

S-E-C-R-E-T

EMPLOYMENT OF SOVIET BLOC SHIPS IN COMMUNIST CHINA TRADE

1. Since the beginning of the Korean War in June 1950, Poland and Czechoslovakia have acquired 17 ocean-going merchant vessels from Western sources totalling 104 thousand gross register tons. Twelve of these vessels (70%), totalling 78 thousand gross register tons were placed IMMEDIATELY in the trade with Communist China (See Tables I and II). The remaining five ships totalling 26 thousand gross register tons, while not being placed in the China trade immediately, eventually were so employed, usually within one year of acquisition by the Bloc (See Tables III and IV). Three of these five vessels totalling 13.4 thousand gross register tons were first assigned to the South America run, releasing a larger ship for the China trade, before being transferred to the Far East route (See Table III).

2. Moreover, the Polish Ocean Lines publishes a monthly schedule of its voyages from Gdynia/Gdansk to the United Kingdom, Western Europe, South America, India, Pakistan, Finland, the Near East, and the Black Sea; and from Stettin to the United Kingdom, Scandinavia, Western Europe, East Germany, and Finland.

3. Conversely, no public announcement is made of scheduled voyages to Communist China.

4. This fact is considered to be additional evidence that the administrative, financial, as well as operational control of the Chinese-Polish Ship Brokers Corporation are in the hands of the Chinese Communists, and that the use of the Polish flag on at least one-half of the vessels in the China trade is merely for disguising the true ownership status of these vessels.

ENCLOSURE (1)

NAVY DECLASSIFICATION/RELEASE INSTRUCTIONS ON FILE

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