ports in these destinations. (Other vessels and planes are permitted to present manifests within 4 work days after clearance.) Also, as indicated above, shipments consigned to Soviet bloc countries and Cuba have high priority for purposes of physical examination of merchandise. Collectors of Customs on the Mexican border operate under special instructions designed to prevent unauthorized exportations to Cuba via Mexico.

ACTIONS AGAINST VIOLATORS

The principal type of action taken by the Customs Service against violators of export control regulations is seizure of merchandise being or about to be illegally exported. Such seizures are made under the Espionage Act of 1917 (22 U.S.C. 401 et seq.). This law also permits seizure of goods already exported if and when the goods are returned to the United States.

During the fiscal year 1962 the Customs Service made 284 seizures of merchandise, valued at \$912,468.01, about to be exported for actual or suspected violations of export control regulations.

Seizures normally begin with suspected or actual irregularities detected as a result of export document examination or physical inspection of merchandise. When significant, such irregularities are reported to the Customs Agency Service. Investigations by the Customs Agency Service, which may result in seizures or other actions, also originate with information furnished by informants, business competitors, the investigations staff of the Department of Commerce, and other Government agencies.

In the field of export control investigation a close working relationship is necessary between the Customs Agency Service and the export control investigations staff of the Department of Commerce. The investigations staff frequently requests the Agency Service to investigate actual or suspected violations, and the Agency Service often requests and receives advice and assistance from the investigations staff concerning the action to be taken in a particular case. Investigations conducted by the Agency Service, either on its own initiative or at the request of the investigations staff, may result not only in seizure of merchandise, but also in the initiation of administrative compliance proceedings by the Department of Commerce and/or criminal proceedings initiated by the Department of Justice.

Other actions which may be taken by the Customs Service, either on its own initiative or at the request of the Department of Commerce, include:

- (1) Issuance of orders to prevent lading aboard the exporting carrier of a shipment believed to be in violation of export control regulations;
- (2) Detention and/or seizure of an exporting carrier being used to export a shipment in violation of the regulations;
- (3) Orders to unlade from the exporting carrier a shipment believed to violate the regulations; and
- (4) Issuance of formal or informal warnings to exporters involved in violations.

Mr. KITCHIN. Before we get into other questions, I think we should put these other items into the record for ready reference.

As exhibit C, a summary of the licensing of exports to the Soviet bloc countries since the extension of the Export Control Act, approved July 1, 1962.

(Exhibit C referred to follows:)

EXHIBIT C

Licensing of exports to Soviet bloc countries since extension of Export Control Act of 1949 (approved July 1, 1962)

Date	Commodity	Value	Destination
July 5	TV receivers and parts (consumer models for exhibit and eventual resale).	\$1,947	U.S.S.R.
	Portable electric tools (for use with pulpmill equipment previously shipped).	140	U.S.S.R.
6	Industrial sewing machine parts (replacement parts).....	333	Czechoslovakia.
	Electron tubes (fresh water converter).....	71	U.S.S.R.
	Cigar leaf tobacco, unmanufactured.....	1,810	East Germany.
	Portable electric tool parts.....	96	U.S.S.R.
	Chemical specialties (for laboratory use).....	9	Hungary.
	Industrial chemicals, sample.....	6	Rumania.
	Copper alloy pipe fittings (for use in papermill machinery)	95	U.S.S.R.
9	Portable electric tool (for use in motorcar repair workshop).	60	Czechoslovakia.
10	Papermill machinery parts (for use in newsprint mill).....	63,003	U.S.S.R.
11	Chemical specialties (sample).....	1	Czechoslovakia.
	Papermill machinery (for use in newsprint mill).....	195,256	U.S.S.R.
	Technical data (patent).....	(1)	U.S.S.R.
	do.....	(1)	Poland.
	Hand tools, petroleum products, electrical machinery parts, rectifiers, grinding wheels (for maintenance and repair of locomotives).	1,241	Hungary.
12	Research laboratory equipment (for use in filtering light)...	48	Czechoslovakia.
	Scientific and professional instrument parts (for consumer photographic use).	12	Hungary.
	Synthetic rubber manufactures (for experimental use).....	676	Czechoslovakia.
	Abrasive products, steel wire, textile manufactures, iron and steel hardware, industrial machine parts, metal-cutting machine tools, ball bearings, iron and steel manufactures, handtools (for maintenance and repair of locomotives). Through Sweden and Denmark.	112,801	Hungary.
	Iron and steel hardware parts (for use in papermaking machine).	6	U.S.S.R.
13	Flame safeguards for heating station.....	222	Czechoslovakia.
	Construction machinery parts (for use in processing agricultural chemicals).	13,728	Bulgaria.
	Construction machinery parts (for experimental purposes).	1,375	Czechoslovakia.
	Industrial instruments and parts (for use in production of agricultural chemicals).	28,146	U.S.S.R.
	Locomotive parts, handtools, graphite products, electric motor, electrical testing instrument parts, portable electric tools, electrical machinery, cotton manufactures and textile manufactures (for maintenance and repair of locomotives manufactured in Denmark and Sweden for Hungary).	38,958	Hungary.
16	Pulp machine parts.....	885	Rumania.
	Paper pulp machine parts.....	857	Do.
	Iron and steel hardware, diesel engine parts, electric generators and parts, electric motor parts, roller bearings, handtools, petroleum products, chemical specialty compounds, industrial heating units, portable electric tool parts, transformers, fuses, electric quantity-indicating instruments (for maintenance and repair of locomotives manufactured in Sweden for Hungary).	71,968	Hungary.
17	Industrial chemicals (for use as insecticide).....	74,000	U.S.S.R.
	Power-generating machinery parts (for use in locomotives manufactured in Sweden for Hungary).	132,976	Hungary.
18	Research laboratory equipment (for use in food testing)...	32,488	U.S.S.R.
	Construction machinery parts (replacement parts for machinery previously shipped).	5,690	Czechoslovakia.
	Industrial chemicals (for use in processing foods).....	2,402	Hungary.
	Photographic equipment (for consumer use).....	3,081	Do.
	Diesel engine parts, railway transportation equipment (for use in maintenance and repair of locomotives manufactured in Sweden for Hungary).	59,387	Do.
	Electronic equipment (for maintenance and repair of British-supplied TV broadcast equipment).	4,160	Do.
19	Rubber belting (replacement parts for feed plant previously shipped).	1,042	Rumania.
	Tobacco, unmanufactured cigar leaf.....	180,000	East Germany.
	Electronic computer (for use in chemical analysis of materials).	1,545	Poland.
	Lubrication equipment (for use in maintenance and repair of locomotives manufactured in Sweden for Hungary).	1,167	Hungary.
	Automobile passenger car (for use in philanthropic relief work).	2,500	Do.

See footnotes at end of table, p. 656.

Licensing of exports to Soviet bloc countries since extension of Export Control Act of 1949 (approved July 1, 1962)—Continued

Date	Commodity	Value	Destination	
July 20	Technical data (12 applications approved for filing of patent applications).	(1)	U. S. S. R., Czechoslovakia, East Germany, Cuba, Hungary.	
	Electrical quantity recording instrument (for agricultural research use).	\$554	Hungary.	
	Glassmaking machines and parts (for use in manufacture of glass tumblers).	230,511	Czechoslovakia.	
	Construction machinery parts (for use in manufacture of ceramic goods).	432	Do.	
	Textile machine parts (replacement parts for textile machine manufactured in Japan for U.S.S.R.).	867	U.S.S.R.	
	Industrial service industry machine parts (for maintenance and repair of locomotives manufactured in Sweden for Hungary).	675	Hungary.	
	Metal manufactures (replacement parts for papermaking machine manufactured in the United Kingdom for U.S.S.R.).	618	U.S.S.R.	
	23	Unmanufactured cigar leaf tobacco	300,000	East Germany.
		Industrial chemicals (for testing purposes in the lacquer industry).	20	Hungary.
		Photographic filters (for use in commercial photography).	46	Do.
		Organic chemicals (may be used either in the pharmaceutical or textile industries).	624	U.S.S.R.
		Technical data (4 applications)	(1)	Cuba.
	24	Industrial instruments and parts (for maintenance and repair of locomotives manufactured in Sweden for Hungary).	294	Hungary.
Naval stores (samples for testing)		5	East Germany.	
Synthetic resin (sample for testing)		41	Rumania.	
Leaf tobacco, unmanufactured		3,315	East Germany.	
25		Technical data (for foreign filing of patent applications)	(1)	East Germany, U.S.S.R., Hungary, Rumania, Czechoslovakia, Czechoslovakia.
		Synthetic rubber (for sample)	50	Czechoslovakia.
26		Vegetable oils and fats (sample)	1	Do.
		Pearl essence, synthetic (for costume jewelry)	34,000	Do.
		Industrial motor controls (for use in hearth furnace being manufactured in the United Kingdom for Czechoslovakia).	456	Do.
		Acetate filament yarn (sample)	38	Do.
	Petroleum products (for use in bunkering purposes)	1,450	Poland.	
	Industrial chemicals (for production of textile intermediate chemicals).	28,800	U.S.S.R.	
	27	Synthetic resin (for manufacture of rubber articles such as shoe soles and floor tile).	1,925	U.S.S.R.
		Electron tube parts (used in manufacture of radio receiving tubes).	655	Hungary.
		Industrial sewing machine parts	2,787	Czechoslovakia.
		Cotton twine (used in sausage making machine)	1,945	Rumania.
Electronic equipment (replacement parts for electronic equipment manufactured in West Germany for Hungary).		10	Hungary.	
30	Aircraft parts (for maintenance and repair of aircraft for commercial airline, 2 applications).	21,000	Poland.	
	Synthetic rubber (sample)	50	Czechoslovakia.	
Aug. 3	Radio beacon transmitters and parts (to be installed as an aid to civil air navigation at airport).	23,953	Do.	
	6	Technical data	(1)	U.S.S.R.
		Technical data (2 applications)	(1)	Czechoslovakia.
		Technical data	(1)	East Germany.
	Petroleum products (sample)	1	Czechoslovakia.	
	Cellulose acetate molding and extruding powder (used in manufacture of plastic products).	68,343	Do.	
	Cementing preparations	1	Bulgaria.	
	Synthetic resins (for testing purposes)	200	Hungary.	
	7	Technical data (2 applications)	(1)	Cuba.
		Rayon tire fabric (sample)	5	Czechoslovakia.
Soybeans (for human and animal consumption)		199,339	Do.	
Chemical specialty compound (sample)		1	Do.	
Reagent chemicals (for laboratory use in study of color changes).		2	Hungary.	
8	Printing apparatus and parts (for use with equipment previously shipped).	60	Do.	
	Iron rods (to be used for testing alloys)	413	Do.	
	Electron tubes (to be used by consignee for replacement in television set).	11	U.S.S.R.	
	Grinding machines (for production of parts for fuel pumps).	76,492	Poland.	
	Synthetic resin (used for manufacture of nylon fibers)	1,132,500	U.S.S.R.	
	Shoe machines and parts (used in the manufacture of shoes).	9,647	Rumania.	
	Scientific and professional instruments (for academic research use).	540	Hungary.	

See footnotes at end of table, p. 656.

EXPORT CONTROL ACT OF 1949

Licensing of exports to Soviet bloc countries since extension of Export Control Act of 1949 (approved July 1, 1962)—Continued

Date	Commodity	Value	Destination
Aug. 8	Unclassified technical data (for foreign filing of patent application)	(1)	East Germany.
	Aircraft parts (replacement parts for commercial aircraft now in use by Polish airlines—from Norway)	\$18,000	Poland.
9	Industrial instruments (material to be temporarily shown at BRNO Trade Fair and returned to Austria)	371	Czechoslovakia.
	Industrial instruments (used for research on metals)	2,336	Poland.
	Chemical specialty compound (used to manufacture pharmaceutical products)	1,540	Czechoslovakia.
	Shoe trimming machines (for use in the shoe industry)	1,427	Hungary.
	Grinding machines (for production of parts for fuel pumps)	35,583	Poland.
	Chemical specialty compounds (used to spray molds to prevent sticking when molding plastics)	576	Rumania.
10	Raw cotton (original license issued in 3d quarter of 1962 for \$53,277)	68,135	Czechoslovakia.
	Industrial instruments and parts (to be installed in an acetylene plant being constructed by an Italian firm in U.S.S.R.)	1,664	U.S.S.R.
	Carbon steel tape (used in the production of television tubes)	369	Poland.
	Forklift trucks (for use in potato chip processing and packing plant)	13,365	U.S.S.R.
	Steam boiler parts (for use in the textile industry)	1,896	Rumania.
	Automotive replacement parts (repair parts for commercial truck engines previously shipped)	2,514	Bulgaria.
	Industrial sewing machine parts	156	Czechoslovakia.
	Physical properties testing and inspecting machines (used for weathering and aging of surface materials)	14,440	U.S.S.R.
13	Crude sulfur (for the production of sulfuric acid)	159,500	Czechoslovakia.
	Organic chemicals (for use in manufacture of paints, cleaning fluids, and sprays—from Holland)	10,200	Bulgaria.
14	Carbon black (used for manufacture of paints, inks, and rubber products)	11,411	Czechoslovakia.
	Industrial sewing machine parts	480	Do.
	Automotive replacement parts (repair parts for passenger car—from Switzerland)	223	Bulgaria.
	Technical data necessary for filing a patent application	(1)	Cuba.
15	Synthetic resin (used in the manufacture of plastic products)	2,140	U.S.S.R.
	Cellulose acetate (for use in the manufacture of synthetic silk)	250	U.S.S.R.
	Industrial sewing machines	4,800	Czechoslovakia.
	Cellulose acetate molding and extrusion composition (for use in the manufacture of steering wheels)	20,460	Do.
	Butyl alcohol (for use in the manufacture of synthetic resins)	11,999	Do.
	Capacitors (for use in transistor radios)	125	Do.
16	Power transmission system parts (for use in agricultural machines)	114	Do.
	Synthetic resin (used as a sample and evaluation for use in manufacture of waterpipe)	7	Bulgaria.
	Motion picture studio equipment and parts (replacements for motion picture equipment previously shipped)	91	Czechoslovakia.
	Ball bearings (replacement part for personal automobile)	9	Bulgaria.
	Organic acid (for use as a plasticizer in electrical insulation—from the United Kingdom)	20	Hungary.
	Industrial chemicals (used for manufacture of paints and lacquers—from Holland)	925,932	U.S.S.R.
17	Antioxidant (for manufacture of rubber products)	770,000	U.S.S.R.
	Carbon black (for the manufacture of rubber products)	224,100	Czechoslovakia.
	do.	195,000	U.S.S.R.
	Carbon black (sample)	1	Hungary.
	Land leveler (used for agricultural purposes—from Canada)	2,900	U.S.S.R.
	Industrial instrument parts (to be used in pulp mill made in Sweden for the U.S.S.R.—from Sweden)	3,290	U.S.S.R.
	Industrial instrument and parts (to be used with pulp mill made in Finland for the U.S.S.R.—from Finland)	618	U.S.S.R.
	Industrial instruments and parts (to be used with pulp mill made in Sweden for Czechoslovakia—from Sweden)	7,892	Czechoslovakia.
20	Cigar leaf tobacco, unmanufactured (from Holland)	27,892	Do.
	Construction machinery and parts (for use on Tuloma River hydroelectric powerplant in the U.S.S.R. and for ultimate return to Finland)	1,500,000	U.S.S.R.
21	Organic rubber compounding agents (for manufacture of variety of rubber products)	151,507	U.S.S.R.
	Synthetic rubber (for manufacture of variety of rubber products)	9,698	Czechoslovakia.
	Synthetic rubber (for manufacture of passenger tires)	190,000	Do.
	Synthetic rubber (sample)	11	Hungary.
	Synthetic rubber (for manufacture of variety of rubber products)	4,079	U.S.S.R.

See footnotes at end of table, p. 656.

Licensing of exports to Soviet bloc countries since extension of Export Control Act of 1949 (approved July 1, 1962)—Continued

Date	Commodity	Value	Destination
Aug. 21	Accelerators (for manufacture of variety of rubber products).	\$1,800	Rumania.
	Coal tar agents (for reclaiming rubber).	22	Hungary.
	Inspecting machines and parts (for testing strength of textiles— <i>from Italy</i>).	2,750	Rumania.
	Synthetic rubber (for production of a variety of rubber products— <i>from Switzerland</i>).	203,600	Czechoslovakia.
	do.	15,576	Rumania.
	Chemical specialty compounds (sample)— <i>from Holland</i> .	4	East Germany.
22	Diamonds suitable for jewelry (sample—to be returned to the United States).	79	U.S.S.R.
	Organic chemicals (sample for evaluation).	87	U.S.S.R.
	Aircraft parts (replacement parts for commercial aircraft now in use by Polish airlines).	239	Poland.
	do.	140	Do.
23	Industrial chemicals (used for the manufacture of lacquers).	8,374	Hungary.
	Scientific and professional instruments (for biological and medical research—2 applications).	9,854	Czechoslovakia.
	Aircraft parts (for use in commercial aircraft).	2,621	Poland.
	Coal tar products (used for the manufacture of fibers).	103,616	U.S.S.R.
	Scientific and professional instruments (for biological and medical research).	5,450	Czechoslovakia.
	Indicating recording and/or controlling instruments and parts (for use in air conditioning).	11,326	East Germany.
	Industrial sewing machine parts (not to exceed \$1,000 per month for 6 months— <i>from West Germany</i>).	6,000	Albania, Bulgaria, Czechoslovakia, East Germany, Estonia, Hungary, Latvia, Lithuania, Rumania, and U.S.S.R.
			U.S.S.R.
24	Rayon high-tenacity filament tire cord fabric (for use in the manufacture of tires).	558,025	U.S.S.R.
	Inorganic acids (for use in manufacturing rubber shoe soles).	650,000	U.S.S.R.
	Inorganic acid (sample).	1	U.S.S.R.
	Organic surface agents (sample).	1	Czechoslovakia.
	Coal tar products (for use in dyestuffs and medicinals).	105,400	U.S.S.R.
	Organic rubber compounding agent (sample).	1	Czechoslovakia.
	Coal tar products (sample).	2	Do.
	Inorganic acid (sample).	1	U.S.S.R.
	Coal tar products (for use in dyestuffs and medicinals).	18,600	U.S.S.R.
	Rubber compounding agents (sample) from United Kingdom.	27	Czechoslovakia.
	do.	29	Hungary.
	Carbon black (sample) from United Kingdom.	18	Do.
27	Organic chemicals (used as a pipe-sealing compound).	117	Do.
	Industrial sewing machine parts.	64	Czechoslovakia.
	Crude sulfur (used for manufacture of sulfuric acid).	130,500	Do.
	Spark plugs (replacement parts for portable chain saw previously shipped).	45	Rumania.
28	Raw cotton linters (for use in manufacture of synthetic textiles).	299,826	East Germany.
	Cottonseed linters (for manufacture of rayon).	46,295	Do.
	Industrial sewing machine parts.	443	Czechoslovakia.
	Technical data for pulp mill.	(1)	Rumania.
	Coal tar products and other cyclic products (for use in the synthetic resin industry).	39,683	Hungary.
	Glycerin (used in manufacture of ink and paper products).	25,463	Do.
	Coal tar products and other cyclic products (for manufacture of plastics).	62,712	Do.
	Coal tar products and other cyclic products (for use as a solvent).	22,500	Do.
29	Pipe valves and parts (for use in humidity control system).	1,214	U.S.S.R.
	Petroleum products (used for lubrication of machinery).	290	Poland.
20	Electric motors and parts (to be used in the processing of lye).	1,778	Czechoslovakia.
	Ball and roller bearings (replacement parts for portable chain saw previously shipped).	55	Rumania.
	Gear pumps, hydraulic (replacement parts for machines previously shipped).	233	Czechoslovakia.
	Machine parts (replacement parts for machines previously shipped).	567	Do.
	Optical measuring instrument and parts (used for quality control of paprika).	1,833	Bulgaria.
	Industrial instruments (used for temperature control).	756	Czechoslovakia.
	Industrial sewing machines.	4,434	Do.
	Semiconductor parts (replacement parts for movie projector).	107	Poland.
	Industrial manufacturing and service industry machine parts (replacement parts for fiber spraying machine.)	357	Czechoslovakia.

See footnotes at end of table, p. 656.

656

EXPORT CONTROL ACT OF 1949

Licensing of exports to Soviet bloc countries since extension of Export Control Act of 1949 (approved July 1, 1962)—Continued

Date	Commodity	Value	Destination	
Aug. 29	Petroleum drilling and production equipment parts (replacement parts for rotary water well drill rig previously shipped).	\$5,652	Poland.	
	Technical data for foreign filing of a patent application (2 applications).	(1)	Czechoslovakia.	
	Industrial sewing machines and parts.	1,359	Do.	
	Automotive replacement parts (for personal use by missionary).	192	Cuba.	
	do.	139	Do.	
	Technical data necessary for the foreign filing of patent applications.	(1)	Czechoslovakia.	
	do.	(1)	Poland.	
	do.	(1)	Hungary.	
	do.	(1)	U.S.S.R.	
	31	Industrial chemicals (for use in the textile and leather industry).	29,700	U.S.S.R.
Sept. 4	do.	99,000	U.S.S.R.	
	Electron tubes (for personal use by missionary).	25	Cuba.	
	Technical data (for tin annealing line).	(1)	Czechoslovakia.	
	Metal-cutting machine tool parts (for machines used in the automotive industry).	579	Do.	
	Ball and roller bearings (for machines used in the automotive industry).	798	Do.	
	Technical data (for runout table for hot rolled steel strip).	(1)	Hungary.	
	Unclassified technical data for pickling, annealing, cleaning, shearing, sorting, and tinning installation—from United Kingdom.	(1)	Rumania.	
	Unclassified technical data for quotation on continuous annealing and galvanizing lines—from Italy.	(1)	Czechoslovakia.	
	Unclassified technical data for shearing and electrolytic tinning lines—from France.	(1)	Bulgaria.	
	Unclassified technical data for 6-stand continuous billet mill—from United Kingdom.	(1)	Hungary.	
	Raw cotton (sample shipment).	184	Rumania.	
	Industrial chemicals (for use in the manufacture of film and lacquers).	179,250	Czechoslovakia.	
	Electric sealed beams (for use in automotive service).	111	U.S.S.R.	
	Hydraulic brake fluid (for use in passenger car) from Switzerland.	5	Rumania.	
	Technical data (used for assembly, erection, and installation of power boilers in the pulp and paper industry—from Japan).	(1)	U.S.S.R.	
	Automotive replacement parts (for use on 2-wheel-drive passenger car—from Denmark).	72	Poland.	
	5	Synthetic pearl paste (for use in the manufacture of buttons).	5,472	Czechoslovakia.
	Batteries, dry cell (for use in the manufacture of watches).	935	U.S.S.R.	
	Synthetic rubber (for use in the manufacture of rubberware).	157,044	Poland.	
	do.	126,093	Do.	
do.	163,437	Do.		
Industrial sewing machines and parts—from United Kingdom.	1,358	Czechoslovakia.		
Petroleum products (for use in passenger car) from Switzerland.	11	Rumania.		
Automotive fan belts (for use on 2-wheel-drive passenger cars) from Switzerland.	6	Do.		
6	Geographic world globe (for educational use).	17	Czechoslovakia.	
Synthetic rubber (sample shipment).	1	Do.		
Agricultural machine parts (replacement parts for ensilage harvester).	48	Do.		
Paper-converting machinery (for use in converting paper into usable products such as towels, napkins, diapers, and facial tissues).	3,345,250	U.S.S.R.		
Synthetic resin (sample shipment; for testing purposes) from Austria.	20	Rumania.		
Automotive replacement parts (replacement parts for passenger car) from Switzerland.	265	Do.		

1 No value.

Mr. LIPSCOMB. To supplement that schedule you are just putting in, could we also make an addition to that to show the export licenses granted to Yugoslavia since the enactment of the act?

Mr. KIRCHIN. Without objection, we will get that list and include it along with the exhibit.

EXPORT CONTROL REPORT

(The information follows:)

Value of licenses issued and reexportation authorizations granted for shipments to Yugoslavia, July 1-Sept. 13, 1962

EXPORTATIONS AUTHORIZED

[Value in dollars]

Date	Commodity	Value	Date	Commodity	Value
July 5	Petroleum products.....	\$14,968	Aug. 7	Construction machinery parts..	\$6,920
	Copper wire and cable.....	143,000		Synthetic rubber.....	1
	Electrolytic copper.....	188,284	9	Video tapes.....	2,400
6	Semiconductors.....	1,873		Roller bearings.....	375
	Construction machinery parts..	16,085		Industrial instruments and parts.....	2,741
	Signal generators.....	97,198		Copper wire, insulated.....	125
	Electrical testing instruments..	11,415		Semiconductors.....	366
	Copper cathodes.....	194,448		do.....	92
9	Copper wire and bars.....	2,102		do.....	230
	Petroleum drilling and production equipment.....	8,460	10	Construction machinery parts..	5,281
	Construction machinery.....	14,097		Scientific and professional instruments and parts.....	625
	Quartz crystal manufactures.....	131		Petroleum drilling and production equipment parts.....	1,041
	Research laboratory apparatus..	1,170		Electron tubes.....	301
	Industrial instrument parts.....	120	14	Waveguide and components.....	4,629
	Semiconductors.....	69		Communication wire, insulated.....	9,291
	Electron tubes.....	253		Petroleum drilling and production, equipment parts.....	13,284
	Semiconductors.....	314		Roller bearings.....	2,285
	Electrical testing instruments..	1,180		Quartz crystals.....	3,330
	Electrical testing instrument parts.....	375		Industrial instruments and parts.....	3,916
10	Industrial instrument parts.....	7,510		Copper elevator control cable..	194
	Semiconductors.....	92		Building wire.....	42
	Electron tubes.....	225	15	Petroleum products.....	958
13	do.....	56		Semiconductors.....	256
	Semiconductors.....	102		Centrifugal pumps and parts..	107,780
16	do.....	83		Electrodes.....	225
	Electrical testing instruments..	12,222	16	Pipe valve parts.....	264
18	Electronic computer parts.....	42,360		Electronic physical properties testing, and products testing and inspecting machines and parts.....	255
19	Industrial machines and parts..	35,740		Cellulose acetate film.....	220
	Construction machinery parts..	9,099	22	Copper wire, insulated.....	110,000 ¹
20	Industrial instrument parts.....	833		Electron tubes.....	111
	do.....	2,348	23	Capacitors.....	3,121
	Electron tubes.....	398		Physical properties testing equipment.....	1,853
	do.....	237		Waveform measuring instruments.....	1,254
	Electrical testing instrument..	925		Physical properties testing equipment.....	1,250
	Synthetic resin.....	359	24	Petroleum products.....	2,112
	Electrical testing instrument parts.....	1,425	29	Oil and gas separators and parts..	1,136
	Copper tubing.....	2,319		Petroleum drilling and production equipment parts.....	1,437
	Electron tubes.....	290		Aerial camera parts.....	5,760
	Optical glass.....	2,979		Petroleum products.....	702
	Video tape.....	2,798		Copper tubing.....	2,968
	do.....	1,272	Sept. 4	Copper wire, insulated.....	1,855
	Construction machinery parts..	17,627	5	Electron tubes.....	105
23	Semiconductors.....	300		Semiconductors.....	89
	Video recording tape.....	640		Industrial instrument parts..	1,067
	Processing vessels.....	127,264	6	Electrical testing instruments..	1,845
	Processing vessels and parts.....	16,100		Waveform measuring instruments.....	2,390
24	Aircraft parts.....	120,000		Electrical testing instrument parts.....	275
25	Electrical testing instruments..	6,790	10	Electronic computer parts.....	2,344
	do.....	19,500			
	Petroleum drilling and production equipment parts.....	4,976			
	Semiconductors.....	219			
	do.....	122			
	Industrial instrument parts..	275			
26	Construction machinery.....	35,575			
27	Electronic physical properties testing equipment.....	167			
	Copper tubing and wire.....	46,956			
	Copper wire and bars.....	1,781			
Aug. 6	Industrial instrument parts.....	498			
	Construction machinery.....	35,575			
	do.....	20,875			

¹ Amendment to previously issued license increasing value by the amount indicated.

Value of licenses issued and reexportation authorizations granted for shipments to Yugoslavia, July 1-Sept. 13, 1962—Continued

REEXPORTATIONS AUTHORIZED

[Value in dollars]

Date	Commodity	Value	Date	Commodity	Value
July 9	Industrial instrument parts (from Holland).....	\$933	Aug. 9	Electrical testing instrument (from Switzerland).....	\$333
10	Industrial instruments and parts (from Holland).....	15,607		Electrical testing instrument (from United Kingdom).....	109
	Electron tubes (from Switzerland).....	5,976		Signal generators (from Switzerland).....	910
	Electron tubes and parts (from Switzerland).....	375	14	Waveform measuring instrument (from Holland).....	1,550
11	Semiconductors (from Switzerland).....	1		Electrical testing instrument (from Holland).....	250
25	Electrical testing instruments (from Holland).....	1,890	24	Petroleum products (from West Germany).....	284

Mr. LIPSCOMB. To clarify the matter, the figures you gave on page 13 of your formal statement as an increase in trade with the Soviet bloc does not include the increase in trade with Yugoslavia?

Mr. BEHRMAN. No.

Mr. LIPSCOMB. You do include in your schedule trade with Poland as part of your increase?

Mr. BEHRMAN. Yes.

Mr. LIPSCOMB. So if you include Yugoslavia in the Soviet bloc, it would show a considerable increase?

Mr. BEHRMAN. Increase in the volume of trade?

Mr. LIPSCOMB. Yes.

Mr. BEHRMAN. I would have to check the figures.

Mr. HOCKERSMITH. I do not have the exact figures. If I recall correctly, something around \$1.4 million.

Mr. KITCHIN. As exhibit "D," I would like to put into the record the letter referred to by Dr. Behrman, to me, dated August 16, 1962. (The letter referred to follows:)

EXHIBIT D

THE ASSISTANT SECRETARY OF COMMERCE,
Washington, D.C., August 16, 1962.

HON. A. PAUL KITCHIN,
Chairman, Select Committee on Export Control,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is a further response to your letter of July 16 requesting information on the administration of the Export Control Act.

Our Bureau of International Programs reported the following:

1. The number of professional personnel in the investigations staff has been increased by six, with two more expected to report soon, and the clerical staff has been increased by one. When personnel actions now underway are complete, this staff will include 23 professional (as compared with 15 on January 1, 1962) and 13 clerical employees. In addition, the Department has submitted to Congress a request for supplementary funds for the fiscal year 1963 to further strengthen our investigative and legal activities, as well as the activities of the Bureau of Customs in the enforcement program. With these additional funds we hope to be able to increase the investigations staff to total of 25 professional and 15 clerical personnel during this fiscal year.

Once this new personnel has been trained, we will be in a position to develop programs to expand and improve enforcement. One of the programs we plan to undertake is to increase our investigators' direct personal contacts with customs officers in important port cities in order to give them a better understanding of the objectives and techniques of export control investigation and enforcement. This procedure has been tried in Miami since 1961 with excellent results in improving the effectiveness of that office both in detecting and investigating violations. However, lack of personnel up to now has made it impossible to extend the practice to other ports.

2. In cooperation with both the Bureau of Customs and the Post Office Department, a significantly stepped-up program for the inspection of mail shipments at all gateway post offices has been developed for fiscal year 1963. These inspections will be conducted by customs officers.

3. We are reviewing with the Department of State the matter of strengthening the investigative and enforcement activities of economic defense officers stationed at diplomatic posts abroad, particularly with regard to improved training programs for officers newly assigned to export control work.

Concurrently, we are improving our own use of the Foreign Service by seeing to it that the Foreign Service posts are furnished more background information whenever we request an action and by providing them with more general information on new developments in our policies and plans.

In addition, we have substantially increased the number of export transaction checks on specific proposed or completed exports. Whereas licensing officers sent requests through the Department's Commercial Intelligence Division for a total of 187 such checks in 1961, 258 checks were requested through the Commercial Intelligence Division in the first half of 1962. The investigations staff has also started a general survey of all validated and general license shipments to Yugoslavia in recent months to select certain significant shipments for tracing.

4. We are continuing our practice of scrutinizing each application for the bloc from the standpoint of the commodity's possible significance as a prototype.

We shall be glad to keep your committee informed of developments along these lines and any new plans or actions that are undertaken.

You will be interested, I am sure, to know that the Secretary has denied 112 applications for \$43 million of automotive machine tools. After thorough examination at the technical and policy levels, it was decided that exports of this magnitude of advanced machinery could contribute significantly to military support. Our denial cannot be wholly effective in preventing bloc countries from obtaining such equipment, since similar machines are available in Europe. However, it is our estimate that European producers cannot fill such orders in the near future.

The Secretary has also denied several other pending cases in technical data and advanced equipment for the petrochemical and steel industries.

He has approved, after very careful examination, a variety of pending cases for materials to be used in manufacturing tires and plastics, and for export of some technical data in steel manufacturing. As to these latter cases, it is clearly evident that the same commodities or information is readily and immediately available to the bloc from non-U.S. sources.

Sincerely yours,

JACK N. BEHRMAN,
International Affairs.

Mr. KITCHIN. As exhibit E, the letter referred to by Mr. Behrman, dated August 27, 1962.

(Exhibit E referred to follows:)

EXHIBIT E

THE ASSISTANT SECRETARY OF COMMERCE,
Washington, D.C., August 27, 1962.

HON. A. PAUL KITCHIN,
*Chairman, Select Committee on Export Control,
House of Representatives, Washington, D.C.*

DEAR MR. KITCHIN: Secretary Hodges has told me of his recent talk with you about certain machine tool applications we recently denied for the Soviet bloc and some other cases we are in the process of approving and denying the bloc. He has asked me to send you more specific information about these cases.

Cases referred to by the Secretary are the same cases that I mentioned in the last part of my letter to you of August 16.

Of the \$43 million of automotive machine tool cases, about \$1.8 million were for Czechoslovakia and the balance for the U.S.S.R. They comprised a wide variety of machine tools for automobile factories, including lathes, grinders, roughers, formers, hobbors, lappers, finishers, testers, quenchers, shapers, cutters, gages, and transfer machines. The reasons for our denial of these cases were set forth in the second from the last paragraph of my August 16 letter. They were also stated in our press release of August 18, a copy of which is enclosed.

The approximately 50 cases which the Secretary told you were being approved, and which I referred to in the last paragraph of my August 16 letter, included about \$3,800,000 of materials for use in tire making; namely, carbon black, certain kinds of synthetic rubber, tire fabric, antioxidants, vulcanizing and compounding agents, accelerators, a fiber-testing instrument and resorcinol flakes. In addition, there was \$125,000 of furfural for use in the manufacture of plastic materials, in solvents, and in the synthetic resins industry. We also approved a license to export technical data necessary to make a quotation and to construct a kraft paper pulpmill, as well as licenses for fluid stream analyzers and related equipment for use in paper and pulp mills, valued at approximately \$14,500. Other licenses covered \$25,000 of synthetic glycerine for manufacture of ink and paper products and as a plasticizer in the manufacture of starch and glue, and nearly \$350,000 of raw cotton liners for the production of film and rayon textiles. Under our special Polish policy, we approved export of technical data to that country to erect two distillation heaters for processing crude oil and residue. Other technical data approved for export to the bloc, as mentioned in my August 16 letter, related to such steel manufacturing processing equipment, as: a cold mill installation; a shearing and electrolytic tinning line; a continuous heat treatment furnace for incorporating in a tin strip annealing line; accessory equipment and components for handling hot rolled steel strip; two continuous annealing and galvanizing lines for steel strips; and a continuous billet mill.

As also stated in my August 16 letter, these commodities and data we have approved are readily and immediately available to the bloc from non-U.S. sources. In addition, they are not deemed significant to the military or economic potential of the bloc in any way that would prove detrimental to our national security and welfare.

At the same time we were approving the aforementioned cases, we also denied a \$13,700 order for a type of synthetic rubber which we are in a position to unilaterally control; an analog computer and gas chromatograph, valued at about \$13,000, for use in the bloc's petrochemical industry; \$1,500 of automatic regulators for use in gas distribution systems; \$6,500 of silicone diffusion pump fluid for use in vacuum pumps; and technical data for construction of a plant to produce acrylonitrile fiber. These items were denied because we believe we could make our denials effective, so far as the bloc is concerned, and because they are significantly advanced from a technological standpoint.

I trust the foregoing information will be helpful to you and your committee.
Sincerely yours,

JACK N. BEHRMAN, *International Affairs.*

Mr. KITCHIN. As exhibit F, the press release dated August 18, 1962, dealing with the denial to the Soviet bloc of the automotive machine tools.

(Exhibit F referred to follows:)

EXHIBIT F

[Press release, U.S. Department of Commerce, Aug. 18, 1962]

G-62-152

U.S. AUTOMOTIVE MACHINE TOOLS DENIED TO SOVIET BLOC

Secretary of Commerce Luther H. Hodges today announced the Department's denial of approximately \$43 million worth of machine tools for shipment to the U.S.S.R. and Czechoslovakia.

The denials by the Department's Office of Export Control involved 112 export license applications covering machinery for production of automotive components and parts submitted by a number of U.S. machine tool manufacturers.

The applications had been pending action by the Department for several months while the machinery involved and its advanced capabilities were subjected to intensive scrutiny and analysis, not only by technical experts within the Government, but also at top policy levels. The denial action was taken after consultation and with the concurrence of the other U.S. departments and agencies who advise the Secretary of Commerce under the Export Control Act.

Denial was based largely on the fact that equipment of this magnitude and advanced type would have contributed significantly to the automotive capacity of the bloc. The automotive industry has an important role in military support.

While it is recognized that equipment similar to most of that covered by the license applications is or could be produced and sold by foreign manufacturers, their ability to deliver more than a few units in the near future is limited.

Mr. KITCHIN. Exhibit G, a letter to me as chairman from the Honorable Frederick G. Dutton, Assistant Secretary of State, dated July 30, 1962.

(Exhibit H referred to follows:)

EXHIBIT G

JULY 30, 1962.

Hon. A. PAUL KITCHIN,
Chairman, Select Committee on Export Control, House of Representatives.

DEAR MR. CHAIRMAN: I have received your letter of July 16, 1962, in which you request information on Soviet-Yugoslav trade.

With reference to your first question, we regret that the full text of the trade agreement now in effect between Yugoslavia and the U.S.S.R. has not been published and therefore is not available to us. The information presently available to the Department of State consists of press releases by the Yugoslav and Soviet Governments which summarize its provisions.

The trade agreement currently in effect was originally signed in March of 1961. It runs until 1965 and provides for a doubling, in the final year of the agreement, of the amount of trade which was carried on between the two countries in 1960. The total amount of trade between Yugoslavia and the Soviet Union in 1960 was \$109,614,000.

The commodities listed for delivery to the U.S.S.R. in Yugoslav releases are as follows: Cables, lead, ferrous and nonferrous industries products, chemical industry products, various industrial equipment and machinery, footwear, furniture, knitted articles of wool, cold-storage installations for commercial firms, food preparation equipment, electrical equipment, universal drying plants, complete installations for processing fruit and vegetables, and power transformers. Also called for are 16 tankers of 25,000 gross tons each, 9 tramp steamers of 10,000 tons each, and 3,500 tank cars. Neither quantities of the commodities nor more exact descriptions are given.

This basic agreement was modified by the annual protocol to it which was signed on February 15, 1962. It called for an increase in the actual amount of goods exchanged by 30 percent over actual 1961 levels to \$120 million.

On July 8, 1962, an additional protocol for the years 1963-65 was signed in Moscow by a Yugoslav economic mission. This called for the doubling of 1961 trade volume by 1963, which would bring it to a level of \$174 million. This refers to doubling the actual figures for 1961, however, and these are considerably less than the planned figures. In fact the volume planned for 1963 in the original 1961 agreement is still in excess of the doubled actual 1961 figures.

In this connection it should be pointed out that the planned figures cited in these trade agreements represent, in effect, a maximum upper limit which is almost never reached. The trade agreements must be followed by specific contracts which prove difficult to agree upon because of price, quality, and other considerations. Thus, the actual trade figures from year to year have consistently been well below planned levels. For example, in the first year of the agreement the value of total trade fell by 9 percent in the face of a planned average increase of 16 percent per annum.

Commodities specified in the latest protocol are oceangoing ships, rail tank cars, steel pipe, nonferrous plates, lead, mercury, rubber products, chemicals, furniture, and "other products." The "oceangoing ships" are to consist of nine 20,000-ton tankers and five 12,000-ton freighters. This represents a halving of the tanker tonnage and a reduction by one-third in the freight tonnage called for in the original agreement. Delivery is scheduled for 1965, but there is some question whether even these new planned levels will be met since Yugoslav shipyards have all the hard currency business they can handle and the Soviets need larger tankers than the Yugoslavs can produce.

A table of Yugoslav exports to the Soviet Union in 1960 and the first 9 months of 1961 (the latest available commodity data) has been compiled and is attached. This may prove useful in supplementing the information on the trade agreement.

Your second query concerned the bearing which Yugoslav-Soviet trade might have on U.S. aid to Yugoslavia in view of provisions of the Mutual Defense Assistance Control Act of 1951 (Battle Act).

There is no reason to assure that the recent protocols to the Yugoslav-Soviet trade agreement are intended to provide for the delivery by Yugoslavia to the U.S.S.R. of commodities covered by title I of the Battle Act. Although some of the commodity categories are described in broad enough terms that title I Battle Act goods could possibly be included, the pattern of past Yugoslav trade with the Soviet bloc and the stage of development of the Yugoslav industries concerned suggest rather that the exports to the U.S.S.R. do not consist of such strategic commodities. If at any time it should be learned that Yugoslavia is exporting Battle Act title I items to the Soviet bloc any U.S. aid program in existence at that time would, of course, have to be reviewed as required by the act.

Finally, you ask whether Yugoslavia, since its break with the Sino-Soviet bloc, has exported Battle Act commodities to the bloc. Since reestablishing its independence, Yugoslavia has not exported any Battle Act title I category A items (arms, ammunition, and implements of war and atomic energy materials) to the Sino-Soviet bloc. During 1957 and the first half of 1958, however, Yugoslavia did make a number of exportations to the Sino-Soviet bloc which apparently included items which at the time appeared on the list of Battle Act title I category B commodities, but which were removed from the list in August of 1958. These shipments included semifinished copper products totaling \$5.3 million in value, most of which were probably on the category B list in existence at that time. They also included cable valued at approximately \$1 million, electric motors and generators, etc., valued at \$355,600, machine tools valued at \$175,400, and lubricating oils valued at about \$260. These latter shipments may or may not have included Battle Act category B items, but the lack of adequate commodity description make it impossible to determine with any degree of certainty. In order to insure compliance with the Battle Act, the Administrator brought all the above-mentioned shipments, with a total value of \$6.9 million, to the attention of the President. On January 9, 1959, after considering the above-mentioned shipments in relation to the provisions of section 103(b) of the Battle Act, he directed the continuation of United States assistance to Yugoslavia. The relevant paragraph from the letter of the Battle Act Administrator recommending an exemption for Yugoslavia is appended as a classified attachment to this letter. The President approved this recommendation with the concurrence of the Departments of Commerce, Defense, State, Treasury, and the International Cooperation Administration. Copies of the Presidential determination were sent to the Chairmen of the Senate Committees on Foreign Relations, Armed Services and Appropriations and the House Committees on Foreign Affairs, Appropriations, and Armed Services on January 17, 1959.

To the best of our knowledge Yugoslavia has made no other exports of Battle Act title I items to the Sino-Soviet bloc. It is worthy of note that out of the 80 or more exceptions which have been made to the Battle Act Yugoslavia has been involved in only one.

I hope that this information will be useful to the committee. Please do not hesitate to call on me if I can be of further assistance to you.

Sincerely yours,

FREDERICK G. DUTTON, *Assistant Secretary.*

List of commodities supplied by Yugoslavia to the U.S.S.R., January 1960-September 1961¹

Commodity	January-December 1960		January-September 1961	
	Weight	Value ²	Weight	Value ²
	Kilograms	Thousands	Kilograms	Thousands
Maize, unmilled.....	12,462,087	\$716.0	20,462,057	\$1,174.0
Dried plums.....	8,247,693	2,240.0	4,005,953	1,068.0
Beans, dry.....	1,873,455	315.0	3,108,610	456.0
Flax.....	884,721	1,245.0	825,112	437.0
Laurel leaves.....	99,312	19.0	99,931	19.0
Barites, crude.....	11,991,920	185.0	12,202,600	196.0
Barites, ground.....	8,600,300	251.0	7,134,100	207.0
Gas oil.....			35,237	1.0
Fuel oil.....			399,875	6.0
Sodium hydroxide (caustic soda).....	17,000,000	1,317.0	13,000,000	974.0
Sodium carbonate.....	17,240,000	603.0	7,235,900	251.0
Calcium carbide.....	8,148,935	692.0	6,247,574	530.0
Chestnut extract.....	698,749	127.0	365,806	65.0
Oil paints.....			499,260	343.0
Maize starch.....	11,361,100	999.0	7,702,050	677.0
Calf leather.....	16,310	213.0	878	13.0
Cattle upper leather.....			6	1
Cattle sole leather.....	811,869	891.0	591,815	604.0
Walnut veneers.....	1,248,124	1,015.0	703,709	568.0
Oak veneers.....	648,257	384.0	491,940	348.0
Cigarette paper.....	523,402	419.0	228,965	152.0
Knitting yarn.....			14	.1
Cotton fabrics, bleached.....			113	.2
Cotton fabrics, dyed.....			356	.7
Cotton fabrics, printed.....			87	.1
Silk fabrics.....			45	.1
Worsted fabrics.....			1,021	2.0
Woolen fabrics.....	305,658	1,538.0	214,653	1,002.0
Rayon fabrics.....			95	.3
Woven fabrics.....	50	.1	137	.2
Silk ribbons.....			20	.2
Wool blankets.....			73	.1
Bed linen.....			8	.1
Machine woven wool carpets.....	195	.1	160	.1
Ceramic tubes.....	13,300	1.0	13,300	1.0
Wall and floor tiles.....	149,900	14.0	174,600	17.0
Iron and steel rods and bars not containing alloys.....			15,580	1.0
Iron and steel angles, shapes, sections, not containing alloys.....	6,992,580	771.0	1,011,480	111.0
Wire rods, not containing alloys.....	1,500,000	182.0	239,040	29.0
Copper rods.....	153,709	206.0	27,686	26.0
Copper plates.....			129,234	127.0
Copper tubes and pipes.....			12,847	16.0
Tubes, pipes, plates and sheets of copper alloys.....			28,929	23.0
Castings and forgings of copper alloys.....	6,267,978	7,445.0	4,885,762	5,213.0
Plates, sheets, strips of aluminum.....	4,006,602	2,819.0	3,505,339	2,450.0
Refined lead.....	7,683,434	1,547.0	916,566	174.0
Double refined lead.....	1,240,000	241.0	160,000	30.0
Welding electrodes.....	998,000	245.0	1,471,946	364.0
Machines for food preparation and preservation, sugar manufacture, etc.....	327,355	665.0	191,701	453.0
Taps, cocks, valves and other liquid flow regulators.....	7,588	23.0	5,692	18.0
Electric transformers (power).....	1,707,130	1,191.0	507,333	1,191.0
Electrical appliances for home use.....	100	.2	43,397	94.0
Power cables.....	12,524,760	6,273.0	10,501,015	4,800.0
Installation material.....	40,818	101.0	73,195	563.0
Installation wire for power current.....	1,537,577	1,306.0	516,283	563.0
Winding wire.....	695,183	858.0	372,899	423.0
Low tension cable.....	3,450,044	1,711.0	1,491,037	605.0
Railway containers.....	14,959,490	5,601.0	13,022,000	4,886.0
Tankers, less than 250 gross tons.....			17,858,000	4,360.0
Sinks, washbasins, and other metal plumbing manufacturers.....	15,763	12.0	22,000	9.0
Furniture, unfinished.....	1,200,112	552.0	45,231	20.0
Knitted women's dresses.....	132,813	1,191.0	33,927	361.0
Women's underwear, silk or silken.....			28	.2
Men's shirts, cotton.....			3,941	25.0
Men's coats.....			5,437	53.0
Women's coats.....			1,822	21.0
Other clothing.....			400	1.0
Leather overcoats.....	24	1.0	10,175	124.0
Leather shoes.....	435,206	2,396.0	82,533	753.0
Movie film, exposed.....	143	149.0	101	54.0
Teaching and documentary films.....	14	2.0	22	3.0
Publicity films.....	39	1.0	20	2.0
Books in national languages.....	3,711	10.0	1,142	3.0

See footnote at end of table, p. 664.

List of commodities supplied by Yugoslavia to the U.S.S.R., January 1960-September 1961—Continued

Commodity	January-December 1960		January-September 1961	
	Weight	Value ¹	Weight	Value ²
	<i>Kilograms</i>	<i>Thousands</i>	<i>Kilograms</i>	<i>Thousands</i>
Books in foreign languages.....	3,369	\$7.0	103	\$2.0
Children's picture books.....	2,175	5.0	6,522	11.0
Postal packages.....	834	1.0	675	1.0
Foreign ship supplies.....	(³)	2.0	(³)	2.0
Table wine in bottles.....	144	.1		
Sawn conifer wood.....	35,360	4.0		
Sawn oak wood.....	2,445,499	301.0		
Fine animal hair, carded.....	50	.1		
Mercury.....	110,596	681		
Oil lacquers.....	600,012	432.0		
Polyvinyl raw materials.....	500,000	175.0		
Manufactured leather goods.....	52	.1		
Dressed furs.....	33	.1		
Hardwood veneers (unsorted).....	3,690	3.0		
Parquet.....	3,616	1.0		
Canvas covers.....	350	.3		
Portland cement.....	18,589,393	181.0		
Window glass.....	350	.1		
Ornamental silver.....	0	.1		
Iron and steel concrete reinforcing bars.....	6,546,610	727.0		
Iron or steel roofs.....	4,660	.5		
Iron and steel structures, excluding bridges and roofs.....	77,125	25.0		
Uninsulated iron and steel cable.....	350	.1		
Steel nuts and bolts.....	6,000	3.0		
Iron and steel household utensils.....	400	.1		
Metal manufactures, miscellaneous.....	3,060	2.0		
Electric lighting tubes.....	1,400	3.0		
Telephone equipment.....	13,223	71.0		
Electric stoves.....	153	.1		
Searchlights.....	630	2.0		
Motorcycles.....	2,052	5.0		
Prefabricated buildings.....	8,000	2.0		
Ceramic sinks, washbasins and plumbing supplies.....	28,000	11.0		
Wooden tables.....	250	.1		
Office furniture.....	229	.2		
Metal furniture.....	180	.1		
Men's knitted outerwear.....	38	.3		
Phonograph records.....	11	.1		
Journals and periodicals in national languages.....	6	1.0		
Umbrellas.....	7	.1		
Electric refrigerators.....	311	.4		
Raincoats.....	7,454	63.0		
Leather gloves.....	247	12.0		
Knitted children's dresses.....	4	.1		
Baskets, knitting.....	782	2.0		
Souvenirs.....	1,960	63.0		
Miscellaneous fur outerwear.....	3	.1		
Women's leather pocketbooks.....	2,453	17.0		
Easy chairs and chaise longue.....	20	.1		
Leather suitcases.....	60	.3		
Ski boots.....	15	.1		
Briefcases and leather handbags.....	30	.3		
Total.....	197,504,111	\$2,677.0	143,559,617	\$3,670.0

¹ Sources: Statistik i Spoljne Trgovine FNR Jugoslavije, 1960, and January-September 1961.

² Value figures translated from dinars using exchange rate \$1=300 dinars.

³ No weight given.

Mr. LIPSCOMB. Did I understand that Yugoslav schedule would also be included as an exhibit?

Mr. KITCHIN. Yes.

Mr. BEHRMAN. Of the licenses granted to Yugoslavia since July 1.

Mr. LIPSCOMB. What date would the cutoff be, 10 weeks after July 1?

Mr. BEHRMAN. The first week in September.

Mr. KITCHIN. May I suggest, since we want an accurate report, including both the figures as referred to in your formal statement,

if you would prepare that and prepare it on the same date and do it for the same period you prepared the other.

Mr. LIPSCOMB. In other words, referring to your increase, and so forth, on page 13 of your formal statement, your performances will be changed up to date which will include items having been licensed since the 1st of September.

Mr. BEHRMAN. We would be glad to do that, too; update the statement.

Mr. KITCHIN. It might be helpful if you will update the statement, not changing your figures, but adding an additional figure for Yugoslavia.

Mr. BEHRMAN. As we understand it, Yugoslavia will be included separately. It is not a member of the Soviet bloc, and we always carry Yugoslavia statistics and licenses separate from the Soviet bloc as far as total figures go.

Mr. SISK. Since Yugoslavia is not a part of the Soviet bloc, anything having to do with the Yugoslav situation would have to be set forth as a completely separate figure. Right?

Mr. BEHRMAN. We carry it that way, and report it in that fashion.

Mr. LIPSCOMB. I think it ought to be in, and we will let the people judge for themselves.

Mr. KITCHIN. Without referring to Yugoslavia as part of the bloc, you can phrase it in any way you want to—if Yugoslavia is added to the figures, then the percentages would be thus and so, without any inference on your part that it is your position that the Soviet bloc contains Yugoslavia, that will be fine.

Mr. BEHRMAN. We will supply the data.

Mr. LIPSCOMB. I want to be sure that the statement Dr. Behrman has made, in regard to the increase or comparison of licenses granted with other quarters, is going to bring that up to date.

Mr. BEHRMAN. We will bring it up to date at the end of this week.

Mr. LIPSCOMB. There have been some significant licenses granted since the 1st of September.

Mr. BEHRMAN. We will be glad to bring it up to the end of this week.

Mr. LIPSCOMB. One to Russia alone of over \$3 million, that would make a great difference in your percentages.

Mr. KITCHIN. Dr. Behrman, we appreciate your submission of this very informative statement. I think you have covered in general the matters that we desired to get into the record and have more information about.

There may be some other specific instances we would like to make some inquiries to.

We have submitted for the record a list of items that have been licensed for export. In that list there are several items on which there will be one or two inquiries in order to clarify the present policy of the Export Control Division.

Will you outline the basis for approving any applications for licenses to export various types of commodities to the Soviet bloc since July 1, 1962, and reflected in table 1 previously inserted in the record?

Of particular concern to me are items approved valued at over \$400,000 "for use in locomotives manufactured in Sweden for Hungary," or "for use in maintenance and repair of locomotives manufactured in Denmark and Sweden for Hungary."

Could not such items be realistically construed as a significant contribution to the military and/or economic potential of Communist countries, and logically the entire Soviet bloc?

Mr. BEHRMAN. Mr. Chairman, we have examined fairly carefully, and have continued to examine within the executive branch, the military support status of transportation in many of its phases. We have felt that the part of transportation which is so closely related to the military that it should be considered more in that category than in the civilian area is aircraft.

We have not determined that railroad, or automotive transport, or truck transport is so predominantly military that we would want to classify it in the military support area. Therefore, we have, as you will recall, last year licensed locomotives themselves to a Soviet bloc country. In fact, we did not ship the locomotives; it was too late to get the order.

Mr. KITCHIN. That is the application of Bulgaria?

Mr. BEHRMAN. An application of Bulgaria of \$2.5 million, as I recall, for locomotives.

That application concerned locomotives being built by a free world country for shipment into the bloc and the U.S. parts, as I recall, were engines for these locomotives and our companies were bidding in competition with other free world suppliers.

It is a case in which, as I indicated in my statement, we found that—and a part of my first statement applies—that this was not a significant contribution to the military potential. It may be a contribution to the economic potential and, in fact, it is to their economic growth, as transportation is a growth factor, but it is not one which we could count detrimental to the United States national security or welfare because there was no possibility of preventing the acquisition of these engines nor of the locomotives themselves and the decision as to whether or not they should be U.S. engines made no difference to the technology or performance of those locomotives in the bloc. Therefore, in our estimation the shipment of those parts would not be detrimental to the national security and welfare of the United States.

Mr. KITCHIN. Do I understand, then, from your statement, that at least an examination of the facts prior to the issuance of these licenses for the engines for these locomotives, that it was determined by your Department that the sole purpose was a bid for this particular type of engine and a competitive proposition on the part of our local manufacturers rather than a definite type of engine that could not be procured in either Sweden or Norway or wherever these engines were made or in Western Europe?

Mr. BEHRMAN. That is absolutely correct.

Mr. KITCHIN. Referring to your statement concerning your opinion with reference to automotive equipment, locomotives and train equipment not being considered strategically a part of the military, we could probably talk a long time on this particular subject.

Mr. BEHRMAN. Yes, sir; and we do in the executive.

Mr. KITCHIN. However, I understand that is formerly the policy of the Export Control Division and those in authority in the policy-making echelons and now the same policy of the U.S. Government?

Mr. BEHRMAN. Yes, sir.

Mr. KITCHIN. Turning now to page 3 of your formal statement, at the top of the page you say :

Our investigation staff is also participating actively in new enforcement programs we are in the process of developing with Customs and the Foreign Service.

Does this statement, as prepared and inserted in your second report which has been made a part of the record, does that include in detail those new programs that you have referred to in that paragraph ?

Mr. BEIRMAN. It includes part of what is in the Customs chapter of our 60th quarterly report, but we refer also in my statement, Mr. Chairman, to programs of enforcement and punitive aspects which Customs has agreed to.

Mr. KITCHIN. Could you or someone give us a little more detailed information concerning these "new" programs that are being considered ?

Mr. BEIRMAN. Mr. Hockersmith will be glad to detail those on the Customs side.

Mr. HOCKERSMITH. First, Mr. Chairman, I would refer to the problem which is developing very fast in the containerization of cargo for export. As you know, there is a trend in the export trade to package goods in large containers made out of metal or wood and they are very securely fastened with steel strappings which makes it extremely difficult for Customs to open and inspect the cargo in such packages at the port and on the pier.

The program here, the new program we are instituting with Customs, is to provide a means whereby these containerized packages will be inspected by Customs as they are packed. We have one pilot operation about to go into operation right now. We will have Customs inspectors go to the containerizing plant and there they will inspect the goods as they go into the package itself before it is sealed. This is one of our programs.

The second thing that is being done, there is a trend today more and more for cargo to move by air, originating not only in seaboard ports but throughout inland ports of the United States at airports.

We are working with Customs on a procedure whereby we can inspect these goods at the port of origin, whether it may be New Orleans, Kansas City, St. Louis, Denver, or wherever it might be, and we have a pilot operation also in effect there. We are doing this now in Baltimore at the Friendship Airport. We have Customs people go there and inspect the cargo. It is then loaded, goes through the Port of New York, it is transferred in some cases and in some cases not, and then on out from the United States. These are the two programs upon which we are working, one of which is in operation as a pilot operation and the other is just about to go into operation.

Mr. KITCHIN. How and to what extent has this affected your monetary considerations between you and Customs as to the division of appropriations granted to the export control ?

Mr. HOCKERSMITH. At the present time we have not increased our contribution to customs work. As I indicated, this is a pilot operation. It undoubtedly will in the future if it is extended—and we see no reason why we can't do this—it will require additional funds, I am sure, for customs purposes.

Mr. KITCHIN. Thank you, Mr. Hockersmith.

Mr. Behrman, you referred in your statement, without quoting you verbatim, something about the lack of funds curtailing the rapid development of the investigations or controls there.

Do you intend, in the upcoming budget for next year, to include within that request or the budget additional funds or what you consider to be sufficient funds for the increase of control under your jurisdiction?

Mr. BEHRMAN. Yes, sir. As I say, we were seeking after your report and our report on enforcement needs, a supplemental appropriation for this year. In fact, for last year as well. We did dedicate for the last fiscal year additional funds for this purpose as we indicated, out of our regular budget. A supplemental of \$255,000 which the Budget Bureau approved was sent up. It is because our own general budget has been held up in the Senate and the supplemental has not been brought up either.

We haven't the funds which we ourselves requested for increase on the general part, or the supplemental as of today.

Our request for next fiscal year is again substantially increased for both purposes.

Mr. LIPSCOMB. Did you say the increase on your regular part?

Mr. BEHRMAN. For fiscal year 1963 as compared to fiscal year 1962.

Mr. LIPSCOMB. Dr. Behrman, did you ask for an increase? You asked for the same amount of money.

Mr. BEHRMAN. The same amount on the regular budget. I beg your pardon.

Mr. LIPSCOMB. So your budgetary problem for fiscal year 1963 is of your own making?

Mr. BEHRMAN. That is correct—that our regular budget request for 1963 is the same as 1962. You are absolutely right. This was determined back in 1961, November of 1961.

Mr. LIPSCOMB. And there was no effort made before the Appropriations Committee to increase the budget because of the findings of this committee, by the Department of Commerce.

Mr. BEHRMAN. Save through the supplemental, Mr. Lipscomb, which was done, and was the only way in which we could do it at that time.

Mr. LIPSCOMB. If Commerce took the initiative they could have asked for an amendment to that budget, if the President had concurred with your views.

Mr. BEHRMAN. Which is what was done through the supplemental.

Mr. KITCHIN. How much increase did the supplemental contain?

Mr. BEHRMAN. \$255,000.

Mr. KITCHIN. Increase over the regular budget?

Mr. BEHRMAN. Yes, sir.

Mr. LIPSCOMB. I just don't want to leave it that the Congress is pinching pennies on your budget when there was no effort by the Department of Commerce to show the need for additional money to adequately run your department.

Mr. BEHRMAN. I would have to correct both implications, Mr. Lipscomb. One, Congress is not pinching pennies in the matter. It is a matter of procedure that is holding it up, as you yourself know; and second, we did make additional requests—we did so through the supplemental, which is now pending.

Mr. LIPSCOMB. To do the job which this committee recommended, as you have pointed out, would take additional funds. And yet there have been no additional funds asked for for implementing the recommendations of this committee.

Mr. BEHRMAN. That is what the supplemental is for, Mr. Lipscomb. It is solely for enforcement.

Mr. LIPSCOMB. Has your supplemental asked for money for transfer to the Customs Bureau for enforcement?

Mr. BEHRMAN. Yes, sir.

Mr. LIPSCOMB. In your statement you make a big point that you cannot hire adequate technical personnel, as recommended by this committee, because of budgetary problems. And yet you have made no effort and are making no effort to get money to do the job.

Mr. SISK. Will the gentleman yield at that point?

Mr. LIPSCOMB. Certainly.

Mr. SISK. I think the statement in the testimony makes it clear that a request has been made in the supplemental for \$255,000 and the gentleman very well knows that the long lag time involved in the original makeup of these original budgets does not—we had no recommendation at the time that that budget was made. I think the gentleman very well knows that.

Mr. LIPSCOMB. I beg to differ with you.

Mr. SISK. I beg to differ with the gentleman. We did not have recommendations.

Mr. LIPSCOMB. When you appeared before the Appropriations Committee you well knew the recommendations of this committee. When Mr. Behrman appeared before this committee last November he made certain recommendations. They had from November until May of this year to bring in the recommendations.

Mr. SISK. And they made the request in the supplemental.

Mr. LIPSCOMB. You are a just little confused.

Let me clarify Mr. Sisk if I may, Mr. Chairman.

Mr. SISK. I think the gentleman needs some clarifying himself.

Mr. LIPSCOMB. The recommendation they have made is a good recommendation but this is for adequate money transferred to the Department of the Treasury for Customs. There was no request in before either the supplemental Appropriations Committee or the full Appropriations Committee for money to run Mr. Behrman's agency. They are two different things.

Mr. BEHRMAN. I beg your pardon, Mr. Lipscomb. There is a request for \$255,000, part of which is to go to Customs, part of which is to increase the investigations staff and our enforcement.

Mr. LIPSCOMB. Would you mind putting in the record, then, exactly what you are requesting?

Mr. BEHRMAN. We will be very glad to.

Mr. KITCHIN. If I might be the mediator at this particular point, I can see the problem involved in the minds of the gentlemen. As I understood it the \$255,000 was an increase only going to Customs and I think that was the impression. I am glad we can clear that up by making for the record a division of what the funds are that go into your shop and what funds are to be transferred to Customs.

Mr. BEHRMAN. Mr. Hockersmith might have it in his head.

Mr. HOCKERSMITH. \$100,000 of the \$255,000 is to be transferred to the Bureau of Customs; \$115,000 is to be used in our whole enforcement program within the Department of Commerce and \$40,000 is to be devoted to additional legal help in the Office of the General Counsel of the Department of Commerce in enforcement activities of the Export Control Act.

Mr. KITCHIN. Then if I understand correctly, all of this fund goes into the area of enforcement.

Mr. HOCKERSMITH. That is correct.

Mr. KITCHIN. And does not include the employment or the obtaining or the acquisition of any more technical experts that go into the evaluation phase of this program.

Mr. HOCKERSMITH. That is correct.

Mr. KITCHIN. Now, Dr. Behrman, is there, in your opinion, a necessity for any increase in the personnel of that type of technical staff?

Mr. BEHRMAN. We have thought so for many months, particularly as we got into the technical data work, as we indicated earlier. We made that request for the fiscal year 1964 budget. We expect to get to it in the fiscal year 1963 budget through some reallocation of funds—the type of people and the type of work that will be done. This is a matter of reassessing the priorities of work in the Department and in the Office for this year. For fiscal year 1964 it is a matter of adding as well.

Mr. KITCHIN. You also either stated or inferred in your statement that you recommended the permanent extension of the act so as to obviate this problem with which you are being confronted of obtaining the proper type of personnel on a permanent basis.

Mr. BEHRMAN. Yes, sir.

Mr. KITCHIN. Does the extension of the act for only 3 years still pose that similar problem at this stage? And I recognize, Dr. Behrman, as this 3 years begins to expire we have that problem being increased, but at this particular time do you have that problem on your hands?

Mr. BEHRMAN. I would have to leave that to the office heads who have that responsibility of finding the people. Do you feel any pressure on that one now?

Mr. HOCKERSMITH. No, sir, I feel no pressure on that now for the simple reason I can't locate people who are available of the character with the technical competence that we need.

Mr. BEHRMAN. Cannot?

Mr. HOCKERSMITH. Cannot.

Mr. KITCHIN. Is the reason you cannot locate them that you cannot obtain them for the salary you are able to pay them or you just can't find the type personnel at any price?

Mr. HOCKERSMITH. It is a little bit of both, Mr. Chairman. In certain fields we have not been able to find any candidates for positions. In a couple of cases in the last 6 months it has been a question of not being able to pay what the individual would accept the position for.

Mr. BEHRMAN. But in no case is there no such person existing. There are people who exist, Mr. Chairman, but to be a candidate they must show some interest and when they get down to the funds matter it is a deciding factor in many instances.

Mr. KITCHIN. Following the enforcement section of your statement, Dr. Behrman, and on page 5, the last sentence on page 5 you state that you also mentioned in your letter of August 16 that you are working with the Post Office Department and Customs to increase inspections of mail shipments.

Is the work being done in that connection subject to explanation in this open hearing?

Mr. BEHRMAN. Some of it is.

Mr. KITCHIN. Would you enlighten us on what is being done in that regard?

Mr. HOCKERSMITH. In that field, Mr. Chairman, we have conferred on a number of occasions with the Post Office Department and through their publications and instructions to their post offices, post office clerks, they have stressed the importance of seeing that the export control regulations are carried out by the personnel in the post offices. This, you will recognize, is an extremely difficult matter when you recognize there are thousands and thousands of post offices throughout the United States.

Secondly, we have set and arranged for this fiscal year eight spot checks of all parcels being mailed for export and will be carrying them out. We have one beginning the latter part of this month.

Mr. KITCHIN. On page 11 of your statement with reference to the interpretation of section 3(a) of the act you state:

On the contrary, to find facts bearing on whether a proposed export would or would not contribute to the "military or economic potential" of the Soviet bloc and is or is not detrimental to our national security and welfare, is very often a difficult and time-consuming project. However, we realize that it is our responsibility to carry out this law to the very best of our ability and we shall strive constantly to do so.

Prior to that you had indicated the very grave problem that confronts you on the economic potential, vis-a-vis the military potential or both vis-a-vis the detrimental effect upon our internal security.

Has there been any change in policy since the amendment of the statute in the actual interpretation of the word "strategic" as was involved in the policy of the Department before the act was amended?

Let me phrase it a little bit differently: Has the amendment of the act to embrace the economic potential caused any reevaluation in your shop as to what constitutes a strategic item, be it military and/or economic?

Mr. BEHRMAN. No, sir, I don't think so in terms of the definition of the word "strategic," because as we indicated to you earlier in testimony what we were regarding as our area of examination—it was what we called then the "industrial mobilization base," and out of that we determined what was strategic in terms of the military oriented group.

What the effect is that the amendment has had is to make us more careful in finding facts at the economic end of the industrial mobilization base, as we have presented it here. In a sense the economic and the military support encompass the area set and limit the range, within which there is a great area which we might still call the industrial mobilization base or whatever term you wish. But what the amendment has caused us to do is to make doubly certain we have looked carefully at the economic range and its contribution to the potential of the bloc and also the detriment which it may have to the national security

and welfare of the United States. But as to the word "strategic," which I myself still count in terms of more the military end, I don't think we have made any change in that definition as compared to previously.

Mr. KITCHIN. In order to clarify my thinking about the statement you have just made, do I understand that in consideration of the economic potential that you consider largely the economic potential as it is embraced within the mobilization phase of a military operation, or do you consider the economic buildup industrially separate and apart from the military mobilization or military phase of the enhancement of their particular potential?

Mr. BEHRMAN. At some stage, as I think you know, Mr. Chairman, from our own discussions, at certain points it is impossible to separate an industrial growth from the mobilization base—industrial mobilization base.

What we are doing is looking more carefully at the economic and industrial growth as it affects the overall potential of this country, particularly in terms of its mobilization base. But you are quite correct that the orientation is largely toward a mobilization base. However, we would not say we wouldn't look at something as economic potential because at the same time or at some time we had determined it was not in the mobilization base part of the industrial potential.

Mr. KITCHIN. I thought that was what I gleaned from your statement, Mr. Behrman, and I think probably the gentleman on the committee will agree with me that at the time the act was amended it is my opinion that the Congress of the United States, declared the economic potential had more to do with the cold war aspects than it did the buildup of the military potential. I do not think—and I stand to be corrected if you gentlemen see fit to do so—that there was any intent of the Congress that this particular interpretation that you have enunciated be the manner in which the act be interpreted. Because we feel, or I feel, that there are two definite and distinct phases of the conflict in which we are now engaged; one, the potential militarily that looks toward or points toward the hot war situation; the other is separated almost completely from that and is in the trade area and in the area of economics. The cold war that we have been engaged in for a long time and in my opinion will still continue, is contained in the economic buildup or the industrialization of the Soviet bloc in competitive trade areas and their ability to sell their particular philosophy through items, goods, material, and so forth. This is the phase that certainly, in my opinion, was considered by the Congress when this act was amended and not intended to be so correlated with the mobilization effort militarily as to be considered only in that particular realm.

Mr. BEHRMAN. That I think is understood, Mr. Chairman.

As I pointed out in the statement, we are confronted with what we feel is an expansion of the terms of reference of the Export Control Act by the sentiment you have expressed, in the amendment to section 2 declaring that the policy of the United States to use our economic resources and advantages in trade with the Communist nations so as to secure our national security and foreign policy objectives, I take it that is what you were talking to in just that amendment and we feel that this particular objective may in fact be pursued by other

than control measures which as I indicated we have not really turned our hand to—that is control directly with the bloc. But this is certainly a factor within our control procedures as I pointed out, but it seems also to us to be something broader and it raises questions of policy with not only the third countries but in the actual trade with the bloc in terms of the cold war.

Mr. KITCHIN. And I take it you are giving consideration now, under the purview of the amended act, to the economic phase separate and apart from the military mobilization of the country.

Mr. BEIRMAN. Yes, sir.

Mr. KITCHIN. And the word "strategic" has not changed its meaning.

Mr. BEIRMAN. No, sir.

Mr. KITCHIN. And will be used in both categories, as it pertains to the economies and to the military.

Mr. BEIRMAN. I am not certain, Mr. Chairman, how the word "strategic"—my own use of the word "strategic," in the past has been toward the military use of the words "strategy," and "strategic."

I think I see your statement as being a strategic and strategy question in the economic area as well. In that case I would have to say that we do think of it in that term.

Mr. KITCHIN. Well, I hope you will because in my opinion the strategy and the use of strategy is going to become more and more important as we go further into the economic or cold war phase of this fight we are engaged in. I think it can be just as appropriately used in the economic and industrial buildup as in the military.

Mr. BEIRMAN. May I suggest there are many things raised in our own minds, Mr. Chairman. There is a new development in terms of economic and military thinking called counterinsurgency, and this is an area which I think your amendment embraces, and we haven't really gotten into it. It is something for the military and the experts in that area, but it is something we will have to take into account.

Mr. KITCHIN. I am extremely sorry I have taken all this time. Possibly we could arrange a meeting with the doctor tomorrow morning. Could you return tomorrow morning?

Mr. BEIRMAN. Yes.

Mr. KITCHIN. Could you return for just a little while in the morning? I think probably others on the committee would like to ask some questions.

Within the time we have now I would like to at least conclude my questions and refer to the last sentence in the first paragraph on page 11 where you state:

Finally we read this amendment as saying that if an item will not contribute significantly to the military potential or economic potential of the bloc, we should—unless there is some other reason to deny it—approve the license.

Do I understand from that statement the amendment to the act has given you more of a mandate than you had previous to the amendment?

Mr. BEIRMAN. No, sir. This is no new authority but simply a recognition that in terms of the history of this legislation from the beginning there is no assumption that trade should not be carried out with the bloc, but that that trade which is not to be carried out would be that characterized by this sentence and the terms of reference set forth in the act. That is, that the act covers and relates to those things

which should not be done, and to those things which should be done or would be done.

Mr. KITCHIN. So the act as amended has not changed any basic policy as far as you are concerned?

Mr. BEHRMAN. As far as approval of the license goes, no, sir.

Mr. KITCHIN. Now, one more question: Has there been any conference, collaboration, or any effort between your shop and the Treasury Department in carrying out the recommendation with reference to the cataloging of those subsidiaries of American-owned industries operating outside the United States?

Mr. BEHRMAN. I have been in touch with them telephonically sufficiently to know they are proceeding. I don't know what contribution we have made.

Mr. HOCKERSMITH. I can only say that I have talked to a number of people in Treasury telephonically as Dr. Behrman has, and I too am not in a position to say what they have done. I know they are working on the problem.

Mr. KITCHIN. Well, of course we can obtain that from Treasury, but I wondered if you were collaborating or if they had requested your assistance.

Mr. BEHRMAN. They have not requested our assistance other than statistically to determine where the subsidiaries are. As far as the carrying out of your recommendation is concerned they have not asked us to so far help them in doing it.

Mr. KITCHIN. If you will come back at 10 o'clock in the morning we will continue. It should not take too long, tomorrow.

Mr. BEHRMAN. We would be glad to make it 9:30 if that is all right with you.

Mr. KITCHIN. Very well, the committee will take a recess until 9:30 tomorrow morning.

**INVESTIGATION AND STUDY OF THE ADMINISTRATION,
OPERATION AND ENFORCEMENT OF THE EXPORT
CONTROL ACT OF 1949, AND RELATED ACTS**

FRIDAY, SEPTEMBER 14, 1962

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON EXPORT CONTROL,
Washington, D.C.

The committee met, pursuant to recess, at 9:30 a.m., in room 403, Cannon Building, Hon. A. Paul Kitchin (committee chairman) presiding.

Mr. KITCHIN. The committee will come to order.

Yesterday, Dr. Behrman, there was a request on the part of the committee for you to revise the last page of your statement to include certain information concerning shipments to Yugoslavia. I assume this is the revision of that statement. (See p. 645.)

**STATEMENT OF JACK N. BEHRMAN, ASSISTANT SECRETARY OF
COMMERCE FOR INTERNATIONAL AFFAIRS; ACCOMPANIED BY
FORREST D. HOCKERSMITH, DIRECTOR, OFFICE OF EXPORT CON-
TROL; EUGENE M. BRADERMAN, DIRECTOR, BUREAU OF INTER-
NATIONAL PROGRAMS; THEODORE L. THAU, DIRECTOR, EXPORT
POLICY STAFF; AND DEAN B. LEWIS, ASSISTANT GENERAL
COUNSEL, DEPARTMENT OF COMMERCE—Resumed**

Mr. BEHRMAN. Yes, sir; plus the additional information on Yugoslavia. (See pp. 657-658.)

Mr. KITCHIN. If the committee will allow me to do so and take a little more time, I have had an opportunity to look briefly at the transcript of yesterday. I think there are one or two spots that probably need clarification.

Have you had an opportunity to look at the transcript?

Mr. BEHRMAN. I have not.

Mr. KITCHIN. On page 29, Dr. Behrman, beginning at the last paragraph on that page, you stated yesterday with reference to the locomotive parts, or engines licensed for export to Hungary:

We have not determined that railroad, or automotive transport, or truck transport is so predominantly military that we would want to classify it in the military support area.

Mr. BEHRMAN. Yes, sir.

Mr. KITCHIN. Now, in the press release that was made a part of the record yesterday that emanated from the Secretary of Commerce, and dated August 18, 1962, the next to last paragraph says, in

reference to the \$43 million worth of machine tools for shipment to the U.S.S.R. and Czechoslovakia that had been denied:

Denial was based largely on the fact that equipment of that magnitude and advanced type would have contributed significantly to the automotive capacity of the bloc.

Mr. BEHRMAN. Yes, sir.

Mr. KITCHIN (reading):

The automotive industry has an important role in the military support.

Does that in any way conflict with your statement as contained on page 29 in the transcript of yesterday?

Mr. BEHRMAN. I think it would appear to do so, but if I may I will explain the difference. The difference here is between the end product and the industry itself.

For example, we are much less concerned about the shipment of a locomotive, or some automobiles, or certain types of trucks than we would be about contributing to their capacity to produce an unlimited amount of any of these things for themselves. Therefore, the machine tools behind the production of transport equipment would be of more serious concern to us than the end product of the equipment itself, that is, the truck or the locomotive itself.

Mr. KITCHIN. Then the statement as contained in the press release you say is the basis upon which the determination was made on denying licensing for export of those things that go into the enhancement of the industry itself rather than the individual unit?

Mr. BEHRMAN. That is correct.

Mr. KITCHIN. Yesterday we were talking briefly about the engines in connection with some \$400,000 of parts.

Mr. BEHRMAN. Yes, sir.

Mr. KITCHIN. For locomotives. In glancing through this list of commodities licensed for export, I find numerous references to "other items" pertaining to locomotives other than the engines involved.

Yesterday you said that the consideration of the engines for licensing was based upon the fact it was not a special type engine and it was a competitive proposition and was available from other sources from Western Europe.

Mr. BEHRMAN. That is correct, sir.

Mr. KITCHIN. How about the other items mentioned in this list?

For instance, abrasive products, steel wire, textile manufactures—and I am not sure I know exactly what that is—iron and steel hardware, industrial machine parts, metal cutting machine tools, ball bearings, iron and steel manufactures, hand tools for maintenance and repair of locomotives through Sweden and Denmark going to Hungary, in the amount of \$112,000.

Mr. BEHRMAN. I would have to turn to the record on that. My reaction would be the same generally.

Mr. HOCKERSMITH. I can tell you without referring to each of the cases that these particular items are items which are being supplied from the United States as parts in addition to the engines to go into these locomotives.

You mentioned the textiles—such things as seats in the locomotives. These are maintenance, repair, and replacement parts that go along with these locomotives.

You mentioned such things as bolts, nuts, washers, and that sort of thing. So far as controls, are concerned, there were only 2 of the 51 cases that included anything of any significance.

Mr. KITCHIN. Could you say that the statement made yesterday that they were competitive items and were available elsewhere in Europe would apply the same as to the engines?

Mr. BEHRMAN. It applies exactly the same way.

Mr. KITCHIN. Mr. Hockersmith said most of them.

Mr. HOCKERSMITH. I said "most definitely".

Mr. KITCHIN. In view of those statements, I do not think it is necessary to review each of the items pertaining to the locomotives. We touched briefly yesterday on Yugoslavia, particularly with reference to the amendment of Dr. Behrman's statement to embrace certain statistics on the basis of trade, or items licensed for export to Yugoslavia.

By letter dated July 24, 1962, I was advised no application for export of the commodities to Yugoslavia had been denied since January 1, 1962. Am I correct about that?

Mr. BEHRMAN. That is correct.

Mr. KITCHIN. Have any been denied since the letter of July 24?

That could be brought up to date and still be true, no items have been denied Yugoslavia?

Mr. HOCKERSMITH. As of the close of business last night, that is correct.

Mr. KITCHIN. As a matter of policy, is there a predetermined cutoff point on approving exports to Yugoslavia other than beyond say atomic warheads? Is there any policy established now why we will not conform to the desires for licenses to export commodities to Yugoslavia?

Mr. BEHRMAN. In the jurisdiction of that part of controls under the Department of Commerce, and I am excluding munitions control under State, there is no predetermined cutoff point on controls to Yugoslavia. She is treated generally as a free world country in our licensing criteria, not as a member of the bloc. It does not mean we would not look carefully at certain things because of the possibility of transshipment, but as you phrased your question, there is no predetermined cutoff point.

Mr. KITCHIN. I assume the policy of treating Yugoslavia as a free country means there is no probability there will be any denials of licenses to Yugoslavia in the immediate future, within the realm of your jurisdiction?

Mr. BEHRMAN. Within the realm of my jurisdiction, and within the experience of the things she wants, it is not likely we will be denying exports to Yugoslavia.

Mr. KITCHIN. In answering the questions concerning this next subject, I want to discuss very briefly, I know you will, and I do, recognize this is an open hearing, and if there is some part of the answer you do not think should be made in open session, do not hesitate to say so.

It deals with Cuba and our embargo against Cuba.

We notice in the daily reports that on July 20 and 23 and August 7 and 15 there was technical data authorized to be licensed for export to Cuba.

I do not know whether you can tell us at this time what it was that constituted the technical information, and how, in view of our complete embargo, with the exception of medicines and pharmaceuticals and so forth, we could justify an item regardless of its dollar value to Cuba under the embargo we have. Could you explain the items?

Mr. BEHRMAN. Let me say something in general about our daily reports on Cuba, Mr. Chairman.

There are three locations in geographic Cuba which are still licenseable. One is Guantanamo Bay. We will find now and then shipments into there which still have the Cuba designation on them. It is to Guantanamo Bay.

There is the Weather Bureau, and there is the Pan-American Sanitary and Health Units there which we will supply equipment to, and sometimes materials.

Still it would be Cuba as a geographic designation, but it would not be the Government of Cuba, or anything under its jurisdiction. There may be one or two others.

Mr. KITCHIN. There was another item approved for electronic tubes for personal use by a missionary.

Mr. BEHRMAN. Yes.

Mr. KITCHIN. Our missionary? Can you explain the situation with regard to that?

Mr. BEHRMAN. It was a missionary from the United States.

Mr. KITCHIN. Are we allowed to have missionaries in Cuba at the present time, or are they confined to the geographical areas that you have just defined?

Mr. BEHRMAN. That is a question I cannot answer.

Mr. HOCKERSMITH. They are able to travel around throughout Cuba. They are not confined to the areas that Dr. Behrman spoke of.

On the technical data, I do not have specific information, Mr. Chairman, on that, but I am certain that this technical data was for the purpose of filing an application for a patent.

Mr. BEHRMAN. I recall a case of that nature recently. I assume it is the same one. We still have patent rights in Cuba, and would authorize the filing of a patent there if someone requested it, supplying a license which says transfer of technical data, but it is published technical data in this instance.

Mr. KITCHIN. Am I correct in assuming unless it does pertain to these geographical areas you have described, and is for a patent, or technical information such as pertains to a patent, or medical exclusions under our embargo, you will not, and do not intend to authenticate any licenses for export to Cuba?

Mr. BEHRMAN. Your understanding is correct, Mr. Chairman.

Mr. KITCHIN. Could you enlighten us on any efforts, if there have been any, through Cocom or otherwise to try and prevail upon the third country allies covering their trade with Cuba?

Mr. BEHRMAN. I can tell you, Mr. Chairman, there have been such efforts. I would prefer to defer to the Department of State for the details since this is their responsibility.

Mr. KITCHIN. Mr. Sisk.

Mr. SISK. Dr. Behrman, I would like to commend you on your statement that you read to the committee yesterday morning. I think

it is a very, very excellent statement of what I understand is now the policy of the Department, and what has been done recently in connection with exports in this particular area.

I have a question or two, and you may or may not wish to comment on these.

This has to do with the objection which is indicated with regard to some \$40 million of automotive machinery.

Mr. BEHRMAN. \$43 million.

Mr. SISK. My question goes primarily to this. In the consideration of this particular item, was it generally unanimous among your committee to reject this shipment, or was there, let's say, differences of opinion?

You can comment or not, as you see fit. I am not trying to go back of what I understand to be the responsibility of the Department of Commerce in denying this. I am curious to know what went on in the denial of this particular shipment.

Mr. BEHRMAN. I think I can say, without going into detail, there was unanimity in this decision.

Mr. SISK. And the primary reason for this denial went to the point which you discussed with the chairman a little earlier, having to do with the enhancement of their ability, let's say, to reproduce items that might be considered strategic, either militarily or economically, rather than to the end product. Was that the basis in this instance?

Mr. BEHRMAN. That is one of them.

I should explain a little further, some of this equipment is transferable into other end products, passenger cars or light trucks. It is that type of transferability, versatility of machines, that raises the point of military support.

Mr. SISK. I appreciate your comments on that. I might say as I look at this whole picture and try to bring it into perspective, and having discussed the general philosophy with you people and the Secretary himself, I have to look at this somewhat differently from some of my colleagues. I find myself in disagreement with a great many people on this, and perhaps I am wrong.

I have a feeling that the enhancement of our own economic well-being in many of these cases is the only thing we should be concerned with. What we are concerned with is building up our own economy and speeding up our own situation and staying ahead of the rest of the world. In many instances, in the normal pursuits of industry we are in competition with Western Europe today which, unfortunately, in many instances has gotten ahead of us in being able to manufacture and develop and furnish a great many items, and unless we can keep our industrial plant going at somewhere near capacity, we are going to fall further behind.

When you license an item to the Soviet bloc, we are getting dollars, or equivalent, and that in itself may be a greater drag on their economy than any enhancement of the items itself. I would hope you would continue to pursue this philosophy.

The last point I would like to discuss with you is something separate and aside from your statement. It has to do to some extent with the public relations end. Perhaps I should not use that term in government. Government is the people, and perhaps we should not have public relations people in government. Yet, at the same time, I think

there is a great amount of misunderstanding among the citizens of the country on actually what our policy is, and what the philosophy is back of our policy in this whole field of endeavor.

The reason it comes close to home to me at the moment is I happened to have been involved in a situation recently where I made a statement in which I took an absolute position of opposition to a total embargo of the Soviet bloc nations in a national publication. As a result, I received some mail on it, as you might surmise. It was on one of these pro and con things where another Member of Congress took the opposite view, that there should be a total embargo.

I received a great deal of mail on this, frankly not as much as some might anticipate. Some has been favorable to my position. A great deal of it has been unfavorable.

In some cases you get a crackpot writing a nasty letter, but I have received a number of letters that are reasonably thought out, coming from people of Georgia, Texas, Arkansas, and California.

It seems to me they have totally misunderstood what our philosophy is and what our policies are with reference to our exports. I am wondering to what extent the Department of Commerce, who in the final analysis is responsible for the final determination, is doing, or can do, or do you have any comments on the extent to which the American people know about this?

They should know what is going on in Government. This is public business and there should be public knowledge.

To what extent are we actually trying to enlighten the people of the facts of what our policy is, and what our prime objective is?

I am sorry I made such a speech getting to the question. I realize it is an intangible thing.

Mr. BEHRMAN. It is a question that has bothered us continuously. We have determined to handle it in three ways.

One, obviously we should not mount any campaign of persuasion to try to bring the public whom we serve into line with what we think is the appropriate policy, or attempt to persuade them of the correctness of our view.

As you say, we serve them and it is up to the public to decide.

We have felt, as you have, that we have not presented the facts, or the situation, as fully as we probably should have done in the past. The story has not been adequately told.

We are doing it in three ways, as I say.

First, where there are important transactions, or occurrences, a press release is issued with as full an explanation as we feel we can give.

Secondly, we have had in the past several quarterly reports to Congress and have included therein a chapter, or a portion, of explanation, as in the case of the most recent one on customs, and the previous one on enforcement activities.

We have selected a phase of our operations for more full explanation of what we do, and why we do it.

We thereby, over a period of time, will have provided basic information on the justifications of procedures and policies thereunder. Obviously this does not get full circulation. It is a quarterly report to Congress and unless the papers call it to someone's attention, or unless we call it to the attention of people in speeches, it may not get widespread use, but the information is being produced.

Thirdly, probably in every instance in which I give a talk, and most anyone in my area, including at times the Secretary, a discussion of export control policies comes up with businessmen and here we have the opportunity, in fact the responsibility, to explain as fully as we can the policies and procedures. That is being done again for the purpose of answering questions. But there has been no attempt, and I do not think we should make an attempt to sell, in a sense, our view of the matter. Again we are responsible to authority, we are not the authority in this matter.

Mr. SISK. I agree with you, of course, on this idea of selling. I do not think we in Government should be attempting to sell the American people anything.

I do think to the extent possible we have the responsibility to keep them completely and fairly informed. It seems inconceivable to me that an informed people would continue to criticize a policy which would prohibit shipment to anyone in the world, and I do not care who it is, in the Communist bloc, items that can be bought in practically every country in the world.

Having been over in England and France and West Germany and the Scandinavian countries and seen the capacity they have to manufacture the everyday items which are becoming more in use in the world today than ever before, things we have considered necessities, to say we should not ship those as long as we can get dollars for them and do something that will enhance our industrial complex and improve our economy, it is inconceivable to me that people would oppose that type of policy. I think it is the most shortsighted policy that could possibly be pursued.

As I say, it seems to me it is merely a matter of information to the average person. I am not talking about atomic warheads and things of that sort; I am talking about the everyday commodities which 1 billion people behind the so-called Iron Curtain could use.

I believe every American hates communism and what it stands for, but at the same time, when this type of commodity can be bought across the counter in any store across half the world, and we say "no" to our manufacturer, you cannot sell it because it happens to be going to this particular country, I just feel it is a foolhardy policy, and if we could get the information to the people as to what our prime objectives are, in a straight across-the-board competitive situation we could beat them, economically or otherwise.

That is the point of my question, and not one of attempting to sell these theories.

I do believe this strongly. I realize there is a lot of emotionalism in this issue and perhaps I should not say this, but I have said this in my district, and I believe it very fervently, and I have said it in a national article. I have come to the conclusion that, unfortunately, there are a lot of people who actually do not understand our prime objectives in this cold war.

That is all I have.

Mr. KITCHIN. I feel constrained to make a statement in connection with that particular speech that has just been made, more to clarify my position in the matter than to argue with the gentleman from California. I am sure he did not mean that he believes we should lift the embargo on Communist China and institute and open and

wholesale negotiation of trade with the Communist China Government.

I will let him answer that for himself.

Mr. SISK. The gentleman knows if I made any statement that indicated that—

Mr. KITCHIN. I thought it needed clarifying because I thought your statement was sort of all-embracing, that any American of intelligence that would disagree with the philosophy of trading where items were available from other sources, those items outside the military weapons—

Mr. SISK. I might clarify.

My statement went to, and was based completely within the bounds of our present policy, which, of course, as the gentleman knows, is one of total embargo on Communist China, Cuba, North Korea, and North Vietnam.

What I am saying is basically in total defense of our present policy. I think in fact with the pressures of misunderstanding people, we may be too rigid in the enforcement of our licensing procedures. That is why I asked the question about the \$40 million worth of equipment. Maybe it should have been shipped, maybe not. If it would enhance the military and the economic well-being of the Communist bloc over anything we would receive, I think they were correct in turning it down.

My statement stands with reference to our present policy. I am talking only of our present policies.

Mr. KITCHIN. I made my statement in order to clarify that point. I am glad the gentleman from California has clarified his position.

Mr. SISK. I appreciate the gentleman giving me that opportunity.

Mr. KITCHIN. I want to add, this committee had no wish to impede the competitive efforts of any American enterprise in vying with any country for foreign trade.

I am not, as chairman of this committee, married to any idea of trying to stifle, or impede, any trade and commerce between our Nation and other nations of the world so long as it does not affect our cold war efforts with such countries.

I think in connection with the gentleman from California's opinions, that he has just expressed, though we may differ slightly in philosophy, I want to say it is my interpretation of the responsibilities of this committee that we in no way desire to impede our trade.

Mr. LIPSCOMB. We are also interested to the best of our ability to see that the policy followed by the administration conforms with the laws that are on the statute books passed by Congress.

Dr. Behrman, did you and your associates read, study, and analyze the debates of both the House and Senate which would include when the bill was on the floor, in conference, to determine the feeling of Congress representing the American people when this law was passed in regard to trade with the Soviet bloc?

Mr. BEHRMAN. I did not read every word in these debates. I have read portions of them which my own counsel particularly pointed out, and others as I could. But those who are sitting with me, and some who are not here, did read all of those, and we discussed them carefully; yes, sir.

Mr. LIPSCOMB. And also checked the significant rollcalls pertaining to the actions taken?

Mr. BEHRMAN. Yes, sir.

Mr. LIPSCOMB. Following the passage of Public Law 87-515 as amended, how many meetings and discussions, if any, were held among representatives of the Departments of Commerce, State, Defense, and other agencies to discuss this legislation and its meaning and significance, and by this I mean formal meetings and discussions and not just meetings that happened to occur in connection with administering the Export Control Act in regard to the approval or denial of applications?

Mr. BEHRMAN. Not with reference to the approval or denial of applications, or specifically with reference to those as well.

Mr. LIPSCOMB. My thought is: How many formal meetings were had with all the agencies in setting up the policy, the principles, on export controls?

Mr. BEHRMAN. I can think of a half dozen in which I was in attendance. I would like to let the rest speak for themselves. The ones that I attended were obviously concerned directly with the interpretation of the act and the way in which that would affect our procedures and how we would implement the act.

The others would be largely on the application of those interpretations as developed within the administration in the specific cases.

Mr. LIPSCOMB. The statement you made before the committee yesterday as it pertains to policy is now the complete policy of the administration as agreed to by Commerce, State, and Defense?

Mr. BEHRMAN. Insofar as it applies to those portions of the act which are our primary responsibility, as I indicated yesterday; yes, sir.

Mr. LIPSCOMB. The Federal Register of September 11 contains an amendment to the export regulations on licensing policy setting forth essentially what the amendment to the Export Control Act was as contained in section 4 of Public Law 515? Inasmuch as this measure was signed July 1, 1962, what was the reason for the delay?

Mr. BEHRMAN. I cannot speak for the delay between the time it was decided within the administration to handle it in that particular fashion and the publication in the Federal Register.

I do not know what the procedures are of getting it in the Federal Register, and so on.

It was less than 2 weeks then within the administration that the various discussions had been held for determination of how we should in fact implement that portion of the act. So within 10 days of the act we had an administration policy on the implementation. Why it took from then on to get it in the Federal Register, I cannot speak to.

Mr. LIPSCOMB. Would you say that the publishing of this policy in the Federal Register indicates a general intent to tighten policy on exports to the Soviet bloc?

Mr. BEHRMAN. In terms of a higher degree of denials of the same sort of applications that we had previously, I would say not necessarily. It does mean, as I explained yesterday, Mr. Lipscomb, a different type of scrutiny, a more careful assessment of the economic area and the detriment which may arise to the national welfare and security of the United States, but unless I know what applications are forth-

coming, and what area they would be in, I could not say our denial percentage would rise necessarily.

Mr. LIPSCOMB. Would you say that the policy you are working on now is basically the same as you have stated before this committee since last December and also stated before the Banking and Currency Committee earlier this year?

Mr. BEHRMAN. As I explained in that testimony, Mr. Lipscomb, we felt we were already taking into account largely what the committees were concerned about in the economic field—as we so stated I think in our letters to the chairmen concerning the matter.

When you talk about “basically” you are not talking about the fine points around the edges, but basically the policy is the same.

Mr. LIPSCOMB. All that we went through in amending this law to include economic factors, the debate on the House floor, the Senate floor, the conference report and all the rest has not made any difference in the administration of the policy of this act?

Mr. BEHRMAN. It is a different question, Mr. Lipscomb, from what you asked a minute ago about “basically.” “Basically” is a fundamental base upon which you operate and there are nuances above and around it. I would not say it makes no difference. It has made a difference, as I say, in the way in which we look at things, the additional facts we may require, finding the economic potential and so on.

Mr. LIPSCOMB. Could you give a specific example from July 1, 1962, where it has made a difference?

Mr. BEHRMAN. As to whether or not we would have denied something under the previous policy and approved it under this or vice versa I cannot because we don't examine it under the previous criteria and under these criteria and say, “We would have done it then and we would not do it now,” or vice versa.

The largest single example of course is that of the machine tools themselves whereby in the light of the new act we saw it quite clearly and definitely, that a denial of these was appropriate under the new act.

Mr. LIPSCOMB. Are you saying if the act hadn't been amended you might have allowed those shipments?

Mr. BEHRMAN. I am saying under the previous act the constraint was not as clear necessarily as under this one. But that does not mean we would have allowed them.

Mr. KITCHIN. If the gentleman will yield there I think the record will speak for itself that they had allowed licenses for such equipment prior to the amendment of the act.

Mr. BEHRMAN. Such cases were approved in 1960, as I recall, Mr. Chairman.

Mr. KITCHIN. I am going to inject a statement here and say that I hope the amendment of the act had something to do with the denials.

Mr. BEHRMAN. Undoubtedly it had something to do with it, Mr. Chairman.

Mr. LIPSCOMB. While we are discussing that \$43 million order, previously a license was issued authorizing shipment of \$5.3 million license for automobile-making machinery which began the whole episode. At the outset the Department of Defense was asked about it and described this machinery as the most advanced in the world. The Department of Defense said it would contribute significantly to the economic and military potential of the U.S.S.R.

The Defense Department decision was later rescinded by Secretary McNamara on the basis that substantially similar machinery could be purchased in Europe and it was claimed that the fact the earlier delivery was possible from the U.S. source was of minor importance.

Just to get all of this in the record at this point, what were the reasons for denying the licenses to ship \$43 million in automotive building machinery to the U.S.S.R.?

Mr. BEHRMAN. As stated fairly simply in the press release on the matter, Mr. Lipscomb, the denial is largely based on the magnitude, the total order. The fact that they were of advanced types would have contributed to the automotive capacity of the industry in the Soviet bloc and that orders of such magnitudes could not be filled, we felt, in the very near future by competitive sources. Also it is correct that most of these machines are quite similar, if not identical to that available in other countries.

Mr. LIPSCOMB. You also used as a reason for refusal that they could not obtain this machinery as rapidly from other producers as from the U.S. Government.

Mr. BEHRMAN. That is correct. I think I stated that just now.

Mr. LIPSCOMB. How did the Commerce Department go about obtaining the additional information and data upon which it based its decision to deny the licenses?

Mr. BEHRMAN. I don't know, Mr. Lipscomb, that there was additional data sought at any given time—that we are satisfied now and then obtained additional data. We in fact were holding these licenses for some time and were continuously requiring additional information as to the availabilities in other countries and each time an application came in you got additional data, not only on that one but on the fact of the magnitude of the order.

Mr. LIPSCOMB. Did the Department hold any conferences in regard to this revised decision with Secretary McNamara or the Department of State?

Mr. BEHRMAN. Yes, sir.

Mr. LIPSCOMB. And Secretary McNamara revised his position?

Mr. BEHRMAN. No, sir, I don't think the decision was a revision of a previous decision. That was based on one machine at a particular time, of a given capacity. What we were now making a decision on was the variety of machines, a considerably different magnitude, a considerably different impact on the automotive industry.

Mr. LIPSCOMB. Are there any applications for licenses to ship similar machines now pending before the Department?

Mr. BEHRMAN. I don't happen to know that.

Mr. HOCKERSMITH. I don't believe so, Mr. Lipscomb. I can't say definitely but so far as I know there are none.

Mr. LIPSCOMB. You make a very interesting point, Mr. Behrman. You talk about magnitude. If these applications come in, say, at only \$5 million at a time you grant the license because the magnitude is not great. And then after this shipment is made and a machine tool manufacturer comes in with another one, how are you going to judge this as to economic potential?

Mr. BEHRMAN. Well, unfortunately, because of the inadequacies of the human mind and foreknowledge, I can't say how we are going to handle it. I will say we are handling this problem daily, weekly, with a variety of items.

Let's take a raw material of some sort. We may be fairly unconcerned with \$5,000 worth, or 5,000 pounds shipped from the United States, knowing how much their production is and their total demands and needs. But if 5,000 comes in this month and the next month and the next month and the next month, there is a point at which we stick, if this is an item of interest to us in terms of economic potential.

Mr. LIPSCOMB. Well, when are you going to come to a decision as to when the buildup is so great that it is going to affect the security and welfare of our country? When is this decision going to be made, after the horse has been stolen?

Mr. BEHRMAN. The decision has to be made in the light of the conditions at the time, Mr. Lipscomb. As was pointed out, as we have pointed out in the past, this whole problem is a matter of relative position; benefit to us as compared to the cost to us, or the benefit to them.

I dare say that a decision made in 1958 as to what should be the cutoff on certain things, the strategic element content of certain things—would not stand today. In fact the revision of our own stockpile is an evidence of the changing nature of strategic benefit, economic or military, after all, of a good many items.

Mr. LIPSCOMB. We have discussed rubber in this committee ever since it was formed. Tires and rubber goods have been a problem in export control at least back to 1958 and at the present time you are continuing to allow to be licensed for export to the Soviet bloc all kinds of synthetic rubber, all kinds of chemicals, materials to make tires and other rubber products—

Mr. BEHRMAN. No, sir, not all kinds. Only certain kinds.

Mr. LIPSCOMB. Well, Dr. Behrman, you by the licensing of certain materials for the manufacture of tires and rubber products, in my opinion, are helping to build up the capacity of the industry in the U.S.S.R. and I just hope that you are taking a good look at these because all you have to do is look at the export licenses approved and you will find materials going to the Soviet bloc for their rubber industry in great amounts.

Now, you might by your statement indicate that you are holding up some but it is very few and very highly technical goods.

Mr. BEHRMAN. That is correct, sir. We are mostly concerned with the highly technically advanced goods that would in fact increase their potential value substantially.

Mr. LIPSCOMB. Just on the basis of the wheeled goods going into Russia that need tires and other materials it seems to me we ought to take a strong stand on building up the rubber industry of the U.S.S.R. who are taking those materials, without a doubt putting them on vehicles that are being shipped to countries such as Cuba. I think it is time we took a strong stand in regard to an item such as this.

Mr. BEHRMAN. Once again, Mr. Lipscomb, the items which we are sending are again on a competitive basis. They are not of such a high grade or high quality as to be desirable for military use.

Mr. LIPSCOMB. Well, any kind of material you send to Russia to improve their tire industry is a help to them. You well know of the situation of the tire industry in the Soviet Union.

Mr. BEHRMAN. What we are sending is not to improve but to continue the level of their production of types of things they are now

doing. Even technical data which we do not ship them is available to them and has been given them by other countries so that they are able to improve without our being able to stop them.

Mr. LIPSCOMB. Let's take the initiative in not only stopping some of this but telling our allies who ship this kind of material to them to stop also. Let's take an aggressive attitude toward this instead of what I consider a weak attitude.

Mr. BEHRMAN. As to the ability to persuade the allies, Mr. Lipscomb, I will have to defer to the State Department since they have tried at various times. We have had another Cocom review recently this year and with some success.

Mr. LIPSCOMB. Dr. Behrman, in the Export Control report you discussed each quarter licensing to Eastern Europe. And then as a footnote it says:

The term "Eastern Europe" as used throughout this report is employed in a special sense and is defined to include the following countries: Albania, Bulgaria, Czechoslovakia, East Germany (including the Soviet sector of Berlin), Estonia, Hungary, Latvia and Finland, Poland (including Danzig) and the U.S.S.R.

Now why is it that Yugoslavia is not listed as a European country?

Mr. BEHRMAN. It is a European country but not included in the term "Eastern Europe" which in these terms "control" means the Soviet bloc and not merely those countries in Eastern Europe in a geographic sense.

Mr. LIPSCOMB. In other sections of the report you say:

All positive list commodities and all nonpositive list goods except certain specified general license commodities require validated licenses for shipment to the U.S.S.R. and other Eastern European nations other than Poland and Yugoslavia.

Mr. BEHRMAN. That is correct, sir.

Mr. LIPSCOMB. Is there any reason that you couldn't in this positive list include Yugoslavia, or is there some reason that you do not want to show Yugoslavian shipments in Eastern Europe?

Mr. BEHRMAN. Yes, sir, there is a reason for not including Yugoslavia in those statistics because Yugoslavia is not treated in our license criteria as a member of the bloc and therefore it does not have the same constraints or restraints on licensing as to the bloc. It shares the criteria of all the rest of the free world and is subject to the positive list just as all the rest of the free world is. But not as the Soviet bloc or Eastern Europe as defined in the footnote on page 4 as you indicated. Therefore, there is not a policy reason or informational reason for including Yugoslavia in those same shipments.

Mr. LIPSCOMB. Why don't you just head that, then, "Licensing to the Soviet bloc"?

Mr. BEHRMAN. Well, not everyone knows what the Soviet bloc is by definition. For reasons which may have a historical justification I don't know of, this has been the practice in the Office of Export Control for some time. It is simply a matter of definition.

Mr. HOCKERSMITH. It is a matter of definition, purely and simply.

Mr. LIPSCOMB. It just seems to be an effort to keep licenses issued to Yugoslavia out of any public print or out of the knowledge of the American people.

Mr. BEHRMAN. Not at all, sir. We do not compile shipments to France, for example. We do not compile shipments to Chile or any other place in the free world.

Mr. LIPSCOMB. Of course I don't consider France a Communist country.

Mr. BEHRMAN. That is correct, sir. Neither do we. We consider Yugoslavia a Communist country but not a member of the Soviet bloc. It was not, in fact, until the request was made some time last year, as I recall it, we began to make Yugoslavian statistics available. We had to start compiling them de novo. We had not previously done so.

Mr. LIPSCOMB. Dr. Behrman, in a news release dated July 9 originating in Moscow, there is indication that Yugoslavian shipyards have agreed to construct nine tankers and five freighters for the U.S.S.R.

Have we any way of knowing with certainty whether or not any of the goods licensed for export to Yugoslavia such as copper wire, cable and tubing, industrial instruments, electronic tubes, generators, industrial machines, and other items could be used in the construction of these ships?

Mr. BEHRMAN. Certainly we know whether they could be used in the construction of those ships.

Mr. LIPSCOMB. Would the Department consider the acquisition of 14 ships, for example, something which would contribute to the economic and military potential of the U.S.S.R.?

Mr. BEHRMAN. We would have to go through our procedures to answer that question, Mr. Lipscomb, but I can do it probably in a somewhat circuitous manner. Yugoslavia is not the only one supplying ships to the Soviet bloc.

Mr. LIPSCOMB. That is no answer, Dr. Behrman.

Mr. BEHRMAN. It is an answer, if we go on to say, Mr. Lipscomb, that Japan and some of the Scandinavian countries have been building ships for Russia. We ship to these countries. We ship to them many of the items that you are talking about. Whether or not they go into those particular tankers or ships to the Soviet bloc we don't know. Whether if we wanted to deny their going in we have the right to do so, but I dare say we would take no more caution about their going into a Yugoslavian ship than we would a British ship or a Norwegian ship.

Mr. SISK. Will my colleague yield?

Mr. LIPSCOMB. I would just like to finish this, Mr. Sisk.

We don't agree, Mr. Sisk, on our policy. I understand that.

Mr. SISK. I am not going to argue the question but I don't think the Department of Commerce is making the policy with reference to who is in the Soviet bloc and who isn't. That is a State Department task. These people are not responsible for the fact that Yugoslavia is considered a part of the free world today and therefore, to me, I think it is beside the point and superfluous to even discuss the matter.

Mr. LIPSCOMB. Maybe you missed the point, but as I read that newspaper article Yugoslavia was going to build these ships for the U.S.S.R.

Mr. SISK. Scandinavia is building ships for the U.S.S.R.

Mr. LIPSCOMB. We are talking about Yugoslavia.

Mr. SISK. Shall we stop shipping to Sweden and Norway because of it?

Mr. KITCHIN. May we have a little order, and question Dr. Behrman and his group. We can set forth our own philosophies on the floor of the House.

Mr. LIPSCOMB. I believe, you see, that the law means exactly what it says at the present time, that anything that significantly increases the military or economic potential of the Soviet bloc, that we should restrict the export of that material. It is my understanding by reading material from various shipbuilders and marine engineers that they feel in our country that Russia will bury us at sea and they are going all out to attain vessels for this purpose.

Now does it come within your jurisdiction to see to it that exports are restricted which will help significantly to build up the maritime service of the Soviet Union?

Mr. BEHRMAN. To the extent those exports originated in the United States and contributed significantly and were considered detrimental to the welfare and security of the United States, that is within our jurisdiction; yes, sir.

Mr. LIPSCOMB. Do you believe inasmuch as licenses to Yugoslavia have been approved up to the present time that it is time that we should look at the exports going to Yugoslavia that may go into ships being constructed to build up the maritime service of the U.S.S.R.?

Mr. BEHRMAN. We have done so, we do do so, and we have at times refused to permit certain equipment from the United States to go into ships and airplanes produced by other countries than Yugoslavia and certainly we would make such an examination with reference to Yugoslavia.

Mr. LIPSCOMB. Inasmuch as you are the Administrator of the Export Control Act and that we have a problem with policy, there is a report in the New York Times of this morning, September 14, a UP release that says:

"The United States is attempting by gradual means to establish closer ties with Soviet bloc countries in Eastern Europe," a State Department spokesman said today.

William R. Tyler, Assistant Secretary of State for European Affairs, made the statement in testimony before the European Subcommittee of the House Committee on Foreign Affairs. "This included maintaining and developing more normal and active relations with Eastern European bloc countries and with some limitation, increasing trade," he said. He explained, "We believe the United States can most effectively exert an influence on developments and take advantage of any favorable and liberalizing trends in Eastern Europe if the scope of relations with these countries is broad enough."

Are you working under the policy at the present time of broadening trade with Eastern European countries?

Mr. BEHRMAN. May I indicate the section of the act which I think Mr. Tyler was referring to, although I think you should pursue in detail the questioning with him.

This is Section 2—Declaration of Policy of the act, Mr. Lipscomb:

Congress further declares that it is the policy of the United States to formulate, reformulate and apply such controls to the maximum extent possible in cooperation with all nations, with which the United States has definite commitments—

And I stress the following:

and to formulate a unified commercial and trading policy to be observed by the non-Communist-dominated nations or areas in their dealings with the Communist-dominated countries.

The next paragraph is also significant :

Congress further declares that it is the policy of the United States to use its economic resources and advantages in trade with Communist-dominated nations to further the national security and foreign policy objectives of the United States.

The word "use," of economic resources and advantages in trade is not a negative word, Mr. Lipscomb, and it is in this area of expanding our economic relationships with them to the advantage of the West which Mr. Tyler is referring to I am sure, and we have so interpreted this intent of Congress after a careful reading of the congressional debates. We do not see that that trade which we carry out should be permitted to be carried out in ways which in fact minimize the benefit to us even though it may be greater than whatever detriment might arise.

Mr. LIPSCOMB. Dr. Behrman, we have probably covered this over the past month but who actually sets the policy in export control affairs? Is it Secretary Hodges, Secretary McNamara, Secretary Rusk, the Treasury Department? Who has responsibility in the final say?

Mr. BEHRMAN. The ultimate say obviously, Mr. Lipscomb, is the President's. The procedure is through the National Security Council.

Mr. LIPSCOMB. And any policy that you operate under is determined by the President at the end?

Mr. BEHRMAN. With the advice of the National Security Council.

Mr. LIPSCOMB. So the policy that you have set forth here in the past 2 days is finally determined by the President as you stated in your statement yesterday?

Mr. BEHRMAN. Yes, sir.

Mr. LIPSCOMB. Mr. Sisk interests me in his statements about goods that they can buy any place in the world, and helping the Communist people.

On September 6 you licensed for export to the Soviet Union paper converting machinery valued at \$3,345,000. As I understand it, the purpose of this paper converting machinery was for paper napkins, cups, things of that sort; is that correct?

Mr. HOCKERSMITH. I think that is correct.

Mr. LIPSCOMB. Now why is it—I mean going to the ultimate of Mr. Sisk's policy, where we are benefiting the industry in the United States. Why isn't it that the Soviet Union doesn't come to the United States and buy the best paper napkins, toilet paper and other products that exist in the world today? Why don't they buy them instead of buying the machinery?

Mr. BEHRMAN. We would of course in many instances prefer that they do that, Mr. Lipscomb. We have talked at length with some of their people to see if we cannot expand our trade in consumer items. But just as we in the United States, Mr. Lipscomb, sought to increase our own industrial base for further economic growth it is the desire of any other country to do the same. If they can in fact build industry which will supply their consumer needs, reduce their dependence on others, increase their employment and diversification they will do so. We see the same phenomena in the less developed countries today. I don't count this as anything unusual or different in terms of economic development throughout the world.

Mr. LIPSCOMB. I just thought it would help our industry here and help them get their products faster if you suggested to them that you won't send the machinery but you will sell them all the paper goods they want.

Mr. BEHRMAN. We have suggested that in various ways but obviously if they are bent on getting the machinery they will purchase it from Britain or France or Germany.

Mr. LIPSCOMB. I mean history to this date shows that they are not interested in our consumer goods?

Mr. BEHRMAN. This is largely our feeling; yes, sir.

Mr. LIPSCOMB. Mr. Behrman, I suppose you know that I am personally disappointed in the way the Export Control Act is interpreted as passed by Congress. I don't see any change, any strengthening, any more firmness in the policy. It appears to me that there is no effort made to tighten up and to evaluate this, at least in the way I see it.

I just hope at some time in the very close future there will be a little more firmness in the administration of the Export Control Act.

I notice the difference of opinion here but I take the position of firmness and tightening up and fighting this cold war economically and not in the way that we are doing it today.

Mr. BEHRMAN. I hope you will find, Mr. Lipscomb, that where we have effective control and the item itself would be contributing significantly to the military or economic potential, or it would be detrimental to the United States, that we will in fact be as firm as you expect us to be.

Mr. LIPSCOMB. Speaking just to that point I think it is a very weak position to say that we have to sell the equipment from this country just because they can get it from a Western European country.

Mr. BEHRMAN. I don't think, sir, that we are saying we have to do it. The point is the reduction of damage to ourselves when we keep it from being shipped from here rather than from a European country. That is the detriment with which we are most concerned.

Mr. LIPSCOMB. That is his opinion, not mine.

I am through. Thank you, Mr. Chairman.

Mr. KITCHIN. Mr. Latta.

Mr. LATTA. Thank you, Mr. Chairman.

Mr. Behrman, how many times has the Export Control Review Board met since the middle of last year?

Mr. BEHRMAN. The middle of this year or the middle of last year?

Mr. LATTA. Pardon me. The middle of this year.

Mr. BEHRMAN. To my knowledge once.

Mr. LATTA. And on what particular application did they meet?

Mr. BEHRMAN. On many of the applications which were decided in a group and amounts, and some additional ones on the total interpretation of the act.

Mr. LATTA. Can you be more specific and tell us what application or applications you referred to the Export Control Review Board and upon which they had a formal meeting and when the meeting was held?

Mr. BEHRMAN. In view of the nature of those decisions and the items themselves, Mr. Latta, I would prefer not to detail what those items were. Obviously, the decision which was announced in the press

release of August 18 would have come before the Board and did. Some additional items did come before it and obviously the meeting was just prior to the press release.

Mr. LATTA. So it is classified information to this committee, but it is public information to the press: Is that what you are telling us?

Mr. BEHRMAN. No, sir. I am saying that the number and particular cases which came to the Export Control Review Board I wouldn't mind supplying you on a confidential basis.

Mr. LATTA. And that has not already been supplied at yesterday's hearings?

Mr. BEHRMAN. It was not supplied in public.

Mr. LATTA. What countries were involved, can you tell us that?

Mr. BEHRMAN. A variety of countries in the bloc. Three or four I think—Russia, Czechoslovakia, Hungary, and Poland.

Mr. KITCHIN. Does the gentleman want that supplied for the benefit of the committee?

Mr. LATTA. Yes; I think that would be helpful.

Mr. KITCHIN. Will you supply that on a confidential basis?

Mr. BEHRMAN. Yes, Mr. Chairman.

(The information referred to will be found in the files of the Select Committee on Export Control.)

Mr. LATTA. Prior to the 18th what was the date of the previous meeting?

Mr. BEHRMAN. I do not recall.

Mr. LATTA. Is it a matter of months, days, or weeks prior to that time?

I am trying to ascertain how many times or how often during the year this Export Control Review Board might meet on subjects that you refer to them.

Mr. BEHRMAN. Mr. Latta, in my recollection just offhand I would say in the calendar year 1962 there were probably three meetings including the one that you are talking about.

Mr. LATTA. Including the August 18 meeting?

Mr. BEHRMAN. Yes.

Mr. LATTA. That is all in 1962. About how many meetings were held since its creation on about May 24, 1961?

Mr. BEHRMAN. About another three.

Mr. LATTA. Altogether they have held about six meetings?

Mr. BEHRMAN. I think so, but let me point out the existence of the Export Control Review Board is for the purpose of resolving differences of opinion among the departments which exist at lower levels and therefore this is not a continuing board but a board of highest resolution and it was not created for the purpose of meeting except on rare occasions.

Mr. LATTA. I know, but a good bit of the publicity and importance was attached to the creation of this Export Control Review Board when it was created by Executive order.

Mr. BEHRMAN. That is correct, sir.

Mr. LATTA. So it shouldn't be treated lightly and should be used.

Mr. BEHRMAN. It is not treated lightly and the reason for that Executive order and the existence of the order is to indicate to those levels below that there is a final resolution and there should be

unanimity as much as possible coming up. If it cannot be unanimous, however, there will be a place of resolution.

Mr. LATTA. To be more specific, one of the reasons for the creation of the Board was to ascertain and establish export control policy.

Mr. BEHRMAN. No, sir; not in the broadest sense. In a specific sense, yes.

Mr. LATTA. Let me read for the record. Perhaps I am in error. It says:

This Board is responsible for review of all matters relating to the establishment of export control policies and export licensing actions which have been the subject of divergent viewpoints in the lower level committee structure.

Mr. BEHRMAN. That is right.

Mr. LATTA. Now, am I in error or is this an error?

Mr. BEHRMAN. What you say there is absolutely correct but the verb "review" is important.

Mr. LATTA. Let me say we will let that stand, then. We don't want to change that.

Mr. BEHRMAN. The verb "review" is important. This Board does not formulate policy. It reviews the policy and the actions below, and the policy above, and makes sure that they are consistent.

Mr. LATTA. This committee has found and you have found that one of the most glaring shortcomings in the administration of the Export Control Act is in the followup procedure. Have steps been taken to correct this shortcoming?

Mr. BEHRMAN. As I have indicated in my statement we have added additional investigators but we have not been able to move as rapidly as we would like because of the lack of action on our budget and our supplemental request for this year.

Mr. LATTA. I am glad to hear that you are taking these steps.

You probably read the testimony that Secretary Rusk gave this committee, his testimony being given on February 5, 1962?

Mr. BEHRMAN. No, sir, I don't remember reading it.

Mr. LATTA. Well, let me read you part of it because I think it is important that we discuss this matter.

Do you know what action this country took after the foreign ministers meeting, or at that meeting?

Mr. BEHRMAN. Yes, sir.

Mr. LATTA. I asked the Secretary this question:

Mr. LATTA. Have any other countries indicated that they intend to take the same action that we took on February 3 toward Cuba?

Secretary RUSK. We do not have information from any of the other countries of the hemisphere on that point.

Actually the trade, as such, is being handled on the basis of recommendations by the Council of the Organization except for arms and traffic in arms.

Our action is taken under that paragraph which I read to the committee earlier, urging all governments to take individual and collective measures with respect to subversion, and so forth, because we felt that the foreign exchange which Cuba was earning from their sales to us, was the primary instrument with which they were able to support and carry on some of these subversive activities in other countries.

So it was the foreign exchange aspect of it rather than the normal kind of trade problem that was uppermost in our minds.

Mr. LATTA. So this was a unilateral action on our part and was not done in conjunction with any other negotiations?

Secretary RUSK. The other countries did not join with us in this particular declaration but this was taken under a paragraph of the action at Punta del Este that had the approval of 19 States.

Mr. LATTA. Isn't it a fact that most of the arms and implements of war that Mr. Castro is receiving are from the Soviet bloc?

Secretary RUSK. That is correct, sir.

Mr. LATTA. So actually these foreign ministers who voted to immediately suspend all trade with Cuba in arms and implements of war didn't actually give up anything, did they?

Secretary RUSK. They did not give up any trade which they were sending to Cuba, but what we are aiming at is onward shipment of these arms from Cuba anywhere else in this hemisphere, and that is a very important aspect of it.

Now, this is what I was hoping to clarify, whether any other countries in this hemisphere or any friendly nations in the world have taken similar action, to this date, to that which we took February 3 of this year.

Mr. BEHRMAN. In terms of an embargo on exports?

Mr. LATTA. Yes.

Mr. BEHRMAN. To my knowledge no, sir.

Mr. LATTA. Then we didn't do too well, did we?

The testimony shows that they intended to do something about this, particularly as far as the Cocom committee is concerned.

Let me read you something else:

I made this statement to the Secretary of State:

Since there aren't any international controls of exports to Cuba through the Cocom structure, are we going to recommend to the Cocom nations that they take similar action to that which we have taken?

Secretary RUSK. I think following the Punta del Este meeting there will be discussion with a number of governments on this kind of problem.

Mr. LATTA. No date has been set for it?

Secretary RUSK. No, sir; we are just back this weekend from Punta del Este.

Mr. LATTA. It certainly will probably be the position of our Government that Cocom take similar action.

Secretary RUSK. We believe that it would be inconsistent with the attitude of all of the inter-American States for friends of ours elsewhere to send Cuba materials which we are trying to interrupt.

Mr. LATTA. Well, now, did we make that recommendation or are we just being kidded, that action was going to be taken?

Mr. BEHRMAN. As to what occurred in Cocom on that, Mr. Latta, I would hope that you would direct that question to the Department of State. I was not there at that meeting.

Mr. LATTA. Would not the Commerce Department make some recommendations to the Department of State?

Mr. BEHRMAN. We are a member, we have a part, a role in the departmental committee structure, in determining our positions prior to the Cocom meetings, yes, sir, and we would have made our views known in that interdepartmental committee before the final papers were carried to Paris. That we have done.

Mr. LATTA. But you don't know whether or not anything has been done?

Mr. BEHRMAN. I cannot tell you the specific actions taken by the Europeans under Cocom, vis-a-vis Cuba.

Mr. LATTA. We hear all this hullabaloo about Cuba and nothing is being done and nothing has been done.

This was back on February 5, 1962, that this testimony was given to this committee.

Now we are asked to call up the Reserves and to do this and to do that because of Cuba and nothing is being done. Nothing has been done since that time dealing with trade with Cuba. We pointed out at that time that a lot of our friendly nations were just rushing right in to take up the trade gap that was left since we're pulling out of Cuban trade. And nothing has been done with regard to recommending through the Cocom structure that something be done about it.

Mr. BEHRMAN. I did not say nothing had been done as far as that goes. This is not my bailiwick. I did answer the chairman I believe, or Mr. Lipscomb earlier that a recommendation had been made following what the Secretary of State had said. The extent to which there was cooperation I cannot reply to.

Mr. KITCHIN. If the gentleman would yield at that point. I had a letter yesterday from Mr. Dutton of the State Department concerning the Cocom meeting in which letter he said a report was being prepared for submission and we would be furnished a copy of that report as soon as it was available. I will certainly make that a matter of record and if we don't have the answer we will see if we can get it from the State Department.

Mr. LATTA. I would hope you would do so, Mr. Chairman, as this is information which the people of this country are entitled to have, particularly in view of what is happening down in Cuba.

One of the purposes of the meeting at Punta del Este was to attempt to take some kind of action against Cuba. The way it turned out—as far as we are able to ascertain right now the only action that was taken was the action we took, and we didn't get any other friendly nations to go along with us. I am most disheartened by this failure. I felt certainly we had some friends who would go along with us in a time of need.

Now I want to go to this Yugoslav question. Did I understand you to say earlier this morning that they are now being treated as a free country or a free nation?

Mr. BEHRMAN. They have been so treated ever since 1950.

Mr. LATTA. There are items that they don't have to get licenses for at all?

Mr. BEHRMAN. There are items shipped under general license to them just as to the rest of the free world; yes, sir. They are not subject to the same positive list controls of the Soviet bloc.

Mr. LATTA. There hasn't been any change in our position since the last time you were before the committee as far as you know?

Mr. BEHRMAN. No, sir.

Mr. LATTA. That astounds me because I have an article here from the Evening Star of May 17, 1962, which says: "Tito a Friend Again, Khrushchev Declares."

Did you happen to read the article?

Mr. BEHRMAN. No, sir.

Mr. LATTA. Let me read you the article:

VARNA, BULGARIA, May 17 (AP).—Premier Khrushchev says the Soviet Union's long-strained relations with Communist Yugoslavia are once again good. "Our relations with Yugoslavia were rather strained previously," Mr. Khrushchev admitted yesterday, "but now I can say with satisfaction that our relations are normal, and I would even say good."

Speaking before a crowd of 30,000 Bulgarians in the main square of Varna, a Black Sea resort city, Mr. Khrushchev declared that the Soviet Union and Yugo-

slavia are in harmony on many questions, and commercial ties between the two countries are improving continuously.

"We are also ready to develop scientific and cultural relations with Yugoslavia in the interests of strengthening peace," he said.

Marshal Tito's independent brand of communism caused the first split in Communist ranks after World War II. The United States has sought to encourage his independent course with large-scale economic and military aid.

Mr. Khrushchev sent Soviet Foreign Minister Andrei Gromyko on a fence-mending mission to Belgrade last month, and the talks with President Tito and other Yugoslav officials apparently pleased the Soviet leader. Mr. Gromyko stood nearby as Mr. Khrushchev addressed the throng from the balcony of Varna's city hall on his goodwill tour of Bulgaria.

Mr. Khrushchev also held out the olive branch to another of Bulgaria's neighbors, Western-allied Turkey.

Declaring the Soviet Union looks forward to the time when the Black Sea will become "a sea of peace," Mr. Khrushchev added:

"Isn't it time for the ruling circles in Turkey to understand that military preparations are useless? It is time to transform launching sites into peaceful corners.

"The imperialists try to give alms to the Turks, but the people of Turkey are fed up with such a situation because the Turks are obliged to make tremendous expenditures which are impossible to offset with alms."

Talking with Western newsmen, Mr. Khrushchev confirmed that the Soviet Union is preparing a new series of nuclear tests of its own.

"We are forced to renew our tests because, despite our appeals, the Americans did not refrain from renewing theirs," he said.

It would seem to me in view of the renewed friendship between Tito and Khrushchev that it might be reflected in the actions of the Commerce Department in granting these licenses.

I see the gentleman to your left there shaking his head "No," that it wouldn't be reflected. Is that the position, that the relationship between Khrushchev and Tito means nothing, insofar as the granting of these licenses is concerned?

Mr. BEHRMAN. The decision on how to treat Yugoslavia is not a decision of the Department to make.

Mr. LATTA. I understand that, but let me ask you whether or not any word has come from the State Department over to you that because of this renewed friendship between Tito and Khrushchev that there shouldn't be any change in our relations.

Mr. BEHRMAN. To date there has been no change in our licensing policy.

Mr. LATTA. That is very astonishing as it seems to me when these situations like this come about, they should be reflected in the policies of your Department. Certainly it would seem to me that immediately following the May 17 statement—I haven't found any place where there has been a refutation—that this would be something for the Export Control Review Board to take under consideration. I hope when we get this information on the August 18 meeting of the Export Control Review Board that they might have discussed that.

Mr. BEHRMAN. May I just for the record make a correction, Mr. Latta, that I did not state the meeting was on August 18. I said it was prior to that time and we will supply you with the date, in confidence.

Mr. LATTA. Thank you.

Do you have any knowledge of how many items have come off of the Cocom list since the last time we met?

Mr. BEHRMAN. We can supply that to you. I do not have it with me.

Mr. Latta. To your knowledge, have any come off of the list?

Mr. Behrman. Certainly it will be in the State Department's report. Some did come off. A substantial number of our requests went on.

Mr. Latta. Could you tell us offhand what items went on?

Mr. Behrman. No, sir, I cannot offhand.

Mr. Latta. About how many items?

Mr. Behrman. Again, sir, that would be in the State Department's report. It is not easy to say the items. Some of these are categories of items and it depends on the classification but offhand if I can guess, on the order of 15 or 20 items went on.

Mr. Latta. One further question on Yugoslavia: Under our present policy of granting these licenses to Yugoslavia, since she is in the free nations category, there wouldn't be any way we could stop Mr. Tito from reshipping articles to Russia that we now deny her directly?

Mr. Behrman. Yes, sir, we have ways of developing some knowledge of the end destination of commodities. It is not easy to do, obviously. We have their cooperation in validation of the end use of things specifically that we ask about. Not in every case but in many cases and obviously if we found there was a violation we would not then ship that item into Yugoslavia.

Mr. Latta. Well, in a good many of these items they only ask for one; don't they?

Mr. Behrman. I don't think that is the case with Yugoslavia but I would have to check the record, Mr. Latta.

Mr. Latta. So then we take Mr. Tito at his word. If he said he is not going to transship these items to Russia, we say, "OK, Mr. Tito, we will go along with you until we find out through our various and devious means that they have been transshipped"; is that correct?

Mr. Behrman. They are not necessarily devious, Mr. Latta. We get the cooperation of the Yugoslav Government in making certain many of these things are placed where they indicated they would place them.

Mr. Latta. Yes, but I can well remember testimony earlier that you don't have a sufficient staff to trace all of these items as far as their end use is concerned.

Mr. Behrman. We cannot trace them all.

Mr. Latta. You have to get this information from various and sundry means. You take it from where you can get it.

Mr. Behrman. That is correct, sir. Those we consider to be important in terms of transshipment—and these would be much less than we are shipping—we have end-use checks and procedures, some of which we have established since I previously talked with you.

Mr. Latta. You have no way of knowing whether these items we ship to Yugoslavia are used in Yugoslavia to replace items that normally are produced and used in Yugoslavia, in order that Yugoslavian goods might be sent to Russia. Do we have any way of knowing this?

Mr. Behrman. In some instances we know this is the case, that the end product of equipment might itself be going into Soviet Russia.

Mr. Latta. In conclusion one question: Do you know of any grain shipments that are contemplated for Communist countries?

Mr. BEHRMAN. No, sir; not that I know of other than Polish. The Public Law 480. There may be some to the total Communist countries, Mr. Latta. I would have to check into that.

Mr. LATTA. Would you do that? I am very much interested in your checking into it and reporting to the committee.

Mr. BEHRMAN. On the grain shipments?

Mr. LATTA. Yes, sir.

Mr. BEHRMAN. I will be glad to do so.

(The information follows:)

Licenses approved¹ for grain for shipment to Eastern Europe (except Poland) and Cuba, Jan. 1 through Sept. 19, 1962

Bulgaria, sorghum seed.....	\$257
East Germany, sorghum seed.....	1
Hungary, sorghum seed.....	211
Rumania, sorghum seed.....	217, 252
Total.....	217, 721

¹No license applications for grain for these destinations were pending in OEC on Sept. 19, 1962.

Mr. KITCHIN. Mr. Sisk.

Mr. SISK. To your knowledge, Mr. Behrman, has there, since the policy was originally established that Yugoslavia was independent of the Soviet bloc and independent of Russia and Russian domination which occurred in 1948, which has been 15 years, has there been any change in our policy with reference to treatment of Yugoslavia?

Mr. BEHRMAN. As far as I know, no.

Mr. SISK. That has occurred over a period of three administrations. It has been 7 years in which Democrats have been in power and 8 years in which the Republicans were in power and yet there has been no change regardless of the fact that from time to time there have been attempts at rapprochement, and there have been, of course, visits back and forth and so on. But to your knowledge there has been no change in our policy, and this is a policy, of course, set in the final analysis by the President and the administration, in our treatment of Yugoslavia as an independent country?

Mr. BEHRMAN. That is correct, sir.

Mr. SISK. Thank you, Mr. Chairman.

Mr. KITCHIN. Are there any other questions?

If not, thank you very much, Mr. Behrman for coming over.

Mr. BEHRMAN. Thank you, sir. We appreciate appearing again.

(Whereupon the committee recessed at 11:58 a.m.)

**INVESTIGATION AND STUDY OF THE ADMINISTRATION,
OPERATION, AND ENFORCEMENT OF THE EXPORT
CONTROL ACT OF 1949 AND RELATED ACTS**

TUESDAY, OCTOBER 2, 1962

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON EXPORT CONTROL,
Washington, D.C.

The select committee met, pursuant to notice, at 10 a.m., room 313-A, Cannon Building, Hon. A. Paul Kitchin (chairman) presiding.

Mr. KITCHIN. The committee will come to order.

The Select Committee on Export Control, established pursuant to House Resolution 403, adopted September 7, 1961, has held extensive hearings since October of last year relative to the administration, operation, and enforcement of the Export Control Act of 1949 and related acts including Trading With the Enemy Act, Atomic Energy Act, the Battle Act, and other pertinent statutes dealing with control of trade with Communist countries.

The committee submitted a report in May 1962, containing an analysis of its study and investigation. It submitted a number of pertinent recommendations which if adopted, would serve to further tighten control over exports to Communist countries. As a followup, this committee heard detailed testimony on September 13 and 14, 1962, from Mr. Jack N. Behrman, Assistant Secretary of Commerce, as to the action taken by that Department on the recommendations germane to the jurisdiction Commerce has over export controls. I might add that I am pleased with the action taken by Commerce to improve and implement its investigative and enforcement procedures which should serve to tighten control over exports of strategic commodities to Communist countries.

For the past several weeks there has been an ever-increasing concern in the Congress and indeed throughout the country over the continuing Castro-Soviet economic and military buildup in Cuba. Of particular interest to this committee is the assistance that has been rendered in this buildup by ships flying flags of free world countries.

There have been reports indicating that possibly American-owned ships of foreign registry have been engaged in the transport of commodities to Cuba.

During the course of the hearings today and tomorrow, this committee will seek to develop—

- (1) The extent of free world shipping in Cuban trade.
- (2) How such shipping adversely affects our national security and welfare and assists the spread of the Communist international conspiracy.

(3) What is being done about it.

(4) What has been accomplished in these efforts?

We have a number of prominent witnesses conversant with the many facets of worldwide shipping to Cuba who will be heard today including my distinguished colleagues in the House of Representatives. Tomorrow we will hear testimony from the Honorable George W. Ball, the Under Secretary of State, pertaining to our Government's policies in dealing with the Cuban problem and the steps that are being taken to implement such policies.

This morning we are going to have to proceed as rapidly as we possibly can because we have a number of witnesses, several of whom are from out of town.

I would like to hear first from my very distinguished colleague and chairman of the Merchant Marine and Fisheries Committee, the Honorable Herbert C. Bonner.

Mr. Bonner, we will be glad to hear from you at this time.

**STATEMENT OF HON. HERBERT C. BONNER, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF NORTH CAROLINA**

Mr. BONNER. Mr. Chairman and gentlemen of the committee, I first want to congratulate you on the effort you are making in this field.

Since the end of World War II the United States has given untold billions of its substance in aid of its allies. While to a large extent this was motivated by charitable impulses, there was always the consciousness of the menace of communism and the necessity of securing strong allies to contain it.

Our country always felt that this is the major menace confronting the world, and unfortunately our allies have taken a somewhat softer attitude toward it. Thus, they have no compunction whatsoever in trading with Communist countries and utilizing their vessels to carry Communist cargoes, while we have forbidden our ships to enter that trade.

In the recent past, with the rise of the Castro government and the increased support given by Russia to that dictatorship there has been a very substantial increase in the number of cargoes carried by our allies' vessels in the cause of communism. During the period from June to August, 1962, at total of 169 merchant ships flying the flags of 20 free countries made a total of 185 trips to Cuba. Of this number 29 percent of the owners were from the United Kingdom, with 34 percent of the vessels involved. Thirteen percent of the owners were from Germany, with 12 percent of the vessels; and 13 percent from Norway with 9 percent of the vessels. In addition, flags of 17 other recipient countries of American generosity were represented in the trade in smaller measure.

To add insult to injury, a number of the vessels engaged in that trade, after discharging their "made in Russia" cargoes in Cuba, proceeded to ports in the United States to pick up Government-aided cargoes for the return voyage.

Significant as the buildup of Communist forces within 90 miles of our shores is, the potential of its spread to the various countries in political difficulties in Central and South America is a greater danger. It is regrettable indeed that our allies who are perfectly happy to

accept our assistance in varying degrees to combat the menace of communism when it appears near their boundaries are blind to the dangers of an outbreak in our hemisphere. One can only come to the conclusion that their greed for dollars from employment of their vessels outweighs their fear of another world struggle. Unhappily it is within our memory that we had to spend billions of dollars and the lives of hundreds of thousands of our youth to rescue Britain from its folly. It may well be that another period of blindness has set in, and it may be that we must see to it alone that the horrors of 20 years ago do not recur.

Efforts have been made to secure the voluntary cooperation of our allies by pointing out to them the dangers of a Russian buildup in Cuba, and I am happy to say that some of the larger shipowners abroad have recognized their obligations to the free world by pledging the withdrawal of their vessels from the trade. Unfortunately, however, our plea has fallen on many deaf ears, including those of Great Britain where the curious position is taken that any attempt to restrict trade by British ships with Cuba would infringe upon their right to freedom of the seas. By this time the danger of the spread of communism in the Western Hemisphere should be painfully apparent, even to the most obtuse, and the consequences of its spread are too horrible to contemplate.

Under the circumstances it is essential that we adopt drastic measures to protect not only ourselves but the rest of the free world. Since our allies have refused to meet the danger by voluntary action we are forced to take such steps as lie in our power to minimize the danger to the free world. We can do this by withholding economic aid from those countries that refuse to cooperate in the common effort to restrict the scope of communistic aggression.

When the foreign aid appropriations bill was under consideration in the House on September 20, I spoke of the danger inherent in the continued trading by free world ships to Cuba, and I offered an amendment which was adopted by the House, intended to help put a stop to the practice by denying the payment of "any expenses of transportation, directly or indirectly, to merchant ships of any nation whose ships are used to transport any military or economic supplies to that [Cuban] regime."

By this amendment I intended that irrespective of whether transportation expenses were paid directly in dollars, or whether they were covered indirectly by foreign currencies in the hands of foreign countries receiving military or economic aid through military assistance or Public Law 480, or other means, the ships of those nations would be ineligible to receive payment for transportation of aid cargoes if they had been trading with Cuba.

If cooperation will not work perhaps economic restraints will.

Mr. Chairman, I do believe—and it is difficult to find out just how the moneys in the foreign aid program are shifted from here to there, and how they are used—the inclusion indirectly and directly should be looked into very carefully by your committee, those who have the responsibility, and it is a responsibility to the citizens and to the people of America directly and indirectly, economically, and otherwise, to see that every effort is made.

Through this effort, we can drive home what we mean and not cite nations directly with respect to their sovereign rights on the high seas under section 102 for the purpose of carrying this out.

Section 402(a) of Public Law 480 and I read:

* * * For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with the regulations issued by the President, pursuant to subsection (b) of this section: (1) Shall make available for sale hereunder at such points in the United States as the President may direct surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price support operations; (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities from the stocks owned by the Corporation or pledged or mortgaged as security for price support loans, or from stocks privately owned if the Corporation is not in a position to supply the commodity from its own stocks.

I would say, Mr. Chairman, it is pretty broad language as to what can be done. Mr. Chairman, I do not come here with any desire to interfere with the executive administration of the foreign aid program. I realize the seriousness of the times.

I realize what has been accomplished in the foreign aid operation and yet I must say I have seen personally, and I have heard personally, of many situations in the administration of the program that have been most unsatisfactory. It is something that has grown into the economy of our country itself and it is looked upon by the world as the give-away program. Yet, I admit in many instances it has been meritorious and worthwhile. I have differed with it personally myself and my record in the House of Representatives shows this, and I have tried to be charitable toward it. However, in this instance, I firmly believe that the nations we have been most generous with should cooperate with us in this case.

I hope that when the foreign aid program comes back to the House, this amendment which was thought out with care and with no malice toward anyone will be retained in the conference report.

Mr. KITCHIN. Thank you.

I thank the gentleman and want to say I am most appreciative for a very enlightening statement.

I want to take this opportunity publicly to congratulate him for his amendment adopted overwhelmingly in the House of Representatives. I feel that that amendment, if kept in the act and implemented, will certainly be a step forward and something that can be done with reference to the Cuban shipments, particularly as they pertain to this situation.

Mr. BONNER. If you permit me to say, this is not aimed at injuring the foreign aid program whatsoever.

Mr. KITCHIN. I can appreciate that and I am in thorough agreement with the gentleman's amendment and the thought that prompted the amendment.

We thank you very much for coming to be with us.

The next witness is our very distinguished colleague from Florida, the Honorable Paul Rogers.

Mr. Rogers, come around and we will be glad to hear from you.

**STATEMENT OF HON. PAUL G. ROGERS, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF FLORIDA**

Mr. ROGERS. Thank you very much, Mr. Chairman and members of the committee. I appreciate this opportunity to present testimony on the subject of the Cuban buildup by water-borne commerce.

This traffic in goods has received much attention in the past few weeks. The matter is timely, and I know the American people are grateful to you, Mr. Chairman, and your committee in taking time during these busy closing days of the Congress to hold these hearings because the national interest demands them. As a Member of Congress from Florida, I am particularly interested in this problem. As I stated before the House on September 20, this select committee is the appropriate arm of the Congress for such an investigation.

The entire matter of intensified Soviet shipments to Cuba has aroused the American public in recent weeks, and public outcry for action includes an expose of the details surrounding water haulage of the goods needed for this buildup. The first Soviet moves to Cuba came as probes, then once the decision to move was made, ship traffic to Cuba came quick and concentrated.

The Soviets had to move fast in getting goods to Cuba. Their merchant fleet was strained in transport military cargo and personnel, and it was impossible to move as quickly as they did without the help of other nations. As we all know, help was obtained readily from many nations purportedly friends and allies of the United States.

It must be added at this point that the Governments of West Germany, Turkey, and Norway have expressed willingness to cooperate with the United States now by discouraging further shipments to Cuba. The decisive actions taken by these flags did much to shore up the confidence of the American people in their allies.

Although the Soviet Union began shipping military and industrial cargoes into Cuba as early as last year, the critical period in Soviet-Cuban traffic occurred in the past few months. For example, covering the period June-August, 1962, a total of 169 merchant ships flying the flags of 20 free world nations made 185 trips to Cuba. Ships flying the flags of Great Britain, Greece, Norway, and West Germany accounted for more than 61 percent of the ships involved, and 61 percent of the total trips made to Cuba. The number of free world vessels participating in trade with Cuba is approximately double comparable figures for Soviet shipping.

Clearly, the Moscow-to-Havana pipeline would have been severely crimped had it not been for the cooperation and assistance given to the Soviet Union by the 111 companies of 20 free world nations.

I would like to add at this point that commendations are due the Department of Commerce and the Maritime Administration for their surveillance and study of this matter. Many of the figures I use are substantiated by their thorough study.

Within the period June-August 1962, of the 169 ships flying the flags of 20 free world nations into Cuba, 25 percent were Greek, 15 percent were British, 12 percent were from West Germany, and 9 percent Norwegian. These were the major offenders.

EXPORT CONTROL ACT OF 1949

Many of these ships are owned by interests located in other countries and fly the above flags or vice versa. Additional free world vessels were—

Flag	Number of ships	Number of trips	Flag	Number of ships	Number of trips
Spain.....	9	12	Netherlands.....	4	4
Denmark.....	9	9	France.....	2	2
Sweden.....	8	8	Panama.....	2	2
Japan.....	7	7	Chile.....	1	2
Yugoslavia.....	5	7	Belgium.....	1	1
Lebanon.....	5	5	Finland.....	1	1
Italy.....	4	5	Morocco.....	1	1
Liberia.....	4	4	Turkey.....	1	1

The problem has been compounded in several instances. Not only do U.S. allies transport goods to Cuba for the Soviets, but after unloading in Cuba, put into U.S. ports for profitable cargo runs to be delivered elsewhere in the world.

Many shipowners justify their commerce with the Soviets on grounds that the world's shipping industry is undergoing a recession. They say that such trade is needed to help keep their governments economically stable. However, the world's merchant fleet numbered 17,426 vessels as of January 1, 1962. Free world ships trading with the Cuban Communists are small percentages of the merchant fleet, and therefore it is doubtful that the Cuban trade is significant in solving any of the world's shipping problems. The figure is about 1 percent.

The use of U.S. ports to further the profit in Cuban commerce makes action more necessary and imperative. Our ports show some figures which are astounding. The following allied ships sailed to Cuba after having put into U.S. ports:

Ship	Flag	Arrival in Cuba	Owner
Aiolos.....	Liberian.....	June 6, 1962, from Mobile, Ala.....	Greek.
Athelknight.....	July 21, 1962, from Albany, N. Y.....	British.
Captain Yiannis.....	Liberian.....	July 3, 1962, from Jacksonville, Fla.....	Panama.
Pedro Campbell.....	Panamanian.....	July 24, 1962, from Port Arthur, Tex.....	Uruguay.
Roberto Parodi.....	Italian.....	July 13, 1962, from Tampa, Fla.....	Italian.
Sugar Transporter.....	British.....	July, from Savannah, Ga.....	British.
Santa Elisabetta.....	Italian.....	July 5, 1962, from Tampa, Fla.....	Italian.

As this committee recalls, the House unanimously passed a bill introduced to ban trade with Cuba. This was followed on February 7, 1962, by the President's Proclamation No. 3447, prohibiting such trade. However, since that order became effective, the following vessels sailed from Corpus Christi, Tex., to Havana, Cuba. The cargo, I am informed, in each case included cotton linters, a material used in the manufacture of explosives.

Ship	Flag	Date of departure from United States	Destination
Tarnstein.....	West German.....	Mar. 12, 1962	Cuba.
Nabstein.....	do.....	May 4, 1962	Cuba.
Melsheln Maru.....	Japanese.....	July 22, 1962	Cuba.

These movements would be a violation of the embargo on Cuban trade, and if sufficient evidence is forthcoming they should be prosecuted under the law. Furthermore, the machinery set up to enforce the law should be investigated to determine where this breakdown in enforcement occurred. Records of other U.S. ports would undoubtedly yield even more, if thorough research were done.

Our own U.S. Government-generated food surplus programs executed under Public Law 480 are even being transported in bottoms still fresh from Communist cargoes. Nine ships approved by the U.S. Department of Agriculture for carriage of Public Law 480 cargoes during the last half of 1961 are among the ships participating in Cuban commerce during the June-August 1962 period. These ships should not be approved in the future unless they suspend their Cuban activities. Three more recent vessels are the West German *Catharina Oldendorff*, and the Yugoslav freighters MV *Drzic* and SS *Mijet*.

Here is an area where direct U.S. Government action is imperative. These ships should be blacklisted from transporting American food cargoes at the earliest possible moment. This blacklist, I think, should also include a prohibition of shipments of American goods on ships of any nation whose flags fly in Cuban traffic. Adequate legislative authority exists already for this Government to act. As this committee knows, that authority exists in sections 2022 and 2023, Export Control Act of 1949. I strongly urge that the provisions of this law be fully implemented, and that further use of these ships be halted.

Mr. Chairman, the United States is presented with a clear and present threat from the Soviet buildup in Cuba. The weapons, armaments, and personnel now in Cuba add up to a new Soviet offensive in the Western Hemisphere. This offensive is being aided by the 28 free world tankers which ran petroleum products to Cuba in the June-August period.

The State Department has admitted that many Soviet-flag ships used in the Cuban buildup actually belong to the United States. Such ships were loaned to the Soviets during World War II and have not yet been paid for nor have they ever been returned.

As you can see, there are many questions in this matter which need answering. I would urge the committee as follows:

(1) Full implementation of the Export Control Act, sections 2022 and 2023. Such action would ban shipment of Public Law 480 commodities aboard vessels engaged in Cuban commerce.

(2) Recommend denial of U.S. ports to any flag engaged in Cuban trade.

(3) Strict enforcement of Presidential Proclamation 3447 to guarantee an airtight embargo on U.S. trade with Cuba.

(4) Determine why and where America's strong feeling against allied shipping to Cuba was misinterpreted.

(5) Condemn continued Cuban commerce by flagships of Britain, Greece, and Italy.

Mr. Chairman, pressures from the Congress have already brought results. West Germany, Turkey, and Norway have now announced their willingness to cooperate with the United States. With continued insistence by the Congress and its committees, the policies and actions of this Government will be consistent with the aims of this Nation.

I thank you.

Mr. KITCHIN. Thank you very much.

I certainly appreciate this very informative and enlightening statement. You are to be congratulated for exhibiting a keen interest in this Cuban situation and you have certainly made yourself vocal and have been heard and have been agreed with by a large majority, if not all, of the Members of the Congress. I congratulate you for it.

By way of passing, I would like to say the information embraced in one part of your statement is evidently contained in the Maritime Administration report on Cuban trade dated September 24, 1962.

Later in the proceedings I will put this into the record, without objection I hope, the report from the Maritime Administration.

Mr. ROGERS. That is correct, Mr. Chairman.

Mr. KITCHIN. Thank you so much.

Mr. ROGERS. Thank you.

Mr. KITCHIN. We now have our colleague from New York, Mr. Frank Becker.

We will be delighted to hear from you, Mr. Becker.

**STATEMENT OF HON. FRANK J. BECKER, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEW YORK**

Mr. BECKER. Mr. Chairman and members of the committee, I am not going to put in the record much of the detailed information that has already been put in by our colleagues, Mr. Bonner and Mr. Rogers. I would like to say that I concur in the information they have placed before the committee, as well as their position. However, I have a further point I would like to make that may not be within the province of this committee, but certainly I want to make my position clear.

While all this information is fine, while these negotiations must be carried on with our allies and countries in which we have spent nearly \$100 billion to rehabilitate in past years, we must also recognize the fact that both Khrushchev and Castro are going to find ways of shipping to provide material of war as well as economic shipments into Cuba. I think we must recognize this and we are not going to stop it by getting our allies to stop using their ships to send commodities into Cuba. At least, that is my humble opinion; I feel that is the case.

I took the position a year ago that the only way we can stop this and protect the Western Hemisphere—and I stated this on the floor of the House—is by a blockade of Cuba.

Again, only yesterday I sent a telegram to the President to this very same effect.

In continuing negotiations with our allies to prevent this kind of shipping and carrying on trade with Communist countries and to invoke the Monroe Doctrine as well as to provide a sea blockade of Cuba, I believe this is the only way we are going to prevent a further buildup of offensive, as well as defensive, weapons in Cuba.

There is no difference between the two kinds of weapons in my humble opinion.

I know that someone will say this is a risk and yet I also recognize, as do many Members of Congress, that the world all around us has been looking to the United States for leadership. If they find this leadership soft, if they find we are going to sit idly by while we are

permitting a great menace to be constructed 90 miles from our shoreline, then, of course, we cannot look for allies to be strong and carry out our wishes and respect us in assisting in this particular program.

Mr. Chairman, I just want to read into the record one of the most significant statements made by any man and one who has been well respected in the world, and a man who has a great background.

I took considerable time and trouble to read Winston Churchill's book, "The Gathering Storm." To back up my opinion of a year ago, as well as more recently, I would just like to read this into the record, if you have not already heard it.

Sir Winston Churchill, in his book, "The Gathering Storm" speaks of the "milestones of disaster" in the 1930's and of the series of acquiescences in Hitler's aggressions in the Rhineland, in Austria, and in Czechoslovakia, until finally the climax came in Poland. He then wrote, "Here is a catalog of surrenders, at first when all was easy and later when things were harder, to the ever-growing German power. * * * Still, if you will not fight for the right when you can easily win without bloodshed; if you will not fight when your victory will be sure and not too costly; you may come to the moment when you will have to fight with all the odds against you and only a precarious chance of survival. There may even be a worse case. You may have to fight when there is no hope of victory, because it is better to perish than live as slaves."

Mr. Chairman, I say that is one of the most significant statements of our times and of this decade. I believe we must profit by this statement. Either we do something now or constantly, more and more, we are eroding away our opportunity, not only to defend ourselves in the future, but the free world, because the free world is dependent upon our strength and upon our position as leader.

I say that being soft in this position—and I am not talking about any administration and I will back this administration or any administration—but I believe that we have got to take a solid, a firm position and action. Through our foreign aid, we have helped countries all over the world and we know these countries, as stated before by Congressman Bonner and Congressman Rogers, are our allies and while receiving our aid, have conducted trade with Communist China and with Soviet Russia and with other countries to put dollars in their pockets.

This has not been for the best interests of the free world but it has assisted the growth and power of communism and Communist domination.

Mr. Chairman, that is all I want to get in the record now, my position. I think we should do this now if we are to accomplish our mission in the world as leaders of the free world.

I thank you.

Mr. KITCHIN. Thank you, Mr. Becker, for a very informative statement.

We certainly are very appreciative of your coming down and testifying.

Mr. BECKER. Thank you.

Mr. KITCHIN. Are there any other Members of the House or the other body present?

(No response.)

If not, we will be very pleased to hear from Mr. Joseph Curran now, president of the Maritime Union.

Mr. KITCHIN. Mr. Curran, come around.

I believe you have a formal statement?

Mr. CURRAN. Yes.

Mr. KITCHIN. You may proceed.

STATEMENT OF JOSEPH CURRAN, PRESIDENT, NATIONAL MARITIME UNION, AFL-CIO

Mr. CURRAN. The National Maritime Union, whose members bore a heavy share of the sacrifices required for victory in World War II, and whose skills, dedication, and sacrifices will be essential in any future conflict, regards the Soviet military buildup in Cuba as a challenge that the free world must meet.

It is for our Government to determine what military, diplomatic, and economic measures it will take, on its own and with its allies, to meet this challenge.

For ourselves, as free trade unionists we consider it our right and a duty, regardless of Government policy, to protest by every possible means any movement of cargoes and ships which can help create a Soviet bastion on the island.

The Soviet military buildup in Cuba has raised many serious questions concerning our Government's relations with nations supposedly allied with us in defense of the free world against Communist aggression. As a spokesman for a maritime union, I would like to address myself to question which it has raised concerning our merchant marine policy.

Since World War II, our national policy has been one of downgrading the American-flag merchant marine. We have a law on the books, the Merchant Marine Act of 1936, which makes it the responsibility of the Government to protect and promote a merchant fleet adequate to our peacetime and wartime needs. We have enacted some legislation which was designed to implement this mandate. But in practice Government agencies have sacrificed our merchant marine as a sop to foreign governments, anxious to promote their own fleets, and to American shipowners, who put profits ahead of patriotism.

As a result of Government policies and lack of policies with regard to our own merchant marine, American-flag ships have been carrying barely 10 percent of American waterborne foreign commerce. Furthermore, the U.S. Government, as a matter of policy, has actually been fostering the development of a mammoth fleet of American-owned ships under the flags of Liberia, Panama, and Honduras.

The dangers inherent in both these developments have been forcefully demonstrated in the current Cuban situation.

As an example of how U.S. Government agencies have been indifferent to the needs of our own merchant marine, consider the abuse of our cargo preference laws by agencies as the Department of Agriculture, the State Department, the Agency for International Development, and others.

Our cargo preference law is supposed to assure that American-flag ships will carry 50 percent of Government aid cargoes—not all Ameri-

can cargoes, just of cargoes which are generated under some Federal program. This is certainly only minimum protection. Yet, even this has been constantly nibbled at.

Time and again, when a foreign government has asked for special dispensation in favor of its own ships at the expense of our own, the U.S. department involved has gone to work to give the foreign government what it wants.

Our State Department offers a sympathetic ear and a helping hand to foreign diplomats who come here for the purpose of attacking our cargo preference and subsidy laws as "unfair" to their ships. Even the Defense Department has skirted the rules on use of American-flag ships for its oversea shipments by arranging to take title to some important purchases in the country of destination, thus permitting the seller to use ships of any nationality to get the cargoes to the oversea ports where our Defense Department wants them.

We of the maritime unions, with the vigorous help of some Members of Congress, have done what we could to prevent these abuses. Sometimes we have succeeded, often we have not, but always we have had to battle our way uphill to maintain even the most elementary safeguards for the American merchant marine.

If there is any explanation for the indifference in Government agencies to our own needs, it must be that they consider the building up of the merchant fleets of other nations as essential to free world defense and this must be done even if it means sinking our own merchant marine. And, unfortunately, the one agency responsible for protecting our own merchant marine, the Maritime Administration, has been weak and ineffective.

Now in the Cuban situation, most of these friendly nations whose fleets have been fattening on American foreign commerce refuse to consider the pleas of our Government to keep their ships from aiding the Soviet military buildup in Cuba.

We have the absurd spectacle of ships of supposedly friendly nations running cargo into Cuba—assisting in strengthening the island as a Soviet base—and coming directly from the island to a U.S. port to pick up a U.S. foreign-aid shipment to be delivered elsewhere.

As to the second of these developments, the encouragement given to the creation of a vast "runaway" fleet under the Liberian, Panamanian, and Honduran flags, this is an even more striking example of how our national interests have been sacrificed, in this case to satisfy the greed of American shipowners.

The flags of these nations cover a fleet of some 1,500 vessels, totaling more than 20 million tons. About half of it is American owned. American interests are involved in a far greater share of it.

A phenomenal rise in this runaway fleet began shortly after the Korean war and the nucleus on which it began this rise was made up of American ships transferred foreign with Government permission. In 1955, shortly after the bars against foreign transfer of American war-built shipping were relaxed, the Government adopted what is known as the "effective control" policy. Under it a large proportion of the American-owned Liberian, Panamanian, and Honduran flag ships are officially recognized as "under effective control for defense purposes." In other words, the Defense Department regards these ships—under foreign flags, manned by foreign crews, outside

the control even of the U.S. Coast Guard as far as loyalty of the crew and safety of the ship are concerned—as part of our merchant marine. When it comes to considering whether our merchant marine is adequate for defense purposes, these ships are counted in.

The folly of this policy, and of the whole buildup of the runaway flag fleet has been made clear in the Cuban situation. Ships flying these “runaway flags” have been part of the Soviet shuttle to Cuba. Some of the ships in that traffic were built in the United States and were transferred out of U.S. jurisdiction to one of the “runaway” flags, although now by subsequent transfers they may be under some other registry.

American money is involved in many of these runaway flag ships. Since the financial makeup of a ship is generally a tangled and slippery web, it would require the resources and powers of a congressional committee to determine the identity and extent of these interests. Many of the ships running into Cuba have only recently been transferred from Liberian to Greek, Lebanese, and other flags.

The Liberian, Panamanian and Honduran flags have been of assistance to the Soviets in the cold war before this. When I was in Odessa, U.S.S.R., 2 years ago with an NMU delegation, we saw some of these ships in the harbor there. We were told that 46 of these ships had sailed into Black Sea ports within a 6-month period.

The Cuban situation has made clear the dangerous folly of our maritime policies since World War II. It has made clear that the United States cannot rely on the fleets of friendly nations for the maritime strength the U.S. needs. In the same way that we cannot count on these nations to restrict their ships from assisting a military buildup 90 miles from our shores, we cannot count on these nations to make their ships available to us for what we may regard as an operation essential to our security and that of the free world.

Even clearer should be the folly of our support of the PanLibHon fleet and our recognition of a part of that fleet as under “effective control.” If any of these countries goes the way of Cuba under Castro, what control can we exert over these ships? What control do we exert if the master or crew of one of these ships decides to make it available to the enemy? Far from being under anything like “effective control,” the PanLibHon fleet for the most part comprises a vast “available” force, available to the highest bidder, regardless of politics or purpose.

As an immediate measure, where governments refuse to restrict the participation of their ships in Cuban traffic, our Government should completely exclude ships of those countries from carrying any of our Government-generated cargoes.

The Government should also abandon the dangerous “effective control” hoax and eliminate the tax benefits, Government protection and the other inducements which great American corporations now have for operating ships under Panamanian, Liberian, and Honduran flags.

We should immediately and completely halt the transfer of American-built ships to foreign registries. Regardless of any paper “controls” put on them, these ships are available for hostile use, either directly or by relieving other tonnage for use against us.

Our cargo preference laws should be strengthened, expanded, and effectively administered in order to assure American ships of a fair

share of American cargoes. We must stop the sacrifice of our own national interests in order to please countries which are out to take everything they can from us in this field.

The time is long past due for the United States to build a merchant marine which befits its position of world leadership and its worldwide responsibilities. It is unfortunate that it took something like the building of a Soviet arsenal in Cuba to make the Nation see the need.

We have brought with us some lists of ships that have been transferred from American to Liberian and from Liberian to other flags and some ships that are lately operating whose history is one of transfer and sale. These ships are the latest information we have, and it must be remembered that we do not have the facilities that the CIA and other cloak-and-dagger organizations of the Government have and we have to do the best we can through our maritime grapevines, some of which are very good and some of which sometimes are not so good, but most of the information we have has been verified and is actually effective information. This one, for example:

SS San Spyridon: Lebanese flag; Liberty; tonnage, 7262.

Built July 1943, Baltimore, Md.

For W.S.A. under name of William H. Jackson.

Last under American flag 1945.

Operated by T. J. Stevenson.

Since then laid up until 1947.

In 1947 renamed *Aristocrates* by Aristomeis Co., Panama.

Port of Cortez, Honduran flag, at that time.

In 1960 changed over to the name of *San Roque* under Panamanian flag.

Owner in 1960, Phoenix Compania De Navigation, Panama Republic, Panama flag.

In 1961 changed name to *San Spyridon*. New owner, Olistim Navigation Co. Ltd.

Monrovia, Liberia, Lebanese, Bierut, Lebanon.

These people still have the ship.

1962 Lebanese flag.

Havana June 1, 1962, for Odessa LL September 10, 1962.

There is Honduras effective control of that ship.

Mr. KITCHIN. If I might interrupt right now, of course this is a very informative statement and the general character of your information is extremely interesting to me, I can assure you that. Do you have a list of any of these flag ships that are now being plied in trade with Cuba?

Mr. CURRAN. That one there, Havana, sixth month, first day, 1962, for Odessa, ninth month, tenth day, 1962.

Mr. KITCHIN. Two trips into Cuba?

Mr. CURRAN. No, leaving Havana for Odessa on the one date and in Havana on the other date. That constitutes one round voyage. She is under the Lebanese flag, a former American ship but under effective control. She is an effective control ship, which is the important point.

We have more:

SS Antonia: Liberty, in Havana March 16, 1962.

Ex *John Constantine* to Whampoa.

Built 1943, permanent shipyard, Richmond, Calif.

W.S.A. to Isthmian Steamship Co. Frisco.
Sold 1947 to Spyros A. Lemos, London; Chios, Greece.
Changed name to *Antonio*, active, till 1960.
Sold to present owner in 1960.
Viasegura Compania, Naviera, Panama, Republic of Panama.
Liberian, Monrovia, Liberia.

Also:

SS *Atlantic Air*, ex *Elizabeth Blackwell*.
Liberty; built, 1943; tonnage, 7,255.
Richmond Shipyard, Richmond, Calif.
Owners Atlantic Freighters, Monrovia, Lib., 1962.

Panamanian registration.

W.S.A., Washington, D.C., 1944.
Name changed to *Atlantic Air*, 1946.
Taken over by Atlantic Maritime Co.
London Panamanian registration, Panama.
Now registered as Atlantic Freighters, Monrovia, 1954.

Registered Panama.

Same owners 1962.
Flying flag of Panama.
From Prince Raymond, Canada to Havana—arrived April 21,
1962.
S. Livanos—Ship Brokers Ltd., London.
Liverpool December 16, 1961, for Havana arrived January 22,
1962—LL January 26, 1962.

Then:

SS *White Sea*: Liberty, in Havana, Cuba, June 15, 1962. LL
March 22, 1960.
Ex *Amy Lowell*, built 1943, California Shipyard Corp.
Ex *Nevada* 1948-60.
W.S.A. owned, operated by Seas Ship Co. (S.I.U.).
Laid up James River June 8, 1946.
Sold, 1948, Danish flag to 1960.
White Sea Lib. United Shipping Co., 1960.
Monrovia.
Havana June 15, 1962, sailed Yokohama August 8, 1962.
LL August 10, 1962.

These vessels are all under effective control.¹ They were all former American vessels and have made the changes. I will not go into detail on those changes. They can be made a part of the record if you see fit.

Then we have a group of ships that were formerly under effective control, changed from Liberian to Greek flag running into Cuba. They are listed, *Penelope*, *Delphi*, and the *Aldebaran*. The *Aldebaran* sailed from Novorossisk May 11 to Havana; the *Delphia*, January 18 for Genoa from Cuba and the *Penelope* from Neuevitas, Cuba, for Novorossisk and passed Istanbul February 9 through the Golden Horn. We have the ex *Harmony*, a tanker; she was formerly the

¹ By letter dated Oct. 16, 1962, William P. Bundy, Deputy Assistant Secretary of Defense advised Chairman Kitchin as follows:

"In response to your request of Oct. 12, 1962, for information on four vessels, the following can be made available. The *San Spyridon*, *Antonia Liberty*, *Atlantic Air*, and *White Sea* have all engaged in trade with Cuba within the current year; none of these is in the United States Effective Control Fleet."

Attica; *Book Panama*, a Greek ship. This ship went from Rangoon to Havana, Cuba, 4th month, 28th day 1961.

The *World Cavalier*, a tanker, built Sun Shipyard, Monrovia, Liberia, sailed 9th month, 7th day, 1962. That is September; Gdynia, for Philadelphia, the 4th, and trades consistently behind the Iron Curtain.

Mr. KITCHIN. These that you are naming now were formerly under Effective Control?

Mr. CURRAN. The last one was formerly under Effective Control. No. The group that I read, the *Penelope*, *Delphi*, and the *Aldebaran* were formerly under Effective Control and changed from Liberian to Greek flag and are running steady into Cuba.

All of these vessels were former American-owned and transferred and sold through various stages down through Panama, Liberia, and thence to Greek flag and other flags.

Mr. KITCHIN. What I was trying to straighten out for the record, when they are submitted for the record, as to which are now presently under control and those that are not?

Mr. CURRAN. All of them except the three; all except the last three I read, *Penelope*, *Delphi*, and the *Aldebaran*. They were formerly under "effective control."

Mr. KITCHIN. All the rest will presently be under "effective control."

Mr. CURRAN. I might say in connection with some of these ships, the International Transport Federation, of which we are a part, carried off a long-term campaign to force these vessels from what we sidered the runaway flag vessels to flags of genuine merchant shipping, where the shipping had a connection with the national interest and somewhere near I would say 800 of those vessels have left the Liberian and Panamanian flags and gone to the Greek flag because the Greek Government has lifted some of the taxes which kept people like Niarchos and Onassis from putting their ships under the Greek flag. That has been remedied since, some 2-percent taxes and a few others and they are now under the Greek flag but are trading on the same routes.

We have a list and we have marked out for the record the vessels which were former American-flag ships, transferred, and then Liberian flag and thence to the Greek flag. We have them marked out. They are the *Penelope*—there are a lot of them. They are marked out with an asterisk. There are quite a number of them. These vessels are trading behind the Iron Curtain and have been trading behind the Iron Curtain and are now, many of them, engaged in the Cuban trade from behind the Iron Curtain.

While it is very difficult for a layman, or our organization to determine the corporate structure behind many of these operations, there are many of these Greek operators who have financial tie-ins with American corporations. One of them is Onassis, Niarchos, Livanos, Orion Steamship Co., and Kulukundis.

These are the outstanding Greek operators who have ties with the American operators.

I can read these off. We have them marked with asterisks. As a matter of fact, it has been brought to my attention that Onassis still owes this Government quite a considerable sum of money on a number of these vessels that were transferred and sold over to him.

Mr. KITCHIN. Is there any information contained in the exhibit that you will offer for the record now that shows the identity of the American interest involved in these respective transactions?

Mr. CURRAN. No, not on these listings, but we know them and Lloyd's Registry and the American Bureau of Shipping and the Maritime Board's records will show the history of these vessels and their transfer and sale. They have those records. I am sure they have those records. They should have them. They were American vessels.

We have taken a great many steps within what is within our rights we feel as free trade unionists in a free country to make our protest and we have contacted international organizations, of which we are a part, such as the International Transport Federation and we have called for a boycott of these trade unions in the free countries, similar to those boycotts which we established against such Fascist operations as the Dominican setup, the Argentina group, Spain and others in times past, very successful boycotts have been organized but in this situation I heard one of the previous gentlemen who was on here, one of the Members of the Congress, bring to your attention something which we were not aware of and which we find very difficult to believe. We hope he has got later information than we have. The Norwegian Government, as far as we know, has simply said that they have no control over their shipping and that as far as they were concerned this question of Cuba and the United States was a political problem of the United States.

We have not been able to get a meeting of the International Transport Federation on this question, even though as affiliates we have the right to request such a meeting. There have been great pressures brought to bear to prevent such a meeting from taking place.

We have, however, received assurances from individual groups, such as the Pan Hellenic Federation of Seamen of Greece. They sent us a wire just the day before yesterday in which they said the Pan Hellenic Seamen's Federation agrees with our proposal to set a worldwide boycott against loading military equipment and personnel to Cuba. The boycott must be organized by all unions in NATO countries without exception and while steps are taken to protect against unemployment of the crews affected by such action.

Having been in the forefront of Greece's battle against Communist invasion, we are fully aware of the dangers to the free world by the Communist bridgehead in Cuba.

It is signed by the head of the Pan Hellenic Seamen's Federation.

Mr. KITCHIN. Is that a condition precedent to their entering into this agreement, that all NATO nations must be in without exception?

Mr. CURRAN. I am not in position to say what their intent was behind the wire. We have talked to them on the phone since. They have made no conditions. They have assured us that if such a meeting takes place and as far as they are concerned their vote will be for a boycott. That is what Mr. Petroulis, the chairman of the Federation of Greek Seamen has assured us.

In the meantime, we on our own went to work on a couple of vessels that were here, one in Corpus Christi, a West German and one in Houston, a Yugoslavian vessel. Then we had one of our own

which was engaged in a peculiar operation. It was loading some 2,500 tons of material, sodium sulfide, which is used for the curing of hides, and the tanning of hides. The peculiarity of this was it was assigned to Leningrad and at the same time had marked on it Havana, Cuba.

The cargo and the crew notified us of it and we notified the company that as far as we were concerned that unless we received assurances from the State Department that that cargo was not being assigned to Cuba and that it was properly licensed and the things that were necessary we would not release the vessel.

We received the assurance from the State Department, or from the Department of Commerce that it was properly licensed and it was not heading for Cuba but was heading for Leningrad, the textile and leather industry of the U.S.S.R. They gave us copies of the bills of lading. The Department of Commerce gave us these. The Director of Export License Control of the U.S. Department of Commerce gave us these, Mr. Hockersmith supplied us with these documents.

The vessel is cleared. She has gone. No one can guarantee what becomes of the cargo after it gets to Leningrad.

Mr. KITCHIN. Did you try to verify or investigate the predetermined listing of Havana or for Cuba on the cargo itself?

Mr. CURRAN. Yes. We tried to find out about that but as far as we could discover there was no explanation for that marking on there. Then they assured us it was not even going to Leningrad, that the cargo was going to be dropped in Guttenberg, Norway.

As far as we are concerned Norway is one of the biggest operators into the Cuban situation; incidentally, one of the biggest operators in this country. They operate a merchant marine operation in this country for many, many years in which their vessels are trading on what they call the North Atlantic and U.S. run. They do not go home for 5 years. When vacation time or relief time comes for crews, they fly them home and they fly a crew here.

They have as many as 260 voyages in 1 month out of the New York area, constantly on American cargo. That has been going on for 50 years.

This is the country that lives off American cargoes; that is, the shipping companies. At the same time they operate one of the biggest operations in the Cuban trade.

We have a communication from the Embassy of the Federal Republic of Germany, addressed to us, concerning the *Caterina Olendorff* in Corpus Christi, and it referred to the conversations we had and it says that the present voyage of the ship aroused the interest also of Congressman Paul Rogers:

As agreed on with Mr. Perry—

My assistant—

I enclose herewith a copy of a letter written yesterday to Mr. Rogers. After we had been in contact I may draw your attention to the attached aide memoire presented to the Department of State 3 days ago. In addition, I am in position to inform you of a cable which the Norwegian Embassy received this morning from the Foreign Office in Oslo, for information of this Embassy and on the basis of which I can now confirm to you that the *Caterina Olendorff* under charter of the Norwegian State Grain Monopoly will sail directly from Corpus Christi to Norway for delivery of grain to the State Grain Monopoly there.

I might say to you the State Grain Monopoly does not mean the product is going to be consumed by the Norwegians but is the same as the copper which comes through to the United States in bond, which we bring up from the west coast of South America and lays in barges in New York and then is transhipped to Europe, which is an old trade and a proper operation. This is the same way. The product is shipped to a European warehouse and from that European warehouse it then goes to other destinations around the world and they make their nickels off of it as it passes through these operations, I assume, like a middleman.

The flour on the Yugoslav vessel was assigned as we understand it to Cuba first and then they transferred it. It was going to Egypt.

We have a great deal more information, but most of the information has already been supplied, percentagewise, numbers that are operating in this trade. They are already made a matter of record. We feel that this is a very, very serious situation and we feel like we felt in every situation. You cannot be anti-Communist in the daytime and go to bed with them at night. You cannot say, for example, like they do to our seamen, that you have got to pass certain security measures before you can even be a seaman. You have to be investigated to see that you are loyal and that you have no ties with communism and at the same time send cargoes into vessels which are manned Liberian-flag vessels, for example, which are manned by crews that are picked up anywhere in the world.

We have a great deal of respect for seamen in general but let's not kid ourselves, seamen are seamen and 50 percent of the seamen in Italy, for example, which a large majority of Liberian vessels carry, are from the Communist seamen's organizations or Communist seamen's domination in Italy. We support an Italian seamen's union there that is doing a great job in working to eliminate the Communist seaman or Communist dominated, but they find it very difficult because the employment opportunities go mostly to these people. For some reason or other the Liberian-flag ships and others seem to hire more in the direction of the Communist-dominated seamen of Italy than they do in the anti-Communist.

Mr. KITCHEN. Is there any particular organization that is Communist dominated that you could name?

Mr. CURRAN. Yes, they are part of the CIT of Italy. I might not be pronouncing that exactly right. It is the Communist Federation of Italy. They are all combined, the dockers and seamen. In this country the seamen are in separate organizations. In those countries they have what they call the Seamen & Dockers Organization. They are combined in many of those countries in one organization.

Mr. KITCHEN. I am particularly interested in two phases of your testimony outside of your statement, one concerning the information received by your people concerning this shipment to Norway or to Leningrad, with the indication with reference to the cargo that it was marked for Havana or Cuba. Was that on the cargo, the contents itself; was it mentioned on the manifest?

Mr. CURRAN. It was on the drums. When our crew is aboard ship they do not miss anything. Crews never miss anything. They spotted these drums and they are always marked on the heads, the destination, weight, and all that. That is right on the top. They spotted Havana on there.

Mr. KITCHIN. There has been no explanation to your satisfaction as to this?

Mr. CURRAN. There is no explanation to our satisfaction of any cargoes that go overseas. I can remember a cargo that was destined to China a number of years ago and one that caused our ship to be shot through the galley. We had to get the crew off in the Far East and bring it back. That cargo was sold to five people en route but never left the ship. It was sold to people in Karachi, the people in Karachi sold it to people in Hong Kong, and from Hong Kong it was sold into Red China. We, at that time, were asked to deliver that cargo up the Yangtze River and the refusal on the part of our crew to operate of course carried possibility of mutiny charges with it. The Nationalist Chinese fired a shot and although I won't say much for their aim, they did enough damage to cause the ship to turn around and come back out. They fired a shot through the galley, which is the most important place to seamen. They turned it around and brought it back to Singapore. Our crew got off. That company turned around and attempted to sue those seamen for desertion, et cetera, but in court the court ruled they had a right to get off. Cargoes going overseas, as far as we are concerned, you do not have any effective control on the cargo once it leaves here, just like we have no effective control over shipping that is under the flag of Liberia, Honduras, or any of these countries once it gets away from the dock. Honduras, right today, which has received a great deal of support from some Government agencies, even to the point of stopping an election that we had on a group of Honduran ships, Honduran-flag ships, are now faced with the fact that the Legislature in Honduras has before it bills expropriating American property in Honduras, including the famous United Fruit Co.

Mr. KITCHIN. Of course, this committee has jurisdiction and a very definite interest in the transshipment of cargo, as you know, and under the Export Control Act and the licensing procedures inaugurated and implemented by that act, the transshipment and the enforcement of the licensing provisions to see that no transshipments are made has been of very grave concern to this committee.

We have been pondering the same conclusion that you probably reached here as to how effective can a control be of these transshipments?

Your statement, with reference to the many ports and sales of the commodity on the ship without the commodity leaving the ship, is indicative to me that the effective control of transshipments is something that is rather negligible at this particular time.

Mr. CURRAN. I would like to bring one other ship to your attention that we received this morning. This is a Greek ship. She loaded 400 head of purebred cattle in Canada for Cuba. This is the largest amount of purebred cattle to be exported from Canada.

The gentleman going with the shipment is a gentleman by the name of Tom Hughes.

The name of the ship is the *Alandria*. She is a German ship; then the Greek ship is the *SS Pamit*, and they had an argument occur between the skipper and the crew on that ship. A part of the crew refused to sail with it because she was destined to Cuba. They replaced them with Cuban nationals.

Mr. KITCHIN. How recently was this?

Mr. CURRAN. The 26th of September. We understand there are approximately eight Canadian vessels operating steadily in the Cuban trade, Canadian-flag vessels.

Mr. KITCHIN. Before I forget it, what part of the information there do you care to have put into the record?

Mr. CURRAN. I would like to have it all put into the record.

Mr. KITCHIN. The material you read previously, do you want that all put into the record?

Mr. CURRAN. Rather than read the list of ships, I will, if there is no objection, insert the list in the record at this point.

Mr. KITCHIN. We would be glad to have you insert that as part of the record but I wanted you to be selective as to what did go in the record. You had other notes and copies of what appeared to be a manifest or bill of lading. If you will submit for the record what you want to go in we will put it in the record.

Without objection, it will be admitted into the record.

(The information referred to follows:)

The following ships formerly under effective control changed from Liberian to Greek flag and running into Cuba:

SS *Penelope* (freighter) (former Liberty vessel).

In Neuevitas (Cuba) January 14.

Sailed for Novorossisk, U.S.S.R.

Passed Istanbul February 9. (Lloyd's, October 1962.)

SS *Delphi*.

Cuba, January 18 for Genca. (Lloyd's, October 1962.)

Aldabaran—Liberian chartered to Greek flag March 7, 1960.

Sailed from Novorossisk May 11 to Havana. (Lloyd's, May 25, 1962.)

SS *San Spyridon*—Lebanese flag.

Liberty, tonnage, 7,262.

Built July 1943, Baltimore, Md.

For W.S.A., under name of William H. Jackson.

Last under American flag, 1945.

Operated by T. J. Stevenson.

Since then laid up until 1947.

In 1947 renamed *Aristocrates*, by Aristomels Co., Panama.

Port of Cortez, Honduran flag, at that time.

In 1960 changed over to the name of *San Roque* under Panamanian flag.

Owner in 1960, Phoenix Compania De Navigation, Panama Republic, Panama flag.

In 1961 changed name to *San Spyridon*. New owner Olistim Navigation Co., Ltd.

Monrovia, Liberia, Lebanese, Beirut, Lebanon.

These people still have the ship.

1962 Lebanese flag.

Havana June 1, 1962, for Odessa. LL—September 10, 1962.

SS *Antonia Liberty*, in Havana, March 16, 1962, to Whampoa.

Ex *John Consatine*.

Built 1943, Permanent Shipyard, Richmond, Calif.

W.S.A., to Ishmian Steamship Co., Frisco.

In 1947 sold to Spyros A. Lemos, London.

Changed name to *Antonio*, Chios, Greece, active till 1960.

Sold to present owner in 1960.

Viasekura Compania, Naviera, Panamá, Republic of Panama.

Liberian, Monrovia, Liberia.

SS *Atlantic Air*, ex *Elizabeth Blackwell*.

Liberty built 1943; tonnage, 7,255.

Richmond Shipyard, Richmond, Calif.

Owners: Atlantic Freighters, Monrovia, Liberia, 1962.

Panamanian registration.

W.S.A., Washington, D.C. 1944.

Named changed to *Atlantic Air*, 1946.

Taken over by Atlantic Maritime Co.
 London, Panamanian registration, Panama.
 Registered as Atlantic Freighters, Monrovia, 1954.
 Registered Panama.
 Same owners, 1962.
 Flying flag of Panama.
 From Prince Raymont, Canada, to Havana—Arrive April 21, 1962.
 S. Livanos, Ship Brokers Ltd., London.
 Liverpool December 16, 1961, for Havana; arrived January 22, 1962. LL—
 January 26, 1962.
 SS *White Sea*, Liberty in Havana, Cuba, June 15, 1962. LL March 22, 1960.
 Ex *Amy Lowell*, built 1943, California Shipyard Corp.
 Ex *Nevada* 1948-60.
 W.S.A. owned, operated by Seas Ship Co. (S.I.U.).
 Laid up James River June 8, 1946.
 Sold 1948; Danish flag to 1960.
 White Sea 1960; Liberian United Shipping Co.
 Monrovia.
 Havana June 15, 1962; sailed Yokohama August 18, 1962.
 LL August 10, 1962.
 SS *Atticas*. LL May 4, 1962.
 Ex *Harmony*.
 Ex *Leo Poldskerk*, Lebanese flag.
 Tanker, 890 ton; built, Bethlehem Corp., Sparrows Point, Baltimore, Md.
Harmony, Name at that time 1943 for Gulf Oil, New York. Sold to H. N.
 Vereenigde, Netherlands, Sheepvartt, The Hague, in 1948.
 Sold in 1960; name changed to *Atticas*.
 Owner, Concordia Shipping Corp., Monrovia, also known as Vita Ship Corp.
 Book Panama, Greek Ships 61, page 609.
 March 16, 1961. This ship went from Rangoon to Havana, Cuba. LL April 28,
 1961.
World Cavalier, Liberian tanker. LL, September 7, 1962.
 Liberian flag.
 Built 1943, Sun Shipyard Chester, Pa., tonnage 12,805.
 Panama, Republic of Panama, Monrovia, Liberia.
 Sailed Victoria July 29, 1962 for Szczecion. LL August 10, 1962.
 Sailed September 7, 1962, Gdynia, for Philadelphia 4.
 Iron Curtain not Cuba.

Name of ship	Dead-weight tonnage	Date transferred
Ships transferred from Liberian to Greek flag, January 1962-June 30, 1962:		
<i>Penelope</i> 1 (freighter)	10, 400	February 1962.
<i>World Glen</i> 1 (tanker)	20, 400	January 1962.
<i>Proponitis</i> 1 (freighter)	10, 200	March 1962.
<i>Pearl Haven</i> 1 (freighter)	12, 800	Do.
<i>Pearl Creek</i> 1 (freighter)	12, 800	Do.
<i>Pearl Clipper</i> 1 (freighter)	12, 900	Do.
<i>Pearl Beach</i> 1 (freighter)	12, 800	Do.
<i>Apollon</i> 1 (freighter)	11, 600	Do.
<i>Enottis</i> (freighter)	13, 500	April 1962.
<i>Armar</i> (freighter)	14, 900	Do.
<i>Greclan Emblem</i> 1 (freighter)	8, 562	May 1962.
<i>Ekal</i> (freighter)	13, 900	June 1962.
<i>Dona Margarita</i> 1 (freighter)	10, 900	Do.
<i>Ocean Seigneur</i> 1 (freighter)	8, 700	May 1962.
<i>Ocean Seigneur</i> 1 (freighter)	14, 600	June 1962.
Ships transferred from Panamanian to Greek flag January 1962 to June 30, 1962:		
<i>Phoinix</i> (tanker)	16, 400	June 1962.
<i>Uranos</i> (freighter)	10, 700	May 1962.
<i>Capetan Petros</i> 1 (freighter)	10, 900	April 1962.
<i>Entopan</i> 1 (freighter)	10, 362	March 1962.
1 ship transferred from Honduran to Greek flag:		
<i>Aurora</i> (freighter)	10, 900	(?)
Ships transferred from Panamanian to Greek flag January-December 1961:		
<i>Vori</i>	10, 500	January 1961.
<i>Niritos</i>	2, 200	May 1961.
<i>Michael G.</i>	10, 900	Apr. 7, 1961.
<i>Syros</i> 1	10, 600	August 1961.
<i>Koumnotissa</i>	10, 800	Sept. 30, 1961.

See footnotes at end of table.

Name of ship	Dead-weight tonnage	Date transferred
Ship transferred from Honduran to Greek flag January-December 1961:		
<i>Theoforos</i> ¹	10,900	January 1961.
Ships transferred from Liberian to Greek flag, January-December 1961:		
<i>Adia Irene</i> ¹	10,800	March 1961.
<i>Andalusia</i>	10,800	January 1961.
<i>Anoula A.</i> ¹	9,200	Do.
<i>Behaluna</i>	10,800	Do.
<i>Cape Drepanon</i>	10,300	Do.
<i>Caplayannis</i>	9,700	February 1961.
<i>Kadmos</i> (tanker)	21,500	March 1961.
<i>Periolos</i>	11,000	Do.
<i>World Unity</i> (tanker)	31,700	January 1961.
<i>World Enterprise</i> ¹ (tanker)	33,000	Do.
<i>Spartan</i>	12,400	Do.
<i>Panaghia</i> ¹ (tanker)	24,800	February 1961.
<i>Mparmpa Christos</i> ¹	14,000	March 1961.
<i>Dona Caterina</i> ¹	14,800	Do.
<i>Yannina</i>	12,700	June 1961.
<i>Elfie II</i> ¹	10,600	May 1961.
<i>Ekatirini G.</i>	11,100	Apr. 4, 1961.
<i>Neptune</i>	12,000	April 1961.
<i>Norlandia</i>	10,900	May 1961.
<i>Korhi</i>	10,800	April 1961.
<i>Ypapanti</i> ¹	10,800	May 1961.
<i>Zakyathos</i>	15,100	June 1961.
<i>Nicolaos Tsaviris</i> ¹	10,500	Do.
<i>Nostos</i> (tanker)	19,800	Do.
<i>Panagathos</i>	12,400	Do.
<i>Isobel</i> ¹	14,800	June 1961.
<i>World Dale</i> (tanker)	20,500	July 1961.
<i>Atrotos</i> ¹ (tanker)	20,000	August 1961.
<i>Clytia</i> (tanker)	40,900	September 1961.
<i>Souniottis</i>	15,300	August 1961.
<i>Delphi</i> ¹	10,000	September 1961.
<i>Leto</i> (tanker)	19,800	July 1961.
<i>Pleione</i> (tanker)	19,800	Do.
<i>Astraea</i> (tanker)	19,900	Do.
<i>Jolcos</i> (tanker)	19,900	Do.
<i>World Mead</i> ¹ (tanker)	20,500	September 1961.
<i>Dione</i> (tanker)	19,800	July 1961.
<i>Serre</i>	12,600	June 7, 1961.
<i>Evoia</i>	12,400	June 17, 1961.
<i>Piraeus</i>	15,200	August 1961.
<i>Constantinople</i>	15,200	September 1961.
<i>Mesologi</i>	12,400	July 1, 1961.
<i>North Countess</i> ¹	15,200	September 1961.
<i>Kostis</i> ¹	10,900	Do.
<i>Polyzene C.</i> ¹	13,900	August 1961.
<i>Michael C.</i> ¹	11,000	September 1961.
<i>Doric</i>	10,800	July 1961.
<i>Panther</i> (tanker)	24,800	October 1961.
<i>World Glade</i> ¹ (tanker)	20,500	Do.
<i>World Concord</i> ¹ (tanker)	31,800	November 1961.
<i>Venus</i> ¹ (tanker)	20,300	Do.
<i>Sophie C.</i>	15,400	Do.
<i>Ulysses</i> ¹	12,400	Dec. 5, 1961.
<i>Kronos</i>	9,500	Dec. 27, 1961.
<i>Kavala</i>	12,300	Oct. 10, 1961.
<i>Demos</i>	10,900	November 1961.
<i>Kyma</i>	10,900	June 24, 1961.
<i>Agios Nicolas</i>	10,400	Oct. 7, 1961.
<i>Michael Carras</i> (tanker)	40,900	October 1961.

¹ Traded with Iron Curtain countries.

² Date not reported.

Mr. CURRAN. They carried 300 head of cattle from Alberta and 60 from Ontario.

Mr. KITCHIN. Do you have anything further?

Mr. CURRAN. No.

Mr. KITCHIN. Mr. Boland?

Mr. BOLAND. Do you know, Mr. Curran, whether or not the entire merchant fleet carrying or flying Panamanian, Liberian, and Honduran flags is considered under "effective control"?

Mr. CURRAN. Not the entire fleet, no. I think about 350 to 400 ships of that group are supposed to be under "effective control" but we have always said "effective control" means only that at a time of disaster you have it in your backyard. If it is anyplace on the open sea, it can be anybody's "effective control" who gets to it first.

Mr. BOLAND. If you have some of the Italian Communists manning Liberian ships you cannot consider them as being under "effective control."

Mr. CURRAN. No, nor with Hong Kong seamen or any other seamen for that matter, until they determine who they are loyal to at the time that disaster strikes and who gets to it first on the high seas.

Mr. BOLAND. Are these the only nations where the United States considers their vessels or some of their vessels as being under "effective control" or are there other nations which do not fly these flags?

Mr. CURRAN. I do not think they have any deals with the maritime nations of the world; only those runaway flag vessels, that is all.

Mr. BOLAND. I was interested in your observation on Norwegian shipping. I noted in Congressman Rogers' testimony here he indicated that only 9 percent of the trade with Cuba is carried in Norwegian vessels. Does that seem to be a rather small percentage to you?

Mr. CURRAN. It does to me, yes, but we, of course, are not in position to get the information as Government agencies like CIA and others are. I assume they have full information that Congressmen might be able to get a look at. I do not know. We certainly would not. We have to do the best we can through our grapevines.

Mr. BOLAND. We think you do pretty well.

Mr. KITCHIN. If the gentleman will yield at that particular point, I will say the Maritime Administration submitted a report on September 24, 1962, wherein they carry under the Norwegian flag 16 ships, constituting 9 percent, and number of trips made, 18, constituting 10 percent of the shipping into the Cuban ports during this period of June through August 1962.

Mr. BOLAND. I have no more questions. Thank you, Mr. Curran.

Mr. CURRAN. I want to repeat and make this very emphatic that there are great cargoes carried out of the United States to other points throughout the world and then transshipped to these points and nobody has convinced me yet that after the cargo is sold from here that we have any "effective control" on its consumption after it leaves here. I would like to be corrected in that. I haven't been able to find anywhere where licensing or selling has with it conditions that make for the consumption or use of the product in the destination for which it was licensed to be carried.

Mr. KITCHIN. That, of course, as I said before, has been a problem of this committee in its consideration of the export control procedure whereby the Department of Commerce, in issuing or authenticating a license, they say they have the assurance that there will be no transshipment. However, they say they also have elements of enforcement in the respective countries to check on the transshipment but as I said before, in my own opinion I take a very dim view of the actual control of that type of enforcement procedure. We are very interested and vitally interested in that as being a part of the jurisdiction of this committee in looking into the implementation and operation of this Export Control Act.

Mr. BOLAND. May I ask one more question?

Mr. CURRAN, what is the size of the U.S. merchant marine fleet, a rough guess?

Mr. CURRAN. Right now we have approximately 915 vessels. It is difficult to say what the size is. Those records are readily available from the Maritime Board.

I would like to mention one other country that is in this operation that has a number of vessels in the operation now that we have not been able to get too much information on but they are a big operator. That is the Spanish. There are a lot of Spanish vessels operating in that trade.

Mr. KITCHIN. In the Spanish category within the confines of this particular report just referred to the number of ships is 9 and the number of trips 12. The percentage is not given that have been engaged. This is just a two and a half month period, by the way.

Mr. CURRAN. Are the Japanese listed there?

Mr. KITCHIN. Yes. They list a number of owners or agents, four, the number of ships, seven, and the number of trips, seven for the Japanese.

Mr. Lipcomb?

Mr. LIPSCOMB. Mr. Curran, do you know whether at any time that the Department of Commerce or any other Government agency has contacted the Longshoreman's Union or crews in regards to following up on these transshipments that you were speaking about with the chairman?

Mr. CURRAN. No, I do not, sir. As a matter of fact, we wired the Department of Commerce with respect to this Norwegian situation when the Norwegians turned down Secretary Rusk at his meetings in New York. We wired them that if they are going to act in that manner that we ought to take up the question of the great living they are making with their shipping in and out of the United States on a permanent basis, but we have never been contacted by any department of Government on any question. We have had to contact them when we stopped a ship for example, that we feel was not legitimate. The Corpus Christi ship, there were conversations going on between the State Department and the West German Government. As a matter of fact, the Ambassador said that "We never talk to laymen. We never talk to any unions or organizations like that," so we said, "As long as you won't talk to us, we will leave the ship tied up there," and they finally did talk to us.

Mr. LIPSCOMB. As far as you know no investigation by any Government agency has ever been made to determine through the sources you have of end use of exports from the United States?

Mr. CURRAN. I am not able to say anything on that. We have no contact with them on that.

Mr. LIPSCOMB. On this shipment to Norway, is this an American vessel?

Mr. CURRAN. The *Moormacpenn*.

Mr. LIPSCOMB. Yes.

Mr. CURRAN. On the sodium sulfide?

Mr. LIPSCOMB. The one that is going to Leningrad.

Mr. CURRAN. That is the *Moormacpenn*.

Mr. LIPSCOMB. It has an American crew?

Mr. CURRAN. Yes. We have all the assurances we can get from the Department of Commerce, with bills of lading and all to show it is a proper shipment, properly licensed, and telling use to mind our own business.

Mr. LIPSCOMB. As you indicated you have ways to find out whether they follow through or not.

Mr. CURRAN. We can send a message around the world in 10 minutes and get one back in 5 from the grapevine but as to its authenticity, that is something else on some of these things.

Mr. LIPSCOMB. On this list of vessels flying under these other flags that you have put in the record, do you have any way of knowing the type and kind of cargo that was carried into Cuba by these ships?

Mr. CURRAN. We could get some idea but we do not have it right off. There were technicians in some shipping, there were technicians and in other ships there was oil, there was material, called here defense material, I believe. It is listed as defense material, I think, Cuban defense material.

Mr. LIPSCOMB. Thank you, Mr. Chairman.

Mr. KITCHIN. Are there any other questions?

Mr. BOLAND. No, thank you.

Mr. KITCHIN. I certainly want to express the appreciation of this committee, Mr. Curran, for your appearance this morning. You have given us a lot of very valuable information and I for one would certainly be interested in your around-the-world trip in 10 minutes to see what can happen to this cargo, authentic or otherwise. It would certainly be interesting to me. I do not mean it facetiously. I mean particularly in connection with this committee's direct responsibility of the so-called transshipment and enforcement thereof.

Mr. CURRAN. We will be pleased to cooperate as American citizens in every way possible with the Government agencies interested in this, including your committee. Thank you very much.

Mr. KITCHIN. Thank you very much. We appreciate your attendance. Thank you for coming.

The next witness is Mr. McAllister, chairman of the American Committee for Flags of Necessity.

STATEMENT OF BRECK P. McALLISTER, CHAIRMAN, AMERICAN COMMITTEE FOR FLAGS OF NECESSITY

Mr. McALLISTER. Mr. Chairman and gentlemen of the committee, my name is Breck P. McAllister. I am chairman of the American Committee for Flags of Necessity.

Our committee is comprised of the following 17 American industrial and shipping companies which, if you will bear with me, I should like to read into the record: Alcoa Steamship Co., Inc.; American Oil Co.; the Atlantic Refining Co.; Bernuth, Lembecke Co., Inc.; Cities Service Oil Co.; Gotaas-Larsen, Inc.; Gulf Oil Corp.; Marine Transport Lines, Inc.; Naess Shipping Co., Inc.; National Bulk Carriers, Inc.; Paco Tankers, Inc.; Richfield Oil Corp.; Socony Mobil Oil Co., Inc.; Standard Oil Co. (New Jersey); Standard Oil Co. of California; Texaco, Inc.; Tidewater Oil Co. My reason for wanting to read those names, Mr. Chairman, is simply this: If Mr. Curran thinks that companies of that standing and loyalty to our country

are going to be hiring Communist crews I would like to say to him he doesn't know what he is talking about. They are not Communist crews. I want to make that statement as flatly as I know how to make it. These men are carefully screened by the companies, by our own Department of Justice, to secure landing permits and identification cards, by the State Department for security risks before issuing non-immigrant visas to secure landing privileges in this country. I am getting a little tired of hearing these loose charges made without any support whatsoever.

Mr. BOLAND. Are they all nationals of either Panama, Liberia, Honduras, or—

Mr. McALLISTER. No, Mr. Boland, they are not.

Mr. BOLAND. Are there any American members of the crew?

Mr. McALLISTER. Very few, very few. The crews are foreign. Many of them are Italian, many of them are British, many of them are West German. I would say most of them are from our NATO allied countries.

Mr. KITCHIN. And did I understand you to say that they are adequately, in your opinion, screened by the State Department and the other official agencies of the Government for landing privileges here in this country?

Mr. McALLISTER. I didn't want to say that they are adequately screened because—

Mr. KITCHIN. I mean to your own satisfaction.

Mr. McALLISTER. We make the basic screening ourselves. The member companies do. We do more than depend upon the Naturalization Service of the Department of Justice which deals only with landing privileges in this country to secure a landing permit and identification card. A foreign seaman must be cleared by our Naturalization Service and the Department of State likewise clears alien seamen before securing what is called a nonimmigrant crewman visa. This is important. It is a check by our Government. But the basic screening, Mr. Chairman, is done by the companies themselves in hiring these men. That is the point I want to make and impress upon this select committee if I may.

Mr. KITCHIN. All right, you may proceed.

Mr. McALLISTER. In the aggregate these companies hold ultimate ownership of 194 vessels of a total tonnage of more than 6.7 million deadweight tons. All of these vessels are bulk carriers of oil, iron, and bauxite ore, coal and other bulk cargoes. Eighty-six percent of them are tankers and the other 14 percent are ore carriers.

To complete my statistics, 126 of these vessels are registered under the Liberian flag and 68 of them under the Panamanian flag.

My purpose in being here is to record with your committee the substance of my recent telegram dated September 26 to the President. This was sent by me as chairman of our committee for two purposes. First, to assure the President that our group gives its full support to our country's efforts to halt trade with Cuba. Second, to make it a matter of public record that the allegations that have appeared in a few instances in the press are totally unfounded and erroneous insofar as they infer or suggest that any of these ships have been engaged in the Cuban trade at any time since the Communist influence became apparent there. Actually, that was one reason why I wanted

to read the list of my members into the record at this time. Many of the members of this committee are prominent American oil companies and it is just plain ridiculous to suppose that any of these companies or indeed any other members of our committee would carry petroleum products to feed refineries that were confiscated from two of our members and a third from another international oil company. Shortly following this seizure in July of 1960, it is a matter of public record that two of our leading member companies issued individual statements in which they took a strong stand against any transport of Soviet oil to Cuba. It is equally ridiculous to suppose that any other American oil company or independent shipowner doing business with oil companies would engage in that trade.

This is the substance of my telegram to the President which I offer in the record of this hearing. May I hand a copy to the reporter, Mr. Chairman?

Mr. KITCHIN. You may, indeed. Without objection, it will be entered into the record at this point.

(The telegram follows:)

NEW YORK, N.Y., September 26, 1962.

THE PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: AS American citizens whose prime concern is the national security and welfare of the United States, members of the American Committee for Flags of Necessity deplore recent statements by certain groups which imply that vessels beneficially owned by committee members and flying the flags of Liberia and Panama are involved in trade with Cuba. The committee, which is comprised of 17 American industrial and shipping companies, views these statements as totally unfounded and erroneous. These vessels are not engaged in the Cuban trade, and have not been since the Communist influence in Cuba became apparent. Furthermore, committee members have individually determined that these vessels will not engage in any future trade with Cuba unless and until such trade is deemed to be in the best interests of the United States.

The vessels represented by the committee constitute almost 65 percent of the total tonnage in the "U.S. Effective Control Fleet," and are considered by U.S. Defense officials to be a vital segment of the reserve merchant fleet available to this country in event of war or national emergency. The 194 Liberian and Panamanian registered vessels in which committee members hold interests total more than 6,700,000 deadweight tons and are essentially all large, modern, high-speed vessels, more than half of which have been constructed during or since 1956.

These vessels are entirely tankers and ore carriers. It is inconceivable that such vessels, owned or primarily chartered by American companies, would be used to carry petroleum or ore to Cuba when that country has confiscated the installations and properties of some of these same companies. The decisions of individual committee members make it entirely clear that these vessels are not and will not be engaged in such trade.

Respectfully,

BRECK P. McALLISTER,
Chairman, American Committee for Flags of Necessity.

Mr. McALLISTER. To sum up our position, the individual members of our committee have made it entirely clear that these vessels have not, are not, and will not be engaged in the Cuban trade.

Mr. KITCHIN. I would like to clarify this particular point, though it may be clarified later on in your statement. We have talked about the ridiculous position that the oil companies would be placed in, to transport oil to Cuba. In the forefront of your statement you mention that the vessels that your association or committee is concerned with—

you say, "All of these vessels are bulk carriers of oil, iron, bauxite, coal, and other bulk cargo."

Now, I hope somewhere in your statement—if not, you could clarify it for the record here—that with reference to iron, bauxite ore, coal, and other bulk cargoes that they are in the same category with the oil shipments. If I am correct you may proceed.

Mr. McALLISTER. Mr. Chairman, I can correct that right now. If I left any such misapprehension I had no such intention. I am not aware that there are any needs for iron and bauxite ore in Cuba at all. I may be wrong about that, but whether I am right or wrong about that I would say that precisely the same statement applies to these other bulk commodities in trade with Cuba.

Mr. KITCHIN. No ship of this ownership by this committee which you represent has been plying trade with Cuba for any commodity?

Mr. McALLISTER. None whatsoever.

Mr. KITCHIN. You may proceed. Pardon the interruption.

Mr. McALLISTER. I welcome the interruption because I wanted to be very clear on that point.

An additional important point that I want to impress upon your committee is that these 194 vessels comprise almost 65 percent of the total tonnage in the "U.S. effective control fleet." This fleet is regarded by our Defense and Navy Departments as an essential part of the merchant fleet upon which our country relies in the event of war or other national emergency. We are carrying out our obligations as a part of that merchant fleet and we intend to continue to do so.

It may be that your committee is not aware of the fact that the only foreign-flag vessels owned by Americans that are in this position are those that are registered under the flags of the three friendly nations of Liberia, Panama, and Honduras. If these vessels were registered under the flags of our NATO allies, or other foreign countries, they would not be under the effective control of the United States.

Mr. Chairman, may I interrupt myself here to make clear that when I have used the expression "the effective control," of these ships I am talking about the control in terms of the Defense Department and the Navy Department for the use of these ships in time of war or the national emergency. I am not referring to anything connected with the cargoes of these vessels.

I would also like to say that the problem that your committee is most concerned with is the positions that have been and are being taken by our NATO allies and other foreign countries. This points up the importance of the commitments made by American owners of ships registered under the three flags of Liberia, Panama, and Honduras. I want to make the flat statement, Mr. Chairman, that to my knowledge no ship of any kind that is included in the effective control fleet has been named as having been engaged in the Cuban trade. I might interrupt here to say that you heard statements by Mr. Curran just a moment ago. I would like to call several points to the attention of the select committee at this juncture. I notice that the report of the Maritime Administration with which, Mr. Chairman, I believe you are familiar—I think you have referred to it—lists only four Liberian-flag ships making four voyages in the Cuban trade. Now, there is nothing in this listing here to suggest either that any of these four ships were owned by American interests or much less that they were

to be regarded as in the effective control merchant fleet upon which we depend. There is no such suggestion.

I would like to suggest most earnestly that this select committee consult the Navy Department. Mr. Curran made the flat statement that some ships that had been engaged in trade with Cuba were in the "effective control fleet." I treat that as a charge. I don't treat it as a fact because the Navy Department does know what ships are in the "effective control fleet." Mr. Curran doesn't nor do I. I know that the ships of the members of my committee have been so pledged and are included in that fleet and I assure this committee, as is stated in my prepared statement, that no vessel ultimately owned by any member of the committee of which I am chairman has been named and I am confident that none ever will be named.

I have made the statement and I repeat it, that I am equally confident that no other vessel in the "effective control fleet" has been or ever will be named, though I have to admit that I am not in a position to speak for any American owners of the remaining 35 percent of the Liberian, Panamanian, and Honduran tonnage in that reserve fleet. They are not members of my committee and I simply cannot speak for them. But I most respectfully submit that if your committee has any evidence to indicate that any "effective control" vessels are engaged in the Cuban trade I am confident that an inquiry to the proper authorities at the Department of the Navy would produce the facts in lieu of unsupported charges.

Mr. LIPSCOMB. Mr. Chairman, may I ask a question there?

Mr. KITCHIN. Yes, indeed.

Mr. LIPSCOMB. None of the vessels named by Mr. Curran during his testimony are members of your committee?

Mr. McALLISTER. That is correct, Mr. Lipscomb. I happened to note as I listened to his statements they sounded to me like pretty old Liberty ships that by now were probably so obsolete that I would wonder if the Navy would want such old ships on its "effective control" list, but I am positive that the Navy would be able to supply an answer to this committee.

I sent a copy of my wire to the President to both the Secretary of Commerce and the Maritime Administrator. In response I received a wire dated September 28 from the Acting Maritime Administrator which I should like to offer for the record here because of its importance. This states:

Your telegrams addressed Secretary Hodges and this office today quoting telegram to President Kennedy September 27. Maritime Administration and Department of Defense have also corrected record created by charges that U.S.-owned Panamanian- and Liberian-flag ships are participating in Cuban trade. Ships your group have responded as we thought they would. The record and attitude expressed your wires both reassuring and gratifying:

J. W. GULICK,

Acting Maritime Administrator, Maritime Administration.

I respectfully submit that these two agencies of our Government with the Departments of Defense and Navy are directly charged with the responsibility over the effective control fleet, and I submit further that they ought to know the facts.

Thank you, Mr. Chairman.

Mr. KITCHIN. Thank you very much. I would like to ask one question merely for my own information and proffer it for the record: The

statement is that your committee with 194 vessels had a total of 65 percent of the total tonnage under the U.S. effective control fleet operating under these flags.

Mr. McALLISTER. That is right.

Mr. KITCHIN. How many ships are involved in the remaining 35 percent?

Mr. McALLISTER. The total effective control fleet would be about 450. But we seem to have the larger ships in size and tonnage and that accounts for the difference, Mr. Chairman.

Mr. KITCHIN. So approximately 260 ships carry the remaining 35 percent of the tonnage?

Mr. McALLISTER. That is correct and they are smaller ships.

Mr. KITCHIN. Mr. Boland, any questions?

Mr. BOLAND. I just want to compliment Mr. McAllister on his rather emphatic statement. I think perhaps you have set at rest the charge that the American-flag ships of the Committee of Necessity have been engaged in trade with Cuba. It is an effective answer to some of the statements that have been made with respect to the ships which are under the jurisdiction or command of the American Committee for Flags of Necessity flying Panamanian, Liberian, or Honduran flags. It is as effective an answer as I have seen and I want to compliment you and your committee on the statement you have given this committee this morning.

Mr. McALLISTER. Thank you, Mr. Boland.

Mr. KITCHIN. Mr. Lipscomb?

Mr. LIPSCOMB. Mr. McAllister, is there any similar group to which this other 35 percent belongs?

Mr. McALLISTER. No, there is not, Mr. Lipscomb.

Mr. LIPSCOMB. They are just free operators?

Mr. McALLISTER. That is correct.

Mr. LIPSCOMB. This just refers to tonnage and not to number of ships. Is this 35 percent American-owned vessels flying under other flags?

Mr. McALLISTER. Under the Liberian, Panamanian, and Honduran?

Mr. LIPSCOMB. Yes.

Mr. McALLISTER. Yes, they would be, Mr. Lipscomb. They would have American ownership. I was really quite puzzled when I thought I understood Mr. Curran to refer to one Lebanese-flag ship as being in the effective control fleet. That just could not be. The only three foreign flags that are recognized as being in this category are the flags of these three countries. There are no others.

Mr. LIPSCOMB. Is it possible that some of the misunderstanding and allegations that are coming about could be referring to some of these practices that are being handled or contributed to by other parts of the fleet than these flags?

Mr. McALLISTER. They might well be but I should add quickly that part of this other fleet is in the effective control fleet so to speak. My point is that there are Liberian-flag ships and Panamanian-flag ships that are not in the effective control fleet. They are too old or for one reason or another they are just not regarded as the kind of ships that our Navy Department wants for our defense and national emergency efforts and those might well be in this group of ships that have been referred to.

Mr. LIPSCOMB. The thing that concerns me is that we have a problem and we don't want to discount this problem because of the ethical nature by which your committee operates. It is my hope that we could get everyone to operate on this basis. But if there are American ships flying under these other flags, participating in trade with Cuba, this is the answer that we are trying to find and we need help in doing this. So we don't want to discount the fact that your committee is not trading and is making every effort to stop it, but we want to see what we can do about these others, if they are doing it.

Mr. McALLISTER. I think this committee should be concerned with these others. Though I should add, perhaps, that there is an impression that Liberian-flag ships are American owned, as though they were all American owned. They most certainly are not.

The best figure that we can produce in our committee is that some 65 percent of the total Liberian-, Panamanian-, and Honduran-flag tonnage in the world is foreign owned. It is not owned by Americans. It is owned by Greeks and nationals of all countries of the world. These ships are, of course, not included in the Department of Defense's or the Navy Department's effective control fleet. They couldn't be. It is only those that are under ultimate American ownership that are so included. And then again only a part of those.

Mr. KITCHIN. Will you yield at that particular point?

"Ultimate" American ownership. Will you define that for me?

Mr. McALLISTER. All I mean by that, Mr. Chairman, is that any American corporation which is conducting operations abroad will do it, for a great number of business reasons, through a wholly owned or partly owned foreign subsidiary and that is all I meant by that.

Mr. LIPSCOMB. I have nothing else.

Mr. KITCHIN. Mr. Boland.

Mr. BOLAND. Can you say whether or not you can supply the committee with any information with respect to some of the countries with which you are familiar and for which your committee flies their flags, some information which you might have with respect to these ships outside of your own committee trading with Cuba?

Mr. McALLISTER. We will see what we can do, Mr. Boland. Frankly, we don't really have much information along those lines. If we can find any I will assure you we will submit it to this select committee.

Mr. KITCHIN. I can assure you that this committee would be most appreciative if we could get that type of information.

Mr. McALLISTER. It has been suggested to me, Mr. Boland, that the information about the "effective control fleet" that is not included in the membership of my American committee is probably available at the Navy Department.

Mr. KITCHIN. Are there not American-owned ships that are flying under the flags of these three countries that as you say are so antiquated as to not be included in the "effective control fleet" that probably are being used in trade with Cuba?

Mr. McALLISTER. Mr. Chairman, I simply do not know if that is a fact. If that were a fact, I would regard it as outrageous that an American citizen would invest his capital in a foreign-flag ship of any nationality and trade with Cuba in a manner contrary to the policies and indeed the proclamation of our President of last July.

780 EXPORT CONTROL ACT OF 1949

Mr. KITCHIN. I base that question, in a roundabout way, upon the statement made by the former witness concerning the Greek ships that had been transferred back into the Greek flag now, due to the tax incentive or otherwise, which he inferred still have American interest if not control. I don't know whether the ultimate ownership in the category definition which you have just given would fit this particular situation but I was wondering if there were categories where the ships under these flags where American interests may still be vested might possibly be used in the Cuban trade at this time.

Mr. McALLISTER. I can only say, Mr. Chairman, I have no factual data on that subject. I think that is surely a matter appropriate for the fullest kind of inquiry by this committee. I just cannot contribute anything to that.

I noted that Mr. Curran was speaking only in the most general terms when it came down to basic factual information. I didn't think he had any. He left the suggestion of American interest, I thought, to inference and really suggestion on his part.

Mr. KITCHIN. There is an exhibit submitted for the record which I assume can be examined more closely and discussed with the Department of Defense to try to come up with some answers on that.

We certainly thank you for coming and being with us this morning and offering this testimony.

Mr. McALLISTER. Thank you.

Mr. KITCHIN. If it is satisfactory with the members of the committee we will continue until we get a quorum bell.

Mr. Joseph Kahn, president, Committee for American Tanker Owners, New York City.

**STATEMENT OF JOSEPH KAHN, PRESIDENT, COMMITTEE FOR
AMERICAN TANKER OWNERS, NEW YORK CITY**

Mr. KAHN. My name is Joseph Kahn. I am a shipowner operating both dry cargo and tanker vessels. In addition, I am president of the Committee of American Tanker Owners, Inc., an organization composed of companies which owns modern American-flag tankers. My purpose in appearing here is to submit certain suggestions how we can in large measure stop shipment being made to Castro's Cuba under existing law and without requiring the apparently unavailable cooperation of other nations.

Shipping is the key to survival of Castro and communism in Cuba. Cut off the supply of vessels available to him, and you cut off his ability to feed his population and to arm his followers. Shut off the supply of tankers to carry oil to the refineries, which he has confiscated from American oil companies, and you will soon have a breakdown in his transportation and industrial system. Unfortunately, allied nations have been reluctant to join us in this fight against communism in Cuba by keeping their ships out of the Cuban trade. We have, however, a solution which I believe would result in keeping most ships from serving Cuba and the Communist cause without need of resorting to allied help and without even need of change in existing laws.

By way of background, may I give the committee certain facts concerning the shipping industry. The largest volume of cargo shipped

from the United States is grain and related agricultural products which are paid for by the Government of the United States and given to various foreign countries under our aid programs, principally under Public Law 480. Under existing law, at least 50 percent of these cargoes must go upon American-flag vessels. It is within the discretion of the administrative agencies to increase this figure from 50 percent to 100 percent. Of our country's imports, the largest shipments are of oil imported into the United States under the mandatory oil import program. Substantially all of this oil is carried into the United States by foreign-flag tankers; American tankers participate in this trade to the extent of only about 3 percent. All oil imported into the United States can be brought in only under license issued by the Interior Department. Without that license, no oil can be imported. It is, therefore, within the licensing power of the Interior Department to require that no vessel which has traded to or for the benefit of the Communist nations shall be permitted to bring in this oil. Put another way, the Interior Department can provide that no oil shall be licensed for import into the United States if it is carried on a vessel which has served a Communist nation.

May I point out that the charter of vessels of other countries to the Communist nations serves the benefits of Cuba despite the fact that the vessels may not engage in the Cuban trade. For example, if a tanker is chartered to the Russians for use in carrying Russian oil to other countries, it releases an identical amount of Communist-owned tanker tonnage to carry oil to Cuba. For that reason, even if a vessel has not traded directly to Cuba in the carriage of oil, its charter to the Russians or other Communist countries to carry oil anywhere results in making Russian- and other Communist-flag tankers available for carrying oil to Cuba, which Communist ship would have not been available except for the charter of the foreign ship.

Mr. Chairman, may I digress for just 1 minute at this point: Several suggestions have been made in connection with what is the best cure in preventing the ships going to Cuba. One of these suggestions has been in cutting off foreign aid to those nations which cooperate in the carriage of goods to Cuba. I would like to point out at this time that in my judgment the major shipping nations are not largely recipients of foreign aid today. They have been in the past. Great Britain, Germany, France, Greece—well, Greece might be an exception to the rule but the other nations are not recipients of foreign aid.

The other thing that I would like to point out and make completely clear, a statement has been made that Norway, West Germany, and Turkey, I believe, have indicated their cooperation, that they will cease making their ships available to Cuba. Well, this is a gratifying report. However, it in no way helps the situation if Norway, Turkey, and Greece and the other allied nations keep on chartering their ships to Russia. Because if the Russians have a requirement of 100 ships, as an example, for the trade with Cuba, if they charter those hundred ships they will make 100 of their own ships available to Cuba. So the key to the situation is actually the prevention or in some way to institute some form of system wherein our friends and allies will in some way stop chartering ships to Russia. It is not only exclusively for the Cuban trade.

Let me speak first about the shipments of Public Law 480 grain financed and paid for by the Government of the United States. In some cases, the Government of the United States even pays for the shipping freights. On American vessels, we carry these grains to India, Pakistan, Turkey, and other countries. Ships which carry this surplus grain are usually required to return to the United States in ballast and without cargo. During the ballast voyage back to the United States, they receive no revenue but have all the expense of sailing the vessel including the crew cost, fuel, insurance, and so forth. On the other hand, a vessel which trades to Cuba receives revenue for carrying cargo to Cuba: it has no westbound ballasting costs but actually makes money carrying the cargo to Castro. After discharge of its cargo in Cuba, it is in perfect position to move over to a port in the United States either in the Gulf of Mexico or on the east coast and pick up Government-paid-for grain. It thus obtains revenues on a two-way voyage basis. Because of the revenue which it receives in the carriage of Government-owned grain on the eastbound voyage, it is able to quote a lower rate to carry the cargo to Cuba. This is a never-ending merry-go-round. You will note it results in the Government of the United States subsidizing the vessels which carry cargo to Cuba. You will note also that it puts these vessels which trade to Cuba at a tremendous competitive advantage over all ships of the United States and of all other nations whose owners do not trade to Cuba, by permitting them to charge lower rates for the Government-aid grain. We must charge our full costs of a round voyage to the grain-carrying port; ships which go to Cuba need charge only half their costs to the grain voyage. Under our existing policy in permitting vessels which trade to Cuba to carry Government-owned grain, we are thus giving a great advantage to ships which violate our national policy by trading to Cuba and we are also handicapping both American and foreign-flag ships which adhere to our Government's policy by not carrying cargoes to Cuba.

The cure for this anomalous situation is quite simple. The Department of Agriculture, under existing authority, merely has to provide that no vessel which has carried a cargo to Cuba within the past year shall be eligible to carry Government-sponsored grain shipped pursuant to the Public Law 480 program. Other departments such as AID and GSA would also provide that ships which have traded to Cuba within the prior 12 months cannot carry their cargoes. In order to obtain full effectiveness of these provisions, I would suggest that the Department of Agriculture, AID, and other agencies should provide that no vessel owned by the same company or owner which has a vessel which has traded to Cuba should be permitted to carry Government-financed cargoes for 1 year after their last voyage to Cuba.

As I previously mentioned, no oil can be imported into the United States without first receiving a license from the Department of the Interior. Today, Russia uses oil as an economic weapon. Many foreign-flag tankers have been chartered to carry Russian oil to Cuba as well as to other Communist countries. I would respectfully suggest that this committee recommend to the Department of the Interior that no license be issued for the importation of any oil upon a tanker which has carried Russian oil to Cuba, or to other Communist nations,

within the past 12 months. Such a ruling would not only deprive the Cubans of the direct use of these foreign-flag tankers, but would also deny the Russians the ability to use their own tankers in the Cuban trade by having access to these foreign-flag tankers for use in other Communist trades. I have no argument with Mr. McAllister's remark of a few minutes ago and I believe that the major oil companies that comprise the membership of the committee whom he represents have never traded either with the Communist bloc or with Cuba. However, I would like to mention this, that it is my opinion, and I can certainly assemble these facts, that these same major oil companies, not on their own ships, charter ships to bring in imported oil on vessels which are traded with the Communist bloc.

In order that this may be fully effective, I would suggest that the restriction imposed by the Department of the Interior provide that no vessel owned by the same company which has been chartered to the Communists for the carrying of oil during the past 12 months should be permitted to carry licensed imported oil into the United States.

The existing Cuban situation has shown the tremendous importance to our Nation of maintaining an adequate merchant marine both to carry dry cargoes and to carry oil. It has further shown that our Government policy of relying upon shipping of our allied nations in the event of emergency is not sound. On the first occasion that we have had to request use of allied vessels be restricted in order to fight communism, our Nation's requests have been rejected. For this reason, I think it essential that steps be taken now to insure the development and maintenance of an adequate American-flag merchant marine fully under our Government's authority and subject to its policies. This likewise can be done under existing law. I would suggest to the committee that it recommend that instead of limiting the American participation in the carriage of Government-sponsored aid cargoes to 50 percent, that the agencies be required to ship 75 percent of their cargoes on American-flag vessels. Secondly, I think in order to maintain an adequate American-flag tanker fleet, that the Department of the Interior be required to impose as a condition to the granting of an important license that a percentile of all imported oil shall be carried on American-flag tankers, such percentage to be such as will permit the maintenance of a U.S.-flag tanker fleet sufficient to meet our national needs. Both of these steps can be taken under existing law. If they are taken, we can be certain that an adequate American fleet will be maintained and that we will not be required to place reliance upon allied shipping which, when the chips are down, will not follow American policies. Moreover, this can be done under existing law. By so doing, it will not only aid the American-flag fleet, but will be a direct blow against those other vessels and their owners who have refused to cooperate with the policy of the American Government in fighting communism in this hemisphere.

Mr. KITCHIN. Thank you very much, Mr. Kahn, for a very constructive statement. It is this type of information and suggestion that the Committee was trusting that we could get and I am sure that we will take these recommendations into consideration. I recognized at the outset that some of the suggestions on a relative basis with reference to what our policymakers are trying to do in connection with our

NATO allies may be a little bit hard to attain, but we certainly will put this proposition up to the respective departments concerned and we expect to hear from them tomorrow. They will be invited to come.

Thank you very much for coming down and being with us.

Mr. Reginald Bourdon, Legislative Director, American Maritime Association.

STATEMENT OF REGINALD A. BOURDON, ASSISTANT LEGISLATIVE DIRECTOR, AMERICAN MARITIME ASSOCIATION

Mr. BOURDON. Mr. Chairman, my name is Reginald A. Bourdon and I am assistant legislative director of the American Maritime Association which comprises 152 member companies having a total of 506 vessels. During the past year this association has been interested and has followed with deep concern the chartering of foreign-flag vessels in the carriage of U.S. Government-generated aid cargoes.

On March 21, 1962, the American Maritime Association notified Secretary of Agriculture Orville Freeman that foreign-flag vessels were alternately carrying cargo for the Soviet Union and other Communist countries and the United States. The ships we reported upon were the SS *Paean*, of Greek registry, which has engaged in carrying cargo from Cuba to Russian ports and has been chartered by the United Arab Republic to carry Government-generated cargo to Alexandria, Port Said; the SS *Galicja*, of Liberian registry, which carried cement from Poland to Cuba between September 15 and 30, 1961, then was chartered by the Tunisian trade mission to carry Government-generated cargo from a U.S. gulf port to Tunisia; and the SS *Pegasus* which has alternately carried cargo for Communist China and U.S. Government-generated aid cargo. Much to our regret the Department of Agriculture, which is charged with approval or disapproval of charter fixtures made by the various trade missions, showed no interest in the facts we presented.

On March 28, 1962, Mr. M. J. Hudtloff, Director of the Transportation Service Division of the U.S. Department of Agriculture replied to our letter for Secretary Freeman. In that letter Mr. Hudtloff said that he had no information respecting the performance of the vessels mentioned, before or after their voyages carrying aid cargo. He said, "all foreign-flag vessels chartered on our programs by foreign governments must be reported to this office to assure compliance with cargo preference requirements, but this office does not exercise jurisdiction over the terms of charter parties covering employment of foreign-flag vessels."

On June 21, 1962, we addressed a letter to Secretary of State Rusk informing him of the same facts.

In a reply, Mr. G. Griffith Johnson, Assistant Secretary of State, stated that after consultation with agencies most concerned with aid cargo movements the Department had not considered that any "meaningful facilitation" by the U.S. Government to Communist trade was involved in the carriage by such foreign-flag vessels of U.S. Government-generated cargoes. This letter was dated July 20, 1962, apparently at a time when Communist shipments to Cuba had been greatly increased.

As more and more vessels began to bring Russian cargo to Cuba the American Maritime Association learned that the Department of Agriculture continued to approve charters of foreign-flag vessels which carried Communist cargo to Cuba. On September 12 the American Maritime Association sent a letter to the President notifying him that the MV *Drzic*, a Yugoslavian vessel, loaded grain in the Soviet Union for Cuba, and was bound for Houston, Tex., where it was scheduled to carry a load of flour to the United Arab Republic.

Because longshoremen have refused to cross picket lines in Houston, the *Drzic* has been unable to load this cargo. Similarly, it informed the President that the SS *Mljet*, also of Yugoslavian registry, sailed from Galveston, Tex., on July 7, 1962, with a Government-generated aid cargo for the United Arab Republic. After discharging its cargo in Alexandria, the *Mljet* proceeded to Cuba to load sugar for delivery to Yugoslavia. We have also learned of other vessels which have been given aid cargoes after deliveries to Cuba from the U.S.S.R. For example, the *Jablonika*, another Yugoslavian vessel, sailed from Novorossiisk to Cuba with cargo. It then proceeded to the U.S. gulf where it loaded a Government-generated aid cargo on September 15 for the United Arab Republic. The MV *Petka* sailed from Beaumont, Tex., on the 28th of August with a Government-generated cargo of flour for the United Arab Republic. It then proceeded to the Soviet Union to load grain for the United Kingdom and Continent.

It has now come to our attention that another vessel, which made a trip from Leningrad to Havana, arriving there on September 10, is preparing to go to New Orleans to carry a Government-generated cargo to Ceylon on October 15. This information has been confirmed by the Embassy of Ceylon here in Washington and the name of that vessel is the *Panagiotis Xilas*, a Liberian registered vessel. This vessel has a history of trading with Cuba. On March 8 of this year it left Leith, Scotland, with a cargo for Cuba. From Cuba it carried a cargo to Casablanca and arrived there on or about May 1. This is an example, Mr. Chairman, of the foreign-aid cargo going to a country which has recently nationalized American firms without paying adequate compensation, via a Liberian vessel which has just made a trip from Leningrad to Havana. Just a few days ago there appeared in the Washington Evening Star an editorial which seriously questions the eligibility of Ceylon for receipt of further U.S. Government aid. We now find Ceylon, with the approval of the U.S. Department of Agriculture, chartering a vessel which has just delivered goods to Cuba.

At this time, I would like to make a point. I am not seriously questioning the eligibility, or ineligibility of Ceylon to receive aid cargo. I am merely pointing to it as a country in which there is serious doubt as to whether or not there is foreign aid cargo which should be further sent.

The main source of difficulty in this problem is the Department of Agriculture and its failure to exercise supervision over the charters which are contracted by the various trade missions. They are closing their eyes to an administrative abuse of the Public Law 480 foreign agricultural assistance program which can only bring criticism to the foreign aid program and dampen the enthusiasm of its most fervent advocates. We recommend, Mr. Chairman, that this abuse be

corrected immediately and that the Department of Agriculture take steps to adequately supervise the administration of the transportation services involved in the Public Law 480 program, so that foreign-flag ships which alternately carry cargo for the Soviet Union and other Communist countries and the United States be made ineligible for carriage of Government-generated cargoes.

The Secretary of State, according to the public press, has been relatively unsuccessful in obtaining an agreement from the major contributors to the Soviet charter program to cease their duplicity. In fact, the Norwegian Prime Minister was quoted only a few days ago as saying that Cuba was "an American problem."

This morning's report that Norway has now taken a different stand is based on a report that the Norwegian Shipping Association has said this. However, I do not believe there is an official announcement from the Norwegian Government to that effect.

I would also like to point out that the British Chancellor of the Exchequer only 2 weeks ago on a program for United States television expressed similar sentiments.

Use of NATO flag and "flags of convenience" shipping to implement Soviet penetration in Cuba is an example of the reliance this country may expect from these vessels in any emergency. Even those ships which are considered by the U.S. Government to be under "effective control" and fly the flags of convenience cannot be relied upon in an emergency. We have uncovered facts which will support this contention.

The SS *Elias*, a Liberian-flag vessel, was chartered between May 5 and May 25, 1962, to carry cargo between Red China and Ceylon.

I would like to note that that fixture was reported in the April 14 edition of the Maritime Research, Inc., weekly newsletter on charter fixtures from London and New York. That is volume 9, No. 43, of that particular publication.

Between August 15 and September 5 it carried cargo from Antwerp to northern Russia. To supplement that, I would like to note the Lloyd shipping index of September 5, 1962, will indicate that the vessel which is now known as the SS *George* made that voyage. This vessel to the best of our knowledge—I must admit that complete verification of the ownership of this vessel has not been clearly established—however, the information I have indicates that it is owned by Americans but flying the Liberian flag and is listed by the Department of the Navy as being under United States effective control. This information, Mr. Chairman, was verified by an official of the U.S. Department of the Navy and also by the Maritime Administration as being one of the vessels which they had under contract.

I do not know whether or not this vessel belongs to Mr. McAllister's association and I am not prepared to charge that it is. However, it is under U.S. effective control.

The American Maritime—

Mr. McALLISTER. May I interrupt long enough to say it is not a member. I am Mr. McAllister.

Mr. BOURDON. The vessel is now known as the SS *George*, having changed its name but not its ownership. The American Maritime Association maintains that the concept of "effective control" does not stand up to expectations when tested and that it is an extremely poor

substitute for a strong U.S. merchant marine. We feel that the action of those NATO countries which have refused to curtail the use of their shipping services to the Soviet Union do so in the hope of forcing the United States to abandon its cargo preference laws and recently enacted laws which enable the Federal Maritime Commission to inspect documents regarding freight rates and similar information even though this information may be filed in the home office of foreign lines overseas. The United States must not give way to this blackmail on the part of our allies which can only serve to weaken the U.S. merchant marine.

Mr. KITCHIN. May I interrupt at this moment? That is the second bell and we must answer this quorum.

If satisfactory to the other witnesses that are going to be expected to be heard this afternoon, may I suggest we take a recess until 2 o'clock.

We stand recessed until 2 o'clock.

AFTERNOON SESSION

Mr. KITCHIN. The committee will now come to order.

I think we can proceed.

If you will now take the witness stand, we will take up where the bells interrupted us. I think you got to the last paragraph on page 5.

Mr. BOURDON. Yes, sir.

Mr. KITCHIN. If you will continue with your statement.

Mr. BOURDON. Fine.

Mr. Chairman, in April 1962, the American Maritime Association submitted a list of tankers and owners engaged in the Communist oil export trade and asked the Office of Emergency Planning to withhold carriage of privileged U.S. oil import cargo from them. The American Maritime Association renews this plea and asks that regulations be promulgated that would reserve to American independent tanker owners at least 25 percent, or perhaps more, of crude and unfinished oils imported into the United States.

The flagrant disregard of shipping patterns by U.S. Government agencies when approving charter fixtures has resulted in a subsidy to Communist trade. When ships are chartered from the Soviet Union to Cuba, then proceed to the United States to pick up Government-generated cargo for some oversea destination, the United States helps to support Communist transportation costs. Instead of going back to the Soviet Union empty, these vessels go back loaded, thus reducing the overall cost of the voyage, resulting in a lower chartering rate for the Soviet Union or Cuba.

We feel that it is time for the U.S. Government to recognize this administrative abuse for what it is. We think it is time for the U.S. Government to look upon its merchant marine as an important tool in the carrying out of its foreign policy. The use of NATO ships in the carriage of Communist cargo releases Russian ships and permits them to concentrate on more strategic objectives. Meanwhile, the U.S. merchant marine continues to dwindle, lessening its national defense potential and its usefulness in an emergency. Unless the pattern of NATO vessels' chartering practices changes, and unless the United States discontinues placement of its cargoes on vessels which

also charter for the Soviets, we shall continue to remain in the unhappy position of seeing our NATO friends aiding our enemy and American dollars financing his economic warfare against the best interests of the United States.

At this time, if I may, I would like to comment briefly on the report the Maritime Administration has issued regarding shipments to Cuba since it has already been introduced into the testimony here this morning by other individuals.

The report is important in what it does not say. The four conclusions arrived at by Maritime Administration read:

Since the world's American fleet numbered 17,426 ships as of January 1, 1962, and since free world ships engaging in trade with Cuba make up less than 1 percent of this total, it is doubtful that the Cuban trade is of any great significance in solving world shipping problems.

The fact is, Mr. Chairman, that while they have used the number of free world ships as their base being 169, they then compare it to the world merchant fleet, which includes those ships already owned by the Communist countries.

There are approximately 1,500 of these that could be subtracted from the 17,000, thus upping the percentage. There is also the fact that instead of listing the number of ships that each company owns in this list as being available to Communist shipping, they have merely numbered the actual carriage, the number of ships used in the carriage.

In reality, every owner of every ship that has used one vessel in transporting goods to Cuba is capable of applying his whole fleet to the Russians, if he so desires.

I believe the figure there is quite misleading and even if we were to use the figures which the Maritime Administration has proposed, we would find that of the 169 ships, subtracting the 28 tankers, that leaves us a total of 141 vessels.

One hundred and forty-one vessels happens to be about 25 percent of the freighters owned by the Soviet Union. So, what we are doing in this particular instance is allowing the Soviet Union to transfer the vessels from the Cuban trade to some other objective, or using their vessels for the carrying of military cargo, while the vessels of the NATO countries—and the flags of Communist countries may not be carrying arms directly—the mere fact that they are using their ships to carry economic cargo releases those Russian ships which then enables them to carry arms to Cuba.

I feel this is not brought up by the Maritime Administration report, and on the very simple conclusions they have issued, I feel those remarks were necessitated.

We would like at this time to furnish a list of vessels which carry Communist oil already made available to the Office of Emergency Planning, and to add to it a partial list of those vessels which we have found, through a random survey, to be engaged in the Cuban trade since March 1, 1962.

We would also like to furnish copies of our letters to the President, Department of State, Department of Agriculture, along with the replies we received.

Mr. KITCHIN. Without objection, it is so ordered and they will be put in the record as an exhibit to your statement.

Mr. BOURDON. Thank you, Mr. Chairman.

(The documents referred to follows:)

AMERICAN MARITIME ASSOCIATION,
Washington, D.C., September 17, 1962.

Hon. JOHN F. KENNEDY,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: In our letter of September 12, 1962, we stated that the *MV. Drzic*, a Yugoslavian vessel, loaded grain at Novorossiisk for Cuba. We have been informed that this vessel arrived in Havana on September 5, and has proceeded to Houston where it will load Public Law 480 cargo for the United Arab Republic on approximately September 28.

This charter fixture has been approved by the Department of Agriculture's Commodity Credit Corporation. The American Maritime Association believes that this constitutes a subsidy to Communist shipping and we call upon you to take immediate action to withdraw the Department of Agriculture's approval for the use of this vessel. We further call upon you to disapprove similar charter fixtures involving foreign-flag vessels which alternately carry cargo for the U.S.S.R. and other Communist countries and the United States.

While recognizing that a strong foreign aid program is needed in order to have an effective foreign policy, we nevertheless feel that such abuses in the administration of the program do little to strengthen popular support for U.S. foreign aid funds. We hope, Mr. President, that you will take immediate action to remedy this administrative abuse of the Public Law 480 program.

Very truly yours,

RAY R. MURDOCK, *Legislative Director.*

AMERICAN MARITIME ASSOCIATION,
New York, N.Y., September 12, 1962.

Hon. JOHN F. KENNEDY,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: On March 21, 1962, the American Maritime Association addressed a letter to Secretary of Agriculture Orville L. Freeman, informing him that certain foreign-flag ships which regularly participate in the carrying of Government-generated aid cargo alternately engage in carrying cargo between Communist ports. Mr. M. J. Hudtloff, Director, Transportation Services Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, replied to this letter by acknowledging approval of charter fixtures by USDA, and noted that his office had no information concerning the performance of the vessels in question either before or after their voyages carrying aid cargo. This is odd because our information was derived from the public press. (Copies of the correspondence are enclosed herewith.)

The same information was transmitted to the Department of State on June 21, 1962. Replying for the Secretary of State, Mr. G. Griffith Johnson, Assistant Secretary, said that after consultation with agencies most concerned with aid movements, the Department of State did not consider that any "meaningful facilitation" by the U.S. Government to Communist trade was involved in the carriage by such foreign-flag vessels of U.S. Government-generated cargoes.

Since this exchange of letters more information regarding foreign-flag vessel carriage of U.S. Government-generated aid cargo and Communist cargo has come to our attention. On July 21, 1962, the *M.V. Drzic*, a Yugoslavian vessel, loaded grain at Novorossiisk for Cuba. The vessel was due to arrive in Cuba on September 9, 1962. After discharging, the vessel was bound for the U.S. Gulf from where it is scheduled to carry a load of flour to the United Arab Republic. This cargo of flour will be Government-generated aid cargo. Similarly, the *SS Mujet*, also Yugoslavian, sailed from Galveston, Tex., on July 7, 1962, with a Government-generated aid cargo of flour for the U.A.R. After discharging its cargo in Alexandria, it proceeded to Cuba to load sugar for delivery to Yugoslavia.

The flagrant disregard of shipping patterns by U.S. Government agencies when approving charter fixtures has resulted in foreign-flag ships obtaining American-aid cargo at higher rates than they could get in any other trade which constitutes a subsidy to Communist trade.

On April 2, 1962, the American Maritime Association submitted to the President's Petroleum Study Committee of the Office of Emergency Planning, a list of foreign-flag vessels which alternately carry oil for the United States and for the Soviet Union. (We requested that a portion of oil imports be reserved for American-flag tankers. A copy of our petition to the OEP is enclosed.) Thus far, no action has been taken by the Committee. As far as we can ascertain, no action is contemplated by any Government agency to curtail the current administrative practices involved.

The facts of this unfortunate situation, Mr. President, indicate that: (1) American foreign aid dollars are used to subsidize Communist shipping; (2) the use of NATO shipping in the carriage of Communist cargo releases Russian ships and permits them to concentrate on more strategic objectives; (3) so-called flags of convenience ships and NATO country vessels have completely disregarded U.S. economic and political objectives and are motivated strictly by economic inducements, regardless of their source; and, (4) the depressed state of the U.S. Merchant Marine is further aggravated, lessening its national defense potential and its usefulness in any emergency.

Transportation of oil imports, aid cargoes and Public Law 480 grain cargoes on foreign vessels at American expense is a substantial cost item and contributes to our outflow of gold. When such vessels alternately carry Communist cargoes into areas embargoed by the United States they become vehicles of Soviet economic policy operating to the detriment of the United States, but curiously enough, they are now substantially financed by revenues received from carriage of American cargoes.

The Soviets are fulfilling their temporary needs by chartering vessels only until such time as they are able to construct adequate shipping for themselves. Unless the pattern of NATO vessels' chartering practices change, and unless the United States discontinues placement of its cargoes on vessels which also charter for the Soviet, we shall continue to remain in the unhappy position of seeing our NATO friends aiding our enemy and American dollars financing his economic warfare against the best interests of the United States.

Very truly yours,

RAY R. MURDOCK, *Legislative Director.*

AMERICAN MARITIME ASSOCIATION,
New York, N.Y., March 21, 1962.

Hon. ORVILLE L. FREEMAN,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. FREEMAN: I am informed as follows:

(1) In September 1961, the SS *Pacan*, of Greek registry, carried sugar from Cuba to Russian ports on the Black Sea; between January 5 and January 20, 1962, the same ship was chartered by the United Arab Republic to carry a government-generated cargo of corn from a U.S. gulf port to Alexandria-Port Said.

(2) Between September 15 and September 30, 1961, the SS *Galicja*, of Liberian registry, carried bagged cement from Poland to Cuba; between October 3 and October 14, 1961, the same ship was chartered by the Tunisian Trade Mission to carry a government-generated cargo of heavy grain from a U.S. gulf port to Tunisia.

(3) The SS *Iegasus*, of Greek registry, between December 25, 1960, and January 15, 1961, was employed in carrying soyas from north China to Copenhagen; between November 15 and November 30, 1961, she was chartered by the Pakistan Trade Mission to carry a government-generated cargo of wheat from an American north Pacific port to Karachi; and on February 25, she was time-chartered to deliver cargo to China, which was then redelivered to north China.

I would greatly appreciate it if you would inform me whether or not the above-numbered paragraphs correctly state the facts, and whether or not your Department approved the chartering of these vessels by the foreign trade missions.

Very truly yours,

RAY R. MURDOCK, *Legislative Director.*

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE,
TRANSPORTATION SERVICES DIVISION,
Washington, D.C., March 28, 1962.

Mr. RAY R. MURDOCK,
American Maritime Association,
New York, N.Y.

DEAR MR. MURDOCK: This is in reply to your letter dated March 21, 1962, wherein you request specific information regarding the foreign-flag vessels SS *Paeon*, SS *Galicia*, and SS *Pegasus*.

These three vessels were approved by this office for the carriage of Public Law 480, title I grain to United Arab Republic, Tunisia, and Karachi, respectively. However, we have no information respecting their performance before and after the above voyage.

These vessels were chartered by the governments concerned for the carriage of their Public Law 480, title I grains. Ocean freight was not financed by Commodity Credit Corporation but was paid by each of the chartering governments.

All foreign-flag vessels chartered on our programs by foreign governments must be reported to this office to assure compliance with cargo preference requirements, but this office does not exercise jurisdiction over the terms of charter parties covering employment of foreign-flag vessels.

Very truly yours,

M. J. HUDTLOFF, *Director*.

AMERICAN MARITIME ASSOCIATION,
New York, N.Y., June 21, 1962.

Hon. DEAN RUSK,
Secretary of State,
Washington, D.C.

MY DEAR MR. SECRETARY: On March 21, 1962, I addressed a letter to the Secretary of Agriculture, a copy of which is enclosed herewith, in which I called attention to the fact that certain ships of foreign registry have alternated in carrying U.S.-aid cargo and Communist cargo. I received a reply from the Director, Transportation Services Division, Agricultural Stabilization and Conservation Service, dated March 28, 1962, a copy of which is also enclosed herewith, stating that the ships to which I had referred had carried aid cargo. Our information that they had also carried Communist cargo was derived from the public press.

On April 17, 1962, I addressed a letter to the Secretary of Commerce, a copy of which is enclosed herewith, calling his attention to my correspondence with the Export-Import Bank (copies enclosed), inquiring as to whether or not he had decided that the terms of Public Resolution No. 17, 73d Congress, did not apply to cargo generated by Export-Import Bank guarantees of loans to foreign importers. I am enclosing herewith a copy of the reply of the Secretary, dated May 11, 1962, in which he states that Public Resolution No. 17 does not apply to Government guarantees or insurance of commercial loans.

You will note that with respect to the alternate carriage of aid cargo and Communist cargo, the Secretary of Commerce suggests that my suggestions should be directed to the Department of State. Since my "suggestions" are set forth in my letter to the Secretary of Commerce, it seems unnecessary to repeat them here.

However, I would greatly appreciate your courtesy if you would inform me whether or not it is the policy of your Department either to approve or ignore the fact that Government-generated aid cargo is being used to subsidize commerce between Communist nations which are boycotted by our Government.

I would also greatly appreciate your courtesy if you would inform me whether or not it is the policy of your Department to approve the evasion of Public Resolution No. 17 by the transparent device of having the Export-Import Bank guarantee rather than make loans which would not otherwise be available to foreign importers.

Very truly yours,

RAY R. MURDOCK, *Legislative Director*.

DEPARTMENT OF STATE,
Washington, July 20, 1962.

Mr. RAY R. MURDOCK,
Legislative Director, American Maritime Association,
Washington, D.C.

DEAR MR. MURDOCK: Your letter of June 21, 1962, to Secretary Rusk has been referred to me for reply. In it you indicate that you consider that for the U.S. Government to permit vessels which have engaged in trade with the Sino-Soviet bloc to carry U.S. Government-generated cargoes constitutes a U.S. Government subsidy to Communist trade, and you appear to suggest that foreign-flag vessels which have carried Communist cargo should not be eligible to carry U.S. aid cargo.

In this connection the Department of State, after consultation with agencies most concerned with aid cargo movements, does not consider that any meaningful facilitation by the U.S. Government to Communist trade can be involved in the carriage by such foreign-flag vessels of U.S. Government-generated cargoes. This matter is, of course, being watched, and should developments indicate that such facilitation takes place the Department will explore possible steps to take.

U.S. policy regarding the providing of shipping services to the Sino-Soviet bloc countries is generally indicated by transportation order T-1, which prohibits the unlicensed carriage of strategic goods by U.S.-flag vessels to any Sino-Soviet bloc country, Hong Kong, or Macao, and transportation order T-2 which prohibits all calls at Communist China, North Korea, or North Vietnam and the carriage of any cargo destined to those areas. A unilateral attempt by the U.S. Government to impose the policy embodied in transportation order T-1 on foreign-flag vessels carrying U.S. aid cargoes would be unenforceable in practice, because the detailed cargo information is not available to the U.S. Government. A U.S. attempt to impose a policy of the kind embodied in order T-2 might lead to some readjustment in the makeup of the foreign fleets serving Communist China and/or the United States, but because of the abundance of shipping available in the world today, such a policy would neither create any real difficulties for Communist China nor would it increase the proportion of U.S. aid cargoes carried in vessels of U.S. registry.

Your letter also refers to the relation of PR-17 to Export-Import Bank guarantees and suggests that there is an evasion of PR-17 in current practices in respect of such guarantees. As you are aware the Department of Commerce is charged with determining the applicability of this public resolution. The Department of State does not, after reviewing Mr. Linder's letters to you of March 7, 1962, and April 2, 1962, consider that it can add to the information contained therein.

Sincerely yours,

G. GRIFFITH JOHNSON, Assistant Secretary.

PARTIAL LIST OF VESSELS ENGAGED IN THE CUBAN TRADE

<i>Tarscus</i> , Lebanese flag	<i>Otto Banck</i> , Swedish flag
<i>Maritsa</i>	<i>Matrozos</i> , Greek flag
<i>Falcon</i> , Greek flag	<i>Parnon</i> , Greek flag
<i>Loradore</i> , British flag	<i>Ioannis K.</i> , Greek flag
<i>Oinoussios</i> , Greek flag	<i>Plyæene C.</i> , Greek flag
<i>Maria Dolores</i> , Panamanian flag	<i>Atticos</i> , Lebanese flag
<i>Pearl Haven</i> , Greek flag	<i>Drzic</i> , Yugoslav flag
<i>Ioannis Inglessis</i> , Greek flag	<i>Mljet</i> , Yugoslav flag
<i>Aiotos</i> , Greek flag	<i>Panagiotis Xilas</i> , Liberian flag
<i>Thetis</i> , Greek flag	<i>Pacan</i> , Greek flag
<i>Achille</i> , Italian flag	<i>Galicla</i> , Liberian flag
<i>Westfalen</i> , German flag	

LIST OF TANKERS AND OWNERS
IN COMMUNIST OIL EXPORT TRADE AS OF MARCH 29, 1962

THIS LIST IS BASED ON PUBLIC INFORMATION AND PRIVATE INTELLIGENCE. DUE TO THE DIRECT CONTACTS OF OWNERS AND THE COMMUNISTS WHERE BROKERS ARE RARELY, IF EVER, USED, THERE IS MARGIN FOR ERROR THROUGH OMMISSION. "OTHER TONNAGE OWNED" IS BASED ON BEST CURRENT INFORMATION, BUT, OF COURSE, IS SUBJECT TO CHANGE THROUGH SALES AND PURCHASES.

TOTAL TONNAGE TRADING IS 1,979,958 DEAD WEIGHT TONS. TONNAGE INVOLVED THROUGH OWNERSHIPS 5,698,314 .

WASHINGTON
MARCH 31, 1962

NORWEGIAN OWNERS

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
OWNER: SKIBS, GIBSON, INTERNATIONAL LONDON			
MS Sfr James Lithgow 18,200 Nor.	9 months time charter	Fronape	Only vessel presently owned
OWNER: J.M. UGLAND			
MS J.M. Ugland 20,275 Norw.	2 consecutive voyages Black Sea/Medit. Black Sea/UK Cont.	Sovfracht	J.M. Ugland Juanita Sarito Tamarita TOTAL TONNAGE 67,960
OWNER: TH. BROVIG			
MS Gunnar Brovig 15,769 Norw.	Black Sea/Scand.	Sovfracht	Cis Brovig Dea Brovig G.C. Brovig Gunnar Brovig Tharald Brovig Andrea Brovig Cate Brovig Annemildred Brovig
MS Andrea Brovig 13,690 Norw.	Black Sea/Arabia		
G.C. Brovig 16,345 Norw.			TOTAL TONNAGE 166,171
Cate Brovig 16,210 Norw.			
OWNER: H. REKSTEN			
MS Aurelian 13,270 Norw.	6 months time charter		Nerva Majorian Julian
MS Hadrian 47,750 Norw.	3 consecutive voyages	Sovfracht	Hadrian Aurelian Octavian Vespestan
MS Octavian 31,370 Norw.	Black/Japan Sea/	Sovfracht	TOTAL TONNAGE 167,115

GREEK OWNERS

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	OWNER: HELLANIC STAR GREEK MARITIME CO., LTD.		
MS Marietta Nomikos 17,635 Greek	Novorossisk/?	?	Marietta Nomikos King Peleus Aspasia Nomikos King Theras TOTAL TONNAGE 103,947
	OWNER: JOHN S. LATSIS		
MS Spyros 8,110 Greek	Tuapse/Piraeus (continuous trading)	?	Henrietta Spyros TOTAL TONNAGE 21,485
MS Henrietta 13,375 Greek			
	OWNER: T. PAPADIMITRIOUS		
MS Myrsini 14,794 Greek	Novorossisk/Genoa	?	Myrsini Mageolia Alexandros Georgia TOTAL TONNAGE 41,532
	OWNER: G. M. LIVANOS		
Eve Livanos 19,800 Greek	Black Sea	Sovracht	Eve Livanos Pearl River
	OWNER: SEE BRITISH FLAG OWNERS: LONDON AND OVERSEAS, MARROLEON, RETHYMNIS, KULUKUNDIS, CAMBRIDGE TANKERS.		
SS Aries 18,500 Greek	Black/China Sea	Sinofracht	
MS Altair 47,835 Greek	Odessa/Grytviken	?	
	OWNER: LIBRA COMPANIA NAVIERA GEO. NICOLAV		
SS N. Georgious 19,697	Black/China Sea	Sinofracht	

GREEK OWNERS (Cont'd)

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	OWNER: STENAKAS SHIPPING CORP.		
SS Pacificator 19,390 Greek	9 months time charter		Only vessel presently owned
	OWNER: N.K. VENIZELOS		
Atratos 20,607 Greek			Atratos Venus
Venus 20,333 Greek			TOTAL TONNAGE 40,940

ISRAELIAN OWNERS

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
SS Halfa 18,700 Israel	Batum/Emden	OWNER: ZIM ISRAEL NAV.	Patla Favio Halfa
			TOTAL TONNAGE 83,900

ITALIAN OWNERS

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	OWNER: COUNT SALVATORE TAGLIAVIA		
MS Drepanum 9,945 Italy	Black Sea/Cont.	Sovfracht	Conca D'Ora Drepanum
SS Conca D'Ora 19,447 Italian	"	"	TOTAL TONNAGE 29,392
	OWNER: CORRADO		
SS Rina Corrado 16,420 Italian	Black/Cont. Sea/	Sovfracht	Rina Corrado Cerere Giacomo Corrado
SS Cerere 16,609 Italian	Black/Cont. Sea/	"	TOTAL TONNAGE 49,657
	OWNER: GARIBALDI		
SS Andrea Costa 16,484 Italian	15 Months Consecutive Voyages	Sovfracht	Andrea Costa Giuseppe Guilletti
	OWNER: A G I P		
SS Agip Gela 35,571 Italian	Black/Japan Sea/	Sovfracht	Agip Bari Agip Gela Agip Ravenna Finnmark Sirip Khorramshar Canopo Cassiopea Cortemaggiore Sergio Laghi Alderamine Andromeda
Also, AGIP Vessels loading Black Sea for own account			TOTAL TONNAGE 251,485
	OWNER: GARIBALDI		
MS San Nicola 19,288 Italian (to be renamed)	Cont. & UK	Sovfracht	Andrea Costa Giuseppe Guilletti San Nicola
			TOTAL TONNAGE 62,583

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	OWNER: PIERO RAVANO		
MS Polare 15,960 Italian	C/V Loading Black Sea	Sinofracht	Punta Ronco Punta Negro Punta Spiga Point Lacre Polare
MS Punta Vagno 9,156 Italian	Black/China Sea Third Countries	"	
MS Point Lacre 19,000 Liberian	Tuapse/Wismar	"	TOTAL TONNAGE 75,665
MS Punta Ronco 12,840 Italian	Black/Germany Sea/	?	
SS Punta Spiga 19,000 Italian	Black/Germany Sea/		
	OWNER: SOC. DI NAV. FASSIO		
SS Giacinta Fassio 19,500 Italian	Constanza/Szezecin	?	Agostina Fassio Carolina Fassio Giacinta Fassio Momi Fassio
SS Momi Fassio 19,287 Italian	Novorossisk/Emden Black Sea/Third Countries	?	TOTAL TONNAGE 68,639
MS Agostino Fassio 19,382 Italian	Novorossisk/Falconara	?	
MS Carolina Fassio 10,470 Italian	Novorossick/Wismar		
	OWNER: ENRICO INSOME		
SS Barbara 19,420 Italian	Black Sea/Third Countries	Frota	Antonio Zotti Barbara
SS Barbara 19,420 Italian	Black Sea/Third Countries	Sovfracht	TOTAL TONNAGE 28,741
	OWNER: F. PITTALUGA		
MS Ninin 17,220 Italian	Medit/Cont. or Scand.	Sovfracht	Only vessel presently owned

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	OWNER: STEFANO CHIARELLA		
SS Frisco 18,593 Italian	Black Sea/Italy	?	California Frisco
	TOTAL TONNAGE 31,097		
	OWNER: SOC. ITALIANA SIDARMA		
MS Liburnia 12,240 Italian	Consecutive Voyages Black Sea	Sovfracht	Dogaressa Libornia Serenissima
	TOTAL TONNAGE 47,604		
	OWNER: ERNESTO CIURLO		
MS Marlaura 19,284 Italian	Batum/Japan	?	Malmohus Marlaura
	TOTAL TONNAGE 35,808		
	OWNER: NAVIGAZIONE MERCANTILE		
SS Emanuele Morasso 19,413 Italian	Black Sea/Japan	Sovfracht	Emanuele Morasso Maina Morasso
Maino Morasso 19,367 Italian	Black Sea/Japan	"	TOTAL TONNAGE 38,770
	OWNER: CITMAR CIA ITALIANA TRANS MARITTIMA		
MS Aurora 18,902 Italian	Batum/Japan	?	Fiacola Fiamma Luisa Smeralda Alba Aurora Brezza Mirrella
	TOTAL TONNAGE 129,464		

SWEDISH OWNERS			
Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	OWNER: Rederi A/B TRANSEX T. EDWIJN		
MS Vivex 17,520 Swedish	Black/Italy Sea/		
	OWNER: HAKON A. REUTER		
MS Sigrid Reuter 16,676 Swedish	24 Months Consecutive Voyages	Sovfracht	Only vessel presently owned
	OWNER: T/C STOCKHOLM POWER BOARD		
SS Sirius 24,900 Swedish	Black/Cont. Sea	Finnish	No owned tonnage
	OWNER: REDERI A/B TRANSOCEAN PER CARLSSON		
MS Bera 13,590 Swedish	Black/Poland Sea/	Polefracht	Only vessel presently owned
	OWNER: B. MAGNUSSON		
MS Justus Waller 17,400 Swedish	6 Months Time Charter extended to end '62	Sadep	Justus Waller Bellona Juno
MS Juno 12,700 Swedish	Con-/Brest stanza	?	TOTAL TONNAGE 43,060
	OWNER: Joh. Leonard		
MS Havsborg 12,585 Swedish	Black/China Sea		Havsborg Leoborg
	OWNER: STALLBERGS GRUFVEAKTIEBOLAG A. B. RED.		
MS Kinn 15,780 Swedish	Navarassisk/Wismar	Sovfracht	Only vessel presently owned
	OWNER: ROLF SORMAN		
MS John E. Hyde 16,000 Swedish	Batoun/Japan Tuapse/Japan		John E. Hyde Nike Bia Dodona
MS Tinny 16,450 Swedish	Tuapse/Wismar		Pegasus Tinny Zelos Faunus
			TOTAL TONNAGE 135,820

DANISH OWNERS			
Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
OWNER: J. E. HYDE AND VAN OMMEREN			
MS Siam 16,090 Danish	Constanza/Cont Two Consecutive Voyages	East Asiatic	Java Nakskov Siam Annam
MS Siam 16,090 Danish	Black/Cont. Sea/	"	Nordic Hawk Nordic Baron
MS Siam 16,090 Danish	Black/Cont. Sea	"	TOTAL TONNAGE 140,420
MS Java Danish	Constanza/Buenos Aires	"	
OWNER: A. N. PETERSEN			
MS Irland 14,350 Danish	Constanza/?		Irland Shetland Skotland
OWNER: J. LAURITZEN			
MS Petra Dan 16,380 Danish	Constanza/Cont.		Berta Dan Nerma Dan Petra Dan
MS Petra Dan 16,380 Danish	Black Sea/Cont.	Sovfracht	TOTAL TONNAGE 48,810
MS Berta Dan 16,420 Danish	Black Sea/Cont.	Sovfracht	

FRENCH OWNERS

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	OWNER: FRENCH PURFINA		
SS Fina Angleterre 17,350 French	Constanza/France	Sadep	Fina Angleterre Fina Angola Fina France Purfin Portugal TOTAL TONNAGE 99,901
	OWNER: PETROTANKERS S.A.		
MS Du Bellay 17,153 French	Tuapse/Havre		De Baif Du Bellay Remy B Ilen Ronsard TOTAL TONNAGE 72,781
	OWNER: CIA D'ARMEMENTMARITIME S.A.		
Silvacane 22,000 French	Tuapse		Orval Royaumont Tadjoura Thoronet Pontigny Silvacane TOTAL TONNAGE 81,846
MS Pontigny 12,420 French	Constanza/Mareilles		
MS Thoronet 8,563 French	"		
MS Orval 15,354 French	"		
	OWNER: OUETE FRANCAISES DES TRANSPORT PETROLIERES		
MS Poitou 19,848 French	Constanza Harve		Anton Artois Beauce Berry Camargue Champagne Languedoc Lorraine Orleanais Poitou Roussinol Sologne Vendee TOTAL TONNAGE 259,874

GERMAN OWNERS

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	OWNER: R. A. OETKER		
MS Rudolf Oetker 18,120 German	Constanza/Rotterdam		Caroline Oetker Henrich Christian Oetker Johan Carol Oetker Richard Kaselowsky Rudolf Oetker
MS Richard Kaselowsky 18,120 German	Black Sea /Cont. (4 C/V)	Sovfracht	
MS Johan Carol Oetker 16,250 German	Constanza/Brest Constanza/Hamburg		TOTAL TONNAGE 101,724

Vessel & Tonnage and Flag	ICELANDIC OWNERS	Charterer	Tanker Tonnage Owned
<hr/> MS Hamrafell 16,730 Icelandic	OWNER: SAMBAND ISLENSKRA Black/Cont. Sea	SAMVIMUFELAGA Sovfracht	<hr/> Only vessel presently owned

BRITISH OWNERS

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
S. S. Stancloud 18,750 British	Constanza/Hamburg Constanza/China	Sinofracht	No other
75 Per Cent of British Fleet	Primarily to Cuba	Sovfracht	London Endurance London Glory London Harmony London Independence London Majesty London Prestige London Price London Resolution London Spirit London Splendour London Tradition London Valour London Victory Cygnus Perseus Sirius Proteus Antares Arles Aldebaran Overseas Pioneer Overseas Explorer Poseidon Triton Andromeda Taurus Atlas Achilles Titan Danny Boy Captain Nicholas Sittinas Montauk Point Violetta Vasiliki Virginia Bayleaf Brambleleaf Vega Panaghia Arcturus Amphitrite Altair Lovdal Polyclipper TOTAL TONNAGE 992,996
			OWNER: STANHOPE S.S. J. A. BILLMEIR
			OWNER: LONDON & OVERSEAS, MARROLEON, RETHYMNIS, KULUKUNDIS, CAMBRIDGE TANKERS

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
OWNER: LIBRA COMPANIA, NAVIERA, GEO. NICOLAV			
MS Lord Canning 17,300 British	Black/China Sea/	Sinofracht	Lord Canning N. Georgious Agios Georgios V
SS N. Georgious 19,697 Greek	Black/China Sea/		TOTAL TONNAGE 53,416
OWNER: ADELPHI VERGOTTIS			
SS BanterVale 16,000 British	Black/Cont. Sea/or Italy		Only vessel Presently Owned
6 Consecutive Voyages			
OWNER: DRAKE SHIPPING CO. LONDON			
MS Merchant Knight 15,300 British	Tuapse/Yokohama		Kate, N. L. Merchant Baron Merchant Knight Savina Antzouletta Chloe
OWNER: UNITED MOLASSES CO., LTD.			
Athelcrown 15,646 British	Primarily to Cuba and China		Athelbeach Athelchief Athelcrest Athelduchess Athelfoam Athelner Athelmonarch Athelstane Athelsultan Atheltemplar
Athelduke 12,840 British			
Athelking 15,632 British			
Athelknight 12,840 British			
Athelland 15,626 British			TOTAL TONNAGE 197,415
OWNER: CORY TANKERS			
MS Corhampton 18,000 British	?	Fronape	Corhampton Corhaven
TOTAL TONNAGE 36,025			

Vessel & Tonnage
and
Flag

Voyage
and
Charter

Charterer

Tanker
Tonnage
Owned

MS Corhampton
18,000
British

OWNER: CORY TANKERS

9 months
time charter

Fronape

Corhampton
Corhaven

TOTAL TONNAGE
36,025

DUTCH OWNERS

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	OWNER: VAN OMMEREN		
MS Scherpendrecht 17,230 Dutch	Novorossisk/Hamburg/Italy	?	Chekwood Beacon Dordrecht Duiwendrecht Mijldrecht Maardrecht Papendrecht Pendrecht Scherpendrecht Wieldrecht Woensdrecht
Duiwendrecht 7,702 Dutch	"	"	
Papendrecht 15,597 Dutch	"	"	
MS Maardrecht 20,350 Dutch	"	"	TOTAL TONNAGE 175,375

YUGOSLAVIA OWNERS

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	OWNER: YUGOSLOVENSKA TANKERSKA		
MS Iz 18,500 Yugo.	Black/Cont. Sea/	Sovfracht	Lendavo Progress Iz Alan Peter Zoranic Jajce
MS Progress 11,946 Yugo.	"	"	
			TOTAL TONNAGE 91,578

FINNISH OWNERS

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	OWNER: NORSTROM		
Angela 15,000 Finnish	Black Sea/Finland		
	OWNER: FUNSKA		
Pensa 16,000 Finnish			
Presta 20,000 Finnish			
Pronto 20,000 Finnish			
	OWNER: JOHANSONN		
Solgny 18,000 Finnish			
Bomry 14,500 Finnish			
Jenny 18,000 Finnish			
Ragny 16,000 Finnish			
Signy 15,000 Finnish			
	OWNER: NADENDAL		
Hunga 14,500 Finnish	Black Sea/Finland		
	OWNER: LUNGKIST		
Haskjarer 16,000 Finnish	Black Sea, Finland		
Lancing 18,000 Finnish			
Olav 15,000 Finnish			

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	FINNISH OWNERS (Cont'd)		
	OWNER: NORSTROM		
Inga 15,000 Finnish			
	OWNER: FINNLINES		
Jumo 16,000 Nunnalahti 18,000 Finnish			
	OWNER: Nielsen		
Passad 12,000 Finnish			
	OWNER: WIHURI		
Witink 15,000 Finnish			
Wipanss 18,000 Finnish			
Wirakel 15,000 Finnish			
Wrima 15,000 Finnish			

AMERICAN OWNERS

Vessel & Tonnage and Flag	Voyage and Charter	Charterer	Tanker Tonnage Owned
	OWNER: STAVROS S. NIARCHOS		
World Dale Gr.	Black/Europe		Manhattan American
World Enterprise Greek	Sea/Japan		World Banner
World Glade Greek			World Beauty
World Glen Greek			World Bond
World Hope Greek			World Campaigner *
World Inhemfance Greek			World Centurion *
World Integrity Greek			World Charity *
World Intelligence Greek			World Cheer *
World Mead Greek			World Chieftain
World Vanty Gr.			World Commander *
			World Conqueror *
			World Concord
			World Dale
			World Enterprise *
			World Gallantry *
			World Glade
			World Glen
			World Glory *
			World Grace *
			World Grandeur *
			World Gratitude *
			World Greeting
			World Guardian *
			World Guidance
			World Heath
			World Hill
			World Hope
			World Ideal
			World Independence
			World Industry
			World Influence
			World Inheritance
			World Inspiration
			World Integrity
			World Intelligence
			World Justice
			World Liverty *
			World Mead
			World Mead
			World Peace *
			World Sea
			World Spirit
			World Triumph
			World Unity
			TOTAL TONNAGE
			1,341,117

* Trading with U.S.

Mr. KITCHIN. Mr. Lipscomb?

Mr. LIPSCOMB. No questions.

Mr. KITCHIN. Thank you very much for appearing and we appreciate your attendance at this meeting.

I am sorry we had to interrupt you at noon but we certainly appreciate your coming.

Mr. BOURDON. Perfectly all right.

Thank you.

Mr. KITCHIN. Mr. Peter McGavin, executive secretary and treasurer, Maritime Trades Association, or is that "department"?

Mr. MCGAVIN. That is right; of the AFL-CIO.

Mr. KITCHIN. Do you have a prepared statement?

Mr. MCGAVIN. I have, sir, and I have delivered them.

Mr. KITCHIN. Proceed.

STATEMENT OF PETER M. MCGAVIN, EXECUTIVE SECRETARY-TREASURER, MARITIME TRADES DEPARTMENT, AFL-CIO

Mr. MCGAVIN. My name is Peter M. McGavin. I am executive secretary-treasurer of the Maritime Trades Department, AFL-CIO, which consists of 31 national and international unions of the AFL-CIO all participating in the American Maritime industry.

I would like to thank the chairman and members of this committee for the opportunity to present the views of the Maritime Trades Department, AFL-CIO, with regard to NATO vessels and "flags of convenience" countries discharging Russian and other cargoes in Cuba and proceeding to the United States to carry Government-generated cargoes to other points.

In a letter to President Kennedy under date of September 26, this department urged that the charters of vessels be withdrawn which have alternately carried cargoes for the U.S.S.R. and other Communist countries, and a d cargoes for the United States. As an example, the public press recently reported that a Yugoslavian vessel, the *MV Drzic* had discharged a cargo in Havana, Cuba, and had proceeded to Houston, Tex., where it was scheduled to pick up a Government aid cargo for the United Arab Republic. We too have urged President Kennedy to withdraw the charter of this vessel. As you know, the maritime unions in Houston refused to load this ship and had the complete support of the Maritime Trades Department, AFL-CIO. The maritime unions will continue to refuse to load such ships and the Maritime Trades Department, AFL-CIO, will continue to lend its wholehearted support to these affiliated unions.

Of the three types of despotism, the Communist tyranny forced upon the Cuban people and maintained through deceit, terror, and Sino-Soviet subversion and subvention, is the most dangerous to the peace and freedom of all the people of the New World. This modern, streamlined tyranny rests on the mass "monolithic" party which dominates totally every walk of life.

Castro's categoric declaration of December 2, 1961, that he was and is a Communist and that he will be one until the day he dies once and for all dispels the illusions and false hopes about the nature and aims of the Castro government as anything else but Communist in its aspirations and actions. It is now openly an organic part of the interna-

tional Communist conspiracy against the national security and human freedom of all Latin American countries. At the cost of ruining its economy and tragically impoverishing its people, this regime is feverishly building a huge military machine for armed aggression against the free nations of Latin America.

We are proud of the fact that the free labor movement in Latin America was first to discover the falsity of the Castro propaganda, the subservience of its regime to Soviet Communist dictation, and the subjugation of the Cuban workers and peasants to totalitarian enslavement.

The collective conscience of Latin America is beginning to react effectively to the complete suppression of civil liberties and human rights to which the Communist masters of Cuba have resorted in order to maintain their dictatorship.

Latin American governments in increasing numbers are also beginning to realize the threat to the peace and the democratic stability of the Western Hemisphere inherent in the Communist regime in Cuba. Most of them no longer doubt the fact that Cuba has become the beachhead of the Communist international for the infiltration, subversion, and ultimate conquest of the Americas.

We extend our warmest solidarity to the Cuban people, those who are suffering under the dictatorship inside Cuba and those who, in such large numbers, have been forced to seek haven abroad, mostly in our country. We wish to extend special assurance of solidarity and support to the workers of Cuba who, regardless of cost and sacrifice, are leading the fight to regain for their country freedom and dignity.

We strongly urge that the Government of the United States stop all economic and military aid to the dictatorship of Cuba until such time as political and trade union freedoms are firmly reestablished and general elections are called under proper guarantees.

Further we urge and direct the Government's foreign aid agencies to stop using foreign ships that have traded with Cuba for the transportation of lucrative foreign aid cargoes financed by American taxpayers.

We cannot understand why foreign ships that transport cargo for our enemies and jeopardize our security and the stability of Latin America should be rewarded by the U.S. Government with cargoes financed by American taxpayers.

At this time, the Maritime Trades Department, AFL-CIO, would like to strongly voice its objection to the latest proposal of the Soviet Union in assisting Cuba in erecting port facilities which will accommodate Russian fishing trawlers and other vessels and which could also be used as a port to perform repair work. This indeed is a threat to the United States.

We urge this committee to request the President to apply economic pressure on any country that builds Soviet merchant ships, including the suspension of U.S. economic aid, if necessary. From reports I have read, Yugoslav, Japanese, and Western European shipyards are building 56 ships for the Soviet Union, thereby freeing Russian shipyards to construct submarines and other warships. For your information, 23 Russian tankers are being built in Yugoslavia, 18 in Japan, and 6 in Italy, and other Soviet vessels are under construction in Sweden, Denmark, and West Germany.

The American people, who believe a friend should act friendly, have a right to be burned up over neglect by Allied nations to curb their private ship lines' help for the Soviet military buildup of Castro's Cuba.

Vessels carrying the flags of Norway, Greece, West Germany, Italy, Liberia, and Lebanon, have been identified by name as taking part in this operation. Britain has denied her ships are involved.

The United States is in a real struggle over Cuba. If "friends" won't help, the least we can make them do is stop clashing in as mercenaries for our enemies.

The betrayal of our interest in Cuba by foreign flag shipowners casts increased doubt on the wisdom of American dependence on runaway-flag shipping. As you know, runaway-flag ships are those registered principally in Liberia and Panama to escape American taxes, wages, and safety standards. We propose that this committee review the Nation's shipping policies and propose new policies to strengthen the American-flag merchant fleet. It has long been this Department's view that reliance upon runaway-flag ships to meet national emergencies was unwarranted and could not stand up when tested. Certainly the diplomatic events of the past few weeks prove our contention. In summation, the Maritime Trades Department, AFL-CIO, recommends that legislation be enacted which would provide that none of the funds appropriated would be available for assistance to any country which permits its vessels to transport arms or strategic materials to Cuba so long as Cuba is governed by the Castro regime. This would go a long way in frustrating Russia's economic and political objectives. This action would also inform our allies as to the seriousness with which we regard the Cuban situation.

Thank you.

Mr. KITCHIN. Thank you, sir.

Are there any questions?

Mr. LIPSCOMB. Yes, I have a question.

On page 3 of your statement you say the following:

We strongly urge that the Government of the United States stop all economic and military aid to the dictatorship of Cuba until such time as political and trade union freedoms are firmly reestablished and general elections are called under proper guarantees.

Do you know of any U.S. economic or military aid presently being sent to Cuba?

Mr. MCGAVIN. No; we are financing a lot of countries in subsidies that are doing business with Cuba.

Mr. LIPSCOMB. What you refer to in this paragraph, then, is in regard to other nations allied with the United States? Is this not our policy at the present time?

Mr. MCGAVIN. Right now, at the present time?

Mr. LIPSCOMB. Yes.

Mr. MCGAVIN. Well, I hope it is; I only hope it is.

Mr. KITCHIN. If the gentleman would yield at that point, I think that particular paragraph probably infers that what you mean is the United States' economic and military aid to Cuba?

Mr. MCGAVIN. That is right.

Mr. KITCHIN. I think your statement is more positive in saying that you urge the U.S. Government stop all economic and military aid to the dictatorship of Cuba regardless of from whom it comes? Is that the interpretation of that paragraph?

Mr. MCGAVIN. That is what I mean.

Mr. KITCHIN. That is a problem we face now, How do we stop all of that economic and military aid and buildup?

Excuse me for interrupting.

Mr. LIPSCOMB. That is what I wanted to clarify, Mr. Chairman.

By economic pressure. Do you know of any other economic pressure we can apply to these nations that give economic and military aid to Cuba, other than withdrawing of foreign aid?

Mr. MCGAVIN. If we withdraw our foreign aid, that would be a step ahead of them.

Mr. LIPSCOMB. The problem we face here, is some of the countries, such as Great Britain and France, to name two, are not recipients of great amounts of foreign aid.

Mr. MCGAVIN. That is right.

Mr. LIPSCOMB. Do you have any suggestions as to what pressure we can put upon these types of countries?

Mr. MCGAVIN. I think the President and our departments could meet with Great Britain and I understand that Great Britain is not using their ships to take any of the Cuban cargo at any time. That is what I have been told.

Mr. LIPSCOMB. How do you feel about aid going to Cuba through an international organization such as the——

Mr. MCGAVIN. Such as what?

Mr. LIPSCOMB. Such as the United Nations World Health Organization and others?

Would you extend your economic pressure to organizations such as this?

Mr. MCGAVIN. I would extend our economic aid that we have to give; anything that we have a control over, I think we should stop. If we have any control over the United Nations, which I do not know whether we have or not, to go in and stop aid to Cuba; I do not know. If we could do that or not, I do not know. I do know that our country has been giving aid to these countries that are doing business with Cuba at the present time.

Mr. LIPSCOMB. You do not know how far your organization is willing to go to stop the economic and military buildup in Cuba?

Mr. MCGAVIN. We are willing to go to the end; to the extreme end of what we can do as Americans in order to stop the military buildup in Cuba. We are willing to go that far.

Mr. LIPSCOMB. Which would include, if the international organizations are contributing to this economic and military buildup, you are willing to support restrictions on that type of aid also?

Mr. MCGAVIN. Absolutely.

Mr. LIPSCOMB. Very good.

Mr. MCGAVIN. Absolutely.

Mr. KITCHIN. Thank you very much, Mr. McGavin. We appreciate your attendance.

Mr. Thomas Gleason, executive vice president, International Longshoremen's Association. Is Mr. Gleason present?

(No response.)

Mr. KITCHIN. At this point in the record, I would like to insert the Presidential Proclamation No. 3447 referred to in Congressman Rogers' statement as follows:

PROCLAMATION 3447

EMBARGO ON ALL TRADE WITH CUBA

(By the President of the United States of America, a proclamation)

Whereas the Eighth Meeting of Consultation of Ministers of Foreign Affairs, Serving as Organ of Consultation in Application of the Inter-American Treaty of Reciprocal Assistance, in its Final Act resolved that the present Government of Cuba is incompatible with the principles and objectives of the Inter-American system; and, in light of the subversive offensive of Sino-Soviet Communism with which the Government of Cuba is publicly aligned, urged the member states to take those steps that they may consider appropriate for their individual and collective self-defense;

Whereas the Congress of the United States, in section 629(a) of the Foreign Assistance Act of 1961 (75 Stat. 445), as amended, has authorized the President to establish and maintain an embargo upon all trade between the United States and Cuba; and

Whereas the United States, in accordance with its international obligations, is prepared to take all necessary actions to promote national and hemispheric security by isolating the present Government of Cuba and thereby reducing the threat posed by its alignment with the communist powers:

Now, therefore, I, John F. Kennedy, President of the United States of America, acting under the authority of section 620(a) of the Foreign Assistance Act of 1961 (75 Stat. 445), as amended, do

1. Hereby proclaim an embargo upon trade between the United States and Cuba in accordance with paragraphs 2 and 3 of this proclamation.

2. Hereby prohibit, effective 12:01 A.M., Eastern Standard Time, February 7, 1962, the importation into the United States of all goods of Cuban origin and all goods imported from or through Cuba; and I hereby authorize and direct the Secretary of the Treasury to carry out such prohibition, to make such exceptions thereto, by license or otherwise, as he determines to be consistent with the effective operation of the embargo hereby proclaimed, and to promulgate such rules and regulations as may be necessary to perform such functions.

3. And further, I do hereby direct the Secretary of Commerce, under the provisions of the Export Control Act of 1949, as amended (50 U.S.C. App. 2021-2032), to continue to carry out the prohibition of all exports from the United States to Cuba, and I hereby authorize him, under that Act, to continue, make, modify or revoke exceptions from such prohibition.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the City of Washington this third day of February, in the year of our Lord nineteen hundred and sixty-two, and of the Independence of the United States of America the one hundred and eighty-sixth.

[SEAL]

JOHN F. KENNEDY.

By the President:

DEAN RUSK, Secretary of State.

I would also like to place in the record at this point a report from the Maritime Administration, U.S. Department of Commerce, dated September 24, 1962, on free world shipping in the Cuban trade.

(The report follows:)

FREE-WORLD SHIPPING

IN THE

CUBAN TRADE

September 24, 1962

Maritime Administration
U. S. Department of Commerce
Washington 25, D. C.

. 769

I. Introduction

In view of the current concern of the Government of the United States over the shipments of arms and other cargoes to Cuba in Soviet-Bloc and Free-World merchant ships, this study was undertaken to determine the numbers of Free-World ships active in the Cuban trade, the flags of registry of such ships, and the companies involved. The study covers the 3-month period June 1 through August 31, 1962, and includes all Free-World merchant ships that have arrived in Cuba from countries other than Cuba during this period.

II. Free-World Ships in the Cuban Trade

During the period June-August, 1962, a total of 169 merchant ships (including 28 tankers) flying the flags of 20 Free-World countries made a total of 185 trips to Cuba. Ships flying the flags of Greece, the United Kingdom, the Federal Republic of Germany, and Norway accounted for 61 per cent of the total ships involved and 61 per cent of the total trips to Cuba. No United States flag ships called at Cuban ports (other than the U. S. Naval Base at Guantanamo Bay) during the period under study. The number of Free-World ships in the Cuban trade and the number of trips by such ships to Cuba during the period were about double comparable figures for Soviet-Bloc shipping. The following listing shows the ranking of the various Free-World countries whose ships engaged in trade with Cuba during the period June-August 1962, arranged in order of the number of ships involved and the number of trips:

	<u>Flag</u>	<u>Number of Ships</u>	<u>Number of Trips</u>
1.	Greece	42 (25%)	47 (25%)
2.	United Kingdom	26 (15%)	27 (15%)
3.	Germany (Fed. Rep.)	21 (12%)	21 (11%)
4.	Norway	16 (9%)	18 (10%)
5.	Spain	9	12
6.	Denmark	9	9
7.	Sweden	8	9
8.	Japan	7	7
9.	Yugoslavia	5	7
10.	Lebanon	5	5
11.	Italy	4	5
12.	Liberia	4	4
13.	Netherlands	4	4
14.	France	2	2
15.	Panama	2	2
16.	Chile	1	2
17.	Belgium	1	1
18.	Finland	1	1
19.	Morocco	1	1
20.	Turkey	1	1
	Totals	<u>169</u>	<u>185</u>

A number of the ships in the Cuban trade also trade with Communist China, and a number of them have carried Title I, Public Law 480 cargoes. For example, 9 ships of the group of foreign flag tramp and tanker vessels approved by the United States Department of Agriculture during the last 6 months of 1961 for the carriage of Title I, Public Law 480 cargoes, are also found among those ships that participated in the Cuban trade during the period June-August 1962.

Annex I provides details on the various Free-World ships in the Cuban trade during the period June-August 1962. It gives the names of the ships, the flags of registry, the dates of arrivals in Cuba, and, as appropriate, the ship owners, agents, and associated companies.

III. Free-World Shipping Companies in the Cuban Trade

A total of 111 Free-World shipping companies representing 20 nations were engaged in trade with Cuba during the period under study. If each subsidiary company were counted rather than the parent companies, the total would be even higher. By far the most important countries from the standpoint of company headquarters, regardless of flag of registry of the ships involved, were the United Kingdom, the Federal Republic of Germany, Norway, and Greece, which combined accounted for 62 per cent of the owners, 64 per cent of the Free-World ships involved, and 63 per cent of the trips by Free-World ships to Cuba. Listed below, in order of the number of shipping companies headquartered in the particular countries, are the countries in which the shipowners are headquartered, the number of owners in each country, and the numbers of ships and Cuban trips involved:

<u>Company Headquarters</u>	<u>Number of Owners (or Agents)</u>	<u>Number of Ships</u>	<u>Number of Trips</u>
1. United Kingdom	32 (29%)	58 (34%)	61 (33%)
2. Germany (Fed. Rep.)	14 (13%)	20 (12%)	20 (11%)
3. Norway	14 (13%)	16 (9%)	18 (10%)
4. Greece	8 (7%)	15 (9%)	17 (9%)
5. Sweden	8	8	9
6. Denmark	5	10	10
7. Italy	5	5	6
8. Spain	4	9	12
9. Japan	4	7	7
10. Netherlands	4	4	4
11. Chile	2	2	3
12. Panama	2	2	3
13. France	2	2	2
14. Yugoslavia	1	5	7

	<u>Company Headquarters</u>	<u>Number of Owners (or Agents)</u>	<u>Number of Ships</u>	<u>Number of Trips</u>
15.	Belgium	1	1	1
16.	Finland	1	1	1
17.	Hong Kong	1	1	1
18.	Morocco	1	1	1
19.	Turkey	1	1	1
20.	Uruguay	1	1	1
	Totals:	111	169	185

By far the most important group of shipping companies in the Cuban trade during the period under study was the group consisting of the associated companies of London & Overseas Freighters, Ltd.; Rethymis & Kulukundis, Ltd.; and Counties Ship Management Co., Ltd. This group accounted for nearly 10 per cent of the Free-World ships in the Cuban trade and nearly 10 per cent of trips made to Cuba by such ships. Of the 28 tankers in the Cuban trade, 12 are accounted for by this group. The great majority of the shipowners (or agents) involved in the Cuban trade operated but one or two ships into Cuba during the period under study. A total of 14 shipowners accounted for 65 ships that made 73 trips to Cuba. The names of the 14 principal shipping companies in the Cuban trade (those companies that operated 3 or more ships in the trade) are provided in the following listing together with the number of ships each operated and the number of trips to Cuba:

	<u>Company</u>	<u>Number of Ships</u>	<u>Number of Trips</u>
1.	London & Overseas Freighters, Ltd. London, England	9	10
	Rethymis & Kulukundis, Ltd. London, England	3	5
	Counties Ship Management Co., Ltd London, England	2	2
2.	Lusi, A., Ltd. (agent) London, England	7	7
3.	Frangistas, Achilles, & S. Manassis Athens, Greece	6	6
4.	Yugoslavia, Govt. of	5	7
5.	Compania Trasatlantica Espanola, S. A. Madrid, Spain	4	7
6.	Hamburg-Amerika Linie Hamburg, Germany	4	4

<u>Company</u>	<u>Number of Ships</u>	<u>Number of Trips</u>
7. Torm, Dampskibsselskabet, A/S Copenhagen, Denmark	4	4
8. Coulouthros, Ltd. (agent) London, England	3	3
9. Kawasaki Kisen K.K. ("K" Line) Kobe, Japan	3	3
10. Lauritzen, J. Copenhagen, Denmark	3	3
11. Livanos, Stavros Chios, Greece	3	3
12. Oldendorff, Egon Lubeck, Germany	3	3
13. Silverton Services, Ltd. London, England	3	3
14. United Molasses Co., Ltd. London, England	<u>3</u>	<u>3</u>
Totals	65	73

It should be noted that none of the shipping companies involved in trade with Cuba are American. Further, none of the ships involved are under the contractual control of the Maritime Administration. It may be of some interest to mention that the Cargo and Tankship Management Corporation (a Manuel E. Kulukundis interest) of New York is associated with Rethymnis & Kulukundis Ltd., one of the group of three associated London shipping companies that had 14 ships in the Cuban trade during the period under study.

IV. Conclusions

Several conclusions may be drawn with respect to the Free-World ships and shipping companies involved in trade with Cuba during the period June 1 - August 31, 1962:

- 1) American ships and shipping companies are not engaged in trade with Cuba.
- 2) The traditional European maritime nations are providing most of the shipping for trade with Cuba.

3) Free-World ships exceed in number Soviet-Bloc ships trading with Cuba.

4) Since the world's merchant fleet numbered 17,426 ships as of January 1, 1962, and since Free-World ships engaged in trade with Cuba make up less than 1 per cent of this total, it is doubtful that the Cuban trade is of any great significance in solving world shipping problems.

FREE-WORLD SHIPS IN CUBAN TRADE
(June - August 1962)

Abbreviations

Be Belgian	Ja Japanese
Br British	Le Lebanese
Ch Chilean	Li Liberian
Da Danish	Mo Moroccan
Du Dutch	No Norwegian
Fi Finnish	Pa Panamanian
Fr French	Sp Spanish
Ge German	Sw Swedish
Gr Greek	Tu Turkish
It Italian	Ys Yugoslav

<u>Name & Flag</u>	<u>Arrival in Cuba</u>	<u>Owner</u>
ADOLF LEONHARDT (Ge)	Ar Havana 6/29/62 from Tsingtao, Communist China	Leonhardt & Elumberg Hamburg, Germany
AEGEAN DOLPHIN (Gr)	Ar Havana 6/11/62 from Dairen, Communist China	Freighters Transport Corp., Panama Agent: Coulouthros, Ltd. London, England (N.A.C. Embiricos)
AIOLOS (Li)	Ar Manzanillo, Cuba 6/6/62 from Mobile, Alabama	Concordia Shipping Corp., Monrovia, Liberia Subsidiary of: Thrasylvoulos L. Boyazides, Athens, Greece
ALDEBARAN (tanker) (Gr)	Ar Havana 6/3/62 from Novorossisk, USSR Ar Santiago 8/2/62 from Odessa, USSR	Transatlantic Freighter Corp., Panama Agent: Rethymnis & Kulu- kundis, Ltd., London, England Associated with: Cargo & Tankship Management Corp., New York, N.Y. (Manuel E. & Nicholas E. Kulukundis)

ALISIOS (Ge)	Ar Havana 7/12/62 from Hamburg, Germany	Helmut Bastian Bremen, Germany
ALONSO DE OJEDA (Sp)	Ar Cardenas 7/31/62 from Valencia, Spain	Empresa Nacional Elcano de la Marina Mercante, Madrid, Spain Beneficially owned by: Government of Spain
ALSTERUFER (Ge)	Ar Havana 8/20/62 from Bremerhaven, Germany	Rob M. Sloman, Jr. Hamburg, Germany
ALSTERN (Sw)	Ar Havana 6/28/62 from Helsingborg, Sweden	Lundgren & Borjessons Rederier, Helsingborg, Sweden
AMOY (Br)	Ar Cienfuegos 8/7/62 from Rangoon, Burma	China Pacific Navigation Co., Ltd. Victoria, Hong Kong Subsidiary of: Hornbeam Co., Ltd. Victoria, Hong Kong
ANGELOS (Gr)	Ar Havana 6/20/62 from Novorossisk, USSR	Etolika Cia. Nav., S.A. Panama Agent: A. Lusi, Ltd. London, England
ANITA (Ge)	Ar Cardenas 6/2/62 from Hamburg, Germany	Ernst Russ Hamburg, Germany
ANNITSA (Gr)	Ar Havana 7/5/62 from Rotterdam, Netherlands	Vallecas Cia. Nav., S.A. Panama Agent: A. Lusi, Ltd. London, England
ANTHONY II (Gr)	Ar Jusaro 7/7/62 from Mojil, Japan	Mardoro Cia. Nav., S.A. Panama Agent: Coulouthros, Ltd. London, England

ANTONIOS COULOUTHROS (Gr)	Ar Jucaro 7/17/62 from Antwerp, Belgium	Soc. Financiera Valen- ciana, S.A., Panama Agent: Coulouthros, Ltd. London, England
APOLLON (Gr)	Ar Havana 7/5/62 from Novgorodsk, USSR	Athenian Shipping Co., S.A., Panama Subsidiary of: Faros Shipping Co., Ltd. London, England
ARGONA (Fi)	Ar Cienfuegos 8/28/62 from Igarka, USSR	Rederi Hans von Rettig Subsidiary of: Carl M. Trapp Turku (Abo), Finland
ARETI (Le)	Ar Havana 7/31/62 from Odessa, USSR	Olisman Cia. Nav. Ltda. Panama Subsidiary of: Achilles Frangistas & S. Manassis Athens, Greece
ARMATHIA (Gr)	Ar Havana 7/27/62 from Rangoon, Burma	Alameda Cia. Nav., S.A. Panama Subsidiary of: Tropis Shipping Co., Ltd. London, England
ASAMA MARU (Ja)	Ar Havana 7/6/62 from Kobe, Japan	Nippon Yusen Kaisha Tokyo, Japan
ATHELKING (tanker) (Br)	Ar Cienfuegos 6/25/62 from London, England	Athel Line, Ltd. Subsidiary of: United Molasses Co., Ltd. London, England
ATHELKNIGHT (tanker) (Br)	Ar Santiago 7/21/62 from Albany, New York	do.
ATHELMERE (tanker) (Br)	Ar Cienfuegos 8/8/62 from Jamaica	do.
ATHENA (Gr)	Ar Havana 7/-/62 from Aruba	Celomar Cia. Nav., S.A. Panama Subsidiary of: Marcou & Sons (Ship- brokers), Ltd. London, England

ATHENE (Ge)	Ar Havana 6/2/62 from Sydney, Australia	Cimbria Reederei A.G. Hamburg, Germany Subsidiary of: C. Clausen Copenhagen, Denmark
ATLANTIC GLADIATOR (Gr)	Ar Havana 8/15/62 from Kherson, USSR	Ocean Cargo Line, Ltd. Monrovia, Liberia Associated with: Stavros Livanos Chios, Greece
ATLANTIC SUNLIGHT (Gr)	Ar Havana 8/21/62 from Novorossisk, USSR	do.
ATLAS (Gr)	Ar Matanzas 7/26/62 from Montreal, Canada	Anax Shipping Co., S.A. Panama Subsidiary of: Faros Shipping Co., Ltd. London, England
AWOBASAN MARU (Ja)	Ar Havana 8/15/62 from Moji, Japan	Mitsui Senpaku K.K. Tokyo, Japan
BANGGAI (Du)	Ar Havana 7/23/62 from San Juan, P. R.	N.V. Stoomv. Maats.Nederland Amsterdam, Netherlands
BELLAVIA (Ge)	Ar Havana 8/29/62 from Odessa, USSR	Herm. Dauelsberg Bremen, Germany
BIRGIT (Sw)	Ar Havana 6/4/62 from Leningrad, USSR	HJ. Sjosten Gothenburg, Sweden
BIRTE OLDENDORFF (Ge)	Ar Havana 8/17/62 from Leningrad, USSR	Egon Oldendorff Lubeck, Germany
BOLIVIA MARU (Ja)	Ar Havana 6/19/62 from Kobe, Japan	Kawasaki Kisen K.K. Kobe, Japan
BRANDENBURG (Ge)	Ar Havana 7/6/62 from Hamburg, Germany	Hamburg-Amerika Linie Hamburg, Germany
BUCCANERO (Sw)	Ar Havana 8/14/62 from Oslo, Norway	Salenrederierna A/B Subsidiary of: Sven Salen A/B Stockholm, Sweden
CABO FRIO (No)	Ar Havana 6/19/62 from Riga, USSR	Ludvig Lorentzen Oslo, Norway
	Ar Havana 8/8/62 from Riga, USSR	

TAN YIANNIS (Li)	Ar Sagua 7/3/62 from Jacksonville, Fla., and Genoa, Italy	Fianza Cia. Nav., S. A. Panama Agent: A. Lusi, Ltd. London, England
CARDAMILITIS (Gr)	Ar Havana 6/6/62 from Rotterdam, Netherlands	Strovili Cia. Nav., S. A. Panama Agent: A. Lusi, Ltd. London, England
CARLA (Sw)	Ar Santiago 8/9/62 from Rangoon, Burma	Rederi-A/B Petra Subsidiary of: J. E. Manne & Co. (F. B. Wahlquists Eftr.) Gothenburg, Sweden
CAROLA REITH (Ge)	Ar Havana 8/24/62 from Leningrad, USSR	Orion Schiffahrts-Ges. Reith & Co. Hamburg, Germany
CEDAR HILL (Br)	Ar Havana 7/11/62 from Constanta, Rumania	Halifax Overseas Freighters, Ltd., Halifax, Canada Subsidiary of: Counties Ship Management Co., Ltd. London, England Associated with: London & Overseas Freighters, Ltd. & Rethymnis & Kulukundis, Ltd. London, England
CHARALAMBOS N. PETERAS (Gr)	Ar Cienfuegos 6/21/62 from Shanghai, Communist China	Acme Shipping Corp. Panama Agent: Ch. & E. Pateras, Ltd. London, England
CHILE MARU (Ja)	Ar Havana 8/21/62 from Wakamatsu, Japan	Kawasaki Kisen K.K. ("K" Line) Kobe, Japan
CHILEAN REEFER (Da)	Ar Havana 8/8/62 from Constanta, Rumania	Rederiet Ocean A/S Subsidiary of: J. Lauritzen Copenhagen, Denmark

CIS BROVIG (tanker) (Nc)	Ar Santiago 6/24/62 from Rotterdam, Netherlands	Partrederiet Brovigtank Subsidiary of: Th. Brovig Farsund, Norway
CLEARTON (Br)	Ar Cienfuegos 6/11/62 from Liverpool, England	Somerston Shipping Co., Ltd. Hamilton, Bermuda Subsidiary of: Chapman & Willan, Ltd. Newcastle upon Tyne, England
CLUNEPARK (Br)	Ar Cienfuegos 7/28/62 from Moji, Japan	The Denholm Line Steamers, Ltd. Subsidiary of: J. & J. Denholm, Ltd. Glasgow, U. K.
CONSTANTINOS (Gr)	Ar Guantanamo Bay 6/14/62 from Augusta, Sicily	Conquistador Cia. Naviera, S. A., Panama Agent: A. Lusi, Ltd. London, England
COURSEILLES (Fr)	Ar Havana 6/12/62 from Hamburg, Germany	Société Maritime Nationale Paris, France (Registered Owner - Marine Marchande, Government of France)
COVADONGA (Sp)	Ar Havana 6/4/62 from Veracruz, Mexico	Compania Trasatlantica Espanola, S. A. Madrid, Spain
	Ar Havana 7/20/62 from Bilbao, Spain	
	Ar Havana 7/25/62 from Veracruz, Mexico	
CRYSTAL CROWN (Br)	Ar Moa 7/25/62 from Bayonne, France	Sugar Line, Ltd. Subsidiary of: Silvertown Services, Ltd. London, England
DANHOLM (Da)	Ar Havana 7/18/62 from Rotterdam, Netherlands	Jorgen Ditlev Lauritzen Hellerup, Denmark
DEMIRHAN (Tu)	Ar Havana 7/11/62 from Kherson, USSR	Sadikoğlu, Riza ve Aslan, Ortakları Komandit Şirketi, Istanbul, Turkey

DIMITRIS (Gr)	Ar Nicaro 7/1/62 (approx) from Hamburg, Germany	Cia. Nav. Krina, S. A. Panama Agent: Lemos & Pateras, Ltd. London, England
DONA KATERINA (Gr)	Ar Tunas de Zaza 7/10/62 from Hsinkang, Communist China	Cia. Panamena Europea Navegacion, Ltda. Panama Subsidiary of: A. J. & D. J. Chandris Piraeus, Greece
DORITHE OLDENDORFF (Ge)	Ar Havana 8/1/62 from Leningrad, USSR	Egon Oldendorff Lubeck, Germany
ECUADORIAN REEFER (Da)	Ar Havana 7/5/62 from Leningrad, USSR	J. Lauritzen Copenhagen, Denmark
EVJE (tanker) (No)	Ar Santiago 6/18/62 from Ventspils, USSR	E. B. Aaby's Rederi-A/S Subsidiary of: Yngvar Aaby Oslo, Norway
FEDERICO SCHWAGER (Ch)	Ar Cienfuegos 6/11/62 from Valparaiso, Chile Ar Havana 8/30/62 from Talcahuano, Chile	Naviera Coronel, S. A. Valparaiso, Chile Subsidiary of: Naviera Chilena de Pacifico, S. A. Valparaiso, Chile
FORT DAUPLIN (Fr)	Ar Havana 7/1/62 from Havre, France	Compagnie General Trans- atlantique, S. A. Paris, France (Controlled since 1931 by Government of France)
GERD TORM (Da)	Ar Havana 6/26/62 from Alexandria, UAR	Dampskibsselskabet Torm, A/S, Copenhagen, Denmark
GLORIA (Gr)	Ar Havana 8/16/62 from Novorossisk, USSR	Franco Shipping Co., Ltd. Athens, Greece Subsidiary of: Achilles Frangistas & S. Manassis Athens, Greece
GORDIAN (No)	Ar Havana 6/20/62 from Leningrad, USSR	Rederi-A/S Titanian, Rederi-A/S Hadrian & Rederi-A/S Nerva Subsidiary of: Hilmar Reksten Bergen, Norway

GRANVIK (tanker) (No)	Ar Havana 8/8/62 from Havre, France	A. C. Olsen Sandefjord, Norway
GUADALUPE (Sp)	Ar Havana 7/1/62 from Veracruz, Mexico	Compania Trasatlantica Espanola, S. A. Madrid, Spain
GULDENSAND (Ge)	Ar Havana 7/4/62 from Burgas, Bulgaria	A. F. Harmstorf & Co. Hamburg-Altona, Germany
GUNHILD TORM (Da)	Ar Havana 7/19/62 from Alexandria, UAR	Dampskibsselskabet Torm A/S Copenhagen, Denmark
HARPAGUS (Br)	Ar Sagua 7/-/62 from Hsinking, Communist China	J. & C. Harrison, Ltd. London, England
HELGA WITT (Ge)	Ar Havana 8/14/62 from Rotterdam, Netherlands	Hinrich Witt, G.M.B.H. Hamburg, Germany
HERA (Du)	Ar Nicaro 7/11/62 from Kingston, Jamaica	N. V. Koninklijke Neder- landsche Stoomboot Maatschappij Amsterdam, Holland
HERDIS TORM (Da)	Ar Havana 8/28/62 from Alexandria, UAR	Dampskibsselskabet Torm, A/S, Copenhagen, Denmark
HOLTHEIM (No)	Ar Havana 7/25/62 from Tsingtao, Communist China	A/S Holter-Sorensens Tankrederi Subsidiary of: B. Holter-Sorensen & Co. Oslo, Norway
INDIAN REEFER (Da)	Ar Havana 6/17/62 from Montreal, Canada	Rederiet Ocean A/S Subsidiary of: J. Lauritzen Copenhagen, Denmark
INGA BASTIAN (Ge)	Ar Havana 6/11/62 from Rotterdam, Netherlands	Helmut Bastian Bremen, Germany
IZ (tanker) (Ys)	Ar Havana 6/26/62 from Tuapse, USSR Ar Cienfuegos 7/11/62 from New Orleans	Jugoslavenska Tankerska Flotidba Zadar, Yugoslavia Beneficially owned by: Government of Yugoslavia

JAJCE (tanker) (Ys)	Ar Santiago 7/26/62 from Rostock, East Germany	Jugoslavenska Tankerska Flويدبا Zadar, Yugoslavia
	Ar Cuba 8/-/62 from Kingston, Jamaica	Beneficially owned by: Government of Yugoslavia
JOH. GORTHON (Sw)	Ar Havana 8/27/62 from Ghent, Belgium	Rederi-A/S Gylfe Subsidiary of: Gorthons Rederier Helsingborg, Sweden
JOHANNA OLDENDORFF (Ge)	Ar Havana 8/7/62 from Dairen, Communist China	Egon Oldendorff Lubeck, Germany
JOHN LYRAS (Gr)	Ar Havana 6/22/62 from Yokohama, Japan	Viking Shipping Corp. Panama Subsidiary of: Lyras Bros., Ltd. London, England
JOHN WILSON (Li)	Ar Guantanamo Bay 7/2/62 from Pensacola, Florida	Ocean Transport Lines, Inc. Monrovia, Liberia Subsidiary of: Wilson Shipping Co. Santiago, Chile
JYTTE SKOU (Da)	Ar Santiago 7/29/62 from Leningrad, USSR	Ove Skou Rederi-A/S Subsidiary of: Ove Skou Copenhagen, Denmark
KATERINA (Le)	Ar Guantanamo Bay 8/1/62 (approx) from Odessa, USSR	Franco Shipping Co., Ltd. Athens, Greece Subsidiary of: Achilles Frangistas & S. Manassis Athens, Greece
KHIOS BELLE (Gr)	Ar Nuevitas 7/-/62 from Osaka, Japan	Pioneer Shipping Develop- ment, Inc. Panama Subsidiary of: Chios Navigation Co., Ltd. London, England
KING MINOS (Gr)	Ar Nuevitas 7/15/62 from Dairen, Communist China	Hellenic Star Greek Maritime Co., Ltd. Piraeus, Greece Agent: Nomikos (London), Ltd. London, England

KING THESEUS (Gr)	Ar Nuevitas 7/24/62 from Shanghai, Communist China	Perseus Hellenic Shipping Co., Ltd. Piraeus, Greece Agent: Nomikos (London), Ltd. London, England
KLOSTERIOR (Ge)	Ar Cardenas prev. 6/26/62 from Maracaibo, Venezuela	Porta Hamburger Reederei, G.m.b.h. Subsidiary of: Fisser v. Doornum Emden, Germany
KOSTIS (Gr)	Ar Santiago 6/19/62 from Rangoon, Burma	Costis Cia. Maritima, S.A. Panama Agent: Laimos Bros., Ltd. London, England
KONGSGAARD (tanker) (No)	Ar Havana 6/14/62 from Odessa, USSR Ar Havana 7/26/62 from Odessa, USSR	Skibs-A/S Solvang Subsidiary of: Brodrene Olsen, A/S Stavanger, Norway
KUMROVEC (Ys)	Ar Cardenas 6/-/62 from Trieste	Kvarnerska Plovidba Rijeka, Yugoslavia Beneficially owned by: Government of Yugoslavia
KYVERNITIS (Gr)	Ar Puerto Padre 7/-/62 from Genoa, Italy	Miramar Cia. Nav., S.A. Panama Agent: Diamantis Pateras, Ltd. London, England
LIMBURG (Du)	Ar Havana 6/18/62 from Calcutta, India	Koninklijke Rotterdamsche Lloyd N.V. Subsidiary of: Wm. Ruys & Zonen Rotterdam, Netherlands

LONDON CONFIDENCE (tanker)(Br)	Ar Havana 7/25/62 from Novorossisk, USSR	Owner: London & Overseas Freighters, Ltd., London, England Associated with: Counties Ship Management Co., Ltd. London, England Associated with: Rethymnis & Kulukundis, Ltd. London, England
LONDON GLORY (tanker) (Br)	Ar Santiago 6/29/62 from Novorossisk, USSR	do.
LONDON INDEPENDENCE (tanker) (Br)	Ar Havana 6/1/62 from Novorossisk, USSR	do.
LONDON MAJESTY (tanker) (Br)	Ar Nuevitas 7/11/62 from Odessa, USSR	do.
LONDON SPIRIT (tanker) (Br)	Ar Santiago 7/3/62 from Novorossisk, USSR Ar Santiago 8/23/62 from Ventspils, USSR	do.
LONDON SPLENDOUR (tanker)(Br)	Ar Havana 7/14/62 from Odessa, USSR	do.
LONDON VICTORY (tanker) (Br)	Ar Havana 7/4/62 from Novorossisk, USSR	do.
LORADORE (Br)	Ar Havana 6/20/62 from Novorossisk, USSR	Maritime Shipping & Trading Co., Ltd. Beneficially owned by: Ralli Bros., Ltd. and Michalinos & Co., Ltd. London, England
LORD GLADSTONE (Br)	Ar Havana 6/16/62 from Novorossisk, USSR	Norships Ocean Carriers, Ltd. Subsidiary of: Ships Finance & Management Co., Ltd. London, England Associated with: George Nicolaou, Ltd.
MALAY MARU (Ja)	Ar Havana 8/18/62 from Moji, Japan	Hachiuma Kisen K.K. Hyogo-ken, Japan

Ship Name (Flag)	Arrival Date & Origin	Company & Agent
MARBURG (Ge)	Ar Cardenas 6/11/62 from Port Limon	Hamburg-Amerika Linie Hamburg, Germany
MARCHOVELETTE (Be)	Ar Havana 7/19/62 from Antwerp, Belgium	Compagnie Maritime Belge (Lloyd Royal), S.A. Antwerp, Belgium
MARIA DE LOURDES (Gr)	Ar Guantanamo Bay 6/19/62 from Piraeus, Greece	Cia. de Nav. Michaels Line, S.A. Panama Subsidiary of: Ph. G. Anagnostopoulos Piraeus, Greece
MARIA HADJIPATERAS (Gr)	Ar Havana 7/2/62 from Shanghai, Communist China	Panvista Cia. Nav., S.A. Panama Agent: John C. Hadjipateras & Sons, Ltd. London, England
MARINELLA D'AMICO (tanker) (It)	Ar Antilla 6/16/62 from Kanokawa, Japan Ar Santiago 8/19/62 from Kanokawa, Japan	D'Amico Soc. di Nav. S.p.A. Palermo, Sicily Subsidiary of: D'Amico Societa di Navigazione A.R.L. Rome, Italy
MARITSA (Gr)	Ar Santiago 8/7/62 from Odessa, USSR	Valida Cia. Nav. S.A. Panama
MASTRO-STELIOS II (Gr)	Ar Havana 6/8/62 from Rangoon, Burma	Ulysses Shipping Enterprises, S. A. Athens, Greece Agent: N. & J. Vlassopoulos, Ltd. London, England
MATSUDOSAN MARU (Ja)	Ar Havana 6/11/62 from Yokohama, Japan	Mitsui Sempaku K.K. Tokyo, Japan
MONTE ARUCAS (Sp)	Ar Havana 6/12/62 from Lisbon, Portugal	Naviera Aznar, S.A. Bilbao, Spain
MONTE URQUIOLA (Sp)	Ar Havana 6/30/62 from Tarragona, Spain	do.
MOSLAVINA (Ys)	Ar Havana 8/23/62 from Kherson, USSR	Jugoslavenska Oceanska Plovidba Kotor, Yugoslavia Beneficially owned by: Government of Yugoslavia

MPARMA CHRISTOS (Gr)	Ar Santa Cruz del Sur 6/3/62 from Chinwangtao, Communist China	Seguridad Cia. Nav., S.A. Panama Agent: G. Lemos Brothers Co., Ltd. London, England
NEUHARLINGERSTEL (Ge)	Ar Havana 8/7/62 from Hsinking, Communist China	Reederei Bugsier und Bergungs A.-G. Hamburg, Germany
NEWLANE (Br)	Ar Havana 8/5/62 from Leningrad, USSR	Trafalgar S.S. Co., Ltd. Subsidiary of: Tsavlis (Shipping), Ltd. London, England
NICOLAOS FRANGISTAS (Gr)	Ar Havana 7/-/62 from Odessa, USSR	A. Frangistas & others Subsidiary of: Achilles Frangistas & S. Manassis Athens, Greece
NICTRIC (Le)	Ar Havana 8/16/62 from Novorossisk, USSR	Cia. Estrella Blanca, Ltda. San Jose, Costa Rica Subsidiary of: V. Tricoglu London, England
NORA (tanker) (No)	Ar Nuevitas 7/-/62 from Rotterdam, Netherlands	A/S D/S Ranheim Subsidiary of: Sigurd L. Paulsen Bergen, Norway
OCEAN SEIGNEUR (Gr)	Ar Cuba 7/17/62 from Hsinking, Communist China	Cia. Ultramarine, S.A. Panama Subsidiary of: Goulandris Brothers, Ltd. London, England
ODENWALD (Ge)	Ar Jucaro 6/-/62 from Port Limon, Costa Rica	Hamburg-Amerika Linie Hamburg, Germany
OLE BRATT (No)	Ar Havana 8/12/62 from Dairen, Communist China	Sigbjorn Birkeland, Rederi Bergen, Norway
OLGA (Le)	Ar Havana 7/18/62 from Kherson, USSR	Olisman Cia. Nav., Ltda. Panama Subsidiary of: Achilles Frangistas & S. Manassis Athens, Greece

788

EXPORT CONTROL ACT OF 1949

OTTO BANCK (Sw)	Ar Havana 6/15/62 from Port Limon, Costa Rica	Otto Bancks Rederi-A/B & Ese Bancks Rederi-A/B Subsidiary of: Percy Banck Helsingborg, Sweden
OVERSEAS EXPLORER (tanker) (Br)	Ar Santiago 7/5/62 from Odessa, USSR	London & Overseas Tankers, Ltd., Hamilton, Bermuda Subsidiary of: London & Overseas Freighters, Ltd. London, England
OVERSEAS PIONEER (tanker) (Br)	Ar Havana 8/7/62 from Novorossisk, USSR	do.
PAEAN (Gr)	Ar Jucaro 6/25/62 from Shanghai, Communist China	Reyes Cia. Nav., S. A. Panama Subsidiary of: Lyres Bros., Ltd. London, England
PAMIT (Gr)	Ar Havana 6/14/62 from Montreal, Canada Ar Havana 7/12/62 from Montreal, Canada Ar Havana 8/22/62 from Montreal, Canada	Padre Cia. Nav., S. A. Panama Subsidiary of: A. Halcoussis & Co. Piraeus, Greece
PEARL HAVEN (Gr)	Ar Calbarien 6/14/62 from Marseilles, France	Monrovia Shipping Co., Ltd., of Liberia Monrovia, Liberia Subsidiary of: N. G. Livanos Piraeus, Greece
PEDRO CAMPBELL (Pa)	Ar Havana 7/24/62 from Port Arthur, Texas	Flota del Este, S. A. Montevideo, Uruguay
PEDRO DE ALVARADO (Sp)	Ar Cardenas 7/13/62 from Tarragona, Spain	Empresa Nacional Elcano de la Marina Mercante Madrid, Spain Beneficially owned by: Government of Spain
PERSEUS (tanker) (Gr)	Ar Havana 7/17/62 from Novorossisk, USSR Ar Havana 8/31/62 from Novorossisk, USSR	Sociedad Transoceanica Canopus, S. A. Panama Agent: Rethymnis & Kulkundis, Ltd. London, England

POLYCLIPPER (tanker) (No)	Ar Matanzas 6/-/62 from Odessa, USSR	Kristiansands Tankred. -A/S, A/S Kristiansands Tankred. II, A/S Kristiansands Tankred. III, A/S Avant & A/S Skjoldheim Subsidiary of: Einar Rasmussen Kristiansand S., Norway
REDESTOS (Gr)	Ar Havana 7/29/62 from Montreal, Canada Ar Havana 8/26/62 from Montreal, Canada	Compania Lamia de Nav. S.A. Panama
RIALTO (It)	Ar Havana 7/12/62 from Gdansk, Poland	Compagnia Armatoriale Italiana S.A.S. Venice, Italy
RIO TAJO (Sp)	Ar Havana 7/31/62 from Malaga, Spain	Fletamar Sociedad Ltda. Madrid, Spain
ROBERTO PARODI (It)	Ar Havana 7/18/62 from Tampa, Fla.	Societa per Azioni Emanuele V. Parodi Genoa, Italy
RODOS (Le)	Ar Casilda 7/25/62 from Bagnoli	Orient Shipping Corp. Monrovia, Liberia Subsidiary of: General Marine Agency, Ltd. London, England (Michael J. Livanos)
ROMANBY (Br)	Ar Cienfuegos 7/4/62 from Shanghai, Com- munist China	Ropner Shipping Co., Ltd. Subsidiary of: Sir R. Ropner & Co. (Management), Ltd. Darlington, U. K.
ROULA (Gr)	Ar Havana 6/25/62 from Riga, USSR	Marnestro Cia. Nav., S.A. Panama Subsidiary of: Michail A. Karageorgis Piraeus, Greece
ROTTE (Du)	Ar Havana 8/21/62 from Rangoon, Burma	N.V. Houtvaart Managed by: Vinke & Co. Rotterdam, Netherlands

SAINT JAMES (Pa)	Ar Havana 8/1/62 from Muroan, Japan	Saint James Line Co., Inc. Panama Agent: Ernesto Ciurlo & C., S.A.S. Genoa, Italy
SALAVERRY (Br)	Ar Havana 8/18/62 London, England	Pacific Steam Navigation Co. Liverpool, England (Controlled by Royal Mail Lines, Ltd. London, England)
SANTA ELISABETTA (It)	Ar Cienfuegos 7/5/62 from Tampa, Florida	Societa G. Malvicini - Officine Meccaniche Riparazioni Navi-Vapori Genoa, Italy
SATRUSTEGUI (Sp)	Ar Havana 6/14/62 from Genoa, Italy Ar Havana 8/22/62 from Genoa, Italy	Compania Trasatlantica Espanola, S.A. Madrid, Spain
ARIUS (tanker) (Gr)	Ar Santiago 6/4/62 from Odessa, USSR	Sociedad Transoceanica Canopus, S.A. Panama Agent: Rethymnis & Kulukundis, Ltd. London, England
STELLA MARINA (Sw)	Ar Havana 6/28/62 from Leningrad, USSR	Stockholms Rederi A/B Svea Stockholm, Sweden
STOLT AVANCE (tanker)(No)	Ar Havana 6/6/62 from Montreal, Canada	Kommandittselskapet Avance A/S & Co. Subsidiary of: B. Stolt-Nielsen & Sonner A/S Haugesund, Norway
STREATHAM HILL (Br)	Ar Havana 6/16/62 from Odessa, USSR	Acadia Overseas Freighters, Ltd. Halifax, Canada Subsidiary of: Counties Ship Management Co., Ltd. London, England Associated with: London & Overseas Freighters, Ltd. & Rethymnis & Kulukundis, Ltd. London, England

STROVILI (Gr)	Ar Havana 7/29/62 from Szczecin, Poland	Strovili Cia. Nav., S. A. Panama Agent: A. Lusi, Ltd. London, England
SUGAR IMPORTER (Br)	Ar Antilla 7/-/62 from Savannah, Georgia	Silvertown Services Shipping, Ltd. Subsidiary of: Silvertown Services, Ltd. London, England
SUGAR TRANSPORTER (Br)	Ar Antilla 6/28/62 from San Juan, P. R.	do.
TATEKAWA MARU (Ja)	Ar Havana 7/23/62 from Moji, Japan	Kawasaki Kisen K.K. ("K" Line) Kobe, Japan
TEKLA TORM (Da)	Ar Havana 8/1/62 from Alexandria, UAR	Dampskibsselskabet Torm, A/S Copenhagen, Denmark
TENNESSEE (No)	Ar Havana 7/9/62 from Stockholm, Sweden	Wilh. Wilhelmsen Oslo, Norway
TENTO (No)	Ar Havana 6/9/62 from Hsinkang, Communist China	E. B. Aaby's Rederi-A/S Subsidiary of: Yngvar Aaby Oslo, Norway
THORSOY (tanker) (No)	Ar Antilla 8/-/62 from Kure, Japan	Skibs-A/S Thorsolm Subsidiary of: A/S Thor Dahl Sandefjord, Norway
TOUBKAL (Mo)	Ar Havana 8/15/62 from Riga, USSR	Compagnie Marocaine de Navigation Casablanca, Morocco
TOVE LILLIAN (No)	Ar Havana 6/29/62 from Riga, USSR	Borges Rederi-A/S Tonsberg, Norway
TRAJAN (No)	Ar Havana 6/24/62 from Odessa, USSR	Rederi-A/S Titanian, Rederi-A/S Hadrian & Rederi-A/S Nerva Subsidiary of: Hilmar Reksten Bergen, Norway

TRITON (tanker) (Gr)	Ar Havana 7/2/62 from Odessa, USSR	Soc. Tropica de Carga, S.A. Panama Subsidiary of: Coral Shipping Ltd. London, England
TROLLEHOLM (Sw)	Ar Havana 8/7/62 from Stockholm, Sweden	A/B Svenska Amerika Linien Subsidiary of: Axel Brostrom & Son Gothenburg, C, Sweden
VASSILIKI (tanker) (Gr)	Ar Santiago 8/11/62 from Novorossisk, USSR	Olisman Cia. Nav. Ltda. Panama Subsidiary of: Achilles Frangistas & S. Manassis Athens, Greece
VIRGINIA DE CHURRUCA (Sp)	Ar Havana 7/10/62 from Barcelona, Spain	Compania Trasatlantica Espanola, S. A. Madrid, Spain
WEISSENBURG (Ge)	Ar Havana 8/17/62 from Hamburg, Germany	Hamburg-Amerika Linie Hamburg, Germany
WERNER VINNEN (Ge)	Ar Havana 6/2/62 from Acajutla, El Salvador	F. A. Vinnen & Co. Bremen, Germany
WHITE SEA (Li)	Ar Santiago 6/11/62 from Maracaibo, Venezuela	United White Shipping Co., Ltd. Monrovia, Liberia An associated company of: Stavros Livanos Chios, Greece
WURTEMBERG (Ge)	Ar Havana 6/11/62 from Hamburg, Germany	"Brenntag" Mineralol- Chemikalien-und Schiffsahrts G.m.b.H. Mulheim/Ruhr, Germany Subsidiary of: Stinnes, Hugo, Zweignie- derlassung, Brennstoff, Eisen-Und Schiffsahrts- Gesellschaft Hamburg, Germany

YIOSONAS (Gr)

Ar Jucaro 6/21/62 from
Freeport, Bahamas

Cia. Nav. Coronado, S.A.
Panama
Agent:
A. Lusi, Ltd.
London, England

ZETA (Ys)

Ar Havana 8/18/62 from
Kherson, USSR

Jugoslavenska Oceanska
Flovidba
Kotor, Yugoslavia
Beneficially owned by:
Government of Yugoslavia
Belgrade, Yugoslavia

FREE-WORLD SHIPPING COMPANIES IN CUBAN TRADE
(June - August 1962)

Abbreviations

Be Belgian	Ja Japanese
Br British	Le Lebanese
Ch Chilean	Li Liberian
Da Danish	Mo Moroccan
Du Dutch	No Norwegian
Fi Finnish	Pa Panamanian
Fr French	Sp Spanish
Ge German	Sw Swedish
Gr Greek	Tu Turkish
It Italian	Ys Yugoslav

<u>Company Name and Country</u>	<u>Ship Name and Flag</u>	<u>Total Ships in Cuban Trade</u>	<u>Total Trips to Cuba</u>
Aaby, Ingvar Oslo, Norway	EVJE (tanker) (No) TENTO (No)	2	2
Anagnostopoulos, Ph. G. Piraeus, Greece	MARIA DE LOURDES (Gr)	1	1
Banck, Percy Helsingborg, Sweden	OTTO BANCK (Sw)	1	2
Bastian, Helmut Bremen, Germany	ALISIOS (Ge) INGA BASTIAN (Ge)	2	2
Birkeland, Sigbjorn, Rederi Bergen, Norway	OLE BRATT (No)	1	1
Borges Rederi - A/S Tonsberg, Norway	TOVE LILLIAN (No)	1	1
Boyzides, Thrasy- voulos L. Athens, Greece	AIOSLOS (Li)	1	1

Brostrom, Axel, & Son Gothenburg, C, Sweden	TROLLEHOLM (Sw)	1	1
Brovig, Th. Farsund, Norway	CIS BROVIG (tanker)(No)	1	1
Bugsier-, Reederei- und Bergungs - A.-G. Hamburg, Germany	NEUHARLINGESIEL (Ge)	1	1
Chandris, A.J. & D.J. Piraeus, Greece	DONA KATARINA (Gr)	1	1
Chapman & Willan, Ltd. Newcastle upon Tyne, England	CLEARTON (Br)	1	1
Chios Navigation Co., Ltd., London, England	KHIOS BELLE (Gr)	1	1
Ciurlo, Ernesto, & C., S.A.S., Genoa, Italy	SAINT JAMES (Pa)	1	1
Clausen, C. Copenhagen, Denmark	ATHENE (Ge)	1	1
Compagnia Armatoriale Italiana S. A. S. Venice, Italy	RIALTO (It)	1	1
Compagnie Generale Transatlantique, S.A. Paris, France (Controlled by Govt. of France)	FORT DAUPHIN (Fr)	1	1
Compagnie Maritime Belge (Lloyd Royal), S. A. Antwerp, Belgium	MARCHOVELETTE (Be)	1	1
Compagnie Marocaine de Navigation Casablanca, Morocco	TOUEKAL (Mo)	1	1

Company Name	Ship Name	Quantity	Value
Compania Lamia de Nav. S. A. Panama	REDESTOS (Gr)	1	2
Compania Trasatlantica Espanola, S. A. Madrid, Spain	COVADONGA (Sp) GUADALUPE (Sp) SATRUSTEGUI (Sp) VIRGINIA DE CHURRUCA (Sp)	4	7
Coral Shipping Ltd. London, England	TRITON (tanker) (Gr)	1	1
Coulouthros, Ltd. London, England (Agent)	ABGEAN DOLPHIN (Gr) ANTHONY II (Gr) ANTONIOS COULOUTHROS (Gr)	3	3
Counties Ship Management Co., Ltd., London England. Associated with: London & Overseas Freighters, Ltd. and Rethymnis & Kulukundis, Ltd. London, England	CEDAR HILL (Br) STREATHAM HILL (Br)	2	2
D'Amico Societa di Navigazione A.R.L. Rome, Italy	MARINELLA D'AMIGO (tanker) (It)	1	2
Dahl, A/S Thor Sandefjord, Norway	THORSOY (tanker) (No)	1	1
Dauelsberg, Herm. Bremen, Germany	BELLAVIA (Ge)	1	1
Denholm, J. & J., Ltd. Glasgow, U. K.	CLUNEPARK (Br)	1	1
Faros Shipping Co., Ltd. London, England	APOLLON (Gr) ATLAS (Gr)	2	2
Fisser & v. Doortum Emden, Germany	KLOSTERTOR (Ge)	1	1

Fletamar Sociedad Ltda. Madrid, Spain	RIO TAJO (Sp)	1	1
Flota del Este, S. A. Montevideo, Uruguay	PEDRO CAMPBELL (Pa)	1	1
Frangistas, Achilles, and S. Manessis Athens, Greece	ARETI (Le) GLORIA (Gr) KATERINA (Le) NICOLAOS FRANGISTAS (Gr) OLGA (Le) VASSILIKI (tanker) (Gr)	6	6
General Marine Agency, Ltd., London, England (Michael J. Livanos)	RODOS (Le)	1	1
Gorthons Rederier Helsingborg, Sweden	JOH. GORTHON (Sw)	1	1
Goulandris Brothers, Ltd. London, England	OCEAN SEIGNEUR (Gr)	1	1
Hachiuma Kisen K. K. Hyogo-ken, Japan	MALAY MARU (Ja)	1	1
Hadjipateras, John C., and Sons, Ltd. London, England (Agent)	MARIA HADJIPATERAS (Gr)	1	1
Halcoussis, A., & Co. Piraeus, Greece	PAMIT (Gr)	1	3
Hamburg - Amerika Linie Hamburg, Germany	BRANDENBURG (Ge) MARBURG (Ge) ODENWALD (Ge) WEISSENBURG (Ge)	4	4
Harmstorf, A. F., & Co. Hamburg-Altona, Germany	GULDENSAND (Ge)	1	1
Harrison, J. & C., Ltd. London, England	HARPAGUS (Br)	1	1

Holter-Sorensen, B., and Co. Oslo, Norway	HOLTHEIM (No)	1	1
Hornbeam Co., Ltd. Victoria, Hong Kong	AMOY (Br)	1	1
Karageorgis, Michail A. Piraeus, Greece	ROULA (Gr)	1	1
Kawasaki Kisen K. K. ("K" Line) Kobe, Japan	BOLIVIA MARU (Ja) CHILE MARU (Ja) TATEKAWA MARU (Ja)	3	3
Koninklijke Neder- landsche Stooboot Maatschappij, N. V. Amsterdam, Netherlands	HERA (Du)	1	1
Laimos Bros., Ltd. London, England (Agent)	KOSTIS (Gr)	1	1
Lauritzen, J. Copenhagen, Denmark	CHILEAN REEFER (Da) ECUADORIAN REEFER (Da) INDIAN REEFER (Da)	3	3
Lauritzen, Jorgen Ditlev Hellerup, Denmark	DANHOLM (Da)	1	1
Lemos, G., Brothers Co. Ltd., London, England	MPARMPA CHRISTOS (Gr)	1	1
Lemos & Pateras Ltd. London, England	DIMITRIS (Gr)	1	1
Leonhardt & Blumberg Hamburg, Germany	ADOLF LEONHARDT (Ge)	1	1
Livanos, N. G. Piraeus, Greece	PEARL HAVEN (Gr)	1	1
Livanos, Stavros Chios, Greece	ATLANTIC GLADIATOR (Gr) ATLANTIC SUNLIGHT (Gr) WHITE SEA (Li)	3	3

London & Overseas Freighters, Ltd. London, England Associated with: Counties Ship Management Co., Ltd. London, England Associated with: Rethymnis & Kulukundis, Ltd. London, England	LONDON CONFIDENCE (tanker) (Br) LONDON GLORY (tanker) (Br) LONDON INDEPENDENCE (tanker) (Br) LONDON MAJESTY (tanker) (Br) LONDON SPIRIT (tanker) (Br) LONDON SPLENDOR (tanker) (Br) LONDON VICTORY (tanker) (Br) OVERSEAS EXPLORER (tanker) (Br) OVERSEAS PIONEER (tanker) (Br)	9	10
Lorentzen, Ludvig Oslo, Norway	CABO FRIO (No)	1	2
Lundgren & Borjessons Rederier Helsingborg, Sweden	ALSTERN (Sw)	1	1
Lusi, A., Ltd. London, England (Agent)	ANGELOS (Gr) ANNITSA (Gr) CAPETAN YIANNIS (Li) CARDAMILITIS (Gr) CONSTANTINOS (Gr) STROVILLI (Gr) YIOSONAS (Gr)	7	7
Lyras Bros., Ltd. London, England	JOHN LYRAS (Gr) PAEAN (Gr)	2	2
Manne J. E., & Co. (F. B. Wahlquists Eftr.) Gothenburg, Sweden	CARLA (Sw)	1	1
Marcou & Sons (Shipbrokers) Ltd. London, England	ATHENA (Gr)	1	1
Michalinos & Co., Ltd. London, England & Ralli Bros., Ltd.	LORADORE (Br)	1	1

Mitsui Senpaku K.K. Tokyo, Japan	AWOBASAN MARU (Ja) MATSUDOSAN MARU (Ja)	2	2
Naviera Aznar, S. A. Bilbao, Spain	MONTE ARUCAS (Sp) MONTE URQUIOLA (Sp)	2	2
Naviera Chilena de Pacífico, S.A. Valparaiso, Chile	FEDERICO SCHWAGER (Ch)	1	2
Nederland, N.V. Stoom- vaart Maatschappij Amsterdam, Netherlands	BANGGAI (Du)	1	1
Nippon Yusen Kaisha Tokyo, Japan	ASAMA MARU (Ja)	1	1
Nomikos (London), Ltd. London, England	KING MINOS (Gr) KING THESEUS (Gr)	2	2
Oldendorff, Egon Lubeck, Germany	BIRTE OLDENDORFF (Ge) DORTHE OLDENDORFF (Ge) JOHANNA OLDENDORFF (Ge)	3	3
Olsen, A. C. Sandefjord, Norway	GRANVIK (tanker) (No)	1	1
Olsen, Brodrene, A/S Stavanger, Norway	KONGSGAARD (tanker) (No)	1	2
Orion Schiffahrts- Ges. Reith & Co. Hamburg, Germany	CAROLA REITH (Ge)	1	1
Pacific Steam Navigation Co. Liverpool, England (Controlled by Royal Mail Lines, Ltd. London, England)	SALAVERRY (Br)	1	1
Parodi, Societa par Azioni Emanuele V. Genoa, Italy	ROBERTO PARODI (It)	1	1
Pateras, Ch. & E., Ltd. London, England	CHARALAMBOS N. PATERAS (Gr)	1	1

Pateras, Diamantis, Ltd. London, England	KYVERNITIS (Gr)	1	1
Paulsen, Sigurd L. Bergen, Norway	NORA (tanker) (No)	1	1
Rasmussen, Einar Kristiansand S., Norway	POLYCLIPPER (tanker) (No)	1	1
Reksten, Hilmar Bergen, Norway	GORDIAN (No) TRAJAN (No)	2	2
Rethymnis & Kulukundis, Ltd. Agents for: London, England Associated with: Cargo & Tankship Manage- ment Corp. New York, N.Y.	ALDEBARAN (tanker) (Gr) PERSEUS (tanker) (Gr) SIRIUS (tanker) (Gr)	3	5
Ropner, Sir R., & Co. (Management), Ltd. Darlington, U. K.	ROMANBY (Br)	1	1
Russ, Ernst Hamburg, Germany	ANITA (Ge)	1	1
Ruys, Wm., & Zonen Rotterdam, Netherlands	LIMBURG (Da)	1	1
Sadiskoglu, Riza Ve Aslan, Ortaklari Komandit Sirketi Istanbul, Turkey	DEMIRHAN (Tu)	1	1
Salen, Sven, A/B Stockholm, Sweden	BUCCANERO (Sw)	1	1
Ships Finance & Manage- ment Co., Ltd. London, England (Associated with George Nicolaou, Ltd.)	LORD GLADSTONE (Br)	1	1
Silverton Services, Ltd. London, England	CRYSTAL CROWN (Br) SUGAR IMPORTER (Br) SUGAR TRANSPORTER (Br)	3	3

Origin	Ship Name (Country)	Count 1	Count 2
Sjosten, H. J. Gothenburg, Sweden	BIRGIT (Sw)	1	1
Skou, Ove Copenhagen, Denmark	JYTTJE SKOU (Da)	1	1
Sloman, Rob.M., Jr. Hamburg, Germany	ALSTERUFER (Ge)	1	1
Societa G. Malvicini- Officine Meccaniche Genoa, Italy	SANTA ELISABETTA (It)	1	1
Société Maritime Nationale Paris, France (Registered owner: Marine Marchande, Govt. of France)	COURSEILLES (Fr)	1	1
Spain, Government of Madrid, Spain	ALONSO DE OJEDA (Sp) PEDRO DE ALVARADO (Sp)	2	2
Stinnes, Hugo, Zweig- niederlassung, Brennstoff, Eisen-Und Schiffahrts- Gesellschaft Hamburg, Germany	WURTEMBERG (Ge)	1	1
Stolt-Nielsen, B.& Sonne: A/S Haugesund, Norway	STOLT AVANCE (tanker) (No)	1	1
Svea, Stockholms Rederi- A/B Stockholm, Sweden	STELLA MARINA (Sw)	1	1
Tricoglu, V. London, England	NICTRIC (Le)	1	1
Torm, Dampskibssel- skabet, A/S Copenhagen, Denmark	GERD TORM (Da) GUNHILD TORM (Da) HERDIS TORM (Da) TEKLA TORM (Da)	4	4
Trapp, Carl M. Turku (Abo), Finland	ARAGONA (Fi)	1	1
Tropis Shipping Co., Ltd. (M.E. Lentakis) London, England	ARMATHIA (Gr)	1	1

Tsavliris (Shipping), Ltd. London, England	NEWLANE (Br)	1	1
United Molasses Co., Ltd. London, England	ATHELKING (tanker) (Br) ATHELKNIIGHT (tanker) (Br) ATHELMERE (tanker) (Br)	3	3
Valida Cia. Nav. S.A. Panama	MARITSA (Gr)	1	1
Vinke & Co. Rotterdam, Netherlands	ROTTE (Du)	1	1
Vinnen, F.A. & Co. Bremen, Germany	WERNER VINNEN (Ge)	1	1
Vlassopoulos, N. & J., Ltd. London, England	MASTRO-STELIOS II (Gr)	1	1
Wilhelmsen, Wilh. Oslo, Norway	TENNESSEE (No)	1	1
Wilson Shipping Co. Santiago, Chile	JOHN WILSON (Li)	1	1
Witt, Hinrich, G.M.B.H. Hamburg, Germany	HELGA WITT (Ge)	1	1
Yugoslavia, Government of	IZ (tanker) (Ys) JAJCE (tanker) (Ys) KUMROVEC (Ys) MOSLAVINA (Ys) ZETA (Ys)	5	7

Mr. KITCHIN. Are there any other exhibits to go in the record at this point?

(No response.)

Apparently, Mr. Gleason not being present, these are all of the witnesses scheduled to testify today, so the committee will recess until 10 o'clock tomorrow morning.

(Thereupon, the hearing was recessed at 2:30 p.m.)

**INVESTIGATION AND STUDY OF THE ADMINISTRATION,
OPERATION, AND ENFORCEMENT OF THE EXPORT
CONTROL ACT OF 1949, AND RELATED ACTS**

WEDNESDAY, OCTOBER 3, 1962

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON EXPORT CONTROL,
Washington, D.C.

The select committee met at 10 a.m., in room 313-A Cannon Building, Hon. A. Paul Kitchin (chairman) presiding.

Mr. KITCHIN. The committee will come to order.

The Chair is very gratified today to note that President Kennedy yesterday directly appealed to the Foreign Ministers of our South American neighbors for closer cooperation in our efforts to retard and eventually stop the military and economic buildup of Communist Cuba. Also, this week Secretary of State Dean Rusk held informal talks with the Ministers of the Organization of American States, pressing the same issue. On two occasions President Kennedy has called attention to this country's concern for the movement of ocean traffic in ships registered under allied flags supplying the Castro regime. It is very satisfying to know that the administration is giving top-level attention to this problem which is justifiably causing nationwide concern.

The purpose of the meetings yesterday and the conclusion of the hearings today is to develop, first, the implementations of the recommendations made by this committee in its report dated May 25, 1962, and particularly with reference to the State Department, which recommendations appear on page 2 of that report in paragraphs F, G, and H.

In addition to those recommendations, on which we hope we will have comment from the Department today, we are trying at these hearings to ascertain (1) the extent of free world shipping in Cuban trade, (2) how such shipping adversely affects our national security and welfare and assists the spread of the Communist international conspiracy, (3) what is being done about it, and (4) what has been accomplished in these efforts.

We are today particularly fortunate to have before this committee Under Secretary of State George W. Ball, who I believe is as well or better informed on this situation than anyone in America today.

Mr. Secretary, we are delighted to have you this morning and we look forward to your testimony.

I believe you have a prepared statement.

Mr. BALL. I do, Mr. Chairman. I would like to read it, if I may.

Mr. KITCHIN. You certainly may, and you may proceed.

EXPORT CONTROL ACT OF 1949

STATEMENT OF HON. GEORGE W. BALL, UNDER SECRETARY OF STATE, ACCOMPANIED BY ROBERT B. WRIGHT, DIRECTOR, MUTUAL DEFENSE CONTROL STAFF; ROBERT A. HURWITZ, SPECIAL ASSISTANT TO THE ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS; AND ABRAM CHAYES, LEGAL ADVISER, DEPARTMENT OF STATE

Mr. BALL. Mr. Chairman, in your letter requesting me to appear here this morning, you indicated the continuing interest of this committee in the status of trade between the free world and the Sino-Soviet bloc. But you emphasized particularly the trade with Cuba. Since the problem of Cuba is very much on the minds of the American people today—and of real concern to this committee—I shall concentrate in my prepared statement on the present trading relations between the free world and Cuba. I shall attempt not only to describe those relations but to relate them to the larger problems which a Communist-dominated Cuba poses for the United States and the free world.

Our policy toward Cuba is based upon the assessment that it does not today constitute a military threat to the United States. Without doubt, it is an economic burden for the Sino-Soviet bloc. It has value to the bloc primarily as a base for the subversive activities of international communism in the Western Hemisphere.

The policy of the United States Government is directed toward nullifying Cuba's usefulness as a source of infection for international communism, while at the same time rendering it more costly for the Sino-Soviet bloc to maintain it for that purpose.

In pursuit of this objective we have taken a series of measures both unilaterally and in collaboration with our friends and allies. These measures have already weakened the Castro regime and they have made it a pariah among the member nations of the American system.

President Kennedy summed up the present situation effectively when he recently said:

It is Mr. Castro and his supporters who are in trouble. In the last year, his regime has been increasingly isolated from this hemisphere. His name no longer inspires the same fear or following in other Latin American countries.

II

Mr. Castro's trouble is reflected in the state of the Cuban economy today.

Since the end of 1960, living standards in Cuba have fallen precipitously. By government fiat the total volume of workers' salaries has been increased and rents have been reduced, but this is an illusory achievement. The volume of goods available for purchase by the population has drastically shrunk. Per capita food consumption has declined by more than 15 percent. In pre-Castro days Cuba was the third highest in Latin America in per capita food consumption; now it is the seventh. The glittering promises of new and more adequate housing have proven false. Military needs have eaten into the limited construction resources.

Cuba is a rich land with a friendly climate and a fertile soil. But as always, as has been demonstrated again and again around the world,

the Communists have proven themselves poor farmers. The 1962 sugar crop will be the smallest in the last 6 years—and by a substantial margin. Meat supplies have declined sharply; they remain below the level prevailing before the Castro takeover. With domestic production at a low level and foodstuff imports greatly reduced, nationwide rationing has been inevitable.

Cuba has had the world's richest sugar economy, with only the beginnings of industrialization. In pre-Castro days Cuba lived primarily by selling sugar to the United States. In her present posture of isolation she is living badly, and then only as a dependent of the Soviet Union.

III

Cuba is isolated from the other nations of the free world economically, politically, and spiritually.

Castro contributed to that isolation in December of 1961 by making it perfectly explicit that he was a dedicated Communist. In January 1962 the Foreign Ministers of the OAS at Punta del Este declared that the present government of Cuba was excluded from participation in the inter-American system. Since the Punta del Este Conference, the American States have carried out that decision. They have also established machinery to guard against subversive activities in this hemisphere.

The situation today can be summarized by a relatively few statistics. In 1958, United States-Cuban trade totaled more than a billion dollars. Today it is confined to minute exports of certain nonsubsidized foods and medical supplies which amounted, during the first 6 months of this year, to only \$373,000—and those shipments were permitted only for humanitarian reasons.

In its Cuban trade, Canada in 1959 had total imports and exports amounting to over \$27 million; for the first 6 months of this year they amounted to less than \$7 million.

In 1959 the other Latin American countries did total trade with Cuba amounting to \$82 million; in 1961 this had fallen to \$20 million.

The nations of Western Europe have also reduced their trade with Cuba. In 1959 their exports to Cuba were approximately \$122 million. By 1961 this figure had been cut to less than half.

IV

This drying up of trade has not been an accident. It has been a deliberate response by this country and its allies to the Communist efforts to establish a beachhead for subversion in this hemisphere.

The process of isolating Cuba economically first began in July 1960 when the United States prohibited the further import of Cuban sugar into this country. This cost Cuba the annual amount of \$350 million in foreign exchange. Three months later we prohibited the export of U.S. goods to Cuba except only for the limited food and medicines mentioned above.

In February of this year, President Kennedy made the embargo on Cuban trade substantially complete, extending the embargo on sugar to all other imports, whether direct or indirect.

America's allies, both in the OAS and NATO have collaborated in limiting trade with Cuba. At Punta del Este the OAS Foreign

Ministers agreed to prohibit trade with Cuba in arms and implements of war. The Council of the OAS undertook to study further trade restrictions.

Our NATO allies have prohibited the export of any military items to Cuba and they have indicated that they are not shipping any strategic items. They are also cooperating to assure that U.S. exports will not be diverted to Cuba through their ports.

Until early this year Japan was one of the principal free world purchasers of Cuban sugar. As a result of discussions with the Japanese Government, the Japanese are shifting their purchases of sugar to other free world sources. Castro has not only been denied the foreign exchange he desperately needs but Japanese exports to Cuba are declining as well.

V

The economic isolation of Cuba has been effected not merely by cutting off credits and goods, but also by imposing restrictions on the shipping available for sustaining Cuban trade with the bloc.

We have prohibited ships registered under the flag of the United States from transporting to Cuba commodities on the U.S. positive list, the U.S. munitions list, and items controlled by the Atomic Energy Commission. This amendment will also affect about 360 foreign-flag vessels whose owners have contractually agreed not to violate the transportation order.

Moreover, bunkers are denied in U.S. ports to all vessels under charter to the Sino-Soviet bloc engaged in Cuba-bloc trade; Cuban owned or chartered vessels are also denied bunkers and ships stores in this country.

As an island, Cuba is entirely dependent upon shipping for the maintenance of its tottering economy. With the decline of the Cuban economy and with the Soviet buildup of arms and aid, ships and shipping have emerged as a special problem.

Cuba relies upon imports for most of her machinery and equipment, petroleum, steel, chemicals, wood and paper products, cotton and, to some extent, grain. Cuba is, however, a small country. Total imports to Cuba in 1961 amounted to \$641 million; exports during that year stood at \$614 million. The total trade of Cuba was therefore less than one-half percent of world trade. In 1959, 2.2 percent of Cuba's exports went to the Sino-Soviet bloc; by 1961, 75.7 percent went to the bloc.

No U.S.-flag ships have called at Cuba within the last 2 years. Ships calling at Cuba are of three kinds: Soviet bloc ships, free world ships under free world operation, and free world ships chartered to the Soviet bloc. The Soviet Union has offered high rates to charter free world ships at a time when depressed conditions in the industry have produced nearly 3 million tons of unemployed laidup shipping.

These three kinds of shipping carry different sorts of cargo to Cuba. The Soviet ships carry general cargo, petroleum, and arms. No other ships carry arms. The free world ships not under charter, typically carry peacetime commodities—food, textiles, and so forth; more important, they do not usually participate in trade between the bloc and Cuba which, as I have noted, supplies Cuba's economic needs. That trade moves to a considerable extent on free world ships which

have been chartered by the Soviet Union and which are used to transport Soviet bloc cargoes though not—to repeat—arms or ammunition. Statistics on ships calling at Cuban harbors have recently been compiled by the Maritime Administrator. These figures show that a majority of the ships stopping in Cuba are under free world flags, but, as a result of Soviet charter, more than a majority are under Soviet shipping orders and carrying Soviet cargoes.

As this situation has emerged, the U.S. Government has recognized that it should take steps to curtail or prevent the use of free world shipping in the Soviet bloc-Cuban trade. With this purpose in mind, the Department of State has, during the last month, approached our allies on this matter.

So far, five of our NATO allies have taken positive actions to restrict the availability of ships.

The Federal Republic of Germany has promulgated a new ordinance bringing all Federal Republic ship charters to bloc countries under license and barring Cuba as a destination for such charters. It is our understanding that Canada and France have no ships presently in the Cuban trade.

Belgium is taking steps to stop all traffic with Cuba on its flag vessels. Turkey has informed this Government that it plans to put into effect measures which will assure that, in the future, no Turkish vessel will carry cargo of any type from the Soviet Union to Cuba.

The Italian Government has assured us that no strategic goods have been transported to Cuba on Italian ships.

We are continuing to discuss this problem with our other allies, including the United Kingdom, Greece, Norway, and Denmark. These are great maritime nations that depend heavily on their merchant marine for their foreign-exchange earnings—and today there is much unemployed shipping. These nations have long and deeply felt traditions regarding freedom of shipping. Nevertheless, they are giving careful consideration to our requests, and have given informal advice to their shipowners in an effort to discourage them from allowing their ships to engage in strategic trade with Cuba.

VI

In spite of the progress that has been made so far, the executive branch of the Government is not yet satisfied that all useful measures have been taken to limit the shipping available for the maintenance of the Cuban economy. We are considering several additional measures designed to impose restrictions on the availability of shipping to Cuba.

Secretary Rusk is consulting today with the Foreign Ministers of the Organization of American States with regard to those measures. At the same time they are being discussed with our NATO Allies. Because these matters are under consultation with foreign governments, it would not be proper for me to disclose them in public session today. I am, however, prepared to discuss them with this committee in executive session at this time. Or I should be glad to review them with this committee on another occasion, after the process of consultation has been completed.

While I cannot properly talk about all of the measures now under consideration, there is one which, I feel certain, will be adopted. This will be an order prohibiting ships of U.S. registry or ships of foreign registry owned by a U.S. citizen from participating in the Cuban trade. The exact terms of this order are now being worked out by our legal and shipping experts.

VII

As a result of the measures that have been taken by the United States and by the members of the OAS, NATO, Japan, and other countries, Cuba today is almost totally dependent upon the Soviet Union for its economic livelihood. Three-fourths of Cuba's trade is with the Communist bloc, and this percentage is increasing as other channels of trade dry up.

In the last few weeks we have read much in the newspapers of the military buildup of Cuba by the Soviet Union. Quite clearly it does not constitute a threat to the United States.⁷

Since July, when the volume of Soviet military shipments to Cuba suddenly vaulted upward, 85 shiploads arrived in Cuban ports. Many of them carried military items, supplies, and personnel. These shipments have consisted, in part, of types of weapons previously delivered to the Cuban armed forces, including more tanks, self-propelled guns, and other ground force equipment. The major tonnage in recent shipments, however, has been devoted to SA-2, surface-to-air missiles (SAMS)—together with all the related gear and equipment necessary for their installation and operation. To date, 15 SAM sites have been established in the island. We estimate the total may eventually reach 25. These are anti-aircraft missiles having a slant range of 20 to 25 miles.

In addition, three and possibly four missile sites of a different type have been identified. These sites are similar to known Soviet coastal defense missile sites that are believed to accommodate antishipping missiles with a range of 20 to 35 miles. Quite likely several more such sites will be installed.

Cuba is now estimated to have 60 older type Mig jet aircraft. In addition, at least one advanced jet-interceptor has recently been received, and probably several more are in the process of assembly. This type of advanced jet-interceptor is usually equipped with infrared air-to-air missiles. We estimate that the total of these advanced interceptors in Cuba may eventually reach 25 to 30.

In addition, 16 Komar class guided missile, patrol boats which carry two short-range missiles (11 to 17 miles) were included in recent shipments.

About 4,500 Soviet military specialists have arrived, including construction men and technicians.

VIII

Unpleasant as may be the spectacle of a Communist-dominated island just off our shores, we should not overlook the fact that Cuba is, at the moment, a small, enfeebled country with an incompetent government, a limping economy, and a deteriorating standard of living. The crash efforts of the Soviet Union to provide the Castro

regime with economic technicians and to build up its military defenses is a demonstration of Cuban weakness. Because of the desperate plight of the Cuban economy, Cuba's isolation from the other nations of the hemisphere and the fear which that isolation has engendered, the Cuban Government has turned itself into a dependency of Moscow.

We may take the events of the past month—regrettable as they may be in many ways—as evidence of the essential soundness of the strategy of isolation that we have pursued toward Cuba over the past 2 years. The additional measures now under consideration with respect to Cuban shipping are part and parcel of that same strategy.

We propose to continue along these lines, taking new measures as the developing situation may require. But in pursuing this policy—as in pursuing any policy—the United States must never forget that it is engaged in a worldwide struggle and that no policy can be regarded as an end in itself or as existing apart from the whole complex of relationships which give the free world its strength.

And, as President Kennedy has made clear, we shall not rely solely on the impact of political and economic isolation for our protection. If, contrary to the present evidence, it should ever appear that the Soviet Union is succeeding in making Cuba a threat to the security of this country or this hemisphere, we are prepared to take the necessary action—whatever it may be.

Mr. KITCHIN. Thank you very much, Mr. Secretary. I know there will be several questions the committee will want to ask. I would like to lead off with some clarifying questions referring to your statement.

On page 1, second paragraph, you state: "Our policy toward Cuba is based upon the assessment that it does not today constitute a military threat to the United States."

I assume that is consistent with the prior statements of the President, and that the situation has not changed since those statements of the President up to this moment.

Mr. BALL. That is correct, Mr. Chairman.

Mr. KITCHIN. In assessing the military threat to the United States, I assume you base that statement, and so has the administration—the executive branch—on the lack of an aggressive and offensive type of base being established in the island of Cuba.

Mr. BALL. That is right. Our information with regard to the availability of armament to Cuba, including the shipments which have been received in the recent buildup, is, we believe, quite complete. Our intelligence is very good and very hard.

All the indications are that this is equipment which is basically of a defensive capability, and that it does not offer any offensive capabilities to Cuba as against the United States or the other nations of the hemisphere.

Mr. KITCHIN. Then we are speaking in context here, if I might make this statement, of the geographical areas when we say the United States. I am positive in my own mind, and I think probably you will agree, that some of the so-called defensive weapons could be used very effectively on Guantanamo.

Mr. BALL. Yes, the geography is different so far as Guantanamo is concerned.

Mr. KITCHIN. Anything that constitutes a threat to our naval base at Guantanamo is, of course, in my opinion, a threat to the security of the country.

Mr. BALL. We would regard it as that, without question. I think that qualification is very well noted, Mr. Chairman.

Mr. KITCHIN. Information has come to my hand—how true or not, and how authentic it is, I will have to rely on your statement—that Cuba has received in recent days some air-breathing type offensive missiles with a range, with a booster effort, of some 130 nautical miles. If that is true, I would certainly think that would be an offensive weapon.

Mr. BALL. That is not what our intelligence shows, Mr. Chairman. I have attempted to give a summary here of the situation based on the intelligence estimates which the intelligence community has made with regard to this.

Mr. KITCHIN. So, there is no information in your possession that such an air-breathing type of missile has been received in Cuba?

Mr. BALL. That is correct, sir.

This information is up to date as of yesterday.

Mr. KITCHIN. I should like to ask a question concerning the news release the other day that the Cuban Government was allowing, under a lease arrangement, some ports to be established for the fishing fleet of the Soviet Union. I assume that has been verified. It has not been retracted in the press.

Mr. BALL. It has not been retracted. It has been confirmed by Castro and the Cuban Government. I think we can take it as authentic.

Mr. KITCHIN. If this particular situation is developed and we see construction of these particular ports going forward, do you, in your capacity, feel that that would be an offensive use of the island to supply such ports as a base of operations for the Soviet Union?

Mr. BALL. Mr. Chairman, this is a matter which will be kept under the very closest surveillance. The use to which the port will be adapted, the use to which it will be put, is something which will be watched with the greatest of care. If in the construction of the port it appears that it will offer any offensive capabilities, then this is certainly something which the Government would take note of immediately.

Mr. KITCHIN. Of course, my question was based upon the premise that our experience has been that the so-called fishing fleet is not actually fishing for fish in instances when we have accosted them in the North Atlantic and the Pacific.

Mr. BALL. They have obvious relevance to intelligence operations.

Mr. KITCHIN. Somewhere in your statement—I cannot locate it at the present moment—you give the number of Russian ships and ships under charter that actually have gone in to Cuba since July. I assume those are the ones that have been taking military supplies and personnel into Cuba.

Mr. BALL. The ships which have been taking the military equipment in are the Soviet ships themselves. Actually, even the ships which are under charter have not been used for this purpose.

Mr. KITCHIN. I think there is some testimony here that at least 65 ships have gone in. I think 65 have been delivering this type of cargo. I have information that from all the nations, including the economic buildup and the military and personnel buildup of the Russian vessels, over the period of the last several months some 800 ships have brought trade into Cuba, since Castro has announced very explicitly that he was a Communist and visited Russia, about 10 or 11 months ago.

Mr. BALL. We have some very recent figures of the Maritime Administration for the first 6 months.

Mr. KITCHIN. We have the Maritime Administration report dated in September.

Mr. BALL. I believe there is a more recent report covering the first 9 months of this year. I can get those figures in just a moment.

Mr. KITCHIN. If you will supply them for the record, that will be helpful.

Mr. BALL. For January through August. This report gives a complete summary of the situation.

Mr. KITCHIN. Is that the report dated September 27?

Mr. BALL. No. This is October 2. This is a new report.

Mr. KITCHIN. I do not have that.

Mr. BALL. We shall submit this to you.

Mr. KITCHIN. We have made the September report a part of the record. We should like to get a copy of that.

Mr. BALL. Surely. We shall be glad to submit the later report prepared by the Maritime Administration, Mr. Chairman. It covers a longer period than the September report.

(The information requested is as follows:)

FREE-WORLD SHIPPING

IN THE

CUBAN TRADE

(January 1 through August 31, 1962)

Prepared by:
Maritime Administration
U. S. Department of Commerce
Washington 25, D. C.
October 2, 1962

815

I. Introduction

In view of the current concern of the Government of the United States over the shipments of arms and other cargoes to Cuba in Soviet-bloc and Free-World merchant ships, this study was undertaken to determine the patterns of Free-World shipping in the Cuban trade, the numbers and flags of registry of the Free-World ships engaged in such trade, and the companies involved. The study covers the eight-month period January 1 through August 31, 1962, and includes all Free-World merchant ships that have arrived in Cuba from countries other than Cuba during this period. The totals of ships and the number of trips by such ships to Cuba are believed to be conservative. Insofar as ownership of individual ships is concerned, the information presented has been obtained from reliable sources and is believed to be correct. However, this Administration cannot vouch for its accuracy in every instance.

II. Free-World Ships in the Cuban Trade

During the period January 1 through August 31, 1962, a total of 433 merchant ships (including 43 tankers) flying the flags of 22 Free-World countries made a total of 572 trips to Cuba. Ships flying the flags of Greece, the United Kingdom, the Federal Republic of Germany, and Norway accounted for 61 per cent of the total ships involved and 60 per cent of the total trips to Cuba. No United States flag ships called at Cuban ports (other than the U. S. Naval Base at Guantanamo Bay) during the period under study. The number of Free-World ships in the Cuban trade and the number of trips by such ships to Cuba during the period were more than double comparable figures for Soviet-bloc shipping. The following listing shows the ranking of the various Free-World countries whose ships engaged in trade with Cuba during the period January 1 - August 31, 1962, arranged in order of the number of ships involved and the number of trips:

<u>Flag</u>	<u>Number of Ships</u>	<u>Number of Trips</u>
1. Greece	97 (22%)	125 (22%)
2. United Kingdom	78 (18%)	110 (19%)
3. Germany (Fed. Rep.)	46 (11%)	50 (9%)
4. Norway	42 (10%)	55 (10%)
5. Lebanon	25	29
6. Italy	19	22
7. Japan	19	20
8. Denmark	17	33
9. Liberia	16	18
10. Sweden	15	19
11. Yugoslavia	14	20
12. Netherlands	12	14
13. Spain	9	30

<u>Flag</u>	<u>Number of Ships</u>	<u>Number of Trips</u>
14. Panama	8	8
15. France	5	5
16. Belgium	3	3
17. Finland	3	3
18. Chile	1	3
19. Morocco	1	2
20. Honduras	1	1
21. Switzerland	1	1
22. Turkey	1	1
Totals	433	572

A number of ships in the Cuban trade also trade with Communist China, and a number of them are known to have carried Title I, Public Law 480 cargoes.

The annex to this study provides details on the various Free-World ships in the Cuban trade during the period January 1-August 31, 1962. It gives the names of the ships, the flags of registry, the dates of arrivals in Cuba, and, as appropriate, the ship owners, agents, and associated companies.

III. Free-World Shipping Companies in the Cuban Trade

The great majority of the shipowners (or agents) involved in the Cuban trade operated only a few ships into Cuba during the period under study. By far the most important group of shipping companies in the Cuban trade during the first eight months of 1962 was the group consisting of the associated companies of London & Overseas Freighters, Ltd.; Rethymnis & Kulukundis, Ltd.; and Counties Ship Management Co., Ltd. This group accounted for 28 ships that made a total of 65 trips, or more than 10 per cent of the total trips made by Free-World ships to Cuba. Of the 43 tankers in the Cuban trade, sixteen were associated with this group of shipping companies.

The annex to this study relates, as appropriate, the Free-World ships in the Cuban trade with the ship owners, agents, and associated companies.

IV. Conclusions

Conclusions that may be drawn with respect to the Free-World ships and shipping companies engaged in trade with Cuba during the period January 1 - August 31, 1962, are as follows:

- 1) American ships and shipping companies are not engaged in trade with Cuba to any appreciable extent.
- 2) The traditional European maritime nations are providing the bulk of the Free-World shipping for trade with Cuba.
- 3) Free-World ships greatly exceed in number Soviet-bloc ships trading with Cuba.
- 4) Since the world's merchant fleet numbered 17,426 ships as of January 1, 1962, and since Free-World ships engaged in trade with Cuba constitute only 2½ per cent of this total, it is doubtful that the Cuban trade is of any great significance in solving world shipping problems.

FREE-WORLD SHIPS IN CUBAN TRADE
(January 1 through August 31, 1962)

Abbreviations

Be Belgian	Ja Japanese
Br British	Le Lebanese
Ch Chilean	Li Liberian
Da Danish	Mo Moroccan
Du Dutch	No Norwegian
Fi Finnish	Pa Panamanian
Fr French	Sp Spanish
Ge German	Ss Swiss
Gr Greek	Sw Swedish
Ho Honduran	Tu Turkish
It Italian	Ys Yugoslav

<u>Name and Flag</u>	<u>Arrival in Cuba</u>	<u>Owner</u>
ACHILLE (It)	Ar Havana 3/27/62 from Nagasaki, Japan	Uzeda Soc. di Nav., S.p.A. Catania, Sicily Subsidiary of: Matteo Scuderi Catania, Sicily
ACI (It)	Ar Antilla 1/5/62 from Leghorn, Italy	Sicilama Soc. di Nav. per Azioni Palermo, Sicily Subsidiary of: Societa di Navigazione Corrado Genoa, Italy
ADMIRAL BASTIAN (Ge)	Ar Havana 1/1/62 from Santa Lucia Ar Havana 2/25/62 from Hamburg, Germany	Helmut Bastian Bremen, Germany
ADOLF LEONHARDT (Ge)	Ar Havana 6/29/62 from Tsingtao, Communist China	Leonhardt & Blumberg Hamburg, Germany
ADRIAN (Ge)	Ar Havana 4/15/62 from Dairen, Communist China	Komrowski Befrachtungskontor K. G. Subsidiary of: Ernst Komrowski, Reederei Hamburg, Germany

AEGBAN DOLPHIN (Gr)	Ar Havana 6/11/62 from Dairen, Communist China	Freighters Transport Corp. Panama Agent: Coulouthros, Ltd. London, England (N.A.C. Embiricos)
AEGBAN ISLAND (Gr)	Ar Havana 5/13/62 from Shanghai, Communist China	Aquila Cia. Nav., S.A. Panama Agent: Coulouthros, Ltd. London, England (N.A.C. Embiricos)
AEGUITAS II (It)	Ar Santiago 4/4/62 from Genoa, Italy	Soc. per Azioni Industria Armamento Subsidiary of: Alberto Ravano Fu Pietro Genoa, Italy
AGHIA SOPHIA (Gr)	Ar Havana 4/9/62 from Rotterdam, Netherlands	Marfomento Cia. Nav., S.A. Panama Subsidiary of: Bray Shipping Co., Ltd. London, England (B. E. Mavroleon)
AILOLOS (Li)	Ar Havana 1/12/62 from Osaka, Japan Ar Manzanillo 6/6/62 from Mobile, Alabama	Concordia Shipping Corp., Monrovia, Liberia Subsidiary of: Thrasylvoulos L. Boyazides Athens, Greece
AKAGISAN MARU (Ja)	Ar Havana 1/18/62 from Osaka, Japan	Mitsui Senpaku K.K. Tokyo, Japan
AKIKAWA MARU (Ja)	Ar Havana 2/18/62 from Houston, Texas	Kawasaki Kisen K.K. ("K" Line) Kobe, Japan
ALDEBARAN (tanker)(Gr)	Ar Havana 2/20/62 from Naples, Italy Ar Matanzas 4/-/62 from Odessa, USSR Ar Havana 6/3/62 from Novorossisk, USSR Ar Santiago 8/2/62 from Odessa, USSR	Transatlantic Freighter Corp. Panama Agent: Rethymnis & Kulukundis, Ltd. London, England Associated with: Cargo & Tankship Management Corp., New York, New York (Manuel E. & Nicholas E. Kulukundis)

ALISIOS (Ge)	Ar Havana 7/12/62 from Hamburg, Germany	Helmut Bastian Bremen, Germany
ALKMAN(Gr)	Ar Cardenas 5/-/62 from Shanghai, Communist China	Rainbow Shipping Corp. Panama Subsidiary of: Lyras Bros., Ltd. London, England
ALMEN (Sw)	Ar Havana 2/20/62 from Novorossisk, USSR	Rederi - A/B Atos Subsidiary of: Lundgren & Borjessons Rederier Helsingborg, Sweden
ALONDRA (Ge)	Ar Havana 5/2/62 from Mt. Maunganui	Cimbria Reederei A.-G. Penneberg, Germany Subsidiary of: C. Clausen Copenhagen, Denmark
ALONSO DE OJEDA (Sp)	Ar Cardenas 7/31/62 from Valencia, Spain	Empresa Nacional Elcano de la Marina Mercante Madrid, Spain Beneficially owned by: Government of Spain
ALSTERUFER (Ge)	Ar Havana 8/20/62 from Bremerhaven, Germany	Rob M. Sloman, Jr. Hamburg, Germany
ALSTERN (Sw)	Ar Havana 6/28/62 from Helsingborg, Sweden	Rederi -A/B Atos Subsidiary of: Lundgren & Borjessons Rederier Helsingborg, Sweden
AMOY (Br)	Ar Cienfuegos 8/7/62 from Rangoon, Burma	China Pacific Navigation Co., Ltd., Victoria, Hong Kong Subsidiary of: Hornbeam Co., Ltd. Victoria, Hong Kong
AMPENAN (Du)	Ar Havana 4/13/62 from Calcutta, India	Koninklijke Rotterdamsche Lloyd N. V. Subsidiary of: Wm. Ruys & Zonen Rotterdam, Holland

Ship Name (Origin)	Arrival Details	Company/Agent
AMSTELDYK (Du)	Ar Havana 1/24/62 from Hamburg, Germany Ar Havana 3/19/62 from Bremen, Germany	Nederlandsch-Amerikaansche Stoomvaart Maatschappij, N.V. Rotterdam, Netherlands (Holland-Amerika Lijn)
ANASTASIA IV (Pa)	Ar Puerto Padre 3/31/62 from Moji, Japan	Derna Cia. de Nav., S.A. Panama Subsidiary of: John Livanos & Sons, Ltd. London, England
ANDREA GRITTI (It)	Ar Havana 3/30/62 from Genoa, Italy	Societa Italiana de Armamento (SIDARMA) Venice, Italy
ANGELOS (Gr)	Ar Havana 3/8/62 from Novorossisk, USSR Ar Havana 6/20/62 from Novorossisk, USSR	Etolika Cia. Nav., S.A. Panama Agent: A. Lusi, Ltd. London, England
ANINA (tanker) (No)	Ar Havana 8/-/62 from Haifa, Israel	Arne Blystet Oslo, Norway
ANITA (Ge)	Ar Jucaro 3/14/62 from Hamburg, Germany Ar Cardenas 6/2/62 from Hamburg, Germany	Ernst Russ Hamburg, Germany
ANNITSA (Gr)	Ar Havana 4/27/62 from Rotterdam, Netherlands Ar Havana 7/5/62 from Rotterdam, Netherlands	Vallecas Cia. Nav., S.A. Panama Agent: A. Lusi, Ltd. London, England
ANNITSA A. (Ho)	Ar Havana 4/27/62 from Novorossisk, USSR	Santa Anna Corp. Monrovia, Liberia Subsidiary of: Angelos, Ltd. London, England
ANOUA A. (Gr)	Ar Cardenas 3/14/62 from Hamburg, Germany	San Nicolaos Corp. Monrovia, Liberia Subsidiary of: Angelos, Ltd. London, England

ANTHONY II (Gr)	Ar Jucaro 7/7/62 from Moji, Japan	Mardoro Cia. Nav., S.A. Panama Agent: Coulouthros, Ltd. London, England (N.A.C. Embiricos)
ANTIOPE (Pa)	Ar Havana 1/7/62 from Novorossisk, USSR	Maritime & Commercial Corp., Inc. Panama Agent: Anglo-Swiss Maritime Co., Ltd. London, England
ANTONIETTA BOZZO (It)	Ar Cuba 2/-/62 (approx) from Naples, Italy	Giuseppe Bozzo Fu Lorenzo Genoa, Italy
ANTONIOS COULOUTHROS (Gr)	Ar Jucaro 7/17/62 from Antwerp, Belgium	Soc. Financiera Valenciana, S.A., Panama Agent: Coulouthros, Ltd. London, England (N.A.C. Embiricos)
ANTONIS (Le) (renamed DELIS)	Ar Mariel 2/3/62 from Seattle, Washington Ar Havana 7/-/62 from Rotterdam, Neth.	Viasegura Cia. Nav., S.A. Panama Subsidiary of: Martis Kulukundis London, England
ANTZOULETTA (tanker) (Gr)	Ar Santiago 1/19/62 from Bordeaux, France	Korianna Cia. Nav., S.A. Monrovia, Liberia Agent: Lykiardopulo & Co., Ltd. London, England
ANVERS (Be)	Ar Havana 2/6/62 from Miami, Florida	Armement Deppe, S.A. Antwerp, Belgium
APOLLON (Gr)	Ar Havana 4/5/62 from Odessa, USSR Ar Havana 7/5/62 from Novorossisk, USSR	Athenian Shipping Co., S.A. Panama Subsidiary of: Faros Shipping Co., Ltd. London, England (Michael M. Xylas)

ARABIAN REEFER (Da)	Ar Havana 1/3/62 from St. John, N. B.	Rederiet Ocean A/S Subsidiary of: J. Lauritzen Copenhagen, Denmark
	Ar Havana 1/16/62 from St. John, N. B.	
	Ar Havana 1/28/62 from St. John, N. B.	
	Ar Havana 2/11/62 from St. John, N. B.	
ARAGONA (Fi)	Ar Cienfuegos 8/28/62 from Izarka, USSR	Rederi Hans von Rettig Subsidiary of: Carl M. Trapp Turku (Abo), Finland
ARCHANGELOS G. (Gr)	Ar Nuevitas 1/31/62 from London, England	Asmatoi Cia. Mar., S.A. Panama Subsidiary of: Diamantis Lemos, Ltd. London, England
ARETI (Le)	Ar Santiago 4/13/62 from Novorossisk, USSR	Olisman Cia. Nav., Ltda. Panama Subsidiary of: Franco Shipping Co., Ltd. (formerly trading as Achilles Frangistas & S. Manassis) Athens, Greece
	Ar Havana 7/31/62 from Ciassa, USSR	
ARGOBEAM (Br)	Ar Jucaro 2/18/62 from Genoa, Italy	Argobeam Shipping Co., Ltd. Subsidiary of: A. Lusi, Ltd. London, England
ARGO OLLANDIA (Gr)	Ar Cienfuegos 5/20/62 from Palermo, Sicily	Shipping Developments Corp., S.A., Panama Agent: A. Lusi, Ltd. London, England
ARISTIDES (Gr)	Ar Havana 1/23/62 from Riga, USSR	Aristides S.S. Co., S.A. Panama Subsidiary of: Rallis Shipping Co., Ltd. London, England

ARISTOTELIS (Gr)	Ar Havana 1/24/62 from Leningrad, USSR	Marvuelo Cia. Nav., S.A. Panama Subsidiary of: Michail A. Karageorgis Pireaus, Greece
	Ar Havana 5/30/62 from Murmansk, USSR	
ARKANSAS (Da)	Ar Santiago 3/5/62 from New Orleans, La.	Forenade Dampskibs-Selskab A/S Det. Copenhagen, Denmark
ARKELDYK (Du)	Ar Havana 2/16/62 from Bremen, Germany	Nederlandsch-Amerikaansche Stoomvaart Maatschappij, N.V. Rotterdam, Netherlands (Holland-Amerika Lijn)
	Ar Havana 4/16/62 from Bremen, Germany	
ARMATHIA (Gr)	Ar Havana 7/27/62 from Rangoon, Burma	Alameda Cia. Nav., S.A. Panama Subsidiary of: Tropis Shipping Co., Ltd. London, England
ARNE PRESTHUS (No)	Ar Havana 1/3/62 from Burgas, Bulgaria	Johs. Presthus Bergen, Norway
	Ar Havana 5/20/62 from Klaipeda, USSR	
ASAMA MARU (Ja)	Ar Havana 7/6/62 from Kobe, Japan	Nippon Yusen Kaisha Tokyo, Japan
ATHELCROWN (tanker) (Br)	Ar Santiago 4/12/62 from Baton Rouge, Louisiana	Athel Line, Ltd. Subsidiary of: United Molasses Co., Ltd. London, England
ATHELKING (tanker) (Br)	Ar Santiago 5/7/62 from Rotterdam, Netherlands	do.
	Ar Cienfuegos 6/25/62 from London, England	
ATHELKNIGHT (tanker) (Br)	Ar Guantanamo Bay 1/20/62 from Corpus Christi, Texas	do.
	Ar Santiago 7/21/62 from Albany, N. Y.	

ATHELMERE (tanker) (Br)	Ar (Hienfuegos 8/8/62 from Jamaica	Athel Line, Ltd. Subsidiary of: United Molasses Co., Ltd. London, England
ATHELMONARCH (tanker) (Br)	Ar (Hienfuegos 2/19/62 from Rio Grande	do.
ATHELSULTAN (Br)	Ar (Guantanamo Bay 4/14/62 from Avonmouth, U.K.	do.
ATHEMTEMPLAR (Br)	Ar Pastelillo 3/-/62 from Salt End, England	do.
ATHENA (Gr)	Ar Sagua 3/9/62 from Hull, England	Celomar Cia. Nav., S.A. Panama
	Ar Havana 7/-/62 from Aruba	Subsidiary of: Marcou & Sons (Shipbrokers), Ltd., London, England
ATHENE (Ge)	Ar Havana 6/2/62 from Sydney, Australia	Cimbria Reederei A.G. Hamburg, Germany
		Subsidiary of: C. Clausen Copenhagen, Denmark
ATLANTIC AIR (Pa) (sold to Govt of Yugoslavia, renamed MATIYA IVANC)	Ar Havana 1/22/62 from Liverpool, England	Atlantic Freighters, Ltd. Monrovia, Liberia
		Associated with: Stavros Livanos Chios, Greece
ATLANTIC GLADIATOR (Gr)	Ar Havana 8/15/62 from Kherson, USSR	Ocean-Cargo Line, Ltd. Monrovia, Liberia
		Associated with: Stavros Livanos Chios, Greece
ATLANTIC SUNLIGHT (Gr)	Ar Havana 8/21/62 from Novorossisk, USSR	do.
ATLAS (Gr)	Ar Matanzas 2/23/62 from Genoa, Italy	Anax Shipping Co., S.A. Panama
	Ar Matanzas 7/26/62 from Montreal, Canada	Subsidiary of: Faros Shipping Co., Ltd. London, England

AVISBAY (Br)	Ar Havana 1/1/62 from Hsinking, Communist China	Aviation & Shipping Co., Ltd. Subsidiary of: Furvis Shipping Co., Ltd. London, England
AVRANCHES (Fr)	Ar Nuevitas 1/-/62 from Nantes, France	Compagnie Generale Trans- atlantique, S.A. Paris, France (controlled by Government of France)
AWOBASAN MARU (Ja)	Ar Havana 5/31/62 Houston, Texas	Mitsui Senpaku K.K. Tokyo, Japan
	Ar Havana 8/15/62 from Moji, Japan	

BANIGAI (Du)	Ar Havana 7/23/62 from San Juan, P. R.	N.V. Stoomv. Maats. Nederland Amsterdam, Netherlands
BATU (Du)	Ar Havana 5/4/62 Esikang, Communist China	do.
BEECH HILL (Br)	Ar Gardenas 2/20/62 from Avonmouth, England	Halifax Overseas Freighters, Ltd., Halifax, Canada Subsidiary of: Counties Ship Management Co., Ltd., London, England Associated with: London & Overseas Freighters, Ltd., and Rethymis & Kulukundis, Ltd. London, England
BELGIAN REEFER (De)	Ar Havana 2/3/62 from Constanta, Rumania	Rederiet Ocean A/S Subsidiary of: J. Lauritzen Copenhagen, Denmark
BELLAVIA (Ge)	Ar Havana 8/23/62 from Odessa, USSR	Herrn. Danielsberg Bremen, Germany
BETAMAR (Li)	Ar Havana 5/12/62 from San Juan, P. R.	Cia. Nav. Betacruz, S.A. Panama Subsidiary of: Adelski Verghittis, Ltd. London, England
BIRGIT (Sw)	Ar Havana 2/13/62 from Leningrad, USSR Ar Havana 6/4/62 from Leningrad, USSR	HJ. Sjosten Gothenburg, Sweden
BIRKENAU (Ge)	Ar Havana 1/6/62 Whampoa, Communist China	Bugsier, Reederei-Und Bergungs- A.-G. Hamburg, Germany
BIRTE OLDENDORFF (Ge)	Ar Havana 8/17/62 from Leningrad, USSR	Egon Oldendorff Lubeck, Germany

BOLIVIA MARU (Ja)	Ar Havana 6/19/62 from Kobe, Japan	Kawasaki Kisen K.K. ("K" Line) Kobe, Japan
BONITA (No)	Ar Sagua 3/8/62 from Halifax, Canada	A/S Uglands Rederi Subsidiary of: Johan M. Ugland Grimsted, Norway
BRAHEHOLM (Sw)	Ar Havana 2/11/62 from Malmo, Sweden	A/B Svenska Amerika Linien Subsidiary of: Axel Brostrom & Son Gothenburg C, Sweden
BRANDENBURG (Ge)	Ar Havana 7/6/62 Hamburg, Germany	Hamburg-Amerika Linie Hamburg, Germany
BRETWALDER (Br)	Ar Antilla 2/16/62 from Karlshamn, Sweden	Hall Brothers S.S. Co., Ltd. Subsidiary of: Hall Brothers Newcastle upon Tyne, U.K.
BROMALM (Sw)	Ar Santiago 4/23/62 from Landskrona, Sweden	Rederi - A/B Timex Gothenburg, Sweden Subsidiary of: Axel Brostrom & Son Gothenburg C, Sweden
BROOMPARK (Br)	Ar Havana 1/23/62 from Casablanca, Morocco	The Denholm Line Steamers, Ltd. Subsidiary of: J. & J. Denholm, Ltd. Glasgow, U. K.
BROSUND (Da)	Ar Havana 3/24/62 from Emden, Germany	D/S Hafnia A/S Subsidiary of: T. C. Christensen & Co. Copenhagen, Denmark
BUCCANERO (Sw)	Ar Havana 1/15/62 from Rouen, France Ar Havana 8/14/62 from Oslo, Norway	Salenrederierna A/B Subsidiary of: Sven Salen A/B Stockholm, Sweden

CABO FRIO (No)	Ar Havana 6/9/62 from Riga, USSR	Ludvig Lorentzen Oslo, Norway
	Ar Havana 8/11/62 from Riga, USSR	
CALIT (L1)	Ar Havana 2/./62 from Rotterdam, Netherlands	Marine Transport Co., S.A. Panama Agent: Margaronis Navigation Agency, Ltd. London, England
CALLIOTI MICHALOS (Gr)	Ar Havana 2/5/62 from Leningrad, USSR	N. Michalos & Sons Maritime Co., Ltd. Subsidiary of: Michalinos Maritime & Commercial Co., Ltd. Piraeus, Greece
CAPETAN ANTONIS (L1)	Ar Havana 1/12/62 from Casablanca, Morocco	Navigation Transport Co., Inc. Monrovia, Liberia Subsidiary of: Loucas Nomikos Piraeus, Greece
CAPETAN YIANNIS (L1)	Ar Sagua 7/3/62 from Jacksonville, Fla. and Genoa, Italy	Fianza Cia. Nav., S.A. Panama Agent: A. Lusi, Ltd. London, England
CAPE VENETICO (Gr)	Ar Cienfuegos 3/8/62 from Liverpool, England	Galaro Cia. Nav., S.A. Panama Agent: A. Lusi, Ltd. London, England
CARDAMILIYIS (Gr)	Ar Havana 6/6/62 from Rotterdam, Netherlands	Strovili Cia. Nav., S.A. Panama Agent: A. Lusi, Ltd. London, England
CARLA (Sw)	Ar Santiago 8/9/62 from Rangoon, Burma	Rederi - A/B Petra Subsidiary of: J.E. Manne & Co. (F.B. Wahlquists Eftr.) Gothenburg, Sweden

CARNATION (Le)	Ar Antilla 4/-/62 from Hamburg, Germany	Astrobelo Cia. Nav., S.A. Panama Agent: Lemos & Pateras, Ltd. London, England
CAROLA REITH (Ge)	Ar Havana 8/24/62 from Leningrad, USSR	Orion Schiffahrts - Ges. Reith & Co. Hamburg, Germany
CEDAR HILL (Br)	Ar Havana 7/11/62 from Constanta, Rumania	Halifax Overseas Freighters, Ltd., Halifax, Canada Subsidiary of: Counties Ship Management Co., Ltd. London, England Associated with: London & Overseas Freighters, Ltd. and Rethymis & Kulukundis, Ltd. London, England
CHARALAMBOS N. PATERAS (Gr)	Ar Antilla 3/24/62 from Naples, Italy Ar Cienfuegos 6/21/62 from Shanghai, Communist China	Acme Shipping Corp. Panama Subsidiary of: Lyras Bros., Ltd. London, England
CHILE MARU (Ja)	Ar Havana 8/21/62 from Wakamatsu, Japan	Kawasaki Kisen K.K. ("K" Line) Kobe, Japan
CHILEAN REEFER (Da)	Ar Havana 8/8/62 from Constanta, Rumania	Rederiet Ocean A/S Subsidiary of: J. Lauritzen Copenhagen, Denmark
CHRISTIAN SCHEID (Be)	Ar Havana 1/7/62 from Antwerp, Belgium	Armement Deppe, S.A. Antwerp, Belgium
CHRYSANTHI (Gr)	Ar Cuba 3/5/62 from Constanta, Rumania	Cia. de Nav. Centrale, S.A. Panama Subsidiary of: Pateras Bros. London, England

CINAN (It)	Ar Sagua 1/19/62 from Civitavecchia, Italy	Soc. per Azioni Industria Armamento Subsidiary of: Alberto Ravano Fu Pietro Genoa, Italy
CIS BROVIG (tanker) (No)	Ar Cienfuegos 4/2/62 from Constanta, Rumania	Partrederiet Brovigbank Subsidiary of: Th. Brovig Farsund, Norway
	Ar Santiago 6/24/62 from Rotterdam, Netherlands	
CLEARTON (Br)	Ar Cienfuegos 6/11/62 from Liverpool, England	Somerston Shipping Co., Ltd. Hamilton, Bermuda Subsidiary of: Chapman & Willan, Ltd. Newcastle upon Tyne, England
CLIO (Ge)	Ar Havana 1/29/62 from Bremen, Germany	Hans Kruger, G.M.B.H. Hamburg, Germany
CLJNEPARK (Br)	Ar Cienfuegos 7/28/62 from Moji, Japan	The Denholm Line Steamers, Ltd. Subsidiary of: J. & J. Denholm, Ltd. Glasgow, U. K.
CONSTANTINOS (Gr)	Ar Guantanamo Bay 6/14/62 from Augusta, Sicily	Conquistador Cia. Naviera, S.A. Panama Agent: A. Lusi, Ltd. London, England
CORMORANT (Li)	Ar Caibarien 3/23/62 from Rotterdam, Netherlands	San Pedro Cia. Armadora, S.A. Panama Subsidiary of: Goulandris Brothers, Ltd. London, England
CORONA (Ge)	Ar Havana 1/16/62 from Hsinking, Communist China	Robert Bartholomey Hamburg, Germany
COSTANTIS (Gr)	Ar Cuba 1/10/62 from Riga, USSR	Pateras Bros. London, England

COURSEILLES (Fr)	Ar Havana 6/12/62 from Hamburg, Germany	Societe Maritime Nationale Paris, France (Registered Owner - Marine Marchande, Government of France)
COVADONGA (Sp)	Ar Havana 2/12/62 from Bilbao, Spain	Compania Trasatlantica Espanola, S.A. Madrid, Spain
	Ar Havana 2/19/62 from Veracruz, Mexico	
	Ar Havana 4/3/62 from New York	
	Ar Havana 4/10/62 from Veracruz, Mexico	
	Ar Havana 5/27/62 from Bilbao, Spain	
	Ar Havana 6/4/62 from Veracruz, Mexico	
	Ar Havana 7/20/62 from Bilbao, Spain	
	Ar Havana 7/26/62 Veracruz, Mexico	
CRYSTAL CROWN (Br)	Ar Moa 7/25/62 from Bayonne, France	Sugar Line, Ltd. Subsidiary of: Silvertown Services, Ltd. London, England

DANHOLM (Da)	Ar Havana 2/19/62 from Rign, USSR	Jorgen Ditlev Lauritzen Hellerup, Denmark
	Ar Havana 7/18/62 from Rotterdam, Netherlands	
DEMIRHAN (Tu)	Ar Havana 7/11/62 from Kherson, USSR	Sadikoglu, Riza Ve Aslan, Ortaklari Komandit Sirketi, Istanbul, Turkey
DIAMANTIS PATERAS (Gr)	Ar Guantanamo Bay 3/5/62 from Liverpool, UK	Fourkero Shipping Corp. Monrovia, Liberia Agent: Diamantis Pateras, Ltd. London, England
DICTO (No)	Ar Matanzas 5/8/62 from Rotterdam, Netherlands	E. B. Aaby's Rederi-A/S Subsidiary of: Yngvar Aaby Oslo, Norway
DIMITRIS (Gr)	Ar Nicaro 7/1/62 (approx) from Hamburg, Germany	Cia. Nav. Krina, S. A. Panama Agent: Lemos & Pateras, Ltd. London, England
DOCTOR G. LEMOS (Li)	Ar Cienfuegos 3/14/62 from Moji, Japan	Golfo Deseado Cia. Naviera, S. A. Panama Agent: G. Lemos Brothers Co., Ltd. London, England
DONA KATERINA (Gr)	Ar Tunas de Zaza 7/10/62 from Hsinkang, Communist China	Cia. Panamena Europea Navegacion, Ltda. Panama Subsidiary of: A. J. & D. J. Chandris Piraeus, Greece
DORTHE OLDENDORFF (Ge)	Ar Havana 8/1/62 from Leningrad, USSR	Egon Oldendorff Lubeck, Germany
DURHAM TRADER (Br)	Ar Mariel 2/8/62 from Novorossisk, USSR	Trader Navigation Co., Ltd. London, England

ECUADORIAN REEFER (Da)	Ar Havana 7/5/62 from Leningrad, USSR	Rederiet Ocean A/S Subsidiary of: J. Lauritzen Copenhagen, Denmark
EFCHARIS (Gr)	Ar Bahia Honda 3/10/62 from Tokyo, Japan	Dem. P. Margaronis & Sons Athens, Greece
EFDEMON (Gr)	Ar Sagua 3/3/62 from Yokohama, Japan	Dem. P. Margaronis & Sons Athens, Greece
EISHIN MARU (Ja)	Ar Havana 2/3/62 from Miami, Florida	Hinomaru Kisen K. K. Tokyo, Japan
EL CAFETERO (Li)	Ar Havana 1/9/62 from Tampico, Mexico Ar Havana 3/6/62 from Hamburg, Germany	Gulf & Atlantic Shipping Co., S. A. Panama Operating Mgr: Gotaas-Larsen, Inc. ¹ New York, New York
ELLI (Gr)	Ar Havana 4/6/62 Barcelona, Spain	Marfomento Cia. Nav., S.A. Panama Subsidiary of: Bray Shipping Co., Ltd. London, England (B. E. Mavroleon)
ENTOPAN (Gr)	Ar Havana 4/30/62 from Gdynia, Poland	Logos Cia. Nav. S. A. Panama Agent: S. G. Embiricos, Ltd. London, England
ERICH SCHRODER (Ge)	Ar Havana 1/16/62 from Varna, Bulgaria	Reederei Richard Schroder Hamburg, Germany
ERINIO (Le)	Ar Havana 4/3/62 from Freeport, Bahamas	Master Shipping Co., S. A. Panama Subsidiary of: Pateras Shipbrokers, Ltd. London, England
ERNST SCHRODER (Ge)	Ar Havana 1/19/62 from Kingston, Jamaica	Reederei Richard Schroder Hamburg, Germany

¹Gotaas-Larsen, Inc. furnished the following supplemental information:
 "The 'EL CAFETERO' was under long term time charter to Holland-America Line or Rotterdam, the Netherlands, which is still in effect and does not expire until 1965. The Time Charterer had the power to determine where the ship would go."

ESSEX TRADER (Br)

Ar Havana
2/18/62
from Rotterdam,
Netherlands

Trader Navigation Co., Ltd.
London, England

Ar Havana
3/20/62
from Odessa, USSR

EVJE (tanker) (No)

Ar Nuevitas
2/10/62
from Tuzpse, USSR

E. B. Aaby's Rederi-A/S
Subsidiary of:
Yngvar Aaby
Oslo, Norway

Ar Santiago
6/18/62
from Ventspils, USSR

FALCON (Gr)	Ar Cienfuegos 5/23/62 from Marseilles, France	San Pedro Cia. Armadora, S. A. Panama Subsidiary of: Goulandris Brothers, Ltd. London, England
FEDERICO SCHWAGER (Ch)	Ar Guantanamo Bay 1/1/62 from Valparaiso, Chile Ar Cienfuegos 6/11/62 from Valparaiso, Chile Ar Havana 8/30/62 from Talcahuano, Chile	Naviera Coronel, S. A. Valparaiso, Chile Subsidiary of: Naviera Chilena de Pacífico, S. A. Valparaiso, Chile
FIR HILL (Br)	Ar Cardenas 2/7/62 from Havre, France	Halifax Overseas Freighters, Ltd. Halifax, Canada Subsidiary of: Counties Ship Management Co., Ltd. London, England Associated with: London & Overseas Freighters, Ltd. and Rethymais & Kulukundis, Ltd. London, England
FLOTTBEK (Ge)	Ar Havana 2/23/62 from Hamburg, Germany	Knohr & Burchard NFL Hamburg, Germany
FOLKE BERNADOTTE (No)	Ar Matanzas 1/31/62 (approx) from Inningham	Skibs-A/S Garm & Skibs- A/S Preba Subsidiary of: Prebensen & Blakstad Risør, Norway
FORT DAUPHIN (Fr)	Ar Havana 7/1/62 from Havre, France	Compagnie Generale Trans- atlantique, S. A. Paris, France (Controlled since 1931 by Government of France)
FRANCESCO MOROSINI (It)	Ar Havana 1/7/62 from Genoa, Italy	Societa Italiana di Armamento (SIDARMA) Venice, Italy

FRANK LEONHARDT (Ge)	Ar Havana 4/7/62 from Conakry	Leonhardt & Blumberg Hamburg, Germany
FRED CHRISTENSEN (No)	Ar Havana 1/11/62 from Ventspils, USSR	Stener S. Muller's Rederi-A/S Subsidiary of: Stener S. Muller Bergen, Norway
FRESNO CITY (Br)	Ar Cabanas 4/9/62 from Tyne, England	Reardon Smith Line, Ltd. Subsidiary of: Sir William Reardon Smith & Sons, Ltd. London, England
FRO (No)	Ar Havana 3/10/62 from Montevideo, Uruguay	D/S A/S Ask. Subsidiary of: August Kjerland & Co., A/S Bergen, Norway

GALINI (Gr)	Ar Havana 5/28/62 from Constanta, Rumania	Aspasia Shipping Corp. Monrovia, Liberia Subsidiary of: General Marine Agency, Ltd. London, England (Michael J. Livanos)
GAUTATYR (Da)	Ar Punta Gorda 5/3/62 from Barry, UK	Rederi-A/S Myren Subsidiary of: Holm & Wonsild Copenhagen, Denmark
GEDDINGTON COURT (Br)	Ar Matanzas 2/2/62 from Manchester, England	Court Line, Ltd. London, England
GEMSTONE (Pa)	Ar Guantanamo Bay 3/16/62 from Barcelona, Spain	Alvion S. S. Corp. Panama Agent: Navcot Corporation New York, New York
GEORGIOS (Gr)	Ar Cienfuegos 2/10/62 from Valencia, Spain	Livanos Bros. Maritime Co., Ltd. Subsidiary of: N. G. Livanos Piraeus, Greece
GERD TORM (Da)	Ar Havana 6/26/62 from Alexandria, UAR	Dampskibsselskabet Torm, A/S, Copenhagen, Denmark
GLENPARK (Br)	Ar Cardenas 2/21/62 from Casablanca, Morocco	The Denholm Line Steamers, Ltd. Subsidiary of: J. & J. Denholm, Ltd. Glasgow, Scotland
GLORIA (Gr)	Ar Havana 8/16/62 from Novorossisk, USSR	Achilles Frangistas & E. Athanasiou Subsidiary of: Franco Shipping Co., Ltd. (formerly trading as A. Frangistas & S. Manassis) Athens, Greece
GORDIAN (No)	Ar Havana 2/8/62 from Novorossisk, USSR	Rederi-A/S Titanian, Rederi-A/S Hadrian & Rederi-A/S Nerva Subsidiary of: Hilmar Reksten Bergen, Norway
	Ar Havana 6/20/62 from Leningrad, USSR	

GRAIG (Br)	Ar Havana 1/5/62 from Liverpool, England	Graig Shipping Co., Ltd. Subsidiary of: Idwal Williams & Co., Ltd. Cardiff, U. K.
GRANVIK (tanker) (No)	Ar Havana 8/8/62 from Havre, France	Skips-A/S Spervik Subsidiary of: A. C. Olsen Sandefjord, Norway
GRETA DAN. (Da)	Ar Havana 1/12/62 from Punta Arenas	Rederiet Ocean A/S Subsidiary of: J. Lauritzen Copenhagen, Denmark
GUADALUPE (Sp)	Ar Havana 1/18/62 from Bilbao, Spain	Compania Transatlantica Espanola, S. A. Madrid, Spain
	Ar Havana 1/24/62 from Veracruz, Mexico	
	Ar Havana 3/13/62 from Bilbao, Spain	
	Ar Havana 3/19/62 from Veracruz, Mexico	
	Ar Havana 5/2/62 from Bilbao, Spain	
	Ar Havana 5/10/62 from Veracruz, Mexico	
	Ar Havana 6/24/62 from Bilbao, Spain	
	Ar Havana 7/1/62 from Veracruz, Mexico	

GULDENSAND (Ge)	Ar Havana 7/4/62 from Burgas, Bulgaria	A. F. Harmstorf & Co. Hamburg-Altona, Germany
GUNHILD TORM (Da)	Ar Havana 2/4/62 from Rotterdam, Netherlands	Dampskibsselskabet Torm A/S Copenhagen, Denmark
	Ar Havana 5/3/62 from Alexandria, UAR	
	Ar Havana 7/19/62 from Alexandria, UAR	
GUNNAR BROVIG (tanker) (No)	Ar Santiago 4/3/62 from Constanta, Rumania	Partrederiet Brovigtank Subsidiary of: Th. Brovig Farsund, Norway

HARMATTAN (Br)	Ar Jucaro 2/-/62 from Hamburg, Germany	Gowland S. S. Co., Ltd. Subsidiary of: J. & C. Harrison, Ltd. London, England
HARPAGUS (Br)	Ar Sagua 7/-/62 from Hainkang, Communist China	J. & C. Harrison, Ltd. London, England
HAZELMOOR (Br)	Ar Matanzas 4/28/62 from Rotterdam, Netherlands	Moor Line, Ltd. Subsidiary of: Walter Runciman & Co., Ltd. Newcastle upon Tyne, U. K.
HELENE PRESTHUS (No)	Ar Havana 2/12/62 from Shanghai, Communist China	Johs. Presthus Bergen, Norway
HELGA WITT (Ge)	Ar Havana 8/14/62 from Rotterdam, Netherlands	Hinrich Witt, G.M.B.H. Hamburg, Germany
HERA (Du)	Ar Micaro 7/11/62 from Kingston, Jamaica	N. V. Koninklijke Neder- landsche Stoomboot Maatschappij Amsterdam, Holland
HERBORG (No)	Ar Havana 5/27/62 from Riga, USSR	Vaboens Rederi-A/S Subsidiary of: Olaf Vaboen Kristiansand S., Norway
HERDIS TORM (Da)	Ar Cardenas 3/29/62 from Hamburg, Germany	Dampskibsselskabet Torm, A/S, Copenhagen, Denmark
	Ar Havana 8/28/62 from Alexandria, UAR	
HIKAWA MARU (Ja)	Ar Havana 1/19/62 from Moji, Japan	Kawasaki Kisen K. K. & Nippon Kaiun K. K. Subsidiary of: Kawasaki Kisen K. K. ("K" Line) Kobe, Japan

HILDE HORN (Ge)	Ar Cuba 1/20/62 (approx) from Hamburg, Germany	Heinrich C. Horn Hamburg, Germany
HO FUNG (Br)	Ar Havana 4/9/62 from Rangoon, Burma	Wallem & Co., Ltd. Victoria, Hong Kong
HOLLAND (Da)	Ar Havana 2/3/62 from Whampoa, Communist China	A/S Det Dansk-Franske D/S Subsidiary of: A. N. Petersen Copenhagen, Denmark
HOLTHEIM (No)	Ar Havana 1/4/62 from Leningrad, USSR Ar Havana 7/25/62 from Tsingtao, Communist China	A/S Holter-Sorensens Tankrederi Subsidiary of: B. Holter-Sorensen & Co. Oslo, Norway
HOLTHILL (No)	Ar Havana 1/15/62 from Whampoa, Communist China	A/S Besco Subsidiary of: B. Holter-Sorensen & Co. Oslo, Norway
HORNLAND (Ge)	Ar Cuba 5/26/62 (approx) from Hamburg, Germany	Horn-Linie Subsidiary of: Heinrich C. Horn Hamburg, Germany
HORNSTERN (Ge)	Ar Nuevitas 4/21/62 from Hamburg, Germany	do.
HOZAN MARU (Ja)	Ar Havana 4/19/62 from Moji, Japan	Miyachi Kisen K. K. Kobe, Japan
HYDRAIOS III (Gr)	Ar Havana 1/12/62 from Dairen, Communist China	Veritas Shipping Co., S. A. Subsidiary of: Ath. N. Coulouras Athens, Greece

INDIAN REEFER (Da)	Ar Havana 1/10/62 from St. John, N.B.	Rederiet Ocean A/S Subsidiary of: J. Lauritzen Copenhagen, Denmark
	Ar Havana 1/22/62 from St. John, N.B.	
	Ar Havana 2/9/62 from St. John, N.B.	
	Ar Havana 2/24/62 from St. John, N.B.	
	Ar Havana 3/12/62 from St. John, N.B.	
	Ar Havana 3/24/62 from St. John, N.B.	
	Ar Havana 4/12/62 from St. John, N.B.	
	Ar Havana 5/15/62 from Montreal, Canada	
	Ar Havana 6/17/62 from Montreal, Canada	
INGA BASTIAN (Ge)	Ar Havana 6/11/62 from Rotterdam, Neth.	Helmut Bastian Bremen, Germany
INKERI NURMINEN (Fi)	Ar Mariel 2/11/62 from Archangel, USSR	John Nurminen, O/Y Helsinki, Finland
INTEGRITAS (It)	Ar Cuba 3/15/62 (approx) from Spezia, Italy	Adriatico Tirreno Jonio Ligure (ATJL) de Alberto Ravano & figli Subsidiary of: Alberto Ravano Fu Pietro Genoa, Italy

IOANNIS INGLESIS (Gr)	Ar Cienfuegos 5/26/62 from Rangoon, Burma	Navigation de Samos (D. Inglessi fils, S.A.) Subsidiary of: Frinton Shipbrokers, Ltd. London, England
IOANNIS P. GOULANDRIS (Gr)	Ar Cardenas 1/13/62 from La Pallice, France	Goulandris Bros. Athens, Greece Subsidiary of: Goulandris Brothers, Ltd. London, England
IVARAN (No)	Ar Havana 2/9/62 from Shanghai, Communist China	Ivarans Rederi A/S Oslo, Norway
IZ (tanker) (Ys)	Ar Cienfuegos 3/22/62 from Tuapse, USSR	Jugoslavenska Tankerska Flotilja Zadar, Yugoslavia Beneficially owned by: Government of Yugoslavia
	Ar Havana 6/26/62 from Tuapse, USSR	
	Ar Cienfuegos 7/11/62 from New Orleans	

JAJCE (tanker) (Ya)	Ar Santiago 7/26/62 from Rostock, E. Germany	Jugoslavenska Tankerska Flotidba Zadar, Yugoslavia Beneficially owned by: Government of Yugoslavia
	Ar Cuba 8/-/62 from Kingston, Jamaica	
JEDMOOR (Br)	Ar Santa Cruz de Sur 4/19/62 from Manchester, England	Moor Line, Ltd. Subsidiary of: Walter Runciman & Co., Ltd. Newcastle upon Tyne, UK
JEVINGTON COURT (Br)	Ar Cienfuegos 2/12/62 from Riga, USSR	Court Line, Ltd. London, England
JOH. GORTON (Sw)	Ar Havana 8/27/62 from Ghent	Rederi - A/B Gylfe Subsidiary of: Gorthons Rederier Helsingborg, Sweden
JOHANNA OLDENDORFF (Ge)	Ar Havana 8/7/62 from Dairen, Communist China	E. L. Oldendorff & Co., G.m.b.H. Subsidiary of: Egon Oldendorff Lubeck, Germany
JOHN BAKKE (No)	Ar Havana 1/11/62 from Riga, USSR	Dampsk - A/S Varoy Subsidiary of: Knut Knutsen, O.A.S. Haugesund, Norway
JOHN G. L. (Pa)	Ar Guantanamo Bay 4/1/62 from Naples, Italy	Lamda Shipping Enterprises Corp., S.A. Panama Subsidiary of: John Livanos & Sons, Ltd. London, England
JOHN LYRAS (Gr)	Ar Havana 6/22/62 from Yokohama, Japan	Viking Shipping Corp. Panama Subsidiary of: Lyras Bros., Ltd. London, England
JOHN WILSON (La)	Ar Guantanamo Bay 7/2/62 from Pensacola, Fla.	Ocean Transport Lines, Inc. Monrovia, Liberia Subsidiary of: Wilson Shipping Co. Santiago, Chile

JUSTINIAN (No)	Ar Havana 3/6/62 from Murmansk, USSR	Rederi - A/S Julian & Rederi- A/S Diocletian Subsidiary of: Hilmar Reksten Bergen, Norway
JYTTÉ SKOU (Da)	Ar Santiago 7/29/62 from Leningrad, USSR	Ove Skou Rederi-A/S Subsidiary of: Ove Skou Copenhagen, Denmark
J. W. PAULIN (Fi)	Ar Santiago 2/19/62 from Leningrad, USSR	Paulins Rederi-A/B Subsidiary of: Paulins Rederier Turku, Finland

EXPORT CONTROL ACT OF 1949

KAMOGAWA MARU (Ja)	Ar Havana 5/2/62 from Houston, Texas	Toyo Kaiun K.K. Tokyo, Japan
KAMARIS (Gr)	Ar Jucaro 4/19/62 (approx) from Copenhagen, Denmark	Costa de Marfil Cia. Nav., S.A. Panama Agent: Diamantis Pateras, Ltd. London, England
KARAOSTASI (Ld)	Ar Havana 3/11/62 from Szczecin, Poland	Marempresa Cia. Nav., S.A. Panama Agent: George Nicolaou, Ltd. London, England
KATERINA (Le)	Ar Havana 2/15/62 from Leningrad, USSR	A. Frangistas & others Subsidiary of: Franco Shipping Co., Ltd. (formerly trading as A. Frangistas & S. Manassis) Athens, Greece
	Ar Guantanamo Bay 8/1/62 (approx) from Odessa, USSR	
KATERINA SAMONA (Le)	Ar Havana 2/3/62 from Riga, USSR	Prosperity Shipping, S.A. Panama Agent: G. Lemos Brothers Co., Ltd. London, England
KATINA (Gr)	Ar Guantanamo Bay 5/22/62 from Stanlow, England	Cia. de Nav. Guaca, S.A. Panama Agent: S. G. Embiricos, Ltd. London, England
KEHREA (Gr)	Ar Havana 1/27/62 from Far East and Honolulu	T. N. Epiphaniades Shipping Co., Ltd. Athens, Greece Subsidiary of: Tropis Shipping Co., Ltd. London, England
KINUTA (Br)	Ar Havana 2/3/62 from Hull, U.K.	Pacific Steam Navigation Co. Liverpool, England (Controlled by Royal Mail Lines, Ltd.)

KERTIS (Gr)	Ar Gaibarien 6/-/62 Rotterdam, Neth.	Strovili Cia. Nav., S.A. Panama Agent: A. Lusi, Ltd. London, England
KHIOS BELLE (Gr)	Ar Nuevitas 7/-/62 from Osaka, Japan	Pioneer Shipping Development, Inc., Panama Subsidiary of: Chios Navigation Co., Ltd. London, England
KING MINOS (Gr)	Ar Nuevitas 7/15/62 from Dairen, Communist China	Hellenic Star Greek Maritime Co., Ltd. Piraeus, Greece Agent: Nomikos (London), Ltd. London, England
KING THESEUS (Gr)	Ar Nuevitas 7/24/62 from Shanghai, Communist China	Perseus Hellenic Shipping Co., Ltd. Piraeus, Greece Agent: Nomikos (London), Ltd. London, England
KIRRIEMOOR (Br)	Ar Cienfuegos 1/10/62 from Antwerp	Moor Line, Ltd. Subsidiary of: Walter Runciman & Co., Ltd. Newcastle upon Tyne, UK
KLOSTERTOR (Ge)	Ar Cardenas prev. 6/26/62 from Maracaibo, Vene- zuela	Fisser & v. Doornum Emden, Germany
KONGSGAARD (tanker) (No)	Ar Havana 6/14/62 from Odessa, USSR	Skibs-A/S Solvang Subsidiary of: Brodrene Olsen, A/S Stavanger, Norway
	Ar Havana 7/26/62 from Odessa, USSR	
KORDUN (Ys)	Ar Havna 1/15/62 from Trieste	Jugoslavenska Oceanska Providba Kotor, Yugoslavia Beneficially owned by: Government of Yugoslavia
KOSTIS (Gr)	Ar Santiago 6/19/62 from Rangoon, Burma	Costis Cia. Maritima, S.A. Panama Agent: Laimos Bros., Ltd. London, England

KRALJEVICA (Ya)	Ar Havana 1/23/62 from Rijeka, Yugoslavia	Kvarnerska Plovidba Rijeka, Yugoslavia Beneficially owned by: Government of Yugoslavia
KREFELD (Ge)	Ar Cienfuegos 4/5/62 from Port Limon	Hamburg-Amerika Linie Hamburg, Germany
KUMROVEC (Ya)	Ar Gardenas 6/-/62 from Trieste	Maritima Shipping Co., Ltd. (registered owner) Liechtenstein Operating under: Kvarnerska Plovidba Rijeka, Yugoslavia of the Government of Yugoslavia
KVARNER (Ya)	Ar Havana 3/18/62 from Venice, Italy	Kvarnerska Plovidba Rijeka, Yugoslavia Beneficially owned by: Government of Yugoslavia
KYOTOKU MARU (Ja)	Ar Havana 2/14/62 from Yokohama, Japan	Kyoritsu Kisen K.K. Tokyo, Japan
KYOZUI MARU (Ja)	Ar Havana 1/7/62 from Miami	do
KYRA HARIKLIA (Gr)	Ar Mariel 5/5/62 from Venice, Italy	Olisman Cia. Nav., Ltda. Panama Subsidiary of: Franco Shipping Co., Ltd. (formerly trading as A. Frangistas & S. Manassis) Athens, Greece
KYVERNITIS (Gr)	Ar Puerto Padre 7/-/62 from Genoa, Italy	Miramar Cia. Nav., S.A. Panama Agent: Diamantis Pateras, Ltd. London, England

LANGKOEAS (Du)	Ar Havana 4/28/62 from Djibouti	Koninklijke Rotterdamsche Lloyd N.V. Subsidiary of: Wm. Ruys & Zonen Rotterdam, Neth.
LAZZARO MOCENIGO (It)	Ar Havana 2/14/62 from Genoa, Italy	Societa Italiana di Armamento (SIDARMA) Venice, Italy
LENDAVA (tanker) (Ys)	Ar Santiago 2/28/62 from Ventspils, USSR Ar Santiago 5/26/62 from Ventspils, USSR	Jugoslavenska Tankerska Flotilja Zadar, Yugoslavia Beneficially owned by: Government of Yugoslavia
LIBERATOR (Gr)	Ar Jucaro 2/20/62 (approx.) from Tokyo, Japan	Cia. Nav. del Caribe, S.A. Panama Agent: Diamantis Pateras, Ltd. London, England
LIMBURG (Du)	Ar Havana 6/18/62 from Calcutta, India	Koninklijke Rotterdamsche Lloyd N.V. Subsidiary of: Wm. Ruys & Zonen Rotterdam, Netherlands
LINKMOOR (Br)	Ar Cardenas 3/12/62 from Antwerp, Belgium	Moor Line, Ltd. Subsidiary of: Walter Runciman & Co., Ltd. Newcastle upon Tyne, UK
LIONEL (No)	Ar Havana 1/12/62 from Charleston, S.C.	Dampsk.-A/S Ostlandet Subsidiary of: Alf Mohn, Jr. Oslo, Norway

LONDON CONFIDENCE (tanker) (Br)	Ar Havana 7/25/62 from Novorossisk, USSR	Owner: London & Overseas Freighters, Ltd. London, England Associated with: Counties Ship Management Co., Ltd. London, England Associated with: Rethymnis & Kulukundis, Ltd. London, England
LONDON GLORY (tanker) (Br)	Ar Santiago 2/6/62 from Ventpils, USSR Ar Santiago 6/29/62 from Novorossisk, USSR	do.
LONDON HARMONY (tanker) (Br)	Ar Mariel 2/10/62 (approx.) from Odessa, USSR Ar Cienfuegos 3/26/62 from Odessa, USSR	do.
LONDON INDEPENDENCE (tanker) (Br)	Ar Havana 1/7/62 from Novorossisk, USSR Ar Havana 2/22/62 from Odessa, USSR Ar Havana 4/22/62 from Novorossisk, USSR Ar Havana 6/1/62 from Novorossisk, USSR	do.
LONDON MAJESTY (tanker) (Br)	Ar Matanzas 2/-/62 from Odessa, USSR Ar Santiago 4/26/62 from Novorossisk, USSR Ar Nuevitas 7/11/62 from Odessa, USSR	do.

LONDON PRESTIGE (tanker) (Br)	<p>Ar Havana 1/17/62 from Novorossisk, USSR</p> <p>Ar Santiago 3/14/62 from Novorossisk, USSR</p> <p>Ar Santiago 5/6/62 from Odessa, USSR</p>	<p>Owner: London & Overseas Freighters, Ltd. London, England</p> <p>Associated with: Counties Ship Management Co., Ltd. London, England</p> <p>Associated with: Rethymnis & Kulukundis, Ltd. London, England</p>
LONDON PRIDE (tanker) (Br)	<p>Ar Havana 1/23/62 from Novorossisk, USSR</p>	do.
LONDON SPIRIT (tanker) (Br)	<p>Ar Havana 1/1/62 from Novorossisk, USSR</p> <p>Ar Santiago 3/14/62 from Ventapils, USSR</p> <p>Ar Nuevitas 5/4/62 from Odessa, USSR</p> <p>Ar Santiago 7/3/62 from Novorossisk, USSR</p> <p>Ar Santiago 8/23/62 from Ventapils, USSR</p>	do.
LONDON SPLENDOUR (tanker) (Br)	<p>Ar Santiago 1/15/62 from Odessa, USSR</p> <p>Ar Santiago 5/28/62 from Odessa, USSR</p> <p>Ar Havana 7/14/62 from Odessa, USSR</p>	do.

LONDON VICTORY (tanker) (Br)	Ar Havana 2/1/62 f:rom Odessa, USSR	Owner: London & Overseas Freighters, Ltd. London, England
	Ar Matanzas 3/23/62 f:rom Odessa, USSR	Associated with: Counties Ship Management Co., Ltd. London, England
	Ar Havana 7/4/62 f:rom Novorossisk, USSR	Associated with: Rethymis & Kulukundis, Ltd. London, England
LORADORE (Br)	Ar Havana 6/20/62 f:rom Novorossisk, USSR	Maritime Shipping & Trading Co., Ltd. Beneficially owned by: Ralli Bros., Ltd. and Michalinos & Co., Ltd. London, England
LORD GLADSTONE (Br)	Ar Santiago 3/3/62 f:rom Odessa, USSR	Norships Ocean Carriers, Ltd. Subsidiary of: Ships Finance & Management Co., Ltd. London, England
	Ar Havana 6/16/62 f:rom Novorossisk, USSR	Associated with: George Nicolacu, Ltd.
LORENZO MARCELLO (It)	Ar Santiago 1/18/62 f:rom Genoa, Italy	Societa Italiana di Armamento (SIDARMA) Venice, Italy
LOVDAL (tanker) (No)	Ar Santiago 1/24/62 f:rom Novorossisk, USSR	Skips - A/S Sunde Subsidiary of: Samelsens Rederi Farsund, Norway
	Ar Havana 5/23/62 f:rom Odessa, USSR	
LUISE HORN (Ge)	Ar Nuevitas 6/1/62 (approx.) f:rom Dover, England	Heinrich C. Horn Hamburg, Germany
LUKA BOTIC (Ya)	Ar Havana 2/14/62 f:rom Split, Yugoslavia	Jadranska Slobodna Flotidba Split, Yugoslavia Beneficially owned by: Government of Yugoslavia

LUNEBURG (Ge)

Ar Havana
1/29/62
from Hamburg, Germany

Hannaburg Reederei A.
Dietsch K.G.
Hamburg, Germany

LYDIA (Le)

Ar Havana
1/12/62
from Riga, USSR

Atlas Maritime Finance Corp.
Panama
Subsidiary of:
Lyras Bros., Ltd.
London, England

MALAY MARU (Ja)	Ar Havana 8/18/62 from Moji, Japan	Hachiuma Kisen K.K. Hyogo-ken, Japan
MALDEN HILL (Br)	Ar Havana 2/7/62 from Antwerp, Belgium	Acadia Overseas Freighters, Ltd., Halifax, Canada Subsidiary of: Counties Ship Management Co., Ltd. London, England Associated with: London & Overseas Freighters, Ltd. and Rethymis & Kulukundis, Ltd. London, England
MANES (Gr)	Ar Havana 5/2/62 from Novorossisk, USSR	
MANJUSAN MARU (Ja)	Ar Nuevitas 3/1-2/62 from London, England	Motornaves, Ltda. Port Limon, Costa Rica Agent: Phocean Ship Agency, Ltd. London, England
MANJUSAN MARU (Ja)	Ar Havana 3/29/62 from Houston, Texas	Mitsui Senpaku K.K. Tokyo, Japan
MARBURG (Ge)	Ar Cardenas 6/11/62 from Port Limon	Hamburg-Amerika Linie Hamburg, Germany
MARCHOVELETTE (Be)	Ar Havana 7/19/62 from Antwerp, Belgium	Compagnie Maritime Belge (Lloyd Royal), S.A. Antwerp, Belgium
MARGIT (Da)	Ar Havana 2/20/62 from Shanghai, Communist China	Rederi-A/S Myren Subsidiary of: Holm & Wonsild Copenhagen, Denmark
MARIA DE LOUDES (Gr)	Ar Guantanamo Bay 6/19/62 from Piraeus, Greece	Cia. de Nav. Michaels Line, S.A. Panama Subsidiary of: Th. M. Michaelides Athens, Greece
MARIA HADJIPATERAS (Gr)	Ar Havana 7/2/62 from Shanghai, Communist China	Panvista Cia. Nav., S.A. Panama Agent: John C. Hadjipateras & Sons, Ltd. London, England

MARIA LEMOS (Gr)	Ar Havana 5/3/62 from Vancouver, Canada	Cia. Nacional Naviera, S.A. Panama Agent: Laimos Bros., Ltd. London, England
MARIANNINA (Le)	Ar Havana 3/26/62 from Odessa, USSR	Cia. de Nav. Arcoul, S.A. Panama Subsidiary of: Marcou & Sons (Shipbrokers), Ltd., London, England
MARIA STATHATOS (Gr)	Ar Cienfuegos 5/9/62 from Liverpool, England	Heirs of Gerassimos N. Stathatos, Athens, Greece Agent: Stathatos & Co. (1953), Ltd. London, England
MARIBLANCA (Li)	Ar Calbarien 5/21/62 from Piraeus, Greece	Mariblanca Navegacion, S.A. Panama Subsidiary of: A.J. & D.J. Chandris Piraeus, Greece
MARIHORA (Li)	Ar Nuevitas 2/1/62 (approx) from Fowey, England	Marivic Navigation, Inc. Monrovia, Liberia Subsidiary of: A.J. & D.J. Chandris Piraeus, Greece
MARIKA (Le)	Ar Havana 2/4/62 from Odessa, USSR	Arikamar Cia. Nav., S.A. Panama Subsidiary of: Franco Shipping Co., Ltd. (formerly trading as A. Frangistas & S. Manassis) Athens, Greece
MARINELLA D'AMICO (tanker) (It)	Ar Nuevitas 2/9/62 from Kanokawa, Japan	Lilibeo Soc. Armatoriale per Azioni Subsidiary of: Amico Societa di Navigazione A.R.L. Rome, Italy
	Ar Antilla 4/14/62 from Kanokawa, Japan	do
	Ar Antilla 6/16/62 from Kanokawa, Japan	do

	Ar Santiago 8/19/62 from Kanokawa, Japan	do
MARITSA (Ls)	Ar Havana 5/5/62 from Odessa, USSR	Maritza Cia. Nav., S.A. Panama
MARITSA (Gr)	Ar Santiago 8/7/62 from Odessa, USSR	Valida Cia. Nav. S.A. Panama Subsidiary of: Michail A. Karageorgis Piraeus, Greece
MARJAN (Ys)	Ar Havana 3/1/62 from Trieste	Kvarnerska Flويدba Rijeka, Yugoslavia Beneficially owned by: Government of Yugoslavia
	Ar Havana 3/21/62 from Houston, Texas	do
MARY ENID (Br)	Ar Havana 2/5/62 from Constanta, Rumania	Poseidon Shipping Co., Ltd. Hamilton, Bermuda Subsidiary of: Vergottis, Ltd. London, England
MASTER ELIAS (Gr)	Ar Havana 2/16/62 from Leningrad, USSR	Theseus SS Co., S.A. Piraeus, Greece Agent: Rethymis & Kulukundis, Ltd., London, England
MASTRO-STELIOS II (Gr)	Ar Havana 6/8/62 from Rangoon, Burma	Ulysses Shipping Enter- prises, S.A. Athens, Greece Agent: N. & J. Vlassopoulos, Ltd. London, England
MATIJA GUBEC (Ys)	Ar Havana 2/12/62 from Kherson, USSR	Registered owner - Maritenia Shipping Co., Ltd. Liechtenstein Operated under: Jadranska Slobodna Flويدba Split, Yugoslavia (bene- ficially owned by Government of Yugoslavia

MATROZOS (Gr)	Ar Nuevitas 3/-/62 from Liverpool, England	Phopan, S.A. Panama Agent: Phoccean Ship Agency, Ltd. London, England
MATSUDOSAN MARU (Ja)	Ar Havana 6/11/62 Yokohama, Japan	Mitsui Senpaku KK Tokyo, Japan
MATTAWUNGA (Sw)	Ar Sagua 3/-/62 from Stockholm, Sweden	Transatlantic, Rederiaktie- bolaget Gothenburg, Sweden
MELJUM (Ge)	Ar Santiago 2/9/62 from Hamburg, Germany	Glassel & Co. Bremen, Germany
MICHALAKIS (Gr)	Ar Guantanamo Bay 2/26/62 from Hirohata	Memphis Maritime Co. Piraeus, Greece Agent: Phoccean Ship Agency, Ltd. London, England
MILROSS (No)	Ar Guantanamo Bay 1/10/62 from St. John, N.B.	Skibs-A/S Skytteren & Skibs- A/S Matros Subsidiary of: Yngvar Hvistendahl Tonsberg, Norway
MISS CHANDRIS (Gr)	Ar Cardenas 2/28/62 from Cadiz, Spain	Pythagoras Navegacion, S.A. Panama Subsidiary of: A.J. & D.J. Chandris Piraeus, Greece
MIZUKAWA MARU (Ja)	Ar Havana 3/23/62 from Kobe, Japan	Kawasaki Kisen KK ("K" Line) Kobe, Japan
MONTE ARUCAS (Sp)	Ar Havana 6/12/62 from Lisbon, Portugal	Naviera Aznar, S.A. Bilbao, Spain
MONTE URQUIOLA (Sp)	Ar Havana 6/30/62 from Tarragona, Spain	do.
MOSIAVINA (Ya)	Ar Havana 8/23/62 from Kherson, USSR	Jugoslavenska Oceanska Plovidba Kotor, Yugoslavia Beneficially owned by: Government of Yugoslavia

MPARMPA CHRISTOS (Gr)	Ar Santa Cruz del Sur 6/3/62 from Chinwangtao, Communist China	Seguridad Cia. Nav., S.A. Panama Agent: G. Lemos Brothers, Co., Ltd London, England
MULBERRY HILL (Br)	Ar Meriel 5/10/62 from Emden, Germany	Halifax Overseas Freighters, Ltd., Halifax, Canada Subsidiary of: Counties Ship Management Co., Ltd. London, England Associated with: London & Overseas Freighters, Ltd. and Rethymis & Kulukundis, Ltd. London, England
MUSWELL HILL (Br)	Ar Havana 4/7/62 from Novorossiisk, USSR	Ocean Shipping Service, Ltd. Bermuda Subsidiary of: Counties Ship Management Co., Ltd. London, England Associated with: London & Overseas Freighters, Ltd. and Rethymis & Kulukundis, Ltd. London, England

NABSTEIN (Ge)	Ar Havana 5/7/62 from Corpus Christi, Texas	Norddeutscher Lloyd Bremen, Germany
NANCY DEE (Br)	Ar Santiago 5/18/62 from Hong Kong	Red Anchor Line, Ltd. Subsidiary of: Cris Moller Victoria, Hong Kong
NAZARENO (It)	Ar Guantanamo 2/12/62 from Baltimore, Md.	Garibaldi, Societa Co-Operativa di Navigazione, A.R.L. Genoa, Italy
NEUHARLINGERSIEL (Ge)	Ar Havana 8/7/62 from Hsinking, Communist China	Reederei Bugsier und Bergungs A.-G. Hamburg, Germany
NEWLANE (Br)	Ar Havana 8/5/62 from Leningrad, USSR	Trafalgar S.S. Co., Ltd. Subsidiary of: Tsavliris (Shipping), Ltd. London, England
NICOLAOS FRANGISTAS (Gr)	Ar Havanna 3/18/62 from Odessa, USSR Ar Havanna 7/- /62 from Odessa, USSR	A. Frangistas & others Subsidiary of: Franco Shipping Co., Ltd. (Formerly trading as: Achilles Frangistas & S. Manassis) Athens, Greece
NICOLAOS MICHALOS III (Gr)	Ar Sagua 4/23/62 from Gdynia, Poland	Mrs. L.C. Michalos and others Subsidiary of: Michalinos Maritime & Commercial Co., Ltd. Piraeus, Greece
NICTRIC (Le)	Ar Havana 8/16/62 from Novorossisk, USSR	Cia. Estrella Blanca, Ltda. San Jose, Costa Rica Subsidiary of: V. Tricoglu London, England

NIEDERSACHEN (Ge)	Ar Havannah 3/5/62 from Coatzacoalcos, Mexico	"Brenntag" Mineralol- Chemikalien - und Schiffahrts G.m.b.h. Mulheim/Ruhr, Germany Subsidiary of: Stinnes, Hugo, Zweigiederlassung, Brennstoff, Eisen-Und Schiffahrts-Gesellschaft Hamburg, Germany
NOEMI (Le)	Ar Havana 5/18/62 from Odessa, USSR	Cia. Nav. Marcasa, S.A. Panama Subsidiary of: S. Catsell & Co., Ltd. London, England
NORA (tanker)(No)	Ar Nuevitas 7/--/62 from Rotterdam, Neth.	A/S Marina Subsidiary of: Sigurd L. Paulsen Bergen, Norway
NORDIGA (Sw)	Ar Nuevitas 5/--/62 from Bremen, Germany	Rederi-A/B Hoganas Subsidiary of: Carl Norrthon, Jr. Hoganas, Sweden
NORTH EMPRESS (Gr)	Ar Havana 5/21/62 from Zhdanov, USSR	Palamedes Cia. Nav., S.A. Panama Subsidiary of: A.G. Pappadakis & Co., Ltd. London, England
NORTH QUEEN (Gr)	Ar Havana 1/18/62 from Novorossisk Ar Havana 5/11/62 from Novorossisk	Pan Atlantica Cia. Nav., S.A. Panama Subsidiary of: A.G. Pappadakis & Co., Ltd. London, England

NUMERIAN (No)

Ar Santiago
1/13/62
from Odessa, USSR

Rederi-A/S Diocletian
Subsidiary of:
Hilmar Reksten
Bergen, Norway

Ar Havana
5/15/62
from Ventspils, USSR

NYON (Sa)

Ar Havana
2/24/62
from Calcutta, India

Helica, S.A.
Switzerland
Subsidiary of:
Suisse-Atlantique,
Societe D'Armement
Maritime, S.A.
Lausanne, Switzerland

OCEAN SEIGNEUR (Gr)	<p> r Cuba 7/17/62 from Hsingkang, Communist China </p>	<p> Cia. Ultramarine, S.A. Panama Subsidiary of: Goulandris Brothers, Ltd. London, England </p>
ODENWALD (Ge)	<p> r Havana 1/8/62 from Veracruz, Mexico r Jucaro 6/-/62 from Port Limon, Costa Rica </p>	<p> Hamburg-Amerika Linie Hamburg, Germany </p>
OLE BRATT (No)	<p> r Havana 8/12/62 from Dairen Communist China </p>	<p> Sigbjorn Birkeland, Rederi Bergen, Norway </p>
OLGA (Le)	<p> r Havana 2/13/62 from Constanta, Rumania r Havana 7/18/62 from Kherson, USSR </p>	<p> Ollisman Cia. Nav., Ltda. Panama Subsidiary of: Franco Shipping Co., Ltd., (formerly trading as Achilles Frangistas & S. Manassis) Athens, Greece </p>
OMONIA (Le)	<p> r Sagua 2/12/62 from Immingham, U.K. </p>	<p> Omonia Cia. Nav., S.A. Panama Subsidiary of: Angelicoussis, Ant., & Dem. Efthimion Piraeus, Greece </p>
OOSTMARSUM (Du)	<p> r Nuevitas 5/15/62 from Montreal, Canada </p>	<p> Stoomv. Maats. Oostzee, N.V. Subsidiary of: Vinke & Co. Rotterdam, Netherlands </p>
ORIENT MERCHANT (Gr)	<p> r Havana 1/18/62 from Vancouver </p>	<p> Orient Mid-East Line, Inc. Panama Agent: Eagle Ocean Transport, Inc. New York, N. Y. </p>

OTTO BANCK (Sw)	<p>Ar Havana 6/15/62 from Port Limon, Costa Rica</p> <p>Ar Havana 8/31/62 from Leningrad</p>	<p>Otto Bancks Rederi-A/B & Ese Bancks Rederi-A/B Subsidiary of: Percy Banok Helsingborg, Sweden</p>
OUISTREHAM (Fr)	<p>Ar Tunas de Zaza 3/31/62 from Sandy Point</p>	<p>Registered Owner - Marine Marchande (Government of France) Operated by: Societe Maritime Nationale Paris, France</p>
OVERSEAS EXPLORER (tanker) (Br)	<p>Ar Santiago 1/2/62 from Odessa, USSR</p> <p>Ar Havana 2/18/62 from Novorossisk, USSR</p> <p>Ar Havana 4/2/62 from Odessa, USSR</p> <p>Ar Havana 5/21/62 from Odessa, USSR</p> <p>Ar Santiago 7/5/62 from Odessa, USSR</p>	<p>London & Overseas Tankers, Ltd. Hamilton, Bermuda Subsidiary of: London & Overseas Freighters, Ltd. London, England</p>
OVERSEAS PIONEER (tanker) (Br)	<p>Ar Havana 2/12/62 from Odessa, USSR</p> <p>Ar Santiago 4/28/62 from Novorossisk, USSR</p> <p>Ar Havana 8/7/62 from Novorossisk, USSR</p>	<p>London & Overseas Tankers, Ltd., Hamilton, Bermuda Subsidiary of: London & Overseas Freighters, Ltd. London, England</p>

PAEAN (Gr)	Ar Matanzas 3/22/62 from Alexandria, U.A.R.	Reyes Cia. Nav., S.A. Panama Subsidiary of: Lyras Bros., Ltd. London, England
	Ar Jucaro 6/25/62 from Shanghai, Communist China	
PAMIT (Gr)	Ar Havana 6/14/62 from Montreal, Canada	Padre Cia. Nav., S.A. Panama Subsidiary of: A. Halcoussis & Co. Piraeus, Greece
	Ar Havana 7/12/62 from Montreal, Canada	
	Ar Havana 8/22/62 from Montreal, Canada	
PAMPAS (Br)	Ar Havana 2/3/62 from Liverpool, U.K.	Royal Mail Lines, Ltd. London, England
PEARL CREEK (Gr)	Ar Jucaro 3/1/62 from Valencia, Spain	Monrovia Shipping Co., Ltd., of Liberia Monrovia, Liberia Subsidiary of: N.G. Idivanos Piraeus, Greece
PEARL HAVEN (Gr)	Ar Cienfuegos 1/31/62 from Liverpool, England	Do.
	Ar. Calbarien 6/14/62 from Marseilles, France	
PEARLSTONE (Pa)	Ar Guantanamo Bay 4/6/62 from Naples, Italy	Alvion S.S. Corp. Panama Agent: Navcot Corporation New York, N. Y.

PEDRO CAMPBELL (Pa)	Ar Havana 7/24/62 from Port Arthur, Texas	Flota del Este, S.A. Montevideo, Uruguay
PEDRO DE ALVARADO (Sp)	Ar Baracoa 3/29/62 from Bayonne Ar Cardenas 7/13/62 from Tarragona, Spain	Empresa Nacional Elcano de la Marina Mercante Madrid, Spain Beneficially owned by: Government of Spain
PERSEUS (tanker) (Gr)	Ar Havana 2/3/62 from Odessa, USSR Ar Havana 3/26/62 from Novorossisk, USSR Ar Santiago 5/14/62 from Odessa, USSR Ar Havana 7/17/62 from Novorossisk, USSR Ar Havana 8/31/62 from Novorossisk, USSR	Sociedad Transoceanica Canopus, S.A. Panama Agent: Rethymnis & Kulukundis, Ltd. London, England
PINIOS (Gr)	Ar Cuba 2/-/62 from Arica	Athina Maritime Co., Ltd. Piraeus, Greece Associated with: Stavros Livanos Chios, Greece
POLI (Gr)	Ar Antilla 3/9/62 from Piraeus, Greece	Navegacion de Panama, Ltda. Panama Agent: George Nicolaou, Ltd. London, England

POLLUX (Gr)	Ar Havana 2/9/62 from Riga, USSR	Soc. Transoceanic Canopus, S.A. Panama Agent: Rethymnis & Kulukundis, Ltd. London, England
POLYCLIPPER (tanker) (No)	Ar Moa 1/-/62 from Odessa, USSR Ar Matanzas 6/-/62 from Odessa, USSR	Kristiansands Tankred.-A/S, A/S Kristiansands Tankred.II, A/S Kristiansands Tankred. III, A/S Avant & A/S Skjoldheim Subsidiary of: Einar Rasmussen Kristiansand S., Norway
PONT AUDEMER (Fr)	Ar Havana 1/19/62 from Constanta, Rumania	Registered Owner - Marine Merchande (Government of France) Operated by: Compagnie de Navigation Fraissinet et Cyprien Fabre Marselles, France
PONTOPOROS (Gr)	Ar Nuevitas 2/12/62 London, England	The Pontoporos Shipping Corp. Panama Agent: N.J. Pateras Sons, Ltd. London, England
PROBITAS (It)	Ar Bahia Honda 5/-/62 from Naples, Italy	Adriatico Tirreno Jonio Ligure (ATJL) di Alberto Ravano & Figli Subsidiary of: Alberto Ravano Fu Pietro Genoa, Italy
PROTEUS (tanker) (Gr)	Ar Havana 1/14/62 from Odessa, USSR Ar Havana 3/3/62 from Odessa, USSR	Allariz Cia. Nav., S.A. Panama Agent: Rethymnis & Kulukundis, Ltd. London, England
PROTOKLITOS (Li)	Ar Cuba 2/15/62 (approx.) from Calcutta, India	Protoklitos Cia. Nav., S.A. Panama Agent: N.J. Pateras Sons, Ltd. London, England

RAMILLES (Br)	Ar Mariel 1/4/62 from Novorossisk, USSR	British S.S. Co., Ltd. Subsidiary of: John Cory & Sons, Ltd. Cardiff, U. K.
REDESTOS (Gr)	Ar Havana 7/29/62 from Montreal, Canada	Cia. Lamia de Nav. S.A. Panama Subsidiary of: D.J. Pafalios Chios, Greece
	Ar Havana 8/26/62 from Montreal, Canada	
REDGATE (Br)	Ar Havana 3/13/62 from Murmansk, USSR	Turnbull, Scott Shipping Co., Ltd. Subsidiary of: Turnbull, Scott & Co. London, England
REGO (No)	Ar Havana 5/11/62 from Rio Grande	E. B. Aaby's Rederi -A/S Subsidiary of: Yngvar Aaby Oslo, Norway
REMSCHIED (Ge)	Ar Havana 1/7/62 from Hamburg, Germany	Hamburg-Amerika Linie Hamburg, Germany
	Ar Havana 4/9/62 from Hamburg, Germany	
RIALTO (It)	Ar Havana 7/12/62 from Gdansk, Poland	Compagnia Armatoriale Italiana S.A.S. Venice, Italy
RINGDRUDE (No)	Ar Nuevitas late May 1962 from Southampton	Ringdals Rederi -A/S, Skibs -A/S Ringwood & Skibs -A/S Ringulv Subsidiary of: Olav Ringdal Oslo, Norway
RIO TAJO (Sp)	Ar Havana 7/31/62 from Malaga, Spain	Fletamar Sociedad Ltda. Madrid, Spain
ROBERT BORNHOFEN (Ge)	Ar Havana 4/17/62 from Champico	Robert Bornhofen Reederei Hamburg, Germany

ROBERTO PARODI (It)	Ar Havana 7/13/62 from Tampa, Florida	Societa per Azioni Emanuele V. Parodi Genoa, Italy
ROCHAB (Du)	Ar Havana 1/1/62 from Constanta, Rumania	Van Niewelt, Goudriaan & Co.'s Stoomvaart Maatschappij N.V. Rotterdam, Netherlands
RODENBEK (Ge)	Ar Santiago 1/9/62 from Puerto Barrios, Guatemala	Knorr & Burchard NFL Hamburg, Germany
RODOS (Le)	Ar Casilda 7/25/62 from Bagnoli	Orient Shipping Corp. Monrovia, Liberia Subsidiary of: General Marine Agency, Ltd. London, England (Michael J. Livanos)
ROGA (No)	Ar Cuba 1/-/62 from Port Limon, Costa Rica	A/S Asplund Subsidiary of: Otto Ronneberg Moss, Norway
ROLAND (Br)	Ar Matanzas 2/3/62 from Takoreali	Currie Line, Ltd. Edinburgh, U. K.
ROMANBY (Br)	Ar Cienfuegos 7/4/62 from Shanghai, Communist China	Ropner Shipping Co., Ltd. Subsidiary of: Sir R. Ropner & Co. (Management), Ltd. Darlington, U. K.
ROTTE (Du)	Ar Havana 8/1/62 from Rangoon, Burma	N.V. Houtvaart Managed by: Vinke & Co. Rotterdam, Netherlands
ROULA (Gr)	Ar Havana 6/15/62 from Riga, USSR	Marmestro Cia. Nav., S.A. Panama Subsidiary of: Michail A. Karageorgis Piraeus, Greece

ROUMELI (Le)	Ar Jucaro 2/-/62 from Piraeus, Greece	Derna Cia. de Nav., S.A. Panama Subsidiary of: John Livanos & Sons, Ltd. London, England
ROWANMORE (Br)	Ar Havana 1/4/62 from Kiel, Germany	Johnston Warren Lines, Ltd. Subsidiary of: Furness, Withy & Co., Ltd. London, England
	Ar Havana 4/18/62 from Leningrad, USSR	
RUSCINI (It)	Ar Havana 1/25/62 from Novorossisk, USSR	Bertorello Febo Amedeo S.A.S. Subsidiary of: Bertorello, Febo Amedeo, Fu G. Mo. Genoa, Italy
RUTH (tanker)(No)	Ar Nuevitas 1/21/62 from Curacao	Rederi -A/S Ruth Subsidiary of: Hagb. Waage Oslo, Norway

SAGA SEA (Tanker) (No)	Ar Havana 4/24/62 from Montreal, Canada	Sverre A. Farstad & Co. Aalesund, Norway
SAINT JAMES (Pa)	Ar Havana 8/1/62 from Muroran, Japan	Saint James Line Co., Inc. Panama Agent: Ernesto Giurlo & C., S.A. Genoa, Italy
SALAVERRY (Br)	Ar Havana 4/24/62 from London, England Ar Havana 8/18/62 from London, England	Pacific Steam Navigation Co. Liverpool, England (Controlled by Royal Mail Lines, Ltd.) London, England
SAN GEORGE (Le)	Ar Santiago 5/6/62 from Rotterdam, Netherlands	Cia. Nav. Vaptistis, S.A. Panama Agent: Lemos & Pateras, Ltd. London, England
SAN GIUSTO (It)	Ar Havana 1/10/62 from Freeport, Bahamas	Carlo Martinolli Trieste, Italy
SAN NICOLA (Tanker) (It)	Ar Havana 4/18/62 from Constanta, Rumania	Garibaldi, Societa Co- Operativa di Navigazione, A.R.L. Genoa, Italy
SAN SPYRIDON (Le)	Ar Havana 5/16/62 from Szczecin, Poland	Olistim Nav. Co., Ltd. Monrovia, Liberia Subsidiary of: Franco Shipping Co., Ltd. (formerly trading as A. Frangistas & S. Manassis) Athens, Greece
SANTA ELISABETTA (It)	Ar Cienfuegos 7/5/62 from Tampa, Florida	Societa G. Malvicini - Officine Meccaniche Riparazioni Navi-Vapori Genoa, Italy
SANTA IRENE (Gr)	Ar Cardenas 3/30/62 from Recife, Brazil	Kronos Cia. Nav., S.A. Panama Agent: Ch. & E. Pateras London, England

SARMIENTO (Br)	Ar Havana 3/16/62 from Hull, England	Pacific Steam Nav. Co. Liverpool, England (Controlled by Royal Mail Lines, Ltd.)
SARONIS (Gr)	Ar Matanzas 5/31/62 from Bremen	Morania Cia. Nav., S.A. Panama Agent: A. Lusi, Ltd. London, England
SATRUSTEGUI (Sp)	Ar Havana 2/21/62 from Genoa, Italy Ar Havana 4/17/62 from Genoa, Italy Ar Havana 6/14/62 from Genoa, Italy Ar Havana 8/22/62 from Genoa, Italy	Compania Trasatlantica Espanola, S. A. Madrid, Spain
SCHAUENBURG (Ge)	Ar Havana 2/5/62 from Hamburg, Germany	Fiensburger Dampfercomp, Herald Schuldt & Co., Kom. Ges. Subsidiary of: H. Schuldt Hamburg, Germany
SIBENIK (Ys)	Ar Havana 5/18/62 from Marseilles, France	Kvarnerska Plovidba Rijeka, Yugoslavia Beneficially owned by: Government of Yugoslavia
SILVERBECK (Br)	Ar Nuevitas 4/30/62 from Hamburg	Silver Line, Ltd. Subsidiary of: Dene Shipping Co., Ltd. London, England
SILVERFELL (Br)	Ar Guantanamo 3/20/62 from New York	Silver Line, Ltd. Subsidiary of: Dene Shipping Co., Ltd. London, England

SILVERFORCE (Br)	Ar Guantanamo Bay 5/23/62 from Swansea, UK	Silver Line, Ltd. Subsidiary of: Dene Shipping Co., Ltd. London, England
SILVERISLE (Br)	Ar Cardenas 4/14/62 from Flushing	Silver Isles Navigation (Bermuda), Ltd. Bermuda Subsidiary of: Dene Shipping Co., Ltd. London, England
SIRIUS (Tanker) (Gr)	Ar Havana 1/17/62 from Odessa, USSR Ar Havana 3/7/62 from Novorossiisk, USSR Ar Santiago 4/22/62 from Odessa, USSR Ar Santiago 6/4/62 from Odessa, USSR	Sociedad Transoceanica Canopus, S.A. Panama Agent: Rethynals & Kulukundis, Ltd. London, England
SOLINGEN (Ge)	Ar Sagua 1/-/62 from Hamburg, Germany	Hamburg - Amerika Linie Hamburg, Germany
SOTERN (Sw)	Ar Havana 4/17/62 from Ventspils, USSR	Rederi-A/B Sigyn Subsidiary of: Lundgren & Borjessons Rederier Helsingborg, Sweden
STANCROWN (Br)	Ar Havana 5/5/62 from Novorossiisk, USSR	Stanhope Steamship Co., Ltd. London, England
STELLA MARINA (Sw)	Ar Havana 4/20/62 from Klaipeda, USSR Ar Havana 6/28/62 from Leningrad, USSR	Stockholms Rederi A/B Svea Stockholm, Sweden

TOLT AVANCE (Tanker) (No)	<p>Ar Havana 1/8/62 from New York</p> <p>Ar Havana 3/23/62 from London, England</p> <p>Ar Havana 6/6/62 from Montreal, Canada</p>	<p>Kommandittselskapet Avance A/S & Co. Subsidiary of: B. Stolt-Nielsen & Sonner A/S Haugesund, Norway</p>
STREATHAM HILL (Br)	<p>Ar Havana 1/14/62 from Leningrad, USSR</p> <p>Ar Havana 6/16/62 from Odessa, USSR</p>	<p>Acadia Overseas Freighters, Ltd. Halifax, Canada Subsidiary of: Counties Ship Management Co., Ltd. London, England Associated with: London & Overseas Freighters, Ltd. & Rethymis & Kulukundis, Ltd. London, England</p>
STROVILLI (Gr)	<p>Ar Havana 7/29/62 from Szczecin, Poland</p>	<p>Strovilli Cia. Nav., S.A. Panama Agent: A. Lusi, Ltd. London, England</p>
SUDBURY HILL (Br)	<p>Ar Havana 5/6/62 from Batum, USSR</p>	<p>Vancouver Oriental Line, Ltd. Vancouver, B. C. Subsidiary of: Counties Ship Management Co., Ltd., London, England Associated with: London & Overseas Freighters, Ltd. & Rethymis & Kulukundis, Ltd. London, England</p>
SUGAR IMPORTER (Br)	<p>Ar Antilla 7/-/62 from Savannah, Ga.</p>	<p>Silvertown Services Shipping, Ltd. Subsidiary of: Silvertown Services, Ltd. London, England</p>

SUGAR TRANSPORTER (Br)	Ar Antilla 6/28/62 from San Juan, P.R.	Silvertown Services Shipping, Ltd. Subsidiary of: Silvertown Services, Ltd London, England
SUMADIJA (Ys)	Ar Cuba Late Aug. (Approx) 1962 from Yugoslavia	Jugoslavenska Oceanska Plovidba Kotor, Yugoslavia Beneficially owned by: Government of Yugoslavia
SWAINBY (Br)	Ar Matanzas prev. 1/5/62 from Novorossiisk, USSR	Ropner Shipping Co., Ltd. Subsidiary of: Sir R. Ropner & Co. (Management), Ltd. Darlington, UK
SYCAMORE HILL (Br)	Ar Havana 5/3/62 from Kherson, USSR	Halifax Overseas Freighters, Ltd. Halifax, Canada Subsidiary of: Counties Ship Management Co., Ltd., London, England Associated with: London & Overseas Freighters, Ltd. & Rethymis & Kulukundis, Ltd. London, England

TAMON MARU (Ja)	Ar Havana 5/4/62 from New Orleans	Hachiuma Kisen K. K. Hyogo-ken, Japan
TANAIS (Gr)	Ar Havana 2/8/62 from Baltimore, Md.	Tritonia Shipping, Inc. Panama Subsidiary of: Chios Navigation Co., Ltd. London, England
TANNSTEIN (Ge)	Ar Havana 3/15/62 from Hamburg, Germany	Norddeutscher Lloyd Bremen, Germany
TAPANAHONY (Du)	Ar Havana 4/3/62 from New Orleans	Suriname, N.V. Scheepvaart Maatschappij Paramaribo, Surinam
TARSEUS (Le)	Ar Havana 5/21/62 from Novorossisk, USSR	Santa Spyridon Maritime Co., Ltd. Monrovia, Liberia Agent: Nomikos (London) Ltd. London, England
TATEKAWA MARU (Ja)	Ar Havana 7/23/62 from Moji, Japan	Kawasaki Kisen K.K. ("K" Line) Kobe, Japan
TAXIARHIS (Le)	Ar Havana 4/14/62 from Oslo, Norway	Lebanesa, Ltd., S.A. Panama Subsidiary of: Loucas Nomikos Piraeus, Greece
TEKLA TORM (Da)	Ar Havana 2/22/62 from Alexandria, UAR Ar Havana 8/1/62 from Alexandria, UAR	Dampskibsselskabet Torm, A/S Copenhagen, Denmark
TENNESSEE (No)	Ar Havana 7/9/62 from Stockholm, Sweden	Wilh. Wilhelmsen Oslo, Norway

TENTO (No)	Ar Havana 6/9/62 from Hedinkang, Comm. China	E. B. Aaby's Bederi-A/S Subsidiary of: Yngvar Aaby Oslo, Norway
TERESA (Li)	Ar Havana 5/8/62 from Houston	Socoo Shipping Co., Ltd. Monrovia, Liberia Subsidiary of: Ramon de la Sota, Jr. Biarritz, France
TERTRIC (Le)	Ar Havana 2/22/62 from Casablanca, Morocco	Trico Corp. Panama Subsidiary of: V. Tricoglu London, England
TETELA (Br)	Ar Manzanillo, Dominican Republic 2/20/62 from Kingston, Jamaica	Surrey Shipping Co., Ltd. Bermuda Subsidiary of: Elders & Fyffes, Ltd. London, England (Controlled by United Fruit Co.)
TEXAS (No)	Ar Havana 1/15/62 from Norrkoping, Sweden	Wilh. Wilhelmsen Tonsberg, Norway
THEODORA (Gr)	Ar Havana 1/14/62 from Leningrad, USSR	Marviva (la. Nav. S.A. Panama Agent: Laimos Bros., Ltd. London, England
THEODOROS TSAVLIRIS (Gr)	Ar Havana 1/30/62 from Alexandria, UAR	Nigeon Shipping Co., S.A. Panama Subsidiary of: Teavliris (Shipping), Ltd. London, England
THEOLOGOS (Le)	Ar Havana 4/29/62 from Piraeus, Greece	Atlantica Ltda., S. A. Panama Subsidiary of: Loucas Nomikos Piraeus, Greece

THORSOY (tanker) (No)	Ar Cuba early May, 1962, from Sandefjord, Norway	A/S Ornen Subsidiary of: A/S Thor Dahl Sandefjord, Norway
TINE (No)	Ar Cardenas 3/1/62 from Amsterdam, Netherlands	Sigbjorn Birkeland Rederi Bergen, Norway
TOPEKA (No)	Ar Havana 3/24/62 from New Orleans, La.	Wilh. Wilhelmsen Tonsberg, Norway
	Ar Havana 5/22/62 from Stockholm, Sweden	
TOUBKAL (No)	Ar Havana 3/23/62 from Houston, Texas	Compagnie Marocaine de Navigation Casablanca, Morocco
	Ar Havana 8/15/62 from Riga, USSR	
TOULA N. (Le)	Ar Havana 2/6/62 from Constanta, Rumania	Toula Nav., Ltda. San Jose, Costa Rica Subsidiary of: Anthony J. Kylas Piraeus, Greece
TOVE LILLIAN (No)	Ar Havana 6/29/62 from Riga, USSR	Borges Rederi-A/S Tonsberg, Norway
TRADER (LI)	Ar Matanzas 1/18/62 from Gdynia, Poland	Bahia Salinas Cia. Nav., S. A. Panama Subsidiary of: Goulandris Brothers, Ltd. London, England
TRAJAN (No)	Ar Havana 6/24/62 from Odessa, USSR	Rederi-A/S Titanian, Rederi-A/S Hadrian & Rederi-A/S Nerva Subsidiary of: Hilmar Reksten Bergen, Norway

TREVOSE (Br)	Ar Puerto Padre 2/25/62 from Hull, England	Hain Steamship Co., Ltd. London, England (Controlled by Peninsular & Oriental S.N. Co.)
TRITON (tanker) (Gr)	Ar Havana 2/1/62 from Novorossiisk, USSR	Soc. Tropica de Carga, S.A. Panama Subsidiary of: Coral Shipping Ltd. London, England
TROLLEHOLM (Sw)	Ar Havana 8/7/62 from Stockholm, Sweden	A/B Svenska Amerika Linien Subsidiary of: Axel Brostrom, & Son Gothenburg, C, Sweden
TULSE HILL (Br)	Ar Guantanamo Bay 2/11/62 from Soderhamn, Sweden	Ocean Shipping Service, Ltd., Bermuda Subsidiary of: Counties Ship Management Co., Ltd. London, England
	Ar Havana 5/29/62 from Riga, USSR	Associated with: London & Overseas Freighters, Ltd. and Rethymis & Kulukundis, Ltd. London, England

VANCOUVER CITY (Br)	Ar Santiago 4/9/62 from Cardiff, UK	Reardon Smith Line, Ltd. Subsidiary of: Sir William Reardon Smith & Sons, Ltd. Cardiff, UK
VASAHOIM (Sw)	Ar Havana 3/7/62 from Norrkoping	A/B Svenska Amerika Linien Subsidiary of: Axel Brostrom & Son Gothenburg, C, Sweden
VASSILIKI (Tanker) (Gr)	Ar Cienfuegos 2/22/62 from Novorossisk, USSR Ar Santiago 5/27/62 from Ventspils, USSR Ar Santiago 8/11/62 from Novorossisk, USSR	Nueva Vista Cia. Nav., S.A. Panama Agent: Mavroleon Bros., Ltd. London, England
VASSILIKI (Le)	Ar Cienfuegos 2/22/62 from Odessa, USSR	Olisman Cia. Nav. Ltda. Panama Subsidiary of: Franco Shipping Co., Ltd. (Formerly trading as A. Frangistas & S. Manassis) Athens, Greece

VENUS (Tanker) (Gr)	Ar Havana 5/22/62 from Batum, USSR	Venus Nav. Co., Inc. Monrovia, Liberia Subsidiary of: Societe Anonyme Venizelos Athens, Greece
VERGOLIVADA (Le)	Ar Havana 1/27/62 from Szczecin, Poland	Sirikari Cia. Nav., S.A. Panama Subsidiary of: M.C. Fred Hunter London, England
VIRGINIA DE CHURRUCÁ (Sp)	Ar Havana 1/24/62 from Genoa, Italy	Compania Transatlantica Espanola, S. A. Madrid, Spain
	Ar Havana 3/21/62 from Genoa, Italy	
	Ar Havana 5/15/62 from Genoa, Italy	
	Ar Havana 7/10/62 from Barcelona, Spain	

WEISSENBURG (Ge)	Ar Havana 8/17/62 from Hamburg, Germany	Hamburg-Amerika Linie Hamburg, Germany
WERNER VINNEN (Ge)	Ar Havana 6/2/62 from Acajutla, El Salvador	F. A. Vinnen & Co. Bremen, Germany
WEST BREEZE (Br)	Ar Havana 1/9/62 from Moji, Japan	China Shipping Co., Ltd. Subsidiary of: John Manners & Co., Ltd. Victoria, Hong Kong
WHITE SEA (Ll)	Ar Santiago 6/11/62 from Maracaibo, Venezuela	United White Shipping Co., Ltd. Monrovia, Liberia An associated company of: Stavros Livanos Chios, Greece
WORTHY DOWN (Br)	Ar Havana 4/5/62 from Shanghai, Comm. China	Merchants Manufacturing & Transportation Co., Ltd. Subsidiary of: Mann & Son (London), Ltd. London, England
WURTEMBERG (Ge)	Ar Havana 6/11/62 Hamburg, Germany	"Brenntag" Mineralol- Chemikalien-und Schiffahts G.m.b.H. Mulheim/Ruhr, Germany Subsidiary of: Stinnes, Hugo, Zweignie- derlassung, Brennstoff, Eisen-Und Schiffahrts- Gesellschaft Hamburg, Germany

XENEPHON (Gr)	Ar Cuba 6/-/62 from Tyne, England	Valia Cis. Nav., S.A. Panama Subsidiary of: M.C. Fred Hunter London, England
YIOSONAS (Gr)	Ar Jucaro 6/21/62 from Freeport, Bahamas	Cia. Nav. Coronado, S.A. Panama Agent: A. Lusi, Ltd. London, England
YOKOHAMA MARU (Ja)	Ar Havana 4/6/62 from Muroran, Japan	Nippon Yusen Kaisha Tokyo, Japan
YPAPANTI (Gr)	Ar Havana 3/16/62 from Novorossiisk, USSR	Anatoli S. S. Co. Monrovia, Liberia Subsidiary of: M. S. Lcs Athens, Greece
ZETA (Ys)	Ar Havana 1/26/62 from Trieste Ar Havana 8/18/62 from Kherson, USSR	Jugoslavenska Oceanska Plovidbe Kotor, Yugoslavia Beneficially owned by: Government of Yugoslavia

Mr. KITCHIN. Could you or one of your assistants say whether or not that report reflects that approximately 800 ships have plied trade with Cuba in the last 10 to 11 months?

Mr. BALL. According to the report of the Maritime Administration, 433 free world ships made a total of 572 trips to Cuba during the period from January 1 through August 31. No U.S.-flag ships called. I can give you the number of Soviet-bloc calls here in just a moment.

1 I may say that the figures of the Maritime Administration somewhat understate the situation, because we have additional figures which are based on supplementary information provided through intelligence sources. Without prejudicing that intelligence, I would hesitate, except in executive session or for the confidential use of the committee, to give the precise figures.

Mr. KITCHIN. That is understandable, but the purpose of asking that question was to determine, out of the total number of ships plying trade with Cuba, how many have been Russian vessels that could be at least assumed to be in the business of bringing in arms supplies, personnel, et cetera.

Mr. BALL. We believe 85 shiploads have carried all the arms.

Mr. KITCHIN. Over the period of what time?

Mr. BALL. Since July. That is since the major buildup started.

We may be able to give you this for a longer period.

Mr. KITCHIN. Is that since the buildup has been publicized, or was the buildup not commenced a considerable period prior to that time?

Mr. BALL. The big increase in the buildup started in July. Prior to that time, of course, some military equipment had gone in and a substantial amount of economic goods from the Soviet Union. The major buildup started only in July.

Mr. Chairman, I can now give you the figure for the Sino-Soviet-bloc ships for the same period, January 1 through August 29, substantially the same period as the Maritime Administration report. It appears that Soviet-bloc ships made about 270 calls at Cuban ports during that period. If you add the 270 to the 572, which was the number of trips made by free world-flag ships, you get a total number of trips or calls at Cuban ports of about 840 from January 1 through the end of August.

Mr. KITCHIN. Of which about two-fifths are Russian-flag ships.

Mr. BALL. Soviet-bloc ships, yes.

Mr. KITCHIN. In your statement on page 3, in the second paragraph, you have reference to the fact that "meat supplies have declined sharply." Then further on in your statement there is a reference to our allies curtailing their shipments to Cuba. There was testimony offered yesterday—and I would like to check with you on the authenticity of this—that two ships are loading in Canada at this moment or within the last day or two, carrying some 300 to 400 head of cattle destined for Cuba.

Mr. BALL. I am not aware of this, Mr. Chairman. The situation with regard to the cattle in Cuba is that when they began the process of collectivizing the farms, they were extremely inept about it and they destroyed a portion of the herds—in fact, some of the best of the cattle stock. The result is that they have paid for it in subsequent reduction in meat production. If they are replenishing the herds

from Canada, this I do not know about, but I will be glad to ascertain this and advise the committee. I was unaware of it.

(The information referred to is as follows:)

CANADIAN TRADE WITH CUBA

Since late 1960 Canadian policy has been to prohibit the reexport to Cuba of U.S.-origin goods and not to allow the shipment from Canada to Cuba of arms or related equipment of military significance, or of goods of a "strategic" Cocom character no matter what the origin. While permitting trade in non-strategic commodities, Canada has not extended its Government export financing to commercial shipments. Canadian exports to Cuba in the first half of 1962 have declined to a level below that of 1958 (pre-Castro) as well as of intervening years. For the first 6 months of 1962 exports amounted to Can\$5.5 million as compared with Can\$15.4 million for the same period of 1961 and Can\$17.6 for the entire year of 1958. For the month of June 1962 the first three items in value terms accounting for 70 percent of exports were inedible tallow, woodpulp, and milk powder. Though there is no information on recent cattle shipments, Canada shipped some 760 cattle to Cuba valued at \$315,120 during the first 7 months of 1962.

Mr. KITCHIN. The testimony will appear in the transcript and I will be delighted to have a staff member point it out to one of your assistants.

On page 4 of your statement, at the bottom of the page, you say:

The nations of Western Europe have also reduced their trade with Cuba. In 1959 the exports to Cuba were approximately \$122 million. By 1961 this figure had been cut to less than half.

That is 1961. With the increase of shipping directly into Cuba under charter vessels, with reference to our Western European allies, have you any figures with reference to any increase or decrease or the status of the dollar volume of shipping to Cuba in 1962 thus far?

Mr. BALL. As I recall, the figure for 1961 was \$54 million, and I think that the rate at which it is running in 1962 is about the same. We have figures which are not fully adequate, because some are based on 6 months and some are based on 3 months. They appear to reflect a continuance of very much the same level as 1961.

Mr. KITCHIN. So, the economic buildup which has been publicized along with the military buildup over the past several months has not increased materially since the 1961 period.

Mr. BALL. No, the buildup has been primarily in the provision of technicians rather than in the provision of actual economic goods.

Mr. LIPSCOMB. Mr. Secretary, are you just talking about economic buildup by the free world when you make a statement such as you just made?

Mr. BALL. No. The economic buildup that I am talking about is the very recent efforts which the Soviet bloc or Communist bloc has been making directly. As far as free world shipping is concerned, free world goods going into Cuba, the pattern of trade has been fairly consistent. It has been decreasing and it has shown no major alteration in character.

Mr. LIPSCOMB. Your figure for 1959 was approximately \$122 million. By 1961, you say, this figure had been cut in half.

Mr. BALL. It had been cut in half and it has been running at about that rate in 1962.

Mr. LIPSCOMB. That is with Western Europe.

Mr. BALL. That is with Western Europe, yes.

Mr. LIPSCOMB. Has trade with the Soviet bloc picked up that reduction in trade with Western Europe, do you know?

Mr. BALL. My experts advise me that in their opinion, they would say it has. The reason it is difficult to give you a precise answer is that the Soviet Union puts in a lot of goods which are put in on a credit basis where the costing is not very clear. This is not normal commercial trade. Therefore, it is difficult to know exactly what price to put on these goods. Our impression would be that it has.

The import figures we have would indicate that in 1959 the imports in value terms from the total of the bloc amounted to \$1,800,000. In 1961 they amounted to \$458 million. On the other hand, the free world during that same period—this is the total free world—shrunk from \$673 million to \$183 million.

Mr. LIPSCOMB. Taking those figures, there has not been much of a reduction in the actual amount of economic help going into Cuba over the period. What has been reduced by the free world has been picked up by the Soviet bloc.

Mr. BALL. There are a number of items which the Soviet Union simply has not been able to supply. In the first place, the industrial plant of Cuba has been very largely of Western design, and they have had very great difficulty in spare parts, in replacement machinery, and so on.

I think what you say may well be so as to the total dollar amount, to the extent that one can put dollar value on these things.

Mr. LIPSCOMB. You cannot very well put dollar value on it.

Mr. BALL. No. The only way you can put dollar values on it is to the extent that our information would indicate that it is being applied against credits that have been set at a fixed monetary amount.

Mr. LIPSCOMB. What concerned me about your statement was that you showed the economic side so far as the free world was concerned for trade with Cuba, but you never once mentioned the Communist commercial trade with Cuba. That does not give a clear picture of the situation which is happening in Cuba.

Mr. BALL. I think your point is entirely correct, and I would not challenge it at all, in that what has happened here is that the Soviet Union is attempting to carry the deficit in the Cuban requirements to the extent that it can do so, although it is a substantial burden on the bloc countries to do so.

The Soviet Union is doing it under a system of credits which reflect the inability of the Cuban economy at its present state of operation to earn adequate foreign exchange. So, what is happening here is that the Soviet Union is making up the deficit but as judged by the state of the economy it is not sustaining the economy at its earlier level.

So, we have very clear evidence of a declining economy, of a very substantial continued input by the bloc countries, of declining production and, therefore, a declining amount of goods which the Cubans are capable of providing the bloc in return. Consequently a rising cost is being imposed on the bloc for maintaining the Cuban economy even at its present depressed level.

Mr. KITCHIN. I am inclined to agree with both of you in that particular statement and, I think, your statement in the second paragraph on page 7, with any application of logic and knowing the manner in which Russia or the bloc operates on the basis not of dollar

exchange but exchange in credits, when you make the statement that in 1959, 2.2 percent of Cuba's exports went to the bloc, and by 1961 they were up to 75.7 percent. On the basis of applying that theory to the way that Russia does business I would assume that this means approximately 75 percent of Cuba's economic supplies are being furnished by the bloc.

Mr. BALL. I think that is a fair statement, Mr. Chairman.

Mr. KITCHIN. At the bottom of page 8 you state that—"five of our NATO allies have taken positive action to restrict the availability of ships," and I note that included among those with whom we are now having discussions with reference to this particular phase of the operation you mention Norway. There was testimony offered yesterday:

It must be added at this point that the Governments of West Germany, Turkey, and Norway have expressed willingness to cooperate with the United States by discouraging further shipments to Cuba.

Is there any change in the position of Norway as of this moment, other than what is reflected in your statement?

Mr. BALL. No. What I have not stated explicitly, Mr. Chairman, is that certain of these countries are in the position that the government itself is taking active steps in quiet consultations with the shipowners. The governments are not very anxious to have this become a matter of public discussion because they feel they can work with their shipowners on a quiet basis, whereas there would be some difficulty if it became a political issue within the countries themselves.

As a result, the picture is rather better than we have reflected, but I have not wanted in a public statement to embarrass those governments that are making honest efforts to cooperate with us on this.

Mr. KITCHIN. I can appreciate that. I just wondered if there had been any change since the news report on September 25 carried big headlines: "Rusk Reported Unable To Get Norway To Halt Shipments to Cuba." I assume from your statement that these negotiations are continuing, and I was wondering if that particular situation had changed.

Mr. BALL. On the 23rd of September, Mr. Chairman, we had a report from our Embassy in Oslo which reported a recent press statement attributed to the Norwegian Foreign Minister, Mr. Lange. This stated that, while the Government of Norway has no legal authority over its ships, the Norwegian Government has asked the Norwegian shipping interests to include in all new charters clauses which would forbid the carrying not only of weapons but other strategic materials.

Mr. KITCHIN. Then that brings up the next question, not only with reference to discussions with our allies, but the confusion which I think exists in the minds of the American people as to what constitutes a strategic item.

Mr. BALL. Yes.

Mr. KITCHIN. Going on the theory that an army travels on its belly, so to speak, and the Cuban economy being such as it is, in this cold war process the economic buildup is just as material in the minds of some of us as the military buildup. Do these so-called strategic items embrace only those military requirements, or do they embrace certain phases of our economic buildup?

Mr. BALL. As you know, Mr. Chairman, we have an arrangement within NATO for a Cocom list of items. The U.S. Government itself maintains a somewhat longer list, the so-called positive list. These are each attempts to define the kinds of goods that may be regarded as of strategic value because they contribute to the potential military strength of the country.

I may say that, with regard to Cuba, the Cocom list itself is not terribly relevant, for the reason that Cuba is a very different type of economy from the economy of, let us say, the U.S.S.R. Cuba is essentially an agrarian economy, with a very small industrial base and a very small industrial plant. So, if all of the Cocom list were to be applied automatically, it would have very little effect on the shipments to Cuba because the list does not contain the kind of goods that the Cuban economy requires for its economic sustenance.

To preclude the types of goods going in that are presently going in from the free world would mean a very different type of approach, an approach which would be far more drastic than that contemplated by the Cocom list itself.

Many of the NATO countries (perhaps most of them) presently have no legislation that would enable them to limit their shipping with respect to shipments to Cuba. Some of them have special legislation which applies to the Soviet Union or to other specific members of the bloc. In order to be able to apply the Cocom requirements, even if it were completely relevant, to the Cuban situation, they would have to ask their Parliaments for new legislation. One or two of the governments have indicated that they are prepared to do that, but not all of them.

Mr. KITCHIN. In the negotiations concerning the recent Cocom meetings and the reestablishment of the items to go on the Cocom list, has there been a determination that Cuba now is part of the Sino-Soviet bloc?

Mr. BALL. Not for the purposes of the Cocom list.

Mr. KITCHIN. Why?

Mr. BALL. This has been a matter on which there has not been agreement within NATO. The differences are several. First, Cuba is not a member of the Warsaw Pact, as are the typically other members of the bloc. I think this generally has been the definition and the criterion applied in determining whether they are members of the bloc.

Mr. LATTA. Has there been a change in thinking on the part of the Department since Secretary Rusk testified before this committee immediately following his return from the Punta del Este meeting on this subject?

Mr. BALL. No, Mr. Latta, there has been no change.

Mr. LATTA. Let me read you some of the colloquy which occurred between Mr. Rusk and myself on this subject. Then I shall repeat the question.

Mr. LATTA. Since there aren't any international controls of exports to Cuba through the Cocom structure, are we going to recommend to the Cocom nations that they take action similar to what we have taken?

Secretary RUSK. I think following the Punta del Este meeting there will be discussion with a number of governments on this kind of problem.

Mr. LATTA. No date has been set for it?

Secretary RUSK. No, sir; we are just back this weekend from Punta del Este. Mr. LATTI. It certainly will probably be the position of our Government that Cocom take similar action.

Secretary RUSK. We believe that it would be inconsistent with the attitude of all of the Inter-American States for friends of ours elsewhere to send Cuba materials which we are trying to interrupt.

That was his position. That is pretty clear.

Mr. BALL. That accurately reflects the position of the Department, Mr. Latta. Let me say that while Cuba has not been formally put under the Cocom machinery, the fact is that the goods which are on the Cocom list are presently not coming into Cuba from the NATO countries. We have every reason to believe that this situation will continue, so that in fact the requirements are fully satisfied here.

Since Mr. Rusk testified there have been three meetings of the NATO Council, I believe, in which this matter has been discussed. This matter has been fully reviewed with the NATO countries and discussions are still under way with several of them.

Up to this point the kind of cooperation we have had has been very gratifying, and I have every reason to think it will continue.

I think from a practical point of view we can assume that the types of goods that are on the Cocom list are not, and will not be, going into Cuba from the NATO countries.

Mr. LATTI. Still these nations are reluctant to take the same action that we took.

Mr. BALL. As I say, for most of them it would require new legislation which is difficult to get from Parliaments of countries which are not, for perfectly obvious reasons, as preoccupied with the problem of Cuba as the United States which is just a few miles away. It seems too that there is no practical reason for enacting this legislation since there are no goods of this kind going in from the NATO countries anyway.

Mr. LATTI. The Secretary made this statement before the committee on February 5. What you are saying is that all we have had up to date includes three discussions on the subject but nothing has been firmed up?

Mr. BALL. I wouldn't say that, Mr. Latta. In the first place, I recite here in my prepared statement a number of countries that have taken actual action or given assurances of action that is being taken.

In addition we have the practical situation where these types of goods that would be covered by the Cocom list are not going in.

Under these circumstances this problem is not an emergent problem, in the sense that Cocom action by NATO countries would not effectively add to the isolation of Cuba that we are attempting to bring about.

Mr. LATTI. My question, however, was primarily directed to the actions of the Cocom Committee and not any nations outside. I am interested in knowing whether or not Cocom itself has taken any kind of position based on our recommendations after the Secretary appeared before this committee.

Mr. BALL. It remains on the agenda of the Cocom Committee but the Cocom Committee has not up to this point applied the Cocom list formally to the Cuban situation.

Mr. LATTI. Then I would be safe in saying nothing has been firmed up in Cocom as of this date. You have taken no position as a matter of record?

Mr. BALL. Cocom itself has not. Many of the members of the Cocom Committee have. The practical consequences of applying the Cocom list, however, are not significant.

Mr. KIRCHIN. That gets back to the original comment which I had, Mr. Secretary. I will not belabor the subject at all, but whether it is an item on the Cocom list, and it is that type of item which would go toward building up their industrialization, or that segment of the economy of Cuba, there are some of us, and I have my own opinion, who feel that anything which supplies sustenance to the economy of Cuba without which they could not maintain a military establishment, and without which the Castro regime could not maintain its strength, be it foodstuffs or otherwise, constitutes in my opinion an element of economic buildup about which I am at least concerned.

Mr. BALL. I would make this distinction, Mr. Chairman: The volume of goods and the character of the goods going into Cuba today are not goods which one could accurately describe as an economic buildup. This is a very low level of exports to Cuba in relation to Cuba's past requirements so far as the free world is concerned, and the goods are of a character that contribute to the maintenance of the economy, but at a declining level of production.

Mr. LIPSCOMB. If in your statement you make such a point of Cuba's adverse position, why don't you make a point of anything going to Cuba as building up their economy?

Mr. BALL. To the extent that one brought about a complete sealing off of any commerce to Cuba it would tend to impose a greater burden on the Soviet Union because the deficit would be larger.

Mr. LIPSCOMB. Is that not our goal?

Mr. BALL. This is a goal which I think can properly be described as one which would be consistent with our policies. It is a goal which has not been completely accepted by all of our allies.

Mr. LIPSCOMB. Aren't you taking a firm position with our allies to get this objective and goal across?

Mr. BALL. I think we can say this quite conscientiously: We have done as much as it productive to bring about the isolation of the Cuban economy by the cooperation of our allies.

Mr. LIPSCOMB. Mr. Secretary, you have made a statement on a couple of occasions here that you know that no item on the Cocom list is being shipped into Cuba by any of the NATO allies.

Mr. BALL. This is our understanding of the facts, sir.

Mr. LIPSCOMB. How can we be so definite in this opinion?

Mr. BALL. In the first place, our intelligence with respect to Cuba, as I say, is very hard and very good and very comprehensive, as a result of the number of refugees constantly coming out, and other kinds of opportunities that are provided to gain information with regard to the Cuban situation.

In the second place, I mentioned to you that the Cocom list which was primarily a list designed for industrialized economies is not of great direct relevance to the Cuban situation because the types of goods it contemplates are not the kinds of goods which would be of very great benefit to Cuba.

Mr. KIRCHIN. I think at this point, if I may interrupt, we have a divergence of opinion in relation to this particular policy for which

you have the responsibility and we do not, that is, what constitutes that type of strategic item as it goes into the buildup of the economy of Cuba.

Not to belabor the subject I think some of us believe—I do—even if it is a bad situation in Cuba economically, anything that can make that situation worse than it is through our efforts and our allies' efforts, be it the import of grain, flour, or whatever it might be, would certainly be to our advantage in this situation with which we are now confronted.

Mr. Secretary, I would like to ask one or two other questions and I shall turn this over to the other members: You had reference to Norway. I assume you had reference to the relationship which exists now in negotiations between countries on an official government basis.

Here is a news item from Oslo, Norway:

OSLO, NORWAY, October 1.—The Norwegian Ship Owners' Association called on its members today to make sure their vessels are not used in carrying cargoes to and from Cuba.

Norway is the second NATO country to take steps for barring traffic to Cuba after protests in the United States that Western allies were helping the Soviet military buildup of Cuba. Turkish shipowners announced last week they voluntarily stopped their vessels from operating on the Soviet-Cuban route.

The Norwegian Association said only 'very few' Norwegian ships have called at Cuba in recent months and these carried civilian cargoes under contracts entered into some time ago.

This is under dateline of October 1.

I bring this out because of your statement you were reluctant to discuss any such negotiations going on at the present time, but as recently as 3 days ago at least some steps had been reported in the press.

Mr. BALL. I think this is a very good example of the kind of quiet cooperation which a number of the governments are giving us. In some instances the governments themselves are reluctant to have this publicly discussed unless there has been some public action taken by the private shipowners, as in this case.

Mr. KITCHIN. One other question. Is there evidence available at the present time that submarines are escorting these Russian ships coming into the Cuban military buildup? I am talking now about the ships which are hauling personnel and military supplies.

Mr. BALL. No, to my knowledge the evidence does not indicate this, Mr. Chairman.

As you know, these ships are kept under the closest surveillance, and we have a system of antisubmarine patrols which I think is quite effective, Mr. Chairman.

Mr. KITCHIN. What about the report, and I think it has been verified, that several of these countries, possibly Denmark and Yugoslavia and Italy, are building ship bottoms and tonnage for the Soviet Union? Has any effort been made to negotiate any curtailment in that type of activity to cease assisting the Soviet buildup under this situation?

Mr. BALL. No, I think that there is a substantial amount of tonnage being built for the Soviet Union in various free world yards. This is a matter where I am sure that the governments concerned would regard as normal commercial trade which they continue to carry on with the Soviet Union.

This is in their mind no different from the kind of peacetime trade (which is quite substantial, as you know) which goes on between the East and West and which historically has been so conducted for many years, before and after the war. I am quite confident that this is a matter where the governments would feel, the countries themselves would feel, that they should not take any action to interfere.

Mr. KITCHIN. Is that the attitude, also, of our Government, we should not try to negotiate the diminishing of such contracts?

Mr. BALL. We ourselves have policies with regard to East-West trade which are reflected in the Export Licensing Act and in the very careful administration of that act by the Department of Commerce.

Our policies with regard to East-West trade have historically diverged in some respects from the policies of some of the European governments and other free world governments.

There are many reasons for this. One of the reasons is historical, another of the reasons is philosophical.

The historical reason is simply the fact that over the years East-West trade has been a very big element in the economic life of these countries, and they have not been persuaded that they should desist, although they have been persuaded to take such measures as the Cocom regulations.

The philosophical one is some difference of view as to the long-range effects on the maintenance of peace in the world, of trying to turn the Iron Curtain into as rigid an economic blockade as might be the case if substantially all trade were discontinued.

In an alliance I think it is normal to expect that there will be some differences of view. The genius of trying to make an alliance work is to diminish these differences as much as possible and bringing about the greatest degree of cooperation among the members on an agreed direction. This is what we have tried to do and what we are continually trying to do, as you know, Mr. Chairman.

Mr. KITCHIN. Before I get into the 480 program, about which I would like to ask one or two questions, I would like to say I have pretty authentic information which can be produced that there are four SSN-1 missiles in Cuba, the air-breathing type of missile, and at least one is based at Banos, Cuba, just 80 miles from our naval base there.

In view of your statement made originally and my first question I would appreciate it if you would reexamine the intelligence figures.

Mr. BALL. I think I can clarify that, Mr. Chairman. What I said in my statement was this, on page 11:

In addition three and possibly four missile sites—
this is what you have reference to, I believe—

of a different type have been identified. These sites are similar to known Soviet coastal defense missile sites which are believed to accommodate anti-shiping missiles with a range of 20 to 35 miles.

Mr. KITCHIN. Then the only difference there which would reflect in your intelligence information and mine is that I have information that these are of a booster type, and when boosted and assisted they have a range of 130 nautical miles. If that can be clarified and without any violation of security we would like to have it done for the record.

Mr. BALL. I would be happy to do so.
(The information requested is as follows:)

CUBAN MISSILE SITES

The evidence we have on the three (possibly four) surface-to-surface missile complexes in Cuba (including the one at Banos) indicates that they are similar to known Soviet coastal defense missile installations and they are capable of firing to a range of 25 to 35 nautical miles.

Up to this point we have no evidence that there are any surface-to-surface missile installations in Cuba capable of firing to a greater range.

Mr. KITCHIN. Yesterday, Mr. Secretary, there were several statements made—off the record.

(Discussion held off the record.)

Mr. KITCHIN. The committee will recess for about 20 minutes to answer the rollcall.

(Short recess taken.)

Mr. KITCHIN. I think we shall proceed. The other members will be here in a few minutes.

Mr. Secretary, yesterday we had testimony before the committee, and I would like to read excerpts which refer and relate to the Public Law 480 program and the administration thereof. I understand Mr. Huddloff and others from the Department of Agriculture are here, but since this is a policy matter, probably, it may be the time to ask the question while you are here with us.

Yesterday in the statement of Mr. Joseph Kahn he said, on page 2 of his statement:

The largest volume of cargo shipped from the United States is grain and related agricultural products which are paid for by the Government of the United States and given to the various foreign countries under our aid programs, principally under Public Law 480. Under existing law, at least 50 percent of these cargoes must go upon American-flag vessels. It is within the discretion of the administrative agencies to increase this figure from 50 up to 100 percent.

Is that your interpretation? Is that within the policy realm as to whether or not this figure remains at a limitation of 50 percent for American bottoms or can they go up by administrative order to embrace 100 percent of these shipments in American-owned ships?

Mr. BALL. It is a matter of administration. The requirement of law is that they must be at least 50 percent. The reason is that the United States pays the shipping that goes in American bottoms. With respect to the balance of the 50 percent, that can be shipped on foreign bottoms by the recipient government.

I should like to say with respect to that, that insofar as this has relevance to the ships which are in the Cuban trade, this is one of the things which is affected by one of the measures that we have at the moment under consultation with foreign governments. Under this measure, there would be some restriction on the extension of that 50-percent privilege to certain types of ships with relevance to the Cuban trade. I do not wish to appear to be evasive but, as I told the committee earlier, it is a matter of some concern to us that during the period of consultation, since the interests of these foreign countries are vitally affected, we not put this in the public domain. We shall be happy to discuss it with the committee in executive session.

Mr. KITCHIN. I think we could go so far in public session, however, as to say there are negotiations underway in the direction in which this suggestion is pointed.

Mr. BALL. With specific relevance to the ships in Cuban trade. As to the ships in Cuban trade, let me say that the figures we have would indicate that very few of the ships which are approved for the Public Law 480 program have been in the Cuban trade. When we look at the figures from the 1st of August of 1961 through September 20 of this year, they indicate that out of about 500 ships which carried Public Law 480 cargoes, only 12 stopped at Cuban ports during the period in question.

Mr. KITCHIN. I think the problems which have been arousing public sentiment are those individual instances which have appeared in the press, such as the two Texas ships, and so forth.

Mr. BALL. That is right.

Mr. KITCHIN. So, from the standpoint of material being delivered in the bottoms and the percentage of bottoms actually in the Cuban trade, it would appear insignificant. However, the psychological effect of even one of these coming back into the United States for the picking up of cargo of that nature, of course, has aroused public sentiment in this country.

Mr. BALL. That is one of the reasons we have the present action under contemplation, Mr. Chairman.

Mr. KITCHIN. If you will bear with me, it may be that the answer you have already given will speak to this particular statement, too.

On page 3 this gentleman states:

Let me speak first about the shipments of Public Law 480 grain financed and paid for by the Government of the United States. In some cases, the Government of the United States even pays for the shipping freights. On American vessels, we carry these grains to India, Pakistan, Turkey, and other countries. Ships which carry the surplus grain are usually required to return to the United States in ballast and without cargo. During the ballast voyage back to the United States, they receive no revenue but have all the expense of sailing the vessel, including the crew cost, fuel, insurance, et cetera. On the other hand, a vessel which trades to Cuba receives revenue for carrying cargo to Cuba. It has no westbound ballasting costs, but actually makes money carrying the cargo to Castro. After discharge of its cargo in Cuba, it is in perfect position to move over to a port in the United States, either in the Gulf of Mexico or on the east coast, and pick up Government-paid-for grain. It thus obtains revenue on a two-way voyage basis. Because of the revenue which it receives in the carriage of Government-owned grain on the eastbound voyage, it is able to quote a lower rate to carry the cargo to Cuba.

This was in context, meaning there is an unfair competitive advantage that they are being given in operation or administration of this particular program, at least in the few instances that have been called to our attention. Does that require an additional comment from you?

Mr. BALL. I think that is an accurate hypothetical statement, though I would say it relates to very few situations. As I say, only 12 ships out of the 500-odd that have been approved for Public Law 480 cargo touched at Cuba within the last 14 months, and the measure we have in consultation now does have relevance to this, and I think would go far to meet this problem.

Mr. KITCHIN. There was testimony offered yesterday—I think the gentleman is still here in the presence of the committee who offered the testimony, and I will paraphrase rather than quote the state-

ment—to the effect that in the import of oil the licensing provisions rest within the authority of the Department of the Interior in that connection, and that in the licensing of oil there is also an avenue whereby more rigid enforcement or rigid policy in connection with that would still give to the American-owned bottoms and tankers that import the oil greater advantage and, at the same time, by our administrative action cut down on some of the oil imports coming into American ports.

Mr. BALL. I am not sufficiently familiar with the problem, Mr. Chairman, to have an opinion on it. I am sorry.

Mr. KITCHIN. There again, it is in the same category as the Public Law 480 program, and I assume it is a matter of policy whether those licensing provisions should be more restrictive or allowed to remain in status quo. For the record, since it has been brought up, would you supply for the record what would be the policy—if it can be supplied for the public record?

Mr. BALL. I want to make quite clear I understand the question. Does this have relevance to ships that stop at Cuba as well?

Mr. KITCHIN. These are those ships that ply in the Cuban trade or ships that are owned by an owner, corporate or otherwise, some of whose ships ply in the Cuban trade although the identical ship that is being plied in the Cuban trade may not be one actually used in the plying of imports of oil to this country.

Mr. BALL. If the committee wishes, I should be happy to discuss this suggestion further in connection with the new measures contemplated. This we shall be glad to furnish to the committee. I can say, again, that another measure which is under consultation would have relevance to this problem as well, not with respect to oil import restrictions specifically, but to the type of situation into which this would fall. I think, again, this might go quite a way to satisfy the problem.

Mr. KITCHIN. To clarify the comment I made previously, the statement specifically said:

I would respectfully suggest this committee recommend to the Department of the Interior that no license be issued for the importation of any oil upon a tanker which has carried Russian oil to Cuba or to any other Communist nation within the past 12 months.

This was a specific recommendation, but it points up what I was telling you, that at least it has been stated as a problem which has some administrative possibilities for correction.

Mr. BALL. I think that is one administrative approach. As I have said, however, that is another administrative approach now under consultation that is directed at a solution of the same problem.

Mr. KITCHIN. Mr. Secretary, as I said at the outset, there are certain recommendations set forth in our report, particularly on page 2, in paragraphs F, G, H, and I, quoted as follows:

F. The select committee urges that our Government take a firm position with our allies to extend and make more effective international control of export of strategic commodities to Communist countries, including Cuba.

G. The liberalized policy afforded Poland since 1957 as to exports to that country of foods and industrial items such as machine tools, chemicals, and other strategic items should be reexamined and continuously evaluated to insure that such special treatment could not prove detrimental to the national security and welfare of the United States.

H. The select committee recommends that the same action be taken relative to our Government's favored nation treatment of Communist Yugoslavia.

I. The select committee recommends that the total embargo presently in effect on trade with Communist China, North Korea, and North Vietnam remain in effect.

I trust you have some statement to offer the committee as to their implementation. If not, I certainly would appreciate it if you would supply that information for the record, because this will be the last meeting the committee will have at this session. I trust that we can find out whether or not these suggestions have been accepted and, if so, to what extent and, if so, have they been implemented.

Mr. BALL. With respect to certain of them, a report has been made to this committee with regard to the results of the last Cocom review, which is one of the matters contemplated here. That, I take it, would be relevant to "F."

(The information referred to is as follows:)

DEPARTMENT OF STATE,
Washington, September 11, 1962.

Hon. A. PAUL KITCHIN,
Chairman, Select Committee on Export Control,
House of Representatives.

DEAR MR. CHAIRMAN: Thank you for your letter of August 29 inquiring about the outcome of the 1962 Coordinating Committee (Cocom) review of the international embargo list.

Cocom concluded the 1962 list review discussions the third week in July, just before its annual recess. The Committee will hold its first meeting after the recess on September 13, 1962, at which time consideration will be given to a draft containing the changes in various embargo items resulting from the list review. We have been preparing an item-by-item analysis of the results of the list review in order to (1) provide you, as well as the six committees of the Senate and House to which the State Department is responsible for reporting under the Battle Act, with a detailed report of what took place; (2) check the above-mentioned Cocom draft for corrections and modifications that might be necessary; and (3) promulgate a corresponding revision of the Battle Act lists to take effect October 1, 1962, coincident with the effective date of the changes in the Cocom international embargo list.

This detailed report will be sent to you as soon as its technical review is completed. At the beginning of October, the revised edition of the Battle Act lists will be distributed to you and the six other congressional committees.

The Department's general evaluation of the recent list review is that the security interests of the United States were advanced as a result. In summary, the United States was successful in obtaining agreement to the addition to the embargo list of the following items: electric arc heaters, electron beam welders, some 15 fluorocarbon compounds, gravity meters, and special batteries or power sources. Most of these new items embody advanced technology and in the United States are related to production for or use in military and space exploration programs. The only deletions from the embargo list were three items (jig borers, forging hammers, and picric acid) and two subitems (certain transistors and certain magnetic metals). With the exception of one of the subitems the United States itself proposed deletion of these items on the grounds that they were no longer strategically significant. Forty-five items were revised or clarified, 17 of these revisions resulting in net expansion of embargo coverage.

Respectfully,

FREDERICK G. DUTTON, *Assistant Secretary.*

DEPARTMENT OF STATE,
Washington, September 20, 1962.

Hon. A. PAUL KITCHIN,
Select Committee on Export Control,
House of Representatives.

DEAR MR. CHAIRMAN: The detailed report on the 1962 Cocom list review promised in the Department's letter to you of September 11 is enclosed. For your

convenience a summary of this lengthy report is also enclosed. It has been necessary in view of the specific and detailed nature of the enclosure to classify it "Confidential" for security reasons.

As stated in our letter of September 11, the changes in the international embargo list resulting from the recent Cocom review will take effect October 1, 1962. Corresponding revisions will be made in the Battle Act lists as of the same date, and, as is customary, copies of the new lists will be supplied to the six committees of the Senate and House named in the act.

In preparing for the list review, the U.S. Government placed emphasis on assuring that new areas of technological development which had strategic importance were incorporated in the embargo list. While the process of negotiation resulted in some modifications of U.S. proposals and in the deletion of certain items or partial items, the Department of State and the cooperating departments consider that the list review was to the net advantage of U.S. national security.

With respect to administrative arrangements for U.S. participation in the list review, a group of six Washington advisors was detailed to Paris to provide close technical support to the U.S. delegate throughout the discussions in Cocom, commencing May 2 and extending to the third week in July. This group consisted of the staff personnel from the Commerce, Defense, and State Departments who had been most deeply involved in developing in Washington the U.S. proposals and positions for the list review, including two advisors with particular competence in electronics, the category comprising the bulk and the heart of today's strategic export control lists.

Respectfully,

FREDERICK G. DUTTON, *Assistant Secretary.*

As to "G," the policy with regard to Poland has been under reexamination as well as the policy with regard to Yugoslavia. I would be glad to furnish the committee information indicating the results of that review and the policy which has been followed, and also the way in which it has been carried out in practice. That would apply to paragraphs G and H.

(The information referred to is as follows:)

In his testimony before this committee on October 25 of last year Secretary Rusk stated:

"In developing U.S. policies toward Poland, it would be erroneous and dangerous to base such policies on the illusion that Poland is not tied to the Soviets within the bloc, or is likely to be detached from the bloc in the immediate future. On the other hand, it is apparent that Poland enjoys a significant measure of autonomy and thus affords an opportunity for U.S. initiative that is not now available in any such degree in the rest of the bloc.

"This necessarily implies the application of special policies to Poland in such fields as trade, economic and technical assistance, and exchanges of persons. The application of these special policies inevitably involves uncertainty whether our efforts will lead to an ultimate result that can be achieved, at best, only over a long period of years.

"For the reasons indicated, the United States has accorded Poland a considerable measure of special treatment since 1956, including preferential treatment in the export control field."

Over the past year our policy toward Poland has been kept under continuing review. Export license applications for Poland have been subjected to special scrutiny. Special treatment has been afforded Poland only in those cases where the commodity in question was clearly destined for the Polish civilian economy and where there was adequate assurance that the commodity would not be re-exported to other countries of the Soviet bloc. Doubtful cases have been resolved in favor of U.S. security interests.

Secretary Rusk explained before this committee on February 5, 1962, the matter of U.S. policy toward Yugoslavia has been kept under continuing close review. We have found no reason to alter our basic estimate that Yugoslavia is determined to remain independent of the Soviet bloc and is in fact doing so. It remains our policy, therefore, that U.S. trade with Yugoslavia should take place on the same basis as trade with other non-Soviet-bloc countries.

Applications for licenses to export U.S. goods to all non-Soviet-bloc destinations are carefully examined, and appropriate measures are taken to insure that strategic goods shipped under the licenses are not transhipped to the bloc.

Mr. BALL. So far as "I" is concerned, the embargo on trade with Communist China, North Korea, and North Vietnam, that embargo, of course, does in fact remain in effect.

Mr. KITCHIN. Has there been any reconsideration of the application for \$400 million in wheat to Communist China? That was denied at one time.

Mr. BALL. There has been no reconsideration of that. That application was denied and nothing more has been done on it.

Mr. KITCHIN. Now, with reference to "H," as to the treatment of Communist Yugoslavia and favored-nation treatment, some testimony was offered by Dr. Behrman, from the Department of Commerce, when we had our last meeting last week, to the effect there is no change in policy with reference to Yugoslavia, and it was shown that no license had been denied for Yugoslavia over the past several months.

Mr. BALL. That is right, sir. As for the extension of most-favored-nation treatment, that is, of course, involved in the trade expansion bill. The conference committee, I understand, is reporting out its recommendations today. As I understand it, this would either eliminate or place limitations on the extension of most-favored-nation treatment to Yugoslavia and to Poland.

Mr. KITCHIN. Congressman Herbert Bonner, chairman of the Merchant Marine and Fisheries Committee of the House, testified before the committee yesterday in connection with the amendment to the Mutual Security Act that he offered and which was passed in the House. I do not know what position will be taken in the conference on that particular amendment. However, it was in substance to the effect that no funds generated under that program could be used to pay freight on these aid programs. Does the Department look with favor or otherwise on that particular type of limitation in the act, or do you think that is a matter of policy for determination by the executive branch?

Mr. Secretary, if you are not familiar with that, I do not want to draw you out on a horseback opinion.

Mr. BALL. I should like to submit something for the record on this, if I might, please.

Mr. KITCHIN. If you would.

(The information requested follows:)

STATEMENT OF THE SECRETARY OF STATE RESPECTING SECTION 107 OF THE
HOUSE APPROPRIATIONS BILL FOR THE FOREIGN ASSISTANCE ACT OF 1961
AS AMENDED

In a letter dated September 21, 1962, to the Honorable Carl Hayden, chairman, Committee on Appropriations, U.S. Senate, the Secretary of State made the following statement with respect to section 107 of the bill passed by the House of Representatives making appropriations for fiscal year 1963 for the program under the Foreign Assistance Act of 1961 as amended:

"Section 107 as passed by the House would dangerously impair the conduct of a positive U.S. foreign policy. It goes far beyond the sound principles laid down in section 107 as enacted by the Congress last year which has proved workable. It would prohibit aid to any country—no matter how important to U.S. interests—which permits any trade or carriage of goods in ships under its flag—no matter how little or how innocuous—with Cuba. It would allow the President no discretion even in cases where the national interest required it. We are working diligently with our allies and others to limit trade with Cuba, and this inflexible limitation would unwisely constrict negotiations. This pro-

vision subordinates all of our interests at this time of peril in Berlin to one aspect of the Cuban situation. The new language added to last year's provision should be stricken."

Mr. KITCHIN. Since you have indicated these negotiations are going on now with reference to what might result in a change, if any, in the administrative handling of the Public Law 480 type program, I assume that other questions in connection with that program would have to await the results of those negotiations. Is that correct?

Mr. BALL. Yes. I would say, Mr. Chairman, we do not regard them as negotiations, because they relate to actions which the U.S. Government would take unilaterally. But since they do affect the interests of other friendly nations with whom we are in alliances in a very real way, we prefer to advise them and to discuss the implications with them, and then to take our unilateral action. So, it is not a negotiation. It is a consultation preliminary to taking a unilateral action by the U.S. Government.

Mr. KITCHIN. On the next question, I hope you will be frank and advise the committee if you would rather not answer or if this is not the right place to answer. In my trips back home and among my contacts with my colleagues here, there is a lack of understanding particularly of the attitude of the United Kingdom with reference to the continued trade both with Communist China and other bloc nations, particularly since the maritime report came out and showed a great percentage of the Cuban trade now is being carried in Great Britain's ships. I trust that negotiations have been had in that connection over a period of years or months before the Cuban situation became perilous. Have we any hopes that we can persuade, influence, or otherwise get our great ally at least to recognize the problem that we have in this particular instance and curtail that type of thing by governmental edict or action?

Mr. BALL. First, with regard to the China trade, as the committee knows, the China trade is subject to the Cocom restrictions or is on the same basis as the Cocom restrictions.

Mr. KITCHIN. Chincom, I believe it is.

Mr. BALL. Chincom. So far as our allies adopting the policy which the U.S. Government follows with regard to China, of what amounts to a complete embargo, I think I should tell this committee quite realistically that I do not think that they are going to be persuaded by anything that we do to change their view. This a fundamental difference in philosophy which I adverted to a few moments ago. They are prepared to restrict items which they believe to be strategic and on which we reach an agreement with them as to their being strategic, but they are not prepared to restrict what they regard as normal trade between East and West, and in this respect they would treat Communist China as they would treat the Soviet Union.

With regard to Cuba, here there has been an attitude of serious cooperation on the part of the United Kingdom Government with us. They are one of the governments which does not have legal powers to restrict the use of their ships in the Cuba trade. However, they have done some things on an informal basis which are reassuring to us and which I could tell the committee more about in executive session.

Mr. KITCHIN. As far as the public or open session is concerned, you can say that there are some reassuring results in connection with the Cuba trade as far as Great Britain is concerned?

Mr. BALL. Yes, in the sense that there are no strategic goods of the Cocom variety going to Cuba in any of the United Kingdom bottoms.

Mr. KITCHIN. Mr. Sisk.

Mr. SISK. Thank you, Mr. Chairman.

I do not have any particular questions, Mr. Secretary. I would like to say I think you have made a very comprehensive statement. It is a very good statement on actually what is happening in the Cuban trade situation. Frankly, it is somewhat more optimistic than I had hoped for. It seems to me it offers some promise that we are making some headway in isolating Cuba. As I understand, it is an oversimplification of our policy to term it one of isolation.

I had some questions with reference to some things the chairman has now, I think, pretty well brought out regarding making it as impractical as possible economically for some of these ships to have return cargoes of Public Law 480 grain or other shipments from this country. Of course, due to recent expressions, there is a great deal of public interest in this. I am happy to have heard the statements which have been made which would seem to indicate this thing is pretty well under control or can be pretty ably controlled.

Thank you, Mr. Chairman. That is all I have at the present time.

Mr. KITCHIN. Mr. Lipscomb.

Mr. LIPSCOMB. Thank you, Mr. Chairman.

Mr. Secretary, commercial trade with Cuba goes through many agencies of government—State, the Agency for International Development, Commerce, Treasury, Interior. Who sets the policy and administers this policy in regard to trade with Cuba?

Mr. BALL. So far as the U.S. Government is concerned, a succession of measures puts what amounts to a complete embargo on all trade between the United States and Cuba, with the exception of a very small amount of unsubsidized food and drugs which are permitted to be exported to Cuba for humanitarian reasons. The measures that have been taken to achieve this have been taken under the Foreign Assistance Act and under the Trading With the Enemy Act by the Treasury Department.

My counsel points out that when I say it has been taken by the Treasury Department, it is my meaning that it is administered by the Treasury Department; it represents a Government decision in which the views of all of the agencies have been heard. The actual administration of this embargo is in the hands of the Treasury because of its control over the Customs Service.

Mr. LIPSCOMB. For instance, the Agriculture Department makes the determination what foreign aid, Public Law 480 goods, go in foreign bottoms, such as the problem of a ship stopping in Cuba, coming into an American port, picking up Public Law 480 goods and taking them back?

Mr. BALL. Let me amplify what I said, Mr. Lipscomb. I was addressing myself purely to the embargo aspect. What I said with regard to the Treasury applied to imports from Cuba into the United States. So far as exports to Cuba, these are under the regulation of the Commerce Department through the Export Control Act, and orders which have been issued pursuant to that act. So far as Public Law 480 is concerned, the charters which are made under title I of Public Law 480 for foreign bottoms must be approved by the Depart-

ment of Agriculture. So, the decision there is an administrative decision which would be carried out by the Department of Agriculture.

Mr. LIPSCOMB. So, what you are saying is that there is no one place or central point which now sets the policy and administers whatever actions are taken in regard to Cuba.

Mr. BALL. No. I would make a distinction, sir, between the setting of the policy and the administration. The policy is set by the President. The administration is delegated to the agencies that are empowered to administer it under several different pieces of legislation. But there is a central policy, and that is the policy made by the President.

Mr. LIPSCOMB. Is the Department of Agriculture capable or has it the authority to stop sending Public Law 480 goods in ships that deal in commerce with Cuba?

Mr. BALL. One of the measures now in contemplation, will be a directive to the Department of Agriculture from the President that will be relevant to this.

Mr. LIPSCOMB. That directive will come from the President?

Mr. BALL. That is right.

Mr. LIPSCOMB. But in consultation with the State Department, I would assume.

Mr. BALL. In consultation with the State Department, with the Department of Commerce, the Maritime Administration, the Department of Agriculture, the Treasury—all of the agencies concerned with this general problem.

Mr. LIPSCOMB. Does the State Department have complete and readily accessible information on all Western-flag vessels which have been trading with Communist Cuba?

Mr. BALL. Yes.

Mr. LIPSCOMB. Is this the document that was inserted in the record here yesterday, put out by the Maritime Administration?

Mr. BALL. There is a document which has been published by the Maritime Administration. There are, in fact, two, I believe. There is the one that was put in the record yesterday. There is another later one which I told the chairman I would submit today. In addition, there is a great deal of intelligence information. As I mentioned earlier in this discussion this morning, the intelligence information that we have supplements the report of the Maritime Administration, and refers to some ship names that do not appear in that report. The report is prepared largely from public records, such as Lloyd's Register, and so on. But the pattern of shipping is roughly the same, even in the amplified list.

Mr. LIPSCOMB. The document which was put in the record was an unclassified document?

Mr. BALL. An unclassified document.

Mr. LIPSCOMB. There is other classified information?

Mr. BALL. There is additional classified information which would amplify that, but does not materially change the pattern of distribution as among the various countries.

Mr. LIPSCOMB. Have you information in regard to former U.S. Government-owned cargo ships which are now in trade with Cuba?

Mr. BALL. Yes, we have some information with regard to this which has been developed I think by the Maritime Administration.

Mr. LIPSCOMB. The only information you have on this is that which has been disclosed in the press recently?

Mr. BALL. I am not sure just what has been in the press. When you said U.S. Government-owned ships, you referred to the ships which the Maritime Administration—

Mr. LIPSCOMB. I am referring to ships which are owned by the U.S. Government that we have given to other nations, and which they were supposed to pay for and have not, which we have asked to have returned to us, but this has not been done.

Mr. BALL. You are referring to the lend-lease ships that were made available to the Soviet Union during the war, perhaps.

Mr. LIPSCOMB. Or any other country.

Mr. BALL. We certainly have information with regard to all the ships made available under lend-lease to all the countries involved.

Mr. KITCHIN. If the gentleman will yield, I will ask the direct question: Is there any evidence that those ships are being used in the Cuba trade now?

Mr. BALL. Yes, there is some evidence as to certain of the Soviet ships. I can give you detail on that in a moment, I think.

Mr. KITCHIN. The detail can be supplied for the record, if you will, Mr. Secretary.

These are ships that were under the lend-lease program and have never been returned to us or paid for, and are plying now in the Cuban trade?

Mr. BALL. Yes. The situation now with regard to the ships that were made available to the Soviet Government under lend-lease is this: Several years ago, I think in 1947 or 1948, there was a negotiation with the Soviet Union looking toward a complete settlement of lend-lease accounts. In the course of that settlement, an offer was made by the U.S. Government to sell the ships that had been made available under lend-lease to the Soviet Government for an amount of \$33 million, or some sum of that sort. This broke down, not because of the unwillingness of the Soviet Union to pay that amount, but because the offer was a part of the total package for the settlement of all the lend-lease arrangements between the U.S. Government and the Soviet Union. This negotiation did not result in an agreement which the two Governments could settle on.

As a result of that, the U.S. Government subsequently withdrew the offer it had made for the sale of the ships to the Soviet Union for \$33 million.

The legal position of the ships remains, therefore, that they are subject to the provisions of the lend-lease master agreement made with the Soviet Government providing that at the request of the U.S. Government the Soviet Government should return the ships on the decision by the U.S. Government that they are useful in the defense of the United States. That is not the exact language, but an approximation of it. This is the legal posture at the moment.

I can now give you the number of ships that have been in the Cuba trade. Our information is that since July 1, three of these lend-lease vessels have called at the Cuban port.

Mr. LIPSCOMB. Have you any indication of what the cargo was on these ships?

Mr. BALL. We may have. I don't have it here.

We usually know in quite specific terms what cargoes have been carried by the Soviet ships, those directly under Soviet operation.

Mr. LIPSCOMB. Mostly arms and ammunition?

Mr. BALL. Mostly arms and ammunition, and also technical personnel, military technical personnel, and economic technical personnel as well.

Mr. LIPSCOMB. Inasmuch as these ships carry goods which endanger our national security, do we have any arrangement, whereby, when these ships pull into allied ports, we could repossess them?

Mr. BALL. No. The legal problem that would result would be a very complicated one. I think what we would do would be to involve ourselves in litigation.

As far as attempting to seize them through legal means, the Soviet Union would almost certainly interpose a plea of sovereign immunity on the ground the ships were ships of the Soviet Union, and there is a plea which would quite likely be recognized by a court which would be considering this matter.

Mr. KITCHIN. If the gentleman will yield at that point:

Under the master arrangement under the lend-lease program has there been a demand made under that master agreement for the return of these ships?

Mr. BALL. On this I could not tell you, Mr. Chairman, I don't know. The hope has been, of course, that we could negotiate a final settlement of the entire arrangement and this would be from the point of view of everyone a much better solution.

Mr. KITCHIN. So at the present moment it is not contemplated making a demand for these ships until the total package—

Mr. BALL. So far as I know it has not been separately contemplated. I think there is hope that somewhere down the line we can still see an overall lend-lease settlement.

Mr. LIPSCOMB. In your statement indicating action which our Government has taken in regard to trade with Communist Cuba, you made no mention of an effort to enforce the provisions of the Battle Act, the Mutual Security Control Act of 1951. Are you thinking of this? Are there plans to enforce the Battle Act for a change? What is the situation?

Mr. BALL. The situation with regard to the Battle Act is that we have been trying to work this out on a basis of voluntary cooperation of the governments involved rather than try to use the mechanism of the Battle Act which involves using the aid program as a means of forcing others to control trade with Cuba. That is the posture of the situation at the moment.

If we were to employ the Battle Act what we would have to do would be to deny aid to any country which knowingly exported any goods to Cuba, any goods which were on the strategic list.

Actually the extent of the application of this would be very narrow. In fact, offhand I don't know of any country to which this would apply.

Mr. LIPSCOMB. Suppose we just mention Yugoslavia and Poland?

Mr. BALL. My impression is that neither Yugoslavia nor Poland, certainly not Yugoslavia, have exported anything on the Battle Act list to Cuba. I think the same is true of Poland.

Mr. LIPSCOMB. Again we come into a conflict of opinion as to what is strategic and what is not strategic.

Mr. BALL. This is not a conflict of opinion. It is a question of what is presently contained on the Battle Act list. This list is made as a matter of administrative discretion in carrying out the Battle Act itself within the standards that Congress has set for it.

Mr. LIPSCOMB. All through the discussion I get the impression that a factor in all of this is time. We keep looking at the time we will talk to Great Britain, talk to our allies, and so on.

Would you say time is not on our side, the longer we put off effective and aggressive action with regard to Cuba the stronger Cuba will be built up as a Communist foothold in the Western Hemisphere?

Mr. BALL. Again the words "effective" and "aggressive action"—so far as aggressive action is concerned it carries certain penalties with it from the point of view of the United States, and the problem we face with regard to Cuba. It is a problem of how do we bring about the result we are hoping to achieve. In order to be able to answer that question one has to look at the nature of the Cuban danger.

As we see it, the Cuban danger at the moment is not a danger which is a military danger to the United States. It is primarily the danger of Cuba constituting a source of infection for communism in the Western Hemisphere.

If we were to take military action against Cuba we would run the very great risk of bringing about the spread of the very infection which we are trying to contain. This is the dilemma we face.

We have to act with regard to Cuba in the context of all of our relationships around the world. We have to act specifically with regard to our relationships with Latin America. We are trying to move in an area of agreement with our Latin American friends on this.

As to whether time is running on our side or not, what I suggested in my statement was that the economic situation in Cuba is not improving but it is deteriorating, that the standard of living is on its way down rather than its way up, that this is imposing a considerable burden on the Soviet Union a burden which is likely to be an increasing rather than diminishing burden, and that Cuba has no future with the Castro government.

As this becomes demonstrated by events I think this may in itself constitute in large part the answer to our problem. As the people of the Western Hemisphere begin to realize that a Communist government is no answer for them, that it is in fact a failure, then this is the most powerful demonstrations of what we are trying to achieve.

Mr. LIPSCOMB. In 1953 a Senate committee had the same problem with regard to North Korea. I was wondering if you had an opportunity to review those hearings. They were held before the then McCarthy committee. They issued a very significant report, dated July 6, 1953. It was the Senate Permanent Subcommittee on Investigation which issued the report. They were investigating trade with the Soviet bloc as well as North Korea, and had an investigator on that committee named Robert F. Kennedy who at the time, I understand from what I have read, made a very significant investigation. He was complimented in the press by people on the committee.

Has any effort been made to talk to the now Attorney General in regard to what his recommendations were in those days? Words being used by the State Department and others are almost those used in 1953. Even the position of the Department of State is almost identical.

Mr. BALL. The present Attorney General is a regular attendant at the meetings of the National Security Council where Cuban policy is regularly discussed. He participates in these discussions. He is thoroughly familiar with the policies of the Government and his views are expressed on these matters. There is no question about this.

Mr. LIPSCOMB. The recommendations made in that report in 1953, Report No. 606, are as valid today in regard to trade with the Soviet bloc as they were in 1953. I am sure he must be fully familiar with the problem.

Mr. BALL. I can assure you he is fully consulted on these matters as one of the regular attendants at the National Security Council.

Mr. LIPSCOMB. You couldn't say whether the Attorney General's views have changed since this report?

Mr. BALL. I would say that the Attorney General is in accord with the Cuban policy of the administration, without any doubt.

Mr. LIPSCOMB. One further question, Mr. Chairman.

Mr. Secretary, just to put this in one spot again, can you reiterate what our Government's position is, and the position of the Department of State is, with regard to trade with Cuba on the part of our allies and others?

Mr. BALL. The policy of the Government with regard to Cuban trade is to seek to bring about a restriction of that trade so as to restrict the buildup of military capabilities in Cuba. We have sought the cooperation of our allies both within the Organization of American States and our allies who are members of NATO to bring about action on their part which is consistent with this—and I would say up to this point with very good results.

This is a continuing process. I won't say that everything has been done that they may ultimately do. But the figures themselves attest to the fact there has been a very considerable restriction in trade, that there are no military or strategic items moving from these countries to Cuba, and there has been a very considerable restriction and diminution in trade generally.

Mr. LIPSCOMB. I am talking about the use of their ships, also.

Mr. BALL. As to the use of their ships, again, as I pointed out in my statement, there have been efforts made on the part of these governments to discourage the use of their ships where the governments do not have the legal authority to require it. As a result there is a substantial reduction in the use of their ships in the Cuban trade, and none of their ships are being used to bring arms or strategic goods to Cuba today.

Mr. LIPSCOMB. That last statement is just from the intelligence you gained from Cuba?

Mr. BALL. No, it is from intelligence we have gained plus the discussions we have had with these countries.

Mr. LIPSCOMB. Thank you.

Mr. KITCHIN. I would assume that that also includes charter ships?

Mr. BALL. Charter ships as well, yes.

Mr. KITCHIN. Mr. Latta?

Before you start I will say for the sake of brevity, and not limiting you, the Secretary has answered questions concerning the policy under the 480 program.

Mr. LATTA. Thank you, Mr. Chairman.

Mr. KITCHIN. There are negotiations underway and until those negotiations are consummated the statement here about any change in policy by the administration would have to await the results of that negotiation.

Mr. LATTA. Did he point out how long that will be?

Mr. KITCHIN. You go ahead from there.

Mr. LATTA. To follow through on this, is there any time involved here? Will this go into months?

Mr. BALL. I pointed out to the chairman, Mr. Latta, that we had a series of measures which were presently in consultation with allied governments, and that as soon as this consultation was completed we intended to put these measures into effect.

I would hope this will be done within the next 10 days.

Mr. LATTA. I am glad to hear that. I am interested in the administration of that act.

On page 5 of your statement, Mr. Ball, at the top of the page, you say—

This tying up trade has not been an accident. It has been a deliberate response by this country and its allies to the Communist efforts to establish a beachhead for subversion in this hemisphere.

Why would we do this? Would you say because this beachhead is a threat to the Western Hemisphere?

Mr. BALL. I think the primary threat which Cuba offers to us is that Cuba under the Castro government is a source of Communist infection, and that infection is directed primarily against the Latin American countries. The prime effort we are making with regard to Cuba should be directed at preventing this from occurring, stopping it from being an effective beachhead for subversion.

Mr. LATTA. Then you are limiting this statement you make at the top of page 5 to its applications to Latin America?

Mr. BALL. I think that is the primary danger, yes. It is the effect Cuba has and the purposes it can serve to the Communist conspiracy as a center of infection.

Mr. LATTA. I am glad you clarified that because I could not quite understand how you could make that statement on page 5 and then make the statement you have on page 11 where you say quite clearly: "It does not constitute a threat to the United States."

We are talking here about the military buildup of Cuba by the Soviet Union. Would you want to add anything to that statement and say it might constitute a threat to Latin America?

Mr. BALL. So far as the military buildup of Cuba is concerned I do not think it constitutes a threat to Latin America for the one simple reason that if there were any aggressive military action by Cuba against any of the Latin American States this would result in direct military intervention by the United States.

Mr. LATTA. You are saying this buildup isn't any threat to the United States, nor to the Latin American countries. Why, then, should we worry about it?

Mr. BALL. When I say "threat" this is in a context on page 11 of my statement making it quite clear that what is meant is military threat. The threat which Cuba poses, as I say very early in my statement as a matter of fact, on the first page, is that it is a source of infection for

international communism. This is the threat on which we should focus our attention primarily.

Mr. LATTI. So the State Department is dividing this situation we have between the military threat which you say is not a threat to the United States—and apparently is not a threat to other Latin American countries—and a subversive threat which you have already stated is not a subversive threat to the United States but only to Latin America. Is that a pretty good summary of the situation?

Mr. BALL. Yes, I would not disagree with that very much. The President himself has made clear that in his judgment he does not regard Cuba at the present time—these things always are subject to change and they are under constant surveillance—as constituting a military threat to the United States.

I added to that that I did not think Cuba could be considered as a real military threat to Latin America in this sense; if there should be an aggressive military action by Cuba against any Latin American country, the United States would, under our treaty obligations, intervene militarily and we have the force to stop it, check it, and destroy the present Cuban regime.

The real threat on which I think we have to focus our attention is the influence which the Castro regime may exercise throughout Latin America as a center for Communist infection of Latin America.

Mr. LATTI. And these actions we are taking and the actions we are asking these other nations to take are based primarily on that purpose?

Mr. BALL. Yes, plus the fact that as a matter of prudence the OAS itself is taking military defensive measures but these are simply in aid of a total effort of which obviously the larger part must be military protection provided by American military capability itself.

Mr. LATTI. You are probably fully aware of the fact many people disagree with that. They feel there is a threat both to the United States insofar as subversion is concerned and also militarily.

Mr. BALL. So far as the question of the threat of subversion to the United States is concerned, obviously the existence of a Communist area this close to the American shore is something which requires constant surveillance and constant attention. The very effective enforcement agencies, the FBI and the other agencies which we have in this country which are watching this situation, I think, are such as to minimize the threat of any subversion here.

Mr. LATTI. Do you know what J. Edgar Hoover's position is regarding this?

Mr. BALL. I know he regards this as something which has to be kept under constant surveillance.

Mr. LATTI. What I am getting at is this: Does he share your views that this subversive threat is not to the United States and only to Latin America?

Mr. BALL. It is a matter of emphasis. There is a subversive threat to the United States from many sources at all times which is something—

Mr. LATTI. If I may interrupt, I am pinpointing this question to Cuba and to no other.

Mr. BALL. I think it comes down to the definition of the word "threat" is this something that has to be guarded against? I certainly would say that is the case. Is there a serious danger of a major sub-

versive influence in the United States as a result of any infection from Cuba? Given the effectiveness of our agencies for dealing with this problem, I would answer that in the negative.

That Latin America is vulnerable to some infection from Cuba I think is the real problem on which we should focus our attention.

Mr. LATTI. Coming to page 13 of your statement, the second paragraph, you state:

We may take the events of the past month, regrettable as they may be in many ways, as evidence of the essential soundness of the strategy of isolation that we have pursued toward Cuba over the past 2 years.

Shouldn't that actually be "since the Punta del Este meeting in January"?

Mr. BALL. The first action was July of 1960.

Mr. LATTI. Then you should go back more than 2 years, should you not? Are you going back to 1960 when President Eisenhower requested Congress to give him the legislation necessary to cut off Cuba's sugar quota? Is that what you are talking about?

Mr. BALL. Cuban sugar is the beginning of an effective policy of isolation.

Mr. LATTI. Let us go on from there. I think President Eisenhower requested authority in February or March of 1960 to cut off the Cuban sugar quota. The Committee on Agriculture, of which I happen to be a member, passed a bill denying him authority to cut off Castro's sugar. I disagreed with the committee on this. The majority members on the committee voted not to cut off Mr. Castro but it extended his sugar quota for another year. This went to the Rules Committee, public sentiment grew, and the chairman suddenly jerked it back into the Agriculture Committee for amendment. The majority members then voted with the minority and they gave President Eisenhower the legislation that he requested. As soon as he signed it in July, he cut Mr. Castro off.

Let us go on from there. Beginning in January of 1961 up until the Punta del Este meeting a year later, tell what actions this administration took toward Mr. Castro.

Mr. BALL. I think the action which President Eisenhower took pursuant to that legislation was in September or in October of 1960.

Mr. LATTI. I think you will find it was in July.

Mr. BALL. Starting in July 1960, then, with the action taken with regard to sugar, 3 months later, which was in October, there was an order prohibiting the export of U.S. goods to Cuba except only for limited foods and medicines. This was taken pursuant to the Export License Control Act.

Mr. LATTI. If I may interrupt for clarification. That was taken under the Export Control Act, where you had to get a specific license. Under the general licensing provisions they could still ship to Cuba as I understand it without a license. Is that correct?

Mr. BALL. Yes, but only for the excepted items which were limited, the unsubsidized foods and medicines.

Then in February of this year President Kennedy—

Mr. LATTI. What happened in 1961? That was back in 1960 under the previous administration.

Mr. BALL. That is right. During 1961 the economic situation remained more or less as it had been. There was a substantial elimination of exports to Cuba from the United States. The Cuban sugar imports were prohibited. Some Cuban goods were coming in from the United States, mostly tobacco and molasses.

On the political front, it was during 1961 that we were engaged in intensive diplomatic negotiations with the OAS to establish a multi-lateral base for further action regarding Cuba. These efforts resulted in the Punta del Este meeting in January 1962.

Mr. LATTA. You say there were restrictions put on importation of sugar. You meant in 1960 and not 1961?

Mr. BALL. That is right.

Mr. LATTA. That was as a result of action we took in 1960.

Mr. BALL. That is right, July of 1960, so you had these two actions taken in July of 1960 and October of 1960.

So far as 1961 was concerned, the situation remained as it had been, that the sugar sales were cut off, the exports were practically all stopped. There were some imports coming in which were primarily tobacco and molasses and some fresh fruits and vegetables.

These were stopped in February of 1962, immediately after the Punta del Este meeting, when the President put on what amounted to a complete embargo on Cuban trade except for the medical supplies and a small amount of nonsubsidized food.

Mr. LATTA. If I may interrupt again, Mr. Secretary, just to clarify the record, these things which happened in 1961 about which you are now talking, the reduction in sugar and the reduction in exports to Cuba from this country, were the result of actions taken in July and October of 1960?

Mr. BALL. That is right.

Mr. LATTA. No specific new action was taken in 1961. Then on February 3, 1962, President Kennedy by Executive order cut off all trade except for medicine and a few incidental items to Cuba?

Mr. BALL. There had been some voluntary measures taken by the molasses trade at the request of President Kennedy during 1961 to cut off the molasses shipments.

Mr. LATTA. I recall that. There was a lot of discussion about trading in molasses by some of these companies.

Now, coming to this meeting at Punta del Este, on page 5 of your statement, you point out that at the Punta del Este meeting the OAS Foreign Ministers agreed to prohibit trade with Cuba in arms and implements of war.

So the record is straight, Mr. Chairman, if I may at this point refer to Secretary Rusk's statement when he was before this committee on February 5, 1962. He made a statement in answer to this question: "Have any other countries indicated they intend to take the same action we took on February 3 toward Cuba?" and the Secretary replied:

We do not have information from any other countries of this hemisphere on that point. Actually, the trade as such is being handled on the basis of a recommendation by the Council of the Organization, except for arms and traffic in arms.

And following that I asked the Secretary:

Isn't it a fact that most of the arms and implements of war that Mr. Castro is receiving are from the Soviet bloc?

The Secretary replied: "That is correct, sir."

And I said:

So actually these foreign ministers who voted to immediately suspend all trade with Cuba in arms and implements of war didn't actually give up anything, did they?

The Secretary replied:

They did not give up any trade which they were then sending to Cuba but what we are aiming at is onward shipment of these arms from Cuba to anywhere else in this hemisphere and that is a very important aspect of it.

So, actually, when we got the agreement at Punta del Este from these other countries in Latin America to cut off arms and implements of war, the record is pretty clear that they weren't giving up very much.

Now, pursuing that one step further, have we since that meeting and since the Secretary was before our committee, had any success in getting these other countries of Latin America to cut off trade other than what I have already indicated?

Mr. BALL. The Punta del Este resolution to which the Secretary referred provided not only for immediate suspension of trade in arms and implements of war with Cuba, but it also provided that the Council should study the feasibility of extending this suspension of trade to other items.

Now, in fact what has happened is that there have not been shipments of strategic items—which is the subject the Council is charged with—and that the total trade of these other countries with Cuba has dropped to the point where it is less than a fourth of what it was, to the point where it is not a significant factor at all in the Cuban situation.

Mr. LATTA. Then we have had some success in this study that was to be made on that score and that is getting these other Latin American countries to cut down on their trade with Cuba?

Mr. BALL. That is right.

Mr. LATTA. I am very glad to hear that.

Mr. BALL. And I may say this is a continuous matter. This is again one of the subjects which has been considered yesterday and today in the meeting of the foreign ministers which is now in progress.

Mr. LATTA. Are you at liberty to say in public hearing what our success has been to date in trying to negotiate with the United Kingdom on this Cuban trade problem?

Mr. BALL. I spoke to that a moment ago and it is already in the record.

Mr. LATTA. I thank you for putting this in the record. That is all, Mr. Chairman.

Mr. KITCHIN. Are there any further questions?

I would like at this particular time to call attention to the fact that our esteemed colleague, Mr. Paul Rogers of Florida, has been very interested in this matter over the period of the last several weeks and months, and I want to congratulate him for giving his attention to this committee's hearing. He has been sitting here throughout the whole procedure and we thank him for being here. It has been very gratifying to this committee to have had his support.

I would like to put in the record at this point a telegram received from Mr. William V. Bradley, president, and Thomas W. Gleason,

executive vice president, International Longshoremen's Association, AFL-CIO, who expressed regrets at their inability to be present yesterday. They will file a statement and this statement should follow the telegram that I am putting in the record at this time.

(The telegram follows:)

OCTOBER 2, 1962.

HON. A. PAUL KITCHIN,
House Select Committee on Export Control,
House Office Building, Washington, D.C.

Due to meeting with Presidential Board of Inquiry concerning the labor dispute in the longshore industry will not be able to attend hearing today. A statement for your record condemning trade with Cuba will follow our wire.

Respectfully,

WILLIAM V. BRADLEY,
President.

THOMAS W. GLEASON,
Executive Vice President,
International Longshoremen's Association, AFL-CIO.

(The statement follows:)

STATEMENT OF THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, NEW YORK,
N.Y., J. A. CONDON, PUBLIC RELATIONS DIRECTOR

We, of the International Longshoremen's Association, were deeply gratified when we heard that President Kennedy was putting pressure on shipowners trading with Cuba.

However, after analyzing the restrictions the Government intends to initiate we find it a step in the right direction but wanting in strength.

We feel more stringent action is needed and while the Government's proposals may slightly curb trade with Red Cuba we of the International Longshoremen's Association intend to eliminate it.

Following is the action the United States intends to take and the action the International Longshoremen's Association will take:

1. U.S. action: Close U.S. ports to all shipping of countries which have any vessel whatever engaged in carrying arms to Cuba.

The ILA claims this proposal ridiculous because only Russian ships are taking arms to Cuba and Russian ships have not used U.S. ports since 1951 when the ILA membership refused to work them.

While the U.S. proposes not to let Russian ships carry their cargoes to our ports it will allow ships of other nations and U.S.-flag ships to carry these same cargoes.

The real culprit of the Cuban situation is Russia and yet we still trade with her. The International Longshoremen's Association will not work any cargo going or coming from Russia on any ship whether it is foreign or American. The ILA will also refuse to handle any Russian cargoes that are transhipped from one country to another.

2. U.S. action: Deny any U.S. Government cargo to foreign-flag ships of any owner whose vessels are used in trade between Cuba and the Sino-Soviet bloc.

The ILA claims this action weak because while the vessels used in trade with Cuba will be denied U.S. Government cargo there is nothing to stop them from picking up commercial cargoes in U.S. ports.

The International Longshoremen's Association will not load or unload U.S. Government, commercial or cargoes of any nature in ships of any owner whose vessels are used in trade with Cuba.

3. U.S. action: Flatly bar all U.S.-owned ships from carrying goods to Cuba. Officials said they do not know of any such ships.

The ILA does not know of any U.S.-owned ships carrying goods to Cuba.

The ILA feels the Government should also bar all U.S.-owned ships from carrying transhipped Cuban and Russian freight.

The ILA will not work any ship carrying transhipped Cuban or Russian freight no matter what flag it flies.

4. U.S. action: Close U.S. ports to any vessel which on a continuous voyage is employed in trade between Communist bloc countries and Cuba.

The ILA claims this action is weak because it only restricts ships in Cuban trade from Communist bloc countries but does not bar ships in trade with Cuba from Europe, South America, etc.

The ILA will refuse to work ships of any company in U.S. ports if the company has any ships in the Cuban trade.

To be concise the International Longshoremen's Association will refuse to handle any Russian or Cuban cargoes regardless of what flag the ship flies.

The ILA will refuse to handle any Russian or Cuban cargoes being trans-shipped regardless of what flag the ship flies.

The ILA will not handle any company's ships in U.S. ports if said company also has ships in the Cuban trade.

The ILA will not make any concessions as to the type of cargo to be handled. We wish to make it crystal clear that we will not work so-called emergency cargoes such as medicine, food, etc.

We urgently request the Government to issue a list of companies and the names of their ships that carry goods to and from Cuba. * * * The lists should be made public for all to see.

Mr. KITCHIN. During the hearings in September and the current hearings in October, the committee has been presented with information as to the action taken by responsible departments of the Government on the recommendations submitted by the select committee in its report in May 1962 with the exception of the Department of the Treasury. In its report, the committee stated:

The select committee suggests that the Department of the Treasury consider taking more affirmative action to broaden its knowledge of American-controlled subsidiaries operating abroad including the volume of trade with Communist countries. By doing this, need for strengthening of controls over such trade under authority of the Trading With the Enemy Act will be more readily apparent.

On July 16, 1962, Mr. Robert H. Knight, General Counsel of the Department of the Treasury, accompanied by Deputy Assistant Secretary Bullitt of that Department discussed with me many of the problems involved in implementing the committee's suggestion. I was advised that the Treasury Department considered the suggestion constructive and its implementation desirable.

I anticipate a communication from the Department of the Treasury in the immediate future on the action that Department has taken. As soon as the communication is received, it will be, without any objection, inserted at this point in the record.

(The following letter was received relative to the action taken by the Department of the Treasury:)

THE GENERAL COUNSEL OF THE TREASURY,
Washington, October 17, 1962.

Mr. FRED HALLFORD,
Staff Director, House Select Committee on Export Control,
House Office Building, Washington, D.C.

DEAR FRED: Bob Knight, as you probably know, has left the Treasury and returned to private practice. Before he left, he asked me to inform you of the steps the Treasury is taking to collect information concerning shipments of positive list commodities to the Soviet bloc by foreign firms which are controlled by Americans.

We have decided to circularize those persons and firms whose names appear in the Internal Revenue Service's files as owning foreign firms. At the same time, we will also circularize persons and firms who do not appear in those files but do appear on comparable lists which the Department of Commerce maintains. We expect this initial circularization to take place within the next 2 months.

However, these two sources of information do not list all Americans owning foreign firms. We do expect complete lists of such persons and firms to be filed with the Internal Revenue Service by March 1963, under the provisions of the

recently enacted tax laws. We will check these lists against the lists compiled previously, and will thus pick up any omissions from the earlier lists. It will take some time to obtain complete coverage in this manner, although the general picture may well be apparent from the initial circularization.

If you have any questions about the foregoing, either Deputy Assistant Secretary Bullitt or I will be pleased to discuss them with you.

Sincerely,

FRED B. SMITH, *Acting General Counsel.*

Mr. KITCHIN. Mr. Secretary, I recognize it is 12:45, you haven't had lunch and you have had a busy day, but I would like to, if you don't mind, go into executive session for about 10 minutes.

There are one or two items we would certainly like to clarify. At this time the committee will go into executive session.

(Whereupon, at 12:45 p.m., the committee proceeded in executive session.)

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