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**DISCRIMINATORY OCEAN FREIGHT RATES
AND
THE BALANCE OF PAYMENTS**

HEARINGS
BEFORE THE
JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES
EIGHTY-EIGHTH CONGRESS
FIRST SESSION
PURSUANT TO
Sec. 5(a) of Public Law 304
(79th Congress)

—————
JUNE 20 AND 21, 1963
—————

PART 1

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Printed for the use of the Joint Economic Committee



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DISCRIMINATORY OCEAN FREIGHT RATES AND THE BALANCE OF PAYMENTS

THURSDAY, JUNE 20, 1963

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The joint committee met, pursuant to notice, at 10 a.m., in room 318, New Senate Office Building, Hon. Paul H. Douglas (chairman of the committee) presiding.

Present: Senators Douglas, Bartlett, and Javits; Representative Griffiths.

Also present: James W. Knowles, executive director; Thomas H. Boggs, Jr., and Gerald A. Pollack, economists; and Hamilton D. Gewehr, administrative clerk.

Chairman DOUGLAS. The hour of 10 o'clock having arrived, the committee will come to order.

I will ask the members of the Maritime Commission and any associates or advisers they have with them to take seats at the witness table.

I have an opening statement which I should like to make, and then Senator Bartlett, of Alaska, has a statement which he would like to make, and then we will listen to a statement by the Chairman of the Maritime Commission, Mr. Stakem, and then there will be a period of questioning. My opening statement is as follows:

On May 2, the final day of the Joint Economic Committee's steel hearings, the committee sought an explanation for the decline in steel sales abroad. The U.S. trade balance on steel has declined by almost \$800 million since 1955. This decline is in sharp contrast to the \$2.7 billion improvement in our overall trade balance.

The facts are approximately these. Exports of steel have fallen approximately in half, a decline of 48 percent. Imports of steel have quadrupled, so that what was a favorable balance as I remember it of nearly \$700 million in 1955 has turned into an unfavorable balance of \$60 million, or the trade balance on steel has turned against the United States by approximately \$800 million.

What started out, therefore, as an inquiry into the steel industry has ramified into the more general subject of the balance of payments, because obviously the balance of trade is one of the most important factors in the balance of payments. We fortunately still have a favorable balance of trade, that is, of commodities, but the heavy burden of intangible payments is such that what is a favorable balance of trade is turned into an unfavorable balance of payments.

This is one of the most serious economic problems with which the country has to deal. Obviously, if we could have a more favorable balance of trade in the matters of steel and other products, this would

lessen the strain so far as the balance of payments is concerned, and lessen the danger that our gold supply may be depleted.

Therefore, what started out as a casual inquiry into the reasons for the decline in steel sales abroad has turned into an inquiry into general difficulties of the Nation.

Now, at that hearing on May 2, Mr. Walther Lederer, Chief of the Department of Commerce's Balance of Payments Division, testified that one of the reasons for this decline may well be the transportation advantage enjoyed by foreign steel producers due to ocean freight rate differentials.

Mr. Lederer submitted a table indicating that ocean freight rates, established by the shipping conferences which control most U.S. shipping, are much higher from a given port in the United States to a Western European or Japanese port than are freight rates on identical products shipped inbound from the same ports to a given American port.

I asked our very able staff member, Mr. Thomas Boggs, to prepare a memorandum on this subject summarizing not merely Mr. Lederer's evidence but other material which he was able to compute from the data submitted, and this memorandum was sent to all members of the Maritime Commission and is now again available to them and to members of the press, and I hope that it is on the press tables.

Mr. Lederer also stated that freight rates on products carried from U.S. ports to South American countries are higher than the rates from European and Japanese ports to these areas, even though the distances from Europe and Japan to these third countries are much farther.

Because of the balance-of-payments problem of the United States and because of the unfavorable balance of steel trade, the committee felt that this table and the facts given by Mr. Lederer were of paramount importance.

Consequently, we decided to hold an additional hearing on the afternoon of May 2 to seek an explanation from the Federal Maritime Commission which has direct jurisdiction over these matters. Before I summarize this testimony—which is contained in the committee print on the steel hearings which is now available, copies of which can be obtained from the clerk of the committee—I want to characterize the testimony which we received from representatives, and I want to say that the Maritime Commission did not appear in person but sent up its representatives.

I hope that this language of mine will not seem unduly heated, but it is made in sober reflection. I want to characterize the testimony which we then received from representatives of the Maritime Commission as inadequate, disgraceful, and indicative that the Commission and the Commission's predecessor, the Federal Maritime Board, have been grossly negligent and gravely derelict in their duty to protect American industry, the public interest, and the U.S. national interest.

Representatives of the Commission testified, first, that this situation of differential rates has been "a matter of general knowledge" and, second, that they had known about this situation for at least 16 years.

Third, they stated that they had the right and authority to initiate studies and action about these matters, that they had the power to disapprove conference rates, but they had not done so.

I have here in my hand a copy of the original Jones Act. Section 15 stated:

The Board may by order disapprove, cancel or modify any agreement—that is any conference agreement—

or any modification or cancellation thereof whether or not previously approved by it that it finds to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers or ports, or between exporters from the United States and their foreign competitors or to operate to the detriment of the commerce of the United States or to be in violation of this act, and shall approve all other agreements, modifications, or cancellations.

Now, as we all know, in the Reorganization Act of 1961, section 18 not only carried over these powers but strengthened them. Section 18 requires "All conferences to file their rates with the Federal Maritime Commission 30 days prior to their effectiveness," and it gives to the Commission the authority to disapprove a rate "detrimental to the foreign commerce of the United States."

So I think there can be no question as to the authority of the Commission to act and as to the duty of the Commission to act.

Fourth, the representatives of the Commission—I want to emphasize that they were not Commissioners—testified that they had not taken any steps to get American shipping to move independently of the international conferences or cartels which established these rates and which are predominately foreign dominated.

I would like to point out that another committee of the Congress, the Subcommittee on Antitrust and Monopoly of the House Judiciary Committee, over a year ago specifically recommended to the Federal Maritime Commission that it investigate ocean freight rate differentials and the effects of these differentials on U.S. foreign trade.

So far as I am aware the Commission failed to act on this recommendation, at least prior to our hearing of May 2.

Because of the facts brought out at that hearing on May 2 and the complete lack of explanation by the representatives of the Maritime Commission, the Joint Economic Committee unanimously resolved to inform the President of the United States of this testimony, and I ask unanimous consent that a copy of the letter sent to the President on May 3 be printed in the record at this point.

Without objection it is so done.

(The letter referred to is as follows:)

MAY 3, 1963.

THE PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: As you know, the Joint Economic Committee has been holding hearings on the steel industry. On May 2, the committee received testimony concerning international competitive factors affecting the U.S. steel industry and our balance of payments.

The committee was seriously disturbed to learn of the existence of substantial discrimination against American exporters in ocean freight rates. For example, the record shows that freight rates on identical steel products are significantly higher—sometimes nearly twice as high—when they are exported than when imported. On some classes of steel products this differential appears to be 10 percent or more of the prices of the products concerned. I invite your attention to annex A, which contains the table documenting this discrimination and relevant descriptive remarks submitted to the committee by Walther Lederer of the Commerce Department's Balance of Payments Division.

Seeking a better understanding of this unfavorable situation, the committee invited the Chairman of the Federal Maritime Commission or his representatives to testify. Testimony by the Commission's representatives revealed what I called in the record "a grave dereliction of duty on the part of the Federal Maritime Commission" in protecting the national interest. The testimony showed that the Maritime Commission has long been aware of the existence of discrimination against American exporters (see tab A of the record, p. 499), but that no study had ever been made by the Commission to determine the extent of this discrimination and its consequences for American trade. Examination of the witnesses established that the Maritime Commission has the authority to disapprove ocean rates set by steamship conferences, but that this authority has not been exercised. The only specific instance which the witnesses were able to cite was an informal inquiry into rates concerning baby carriages. (The Commission has informed us today that the first formal investigation into discriminatory rate levels is currently underway, involving rates between U.S. Pacific and Far Eastern ports.)

It became evident that the Maritime Commission views its role in protecting American exporters against discrimination in freight rates as purely passive, leaving the initiative for instigating action to private parties or to other Government agencies. The witnesses justified their failure to take action by stating that they lacked staff. However, they were unable to say whether the Commission had ever asked for more staff for the purpose of making rate comparisons.

In a matter so vital to the national interest, Mr. President, it is shocking to find the Maritime Commission's lack of initiative justified, as it was yesterday, in the words: "Just the old adage of the squeaking wheel getting the grease, Senator, there is so little grease to go around" (table B, p. 511).

When the serious nature of this situation became clear, the committee members who were present unanimously adopted Senator Proxmire's motion that the chairman "write a letter to the President of the United States pointing to the testimony that we had this morning, which provoked this hearing his afternoon, and the testimony this afternoon, and the lack of any action on the part of the Maritime Commission in this situation, because I think, it should be called to his attention, and I think it is the duty and the function of this committee to do so" (table C, p. 530).

The committee believes that you may wish to investigate the problem of discrimination in ocean freight rates. Such an investigation should include a review of the functioning of the public agencies responsible for assuring the protection of U.S. industry and labor and the American balance of payments.

This appears to be a general problem in American international trade. It involves not only commerce between the United States and foreign countries, but the American competitive position in third markets. Mr. Lederer stated: "This is a common situation, that the rates on ships going out from the United States are higher than those for ships coming back" (tab D, p. 436). He further said that he had the impression "that the rates from the United States, for instance, to the north coast of South America, an area relatively close to our shores, are considerably higher than the rates from Europe to the same place" (*loc. cit.*).

The Maritime Commission appears to have been grossly negligent. The committee learned of this freight discrimination from the International Payments Division of the Commerce Department, but the question was raised as to whether other sections of that Department more responsible for protecting American export interests have done all that is reasonably possible to bring instances of freight discrimination to the attention of the Maritime Commission.

Mr. President, I know the seriousness with which you regard our balance-of-payments problem. We have here an area which bears importantly on our international competitive position and where substantial improvement appears possible.

Faithfully yours,

PAUL H. DOUGLAS, *Chairman.*

Chairman DOUGLAS. I have since received from Mr. Myer Feldman, deputy special counsel to the President, a reply, which I also ask unanimous consent to print in the record at this point.

Without objection that will be done.

(The letter referred to is as follows:)

MAY 16, 1963.

HON. PAUL H. DOUGLAS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: The President asked me to thank you for sending him the transcript of testimony before the Joint Economic Committee showing the discrimination against American exporters in ocean freight rates. We agree that this requires considerably more attention than the testimony would indicate it has been receiving. We are going to investigate the question.

I am asking both the Council of Economic Advisers and the Department of Commerce to report promptly on the reason for the discrimination and how it could be eliminated. We are also conducting a review of the steps that all Government agencies can take to assure protection of U.S. industry and labor and the American balance of payments.

We appreciate your calling this matter to our attention.

Sincerely,

MYER FELDMAN,
Deputy Special Counsel to the President.

Mr. Feldman says the President agrees that this situation requires considerably more attention than the testimony indicates it has been receiving, and that the administration is going to investigate the situation.

He said that, on behalf of the President, he was asking the appropriate departments of the executive branch to look into this situation.

Subsequently, the Department of Commerce has been most helpful to the Joint Economic Committee in looking into this matter, and it has given assurance that it will continue its investigation. Moreover, the Federal Maritime Commission has at last, instituted a hearing regarding the rate discrimination in the iron and steel industries.

I have here a notice from the Federal Maritime Commission with the date of June 3 stamped upon it, setting up the hearing of investigation, and stating on the final page that this was done by order of the Commission on May 27, some 3 weeks after our hearing. I ask unanimous consent that this action of the Maritime Commission be inserted in the record at this point.

(The letter referred to is as follows:)

FEDERAL MARITIME COMMISSION DOCKET NO. 1114

INVESTIGATION OF IRON AND STEEL RATES BETWEEN THE UNITED STATES AND EUROPE AND JAPAN

Information before the Commission indicates that common carriers by water operating between U.S. North Atlantic ports and ports in the French Atlantic Hamburg range; and in the trade between U.S. gulf ports and ports in the French Atlantic-Hamburg range; and in the trade between U.S. North Atlantic ports and ports in the United Kingdom; and in the trade between U.S. Atlantic, Gulf, and Pacific coast ports and ports in Japan have established and are maintaining freight rates on iron and steel items which are substantially higher on certain iron and steel items moving outward from the United States than are the rates on the same items moving to the United States.

It appears that such outward freight rates for iron and steel items may be so unreasonably high as to be detrimental to the commerce of the United States or that the inbound rates for iron and steel items may be so unreasonably low as to be detrimental to the commerce of the United States, and it further appears that the discrepancy between outbound and inbound freight rates on iron and steel items in the aforesaid trades may result in unjust prejudice to exporters of the United States compared with their foreign competitors.

Therefore, it is ordered, that pursuant to sections 15, 17, 18(b) (5), and 22 of the Shipping Act, 1916, the Commission, upon its own motion, enter into an investigation and hearing for the taking of evidence to determine whether freight rates on iron and steel items set forth in the freight tariffs of the member lines of the conferences specified in appendix 1 attached hereto and made a part hereof and set forth in the tariffs of the individual common carriers by water named in appendix 2 attached hereto and made a part hereof violate sections 15 and/or 17 of the Shipping Act, 1916, and/or should be disapproved under the provisions of sections 17 or 18(b) (5) of the Shipping Act, 1916, and whether any of the conference agreements of the carriers listed in appendix 1 should be disapproved under section 15 of the Shipping Act, 1916.

It is further ordered, that the parties specified in appendixes 1 and 2 attached hereto be made respondents in this proceeding, and,

It is further ordered, that this matter be assigned for hearing before an examiner of the Commission's Office of Hearing Examiners at a date and place to be determined and announced by the chief examiner, and,

It is further ordered, that notice of this order be published in the Federal Register and that a copy thereof and notice of hearing be served upon the respondents specified in appendixes 1 and 2 attached hereto.

It is further ordered, that any persons, other than respondents, who desire to become a party to this proceeding and to participate therein, shall file a petition to intervene with the Secretary, Federal Maritime Commission, Washington 25, D.C., on or before June 17, 1963,

And it is further ordered, that all future notices issued by or on behalf of the Commission in this proceeding, including notice of time and place of hearing or prehearing conference, shall be mailed directly to all parties of record.

By order of the Commission May 27, 1963.

[SEAL]

THOMAS LISI, *Secretary.*

Chairman DOUGLAS. This I might add is the first, so far as I know, formal hearing ever held by the present Maritime Commission or any of its predecessors dealing with discrimination against U.S. exporters due to freight rate differentials.

I have glanced hastily over the statement which the Chairman of the Commission, Mr. Stakem has submitted. I notice he sets forth a large number of cases which the Maritime Commission or its examiners have held.

I should like to inquire into the nature of these cases, whether they have been freight rate differential cases or whether they have been minor cases involving simply the licensing of individuals as freight forwarders and the rest.

Since the committee hearing on May 2, the Joint Economic Committee staff, most notably Mr. Boggs, has looked further into the problem of discriminatory freight rates.

The memorandum entitled "Ocean Freight Rates and Steel Products" for which I ask unanimous consent to insert at this point in the record, is available for the press, and was furnished some days ago to the Maritime Commission.

(The letter referred to is as follows:)

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
June 13, 1963.

MEMORANDUM

To: Senator Paul H. Douglas, chairman.
From: Thomas Boggs.
Subject: Ocean freight rates and steel products.

The U.S. trade balance has increased by \$2.7 billion since 1955. This increase accounts for one of the few pluses in the U.S. balance of payments. In contrast to this improvement is the U.S. trade balance on steel. Since 1955, this balance has declined in constant dollars by almost \$800 million. The value of steel

exports declined by 48 percent, whereas imports increased more than threefold.

Some explanations for this decline are well known, such as the postwar reconstruction of European and Japanese steel plants and the loss of foreign markets during prolonged steel strikes. The validity of these explanations will not be debated in this memorandum; its purpose is to point out that one of the important, yet unpublicized, reasons for this decline in trade may well be the advantage enjoyed by foreign producers of steel due to ocean freight rate differentials.

Ocean freight rates for the most part are established by shipping conferences. There are more than 100 active steamship conferences which operate over trade routes involving U.S. commerce. In 13 of these, there are no American-flag lines. In another 30, only one American-flag line is an active participant. In 93 of these conferences, Americans are outnumbered. The lack of U.S. representation in these conferences may be the primary reason for the freight rate discrimination against American exports.

While the Maritime Commission does not set rates, it can regulate rates. All rates set by conferences whose ships operate in U.S. commerce must be filed with the Maritime Commission 30 days prior to their effectiveness. The Maritime Commission has the authority to "disapprove, cancel, or modify any agreement that it finds to be unjustly discriminatory or unfair, to operate to the detriment of the commerce of the United States, to be contrary to the public interest, or to be in violation of the act" (Jones Act, 1916). Thus, the Maritime Commission has knowledge of rate discrimination and has the authority to disapprove the rates established by the conferences.

Freight differentials can be grouped in two classes. First, differentials exist between the outbound and inbound freight rates charged by carriers traveling to and from the United States on the same trade routes and carrying identical products. In the case of steel, the ocean freight rates established by the shipping conferences are much higher from a given port in the United States to a Western European or Japanese port than are the freight rates on identical products shipped inbound from the same ports to a given American port. Second, differentials exist between freight rates charged by carriers from U.S. ports to third market areas and the rates charged from European and Japanese ports to these areas. It would seem logical that these differences would be based on mileage and time. It should cost more to send steel products from Western Europe to the north coast of South America than it costs to send them from the United States. But such is not the case—it costs less to send the products from Europe, even though the distance is far greater.

The effects of freight rate discrimination on U. S. exports and imports is illustrated by the following example. The price of a German wire rod, f.o.b. West Germany, is approximately \$116 a short ton. The freight rate from Germany to a North Atlantic port is \$18.25. The U.S. price of similar wire rod is \$132.60 per short ton. With the freight rate of \$18.25, therefore, the German import can probably compete with the price of wire rods in the United States. However, the outbound rate paid by American exporters of wire rod is \$29.50. If this rate were applied to the German inbound product, it could not compete for the price would be at least \$145—\$12.90 more than the American price. In this case, the freight differential permits goods to come into the United States and compete with our goods, whereas if the American rate were to be applied, German wire rods could not effectively compete.

The Federal Maritime Commission lacks information regarding the freight rates of our major competitors to third market countries. Thus, this memorandum is not able to document the transportation disadvantage of American exporters to these areas. There is, however, evidence that American exporters are not able to penetrate third markets solely because of freight rate discrimination. Mr. Walter Lederer of the Department of Commerce testified before the Joint Economic Committee that, "the rates from the United States, for instance, to the north coast of South America, an area relatively close to our shores, are considerably higher than the rates from Europe to the same place in the same ships." Thus, freight rate differentials force exporters to reduce profit margins or to abandon sales altogether.

Despite the balance of payments difficulties of the United States and the decline of American steel exports and the increase in steel imports, the Federal Maritime Commission has not previously undertaken steps to remedy existing freight rate differentials on steel. The Maritime Commission has, as its rep-

representatives testified before the Joint Economic Committee, known of this problem for many years. In the words of its representatives, "it is a matter of general knowledge." Moreover, another committee of the Congress, the Subcommittee on Antitrust and Monopoly of the House Judiciary Committee, informed the Commission of this discrimination over a year ago. The Commission testified that it has the responsibility and authority to initiate studies and actions about these matters, and that it has the power to disapprove freight rates set by shipping conferences. Nevertheless, it failed to take any action until this month.

The attached tables indicate that—

(a) Ocean freight rates on U.S. exports of steel products traveling the major U.S. trade routes are significantly higher than the rates on identical imports traveling the same routes in the same ships;

(b) The value of trade is significant in commodities where freight rate discrimination prevails;

(c) Freight rates account for more than 12 percent of the value of steel products on the average;

(d) On the average, 17 percent of the difference in value between exports and imports is due to the higher freight rates paid by American exporters of steel products.

Tables 1 and 2, applicable to the three major U.S. foreign trade routes, indicate that the freight rates on U.S. exports to Japan of all major iron and steel products, and on many manufactured and fabricated products with a high steel content, are in every case higher than the freight rates on imports of identical items.

Tables 1 and 2 also indicate that outbound freight rates applicable to European trade routes are higher than inbound rates on most steel products and on many fabricated and manufactured products with a high steel content. In the few instances where the inbound rate is higher, it is just a fraction above the outbound rate; when the outbound rate is higher, it is substantially higher.

Table 3 seems to contradict statements made by representatives of the Maritime Commission that these rates are only paper rates and do not affect actual U.S. exports. Table 3 compares the original figures submitted to the Joint Economic Committee by Mr. Lederer, showing freight rates effective March 1962, with a set of figures submitted by the Maritime Commission showing freight rates in May 1963.

Freight rates on the products listed have changed levels in almost every case during the past year, but the disparity in favor of our competitors remains at an almost constant level. The changes imply that these rates are under continuing scrutiny by the shipping conferences. They are not merely paper rates which have been on the books for a number of years and have not changed simply because U.S. exporters do not sell any of these products abroad.

Table 4 indicates that the balance of U.S. steel trade has declined by more than \$760 million since 1955, and that widespread discrimination in freight rates exists on products which are heavily traded. For example, on pipe and tubing, the value of U.S. exports has declined from \$157 million in 1955 to \$86 million in 1962—a decrease of 45 percent. At the same time, imports have risen from \$11 to \$96 million—an increase of 751 percent. The average outbound freight rates of the three major trade routes on pipe and tubing is \$42.40 per ton. The average inbound rate is \$22.65.

Table 5 indicates the percentage of freight rates to the total value of exported and imported steel products. Using a simple average, approximately 13 percent of the total value of steel products is accounted for by freight rates. The table also indicates the percentage of the differences in values between exports and imports due to differences in freight rates. In the case of ingots, billets, blooms, and slabs, the average value of a U.S. export of one of these products is \$102.25 per ton. The average value of a like import is \$93.40 per ton. Sixty-six percent of the difference in value between these exports and imports is due to the difference in value between outbound and inbound freight rates. In every case shown in the table, some part of the value difference between exports and imports is directly attributable to a higher freight rate paid by the American exporter. On the average for all of the products shown, 17 percent of the value differences are due to higher freight rates.

TABLE 1.—Comparison of conference ocean freight rates on iron and steel products for the 3 United States-foreign trade routes, May 1963

Commodity	U.S. Pacific and Japanese ports ¹		U.S. Gulf and North Atlantic French ports ²		U.S. North Atlantic and West German ports ³	
	Out-bound ⁴	Inbound	Out-bound	Inbound	Out-bound	Inbound
Plates.....	\$27.10	\$15.50	\$15.55	\$13.50	\$15.25	\$20.00
Bars.....	31.10	15.50	32.35	31.00	13.25	17.75
Wire.....	33.35	22.75	29.40	15.00	27.50	15.75
Plates, iron and steel.....	22.15	15.50	15.55	13.50	14.50	20.00
Sheet.....	(⁵)	15.50	15.55	13.50	13.25	20.00
Strip.....	33.35	(⁵)	(⁵)	(⁵)	13.25	24.25
Structural shape, fabricated.....	(⁵)	22.75	33.50	13.50	28.50	(⁵)
Wire rope.....	38.85	25.25	52.90	42.90	45.00	20.25
Wire strand.....	38.85	25.25	(⁵)	(⁵)	49.50	20.25
Grinding balls.....	35.00	(⁵)	(⁵)	29.75	38.00	21.50
Pig iron.....	(⁵)	(⁵)	29.40	13.50	25.00	(⁵)
Sponge iron.....	43.00	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Iron and steel scrap.....	41.60	21.00	37.90	25.75	24.25	24.75
Angles, beams and girders.....	31.10	15.50	33.50	13.50	28.50	17.75
Bolts and nuts.....	33.35	25.25	33.50	17.00	28.50	16.25
Castings and forgings.....	58.50	(⁵)	47.35	34.00	40.25	28.25
Pillets and blooms.....	33.35	15.50	15.55	13.50	Open	17.25
Rails.....	39.35	15.50	39.40	13.50	33.50	17.75
Rods, wire, plain.....	33.35	15.50	31.45	13.50	23.25	16.50
Screws.....	33.35	23.75	49.10	17.00	41.75	21.50
Pipes, iron and steel.....	33.35	18.00	60.25	14.50	51.25	18.75
Wire, barbed.....	36.60	18.75	33.50	17.00	28.50	16.25
Bars, reinforcing, up to 30 feet.....	31.10	15.50	38.80	(⁵)	(⁵)	(⁵)
Oilwell castings.....	36.60	18.00	(⁵)	(⁵)	(⁵)	(⁵)

¹ Pacific Westbound Conference and Trans-Pacific Freight Conference of Japan.

² Gulf-French Atlantic Hamburg Range Conference—Continental-U.S.A. Gulf Westbound Conference.

³ North Atlantic Continental Freight Conference tariffs.

⁴ Outbound rate is the noncontract rate set by the conferences. The contract rates are 5 to 10 percent lower.

⁵ Not available.

⁶ Open.

NOTE.—Freight on exports on ton basis, 2,240 pounds; freight on imports on ton basis, 1,000 kilos equal 2,204.6 pounds (except Japan where import freight is on the long-ton basis, 2,240 pounds).

TABLE 2.—Freight rates on products with high steel content

Commodity	U.S. Pacific and Japanese ports ¹		U.S. Gulf and North Atlantic French ports ²		U.S. North Atlantic and West German ports ³	
	Out-bound ⁴	Inbound	Out-bound	Inbound	Out-bound	Inbound
Autos, new, boxed.....	\$40.75	\$23.00	\$23.20	\$14.50	(⁵)	(⁵)
Autos, new unboxed.....	50.75	23.00	28.75	33.80	(⁵)	(⁵)
Bulldozer.....	59.50	50.25	32.05	(⁵)	\$22.25	(⁵)
Generators.....	59.75	33.25	(⁵)	(⁵)	36.75	\$42.50
Electric motors.....	59.75	33.25	(⁵)	(⁵)	63.50	24.00
Hardware, general.....	(⁵)	24.00	(⁵)	28.00	42.50	21.00
Machine tools, excluding electric.....	76.50	45.50	40.65	44.50	36.75	42.50
Machines and machinery, agricultural, and parts.....	(⁵)	33.00	23.80	34.50	22.25	23.25
Road building machinery.....	59.50	50.25	32.05	(⁵)	22.25	(⁵)
Tractors, boxed.....	48.00	(⁵)	32.05	27.75	22.25	20.00
Tractors, unboxed.....	59.75	(⁵)	22.35	27.75	16.75	20.00
Trucks, boxed.....	40.75	23.00	23.20	14.50	15.00	27.50
Trucks, unboxed.....	50.75	23.00	33.40	14.50	20.00	24.00
Auto parts.....	40.75	24.75	23.20	18.75	15.00	14.00

¹ Pacific Westbound Conference and Trans-Pacific Freight Conference of Japan.

² Gulf-French Atlantic Hamburg Range Conference—Continental-U.S.A. Gulf Westbound Conference.

³ North Atlantic Continental Freight Conference tariffs.

⁴ Outbound rate is the noncontract rate set by the conferences. The contract rates are 5 to 10 percent lower.

⁵ Not available.

NOTE.—Freight on exports on ton basis—2,240 pounds; freight on imports on ton basis—1,000 kilos equals 2,204.6 pounds (except Japan where import freight is on the long-ton basis—2,240 pounds).

DISCRIMINATORY OCEAN FREIGHT RATES

TABLE 3-A.—Comparison of conference ocean freight rates effective May 1963 on iron and steel products for 3 United States-foreign trade routes

[Amounts in dollars]

Commodity	U.S. North Atlantic ports and West Germany ¹		U.S. gulf ports and North Atlantic French ports ²		U.S. Pacific ports and Japan ³	
	Freight rate on U.S. exports	Freight rate on U.S. imports	Freight rate on U.S. exports	Freight rate on U.S. imports	Freight rate on U.S. exports	Freight rate on U.S. imports
Angles, beams, girders (structurals).....	31.25	17.75	33.50	13.50	31.10	15.50
Bolts.....	31.25	16.25	33.50	17.00	33.35	25.25
Castings and forgings.....	44.75	26.25	47.35	34.00	58.50	(*)
Billets and blooms.....	13.25	17.25	15.55	13.50	33.35	15.50
Rails.....	37.00	17.75	39.40	13.50	39.35	15.50
Rods, wire, plain.....	25.50	16.50	31.45	13.50	33.35	15.50
Screws.....	45.75	21.50	49.10	17.00	33.35	23.75
Pipes, iron and steel 6-inch diameter.....	58.75	18.75	60.25	14.50	33.35	18.00
Wire, barbed.....	31.25	16.25	33.50	17.00	36.60	18.75
Bars, reinforcing up to 40 feet.....	13.25	(*)	38.80	(*)	31.10	15.50
Oil well casings.....	(*)	(*)	(*)	(*)	36.60	18.00
Shapes, plain not fabricated.....	13.25	(*)	(*)	(*)	31.10	(*)
Rods.....	(*)	(*)	(*)	(*)	45.85	15.50

¹ North Atlantic Continental Freight Conference tariffs.² Gulf-French Atlantic Hamburg Range Conference—Continental-U.S.A. Gulf Westbound Conference.³ Pacific Westbound Conference and Trans-Pacific Freight Conference of Japan.⁴ Not available.⁵ Freight rate is either not available or the commodities are included in another class.

NOTE.—Freight on exports on ton basis—2,240 pounds; freight on imports on ton basis—1,000 kilos equal 2,204.6 pounds (except Japan where import freight is on the long ton basis—2,240 pounds.)

Source: U.S. Federal Maritime Commission, Division of Foreign Tariffs.

TABLE 3-B.—Comparison of conference ocean freight rates effective March 1962 on iron and steel products for 3 United States-foreign trade routes

[Amounts in dollars]

Commodity	U.S. North Atlantic ports and West Germany ¹		U.S. gulf ports and North Atlantic French ports ²		U.S. Pacific ports and Japan ³	
	Freight rate on U.S. exports	Freight rate on U.S. imports	Freight rate on U.S. exports	Freight rate on U.S. imports	Freight rate on U.S. exports	Freight rate on U.S. imports
Angles, beams, girders (structurals).....	31.25	19.75	28.50	17.00	28.10	15.50
Bolts.....	31.25	24.00	28.50	20.50	(*)	(*)
Castings and forgings.....	44.25	29.25	40.25	34.00	(*)	(*)
Billets and blooms.....	(*)	(*)	13.25	17.00	30.35	15.50
Rails.....	36.75	19.75	33.50	17.00	(*)	(*)
Rods, wire, plain.....	29.50	18.25	(*)	(*)	28.25	15.50
Screws.....	45.00	24.00	(*)	(*)	(*)	(*)
Pipes, iron, and steel 6-inch diameter.....	(*)	(*)	(*)	(*)	30.35	21.00
Wire, barbed.....	28.50	23.00	28.50	19.00	(*)	(*)
Bars, reinforcing up to 40 feet.....	(*)	19.75	(*)	(*)	28.10	(*)
Oil well casings.....	(*)	(*)	(*)	(*)	33.60	21.00
Shapes, plain, not fabricated.....	(*)	(*)	(*)	(*)	28.10	(*)
Rods.....	(*)	(*)	(*)	(*)	28.25	15.50

¹ North Atlantic Continental Freight Conference tariffs.² Gulf-French Atlantic Hamburg Range Conference—Continental-U.S.A. Gulf Westbound Conference.³ Pacific Westbound Conference and Trans-Pacific Freight Conference of Japan.⁴ Freight rate is either not available or the commodities are included in another class.⁵ Not available.

NOTE.—Freight on exports on ton basis—2,240 pounds; freight on imports on ton basis—1,000 kilo equals 2,204.6 pounds (except Japan where import freight is on the long-ton basis—2,240 pounds).

Source: U.S. Federal Maritime Commission, Division of Foreign Tariffs.

TABLE 4.—Average freight rates for the 3 major trade routes, and value of trade, 1955 and 1962

Product grouping	Exports (in thousands of dollars)				Freight rate (per ton)		Imports (in thousands of dollars)			
	1955 value ¹	1962 value ¹	Percent change	Absolute change	Export	Import	1955 value ¹	1962 value ¹	Percent change	Absolute change
Ingots, blooms, billets, slabs, etc	48,762	20,493	-58.0	-28,269	\$21.25	\$15.40	11,388	13,338	+17.1	+1,950
Skelp.....	8,272	1,128	-86.4	-7,144				356		+356
Wire rods.....	7,006	3,842	-45.2	-3,164	27.50	14.90	4,608	61,920	+1,243.8	+57,312
Structural shapes and piling.....	41,905	23,005	-45.0	-18,850	29.00	15.50	10,780	36,652	+340.0	+25,872
Plates.....	47,088	26,160	-44.5	-20,928	20.30	16.15	186	13,950	+7,400.0	+13,764
Rails and accessories.....	11,248	17,784	+58.1	+6,536	35.80	15.60	655	1,140	+71.4	+475
Concrete reinforcing bars.....	9,916	2,948	-70.3	-6,968	26.60	15.00	11,607	44,311	+281.8	+32,704
Other bars and tool steel.....	35,904	21,760	-39.4	-14,144	27.90	20.00	14,560	43,456	+198.5	+28,896
Pipe and tubing.....	166,800	86,016	-45.2	-70,784	42.40	19.75	11,396	96,940	+750.6	+84,544
Wire nails.....	2,292	3,056	+33.3	+764	30.60	21.00	18,209	37,669	+106.9	+19,460
Barbed wire, wire fencing, other wire and wire products.....	12,735	13,222	+3.8	+487	32.30	17.60	14,464	63,407	+338.4	+48,943
Sheet and strip.....	286,560	144,000	-49.8	-142,560	26.90	13.50	7,661	62,429	+714.9	+54,768
Tin mill products.....	118,269	60,282	-49.1	-57,987				8,960		+8,960
Total.....	816,781	424,743	-48.0	-392,038			114,460	483,800	+322.68	+368,340
Change in balance of trade.....		760,378								

¹ Value excludes freight rate.

TABLE 5.—*Influence of ocean freight rates on steel price differentials, 1962*

Commodity	Freight rates (per ton) ¹		Value (per ton) ²		Percent of rates to value ³		Percent of value difference due to rates ³
	Export	Import	Export	Import	Export	Import	
Ingots, blooms, billets, slabs, etc.....	\$21.25	\$15.40	\$102.25	\$93.40	21	17	66
Skelp.....	27.50	14.90	253.50	110.90	11	13	9
Wire rods.....	29.00	15.50	174.00	113.50	17	14	22
Structural shapes and piling.....	20.30	16.15	238.30	109.15	9	15	3
Plates.....	35.80	15.60	187.80	110.60	19	14	26
Rails and accessories.....	26.60	15.00	166.00	98.00	17	17	15
Concrete reinforcing bars.....	27.00	20.00	290.00	132.00	9	15	5
Other bars and tool steel.....	42.40	19.75	490.40	187.75	9	12	7
Pipe and tubing.....	30.60	21.00	194.60	170.00	4	13	2
Wire nails.....	32.30	17.60	315.30	180.60	10	11	10
Barbed wire, wire fencing, other wire, and wire products.....	26.90	13.50	266.90	193.50	10	8	15
Sheet and strip.....							
Tin mill products.....							
Average.....					12	14	17

¹ Average freight rates of the 3 major trade routes.

² Value includes average freight rates.

³ Rounded to nearest percentage.

Chairman DOUGLAS. After I summarize the Boggs' report, I would like to ask the Maritime Commission to state whether the facts as given are correct.

The salient features of this report as I see them are these:

A. That ocean freight rates on U.S. exports on steel products traveling the major U.S. trade routes are significantly higher than the rates on identical imports traveling the same routes.

Merely using the arithmetic average of the three major trade routes, outbound rates are approximately 60 percent higher than inbound rates.

B. The value of trade is significant in commodities where freight rate discrimination prevails.

Table 4 of Mr. Boggs' memorandum, for example, indicates that the balance of U.S. steel trade has declined, as I have said, by more than \$760 million since 1955, and that widespread discrimination in freight rates exist on products which are heavily traded.

Now this, I think, is important, because it has been alleged that these differences in rates apply to unimportant commodities so far as international trade is concerned, and that, therefore, they do not affect the international balance of trade.

For example, on pipe and tubing, the value of U.S. exports has declined from \$157 million in 1955 to \$86 million in 1962, a decrease of 45 percent, almost in half.

Imports have risen from \$11 million to \$96 million, an increase of 751 percent.

Now note, the average outbound freight rate on pipe and tubing is \$42.40 per ton. The inbound rate is \$22.65, or there is a difference of approximately \$20 a ton in freight rates in favor of the imports as compared to the exports.

We also find that freight rates on the average account for more than 12 percent of the value of steel products.

C. On the average 17 percent of the difference in value between exports and imports is due to higher freight rates paid by American

exporters of steel products. The last column on table 5 indicates that in one case ingots, billets, blooms, and slabs, freight rate differences account for 66 percent of the difference between the American export price and the foreign price.

Now we have assembled further material on other commodities, and I intend to present these later in the hearings, furnishing, of course, copies to the Commission. It is my present intention to give the Commission some time in which to reply to the material we have assembled on other products, but I don't think we should present too much material at the beginning, but we should concentrate initially on the steel case.

I think I will also withhold at this time material which we have on rates to third countries, although this may be even more serious than the outbound-inbound differential. But I will merely say this. Differentials seem to exist between freight rates charged by carriers from U.S. ports to third-country oversea markets, and rates charged from European and Japanese ports to these same third-country markets on identical products. It would seem logical that these differentials should be based on mileage and time. It should cost more to send products from Western Europe to the north coast of South America than it costs to send them from the United States.

We have a memorandum on this subject which I shall later introduce in the record, but not discuss at this time. I merely want to indicate that it is coming.

Now, last week, I addressed a letter to Mr. Thomas Stakem, forwarding the Boggs memorandum dealing primarily with steel, and asking him and his fellow Commissioners to appear this morning and answer among other matters the following questions:

1. Why did you not act before on differential shipping rates in steel?
2. What legitimate defense is there for the magnitude of the shipping differentials?
3. To what degree are American interests outvoted in the International Shipping Conferences?
4. What steps, if any, have you taken to break up, control, or discipline these conferences?
5. On what other commodities are there appreciable shipping differentials and discrimination?
6. How long does it take to get a hearing before one of your hearing examiners? What does an aggrieved party have to prove and what are the approximate costs to the party of such appeals?
7. What further time is taken by an appeal from the opinion of an examiner to the Commission, and what are the costs?
8. How many cases have been adjudicated and average length of time taken? Perhaps I should add here what type of cases have been adjudicated?
9. What action, short of a hearing, does the Commission take? Give illustrations.

Because of the legislative jurisdiction of the Senate Commerce Committee and the House Committee on Merchant Marine and Fisheries concerning matters to be discussed here this morning, I have invited Chairman Warren G. Magnuson and Chairman Herbert C. Bonner, or their representatives, to participate.

I understand representatives of the Senate Commerce Committee are here and that Senator Robert Bartlett, a member of the Commerce Committee, has an opening statement which he wishes to make. We are very happy to welcome the distinguished Senator from Alaska.

Senator BARTLETT. Mr. Chairman, I am grateful to you for giving me the opportunity to appear on this occasion. My interest in this subject was only recently excited. I had the opportunity on May 23 of joining Senator Clair Engle at the hearings he conducted on the Pacific export trade patterns in San Francisco for the Senate Committee on Commerce.

I might add that Senator Engle has had a long and productive series of hearings on this subject. Although it hasn't been my privilege to attend all of them, I thought the one at San Francisco was particularly interesting, and he elicited much valuable information.

During that hearing I pointed to the fact that ocean freight rates in the Pacific trade, like those in our trade with Europe, seem clearly to discriminate against our exporters.

I would like to insert in the record two tables.

(The tables referred to follow:)

TABLE 1.—Comparison of export and import commodity rates, U.S. Pacific coast and Japan

Commodity	Freight rates on exports to Japan (Pacific westbound conference)	Freight rates on imports from Japan (transpacific freight conference on Japan)
Lumber products:		
Plywood, ½-inch ¹	\$41.50	\$20.50
Plywood, 1 inch ¹	85.50	40.90
Woodpulp in bales ²	³ 14.50	22.00
Textiles:		
Cotton, rayon piece goods ²	61.00	33.50
Cotton and cotton linters ²	34.25	52.75
Foodstuffs:		
Fish, dried and dry salted ²	40.75	49.50
Canned goods, n.o.s. ²	53.50	25.75
Fresh fruits and vegetables, n.o.s. ²	89.25	69.25
Beans, in bags ²	29.50	30.50
Chemicals and chemical products:		
Copper sulfate ²	29.25	38.75
Zinc, ingots and slabs ⁴	24.50	30.25
Explosives ²	90.00	144.50
Paint and varnish ²	55.75	52.75
Electrical equipment:		
Generators ²	56.75	33.25
Electrical appliances ²	73.50	33.25
Electrical goods and supplies ²	56.75	33.25
Electric motors ⁴	56.75	33.25
Iron and steel articles:		
Angles, bars, beams ⁴	28.10	15.50
Pipe, tubing, oil well casing ⁴	33.60	21.00
Wire rods ⁴	30.35	15.50
Scrap ⁴	21.95	21.00
Heavy equipment:		
Road building equipment ²	56.50	50.25
Bulldozers ²	56.50	50.25
Automobiles, unboxed ⁴	47.75	23.00
Machines, n.o.s. ²	56.75	33.00
Miscellaneous:		
Radios, phonographs, parts ²	57.25	33.25
Cameras, accessories ²	56.50	33.25
Binoculars ²	73.50	33.75
Sporting goods, n.o.s. ²	73.50	19.50
General cargo, n.o.s. ²	73.50	52.75

¹Per 1,000 square feet.

²2,000 pounds, or 40 cubic feet.

³American Mail Line.

⁴2,240 pounds, for 40 cubic feet.

TABLE No. 2.—Comparison of export and import rates on recent objects of Japanese "trade liberalization," U.S. Pacific coast and Japan

Item	Freight rates on exports to Japan (Pacific west-bound conference)	Freight rates on imports from Japan (transpacific freight conference of Japan)
Raisins ¹	\$44.00	\$44.75
Instant coffee ¹	52.00	44.75
Phonograph records ¹	57.25	52.75
Pens ¹	73.50	52.75
Powered cocoa ¹	58.00	44.75
Sulfate wood pulp ¹	32.00	22.00
Molybdenum ore ¹	39.00	41.75
Antimony ore ¹	27.00	41.75
Copper ingots ¹	19.25	22.25
Copper wire ¹	49.25	22.25
Caustic soda ¹	30.00	40.75
Plastic toys ¹	52.75	19.50
Honey ¹	61.36	44.75
Bananas ¹	89.25	69.25
Mayonnaise ¹	59.40	44.75
Cottonseed oil ²	36.75	(³)

¹ 2,000 pounds or 40 cubic feet.

² 2,240 pounds.

³ Not shown.

The first indicates ocean export and import freight rates on the movement of a random selection of commodities between our west coast and Japan; the second table lists import and export freight rates on a group of items recently singled out by Japan's United States-Japan trade council as objects of Japanese trade liberalization. These latter items represent U.S. products upon which Japanese restrictions have been relaxed and which are now being shipped to Japan in unprecedented quantities.

Mr. Chairman, these data in large measure speak for themselves, and I find the figures extremely disturbing. I would simply make two observations at this point: (1) The import-export rate differential is not an isolated phenomenon which exists in relation only to iron and steel items. Indeed, it seems to be a widespread pattern which applies to virtually the entire spectrum of our trade; (2) these discriminatory rates do not apply, as some have claimed, simply to low-priority items which are not exported or are exported in small quantities. In fact, some of the most striking differentials apply precisely to those products which we export, and export in substantial amounts, to Japan.

Those of us who have long been concerned with these problems have been greatly pleased by the recent efforts of the Joint Economic Committee to explore this area and by the thoroughness and competence displayed in its preliminary investigations.

Many of us are painfully aware that the existence of wide and largely unexplained differentials between import and export ocean freight rates is not a new problem; nor has the Maritime Commission been ignorant of its existence. The matter was brought to the fore during the 1961 hearings of the Celler Antitrust Subcommittee of the House Judiciary Committee. It was stated in the Celler report that throughout 1960 the Department of Commerce had been meeting

with industrial representatives to discuss ways of increasing export sales:

During several of these meetings industrial spokesmen have pointed out that one of the principal deterrents to increased export sales is the high level of outbound ocean freight rates as compared with the inbound rates for the same commodity on the same trade route. Complaints have also been registered regarding the discrepancy between rates from U.S. ports to foreign destinations and from foreign ports to these same foreign destinations for the same commodity.

Telling documentation of discriminatory rates followed, as supplied by the automotive equipment, industrial chemical, major appliance, jewelry, electronics, rubber and rubber products, farm machinery, air conditioning and refrigeration, textile machinery, and fertilizer industries. And the Celler committee report concluded with a distinct mandate to the Federal Maritime Commission to investigate ocean freight rates, to formulate standards by which rates may be judged to be unreasonable or discriminatory, and to determine—

whether or not any important ocean freight rates are * * * unjustly prejudicial to exporters of the United States vis-a-vis their foreign competitors * * * or operating to the detriment of the commerce of the United States.

Mr. Chairman, every indication is that the limited investigation of iron and steel rates which the Federal Maritime Commission has finally gotten underway may well be only scratching the surface of the issues that are involved here. As I said a moment ago, discriminatory rate patterns seem to involve a wide range of American exports extending far beyond the steel industry. In this connection, I cite the testimony of James Whitman, of Getz Bros., a leading exporting and importing firm, before the Bonner Committee on Merchant Marine and Fisheries on June 6 of this year. Mr. Whitman, in a statement quoted in the steamship industry's Congressional Information Bureau Bulletin, noted that the general overall level of export rates is between 25 and 50 percent above the import rate level.

The persistence of another form of discrimination which was mentioned in the Celler report—discrepancies between rates charged U.S. and foreign exporters for shipments to third countries—is borne out in a May 22 statement by representatives of the Manufacturers Chemists' Association, as quoted in the Congressional Information Bureau Bulletin. The chemical industry spokesmen cited "unequal ocean freight rates between the United States, Europe, and third countries" as one of the trade barriers operating to the detriment of chemical exports.

Mr. Chairman, I find these statements, and others such as those made at last month's Pacific coast hearings, worthy of serious consideration. I find the rate differentials present in our Pacific trade extremely disquieting. These data and the preliminary investigations of the Joint Economic Committee raise many complex and vitally important questions—questions which demand thorough and searching investigation:

(1) What is the extent of and the basis for such export-import rate differentials as now exist? Does not this pattern extend far beyond the steel industry and are not several of our high-quantity exports involved?

(2) What explanations exist for the failure of the Maritime Commission to investigate and formulate standards as directed by the Celler committee report? How may this dereliction be remedied?

(3) Do our present difficulties indicate that the Shipping Act is in need of amendment?

(4) What is the effect of rate discrimination upon our country's position in the world market? Some would have us believe that rate differentials are not of significant magnitude to affect adversely our position in the Japanese market. But is it not true that the existence of any differential pushes up our costs to a degree and prices us out of the market to that extent?

(5) To what extent may it be said that foreign carriers or even foreign governments determine the policies of those cartels which establish freight rates for our export trade? I cite in particular the recent letter from the American Maritime Association to Under Secretary of Commerce Roosevelt. The AMA listed "the susceptibility of steamship conference to domination by foreign carriers, to the disadvantage of American ships and the American consumer and businessman" as a situation that threatens to destroy the American merchant marine.

(6) What is the relation of American industry to this situation? Have an appreciable number of American shippers attempted to get rate changes? If so, why have they not been more successful? If not, why not? Have they despaired at the Maritime Commission's inability to aid their cause?

Mr. Chairman, I do not put forward such questions lightly. They urgently demand thorough and prompt investigation. It is my hope that the investigations which the Maritime Commission and the Commerce Department now have underway and, particularly, this hearing of the Joint Economic Committee will not skirt these issues but will meet them squarely. They point to issues concerning which the Senate and the American public must no longer be kept in the dark.

Mr. Chairman, before renewing my request for incorporation of these tables, to which I previously alluded, I would just like to mention a few of these rates at this time.

For example, plywood being shipped to Japan commands a rate of \$41.50.

Freight rates on imports from Japan, Trans-Pacific Freight Conference of Japan, are less than half that amount: \$20.50.

Cotton, rayon piece goods shipped from our west coast to Japan carry a rate of \$61; shipped from Japan to our west coast the rate is \$33.50.

Electrical equipment—I will just mention generators—the rate from the United States to Japan is \$56.75; from Japan to our Pacific coast \$33.25.

Electrical appliances \$73.50, as compared with an eastbound rate of \$33.25.

Electrical goods and supplies—going west the rate is \$56.75. From Japan to our Pacific coast it is \$33.25.

Electric motors westbound command a rate of \$56.75; eastbound \$33.25.

Among the iron and steel articles which are mentioned in my table, wire rods from the United States to Japan take a rate of \$30.35; from Japan here, \$15.50.

Angles, bars, and beams \$28.10, compared with \$15.50.

Automobiles \$47.75 as compared with \$23; and the record will show that we import from Japan a very considerable number of automobiles, which was surprising enough to me.

Now we know what Japan produces in the way of electronic equipment. Here we have a westbound rate on radios, phonographs, and parts of \$57.25. Japan ships those same products to us for \$33.25.

And in respect to these trade liberalization items which I had mentioned previously, sulfate woodpulp westbound \$32, eastbound \$22.

Phonograph records \$57.25 as compared with \$52.75. And so on through a rather long list, where the rates are generally stacked against the American exporter, and sometimes obviously stacked very heavily. There are very few exceptions to that. This material which I have been quoting from, which is shown in the tables, was obtained, Mr. Chairman, from the Federal Maritime Commission.

With your permission, I should like to read what I consider a very pertinent paragraph from the Celler report, dated March 1962.

I have referred to this already, but this spells out the desires of the committee in greater detail :

The Maritime Agency should conduct a thoroughgoing, intensive study of the structure and level of conference rates. Principles should be established concerning what elements should be considered in setting rates, and in judging their fairness, and for determining what impact these rates have upon our domestic economy and upon our export program. Unfair discrepancies between inbound and outbound rates on the same commodities should be adjusted. Attention should be given to the relationship between ocean freight rate levels on export shipments from the United States to various world markets and analogous rates from Far East, United Kingdom, continental, and other ports to the same markets. Further, a full inquiry should be made into the manner in which rate-making agreements and other practices result in discrimination against the United States in connection with ocean transportation of Government-financed commodities. Finally, careful study should be given to the effects of OCP rates upon the geographic distribution of American industry and the effects upon American carriers in those trades.

Finally, Mr. Chairman, I would like to report to you that at the San Francisco hearing conducted by Senator Engle, one of the witnesses, and a very good witness he was indeed, was Mr. George Killian, president of the American President Lines.

At that time I asked him why there should be these rate discrepancies. I did not ask him to answer at that time because it was a complicated subject. Only yesterday I had a reply from him, and this reply will, of course, be incorporated in the hearing record of the Commerce Committee. Copies will be made available for your use as you may see fit.

I thank you very, very much.

Chairman DOUGLAS. Thank you, Senator, for your very excellent testimony. May I say the essence of the American system is a belief that by bringing matters to the attention of the public, truth can be established and remedial action taken. The statements of the chairman and Senator Bartlett, I suppose, in a sense constitute an indictment, but the American system is also based on the belief that the accused have the right of full reply.

It is a peculiarity of congressional committees that the same body, the congressional committee, acts at once as the grand jury, the prosecuting attorney, and the judge. Now, we have presented the case of

the prosecuting attorney and the grand jury. We shall try to be judicial in listening to the reply, and we want to assure the members of the Maritime Commission that they will get a fair deal. The cards are not stacked against them. We have done our duty as we see it. But we will welcome any explanations which you may have to offer.

I would say that I will try to restrain any tendency to break into testimony and ask questions, and allow you to complete your whole testimony without interruption. But at the end, I think members of the committee may wish to ask questions.

Will you proceed, Mr. Stakem? Perhaps, first, you should identify the other members of the Commission and then your aids or assistants whom you may have with you.

STATEMENT OF THOMAS E. STAKEM, CHAIRMAN, FEDERAL MARITIME COMMISSION, ACCOMPANIED BY ASHTON C. BARRETT, VICE CHAIRMAN; JOHN S. PATTERSON, COMMISSIONER; JAMES L. PIMPER, COMMISSIONER; JAMES V. DAY, COMMISSIONER; AND JOHN HARLLEE, COMMISSIONER

Mr. STAKEM. I have on my left Ashton Barrett, who is Vice Chairman of the Commission. To his left is John Harllee. To Mr. Harllee's left is Jim Day from the State of Maine. On Mr. Pimper's right is John Patterson, who is from the State of Illinois. On my right is James Pimper, who is the General Counsel of the Federal Maritime Commission.

Chairman DOUGLAS. Will you proceed?

Mr. STAKEM. Thank you, Mr. Chairman.

First, I would like to say I join with Senator Bartlett in congratulating this committee on throwing the light of day on what I think is a tremendously important problem, and even though the chairman has used the word "indictment" in describing the initial proceedings, we do not consider it to be an indictment, but we do consider that exposure of such important matters is good for the public.

Chairman DOUGLAS. I thank the chairman for that statement. That is the purpose of the inquiry.

Mr. STAKEM. And we take it in that vein, sir.

Chairman DOUGLAS. I thank you very much.

Senator BARTLETT. Mr. Chairman, may I interrupt to say the chairman has identified the home States of all the members except his own. He is from Virginia.

Mr. STAKEM. Thank you, Senator Bartlett.

Mr. Chairman, the appearance of the Federal Maritime Commission before your committee today is in response to your invitation of June 10, 1963.

And I might interpolate there, Senator, if at any point in the statement you care to break in, it is perfectly all right.

Chairman DOUGLAS. I think, in fairness to you, we should abstain from questioning during the presentation.

Mr. STAKEM. The subject to be discussed is the disparity that exists between the export and import freight rates in the U.S. waterborne foreign commerce.

From the chairman's comments on the Senate floor on May 9, in his letter to the President May 3, and in his June 10th invitation to the Commission, it can be noted that one of this committee's principal interests centers around the question, "Why did not this Commission and its predecessors take affirmative action to eliminate the disparity which exists in the export rates over the import rates on like or similar commodities moving in our foreign commerce?" Let me say that prior to Reorganization Plan No. 7, effective August 12, 1961, it was the policy of the U.S. Government agencies charged with the regulation of ocean shipping in our foreign commerce to act on the basis of specific complaints as to ocean freight rates.

Unless a formal complaint was filed by a shipper, complaints received were handled in an informal manner by phone and/or correspondence, in an effort to get the carrier and the shipper together on rate adjustments. Few formal investigations and hearings were instituted by our predecessors on the matter of ocean freight rates.

The investigation of malpractices in the field of international shipping, concluded by the Judiciary Committee of the House of Representatives in 1961, underscored the need to revitalize the agency charged with regulation of shipping in our foreign commerce. From the time the President named me Chairman of the Board, in February 1961, I worked for a reorganization and testified as to the need for such action before the Judiciary Committee of the House before the plan was submitted to Congress. I further testified in favor of Reorganization Plan No. 7 in both Houses of Congress. Passage of this plan brought the Federal Maritime Commission into existence on August 12, 1961.

Under the plan and prior to the enactment of Public Laws 87-254 and 87-346, the Commission was charged with the following major responsibilities:

Under the provisions of the Shipping Act, 1916, the Commission is charged with the general supervision of certain anticompetitive combinations of carriers and/or other persons subject to the act. Under section 15 of the act, the Commission approves or disapproves a wide variety of agreements and cooperative working arrangements between carriers, terminal operators, freight forwarders, and various other persons subject to its jurisdiction. In addition to acting on those agreements filed for its approval, the Commission is under the continuing duty to conduct investigations to insure that no secret agreements or cooperative working arrangements exist in our foreign or offshore domestic commerce.

Section 15 and other sections of the act charge the Commission with the responsibility of ridding our foreign and offshore domestic commerce of unjustly discriminatory and prejudicial competitive practices, and to insure that the many methods of competition expressly prohibited by the act are not employed in such commerce subject to our jurisdiction.

The discharge of these responsibilities under the Shipping Act prior to its amendment required that the Commission conduct investigations, hold hearings—either upon complaint or upon its own motion—investigate, process, and dispose of many formal complaints, and, where appropriate, formulate and adopt rules and regulations

to assure compliance with the shipping statute and to provide guidance to those subject to its jurisdiction.

Under Reorganization Plan No. 7, the Commission is also charged with the responsibility of administering the provisions of the Intercoastal Shipping Act, 1933. Under this act, the Commission is required to approve the rates of common carriers by water engaged in our offshore domestic commerce. If the Commission disapproves a proposed rate, it has the authority to set the maximum or minimum rate to be charged in the trade.

In September and October of 1961, Congress by two enactments greatly enlarged the Commission's area of responsibility.

By Public Law 87-254, Congress introduced a new program requiring the licensing of all independent ocean freight forwarders engaged in foreign commerce and prescribed more stringent standards for regulating the conduct of their business and charged the Commission with the responsibility for administering this new program.

In October of 1961, after extensive investigation by committees in both the House and the Senate, Congress enacted Public Law 87-346 resulting in extensive amendments to the Shipping Act, 1916. The responsibilities of the Commission were enlarged in three general areas by this law. By the addition of a subsection (b) to section 14 of the act, Congress undertook for the first time in the regulatory history of ocean commerce to prescribe specific standards governing the use of the so-called dual rate contracts in our foreign commerce. This places upon the Commission the duty of reexamining every dual rate contract in use in our foreign commerce and act on all new contracts to insure their compliance with the statutory standards. This examination has not yet been completed.

Public Law 87-346 also amended section 15 to enlarge the Commission's authority and control over conferences operating in our foreign commerce. Under section 15, as amended, the Commission is specifically charged with insuring that conferences provide reasonable procedures for hearing shipper complaints and requests, that conferences establish adequate means of self-policing, that they provide reasonable standards for admission of all qualified carriers to membership, and in cases of certain agreements between conferences and/or carriers, that each party retains an effective right to independent action.

In addition, Congress, again for the first time, specifically required that all carriers and conferences engaged in our foreign commerce—whether inbound or outbound—file with the Commission tariffs showing their rates, charges, rules and regulations for the transportation of cargo. Under the new law all new rates or increases in rates must be filed 30 days in advance of their effective date, while decreases become effective when filed. The Commission is authorized for good cause to allow all increases and new rates to become effective on less than 30 days' notice. Under the new section 18(b), a carrier is prohibited from charging a rate not filed with the Commission. The Commission is authorized to promulgate rules governing the form of tariffs and the manner in which they are to be filed. The Commission is further authorized to disapprove after notice and hearing any rate which it finds to be so unreasonably high or low as to be detrimental to the commerce of the United States.

Also under the new law, the Governor of any State, commonwealth or possession of the United States may file a protest against any rate, rule or regulation which he alleges is unjustly discriminatory against that State, commonwealth or possession.

Early efforts of the Commission were devoted to establishing a sound organizational structure, defining our program responsibilities, revising old procedures and in some cases establishing new improved procedures for handling its responsibilities and obtaining a trained staff.

In the fall of 1961, I submitted an estimate to the Bureau of the Budget. This was prior to the enactment of Reorganization Plan No. 7, that approximately 300 people would be required to carry out the shipping functions and responsibilities in the manner expected by the Congress. This request was made as a supplemental appropriation request for fiscal year 1962, and was essentially repeated in our request for regular funds in fiscal year 1963, and in our current request for 1964 funds. Unfortunately, the required funds were not forthcoming from the Congress so that our staff on June 30, 1962, consisted of 176 employees and at this time consists of 251 employees.

The creation of the new agency, the enlarging of its responsibilities, the tremendous continuing and new workloads facing it, and the limitation of staff made it mandatory that attention be directed to those areas representing the most pressing need or where actions and deadlines were dictated by provisions of law.

I have no apology to make for the work of the new Federal Maritime Commission. I know we have an excellent record of accomplishments. True, we might not have been able to direct our efforts to all areas to which we ourselves know required consideration. We will in the future devote increased efforts to those areas of responsibility which we were unable to cover in the past.

Since August 12, 1961, the Commission has—

1. Approved in excess of 300 section 15 conference and carrier agreements and, in addition, maintained surveillance over all approved agreements.

2. Conducted formal proceedings as required by the provisions of the shipping statutes and the Administrative Procedure Act involving more than 100 investigations on the Commission's own motion and formal complaints of violations of the shipping statutes and rule-making proceedings.

3. Concluded in excess of 450 informal complaints; these complaints fell in a variety of categories including those concerning claims for overcharges or damages, violations of section 15 agreements, protests against rates, unjust or unfair discriminatory or preferential practices, passenger service complaints.

4. Received and reviewed over 1,000 additional tariffs involving over 2 million rates.

5. Examined more than 1,000 applications for freight forwarders licenses.

6. Participated in over 50 cases in litigation before the courts.

7. Acted upon in excess of 400 special permission requests to effect new or increased tariff rates in advance of the statutory filing time.

8. Concluded in excess of 500 field investigations of violations of the shipping statutes and the qualifications of applicants for freight forwarder licenses.

In an effort to better acquaint ourselves, the new Commission, with the problems that shippers, carriers, terminal operators, freight forwarders, and conferences have under the statutes, particularly in view of the previously mentioned amendments enacted in late 1961, the Commission met with all of the aforementioned groups. We invited criticisms, suggestions, and comments on every phase of our regulatory activities. We further requested the parties to file supplemental statements setting forth all matters of interest to them and suggestions as to how the Commission might proceed to resolve the problems that confronted them. In none of the meetings was the disparity between the export and import rates highlighted as a problem.

Turning now to the disparity between export and import rates on the same or similar commodities, let me say that the Commission knows that this is an area requiring attention. Because of the workload noted above, this matter has not been given the prompt attention that it deserves. While, in the domestic offshore trades, the Commission has the authority to set maximum or minimum rates and suspend rates, no such authority was granted in connection with rates in foreign commerce. We do not approve rates in foreign commerce and we cannot suspend them. Our authority under the Shipping Act, 1916, is contained in three sections; namely, sections 15, 17, and 18(b). Under section 15, the Commission is to withdraw its approval of any conference agreement when it finds after hearing that the member lines are fixing rates which are unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States as compared with their foreign competitors or detrimental to the commerce of the United States or contrary to public interest.

Section 17 prohibits common carriers from charging rates which are unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States as compared with their foreign competitors. Under the section, when the Commission finds that any such rate is being charged, it may alter the rate to the extent necessary and make an order that the carrier discontinue charging the discriminatory rate.

Section 18(b) requires all common carriers and conferences to file tariffs with the Commission and provides that the Commission shall disapprove any rate or charge filed by a common carrier by water in the foreign commerce of the United States or conference of carriers which, after hearing, it finds to be so unreasonably high or low as to be detrimental to the commerce of the United States.

In addition, section 212(e) of the Merchant Marine Act, 1936, authorizes the Commission to investigate any and all discriminatory rates, charges, and classifications, and practices whereby exporters and shippers of cargo in the United States are required to pay a higher rate from any U.S. port to a foreign port than the rate charged by such carrier on similar cargo from such foreign port to such U.S. port, and recommend to Congress measures by which such discriminations may be corrected.

It is within this framework that the Commission must act on the specific problems confronting us and the Commission is taking certain steps to attack these problems. These steps will include: the conduct of internal rate studies to develop to the extent possible the reasons for disparity in rates on specific commodities; factfinding investigations, as appropriate; and formal investigations and hearings.

If I may now turn to the specific problem of the export and import rates on steel products. As this committee knows, the Commission on June 3, 1963, ordered a public investigation of the rate disparity known to exist. Notice of this investigation was published in the Federal Register, and interested parties were given until June 17, 1963, to express an interest in the proceedings by intervening. Because there was initially only moderate response to this notice of investigation, the time for intervention has been extended to July 1, 1963.

In addition to the formal investigation on steel, the Commission is examining the tariffs on file to identify additional commodities in which a disparity on export and import rates exist.

The Commission has established a formal liaison on this subject with the Department of Commerce, Department of State, and the Tariff Commission. We want to make sure the whole problem is studied and not just a segment of the whole. Because of the magnitude of this task and the fact that it represents an area of continuing concern, the Commission has taken steps to secure a feasibility and cost estimate study of machine tabulating the millions of individual commodity rates appearing in the tariffs on file with the Commission.

For this purpose we have secured the cooperation of the National Archives and Records Service. The facilities of the Service have been utilized by this Commission since January 1962 for the purpose of establishing modern streamlined administrative methods and procedures.

It is too early to hazard a prediction as to just what these studies will show. Should they show that the disparity between export and import rates is detrimental to the commerce of the United States, the Commission will take prompt and appropriate action under the law. If additional authority is necessary, the Commission will make appropriate recommendations to the Congress.

Quite apart from the level of rates other factors may operate to diminish or prevent the flow of U.S. exports. Some of these factors are import quotas and tariffs on commodities imposed by foreign governments, currency controls, and increased industrial production in low production cost foreign areas.

Of equal interest to our Commission and to this committee are the reasons why freight rates from countries competitive with the United States to third countries should show such a differential in favor of our competitors (Europe and United States to South and Central America, for example). While the rates of foreign-to-foreign commerce are not available to this Commission we will exercise every possible effort to identify areas where American exporters are at a competitive disadvantage and take whatever action that can be taken under the law.

I would like to turn now to the answers to the nine specific questions presented to the Commission in the chairman's letter of June 10, 1963.

1. Why did not the Commission act before on the differential shipping rates in steel?

I think, Mr. Chairman, I have answered this in the body of my main presentation. But I would like to point up some of the efforts we are now making to resolve the problem. We have initiated a formal proceeding. We are now sending out letters to some 400 producers,

manufacturers, and fabricators of steel, and to other persons interested in the domestic and foreign sales of steel products. These letters are designed for the development of facts for hearing and specifically solicit information as to any loss of domestic or foreign trade because of the disparity in export and import rates and attempts made by exporters to secure adjustments in rates.

2. What legitimate defense is there for the magnitude of the shipping differentials?

We believe that no one answer can be given to this question, and that our future investigations and hearings will develop a number of possible answers. We do not, however, defend the magnitude of any differential nor any tariff rate inbound or outbound that is filed with us. We are at the present time and will in the future examine and study all rates and will hold hearings whenever the facts so require in order to determine the reasons, if any, for the differentials. Where they are not justified we will take appropriate action under the shipping laws.

3. To what degree are American interests outvoted in the international shipping centers?

We assume this question refers to American lines' participation in international steamship conferences. In virtually all steamship conferences, approved under section 15 of the Shipping Act, 1916, and operating in the foreign commerce of the United States, foreign-flag lines greatly outnumber American-flag lines. This result stems from the fact far more foreigners than Americans transport this country's oceanborne foreign commerce, and from the fact that the Shipping Act makes no distinctions with respect to conference activities based on nationality of the carrier.

And I might add in there, Mr. Chairman, that there are approximately 400 common carriers in the foreign commerce of the United States, and 35 of those are American. The rest fly the flag of about 40 different nations. And it is a fact that in 1961, that foreign-flag ships that engage in our trade carried approximately 70 percent of all the liner cargoes moving from this country, and that overall in the export-import trade, the foreign-flag ships carry about 90 percent of our total export and import commerce.

4. What steps, if any, have you taken to break up, control, or discipline these conferences?

Congress, through the Shipping Act, 1916, including the 1961 amendments, has indicated the acceptance of, and in fact the need for, the conference system, subject to certain limitations and safeguards to protect shippers and independent steamship lines. Congress has recognized the importance of maintaining stability of rates and continuity of liner service through the conference system. However, Congress has also recognized the need for some limitations on the activities on conferences and has granted antitrust immunity to them only in exchange for regulation by the Commission under the standards of the act.

Consistent with this policy of Congress, the Federal Maritime Commission has endeavored to see that conference activities conform to the requirements set forth in the statute, and will continue to do so. Whenever the Commission, through its own investigation or upon complaint, has reason to believe that conferences' activities are or

have been in violation of the Shipping Act or with approved agreements, corrective action is taken.

5. On what other commodities are there appreciable shipping differentials and discriminations?

As already indicated, the Commission is compiling a list of such commodities which will be furnished to the committee as promptly as possible. Our Bureau of Financial Analysis and our Bureau of Foreign Regulation are now engaged in this task. We are going to coordinate our activities in this area with the Department of Commerce so that both agencies are concentrating on the same critical commodities.

6. How long does it take to get a hearing before one of our examiners? What does an aggrieved party have to prove and what are the approximate costs?

The Commission has 11 examiners to whom are assigned 144 formal cases. Although this is a heavy workload, hearings are normally scheduled promptly. Under the Commission's rules, a respondent is given 20 days to answer a complaint.

The proof required of an aggrieved party depends upon the subject matter of his complaint. The Commission assesses no charges against the parties and the costs of litigating a case are not within its control.

7. What further time is taken by an appeal from the opinion of an examiner to the Commission, and what are the costs?

After an examiner serves his decision the parties are allowed 15 days to file exceptions, and another 15 days are allowed for replies to exceptions. Generally, if requested by any party, the Commission sets the case for oral argument before the case is submitted for final decision. Here again, the costs are not within the control of the Commission.

8. How many cases have been adjudicated and average length of time taken?

The Commission since its organization has adjudicated 83 formal regulatory cases. Twenty-four other formal proceedings have been dismissed or discontinued. Considering the 107 total proceedings the average time from beginning to final action was 6½ months. It is a fact that the present Maritime Commission concluded as many regulatory cases since its creation than its predecessor did in 7 previous years.

And I would like to add to that, Mr. Chairman, that in the rulemaking provisions where the Commission sets the rule guidance, the rules of conduct for the industry, that this Commission in the 22 months of its existence has set down more rules for the guidance of the industry that it regulates than all of its predecessors put together from 1916 to 1961.

9. What actions short of a hearing does the Commission take? Give illustrations.

The Commission in lieu thereof has made every effort to obtain resolution of matters through the voluntary agreement process between the interested parties. It has attempted to prevent violations of the shipping statutes at every turn to avoid long and costly hearings resulting therefrom. Further, the Commission has adopted a fact-finding investigatory proceeding where, by order, a particular employee is named the investigating officer. He is given power to issue subpoenas and to hold public or private hearings as best suits the case.

His report of findings is reviewed by the Commission to determine the next course of action.

Mr. Chairman, the Commission shares your concern about the possible current and potential effect that the disparity in inbound and outbound freight rates may have on U.S. exports and the possible consequent effect upon the U.S.-balance-of-international-payments position. We can assure you that all action possible will be taken by our agency within our authority and to the extent of our ability and in cooperation with other Government departments.

Now, Mr. Chairman, I think in your opening remarks, and also in the opening remarks of Senator Bartlett, a reference was made to the Judiciary Committee of the House calling the attention of the former Board and the Maritime Commission to the need for a general across-the-board rate investigation. And I think when I testified before the Judiciary Committee, I told the committee that we recognized the need for such an investigation. But I also told them in September of 1962, series report No. 34 at page 46, that:

The Federal Maritime Commission has not undertaken a general investigation of ocean freight rates or the establishment of broad rate standards insofar as the foreign trade of the United States is concerned. At the present time, sufficient personnel is unavailable for this study.

Chairman DOUGLAS. Just to clear that up, I have a copy of the Celler committee report in my hand here, dated March 12.

Mr. STAKEM. 1961?

Chairman DOUGLAS. 1962. So the Celler committee made its recommendations in March of 1962.

Mr. STAKEM. And I reported our position in connection with this general rate investigation as of September 26, 1962, after the Celler report was made public.

Chairman DOUGLAS. Does that complete your statement?

Mr. STAKEM. One other fact, Mr. Chairman, if I may.

The matters of assigning the priorities in the Commission is the responsibility of the Chairman, and I wish to state to this committee that if there is any criticism to be presented to this Commission for not having moved sooner in this very critical area, that that criticism should fall on me as Chairman, because it was my responsibility to set the priorities within the limits of our staff.

Thank you, Mr. Chairman.

Chairman DOUGLAS. Mrs. Griffiths.

Representative GRIFFITHS. Thank you, Mr. Chairman. I would like to ask you, when you gave notice in the Federal Register of a hearing, how many replied? How many people from the industry replied?

Mr. STAKEM. Mrs. Griffiths, the following is a list of the intervenors: the Port of New York Authority, the Japan Iron & Steel Exporters Association, the Virginia Port Authority, the Textile Waste Association, the Traffic Board Authority Atlantic Port Association, the Crucible Steel Co. of America.

Now, parties expressing an intention to intervene but have not yet submitted papers of intervention: the Kaiser Steel Corp., Weirton Steel Co., Allegheny Ludlum Steel Corp.

Now, parties that expressed an interest in the proceedings but not so far as to indicate an intention to intervene, but only to be kept

informed of proceeding: the State of Oregon Public Utilities Commission, the Maryland Port Authority, the American Smelting & Refining Co., the Massachusetts Port Authority.

The appearance for the respondents: the China Steam Navigation Co., Ltd., the North Atlantic United Kingdom Freight Conference, the North Atlantic Continental Freight Conference, the North Atlantic TransAtlantic Freight Conference, the Orient Overseas Line, Cobelfret Freight Lines, Wailenius Lines, Taiwan Navigation Co., Ltd., and Meyer Line.

Representative GRIFFITHS. What dollar volume of the steel companies of the United States has responded?

Mr. STAKEM. The dollar volume of the steel moved from the United States that have responded?

Representative GRIFFITHS. Yes.

Mr. STAKEM. I don't have that readily at hand, Mrs. Griffiths. I would obtain it and put in in the record if you would so desire.

Representative GRIFFITHS. When you sent out the 400 letters, did you send them to steel companies?

Mr. STAKEM. Yes. The 400 letters were being prepared in final form. They have not yet gone out.

Representative GRIFFITHS. Would one of those letters go, for instance, to United States Steel?

Mr. STAKEM. Yes; it would.

Representative GRIFFITHS. And what do you ask them to do when you send the letters?

Mr. STAKEM. I think the best evidence would be the submission in the record of this proceedings of a copy of the letters.

Representative GRIFFITHS. I think so.

Chairman DOUGLAS. That will be done.

Mr. STAKEM. We shall do that.

(The letter referred to follows:)

FEDERAL MARITIME COMMISSION,
Washington D.C., June 24, 1963.

GENTLEMEN: The Federal Maritime Commission is currently conducting an investigation of ocean transportation rates for iron and steel goods to determine whether (1) outbound rates are unreasonably high, (2) inbound rates are unreasonably low, and (3) the discrepancy between outbound and inbound rates may be unjustly prejudicial to American exporters. The trades involved are between (1) U.S. Atlantic and gulf ports on the one hand and Continental Europe and United Kingdom ports on the other hand, (2) all U.S. ports and ports in Japan, and (3) U.S. Pacific coast ports and ports in Australia.

We are particularly interested in learning whether your company has, since 1955, (1) suffered diminished exports of particular iron and steel items to any of these trading areas, (2) lost domestic sales to foreign competition which may be ascribable to lower import freight rates, and (3) attempted to negotiate adjustments in freight rates from any steamship conferences or carriers in the trade in order to maintain your foreign markets and protect your sales in the domestic market.

A member of this office would be pleased to meet with a representative of your company, either in Washington, D.C., or at your office, at a mutually agreeable date to discuss the issues raised.

Very truly yours,

ROBERT J. BLACKWELL,
Director, Bureau of Administrative Proceedings.

DOCKET No. 1114

List of 305 iron and steel companies to which original letter of inquiry dated June 24, 1963, was sent:

Acme Steel Co., 135th and Perry Avenue, Riverdale Station, Chicago, Ill.
 Acme-Newport Steel Co., Ninth and Lowell Streets, Newport, Ky.
 Alan Wood Steel Co., Conshohocken, Pa.
 Alco Products, Inc., 300 Church Street, New York, N.Y.
 Allegheny Ludlum Steel Corp., 2020 Oliver Building, Pittsburgh, Pa.
 Wallingford Steel Co., Wallingford, Conn.
 American Chain & Cable Co., Inc., 230 Park Avenue, New York, N.Y.
 American Compressed Steel Corp., 900 East Front Street, Cincinnati, Ohio.
 W. Ames & Co., Inc., 417 Communipaw Avenue, Jersey City, N.J.
 Armco Steel Corp., 703 Curtis Street, Middletown, Ohio.
 Armco Division, Ashland Works, Boyd County, Ashland, Ky.
 Sheffield Division, Sheffield Station, Kansas City, Mo.
 National Supply Co., Post Office Box 416, Pittsburgh, Pa.
 Spang-Chalfant Division, Beaver County, Ambridge, Pa.
 Union Wire Rope Corp., 21st and Manchester Avenue, Kansas City, Mo.
 Atlantic Steel Co., Post Office Box 1714, Atlanta, Ga.
 Babcock & Wilcox Co., 161 East 42d Street, New York, N.Y.
 Baldwin-Lima-Hamilton Corp., Standard Steel Works Division, Mifflin County, Burnham, Pa.
 Standard Steel Works Division, Mifflin County, Burnham, Pa.
 Bethlehem Steel Corp., 25 Broadway, New York, N.Y.
 Bethlehem Steel Co., Bethlehem, Pa.
 Borg-Warner Corp., 200 South Michigan Avenue, Chicago, Ill.
 Calumet Steel Division, Chicago Heights, Ill.
 Franklin Steel Division, Franklin, Pa.
 Ingersoll Products Division, 1000 West 120th Street, Chicago, Ill.
 Ingersoll Steel Division, Broad Street, New Castle, Ind.
 Braeburn Alloy Steel Corp., Braeburn, Pa.
 Continental Copper & Steel Industries, Inc., Braeburn, Pa.
 Byers Co., A. M. Clark Building, 717 Liberty Avenue, Pittsburgh, Pa.
 Carpenter Steel Co., 101 West Bern Street, Reading, Pa.
 Carpenter Steel of New England, Inc., Fairfield County, Bridgeport, Conn.
 Webb Wire Division, Middlesex County, New Brunswick, N.J.
 Ceco Steel Products Corp., Lemont, Ill.
 Lemont Manufacturing Corp., Lemont, Ill.
 Colorado Fuel & Iron Corp., Continental Oil Building, Denver, Colo.
 Roebling's Sons Division, Kinkora Works, Burlington County, Roebling, N.J.
 Columbia Tool Steel Co., Lincoln Highway and State Street, Chicago Heights, Ill.
 Continental Steel Corp., Kokomo, Ind.
 Copperweld Steel Co., 422 Frick Building, Pittsburgh, Pa.
 Ohio Seamless Tube Division, Richland County, Shelby, Ohio.
 Crucible Steel Co. of America, Post Office Box 88, Pittsburgh, Pa.
 Trent Tube Co., 498 South Church Street, East Troy, Wis.
 Detroit Steel Corp., 1025 South Oakwood Avenue, Detroit, Mich.
 Driver Co., Wilbur B., 1875 McCarter Highway, Newark, N.J.
 Eastern Stainless Steel Corp., Post Office Box 1975, Baltimore, Md.
 Edgewater Steel Co., Post Office Box 478, Pittsburgh, Pa.
 Firth Sterling, Inc., 3113 Forbes Street, Pittsburgh, Pa.
 Florida Steel Corp., Florida Electric Steel Mill Division, Post Office Box 3321, Tampa, Fla.
 Ford Motor Co., American Road, Dearborn, Mich.
 Granite City Steel Co., 20th and State Streets, Granite City, Ill.
 Harsco Corp., 10th and Herr Streets, Harrisburg, Pa.
 Harrisburg Steel Co., 10th and Herr Streets, Harrisburg, Pa.
 Hawaiian Western Steel, Ltd., Box 2160, Honolulu, Hawaii.
 Inland Steel Co., 30 West Monroe Street, Chicago, Ill.
 International Harvester Co., 180 North Michigan Avenue, Chicago, Ill.
 Wisconsin Steel Division, Cook County, South Chicago, Ill.
 Jersey Shore Steel Co., Jersey Shore, Pa.
 Jessop Steel Co., Washington, Pa.
 Green River Steel Corp., Owensboro, Ky.

Jones & Laughlin Steel Corp., 3 Gateway Center, Pittsburgh, Pa.
 Joslyn Manufacturing & Supply Co., Joslyn Stainless Steels Division, 155 North
 Wacker Drive, Chicago, Ill.
 Judson Steel Corp., 4200 Eastshore Highway, Emeryville, Calif.
 Kaiser Steel Corp., Kaiser Center, 300 Lakeside Drive, Oakland, Calif.
 Keystone Steel & Wire Co., Peoria, Ill.
 Mid-States Steel & Wire Co., Crawfordsville, Ind.
 Knoxville Iron Co., Knoxville, Tenn.
 Laclede Steel Co., Arcade Building, St. Louis, Mo.
 Latrobe Steel Co., 2626 Ligonier Street, Latrobe, Pa.
 Le Tourneau, Inc., R. G., Longview, Tex.
 Lockhart Iron & Steel Co., Post Office Box 1165, Pittsburgh, Pa.
 Lone Star Steel Co., West Mockingbird Lane at Roper, Box 12226, Dallas, Tex.
 Lukens Steel Co., Coatesville, Pa.
 McLouth Steel Corp., 300 South Livernois Avenue, Detroit, Mich.
 Merrit-Chapman & Scott Corp., 261 Madison Avenue, New York, N.Y.
 Milton Steel Division, Northumberland County, Milton, Pa.
 Tennessee Products & Chemical Corp., 2611 West End Avenue, Nashville, Tenn.
 Ten-Tex Alloy & Chemical Corp., Houston, Tex.
 Mississippi Steel Corp., Post Office Box 5508, Pearl Branch, Jackson, Miss.
 Missouri Rolling Mill Corp., 6800 Manchester Avenue, St. Louis, Mo.
 National Steel Corp., 2800 Grant Building, Pittsburgh, Pa.
 Great Lakes Steel Corp., Ecorse, Detroit, Mich.
 Hanna Furnace Corp., Detroit, Mich.
 Midwest Steel Corp., Porter County, Portage, Ind.
 Weirton Steel Division, Weirton, W. Va.
 Northern Steel, Inc., 1 State Street, Boston, Mass.
 Northwest Steel Rolling Mills, Inc., 4315 Ninth Avenue, NW., Seattle, Wash.
 Northwestern Steel & Wire Co., Avenue B and Wallace Street, Sterling, Ill.
 Oklahoma Steel Corp., Post Office Box 2462, Oklahoma City, Okla.
 Oregon Steel Mills, 5250 Northwest Front Avenue, Portland, Oreg.
 Pacific States Steel Corp., Union City, Calif.
 Phoenix Manufacturing Co., Post Office Box 1207, Joliet, Ill.
 Phoenix Steel Corp., 25 Broad Street, New York, N.Y.
 Pittsburgh Steel Co., 1600 Grant Building, Post Office Box 118, Pittsburgh, Pa.
 Johnson Steel & Wire Co., Inc., 53 Wisner Avenue, Worcester, Mass.
 Thomas Strip Division, Warren, Ohio.
 Pollak Steel Co., Post Office Box 237, Cincinnati, Ohio.
 Poor & Co., Inc., Rail Joint Co. Division, 50 Church Street, New York, N.Y.
 Porter Co., Inc., H. K., Porter Building, Pittsburgh, Pa.
 Connors Steel Division, Post Office Box 2562, Birmingham, Ala.
 Leschen Wire Rope Division, St. Louis, Mo.
 Riverside-Alloy Metal Division, Burlington County, Riverside, N.J.
 Vulcan-Kidd Steel Division, West Aliquippa, Pa.
 Republic Steel Corp., Republic Building, Cleveland, Ohio.
 Roanoke Electric Steel Corp., Roanoke, Va.
 Seaway Steel Corp., 101 East Avenue, North Tonawanda, N.Y.
 Sharon Steel Corp., Sharon, Pa.
 Brainard Steel Division, Warren, Ohio.
 Simmons Co., 300 Park Avenue, New York, N.Y.
 Simmons Saw & Steel Co., 470 Main Street, Fitchburg, Mass.
 Southern Electric Steel Co., 2301 Huntsville Road, Birmingham, Ala.
 Southwest Steel Rolling Mills, 9901 South Alameda Street, Los Angeles, Calif.
 Structural Metals, Inc., Post Office Box 911, Seguin, Tex.
 Sweet's Steel Co., Williamsport, Pa.
 Texas Steel Co., 3901 Hemphill Street, Fort Worth, Tex.
 Timken Roller Bearing Co., Timken Steel and Tube Division, 1835 Dueber Avenue SW., Canton, Ohio.
 Tredegar Co., Richmond, Va.
 United States Steel Corp., 71 Broadway, New York, N.Y.
 American Bridge Division, 525 William Penn Place, Pittsburgh, Pa.
 American Steel & Wire Division, Rockefeller Building, Cleveland, Ohio.
 Columbia-Geneva Steel Division, 120 Montgomery Street, San Francisco, Calif.
 Consolidated Western Steel Division, Box 2015, Terminal Annex, Los Angeles, Calif.

National Tube Division, 525 William Penn Place, Pittsburgh, Pa.
Tennessee Coal & Iron Division, Box 599, Fairfield, Ala.
Universal Cyclops Steel Corp., Bridgeville, Pa.
Empire-Reeves Steel Corp., Mansfield, Ohio.
Vanadium-Alloys Steel Co., Latrobe, Pa.
Anchor Drawn Steel Co. Division, Latrobe, Pa.
Colonial Steel Co., Monaca, Pa.
Metal Forming Corp., Elkhart, Ind.
Pittsburgh Tool Steel Wire Co., Monaca, Pa.
Washburn Wire Co., Phillipsdale, R.I.
Wesco Steel Rolling Mills Corp., Post Office Box 31, Bell, Calif.
Wheeling Steel Corp., Wheeling, W. Va.
Wickwire Bros, Inc., 189 Main Street, Cortland, N.Y.
Youngstown Sheet & Tube Co., 7655 Market Street, Youngstown, Ohio.
American Metal Products Co., 5959 Linsdale Avenue, Detroit, Mich.
Tube Reducing Corp., 520 Main Street Wallington, N.J.
American Shim Steel Co., Second Avenue and Sixth Street, New Kensington, Pa.
Anaconda Co., 25 Broadway, New York, N.Y.
Angell Nail & Chaplet Co., 4580 East 71st Street, Cleveland, Ohio.
AP Parts Corp., AP Building, Toledo, Ohio.
Arkota Steel Corp., Coolidge, Ariz.
The Atlantic Wire Co., 1 Church Street, Branford, Conn.
Atlas Tack Corp., Fairhaven, Mass.
Avon Tube Division of Higbie Manufacturing Co., Fourth and Water Streets,
Rochester, Mich.
Barry Universal Corp., 10225 Lyndon Avenue, Detroit, Mich.
Berger Machine Products, Inc., 74-16 Grand Avenue, Maspeth, New York, N.Y.
Berkman Co., Louis, Steubenville, Ohio.
Ohio River Steel Division, Jefferson County, Toronto, Ohio.
Blair Strip Steel Co., 1209 Butler Avenue, New Castle, Pa.
Bliss & Laughlin, Inc., Harvey, Ill.
Sierra Drawn Steel Division, Los Angeles, Calif.
Border Steel Co., El Paso County, Vinton, Tex.
Bundy Tubing Co., 8109 East Jefferson Avenue, Detroit, Mich.
Cabot Shops, Inc., Post Office Box 1101, Pampa, Tex.
California Steel & Tube, 4000 Noakes Street, Los Angeles, Calif.
Calstrip Steel Corp., 7140 Bandini, Los Angeles, Calif.
Cameron Iron Works, Inc., Post Office 1212, Houston, Tex.
Calvert Wire Co., Inc., Post Office Box 808, Uniontown, Pa.
Cedarburg Wire, Wire Nail & Screw Co., Ozaukee County, Cedarburg, Wis.
Central Steel Tube Co., Clinton, Iowa.
Chicago Steel & Wire Co., 103d Street and Torrence Avenue, Chicago, Ill.
Chromium Mining & Smelting Corp., 13550 South Indiana Avenue, Chicago, Ill.
Climax Molybdenum Co., Division American Metal Climax, Inc., 1270 Avenue of
the Americas, New York, N.Y.
Columbia Steel & Shafting Co., Post Office Box 1557, Juttsburg, Pa.
Summerill Tubing Co., Allegheny County, Carnegie, Pa.
Compressed Steel Shafting Co., 1587 Hyde Park Avenue, Readville, Mass.
Cumberland Steel Co., Cumberland, Md.
Cuyahoga Steel & Wire Co., Longwood Avenue, Maple Heights, Cleveland, Ohio.
Damascus Tube Co., Greenville, Pa.
Davis Wire & Cable Corp., K.H., 6315 Bandini Boulevard, Los Angeles, Calif.
Donner-Hanna Coke Corp., Abby and Mystic Streets, Buffalo, N.Y.
The Driscoll Wire Co., Shelton, Conn.
Eaton Manufacturing Co., Reliance Division, Massillon, Ohio.
E. H. Edwards Co., Butler Road and Industrial Way South, San Francisco,
Calif.
Electroweld Steel Corp., 505 West Foothill Boulevard, Azusa, Calif.
Enterprise Wire Co., 13157 Gregory Street, Blue Island, Ill.
Erie Forge & Steel Corp., 1341 West 16 Street, Erie, Pa.
Etiwanda Steel Producers, Inc., Etiwanda, Calif.
Finkl & Sons Co., A., 2011 Southport Avenue, Chicago, Ill.
The Fitzsimons Steel Co., Inc., 1623 Wilson Avenue, Youngstown, Ohio.
Formed Tubes, Inc., Prarie and Albert, Sturgis, Mich.
Fort Howard Steel & Wire, division of Research, Parts & Engineering Corp., State
and Ninth Streets, Green Bay, Wis.
Fretz-Moon Tube Co., Inc., Box 551, Butler, Pa.

The Gilbert & Bennett Manufacturing Co., Inc., Georgetown, Conn.
 Greer Steel Co., Dover, Ohio.
 Griffin Manufacturing Co., 1515 Cherry Street, Erie, Pa.
 H. M. Harper Co., 8200 Lehigh Avenue, Morton Grove, Ill.
 Harris Tube, Inc., 8720 South San Pedro Street, Los Angeles, Calif.
 Heppenstall Co., 4620 Hatfield Street, Pittsburgh, Pa.
 Midvale-Heppenstall Co., Philadelphia, Pa.
 Hind Steel Co., Inc., 2146 Stanley Terrace, Union, N.J.
 Hofmann Industries, Inc., Sinking Springs, Berks County, Pa.
 Igoe Bros., Inc., 234 Poinier Street, Newark, N.J.
 Indiana Steel & Wire Co., Inc., Post Office Box 431, Muncie, Ind.
 Interlake Iron Corp., 1900 Union Commerce Building, Cleveland, Ohio.
 Isaacson Iron Works, Inc., Post Office Box 3625, Seattle, Wash.
 Ellwood Ivins Steel Tube Works, Inc., Oak Lane Station, Philadelphia, Pa.
 Ivy Steel & Wire Co., 3050 Melson Avenue, Jacksonville, Fla.
 The Jackson Iron & Steel Co., Jackson, Ohio.
 James Steel & Tube Co., Post Office Box 441, Royal Oak, Mich.
 Kane Boiler Works, Inc., Post Office Box 546, Galveston, Tex.
 Keystone Drawn Steel Co., Main and Bridge Streets, Spring City, Pa.
 Kilby Steel Co., Anniston, Ala.
 Kuehne Manufacturing Co., 19th and Olive Streets, Mattoon, Ill.
 La Salle Steel Co., 130 East Randolph Drive, Philadelphia, Pa.
 E. J. Lavino & Co., Three Penn Center Plaza, Philadelphia, Pa.
 MacWhyte Co., 2906 14th Avenue, Kenosha, Wis.
 McInnes Steel Co., 441 East Main Street, Corry, Pa.
 Madison Wire Co., Inc., 324 Indian Church Road, Buffalo, N.Y.
 Clayton Mark & Co., 1900 Dempster Street, Evanston, Ill.
 Maryland Fine & Specialty Wire Co., Inc., Cockeysville, Md.
 Master Tank & Welding, Ltd., 1612 Singleton Boulevard, Dallas, Tex.
 Mesta Machine Co., Post Office Box 1466, Pittsburgh, Pa.
 Metal & Thermit Corp., 100 Park Avenue, New York, N.Y.
 Miami Industries, Inc., North Dixie Highway, Piqua, Ohio.
 Michigan Seamless Tube Co., 400 West Street, South Lyon, Mich.
 Gulf States Tube Corp., Post Office Box 952, Rosenberg, Tex.
 Milimar Corp., Los Angeles, Calif.
 Mill Strip Products Co., 2420 Oakton Street, Evanston, Ill.
 Moltrup Steel Products Co., Beaver Falls, Pa.
 Molybdenum Corp. of America, Washington, Pa.
 Monroe Auto Equipment Co., 1426 East First Street, Monroe, Mich.
 Monsanto Chemical Co., 800 North Lindbergh Boulevard, St. Louis, Mo.
 Motyka Metal Products Tubing Division, Inc., Ludington, Mich.
 National Forge Co., Irvine, Pa.
 National-Standard Co., Niles, Mich.
 Naylor Pipe Co., 1230 East 92d Street, Chicago, Ill.
 Nelsen Steel & Wire Co., 9400 Belmont Avenue, Franklin Park, Ill.
 New England High Carbon Wire Corp., 50 Howe Avenue, Millbury, Mass.
 The New Jersey Zinc Co. of Pennsylvania, 160 Front Street, New York, N.Y.
 Newman-Crosby Steel Co., 10 Dean Street, Pawtucket, R.I.
 Nikoh Tube Co., 5000 South Whipple Street, Chicago, Ill.
 Ohio Ferro-Alloys Corp., 839 30th Street NW., Canton, Ohio
 Owen Steel Co., Columbia, S.C.
 Pacific Tube Co., 5710 Smithway Street, Los Angeles, Calif.
 Pilgrim Drawn Steel Division, Automotive Materials Corp., 1000 General Drive, Plymouth, Mich.
 Pittsburgh Coke & Chemical Co., 2000 Grant Building, Pittsburgh, Pa.
 Pittsburgh Metallurgical Co., Inc., 3801 Highland Avenue, Niagara Falls, N.Y.
 Pittsburgh Tube Co., 212 Wood Street, Pittsburgh, Pa.
 Plymouth Steel Corp., 6143 Epworth Boulevard, Detroit, Mich.
 The Precision Drawn Steel Co., 3600 River Road, Camden, N.J.
 Reed & Prince Manufacturing Co., 1 Duncan Avenue, Worcester, Mass.
 Reid-Avery Co., Inc., Dundalk, Baltimore, Md.
 Rodney Metals, Inc., 261 Fifth Avenue, New York, N.Y.
 Rods, Inc., 706 Folger Avenue, Berkeley, Calif.
 Rome Manufacturing Co., Division, Revere Copper & Brass, Inc., 201-203 Mill Street, Rome, N.Y.

Rome Strip Steel Co., Inc., 530 Henry Street, Rome, N.Y.
 Sawhill Tubular Products, Inc., Sharon, Pa.
 Agaloy Division, Mercer County, Sharon, Pa.
 Mercer Pipe Division, Mercer County, Sharon, Pa.
 Shenango Division, Mercer County, Sharon, Pa.
 The Seneca Wire & Manufacturing Co., Post Office Box 71, South Vine Street,
 Fostoria, Ohio
 Service Steel Division of Van Pelt Corp., 13700 Sherwood Avenue, Detroit,
 Mich.
 Sharon Tube Co., 134 Mill Street, Sharon, Pa.
 The Shenango Furnace Co., 812 Henry W. Oliver Building, Pittsburgh, Pa.
 Sherman Steel & Wire Co., 1300 Pacific Street, Sherman, Tex.
 Shwayder Bros., Inc., 4270 High Street, Detroit, Mich.
 A. O. Smith Corp., 3533 North 27th Street, Milwaukee, Wis.
 A. O. Smith Corp. of Texas, Houston, Tex.
 Soule Steel Co., Dominguez, Long Beach, Calif.
 Southeastern Metals Co., Inc., 3925 North 29th Street, North Birmingham,
 Ala.
 Southern Fabricating Co., Inc., 818 20th Street, Sheffield, Ala.
 Southern Pipe Division, U.S. Industries, Inc., Post Office Box C, Azusa, Calif.
 Standard Forgings Corp., 80 East Jackson Boulevard, Chicago, Ill.
 The Standard Tube Co., 24400 Plymouth Road, Detroit, Mich.
 The Stanley Works, New Britain, Conn.
 State Industries, 4019 Medford Street, Los Angeles, Calif.
 Stupp Corp. of Louisiana, Mengel Road, Post Office Box 2548, Baton Rouge,
 La.
 Superior Drawn Steel Co., Division of Standard Steel Specialty Co., Monaca,
 Pa.
 Superior Steel Corp., Allegheny County, Carnegie, Pa.
 Superior Tube Co., Norristown, Pa.
 Taylor Forge & Pipe Works, 4735 West 14th Street, Chicago, Ill.
 Techalloy Co., Inc., Rahns, Pa.
 Tex-Tube, Inc., Houston, Tex.
 Thompson Wire Co., 41 Mildred Avenue, Boston, Mass.
 Titanium Alloy Manufacturing Division, National Lead Co., 111 Broadway, New
 York, N.Y.
 The Toledo Steel Tube Co., 2105 Smead Avenue, Toledo, Ohio.
 Tonawanda Iron Division, American Radiator & Standard Sanitary Corp., North
 Tonawanda, N.Y.
 Townsend Co., New Brighton, Pa.
 Tubeco, Inc., Minneapolis, Minn.
 Tubecraft, 2920 Columbia Street, Torrance, Calif.
 Ulbrich Stainless Steel, Inc., Wallingford, Conn.
 Union Carbide Metals Co., 30 East 42d Street, New York, N.Y.
 Union Electric Steel Corp., 2344 Oliver Building, Pittsburgh, Pa.
 Union Steel Corp., 1550 Ashwood Terrace, Union, N.J.
 United States Pipe & Foundry Co., 3300 First Avenue N, Birmingham, Ala.
 United Tube Corp. of Ohio, 3860 East 91st Street, Cleveland, Ohio.
 Valley Mould & Iron Corp., Hubbard, Ohio.
 Van Huffel Tube Corp., Warren, Ohio.
 Vanadium Corp. of America, 420 Lexington Avenue, New York, N.Y.
 Keokuk-Electro-Metals Co., Keokuk, Iowa.
 Virginia-Carolina Chemical Corp., 401 East Main Street, Richmond, Va.
 Wallace Barnes Co., Bristol, Conn.
 Washington Steel Corp., Griffith & Woodland Avenue, Washington, Pa.
 Welded Tubes, Inc., Orwell, Ohio.
 The Western Automatic Machine Screw Co., cold drawn steel plant, Lorain
 County, Elyria, Ohio.
 Wheatland Tube Co., 1300 Bankers Securities Building, Philadelphia, Pa.
 Williams Manufacturing Co., Fort Smith, Ark.
 Wilson Steel & Wire Co., 4840 South Western Avenue, Chicago, Ill.
 Wire Sales Co., 4630 West 54 Street, Chicago, Ill.
 Woodward Iron Co., Woodward, Ala.
 G. F. Wright Steel & Wire Co., 243 Stafford Street, Worcester, Mass.
 Wyckoff Steel Co., 603 Stanwix Street, Pittsburgh, Pa.
 Yuba Cons. Industries, Inc., San Francisco, Calif.

NOTE.—All indentations are subsidiary companies.

Representative GRIFFITHS. May I ask you offhand, are you asking them now to submit information regarding their business?

Mr. STAKEM. Yes. We are asking them to explain whether the differential in the export over import rate is hurting their business, what efforts they have made to correct the situation with the shipping companies, and any other information that they would like to submit that bears on the problem.

Representative GRIFFITHS. Now, I would like to ask you, once you have determined that there is a disparity between the export and import rate, what do you decide and what do they have to prove to show that it is detrimental to the commerce of the United States? What are you then going to consider?

Mr. STAKEM. I think, Mrs. Griffiths, that that puts the Commission on a bit of a spot, because after all, we do sit as a quasi-judicial body, and we have to judge the record by what is submitted by the parties who become a part of the case.

Representative GRIFFITHS. All right, then. I will ask you this other question. If only 10 percent of the steel sold in the United States complains that in their judgment, these rates are detrimental to commerce, will that be sufficient to say that it is detrimental, or will you say, since only 10 percent of them have complained, it can't be detrimental?

We could do away with 10 percent of this commerce.

Mr. STAKEM. Mrs. Griffiths, the Commission in connection with any important hearing assigns what we call a hearing counsel, and his position in the case is to develop in the public interest a full and complete record, so that both the examiner and the Commission, when the case is completed, can make an informed judgment.

Representative GRIFFITHS. Now, when they came before you, for instance if one of the steel companies does say that he has been hurt, will you then look into the books of his business, how he operates the business, whether or not his labor cost is too high, whether or not his machinery is too old?

And could you possibly put the answer on the basis that it is not the rate differential but one of these other factors that is hurting him?

Mr. STAKEM. I think that within the carefulness with which we have to treat a formal case, that we can say that we will try to get full explanations of why the export commerce has suffered.

Representative GRIFFITHS. Would the fact that so much of their business has to be disclosed cause some reluctance by these people to reply to your inquiry?

Mr. STAKEM. This is a judgment factor. I would think that some companies would feel that they did not want to take a position and would take a hands-off attitude. Others, I think, would be inclined to come in and develop a record.

Representative GRIFFITHS. You know when I look at it, and I decide that over exactly the same route American steel is being charged a higher price than steel from other countries, they don't have to prove very much more to me. It looks pretty detrimental.

Mr. STAKEM. I think that the statement that you have just made is exactly what the man in the street would say.

Representative GRIFFITHS. Yes, I agree.

Mr. STAKEM. That is, you take the same ship moving in different directions between the same ports, that this requires an explanation, and this is what the Commission will be seeking in its formal proceedings.

Representative GRIFFITHS. But to me, I think you have to go a little further. I think that "detrimental" has come to have some pretty definite meaning. It is one of the things I think works the greatest hardship upon business. The rules of law are thrown out and what is detrimental is decided by each of these agencies.

As one of the Congressmen who has struggled with some of the tariff problems, I think the answers you get from the agency involved can be pretty elusive. You have a very difficult job, and I well appreciate it, but I do think that "detrimental" ought to get down to brass tacks.

I have just been told that the Celler subcommittee also recommended that you define what "detrimental" means.

Mr. STAKEM. I think that if we had all of the words piled on top of each other that have been used in the various agencies to describe this one subject, it would make quite a pile. I think that it is true that most agencies will take this on a case-by-case basis. What do the facts in an individual case show? But I don't think that I can give you a document by which the Commission or its predecessors have spelled out exactly what it considers to be detrimental. I think there are too many factual situations that enter into it to make a proscription that would hold in all cases.

But it is something that we give much attention to, Mrs. Griffiths.

Representative GRIFFITHS. Thank you. Thank you, Mr. Chairman.

Chairman DOUGLAS. Thank you, Mrs. Griffiths.

Following up Mrs. Griffiths' question, may I ask if it is your intention to address a letter to the Bethlehem Steel Co.?

Mr. STAKEM. I have not seen the list of the companies that letters will be addressed to, Mr. Chairman, but I will be happy to supply for your record a copy of that list.

Chairman DOUGLAS. Is not the Bethlehem Steel Co. the No. 2 company in the country?

Mr. STAKEM. I would assume that they would be.

Chairman DOUGLAS. Will you include a letter to Bethlehem Steel Co.?

Mr. STAKEM. Yes, sir.

Chairman DOUGLAS. Will you include a letter to Jones and Laughlin?

Mr. STAKEM. Yes, sir.

Chairman DOUGLAS. Will you include a letter to Youngstown?

Mr. STAKEM. Yes, sir.

Chairman DOUGLAS. Will you include a letter to Republic?

Mr. STAKEM. Yes, sir.

Chairman DOUGLAS. Will you include a letter to Inland?

Mr. STAKEM. Yes, sir.

Chairman DOUGLAS. Will you include a letter to Granite City Steel?

Mr. STAKEM. Yes, sir.

Chairman DOUGLAS. Thank you very much.

Now, may I ask this? We sent the memorandum which Mr. Boggs prepared to you last week. Have you found any errors in the factual statements which we submitted?

Mr. STAKEM. No, Mr. Chairman. I think that the Boggs memorandum is substantially correct in what it sets forth.

Chairman DOUGLAS. So that we may proceed from this as a correct statement of facts.

Mr. STAKEM. Yes, I would say so.

Chairman DOUGLAS. Thank you very much.

Now, the Boggs memorandum shows great disparity in freight rates on identical types of steel between the high export rates and the relatively low import rates. These disparities are frequently very great indeed.

For instance, ingots, blooms, billets, and slabs, a difference of \$21.25 as compared to \$15.40; on wire rods, \$27.50 as compared to \$14.90; structural shapes and piling, \$29 as compared to \$15.50; plates, \$20.30 as compared to \$16.15; rails and accessories, \$35.80 compared to \$15.60; concrete reinforcement bars, \$26.60 as compared to \$15. Other bars and tool steel, \$27.90 to \$20; pipe and tubing, \$42.40 as compared to \$1.75; wire nails, \$30.60 as compared to \$21; barbed wire, fencing, \$32.30 compared to \$17.60; sheet and strip, \$26.90 to \$13.50.

Now, contrary to the defense which was made in a letter which I have received, I am not certain that it came from you or from the Department of Commerce, the statement was made that these were items in which there was not much international commerce. The record shows, however, in 1955—and I read to the nearest million, \$48.8 million of ingots and blooms; \$8.3 million of skelp; \$7 of wire rods; \$41.9 of structural shapes; \$47.1 of plates; \$11.2 of rails and accessories; \$9.9 of concrete reinforcement bars.

I quote to the million dollars from table 4. Other bars and tool steel, \$35.9; pipe and tubing, where this tremendous disparity exists, \$156.8 in 1955. Wire nails, \$2.3; wire fencing, \$12.7; sheet and strip, \$286.6; tin mill products, which I do not have comparative rates on, \$118.269.

Now, the record shows that these totaled in all in 1955, including tin mill products, \$816.8 million. They comprised the overwhelming proportion of steel exports. Now, in 1962, these items had fallen to \$424.7 million, or a decrease of nearly \$400 million in exports, or a percentage decrease of 48 percent.

Now, notice what is happening to imports on these commodities. They were rising from a total of \$114.5 to \$483.8 million, or an increase of \$368.3 million. Now, does it take profound research first to determine that these differentials are great in amount, and second, that they have been accompanied by tremendous decrease in our exports and tremendous increase in our imports?

Do you need a whole battery of statisticians and elaborate computers to arrive at this result?

Mr. STAKEM. Mr. Chairman, I think I can only answer you this way. That before the Federal Maritime Commission can change a rate in the foreign commerce of the United States, outside of negotiations between the complainant and the carrier is to hold a hearing and make specific findings. We have no authority otherwise.

Chairman DOUGLAS. May I ask this? Do you have the authority to initiate hearings or do you have to wait for complaints to be made?

Mr. STAKEM. We have authority to initiate them, Mr. Chairman, and if I may add one point, a check of the formal cases that have been initiated by this new Maritime Commission in less than 22 months of its existence greatly outnumber the complaints that—

Chairman DOUGLAS. How many of these involve freight rates?

Mr. STAKEM. None of them.

Chairman DOUGLAS. That is, I think, precisely the point. Here is this very important matter, and you have initiated no action. Now, is it not true that you were a member of the former Federal Maritime Board?

Mr. STAKEM. Yes, I was, Mr. Chairman.

Chairman DOUGLAS. Is it not true that that Board, under the Jones Act, had the power to initiate action itself.

Mr. STAKEM. That is correct.

Chairman DOUGLAS. Is there any record of the previous Federal Maritime Board initiating action?

Mr. STAKEM. We made a check, Mr. Chairman, and I think we were only able to find that in the total history since 1916 that there were two rather insignificant cases in this subject ever tackled by any—

Chairman DOUGLAS. And one of them carried baby carriages?

Mr. STAKEM. No, sir.

Chairman DOUGLAS. That was argued by your representatives as a case of your alertness, that you had concerned yourself with baby carriages.

Mr. STAKEM. I had hoped, Senator, that we would get through the morning without the mention of baby carriages.

Chairman DOUGLAS. Well, you brought it up. I didn't.

Mr. STAKEM. You did it, sir.

Chairman DOUGLAS. Your representative brought it up and offered it as a plea in mitigation.

Mr. STAKEM. Well, I do not so offer it, Senator.

Chairman DOUGLAS. And what were those two commodities that the previous Board initiated action on?

Mr. STAKEM. Mr. Pimper will reply.

Mr. PIMPER. The Board initiated action in connection with certain freight rates by conferences from the Great Lakes to Europe, sir. I will send a copy of that decision to this committee.

(The material referred to follows:)

FEDERAL MARITIME COMMISSION

No. 951

INVESTIGATION OF CERTAIN RATE PRACTICES OF THREE CONFERENCES FOR TRAFFIC FROM GREAT LAKES TO EUROPE

Decided February 5, 1962

Rates from Erie, Buffalo, Rochester, Oswego, and Ogdensburg which are the same as rates from Cleveland, and higher than rates from Toronto and Hamilton, found not shown to operate to the detriment of commerce of the United States or to be otherwise unlawful

Thomas Roche and Edward L. Johnson for respondents.

Paul J. Williams for Williams Marine Agency, Edwin Avery for Toledo Lucas County Port Authority, Joseph M. Arnold for Chicago Regional Port District, and Robert Jorgensen for Board of Harbor Commissioners, City of Milwaukee.

Donald J. Brunner and Robert J. Blackwell as Public Counsel.

[INITIAL DECISION BY WILLIAM J. SWEENEY, EXAMINER¹

This investigation was initiated by the Federal Maritime Board in an order dated July 6, 1961. The Federal Maritime Commission, successor to the Board, has continued the investigation in order to determine whether rates established and maintained by respondents² for application on commodities shipped from Erie, Buffalo, Rochester, Oswego or Ogdensburg to foreign destinations, are unjustly discriminatory or unfair as between carriers, shippers, exporters, importers or ports, or are unjustly discriminatory, prejudicial or unfair to exporters of the United States as compared with their foreign competitors, or make or give any undue or unreasonable preference or advantage to any particular person, locality, or description of traffic in any respect whatsoever, or subject any particular person, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever, or operate to the detriment of commerce of the United States.

One of the respondents, the Great Lakes-United Kingdom Eastbound Conference, has a tariff on file with the Commission in which rates are published from both United States and Canadian ports on the Great Lakes. The other respondent conferences do not publish rates from Canadian ports, although their member lines do participate in rates from such ports as parties to Canadian conferences.

There are two specific rate situations named in the order of investigation as being possible sources of unlawfulness. One of these is the question of whether rates from the Canadian ports of Toronto or Hamilton are lower than those applicable on the same commodities from Erie, Buffalo, Rochester, Oswego or Ogdensburg, and if so, whether such differences in rates are unlawful. The applicable commodity tariff³ publishes rates from Toronto and Hamilton which, depending on the commodity, are higher, lower, or the same as rates on the same commodity from Erie, Buffalo, Rochester, Oswego, and Ogdensburg. The following examples illustrate these various rate relations: (1) rates applicable on aluminum ingots, in bundles, up to 6,720 pounds, are \$23 per long ton from Erie, Buffalo, Rochester, and Oswego, \$19 per long ton from Ogdensburg, and \$3 per 100 pounds or \$67.20 per long ton from Toronto and Hamilton; (2) rates applicable on canned goods are \$1.45 per 100 pounds from United States ports and \$1.20 per 100 pounds from Toronto and Hamilton; and (3) the rate applicable on small arms ammunition is the same from the United States and Canadian ports.

There is nothing inherently unlawful in the fact that some rates from Toronto and Hamilton are lower than those on similar commodities from the United States ports, and the same is true of the fact that rates from the latter ports are lower on some commodities than rates from Toronto and Hamilton.

An intervener, Williams Marine Agency, contends that rates from United States ports located east of the Welland Canal are unlawful to the extent they exceed rates from Toronto and Hamilton. Nothing is said concerning rates from such United States ports which are lower than those from Toronto and Hamilton. Evidence submitted by this intervener as proof of the alleged unlawfulness is shown in the following table which lists the tons of imports and exports through specified ports, and the number of vessel movements at such ports, in the navigation season of 1960.

Port	Import/ Export Tons	Number of Sailings
Toronto.....	762, 282	852
Hamilton.....	570, 659	519
Buffalo.....	102, 809	104
Rochester.....	7, 800	79
Oswego.....	9, 600	19
Ogdensburg.....	10, 400	18

¹ This decision became the decision of the Commission on February 5, 1962 (Rules 13(d) and 13(h) Rules of Practice and Procedure, 46 CFR Sec. 201.224, 201.228).

² United States Great Lakes, Scandinavian and Baltic Eastbound Conference, and its members (Agreement No. 8180); United States Great Lakes-Bordeaux/Hamburg Eastbound Conference, and its members (Agreement No. 7820); and Great Lakes-United Kingdom Conference, and its members (Agreement No. 8130).

³ Great Lakes-United Kingdom Eastbound Conference Freight Tariff No. 14, effective April 15, 1961.

The foregoing statistics afford no foundation for any direct or inferential conclusion concerning the rates under consideration. Since the tonnage figures cover both import and export traffic, it is not even known how many export tons or outbound sailings are included in the totals shown. There is neither a description of the cargoes, nor a listing of destinations. Consequently, there is no showing as to the amount, if any, of freight which moved under rates in issue herein, and no probative evidence of unlawful rate discrimination by respondents.

In contrast, testimony on behalf of respondent Great Lakes-United Kingdom Eastbound Conference shows that rates from Toronto and Hamilton are not made in consideration of, or in relation to rates from United States ports. The competition which that respondent must meet at Toronto and Hamilton is from a Canadian conference composed of, and limited to, British and Canadian flag operators. The latter conference publishes dual rates from Canadian ports and respondent must establish rates in relation thereto in order to be competitive in any degree.

Additionally, official representatives of the ports of Milwaukee, Chicago, Toledo, Oswego, and Ogdensburg testified that such ports are not in competition with, and had lost no traffic to Toronto or Hamilton. It was indicated that the cost of transportation from an origin in the United States to Toronto or Hamilton exceeds the difference between rates applicable from the latter ports and United States ports, thus making transportation via Toronto or Hamilton uneconomical for goods produced in the United States. An official representing the Port Authority at Oswego stated that the latter port is basically in competition with the port of New York for goods manufactured in the area tributary to Oswego and New York. It was explained that for Oswego to be competitive, the rates applicable from it must be related to the prevailing rates from New York. Thus, it would not be realistic to establish rates from Oswego on a level with, or in relation to rates from Toronto or Hamilton because rates from such Canadian ports need not be competitive with rates from New York.

The other tariff situation under investigation concerns rates from Erie, Buffalo, Rochester, Oswego, and Ogdensburg which by applicable rule in respondents' tariffs are the same as the rates from Cleveland. For the sake of convenience such rule, reproduced below, will be called the Cleveland Rate Rule.

RATES FROM ERIE, BUFFALO, ROCHESTER, OSWEGO, and OGDENSBURG, N.Y. Whenever rates from Erie, Pa., Buffalo, Rochester, Oswego, or Ogdensburg, N.Y., are NOT shown in this tariff, the rates as published from Cleveland shall be applied. However, application of Cleveland rates to Erie, Pa., Buffalo, Rochester, Oswego, or Ogdensburg, N.Y., shipments are to be only when vessel makes direct call at such port or ports.

The rates under investigation are published in commodity tariffs which are established with the intention of specifically naming each commodity which is moving, or can reasonably be expected to move, through ports on the Great Lakes or St. Lawrence River. Each tariff also contains a commodity rate which applies on cargo not named specifically in the tariff. The purpose of the latter publication is to accord a rate which can be quoted and applied by respondents on any new movement, pending establishment of a specific commodity description and lower rate if the movement proves to be steady and in sufficient volume. The respondents are receptive to requests by shippers or port officials for the establishment of rates lower than the general cargo rate in advance of a prospective movement of a commodity not specifically described. The same is true as to requests for rates from Erie, Buffalo, Rochester, Oswego, or Ogdensburg lower than those applicable under the Cleveland Rate Rule. The record contains no evidence that such requests have been denied but on the contrary it is shown that the tariffs published by respondents contain 25 commodity rates from United States ports east of Cleveland which are lower than rates from Cleveland on the same commodities.

It is a common and reasonable practice for water carriers to publish a general cargo rate in their commodity tariffs, pending the development of some traffic movement. The establishment of the Cleveland Rate Rule by respondents is simply a refinement of such practical method of establishing rates.

A factor favoring rates from Erie, Buffalo, Rochester, Oswego, and Ogdensburg on a lower basis than rates from Cleveland, is that such ports are closer than Cleveland to foreign destinations. However, distance is but one of several important considerations in formulating a rate which is reasonable for a shipper and yet profitable to a carrier. Some of the other factors which must be considered in rating a commodity are its value, density, fragility, stowage characteristics, similarity to other commodities, volume of movement, and possible

problems in connection with stevedoring. Additionally, the location of a port in relation to a competitive port and the point of production of a commodity is a very important consideration. Thus, only if other factors are relatively equal does distance become of controlling importance in establishing rates lower than those applicable under the Cleveland Rate Rule. See *Phila. Ocean Traffic Bureau v. Export S.S. Corp.*, 1 U.S.S.B. 538, 541 (1936), *Eastbound Intercoastal Lumber*, 1 U.S.M.C. 608, 622 (1936), and *Increased Rates—Alaska Steamship Company*, 3 F.M.B. 632, 637 (1951).

The foregoing indications that the Cleveland Rate Rule is not unlawful, particularly in the light of respondent's willingness to establish departures from it upon reasonable request, is supported by answers to an interrogatory sent by Public Counsel to the Foreign Trade Club of Syracuse, New York. The membership of such club is composed of shippers in the Syracuse area who are interested in foreign trade. Syracuse is the nearest center of manufacturing which is naturally tributary to the port of Oswego. It was resolved at a meeting of the club that the prime elements considered by an exporter in selecting a port of export are: (1) regular scheduled sailings; (2) forwarding agents facilities; (3) prompt customs clearance; (4) international banking facilities; (5) marine insurance facilities; and (6) foreign consular offices to expedite document clearance. Regularly scheduled sailings, accompanied by the foregoing services, are regarded as more important than lower freight rates from Lake Ontario ports. It was specifically stated that a reduction of \$2 per ton from Lake Ontario ports would not induce the movement of any additional traffic from the Syracuse area through such ports.

There is no evidence of record indicating any dissatisfaction by a shipper, exporter, importer or port authority with the Cleveland Rate Rule, or that Erie, Buffalo, Rochester, Oswego, or Ogdensburg are in competition for traffic with the port of Cleveland.

CONCLUSIONS

It is hereby concluded that:

1. The rules established by respondents which make rates from Cleveland applicable on cargo shipped from Erie, Buffalo, Rochester, Oswego, or Ogdensburg are not unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, and do not operate to the detriment of the commerce of the United States.

2. The charging by respondents of higher rates on cargo shipped from Erie, Buffalo, Rochester, Oswego, or Ogdensburg than is charged by respondents on cargo shipped from Toronto or Hamilton is not unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, and does not operate to the detriment of commerce of the United States.

3. The practices specified above are not unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States as compared with their foreign competitors, and such practices do not make or give any undue or unreasonable preference or advantage to any particular person, locality, or description of traffic in any respect whatsoever, nor do they subject any particular person, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

An order will be entered discontinuing this investigation proceeding.

ORDER

At a Session of the FEDERAL MARITIME COMMISSION held at its office in Washington, D.C., on the 5th day of February, A.D. 1962

No. 951

INVESTIGATION OF CERTAIN RATE PRACTICES OF THREE CONFERENCES FOR TRAFFIC FROM GREAT LAKES TO EUROPE

The initial decision of the examiner herein having become the decision of the Commission on February 5, 1962, which decision is hereby referred to and made a part hereof;

It is ordered, That this proceeding be, and it is hereby, discontinued.

By the Commission.

(SEAL)

(Signed) THOMAS LISI,
Secretary.

No. 951

INVESTIGATION OF CERTAIN RATE PRACTICES OF THREE CONFERENCES FOR TRAFFIC FROM GREAT LAKES TO EUROPE

NOTICE OF EFFECTIVE DATE OF DECISION

No exceptions having been filed to the initial decision of the examiner herein, and the Commission having determined not to review such decision, notice is hereby given, in accordance with section 13(d) of the Commission's Rules of Practice and Procedure (46 CFR 201.224), that the initial decision of the examiner became the decision of the Commission on February 5, 1962.

By order of the Federal Maritime Commission.

(Signed) THOMAS LISI,
Secretary.

Chairman DOUGLAS. On what commodities?

Mr. PIMPER. A whole range of commodities.

Chairman DOUGLAS. In other words, you dealt with the Great Lakes, but you didn't deal with the differential rates on the Atlantic companies or on the Pacific companies? Is that true?

Mr. PIMPER. Yes, sir.

Chairman DOUGLAS. The answer is "Yes"?

Mr. PIMPER. Yes.

Chairman DOUGLAS. Now, this is a very serious matter. And is it not true that since 1961, you have the power to disapprove not a whole schedule of rates but individual rates?

Mr. STAKEM. That is the fact, Senator, after hearing, and we make findings.

Chairman DOUGLAS. Have you initiated any hearings?

Mr. STAKEM. No; we have not.

Chairman DOUGLAS. That is the point that I want to make. You mentioned the some 100 cases that you were busy with. Are not the majority of these cases referred to relatively unimportant matters such as freight forwarders, the licensing of individual freight forwarders and the rest?

Mr. STAKEM. No, sir.

Chairman DOUGLAS. What have they concerned themselves with?

Mr. STAKEM. The 100 cases are regulatory cases. I think that there is only one or two freight forwarder cases that have been started, and they have not been heard.

I would be very happy to submit for the record a very short syllabus of what each of these cases was about, and I think you will agree when you read it, Senator, that it is not unsubstantial.

(The material referred to follows:)

SYLLABUS OF CASES

1. Docket No. 892—States Marine Lines—Hohenberg Brothers Violation of Section 16 (October 6, 1961)

This was a proceeding to determine whether a shipper and a carrier violated section 16, by agreeing to transport goods at less than the rates or charges which would otherwise be applicable.

The Commission found violations of the act by both shipper and carrier, where both had knowledge that the specification of a particular shipment indicated that it should be carried under a given rate; but that the shipper solicited, and the carrier granted, a refund, which had the effect of allowing the goods to travel at less than rates applicable to such cargo.

2 and 12. Docket No. 931—Agreement No. 8555 Between Isbrandtsen Steamship Company, Inc., Isbrandtsen Company, Inc., and American Export Lines, Inc. (November 27, 1961).

This proceeding involved an agreement between two carriers, which resulted in the transfer of the entire liner fleet and the entire business of one carrier to the other. The transferring carrier further agreed not to compete in the services transferred without consent of the transferee.

Held, this is an agreement controlling, regulating, preventing, and destroying competition, and thus within the purview of section 15, requiring approval, disapproval, cancellation, or modification by the Commission; agreement approved.

3. Docket No. 883—Unapproved Section 15 Agreements—West Coast South America Trade (December 7, 1961).

The Commission found on the evidence in the case that an exchange of rate information by two conferences was not within the purview of section 15. The exchanges usually took place as a result of requests by shippers, and related to rates already independently adopted by the conferences. No evidence appeared as to any agreement between the conference for the exchange.

4. Docket No. 948—In re: Pacific Coast European Conference (December 21, 1961)

This proceeding brought into issue the supervising power of the Commission over a section 15 agreement, which had been previously approved.

The Commission held that pursuant to section 15, its powers extended not only to initial approval or disapproval of an agreement but to continuous investigation as to how an agreement under this section is being implemented by the parties thereto. Accordingly, the Commission decided that it has the power to demand information from the parties to assist it in its investigation, and the conference was ordered to furnish certain information.

5. Docket No. 904—*Puget Sound Tug and Barge Co. v. Foss Launch and Tug Co. et al.*, and Docket No. 914—*Puget Sound Tug and Barge Co. v. Wagner Tug Boat Co., et al.* (January 4, 1962)

Foss Launch & Tug Co. held to be a common carrier with respect to general cargo carried under agreements with Northland Freight Lines, and said agreements held subject to section 15 of the Shipping Act, 1916. It was further held that Northland Freight Lines is a non-vessel-owning common carrier subject to the jurisdiction of the Federal Maritime Commission.

Allegations of damages were found not to have been sustained.

6. Docket No. 831—Practices and agreements of Common Carriers By Water In Connection with Payment of Brokerage or Other Fees to Ocean Freight Forwarders and Freight Brokers (January 18, 1962).

The compensation provisions of Public Law 87-254, amending the Shipping Act, 1916, to provide for licensing independent ocean freight forwarders, and for other purposes, are permissive. The statute does not require common carriers by water to pay brokerage to freight forwarders nor forbid carrier agreements prohibiting or limiting brokerage payments to freight forwarders.

Though not forbidden by Public Law 87-254, carrier agreements prohibiting brokerage or limiting the amount thereof to less than $1\frac{1}{4}$ percent of freight charges in the outbound foreign commerce of the United States, are detrimental to the commerce and contrary to the public interest, in violation of section 15 of the Shipping Act, 1916. Conferences or associations of common carriers by water engaged in such commerce, including the Pacific Coast European Conference, directed to comply.

The prior report and order in this proceeding were set aside and superseded to the extent inconsistent with this supplemental report.

7. Special Docket No. 243—*Y. Higa Enterprises, Ltd. v. Pacific Far East Lines, Inc.* (January 18, 1962)

This was an application by a carrier for a waiver of collection of undercharges, which was granted by the Commission.

The carrier applied to the Commission for permission to file a new lower rate on knocked down vans, on less than the 30-day notice required by the statute. The permission was granted.

The carrier circulated the reduction to the shipping public before the date of the shipment in question, but failed to file the reduction with the Commission as required by law.

The Commission held that in so doing the carrier had violated section 2 of the Intercoastal Shipping Act, by charging and collecting less than the compensation provided for in its schedule.

However, since the violation was not found to be a deliberate or intentional act by the carrier, and in order to avoid undue burden to the shipper, a waiver of collection of the undercharge was granted.

8. Docket No. 927—*West Indies Fruit Company and Dow Jenkins Shipping Company v. Flota Mercante Grancolombiana, S.A.* (January 22, 1962)

Respondent's rate on bananas from Ecuador to Galveston, Tex., found not to be unduly preferential or prejudicial between shippers or ports in violation of section 16, Shipping Act, 1916, nor unjustly discriminatory between shippers or ports in violation of section 17, Shipping Act, 1916.

9. Docket No. 898—*California Stevedore & Ballast Co. et al. v. Stockton Port District* (January 25, 1962).

In this proceeding, the Commission struck down an agreement between the operators of a grain elevator, and the operators of a port, which granted the port the exclusive right to provide stevedoring services on vessels loading or unloading bulk grain, and other bulk commodities at the elevators. The agreement in question, in effect, created a stevedoring monopoly which the Commission found to be detrimental to the commerce of the United States.

The public interest was held to be better served by competition among stevedores, rather than a monopolistic situation fraught with the dangers of poor service and excessive costs.

10. Docket No. 807—*Atlantic & Gulf—Puerto Rico General Increase in Rates and Charges* (February 1, 1962)

This proceeding was a major rate investigation by the Commission, which resulted in the enunciation of the following principles governing the factors considered by it in determining a reasonable rate:

(1) The rate base will be computed according to the "prudent investment" theory, i.e., amounts prudently invested in ships, terminals, lands, other facilities, and property as of the time they are first devoted to the particular trade, plus amounts prudently invested in betterments, all depreciated to the period for which the rates are being tested. The market value and reproduction cost theories were rejected.

(2) In computing depreciation expense, the computation will be based on the original value of the vessel less its residual scrap value, as computed for income tax purposes.

(3) Working capital will be computed as an amount equal to one round voyage expense of each vessel in the service.

(4) The value of property used but not owned by the carriers, should not be included in the rate base.

11. Docket No. 951—*Investigation of Certain Rate Practices of Three Conferences for Traffic From Great Lakes to Europe* (February 5, 1962)

This was an investigation by the Commission into the lawfulness of rates from certain American ports—Erie, Buffalo, Rochester, Oswego, and Ogdensburg. The fact that some of the rates from these ports were higher and some were lower than rates on the same commodities from the Canadian ports of Toronto and Hamilton, was held not inherently unlawful.

Likewise under protest was the application of the Cleveland rates to commodities moving from Erie, Buffalo, Rochester, Oswego, and Ogdensburg, which were not otherwise specified in the tariff from those ports. This was held to be lawful, in that it was just another form of a general commodity rate applicable to commodities for which a rate was not otherwise specified. The record showed that the conference was willing to establish departures from the rule upon reasonable request.

13. Docket No. 972—*Order that A. H. Bull Steamship Co. Show Cause* (February 28, 1962)

In this proceeding, the Commission dealt with an attempted "embargo" by a carrier on the carriage of sugar.

The so-called embargo was announced by the carrier on the sole ground that the existing rates were noncompensatory. The Commission issued an order directing the carrier to withdraw the embargo notice and substitute therefor new schedules, filed in accordance with section 2 of the Intercoastal Shipping Act.

It held that an embargo is an emergency measure, to be resorted to only where there is congestion of traffic or when it is impossible to transport the freight offered because of physical limitations of the carrier. A discontinuance of service based on financial hardship alone does not constitute justification for an embargo.

14. Docket No. 954—Investigation of Rates and Practices in the Atlantic Gulf/Puerto Rico Trade (March 5, 1962)

Motion for an order invalidating reduced rates for the carriage of zinc from the continental United States to Puerto Rico denied, and the matter remanded to an examiner for further hearing and initial decision.

15. Docket No. 926—Investigation of Increased Inter-Island Class and Commodity Rates Between Ports of Call Within the State of Hawaii (April 5, 1962)

Increased class and commodity rates between ports in the State of Hawaii found just and reasonable, reaffirming the principle that a carrier is entitled to a fair return on the fair value of its property, and that the fair value of that property will be determined according to the prudent investment standard.

16. Docket No. 882—Unapproved Section 15 Agreements—South African Trade (April 9, 1962)

In this proceeding, the Commission decided several fundamental questions involving section 15 of the Shipping Act.

It held that an agreement need not be a legally binding one in order to be subject to the provisions of the section. Indeed, some general understandings and arrangements are far more effective than legally binding agreements. It is not the formalities, but the effect of the agreement which Congress sought to bring under section 15. The language of the section clearly embraces every agreement, understanding or arrangement, whether formal or informal, written or oral, detailed or general. The fact that any party to the agreement may alter a rate subject to notice to the other parties likewise does not remove the agreement from section 15.

Section 15 requires that an agreement be filed with the Commission "immediately" after it is made. Thus the mere failure to file the agreement constitutes a violation of the section regardless of whether or not the terms of the agreement have been carried out by the parties thereto.

Although provisions in subsidy contracts expressly contemplate that agreements will be made between carriers, in order to improve the competitive position of United States carriers vis-a-vis foreign carriers, they do not authorize such cooperation to take place without reference to section 15 requirements.

17. Docket No. 988—In the Matter of Agreements 8745 and 8745-1 Purchase of Vessels "Alicia" and "Dorothy" (April 16, 1962)

This proceeding involved an agreement between six carriers, which provided, inter alia, that one carrier would sell two partially containerized vessels to another for use in the gulf/Puerto Rico trade, and that for 1 year after the sale, a third carrier would not compete with the buyer in the gulf/Puerto Rico trade. This third carrier was active in the North Atlantic/Puerto Rico trade.

This agreement was held to be beneficial to the commerce of the United States in that it afforded an opportunity for both Puerto Rico trades—the gulf, and the North Atlantic—to enjoy the advantages of containerized vessels, whereas prior to the agreement these vessels had been available only in the North Atlantic trade.

18. Docket No. 920 & 920 (Sub. 1)—States Marine Lines Inc. and Global Bulk Transport Corporation v. Trans-Pacific Freight Conference of Japan et al. (April 16, 1962)

The respondents in this proceeding had instituted, without approval under section 15, a neutral body different in form from that approved by the Board and not impartial in its operation. The collection of fines under the neutral body system used by the conference was enjoined and those already collected were ordered canceled.

19. Docket No. 947—*International Trading Corporation of Virginia v. Fall River Line Pier, Inc.* (Decided April 16, 1962)

The respondent in this proceeding, a pier operator, was alleged by complainant to have violated sections 16 and 17 of the Shipping Act because of the discriminatory fashion in which it operated its facilities. Respondent was found not to have prejudiced complainant in the allocation of berthing or storage space, but it was found to have violated section 16 by giving a competitor of complainant an undue and unreasonable advantage through differences in billing practices, storage rates, and free time allowances.

20. Docket No. 906—In the Matter of Agreements, Charges, Commissions and Practices of the North Atlantic Westbound Freight Association (May 3, 1962).

The Commission, in this proceeding, upheld the ruling of its examiner requiring the discovery and production of certain documents overseas pursuant to its authority under Commission rule 12(k).

21. Docket No. 949—*Matson Navigation Company—Van Measurement/Heavy Cargo Rules* (May 15, 1962)

The rule of Matson Navigation Co. which provides that when measurement rates are applied to cargo vans, they are to be determined by the outside dimensions of the van, was found to be just, reasonable, and lawful.

22. Docket No. 918—*Mitsui Steamship Co., Ltd.—Alleged Rebates to A. Graf & Co.* (Denial of Motion to Vacate Section 21 Order) (June 5, 1962).

An order was entered denying the petition, of respondent, Mitsui, to vacate an order issued pursuant to Shipping Act, 1916, section 21, requiring it to produce documents located in the files of its London office.

23. Docket 920 and 920 (Sub. 1)—*States Marine Lines Inc. and Global Bulk Transport Corporation v. Trans-Pacific Freight Conference of Japan et al.* (Denial of Petition for Reconsideration and Stay (June 7, 1962)

Respondents' argument that the neutral body agreement in issue in this proceeding was not one which required approval under section 15 was rejected, and respondents' petition for reconsideration and stay of the Commission's order was denied.

24. Docket No. 869—*Pacific Coast/Hawaii and Atlantic-Gulf/Hawaii General Increase In Rates*

Docket No. 935—*Hawaii/Crockett and Hawaii/Galveston Bulk Sugar Rates*
Docket No. 941—*Hawaii Rates—Ten Percent Increase (1961)* (June 28, 1962)

These proceedings were investigations to determine the lawfulness under the Intercoastal Shipping Act, 1933, of increased rates for the transportation of cargo between Pacific coast ports and ports in Hawaii and also between Hawaiian ports and Atlantic and gulf coast ports.

General increases of 12½ percent and 10 percent in rates between Pacific coast ports and the State of Hawaii, were found to be just and reasonable. The exception of certain commodities from these general increases was justified to retain recaptured business, meet rates of island shippers, and meet Japanese and Canadian competition.

Dollar equivalent increases in the Atlantic coast/Hawaiian trade were upheld because of the competitive relationship between that trade and the Pacific coast/Hawaii trade.

Rates between the State of Hawaii and Crockett, Calif., and Galveston, Tex., applicable to raw sugar in bulk, were found to be just and reasonable.

25. Docket No. 896—*Unapproved Section 15 Agreement—Coal To Japan/Korea* (August 2, 1962)

The purpose of this proceeding was to determine whether certain common carriers had entered into and carried out an agreement fixing rates for the transportation of coal from U.S. Pacific coast ports to Japan and Korea without Board approval as required by section 15, Shipping Act, 1916. Some of the respondents to the proceeding were found to have effectuated such an unlawful agreement.

26. Docket No. 952—Investigation of Tariff Filing Practices of Carriers Between Contiguous States of the United States and Alaska (August 2, 1962)

The purpose of this proceeding was to determine if certain parties had been operating as common carriers, by water, in the trade between Alaska and other States without filing tariffs with the Board, thus violating section 2 of the Intercoastal Shipping Act, 1933.

Two carriers were found not to be common carriers.

Another carrier was found to be a common carrier, but it was determined it had not violated the statute because it had filed a tariff covering its service.

Other carriers were found to be common carriers and required to file tariffs covering their services.

27. Docket No. 994—American Union Transport, Inc.—Increased Rates on Sugar (August 16, 1962)

Respondent showed that the present rates on sugar, refined or turbinated, in bags, from ports in Puerto Rico to Atlantic ports of the United States, are insufficient, by a wide margin, to pay the full cost of carrying sugar. Based on operating and financial data for 1961, the proposed increased rates are not fully compensatory. The proposed rates are found to be lower than just and reasonable maximum rates, and are not otherwise shown to be unlawful.

28. Docket No. 885—Unapproved Section 15 Agreement—North Atlantic Spanish Trade (August 30, 1962)

The language of a carrier's interoffice memorandum, referring to an "undertaking" to abide by a conference tariff and to a "verbal understanding" with the conference, together with surrounding circumstances such as the fact the carrier, after it had resigned from the conference, continued to be consulted by the conference on rate changes, establishes the existence of an agreement or understanding between the carrier and the conference, and its members within the meaning of section 15. The carrier, the conference, and its members violated section 15, both by failing to file their agreement or understanding and by carrying it out absent approval.

29. Docket No. 967-970—*Alcoa SS Co. Inc. v. Cia Anonima Venezolana de Nevegacion* (September 5, 1962).

Agreement between Grace Line and Cia Anonima Venezolana found not to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, ports, or exporters from the United States and their foreign competitors, or any of them, and further not found to be detrimental to the commerce of the United States or to violate the Shipping Act, or to be contrary to the public interest.

30. Docket 870—Pacific Coast European Conference—Exclusive Patronage Contracts (September 18, 1962).

Section 22 of the Shipping Act, authorizing the Commission to conduct investigations "in such manner and by such means, and make such order as it deems proper," clearly gives the Commission authority to allow participation of hearing counsel in an investigative proceeding. Decisions of the Commission relating to the practice of requiring from hearing counsel particularizations of "charges" against respondents to Commission orders of investigation, do not affect the "primary mission" of hearing counsel to obtain pertinent information in the discharge of his duty to the public interest to insure that all probative evidence, relevant to matters under investigation, is developed to the fullest possible extent. Hearing counsel may file exceptions to the recommended decision in such a proceeding.

31. Docket 990—*Alaska Livestock & Trading Co., Inc. v. Aleutian Marine Transport Company, Inc.* (September 18, 1962)

A rate of \$1.10 per cubic foot on wool in bags from the Aleutians to Seattle found not to be unjust or unreasonable. A comparison of this rate with a rate in existence 8 years ago is of little value, particularly where it has little or no support based on other record evidence. A comparison of a rate under study with rates of other carriers is an acceptable test of the reasonableness of the former, but the persuasiveness of the test varies directly with the similarity of the circumstances surrounding the rates of the differing carriers. Operation at a loss in the trade supports the view that the rate is not too high and is of some use in determining the reasonableness of the rate on a particular commodity, although it is not controlling.

32. Docket 909—*City of San Diego Harbor Comm. v. Matson Navigation Company* (September 25, 1962)

The Commission has no power to require that a common carrier service be inaugurated, and its authority under section 16 first relative to discontinuance of an established service is at best restricted. In any event, Matson's discontinuance of its San Diego operations was not shown to result in undue or unreasonable preference to Los Angeles, nor undue or unreasonable prejudice to San Diego. Matson was motivated by its judgment regarding the economics of the situation. Moreover, similarity of transportation conditions is a necessary element of undue preference and prejudice and there is a great disparity between conditions at San Diego and Los Angeles.

33. Docket 954 (Sub. 2)—Investigation of Increased Rates on Sugar, Refined or Turbinated in Bags in the Atlantic/Gulf/Puerto Rico Trade (September 25, 1962)

Proposed increased rates on sugar, refined or turbinated, in bags, from San Juan, Ponce, and Mayaguez, P.R., to New York, N.Y., Philadelphia, Pa., and Baltimore, Md., found just and reasonable. Order of suspension vacated. Adoption of an allocation formula for operating expenses, based on a ratio of the cubic measurement of sugar to total cargo carried, was not inaccurate or unreasonable, and all that is required in cost finding is that the results obtained represent a reasonably close approximation of the assignable costs.

It is not sound regulatory practice or in the public interest to require a carrier to sustain substantial losses on a large segment of the cargo it carries. Such a practice would result in either disproportionately high rates on other cargo or a substantial weakening of the carrier's economic position or both.

34. Docket 987—*J. M. Altieri v. The Puerto Rico Ports Authority* (October 18, 1962)

A refusal of a terminal operator to refund overpayment of demurrage charges is not a violation of section 16 since complainant importer failed to show a disparity between the treatment accorded him and that accorded other importers, or a violation of section 18 since that section applies only to carriers. Section 17 which refers to "other persons subject to this act" applies to domestic commerce insofar as terminal operators are concerned, and the unjust and unreasonable practices "relating to or connected with the receiving, handling, storing, or delivery of property," intended to fall within the coverage of section 17 are shipping practices.

35. Docket 901—General Increases in Rates—Pacific/Atlantic/Guam Trade (October 23, 1962)

General increases in rates between United States and Guam, Mariana Islands, Midway Island, Wake Island, Ebeye, and Eniwetok, for the carriage of commercial cargo, including cement, found to be lawful and just and reasonable. Carriage of military cargoes should be excluded in determining the reasonableness of rates under consideration. A fair return on fair value standard should be used in determining the reasonableness of rates and the prudent investment standard should be used to arrive at the fair value of the property devoted to the trade. A rate of return of 6.4 percent on property valued on the basis of the prudent investment standard is not unreasonable.

36. Docket 854—*Swift & Co. and Swift & Co. Packers v. Gulf and South Atlantic Havana Steamship Conf. et al.* (October 29, 1962)

The hearing examiner found that complainants were entitled to reparation of \$13,335.90 due to unlawful extension of a dual rate contract system to cargo shipped from inland ports not covered by the conference agreement, and this finding was upheld by the Commission and the complaint was dismissed with prejudice to its renewal.

37. Dockets 946, 950, 953—*Grace Line Inc. v. Skips A/S Viking Line et al.*; *Skips A/S Viking Line v. Grace Line, Inc.* (November 13, 1962)

No violations of the Shipping Act were found in this proceeding, so no reparations are recoverable. An agreement to create a carrier is not subject to section 15, a rate war is not equivalent to the use of a fighting ship, and the rate cutting is not shown to have subjected complainant to unreasonable prejudice, and disadvantage is not in violation of section 16. The Commission

can issue no rule pursuant to section 19 of the 1920 act (with respect to payment of brokerage or "systematically undercutting" conference rates) until conditions unfavorable to shipping exist in a trade.

38. Special Docket No. 244—*Martini and Rossi s.p.a., et al v. Lykes Bros. S.S. Co.* (November 13, 1962)

Permission is granted to Lykes Bros. S.S. Co. to waive collection of undercharges on shipments transported from Italy to the United States. The rate charged was lower than the legally applicable rate because of an oversight, and the parties were acting in good faith. Permission granted since the record discloses no discrimination. Such a waiver, however, does not excuse the parties from any statutory penalties to which they may be subject.

39. Docket 999—American Great Lakes-Mediterranean Eastbound Freight Conference—In the Matter of Surcharge on Shipments from Buffalo, New York (November 20, 1962).

This proceeding was initiated by a show-cause order issued by the Commission pursuant to section 6 of Public Law 87-346. It was found that a 10-percent surcharge imposed at the port of Buffalo by respondent American Great Lakes-Mediterranean Eastbound Freight Conference was unjustly discriminatory, and it was ordered set aside. The conference was ordered to file a tariff amendment indicating that the surcharge was no longer in effect, and the conference was further ordered to cease and desist from enforcing the surcharge.

40. Docket 905—United States Lines-Gondrand Brothers, Violation of Section 16 (December 19, 1962)

Gondrand Bros. found to have knowingly and willfully obtained from United States Lines Co. transportation of logs by water from North Atlantic Range ports to the ports of Antwerp and Rotterdam at less than the rates or charges which would otherwise have been applicable during the period 1954 to 1959, in violation of section 16 of the Shipping Act, 1916.

United States Lines Co. found to have allowed Gondrand Bros. to obtain such transportation in violation of section 16 of the Shipping Act.

41. Special Dockets 245 to 257—*Uddo and Taormina Corporation v. Concordia Line* (January 2, 1963)

Where notice of a reduction of conference rates on a certain commodity was given to the Commission prior to a filing of the reduced rates in a tariff, voluntary reparation to those shippers who paid the higher tariff rate and waiver of collection of undercharges from those who paid the reduced rate in the interim was authorized. The filing requirement of section 13(b) was new at the time of the transactions, the shippers were innocent, and no discrimination would result from the payment of reparations and waiver of collection of overcharges.

42. Docket No. 912—Matson Navigation Company—Container Freight Tariffs (January 21, 1963)

The tariff of Matson Navigation Co. applicable to containerized cargo from California to Honolulu, Hawaii, and publishing single-factor rates which include pickup service in port terminal areas, ocean haul, and delivery at container freight station or container freight yard, was held to be lawful in its present form and not contrary to the provisions of section 2 of the Intercoastal Shipping Act, 1933.

43. Docket No. 1062—Agreement 8765 Between U.S.-Flag Carriers In the Gulf/Mediterranean Trade (February 5, 1963)

An agreement between conference and nonconference carriers under which the nonconference carriers agree to abide by conference rates with respect to certain commodities was found not to be violative of the Shipping Act. The rate set in the agreement was reasonable.

44. Docket No. 989—In the Matter of Certain Tariff Practices of Sea-Land Service, Inc., Puerto Rican Division (February 5, 1963)

Single-factor rates of a common carrier by water from inland points in Puerto Rico to a port in the United States are required to be filed with the Commission, but a separate statement in the tariff of charges for the included pickup service in Puerto Rico was held not to be required.

45. Docket No. 976—Agreement 8492 Between T. F. Kollmar, Inc., d/b/a Northland Freight Lines, and Wagner Tug Boat Company In the Alaska Trade (February 12, 1963)

An agreement between a common carrier tug and barge operator and a non-vessel-operating common carrier, engaged in trade between Seattle and Anchorage, for transportation by the former of its own cargo under its own tariffs, and for transportation by the former of the latter's common carriage cargoes at the latter's tariff rates was approved under section 15 of the Shipping Act. There was no showing that the agreement would operate "to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, or to operate to the detriment of the commerce of the United States, or to be contrary to the public interest, or to be in violation of the Shipping Act, 1916."

46. Special Docket Nos. 258 to 261—*Jondi, Inc., et al. v. Hellenic Lines, Ltd.* (February 21, 1963)

The transactions involved in this proceeding were the same as those involved in Special Dockets 245 to 257 (No. 41) as both Hellenic Lines, Ltd., and Concordia Line are bound by the same conference rates. As in 245 to 257 reparations and waiver of the collection of undercharges were allowed.

47. Docket No. 903—Pacific Coast Puerto Rico General Increase in Rates February 21, 1963)

Tariff rates between Pacific coast ports and Puerto Rico as increased by 15 percent were found to be just, reasonable, and lawful. A modified revenue prorate basis was approved as proper, and a unit method of determining costs was allowed. Allocation of costs on an out-of-pocket basis to determine net income was held to be improper.

48. Docket Nos. 924 and 925—Unapproved Section 15 Agreements—Gulf/United Kingdom Conference and Gulf/French Atlantic Hamburg Range Freight Conference (February 26, 1963)

Members of the two respondent conferences were found not to have been acting pursuant to an unfiled and unapproved agreement, in violation of the Shipping Act, 1916, in failing to file tariffs showing certain rates as "open minimum," but such failure was a violation of Commission General Order 83.

49. Special Docket No. 263—*United Nations Children's Fund (UNICEF) v. (Columbus Line) Hamburg-Suedamerikanische Dampfschiffahrts-Gesellschaft Eggert & Amsinck* (March 1, 1963)

Voluntary payment of reparation was allowed for freight overcharges which resulted from omission of a tariff rule through a stenographic error. There was no discrimination against other shippers as complainant was the only shipper of the type of commodities involved on respondent's vessels.

50. Docket No. 864—*International Latex Corp. v. Bull Insular Line, Inc.* (March 12, 1963)

Overcharges resulted in violation of section 2 of the Intercoastal Shipping Act, and since the carrier has made only one payment after agreeing to satisfy the complaint by refunding the overcharges, the shipper is entitled to reparation in the amount of the balance due.

51. Docket Nos. 974 and 984—*Puget Sound Tug & Barge Company v. Alaska Freight Lines, Inc.* (March 26, 1963)

A tariff rule of Alaska Freight Lines, Inc., which provides for a land haul to be substituted for a portion of the water transportation between certain points not now served directly by Alaska Freight's vessels, found to be lawful. Section 2 of the Intercoastal Act does not prohibit the filing of rates which include a substituted mode of carriage over a portion of the route.

52. Docket No. 881—General Increases in Alaskan Rates and Charges (April 30, 1963)

Rates, fares, and charges of Alaska SS Co. for the transportation of property by water in interstate commerce between Pacific coast ports of the United States and ports in the State of Alaska, and also between ports within Alaska, as increased, found to be just, reasonable, and lawful.

Rates, fares, and charges of Puget Sound Alaska Van Lines, Inc., Alaskan Northern Express, Inc., Alaska Freight Lines, Inc., and Garrison Fast Freight Division of Consolidated Freightways, Inc., for the transportation of property by water in interstate commerce between Pacific coast ports of the United States and ports in the State of Alaska, as increased, remanded to the examiner for the taking of further evidence.

53. Special Docket No. 262—*Luther, S. A. v. Columbus Line* (May 7, 1963)

Permission granted to respondent to waive collection of undercharges of freight on certain shipments of Lutchter, S.A., from New York to Santos, Brazil. The parties acted in good faith, and there is no showing that discrimination will result from granting relief.

54. Docket No. 1065—Aleutian Marine Transport Co., Inc.—Rates From, To, and Between Seattle, Washington, and Ports in Alaska (May 7, 1963)

Rates from, to, and between Seattle, Wash., and Alaska ports found to be just and reasonable.

55. Special Docket No. 265—Lykes Bros. SS Co. Application to Refund Overcharges (June 4, 1963)

Carrier failed to file rates on several items which were very rarely shipped, and this failure led to a "not otherwise specified" rate being charged. The application to refund the overcharges is granted. The relief sought "here will relieve an innocent shipper of the consequences of the carrier's failure to file a proper rate."

56. Docket No. 977—*Puget Sound Tug and Barge Company v. Foss Launch and Tugg. Co. et al.* (June 18, 1963)

Tandem tow of Foss barge containing contract carrier cargo with Northland barge containing common carrier cargo does not violate principle that disfavors carrier acting as both common and contract carrier on the same voyage.

Wagner's rate on cement and asphalt based on high volume found to be prima facie, discriminatory, and preferential.

Respondents' other rates not found to be unreasonably low.

Chairman DOUGLAS. But you have not dealt with the general question of discriminatory freight rates, either on steel or other commodity.

Mr. STAKEM. You are correct, and I would like to just make this comment: That this Commission is in the position of an engineer trying to turn a river around. For a great number of years, the regulatory pattern flowed in a certain direction. The Judiciary Committee of the House recognized that we should do something more vitalizing in regulations. We agree, and this Commission, I think, is turning the river.

Chairman DOUGLAS. That was 15 months ago that the Celler committee made this recommendation. It was not until after the present committee, the Joint Economic Committee held its hearings on May 2, and after the speech by the chairman on the floor of the Senate shortly thereafter that your Commission did move.

Mr. STAKEM. I again at the early part of my statement congratulated the chairman and this committee for moving in a vital area. I repeat that. I also say that when we went over to the Maritime Commission on August 12, we went over with 106 people, with a tremendous amount of work. That Congress promptly doubled our workload by the enactment of two public laws and then refused to give us the people to do the job.

Chairman DOUGLAS. Now, wait a minute. Your statement said you have 251 employees at present.

Mr. STAKEM. We have—at the time of the reorganization, we had 106. We lost 23 of these people. We ended 1961 with 142. We ended 1962 with 198. And we come before this committee today with

251. This has been a gradual increase in staff, and an education and training process with a new staff.

Chairman DOUGLAS. Now may I say this committee has a staff of, I think, approximately, including clerical employees, 17.

Mr. Boggs is a young and very able member of one staff. He prepared this memorandum as a byproduct of his other activities. Now, is it necessary for committees of Congress to ride herd on the regulatory bodies in this fashion?

Mr. STAKEM. No; I don't think—I will rephrase that. I think it is an excellent idea that committees of Congress do ride herd on the regulatory agencies, and if there is any slippage, this is the place to find it out and talk it out. But I can say this. That in cooperation with the Department of Commerce, we are trying to identify, a critical commodity list of about 100, and we will try to come as close as possible to the Department of Commerce in an identification of the commodities to be studied.

Since a month ago we have been participating in all of the hearings that the Business and Defense Service Administration are holding, and when this commodity identification, the so-called critical commodity identification has been made, there will be no laxity in effort on the part of this Commission to find out why there is a difference in the rates.

Chairman DOUGLAS. Now, as I remember the testimony of one of your representatives in May when I raised this question of differential rates operating against American exports in steel, he stated that this had been a matter of general knowledge for many years. Is that correct?

Mr. STAKEM. I think that is correct, Senator. It is a fact that the regulatory pattern in the area that we are examining here, this morning, was that upon complaint of an aggrieved shipper that there was an attempt on the part of the regulatory agency to negotiate between the carrier and the complainant to bring the parties together.

Chairman DOUGLAS. But you have already stated that the previous Board and the present Commission are not confined to merely dealing with complaints which have been lodged by aggrieved parties. You have the power to initiate investigation and action yourself.

Mr. STAKEM. Yes.

Chairman DOUGLAS. This is a problem which always comes up in public utility proceedings where individual complainants are frequently weak in comparison with powerful private utilities. And so the New York law and the Illinois law, which incidentally, I wrote, provide that the regulatory body has the power to initiate action.

You have always had that power. It has been a matter of general knowledge according to your testimony and the testimony of your representatives that this disparity exists. You have not taken action about it. You have busied yourself with the relatively less important matters.

Mr. STAKEM. I cannot agree that the matters were less important. I agree that they were of equal importance, that this is of equal importance, and I think, Senator, that if the record was examined, that you will find that this Commission has, on its own motion, moved in a great number of areas in a great number of cases.

Chairman DOUGLAS. Now I said that toward the end of this hearing, I would introduce supplementary material on other commodities. Before I move to that, and I will come to it in just a minute, I would like to express my surprise and in a sense, incredulity, that the great steel companies of this country, who have been complaining about the decreases in their exports, and the enormous increase in imports, and have been blaming everything else under the sun except the differential freight rates, have never complained except for the case of these three smaller companies, about the differential under which they are suffering.

This is puzzling, and I must confess I do not know the answer. Is it possible that some of them are getting secret concessions?

Mr. STAKEM. Senator, I wouldn't be in a position to answer that.

Chairman DOUGLAS. You are one of the most experienced men in the industry. You were previously on the Federal Maritime Board. You are now Chairman of the Maritime Commission. You had experience in the shipping industry prior to this.

Are any of them getting, in your opinion, secret kickbacks so that the published rate is not quite the real rate?

Mr. STAKEM. I can only say that if any evidence comes to this Commission that there is a rebate in freight rate, that we will be immediately on it.

Chairman DOUGLAS. Have you ever tried to find out whether there was such a rebate?

Mr. STAKEM. Senator, before this Maritime Commission was established, in the regulatory field, we did not have a fieldman. We did not have one investigator, and it was through my efforts that we established a Bureau of Investigation in the Maritime Commission, and it was through my efforts along with my associates to establish field offices, so that shippers would have a close point of contact to come.

Chairman DOUGLAS. The Celler committee recommended that you make inquiries to find out whether there were rebates or kickbacks given to specific shippers, did it not?

Mr. STAKEM. And I think it is a fact as I mentioned in the statement, that we have conducted at least 500 investigations.

Chairman DOUGLAS. Of this type?

Mr. STAKEM. With a small staff.

Chairman DOUGLAS. Of this type?

Mr. STAKEM. I think some of them may be included in there, Senator.

Chairman DOUGLAS. Have you found anything to indicate that rebates or kickbacks are paid?

Mr. STAKEM. Not in steel. I can't specifically remember that. I do know that we have investigated alleged rebates and kickbacks.

Chairman DOUGLAS. And, of course, if rebates are paid to some, this is an advantage to that producer, and a penalty to those who do not receive it.

Mr. STAKEM. I agree with the Senator on that.

Chairman DOUGLAS. This was the primary reason for the creation of the Interstate Commerce Commission, which arose from the kickbacks and rebates paid in the oil industry, isn't that true?

Mr. STAKEM. That is true.

Chairman DOUGLAS. Now there are some questions on the nature of the shipping conferences that I want to ask. As a preliminary measure I would like to ask this.

Is an American line bound by the decision of the conference, if it disagrees with the rates agreed upon by the conference?

Mr. STAKEM. The conference, Mr. Chairman, is a voluntary association of all of the member lines serving a particular trade. They operate by reason of the approval which we give them of their agreement, which essentially is a ratemaking agreement.

There must be a means for a line to pull out of the conference, if he is dissatisfied with the decisions, and many of them have in the past, and I take it that many will leave conferences in the future.

Chairman DOUGLAS. Now is it true that no American line can get a subsidy unless it is a member of the conference?

Mr. STAKEM. As stated, I would say that that is not true. I do know this: that there is a policy statement, and I did not participate in the making of this policy statement, which comes out of the Maritime Administration, the effect of which is to require all subsidized lines to observe conference rates.

Chairman DOUGLAS. Isn't that a statement that all conference lines have to observe conference rates?

Mr. STAKEM. I am not saying, Senator, that I agree with that policy statement.

Chairman DOUGLAS. I understand, but is not that the policy?

Mr. STAKEM. That is the policy of the Maritime Administration. It is not the policy of the Federal Maritime Commission.

Chairman DOUGLAS. I have here a copy of a letter which on December 23, 1960, the Federal Maritime Board, of which you were then a member, wrote to the Isbrandtsen line as follows:

After careful consideration of this matter, the Board has determined that in the event it should award a subsidy agreement to Isbrandtsen Steamship Co., it will require that such an agreement contain a provision to the effect that the operator agrees to maintain conference rates, rules, and regulations effective for the subsidizing services contained in such agreement, irrespective of whether the operator is a member of such conference, unless due to special circumstances the Board, in its sole discretion, should decide to modify temporarily this requirement as to a particular conference.

Furthermore, the Board will require an addendum to the American Export Lines subsidy agreements to executed which will contain this provision.

This letter was contained in part 3 of the hearings of the Celler committee, volume 2, page 1712-A.

Mr. STAKEM. That letter I think was a mistake. If I participated in the decision that led to that letter, I think that was a mistake.

Chairman DOUGLAS. Is not this still the policy of the Federal Maritime Administration?

Mr. STAKEM. I cannot say with a certainty, Senator, that it is still the policy of Mr. Alexander, the Maritime Administrator. I think he would be the best witness as to that.

Chairman DOUGLAS. Is the representative of the Department of Commerce here?

Mr. SACHS. I am in the U.S. Department of Commerce. My name is Jerome Sachs. We do not have anyone here from the Maritime Administration.

Chairman DOUGLAS. Are you authorized to speak for the Federal Maritime Administration?

Mr. SACHS. I am not, sir.

Chairman DOUGLAS. I will ask to have the Federal Maritime Administrator here tomorrow morning at 10 o'clock.

Now may I ask this question. In the voting of the conferences does each line cast one vote?

Mr. STAKEM. Yes, sir.

Chairman DOUGLAS. Irrespective of the number of ships or tonnage?

Mr. STAKEM. I think that is the usual way, Mr. Chairman. There are different voting requirements in different conferences.

Some conferences, for instance, have a two-thirds vote, some have a majority vote, some have a unanimous vote.

Sometimes you get joint services between two companies that join together and have just one vote, so that it is really a different situation. You would almost have to pick your conference on that and inquire.

Chairman DOUGLAS. But in general each line casts one vote.

Mr. STAKEM. I think that is generally true, Senator.

Chairman DOUGLAS. And in virtually every conference the American lines are in a relatively small minority.

Mr. STAKEM. No question about it.

Chairman DOUGLAS. Are they bound by the decisions, rate decisions of the conference?

Mr. STAKEM. I think they have an option to leave the conference if they do not like the decision.

Chairman DOUGLAS. And lose the subsidy?

Mr. STAKEM. Let me say, Senator, that I am not responsible for the subsidy program, and I will not speak for it.

Chairman DOUGLAS. Did you file a dissent to this letter which was addressed to Mr. Isbrandtsen?

Mr. STAKEM. No; and as I said, if I participated in the decision that led to that letter, I think it was a mistake.

Chairman DOUGLAS. Then you think this policy should be reversed?

Mr. STAKEM. I certainly do.

Chairman DOUGLAS. Have you taken any steps to disapprove any rate decisions of any conferences?

Mr. STAKEM. This is back to the main question.

Chairman DOUGLAS. Yes; that's right.

Mr. STAKEM. Yes, I think as stated, we have.

Chairman DOUGLAS. In what cases?

Mr. PIMPER. There is one case that I can cite, a case involving a surcharge out of the port of Buffalo.

Chairman DOUGLAS. A surcharge out of the port of Buffalo, again a Great Lakes case.

Mr. PIMPER. Yes, sir.

Chairman DOUGLAS. No cases on the Atlantic, no cases on the Pacific, no cases on the gulf?

Mr. STAKEM. That is correct, Senator.

Mr. PIMPER. I am talking now, sir, of formal cases.

Mr. STAKEM. I think that what Mr. Pimper in that last statement is trying to do is draw a distinction between the formal case and the so-called informal complaint, where there have been a number of in-

stances where a shipper has complained, and we have made an effort to negotiate between the shipper and the carrier.

Mr. PIMPER. I think you can find evidence of a rate increase, surcharge or what-have-you having been withdrawn in connection with movements from each of the companies to which you refer.

Chairman DOUGLAS. Now, we had distributed to you, and I hope to the press, supplementary tables on additional commodities other than steel. You all have these before you. We have 25 copies.

Mr. STAKEM. Is this your table 1-A, Mr. Chairman?

Chairman DOUGLAS. That is right. We asked the Department of Commerce to prepare a list of commodities which they thought had great export potential, where we could increase our exports, and we received one value of the exports and the value of the imports. Some of these are extremely important.

Then we compared the freight rates on exports, freight rates on imports for three major routes, the North Atlantic and German trade route, the North Atlantic and Netherlands trade route, and the Pacific. These are contained in tables 1-A, 1-B, and 1-C.

(The documents referred to follow :)

TABLE I-A.—U.S. oceanborne foreign trade in selected commodities and ocean freight rates, North Atlantic-Germany (Trade Route 7, Hamburg-Bremen-Bremerhaven: Continental Freight Conference), 1961

Commodity	Exports					Imports				
	Freight rate	Value	Tons	Value per ton	Ratio of freight to unit value (percent)	Freight rate	Value	Tons	Value per ton	Ratio of freight to unit value (percent)
Meat, canned.....	\$37.25	\$161,722	328	\$493	8	\$21.50	-----	-----	-----	-----
Vegetables, canned.....	38.00	129,276	660	196	19	44.00	-----	-----	-----	-----
Fruits and prep., canned.....	38.00	4,887	8	635	6	37.50	-----	-----	-----	-----
Fruit juices, canned or frozen.....	38.00	6,726	10	679	6	18.50	\$98,651	195	\$506	4
Rubber tires and inner tubes.....	38.75	186,114	132	1,412	3	30.50	872,491	649	1,345	2
Cotton, semimanufactures.....	34.00	1,462,435	4,886	299	11	27.50	215,321	1,017	212	13
Standard newsprint paper.....	25.00	57,462	401	143	17	58.00	33,231	204	163	36
Lubricating oils and greases.....	26.75	1,234,863	9,050	136	20	24.75	169	-----	795	3
Sulfur.....	28.50	8,340	27	306	9	27.50	1,398	6	215	13
Iron and steel castings and forgings.....	40.00	174,621	136	1,281	3	32.50	195,665	376	520	6
Tools and basic hardware.....	36.25	1,240,552	304	4,079	1	21.00	5,578,538	5,988	932	2
Iron and steel pipe.....	51.00	1,062,520	1,439	738	7	18.25	1,029,855	4,832	213	9
Rolled and finished steel.....	63.00	13,420,986	55,708	241	26	24.25	6,457,942	18,819	343	7
Electrical machinery.....	22.50	16,710,889	5,688	2,938	1	67.00	38,418,516	13,812	2,781	2
Construction machinery.....	16.50	9,479,051	5,355	1,770	1	20.00	-----	-----	-----	-----
Metalworking machinery.....	33.00	19,972,599	6,381	3,130	1	21.00	9,690,012	3,990	2,429	1
Textile sewing and shoe machines.....	21.75	8,870,167	1,976	4,489	-----	21.00	14,423,955	5,418	2,662	1
Agricultural machinery.....	16.50	5,742,074	3,901	1,472	1	20.75	1,307,709	772	1,694	1
Automobiles, trucks, etc.....	16.50	2,446,131	1,819	1,345	1	21.75	63,658,795	44,060	1,445	2
Railway locomotive cars and parts.....	63.00	79,850	48	1,660	4	-----	396	-----	1,980	-----
Medical and pharmaceutical preps.....	56.75	2,270,678	205	11,082	1	61.50	3,915,660	996	3,932	2
Sulfuric acid.....	63.00	166	-----	830	8	95.00	3,214	7	480	20
Alcohols.....	22.00	129,411	212	612	4	62.00	-----	-----	-----	-----
Pigments, paints, and varnish.....	20.00	670,666	702	956	2	48.50	473,148	1,937	244	20
Nitrogen fertilizer materials, excluding ammonium sulfate.....	24.50	28,821	170	170	14	21.25	7,524	94	80	27
Potash fertilizer materials.....	48.75	-----	-----	-----	-----	21.25	441,812	11,651	38	56

NOTE.—Tonnage data are in long tons. Freight rates for U.S. exports are expressed in terms of long tons (2,240 pounds); freight rates for U.S. imports are expressed in terms of metric tons (2,204 pounds). Freight rate data refer to 1963.

Source: Value and volume data supplied by the Federal Maritime Administration. Freight rate data supplied by the Federal Maritime Commission.

TABLE I-B.—U.S. oceanborne foreign trade in selected commodities and ocean freight rates, North Atlantic-Belgium-Netherlands (Trade Route 8, Antwerp-Rotterdam: Continental Freight Conference), 1961

Commodity	Exports					Imports				
	Freight rate	Value	Tons	Value per ton	Ratio of freight to unit value (percent)	Freight rate	Value	Tons	Value per ton	Ratio of freight to unit value (percent)
Meat, canned.....	\$37.25	\$275,808	394	\$701	5	\$21.50				
Vegetables, canned.....	34.50	75,581	282	268	13	44.00				
Fruits and prep., canned.....	34.50	24,901	98	253	14	37.50				
Fruit juices, canned or frozen.....	34.50	137,902	270	510	7	18.50	\$543,772	918	\$592	3
Rubber tires and inner tubes.....	35.25	2,555,352	2,035	1,256	3	30.50	392,444	420	934	3
Cotton, semimanufactures.....	32.00	1,642,005	5,887	294	11	27.50	949,575	3,492	272	10
Standard newsprint paper.....	22.75	3,010	20	151	15	58.00				
Lubricating oils and greases.....	24.25	3,463,276	20,444	169	14	24.75	186,889	921	203	12
Sulfur.....	26.00	116,571	307	380	7	27.50	3,793	18	214	13
Iron and steel castings and forgings.....	36.25	614,826	205	3,006	1	32.50	24,583	26	957	3
Tools and basic hardware.....	33.00	5,770,552	2,225	2,504	1	21.00	3,096,190	14,413	256	8
Iron and steel pipe.....	46.25	1,000,482	1,760	569	1	18.25	2,638,115	16,700	158	12
Rolled and finished steel.....	57.25	16,001,580	45,211	354	16	24.25	32,410,057	259,001	125	19
Electrical machinery.....	20.50	36,613,086	11,059	3,311	1	67.00	15,688,992	3,326	4,717	1
Construction machinery.....	15.00	37,127,396	22,225	1,670	1	20.00				
Metalworking machinery.....	33.00	34,953,205	17,115	2,042	2	21.00	2,695,635	666	3,898	1
Textile, sewing, and shoe machines.....	19.75	19,013,937	3,238	5,871	1	21.00	5,127,885	2,290	2,240	1
Agricultural machinery.....	15.00	17,342,483	12,258	1,415	1	20.75	618,543	666	779	3
Automobiles, trucks, etc.....	15.00	29,552,090	24,803	1,191	1	21.75	4,859,828	3,061	1,588	1
Railway locomotive cars and parts.....	57.25	1,115,491	288	3,869	1		2,302	5	490	
Medical and pharmaceutical preparations.....	51.50	21,343,529	3,752	5,688	1	61.50	3,069,766	756	4,061	2
Sulfuric acid.....	57.25					95.00				
Alcohols.....	20.00	1,425,636	2,829	504	4	62.00				
Pigments, paints and varnish.....	19.00	2,571,101	3,711	693	3	48.50	1,158,144	9,219	126	38
Nitrogen fertilizer materials, excluding ammonium sulfate.....	22.25	86,049	637	135	16	21.25	73,951	879	84	25
Potash fertilizer materials.....	44.25					21.25	266,740	6,414	42	51

NOTE.—Tonnage data are in long tons. Freight rates for U.S. exports are expressed in terms of long tons (2,240 pounds); freight rates for U.S. imports are expressed in terms of metric tons (2,204 pounds). Freight rate data refer to 1963.

Source: Value and volume data supplied by the Federal Maritime Administration. Freight rate data supplied by the Federal Maritime Commission.

TABLE I-C.—U.S. oceanborne foreign trade in selected commodities and ocean freight rates, Pacific, Japan (Trade Route 29, Pacific Westbound Conference and Trans Pacific Freight Conference of Japan), 1961

Commodity	Exports					Imports				
	Freight rate	Value	Tons	Value per ton	Ratio of freight to unit value (percent)	Freight rate	Value	Tons	Value per ton	Ratio of freight to unit value (percent)
Meat, canned.....		\$219, 157	282	\$778		\$25. 75				
Vegetables, canned.....		1, 697, 590	4, 518	376		25. 75				
Fruits and prep., canned.....		754, 727	2, 492	303		25. 75				
Fruit juices, canned or frozen.....	\$73. 00	826, 164	1, 670	495	15	120. 25	\$957, 081	8, 041	\$119	101
Rubber tires and inner tubes.....	110. 75	720, 770	489	1, 473	8	24. 75	168, 960	184	592	4
Cotton, semimanufactures.....	61. 00	138, 093	570	242	25	33. 50	14, 617	168	136	25
Standard newsprint paper.....	27. 00	2, 324, 008	16, 802	138	20	35. 75	183, 877	1, 494	123	29
Lubricating oils and greases.....	1 32. 65	5, 538, 395	48, 317	115	28	29. 25	300		1, 500	2
Sulfur.....	1 30. 40					32. 50				
Iron and steel castings and forgings.....	1 55. 50	813, 366	809	387	14	24. 00	167, 113	951	176	14
Tools and basic hardware.....	73. 50	1, 753, 545	596	2, 942	2	19. 50	10, 864, 619	55, 427	196	10
Iron and steel pipes, tube and tubing.....	1 30. 35	638, 518	1, 106	577	5	1 17. 00	8, 868, 226	53, 594	165	10
Rolled and finished steel.....	1 24. 10	4, 357, 587	26, 856	162	15	1 15. 50	18, 096, 041	127, 896	141	11
Electrical machinery.....	56. 75	17, 136, 674	4, 894	3, 501	2	33. 00	59, 195, 030	11, 993	4, 936	1
Construction machinery.....	56. 50	11, 602, 448	6, 076	1, 909	3	50. 25				
Metalworking machinery.....	56. 75	8, 706, 461	2, 709	3, 213	2	33. 00	208, 631	134	1, 559	2
Textile, sewing and shoe machines.....	56. 75	1, 249, 643	308	4, 059	1	33. 00	7, 253, 679	4, 173	1, 738	2
Agricultural machinery.....	47. 25	9, 064, 228	7, 076	1, 281	4	24. 00	153, 136	242	633	4
Automobiles, trucks, etc.....	37. 75	2, 340, 673	1, 425	1, 642	2	23. 00	1, 399, 770	1, 430	979	2
Railway locomotive cars and parts.....	1 46. 25	5, 504, 521	2, 377	2, 316	2					
Medical and pharmaceutical preparations.....	73. 50	904, 978	190	4, 776	2	59. 50	6, 059, 897	1, 330	4, 556	1
Sulfuric acid.....	93. 25					85. 75	8, 111	42	194	44
Alcohols.....	75. 00					35. 00	363, 593	1, 502	242	14
Pigments, paints and varnish.....	57. 75	1, 622, 075	2, 798	580	10	38. 25	66, 519	31	2, 132	2
Nitrogen fertilizer materials excluding ammonium sulfate.....	1 17. 65	63, 904	492	130	14	14. 50	609, 850	8, 318	61	24
Potash fertilizer materials.....	1 17. 65	13, 784, 368	9, 328	1, 478	1	14. 50				

¹ Freight rate per long ton (2,240 pounds).

NOTE.—Tonnage data are in long tons. Freight rate data refer to 1963 and are expressed in terms of short tons (2,000 pounds) unless otherwise indicated.

Source: Value and volume data supplied by the Federal Maritime Administration. Freight rate data supplied by the Federal Maritime Commission.

Chairman DOUGLAS. Let us take metalworking machinery. We exported \$20 million. This is halfway down.

Mr. STAKEM. What schedule is that on?

Chairman DOUGLAS. 1-A, on the north German route. Take metalworking machinery, a \$20 million export, and a heavily produced product. Notice that the freight rate on the exports is \$33 a ton, on the imports, \$21 a ton, and we import almost \$10 million of these products. The difference between the two rates is 57 percent.

Now the overall table shows that the outbound rates are approximately 21 percent higher than the inbound rates.

Mr. STAKEM. May I say, Senator, that the staff of the Federal Maritime Commission, working with the Department of Commerce, assisted in the preparation of the rate information in this statement.

Chairman DOUGLAS. We are very grateful. Now table 1-B shows the rates for the Atlantic-Belgium-Netherlands trade route. On the average rates on exports are 11 percent higher than inbound rates. I invite you to look at table 1-C for the Pacific coast—Japan trade. Here the figures are astounding. The outbound rates are 70 percent higher than the inbound rates.

Mr. PATTERSON. What table is that?

Chairman DOUGLAS. Table 1-C. Look at rubber tires, the fifth item. The freight rate, the outbound freight rate is \$110.75. The inbound rate is \$24.75, or only one-fifth as much as the export rate, on a very important item.

Now take tools and basic hardware. That is the 10th item down. Outbound rate, \$73.50; inbound rate, \$19.50. Percentage difference is 277 percent, or frankly the outbound rate is almost four times as much.

Take alcohols, a commodity that I do not highly approve of, although it has industrial use. Outbound rate \$75, inbound rate \$35, or a difference of 114 percent, over twice as much outbound. And so one can go on.

Now those three tables should be studied. Together, they indicate that outbound rates for all three routes are 34 percent higher than the inbound rates.

There remains also the third country question. I would like to call to your attention freight rates on a common plasticizer in the field of organic chemical. Germany to Veracruz, Mexico, \$43 a ton, New York to Veracruz, \$54 a ton. We all know that the distance from Germany to Veracruz is probably twice as great or more than the difference from New York to Veracruz, and yet here the German rates are lower than the American rates.

Now take this: England to São Paulo, Brazil, \$35 a ton, New York to São Paulo, Brazil, on this plasticizer, over \$80 per ton.

Now take Venezuela, I am informed that on the 10th of June the U.S. ocean freights to Venezuela were increased, but European rates were kept at the same level.

Now let us take household appliances. A specific model of a vacuum cleaner retails in the United States for \$49.95. The same model manufactured in England sells there for \$99.95, or \$50 more. But the landed difference between the \$49.95 machine shipped from the United States to Australia and the machine shipped from England is only a difference of \$1. Or there is a \$49 freight differential in

favor of English exports to Australia of vacuum cleaners as compared to American vacuum cleaners.

And what effect has this on the balance of payments? Clearly it is to diminish American exports.

We have other commodity examples. I invite you to look at standard textile looms, departing now from third country to direct trade.

For instance, the rate on standard textile looms, from New York to Yokohama is \$222.02, the rate from Yokohama to New York \$152.25, a 25 percent differential.

(The material referred to follows:)

BDSA CONFERENCES: MARINE TRANSPORTATION COSTS VERSUS EXPORT EXPANSION

A. Specific examples uncovered at the BDSA industry consultations:

1. Antifriction bearings

U.S. ocean freight rates to Venezuela increase June 10 whereas European rates remain at existing levels.

2. Organic chemicals

Freight rates on a common plasticizer:	Per ton
Germany to New York-----	\$35
New York to Germany ¹ -----	88
Germany to Veracruz, Mexico-----	43
New York to Veracruz, Mexico-----	54
England to São Paulo, Brazil-----	35
New York to São Paulo, Brazil-----	80+

¹ On American conference ships.

3. Household appliances

A specific model of vacuum cleaner retails in the United States for \$49.95. The same model manufactured in England sells there for \$99.95. The landed value difference between the \$49.95 machine shipped to Australia from the United States and the machine shipped from England worked out to \$1.

4. Standard textile looms (other than head looms)

New York to Rotterdam-----	¹ \$89.72
Rotterdam to New York-----	² 86.23
New York to Genoa-----	¹ 153.15
Genoa to New York-----	² 90.33
New York to Yokohama-----	³ 222.02
Yokohama to New York-----	³ 152.25

5. Household refrigerators and refrigerator parts

New York to Yokohama-----	³ 61.25
Yokohama to New York-----	³ 43.50
New York to Antwerp-----	¹ 16.00
Antwerp to New York-----	² 13.00

6. Refrigerating machinery

New York to Yokohama-----	³ 56.00
Yokohama to New York-----	³ 42.00

¹ 2,240 pounds, 40 cubic feet.

² 1,000 kilos, 1 cubic meter.

³ 2,000 pounds, 40 cubic feet.

B. In six additional consultations, industry representatives stated that freight differentials represented a major barrier to export expansion but could not provide the case history data necessary for further investigation. Specifics will flow to us in the exchange of information which follows each meeting.

SUMMARY OF OCEAN FREIGHT RATE COMPLAINTS RECEIVED BY THE BUREAU OF INTERNATIONAL COMMERCE, 1960-63

The attached summary of how the Bureau of International Commerce, handled the 50 complaints which came to its attention during the past 3 years is inconclusive because of the fragmentary nature of our files. Out of the 37 cases

referred by BIC to the Federal Maritime Board or its successor agency, the Federal Maritime Commission, there is sufficient information in our files on only 9 cases to indicate a final disposition of the complaint. A similar situation exists in regard to the 13 cases on which the Bureau requested additional information so that a meaningful submission could be made to the FMC.

In BIC's letters the shipper was given general background information and advised to make his request for rate adjustment to the concerned conference or carrier before bringing the matter to the attention of the Federal Maritime Commission. BIC, in its communications with both shippers and the FMC, asked for copies of correspondence showing the disposition of the case. Since there was no way of making sure that the shippers would do this, it can only be assumed that in 12 of the 13 cases, some of the shippers pursued the matter further with the concerned conference and/or the FMC. On one 1963 case involving chemicals the Bureau has been promised additional data. Of the 28 cases referred to the FMC on which no further copies of correspondence were received from that agency, it may be that some were successfully concluded and that in others it was demonstrated that the shipper lacked a valid case against the conference.

As a general rule the complaints which came to the Bureau's attention were from smaller business firms. The principal exception probably lies in the 12 cases which grew out of the 1960-61 export expansion meetings which BDSA held with individual industries. It should be noted that this summary does not include any of the cases arising out of the current series of BDSA/industry meetings aimed at removing barriers to U.S. exports. These cases are being referred directly to the Bureau of Foreign Regulation of the FMC by BDSA.

Below are briefly described the five cases in which the shipper was successful in getting the conference to make the requested rate adjustment.

1. *Lowered rate on footwear to the United Kingdom to meet Far East competition.*—Early in 1962, the Bureau transmitted a letter from a manufacturer of novelty folding package slippers to the Federal Maritime Commission for appropriate action concerning a rate of \$1.25 per cubic foot for shipments from the U.S. east coast to the United Kingdom in contrast with a rate of \$0.75 per cubic foot on the same commodity moving from Hong Kong and other areas to the United Kingdom. The manufacturer had already been turned down by the Trans-Atlantic Associated Freight Conferences on this matter before he brought the matter to the Department's attention.

On February 14, 1962, the Bureau of Foreign Regulation of the FMC wrote to the North Atlantic/United Kingdom Freight Conference requesting a lower rate. On March 26, the Conference changed the rate to \$0.75 per cubic foot for contract shippers.

2. *Rate on brake fluid to Malaya lowered to meet European competition.*—A U.S. exporter of brake fluid from New York was losing his market in southwest Asia to European competitors as a result of \$71.50 per ton rate in comparison with the \$45 per ton rate paid by European shippers. The exporter had already appealed to the Atlantic and Gulf/Singapore, Malaya and Thailand Conference without success. On March 1, 1962, we referred this well-documented case to the FMC which wrote on March 23 to the Conference, stating that the exporter's request deserved serious consideration. On May 1, the Conference agreed to reduce the rate to \$45 per ton in order to enable the U.S. exporter to meet the foreign competition.

3. *Removal of an arbitrary favoring New York over Great Lakes ports in export shipments to Cyprus.*—This action was initiated in mid-1962 by a Midwest exporter of refrigerators who complained about an arbitrary of \$20 on shipments from Detroit to Larnaca in contrast with \$10 on similar shipments from New York. The arbitrary is to pay the carrier for deviating from his regular route to serve a port such as Larnaca.

In April 1963 as a result of a request from the FMC, the concerned Great Lakes Conference agreed to lower its arbitrary to \$10.

4. *Trade association wins parity between eastbound and westbound Atlantic rates.*—In the spring of 1961, a committee of a trade association concerning itself with the exportation of commercial laundry equipment came to the Department for advice on how to get the rate on its proposed export to Western Europe reduced from \$60.50 per ton to a competitive level. The rate on the same product from the United Kingdom to the United States was \$42.50 per ton.

The association presented a documented case to the Conference (sending copies of its correspondence to the Bureau and the FMC). The case was partially based on rate data submitted by the members of the association to the committee. On

October 5, 1961, Gulf/French Atlantic Hamburg Range Freight Conference reduced the eastbound rate on industrial laundry equipment to \$46 per ton, thus creating a parity between the eastbound and westbound rates.

5. *A Missouri manufacturer of gas stoves was provided with the opportunity of penetrating the traditional British stove market in southeast Asia as the result adjustment by a conference.*—The rate from the United States was \$56 per ton in contrast with a rate of \$36 per ton from the United Kingdom. The Bureau of Foreign Commerce got the foreign freight rate data through the U.S. Embassy in London on which the submission to the Conference was based. The manufacturer and the FMC worked together in presenting the case to the Singapore, Malaya, and Thailand Conference which on December 26, 1961, lowered the rate to \$40 per ton.

Summary of ocean freight rate complaints received by the Bureau of International Commerce, 1960-63

	1960	1961	1962	1963	Total
Commodities by SIC:					
Animals and animal products.....	2		1		3
Vegetable food products.....			1		1
Inedible vegetable products.....	2				2
Textile fibers and manufactures.....	1			1	2
Wood and paper.....	1	2	1		4
Nonmetallic minerals.....	2	1	2		5
Metals and manufactures.....	2		1		3
Machinery and vehicles.....	7	2	3	1	13
Chemicals and related products.....	4	1	2	1	8
Miscellaneous or not indicated.....	3	2	4		9
Total.....	24	8	15	3	50
Type of rate complaint:					
Inbound/outbound discrepancy.....	6	1	1	1	9
U.S./foreign, foreign/foreign discrepancy.....	16	7	8	1	32
Rate prevents U.S. competition with domestic price of importing country.....	1		2	1	4
Classification of commodity in dispute.....	1		3		4
Discrimination between U.S. ports.....			1		1
Action:					
Referred to FMB or FMC.....	21	4	10	2	37
BFC or BIC replied, asking for more data.....	3	4	5	1	13
Results:					
Conference net shipper's request.....		2	3		5
Conference did not meet shipper's request.....	1	1	3		5
Unknown.....	23	5	9	3	40

¹ Not through FMC intervention.

I understand that all of these matters have been brought to your attention by the Department of Commerce, and in the hearings which we will have tomorrow morning at 10 o'clock I would appreciate it if you would discuss these differentials on the supplementary commodities, and we may have some further questions on the conferences.

We have asked the Administrator, the Federal Maritime Administrator, who administers the subsidy, to be present at 10 o'clock tomorrow. He is trying to arrange his presence. If he is unable to be here, we will ask him to come at another time.

Mr. Stakem, I don't think you have been very alert on this matter, but I must say you have been a sporting witness.

Mr. STAKEM. Thank you, sir.

Chairman DOUGLAS. You have not tried to shift any blame to anyone else.

Mr. STAKEM. No, I have to take it.

Chairman DOUGLAS. I admire that straightforward attitude of yours very much.

Mr. STAKEM. Thank you, Senator. And you want us back here at 10 tomorrow morning?

Chairman DOUGLAS. If you please, on the supplementary issues, because this morning we have confined ourselves primarily to steel.

Mr. STAKEM. One question, Senator. Commissioner Day has an appointment out of town. Could he be excused?

Chairman DOUGLAS. Oh, certainly. And if any other member who has an appointment wishes to be excused, he may be. We would, however, like you and the counsel and such other members as care to attend. In fact, it is not necessary for the others to come if they don't want to. You and the counsel can come if you prefer.

Mr. STAKEM. Thank you, Senator.

Chairman DOUGLAS. And you can speak for the Commission.

Mr. STAKEM. Thank you.

(Whereupon, at 12:05 p.m., the joint committee adjourned, to reconvene tomorrow, Friday, June 21, 1963, at 10 a.m.)

DISCRIMINATORY OCEAN FREIGHT RATES AND THE BALANCE OF PAYMENTS

FRIDAY, JUNE 21, 1963

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The joint committee met, pursuant to recess, at 10 a.m., in room 318, New Senate Office Building, Hon. Paul H. Douglas (chairman of the committee) presiding.

Present: Senators Douglas, Proxmire, Javits, and Miller.
Representative Griffiths.

Also present: James W. Knowles, executive director; Thomas H. Boggs, Jr., and Gerald A. Pollack, economists; and Hamilton D. Gewehr, administrative clerk.

Chairman DOUGLAS. It is now 10 o'clock. The committee will come to order.

Yesterday, the Joint Economic Committee discussed at length the advantage enjoyed by foreign producers of steel due to ocean freight rate differentials. The committee received testimony from Mr. Thomas E. Stakem, Chairman of the Federal Maritime Commission, and his fellow Commissioners, which, together with the statistical information this committee introduced, revealed, among other things, the following:

1. The Federal Maritime Commission agreed that the facts presented in the memorandum prepared by the staff of the Joint Economic Committee are correct. This memorandum brought out that there is freight rate discrimination on heavily traded steel products, and this has significant effects on our balance of payments.

2. The Federal Maritime Commission—and its predecessor agencies—have been aware of this for many years. But until this month, they have never held a formal hearing or taken any formal action to remedy this situation.

3. The Federal Maritime Commission is aware of the freight discrimination on steel and steel products.

At the close of yesterday's hearing, the committee submitted to the Federal Maritime Commission, and the press, materials indicating that discrimination existed on other commodities.

We have distributed to the members of the Maritime Commission and to the press a set of statistical tables of 12 pages, and a memorandum on marine transportation costs, and their relationship to export expansion.

Now I am going to ask Mr. Stakem and the Maritime Commissioners if these facts are correct as stated in the tables prepared by Mr. Boggs.

But, first, let me indicate some of these.

For example, if you take fruit juices, the outbound freight rate is \$38; the inbound rate is \$18.50, between the United States and Germany. This is shown in table 1-A.

On rubber tires and inner tubes, the outbound rate is \$38.75; the inbound rate, \$30.50, a difference of 27 percent.

On all 26 commodities—and these are commodities that the Department of Commerce has informed us have export potential, the outbound rates are approximately 21 percent higher than the inbound rates. This is an unweighted average.

Table 2-A indicates similar statistics for commodities moving between U.S. Atlantic ports and Belgium-Netherlands ports.

Outbound rates in this case are approximately 11 percent higher than corresponding inbound rates.

Table 1-C indicates the rates for the U.S. Pacific coast-Japanese trade route. This reveals some extraordinary facts.

On the 26 commodities listed, outbound freight rates are 70 percent higher on the basis of a simple product by product arithmetic average than corresponding inbound rates. Using rubber tires and inner tubes, for example, the outbound rate is \$111.75, and the inbound rate is \$24.75, or less than a quarter of the outbound rates. The outbound rate is 337 percent higher, or more than four times as high.

Or on electrical machinery, a \$17 million export, the outbound freight rate is \$56.75. The inbound rate is only \$33.

This may be one reason for the fact that our imports total \$60 million on this item alone.

Tables 2-A, 2-B, and 2-C point out the value of our exports and imports on these commodities in 1958.

Tables 3-A, 3-B, and 3-C show the percentage change of exports and imports on these 26 commodities between 1958 and 1961.

While there has been an overall increase in our trade balances on these commodities of 6.8 percent, this increase might have been far greater had freight rates been competitive.

In some of the cases of widespread discrimination, like fruit juice, our exports have decreased 95 percent, or fallen in value from \$165,000 to \$6,000—almost wiped off the map. And on canned fruits there has been a decrease from \$110,000 to \$5,000. That is almost wiped off the map—virtually disappeared.

The imports of these commodities have increased by 77 percent. Florida and California, take notice.

Tables 4-A, 4-B, and 4-C indicate the influence of ocean freight rates on price differentials for the 26 selected commodities on the three trade routes involved. Averaging the three tables, freight rate differentials account for 11 percent of the value difference, or price difference, between export and import prices.

The example of semimanufactured cotton, which is shown in table 4-B, shows the outbound freight rate to be \$32; and the inbound rate, \$27.50, a difference of \$4.50.

The landed value of U.S. exports in Belgium is \$294; landed value of U.S. imports from Belgium is \$272. That is a difference of \$22. Had freight rates been the same, this difference would have been reduced by 20 percent.

(The material referred to follows:)

TABLE I-A.—U.S. oceanborne foreign trade in selected commodities and ocean freight rates, North Atlantic/Germany (trade route 7, Hamburg-Bremen-Bremerhaven: Continental Freight Conference), 1961

Commodity	Exports					Imports				
	Freight rate	Value	Tons	Value per ton	Ratio of freight to unit value (percent)	Freight rate	Value	Tons	Value per ton	Ratio of freight to unit value (percent)
Meat, canned.....	\$37.25	\$161,722	328	\$493	8	\$21.50				
Vegetables, canned.....	38.00	129,276	660	196	19	44.00				
Fruits and preparations, canned.....	38.00	4,887	8	635	6	37.50				
Fruit juices, canned or frozen.....	38.00	6,726	10	679	6	18.50	\$98,651	195	\$506	4
Rubber tires and inner tubes.....	38.75	186,114	132	1,412	3	30.50	872,491	649	1,345	2
Cotton, semimanufactures.....	34.00	1,462,435	4,880	299	11	27.50	215,321	1,017	212	13
Standard newsprint paper.....	25.00	57,462	401	143	17	58.00	33,231	204	163	36
Lubricating oils and greases.....	26.75	1,234,863	9,050	136	20	24.75			795	3
Sulfur.....	28.50	8,340	27	306	9	27.50	1,398	6	215	13
Iron and steel castings and forgings.....	40.00	174,621	136	1,281	3	32.50	195,665	376	520	6
Tools and basic hardware.....	36.25	1,240,552	304	4,079	1	21.00	5,578,538	5,988	932	2
Iron and steel pipe.....	51.00	1,062,520	1,430	738	7	18.25	1,029,855	4,932	213	9
Rolled and finished steel.....	63.00	13,420,986	55,708	241	26	24.25	6,457,942	18,819	343	7
Electrical machinery.....	22.50	16,710,889	5,688	2,938	1	67.00	38,418,516	13,812	2,781	2
Construction machinery.....	16.50	9,479,051	5,355	1,770	1	20.00				
Metalworking machinery.....	33.00	19,972,599	6,351	3,130	1	21.00	9,690,012	3,990	2,429	1
Textile, sewing and shoe machines.....	21.75	8,870,167	1,976	4,489		21.00	14,423,955	5,418	2,662	1
Agricultural machinery.....	16.50	5,742,074	3,901	1,472	1	20.75	1,307,769	772	1,694	1
Automobiles, trucks, etc.....	16.50	2,446,131	1,819	1,345	1	21.75	63,658,795	44,060	1,445	2
Railway, locomotive cars and parts.....	63.00	79,850	48	1,660	4				1,980	
Medical and pharmaceutical preparations.....	56.75	2,270,673	205	11,032	1	61.50	3,915,660	996	3,932	2
Sulfuric acid.....	63.00	166		830	8	95.00	3,214	7	480	20
Alcohols.....	22.00	129,411	212	612	4	62.00				
Pigments, paints and varnish.....	20.00	670,666	702	956	2	48.50	473,148	1,937	244	20
Nitrogen fertilizer materials, excluding ammonium sulfate.....	24.50	28,821	170	170	14	21.25	7,524	94	80	27
Potash fertilizer materials.....	48.75					21.25	441,812	11,651	38	56

NOTE.—Tonnage data are in long tons. Freight rates for U.S. exports are expressed in terms of long tons (2,240 pounds); freight rates for U.S. imports are expressed in terms of metric tons (2,204 pounds). Freight rate data refer to 1963.

Source: Value and volume data supplied by the Federal Maritime Administration. Freight rate data supplied by the Federal Maritime Commission.

TABLE I-B.—U.S. oceanborne foreign trade in selected commodities and ocean freight rates, North Atlantic/Belgium/Netherlands (trade route 8, Antwerp-Rotterdam: Continental Freight Conference), 1961

Commodity	Exports					Imports				
	Freight rate	Value	Tons	Value per ton	Ratio of freight to unit value (percent)	Freight rate	Value	Tons	Value per ton	Ratio of freight to unit value (percent)
Meat, canned.....	\$37.25	\$275,808	394	\$701	5	\$21.50				
Vegetables, canned.....	34.50	75,581	282	268	13	44.00				
Fruits and preparations, canned.....	34.50	24,901	98	253	14	37.50				
Fruit juices, canned or frozen.....	34.50	137,902	270	510	7	18.50	\$513,772	918	\$592	3
Rubber tires and inner tubes.....	35.25	2,555,352	2,035	1,256	3	30.50	392,444	420	934	3
Cotton, semimanufactures.....	32.00	1,642,005	5,587	294	11	27.50	949,575	3,492	272	10
Standard newsprint paper.....	22.75	3,010	20	151	15	58.00				
Lubricating oils and greases.....	24.25	3,463,276	20,444	169	14	24.75	186,889	921	203	12
Sulfur.....	26.00	116,571	307	380	7	27.50	3,793	18	214	13
Iron and steel castings and forgings.....	36.25	614,826	205	3,006	1	32.50	24,583	26	957	3
Tools and basic hardware.....	33.00	5,770,552	2,225	2,504	1	21.00	3,696,190	14,413	256	8
Iron and steel pipe.....	46.25	1,000,482	1,760	569	1	18.25	2,638,115	16,700	168	12
Rolled and finished steel.....	57.25	16,001,580	45,211	354	16	24.25	32,410,057	259,001	125	19
Electrical machinery.....	20.50	36,613,086	11,059	3,311	1	67.00	15,688,992	3,326	4,717	1
Construction machinery.....	15.00	37,127,396	22,225	1,670	1	20.00				
Metalworking machinery.....	33.00	34,953,205	17,115	2,042	2	21.00	2,595,635	666	3,898	1
Textile, sewing and shoe machines.....	19.75	19,013,937	3,238	5,871	1	21.00	5,127,885	2,290	2,240	1
Agricultural machinery.....	15.00	17,342,483	12,258	1,415	1	20.75	518,543	666	779	3
Automobiles, trucks, etc.....	15.00	29,552,090	24,803	1,191	1	21.75	4,859,828	3,061	1,588	1
Railway, locomotive cars and parts.....	57.25	1,115,491	288	3,869	1		2,302	5	490	
Medical and pharmaceutical preparations.....	51.50	21,343,529	3,752	5,688	1	61.50	3,069,766	756	4,061	2
Sulfuric acid.....	57.25					95.00				
Alcohols.....	20.00	1,425,636	2,829	504	4	62.00				
Pigments, paints and varnish.....	19.00	2,571,101	3,711	693	3	48.50	1,158,144	9,219	126	38
Nitrogen fertilizer materials, excluding ammonium sulfate.....	22.25	86,049	637	135	16	21.25	73,951	879	84	25
Potash fertilizer materials.....	44.25					21.25	266,740	6,414	42	51

NOTE.—Tonnage data are in long tons. Freight rates for U.S. exports are expressed in terms of long tons (2,240 pounds); freight rates for U.S. imports are expressed in terms of metric tons (2,204 pounds). Freight rate data refer to 1963.

Source: Value and volume data supplied by the Federal Maritime Administration. Freight rate data supplied by the Federal Maritime Commission.

TABLE I-C.—U.S. oceanborne foreign trade in selected commodities and ocean freight rates, Pacific/Japan (trade route 29, Pacific Westbound Conference and Trans-Pacific Freight Conference of Japan), 1961

Commodity	Exports					Imports				
	Freight rate	Value	Tons	Value per ton	Ratio of freight to unit value (percent)	Freight rate	Value	Tons	Value per ton	Ratio of freight to unit value (percent)
Meat, canned		\$219, 157	282	\$778		\$25.75				
Vegetables, canned		1, 607, 590	4, 518	376		25.75				
Fruits and preparations, canned		754, 727	2, 492	303		25.75				
Fruit juices, canned or frozen	\$73.00	826, 164	1, 670	495	15	120.25	\$957, 081	8, 041	\$119	101
Rubber tires and inner tubes	110.75	720, 770	489	1, 473	8	24.75	108, 900	184	592	4
Cotton, semimanufactures	61.00	138, 093	570	242	25	33.50	14, 617	108	136	25
Standard newsprint paper	27.00	2, 324, 008	16, 802	138	20	35.75	183, 877	1, 494	123	29
Lubricating oils and greases	1 32.65	5, 538, 395	48, 317	115	28	29.25	300		1, 500	2
Sulfur	1 30.40					32.50				
Iron and steel castings and forgings	1 55.50	313, 366	809	387	14	24.00	167, 113	951	176	14
Tools and basic hardware	73.50	1, 753, 545	596	2, 942	2	19.50	10, 864, 619	55, 427	196	10
Iron and steel pipes, tube and tubing	1 30.35	638, 518	1, 106	577	5	1 17.00	8, 868, 226	53, 594	165	10
Rolled and finished steel	1 24.10	4, 357, 587	26, 856	162	15	1 15.50	18, 096, 041	127, 896	141	11
Electrical machinery	66.75	17, 136, 674	4, 894	3, 501	2	33.00	59, 195, 030	11, 993	4, 936	1
Construction machinery	56.50	11, 602, 448	6, 076	1, 909	3	50.25		208, 631	134	2
Metalworking machinery	56.75	8, 706, 461	2, 709	3, 213	2	33.00		7, 253, 679	4, 173	2
Textile, sewing, and shoe machines	56.75	1, 249, 643	308	4, 059	1	33.00		153, 136	242	4
Agricultural machinery	47.25	9, 064, 228	7, 076	1, 281	4	24.00		1, 399, 770	1, 430	2
Automobiles, trucks, etc.	37.75	2, 340, 678	1, 425	1, 642	2	23.00				4
Railway, locomotive cars, and parts	1 46.25	5, 504, 521	2, 377	2, 316	2					2
Medical and pharmaceutical preparations	73.50	904, 978	190	4, 776	2					1
Sulfuric acid	93.25					50.50	6, 059, 897	1, 330	4, 556	1
Alcohols	75.00					85.75	8, 111	42	194	44
Pigments, paints, and varnish	37.75					35.00	363, 593	1, 502	242	14
Nitrogen fertilizer materials excluding ammonium sulfate	1 17.65	63, 904	492	130	14	38.25	66, 519	31	2, 132	2
Potash fertilizer materials	1 17.65	13, 784, 368	9, 328	1, 478	1	14.50	509, 859	8, 318	61	24

1 Freight rate per long ton (2,240 pounds).

NOTE.—Tonnage data are in long tons. Freight rate data refer to 1963 and are expressed in terms of short tons (2,000 pounds) unless otherwise indicated.

Source: Value and volume data supplied by the Federal Maritime Administration. Freight rate data supplied by the Federal Maritime Commission.

DISCRIMINATORY OCEAN FREIGHT RATES

TABLE II-A.—U.S. oceanborne foreign trade in selected commodities and ocean freight rates, North Atlantic/Germany (trade route 7, Hamburg-Bremen-Bremerhaven: Continental Freight Conference), 1958

Commodity	Exports					Imports				
	Freight rate ¹	Value	Tons	Value per ton	Ratio of freight to unit value (percent)	Freight rate ¹	Value	Tons	Value per ton	Ratio of freight to unit value (percent)
Meat, canned.....		\$275,681	423	\$651						
Vegetables, canned.....		60,746	242	251						
Fruits and preparations, canned.....		110,103	389	283						
Fruit juices, canned or frozen.....		165,529	266	623			\$55,671	77	\$722	
Rubber tires and inner tubes.....		232,542	164	1,422			684,262	534	1,283	
Cotton, semimanufactures.....		1,134,511	3,971	286			204,342	987	207	
Standard newsprint paper.....										
Lubricating oils and greases.....		1,082,591	6,110	179			1,966	6	351	
Sulfur.....		95,420	225	425						
Iron and steel castings and forgings.....		22,003	13	1,693			74,812	180	415	
Tools and basic hardware.....		412,663	182	2,269			7,014,324	12,397	566	
Iron and steel pipes, tube and tubing.....		77,493	122	636			616,095	1,784	345	
Rolled and finished steel mill products.....		9,299,983	42,634	218			3,655,680	8,439	433	
Electrical machinery.....		6,611,549	1,900	3,480			32,675,474	11,985	2,726	
Construction machinery.....		5,411,214	3,413	1,585						
Metalworking machinery.....		9,133,757	2,989	3,056			8,385,632	3,687	2,274	
Textile, sewing and shoe machines.....		4,949,068	1,221	4,053			8,250,088	3,232	2,553	
Agricultural machinery.....		3,297,437	2,334	1,413			621,194	313	1,987	
Automobiles, trucks, etc.....		683,369	477	1,432			45,586,104	30,022	1,518	
Railway, locomotive cars and parts.....		199,615	112	1,785			20,308	30	679	
Medical and pharmaceutical preparations.....		1,669,881	241	6,920			3,004,014	695	4,323	
Sulfuric acid.....										
Alcohols.....										
Pigments, paints and varnish.....		661,932	569	1,164			438,048	2,055	213	
Nitrogen fertilizer material excluding ammonium sulfate.....										
Potash fertilizer material.....							293,854	8,255	36	

¹ 1958 freight rate data not available.

NOTE.—Tonnage data are in long tons.

Source: Based on data supplied by the Federal Maritime Administration.

TABLE II-B.—U.S. oceanborne foreign trade in selected commodities and ocean freight rates, North Atlantic/Belgium/Netherlands (trade route 8, Antwerp-Rotterdam: Continental Freight Conference), 1958

Commodity	Exports					Imports				
	Freight rate ¹	Value	Tons	Value per ton	Ratio of freight to unit value (percent)	Freight rate ¹	Value	Tons	Value per ton	Ratio of freight to unit value (percent)
Meat, canned.....		\$485,322	408	\$1,189						
Vegetables, canned.....		37,347	99	378						
Fruits and preparations, canned.....		10,978	35	313						
Fruit juices, canned or frozen.....		209,319	590	355		\$364,580	374	\$975		
Rubber tires and inner tubes.....		1,250,347	981	1,275		395,259	539	734		
Cotton, semimanufactures.....		609,738	1,968	310		764,073	5,266	145		
Standard newsprint paper.....		47,728	205	233						
Lubricating oils and greases.....		2,531,176	15,179	167						
Sulfur.....		18,468	45	414			568	3	210	
Iron and steel castings and forgings.....		154,405	172	896			11,018	37	295	
Tools and basic hardware.....		2,317,954	1,034	2,241			5,042,880	25,469	198	
Iron and steel pipes.....		530,646	731	726			1,079,210	5,025	215	
Rolled and finished steel.....		28,308,300	124,081	228			25,599,055	198,091	129	
Electrical machinery.....		18,493,781	6,253	2,958			15,013,087	3,824	3,926	
Construction machinery.....		16,434,743	10,290	1,599						
Metalworking machinery.....		14,267,235	6,562	2,174			2,923,409	994	2,943	
Textile, sewing and shoe machines.....		6,860,449	1,362	5,030			3,560,746	1,249	2,851	
Agricultural machinery.....		6,003,430	4,162	1,442			92,960	76	1,217	
Automobile, trucks, etc.....		19,858,217	19,527	1,017			11,717,251	8,070	1,452	
Railway, locomotive cars and parts.....		654,253	241	2,714			3,573	2	1,988	
Medical and pharmaceutical preparations.....		15,607,881	2,056	7,593			1,533,555	277	5,528	
Sulfuric acid.....										
Alcohols.....										
Pigments, paints and varnish.....		4,087,366	7,320	558			885,709	7,791	114	
Nitrogen fertilizer materials excluding ammonium sulfate.....										
Potash fertilizer material.....							221,861	6,038	37	

¹ 1958 freight rate data not available.

Note.—Tonnage data are in long tons.

Source: Based on data supplied by the Federal Maritime Administration.

DISCRIMINATORY OCEAN FREIGHT RATES

TABLE II-C.—U.S. oceanborne foreign trade in selected commodities and ocean freight rates, Pacific/Japan (trade route 29, Pacific Westbound Conference and Trans-Pacific Freight Conference of Japan), 1958

Commodity	Exports					Imports				
	Freight rate ¹	Value	Tons	Value per ton	Ratio of freight to unit value (percent)	Freight rate ¹	Value	Tons	Value per ton	Ratio of freight to unit value (percent)
Meat, canned.....		\$611,359	882	\$693						
Vegetables, canned.....		1,027,752	3,530	291						
Fruits and preparations, canned.....		191,589	583	329						
Fruit juices, canned or frozen.....		132,765	286	465			\$301,547	2,404	\$125	
Rubber tires and inner tubes.....		897,689	629	1,427			24,535	29	835	
Cotton, semimanufactures.....		1,000	1	1,000			79,361	672	118	
Standard newsprint paper.....										
Lubricating oils and greases.....		4,083,415	39,353	104						
Sulfur.....		5,132	13	404						
Iron and steel castings and forgings.....		497,344	1,887	264			36,201	106	342	
Tools and basic hardware.....		999,659	496	2,015			6,002,388	33,193	181	
Iron and steel pipes, tube and tubing.....		524,728	1,806	290			637,064	3,901	163	
Rolled and finished steel mill products.....		2,794,722	19,687	142			5,106,772	48,250	106	
Electrical machinery.....		9,692,918	3,235	2,996			9,632,770	2,291	4,206	
Construction machinery.....		8,851,450	5,230	1,693						
Metalworking machinery.....		2,600,809	736	3,532						
Textile, sewing and shoe machines.....		227,435	78	2,916			2,284	1	2,538	
Agriculture machinery.....		3,576,753	2,570	1,392			6,164,250	4,055	1,520	
Automobiles, trucks, etc.....		1,852,297	1,270	1,459			36,517	62	594	
Railway, locomotive cars and parts.....		2,744,286	1,525	1,800			823,410	828	994	
Medical and pharmaceutical preparations.....		4,197,665	1,000	4,199			744		2,480	
Sulfuric acid.....		25,649	134	191			353,063	43	8,307	
Alcohols.....										
Pigments, paints and varnish.....		1,905,466	3,692	516			4,379	6	768	
Nitrogen fertilizer materials excluding ammonium sulfate.....										
Potash fertilizer material.....		5,146,792	142,365	36						

¹ 1958 freight rate data not available.

NOTE.—Tonnage data are in long tons.

Source: Based on data supplied by the Federal Maritime Administration.

TABLE III-A.—Value of U.S. oceanborne exports and imports of selected commodities, North Atlantic-Germany (trade route 7), 1958 and 1961

Commodity	Exports				Imports			
	1958	1961	Change, 1958-61	Percentage change	1958	1961	Change, 1958-61	Percentage change
Meat, canned.....	275,681	161,722	-113,959	-41.3				
Vegetables, canned.....	60,746	129,276	+68,530	+112.8				
Fruits and preparations, canned.....	110,103	4,887	-105,216	-95.6				
Fruit juices, canned or frozen.....	165,529	6,726	-158,803	-95.9	55,671	98,651	+42,980	+77.2
Rubber tires and inner tubes.....	232,542	186,114	-46,428	-20.0	684,262	372,491	+188,229	+27.5
Cotton, semimanufactures.....	1,134,511	1,462,435	+327,924	+28.9	204,342	215,321	+10,979	+5.4
Standard newsprint paper.....		57,462	+57,462			33,231	+33,231	
Lubricating oils and greases.....	1,092,591	1,234,863	+142,272	+13.0	1,966	159	-1,807	-91.9
Sulfur.....	95,420	8,340	-87,080	-91.3		1,398	+1,398	
Iron and steel castings and forgings.....	22,003	174,621	+152,618	+693.6	74,812	195,655	+120,843	+161.5
Tools and basic hardware.....	412,663	1,240,552	+827,889	+200.6	7,014,324	5,578,538	-1,435,786	-20.5
Iron and steel pipes, tubes and tubing.....	77,493	1,062,520	+985,027	+1,271.1	616,095	1,029,855	+413,760	+67.2
Rolled and finished steel mill products.....	9,299,983	13,420,986	+4,121,003	+44.3	3,655,680	6,457,942	+2,802,262	+76.7
Electrical machinery.....	6,611,549	16,710,889	+10,099,340	+152.8	32,675,474	38,418,516	+5,743,042	+17.6
Construction machinery.....	5,411,214	9,479,051	+4,067,837	+75.2				
Metalworking machinery.....	9,133,757	19,072,599	+10,838,842	+118.7	8,385,632	9,690,012	+1,304,380	+15.6
Textile sewing and shoe machinery.....	4,949,068	8,870,167	+3,921,099	+79.2	8,250,088	14,423,955	+6,173,867	+74.8
Agricultural machinery.....	3,297,437	5,742,074	+2,444,637	+74.1	621,194	1,307,769	+686,575	+110.5
Automobiles, trucks, etc.....	683,369	2,446,131	+1,762,762	+258.0	45,586,104	63,658,795	+18,072,691	+39.6
Medical and pharmaceutical preparations.....	1,669,881	2,270,678	+600,797	+36.0	3,004,014	3,915,660	+911,646	+30.3
Sulfuric acid.....		166	+166			3,214	+3,214	
Alcohols.....		129,411	+129,411					
Pigments, paints, and varnish.....	661,932	670,666	+8,734	+1.3	438,048	473,148	+35,100	+8.0
Nitrogen fertilizer material, excluding ammonium sulfate.....		28,821	+28,821			7,524	+7,524	
Potash fertilizer material.....					293,854	441,812	+147,958	+50.4
Railway locomotive cars and parts.....	199,615	79,850	-119,765	-60.0	20,308	396	-19,912	-98.1
Sum of above commodities.....	45,597,087	85,551,007	+39,953,920	+87.6	111,581,868	146,824,042	+35,242,174	+31.6
Total, North Atlantic-Germany.....	225,071,830	295,295,533	+70,223,703	+31.2	360,216,183	452,520,185	+92,304,002	+25.6
Total liner, all routes.....	8,733,944,000	10,665,697,000	+1,931,753,000	+22.1	6,648,182,000	7,668,564,000	+1,020,382,000	+15.3

Source: Based on data supplied by the Federal Maritime Administration.

TABLE III-B.—Value of U.S. oceanborne exports and imports of selected commodities, North Atlantic-Belgium-Netherlands (trade route 8), 1958 and 1961

Commodity	Exports				Imports			
	1958	1961	Change, 1958-61	Percentage change	1958	1961	Change, 1958-61	Percentage change
Meat, canned.....	\$485,322	\$275,808	-\$209,514	-43.2				
Vegetables, canned.....	37,347	75,581	+38,234	+102.4				
Fruits and preparations, canned.....	10,978	24,901	+13,923	+126.8				
Fruit juices, canned or frozen.....	209,319	137,902	-71,417	-34.1	\$364,580	\$543,772	+\$179,192	+49.2
Rubber tires and inner tubes.....	1,250,347	2,555,352	+1,305,005	+104.4	395,259	392,444	-2,815	-7
Cotton, semimanufactures.....	609,738	1,642,005	+1,032,267	+169.3	764,073	949,575	+185,502	+24.3
Standard newsprint paper.....	47,728	3,010	-44,718	-3.7				
Lubricating oils and greases.....	2,531,176	3,463,276	+932,100	+36.8		186,889	+186,889	
Sulfur.....	18,468	116,571	+98,103	+531.2	568	3,793	+3,225	+567.8
Iron and steel castings and forgings.....	154,405	614,826	+460,421	+298.2	11,018	24,583	+13,565	+123.1
Tools and basic hardware.....	2,317,954	5,770,552	+3,452,598	+149.0	5,042,880	3,696,190	-1,346,690	-26.7
Iron and steel pipe.....	530,646	1,000,482	+469,836	+88.5	1,079,210	2,638,115	+1,558,905	+144.4
Rolled and finished steel.....	28,308,300	16,001,580	-12,306,720	-43.5	25,599,055	32,410,057	+6,811,002	+26.6
Electrical machinery.....	18,493,781	36,613,086	+18,119,305	+98.0	15,013,087	15,688,992	+675,905	+4.5
Construction machinery.....	16,434,743	37,127,396	+20,692,653	+125.9				
Metalworking machinery.....	14,267,235	34,953,205	+20,685,970	+145.0	2,923,409	2,595,638	-327,774	-11.1
Textile sewing and shoe machinery.....	6,850,449	19,013,937	+12,163,488	+177.6	3,560,746	5,127,885	+1,567,139	+44.0
Agricultural machinery, implements and tractors.....	6,003,430	17,342,483	+11,339,053	+188.9	92,960	518,543	+425,583	+457.8
Automobiles, trucks, etc.....		29,552,090	+29,552,090		11,717,251	4,859,828	-6,857,423	-58.5
Railway locomotive cars and parts.....	654,253	1,115,491	+461,238	+70.5	3,578	2,302	-1,276	-35.7
Medical and pharmaceutical preparations.....	15,607,881	21,343,529	+5,735,648	+36.7	1,533,555	3,069,766	+1,536,211	+100.2
Sulfuric acid.....								
Alcohols.....								
Pigments, paint and varnish.....	4,087,366	2,571,101	-1,516,265	-37.1	885,709	1,158,144	+272,435	+30.8
Nitrogen fertilizer material, excluding ammonium sulfate.....		86,049	+86,049			73,951	+73,951	
Potash fertilizer material.....					221,861	266,740	+44,879	+20.2
Sum of above commodities.....	118,910,866	231,580,213	+112,669,347	+94.8	69,208,799	74,207,204	+4,998,405	+7.2
Total, North Atlantic-Belgium-Netherlands.....	471,114,229	736,103,574	+264,989,345	+56.2	374,194,424	420,978,157	+46,783,733	+12.5
Total line, all routes.....	8,733,944,000	10,665,697,000	+1,931,753,000	+22.1	6,648,183,000	7,668,564,000	+1,020,382,000	+15.3

Source: Based on data supplied by the Federal Maritime Administration.

TABLE III-C.—Value of U.S. oceanborne exports and imports of selected commodities, Pacific-Far East (trade route 29), 1958 and 1961

Commodity	Exports				Imports			
	1958	1961	Change, 1958-61	Percentage change	1958	1961	Change, 1958-61	Percentage change
Meat, canned.....	\$611,359	\$219,157	-\$392,202	-64.2				
Vegetables, canned.....	1,027,752	1,697,590	+669,838	+65.2				
Fruits and preparations, canned.....	191,589	754,727	+563,138	+293.9				
Fruit juices, canned or frozen.....	132,765	826,164	+693,399	+522.3	\$301,547	\$957,081	+\$655,534	+217.4
Rubber tires and innertubes.....	897,689	720,770	-176,919	-19.7	24,535	108,960	+84,425	+344.1
Cotton, semimanufactures.....	1,000	138,093	+137,093	+13,709.3	79,361	14,617	-64,744	-81.6
Standard newsprint paper.....		2,324,008	+2,324,008			183,877	+183,877	
Lubricating oils and greases.....	4,083,415	5,538,395	+1,454,980	+35.6		300	+300	
Sulfur.....	5,132		-5,132					
Iron and steel casting and forgings.....	497,344	313,366	-183,978	-37.0	36,201	167,113	+130,912	+361.6
Tools and basic hardware.....	999,659	1,753,545	+753,886	+75.4	6,002,388	10,864,619	+4,862,231	+81.0
Iron and steel pipe.....	524,728	638,518	+113,790	+21.7	637,064	8,868,226	+8,231,162	+1,292.0
Rolled and finished steel.....	2,794,722	4,357,587	+1,562,865	+55.9	5,106,772	18,096,041	+12,989,269	+254.4
Electrical machinery.....	9,692,918	17,136,674	+7,443,756	+76.8	9,632,770	59,195,030	+49,562,260	+514.5
Construction machinery.....	8,851,450	11,602,448	+2,750,998	+31.1				
Metalworking machinery.....	2,600,809	8,706,461	+6,105,652	+234.8	2,284	208,631	+206,347	+9,034.5
Textile sewing and shoe machinery.....	227,435	1,249,643	+1,022,208	+449.5	6,164,250	7,253,679	+1,089,429	+17.7
Agricultural machinery implements and tractors.....	3,576,753	9,064,228	+5,487,475	+153.4	30,617	153,136	+116,519	+319.4
Automobiles, trucks, etc.....	1,852,297	2,340,678	+488,381	+26.4	823,410	1,399,770	+576,360	+70.0
Railway locomotive cars and parts.....	2,744,286	5,504,521	+2,760,235	+100.6	744		-744	
Medical and pharmaceutical preparations.....	4,197,665	904,978	-3,292,687	-78.5	353,063	6,059,897	+5,706,834	+1,616.4
Sulfuric acid.....	25,649		-25,649			8,111	+8,111	
Alcohols.....						363,593	+363,593	
Pigments, paint and varnish.....	1,905,466	1,622,075	-283,391	-14.9	4,379	66,519	+62,140	+1,419.0
Nitrogen fertilizer material excluding ammonium sulfate.....		63,904	+63,904					
Potash fertilizer material.....	5,146,792	13,784,368	+8,637,576	+167.8		509,859	+509,859	
Sum of above commodities.....	52,588,674	91,261,898	+38,673,224	+73.5	29,205,285	114,479,059	+85,273,774	+292.0
Total, Pacific-Far East.....	289,262,623	637,533,395	+348,270,772	+120.4	248,475,584	458,671,115	+210,295,531	+84.7
Total line, all routes.....	8,733,844,000	10,665,697,000	+1,931,753,000	+22.1	6,648,182,000	7,668,564,000	+1,020,382,000	+15.3

Source: Based on data supplied by the Federal Maritime Administration.

TABLE IV-A.—Influence of ocean freight rates on price differentials for selected commodities, North Atlantic-Germany (trade route 7), 1961

Commodity	Freight rates (dollars per ton)		Value ¹ (dollars per ton)		Percent of rates to value		Percent of value difference due to rates
	Export	Import	Export	Import	Export	Import	
Meat, canned	37.25	21.50	493	—	8	—	—
Vegetables, canned	38.00	44.00	196	—	19	—	—
Fruits and preparation, canned	38.00	37.50	635	—	6	—	—
Fruit juices, canned or frozen	38.00	18.50	679	506	6	4	11
Rubber tires and inner tubes	38.75	30.50	1,412	1,945	3	2	12
Cotton, semimanufactures	34.00	27.50	299	212	11	13	7
Standard newsprint paper	25.00	58.00	143	163	17	36	165
Lubricating oils and greases	26.75	24.75	136	795	20	3	0
Sulfur	28.50	27.50	507	215	9	13	1
Iron and steel castings and forgings	40.00	32.50	1,281	520	3	1	0
Tools and basic hardware	36.25	21.00	4,079	932	1	2	0
Iron and steel pipe, tube, and tubing	51.00	18.25	738	213	7	9	6
Rolled and finished steel	63.00	24.25	241	343	26	7	38
Electrical machinery	22.50	67.00	2,938	2,781	1	2	28
Construction machinery	16.50	20.00	1,770	—	1	—	—
Metalworking machinery	33.00	21.00	3,130	2,429	—	1	2
Textile sewing and shoe machines	21.75	21.00	4,489	2,662	0	1	0
Agricultural machinery	16.50	20.75	1,472	1,694	1	1	2
Automobiles, trucks, etc.	16.50	21.75	1,345	1,445	1	2	5
Railway locomotive cars and parts	63.00	—	1,660	1,960	4	—	—
Medical and pharmaceutical preparations	56.75	61.50	11,082	3,932	1	2	0
Sulfuric acid	63.00	95.00	830	480	8	20	9
Alcohols	22.00	62.00	612	—	4	—	—
Pigments, paints, and varnish	20.00	48.50	956	244	2	20	4
Nitrogen fertilizer material, excluding ammonium sulfate	24.50	21.25	170	80	14	27	4
Potash fertilizer materials	48.75	21.25	—	38	—	56	—
Average	—	—	—	—	7	11	16

¹ Includes average freight rates.

Source: Based on data in table I-A.

TABLE IV-B.—Influence of ocean freight rates on price differentials for selected commodities North Atlantic/Belgium/Netherlands (trade route 8), 1961

Commodity	Freight rates (dollars per ton)		Value ¹ (dollars per ton)		Percent of rates to value		Percent of value difference due to rates
	Export	Import	Export	Import	Export	Import	
Meat, canned	37.25	21.50	701	—	5	—	—
Vegetables, canned	34.50	44.00	268	—	13	—	—
Fruits and preparations, canned	34.50	37.50	253	—	14	—	—
Fruit juices, canned or frozen	34.50	18.50	510	592	7	3	20
Rubber tires and inner tubes	35.25	30.50	1,256	934	3	3	1
Cotton, semimanufactures	32.00	27.50	294	272	11	10	20
Standard newsprint paper	22.75	58.00	151	—	15	—	—
Lubricating oils and greases	24.25	24.75	169	203	14	12	1
Sulfur	26.00	27.50	380	214	7	13	1
Iron and steel castings and forgings	36.25	32.50	3,006	957	1	3	0
Tools and basic hardware	33.00	21.00	2,504	256	1	8	1
Iron and steep pipe, tube and tubing	46.25	18.25	569	158	1	12	7
Rolled and finished pipe	57.25	24.25	354	125	16	19	14
Electrical machinery	20.50	67.00	3,311	4,717	1	1	3
Construction machinery	15.00	20.00	1,670	—	1	—	—
Metalworking machinery	33.00	21.00	2,042	3,898	2	1	1
Textile, sewing, and shoe machines	19.75	21.00	5,871	2,240	0	1	0
Agricultural machinery	15.00	20.75	1,415	779	1	3	1
Automobiles, trucks, etc.	15.00	21.75	1,191	1,588	1	1	2
Railway locomotive cars, parts	57.25	—	3,869	490	1	—	—
Medical and pharmaceutical preparations	51.50	61.50	5,688	4,061	1	2	1
Sulfuric acid	57.25	95.00	—	—	—	—	—
Alcohols	20.00	62.00	504	—	4	—	—
Pigments, paints and varnish	19.00	48.50	693	126	3	38	5
Nitrogen fertilizer materials, excluding ammonium sulfide	22.25	21.25	135	84	16	25	2
Potash fertilizer materials	44.25	21.25	—	42	—	51	—
Average	—	—	—	—	6	11	5

¹ Includes average freight rates.

Source: Based on data in table I-B.

TABLE IV-C.—Influence of ocean freight rates on price differentials for selected commodities, Pacific/Far East (trade route 29), 1961

Commodity	Freight rates (dollars per ton)		Value ¹ (dollars per ton)		Percent of rates to value		Percent of value difference due to rates
	Export	Import	Export	Import	Export	Import	
Meat, canned.....		25.75	778				
Vegetables, canned.....		25.75	376				
Fruits and preparations, canned.....		25.75	303				
Fruit juices, canned or frozen.....	73.00	120.25	495	119	15	101	13
Rubber tires and inner tubes.....	110.75	24.75	1,473	592	8	4	10
Cotton, semimanufactures.....	61.00	33.50	242	136	25	25	26
Standard newsprint paper.....	27.00	35.75	138	123	20	29	58
Lubricating oils and greases.....	32.65	29.25	115	1,500	28	2	0
Sulfur.....	30.40	32.50					
Iron and steel castings and forgings.....	55.50	24.00	387	176	14	14	15
Tools and basic hardware.....	73.50	19.50	2,942	196	2	10	2
Iron and steel pipe.....	30.35	17.00	577	165	5	10	3
Rolled and finished pipe.....	24.10	15.50	162	141	15	11	41
Electrical.....	56.75	33.00	3,502	4,936	2	1	2
Construction machinery.....	56.50	50.25	1,909		3		
Metalworking machinery.....	56.75	33.00	3,213	1,559	2	2	1
Textile, sewing, and shoe machines.....	56.75	33.00	4,059	1,735	1	2	1
Agricultural machinery.....	47.25	24.00	1,281	633	4	4	4
Automobiles, trucks, etc.....	37.75	23.00	1,642	979	2	2	2
Railway locomotive, cars, and parts.....	46.25		2,316				
Medical and pharmaceutical preparations.....	73.50	59.50	4,776	4,556	2	1	6
Sulfuric acid.....	93.25	85.75		194		44	
Alcohols.....	75.00	35.00		242		14	
Pigments, paints, and varnish.....	57.75	38.25	580	2,132	10	2	1
Nitrogen fertilizer materials, excluding ammonium sulfide.....	17.65	14.50	130	61	14	24	5
Potash fertilizer materials.....	17.65	14.50	1,478		1		
Average.....					9	16	11

¹ Includes average freight rates.

Source: Based on data in table I-C.

And I think perhaps I should emphasize again the problem of third markets, which I mentioned yesterday, but I did not have the mileage figures at that time.

I gave the example of a common plasticizer, from New York to Vera Cruz, Mexico, \$54 a ton. That is a distance of 1,973 nautical miles.

The rate from Germany is \$43 a ton, or \$11 a ton less, but the distance from Germany is 5,381 nautical miles, or nearly three times as great a distance, with a 20 percent lower freight rate.

From England to São Paulo, Brazil, on the same product, the rate is \$35 a ton. From New York to São Paulo, the rate is over \$80 a ton. The English distance, however, is 5,472 miles, and the New York distance is 4,957 miles, or for 500 miles less distance, the New York rate to São Paulo is almost twice as great—\$80 as compared to \$35.

Now, to show how important this is, let us take the question of vacuum cleaners selling in Australia. A vacuum cleaner of a given model retails in the United States for \$49.95—in effect, \$50. The same model—and it is the same model manufactured in England, sells for \$99.95, or \$100. There is a difference of \$50 in price when these are sold on their home base, so to speak—\$50 in the United States, \$100 in England.

But, now, suppose the American vacuum cleaner is sent to Australia, and the English vacuum cleaner is sent to Australia. Instead of the \$50 differential in price existing at the home base, the cost, when it arrives at dockside in Australia, is only \$1. Or, in other words, there

is a \$49 differential in freight rates in favor of the same model manufactured in England going to Australia as compared to the same model manufactured in the United States going to Australia.

Now, the distance from London to Sidney is 12,475 nautical miles. The distance from New York to Sidney is 9,692 nautical miles, or roughly 2,800 miles, less.

But if you take Los Angeles, the distance from Los Angeles to Sidney is only 6,511 nautical miles, or about half the distance from London to Sidney, but, nevertheless, paying \$49 more freight than the vacuum cleaner which moves twice as great a distance.

Now, these are simply examples which our overworked staff, so meager in numbers, have been able to assemble during these last few days. And I would appreciate any comments which the Maritime Commission may have about them.

First, in the day you have had to check these figures, have you found any inaccuracy in them?

STATEMENT OF THOMAS E. STAKEM, CHAIRMAN, FEDERAL MARITIME COMMISSION; ACCOMPANIED BY ASHTON C. BARRETT, VICE CHAIRMAN; JOHN S. PATTERSON, COMMISSIONER; JAMES L. PIMPER, GENERAL COUNSEL; AND JOHN HARLLEE, COMMISSIONER—Resumed

Mr. STAKEM. Thank you, Senator.

First, let me say at the outset that the staff of the Federal Maritime Commission has been working very closely with the Department of Commerce and your staff to make sure the figures presented to this committee were accurate, so that we have no objections or no changes that we would make in the tables that have been submitted here.

Chairman DOUGLAS. Well, thank you very much.

And we appreciate the cooperation of the staff.

Mr. STAKEM. Now, I would like to add one other comment, Senator.

There are, really, four tables that you have here. One is the tables attached to the Thomas Boggs memorandum. The second is the tables of commodities that are attached to Senator Bartlett's original statement. The third is the schedules that you have been reading from that were prepared by the two staffs working together. And the fourth is the complaint information that the BDSA have put together for the use of this committee.

And I want to make this comment on that:

That every one of the commodities that are listed in all four of these different memorandums and schedules is on the list of critical commodities that the Federal Maritime Commission has scheduled for inquiry.

Chairman DOUGLAS. When did you schedule them?

Mr. STAKEM. After this committee prodded us.

Chairman DOUGLAS. Well, thank you very much.

You know, congressional committees frequently take a great deal of abuse, and sometimes they deal out abuse. But it is well to be recognized that we can accelerate action downtown.

Mr. STAKEM. I think that the Senator will admit that the depth of the differentials that are exhibited in these four schedules give an idea

of the breadth of the problem that I think all of the Government is facing in this area.

Chairman DOUGLAS. Excuse me, Mr. Stakem.

It not only gives you an idea of the breadth and the depth of the problem, but the terrible importance of the problem, because involved in this is the stability of the gold standard in the United States and the economic position of the Nation.

Mr. STAKEM. I agree, Senator.

And this is the reason why the Federal Maritime Commission has established a formal liaison with the Tariff Commission, with the Department of Commerce, with the State Department, and we will bring in any other Government agency that has anything to do with this problem, so that it is attacked on a broad basis.

I might add to this that in the check of just one trade route—and it is the trade route between the North Atlantic to Europe—that we picked out 52 commodities. Now, you mentioned these tables talk about 26. We have picked out 52, just from the 1 trade route that needs continual investigation by us.

Chairman DOUGLAS. Do you have any other statements to make?

Mr. STAKEM. No, not at the moment, Senator.

Chairman DOUGLAS. Well—excuse me, Mr. Stakem, if I have to use language which may sound severe.

In view of your past neglect on this matter, what faith can we have that you will move in the future?

Mr. STAKEM. I think that when you say “neglect in this matter,” I agree with you, Senator. When you say “neglect for the duties of the Commission”——

Chairman DOUGLAS. No. I am speaking of this matter.

Mr. STAKEM. This matter—let us say we have not moved as fast as we would all like to have seen us.

Chairman DOUGLAS. You have not moved at all. You have been absolutely stationary.

Now, what assurance do we have that when these hearings are stopped, that you will move? Remember that 2 years ago we had the Celler committee report. The Celler committee recommended action. Nothing has happened since the Celler committee. Now we meet. Someone may say a congressional committee comes and goes, but the Maritime Commission and the differential rates continue forever.

Mr. STAKEM. Several comments on that, Senator.

One, I would not say that we have not moved because on all those cases where there were complaints made to the Commission and its predecessors, an attempt was made to get the complainant and the shipper together to see if the rate adjustment could be made.

Now, that is not to say, and that is not to excuse the fact that we do have authority to move on our own motion in a broader scale and we have not. We take a beating for that. The only thing I can say as to what assurance you can have that this will not stop after these hearings adjourn is the assurance of my word, which is backed up with 29 years of Government experience; the fact that we have moved in steel; the fact that after prodding by this committee—the fact that——

Chairman DOUGLAS. Well, you have not moved yet. You have started to begin to prepare to commence to move.

Mr. STAKEM. Correction, Senator. We have tried to get the parties who should be in here fighting this case to come in and be represented at this hearing.

Chairman DOUGLAS. Well, you know, this is one of the puzzles. Have you ever had a complaint from the United States Steel Co. on differential rates?

Mr. STAKEM. No, sir.

Chairman DOUGLAS. Or the United States Steel Export Co.?

Mr. STAKEM. Not to my knowledge.

Chairman DOUGLAS. Have you ever had a complaint from Bethlehem Steel?

Mr. STAKEM. No, sir.

Chairman DOUGLAS. Have you ever had a complaint from Jones & Laughlin?

Mr. STAKEM. No, sir.

Chairman DOUGLAS. Have you ever had a complaint from Youngstown?

Mr. STAKEM. Not to my knowledge.

Chairman DOUGLAS. Have you ever had a complaint from ARMCO, American Rolling Mill Co.?

Mr. STAKEM. I think this is the point to inform the committee that we have had a complaint in connection with the movement of steel into this country from Australia, which complaint was made by a steel company. I do not have their name, offhand.

Chairman DOUGLAS. Was it Kaiser?

Mr. STAKEM. And the Commission has expanded—we examined our records, we found that the same pattern of disparity between the export rate and the import rate existed, so that we have expanded our docket 1114, which is our steel investigation, to include the export and importation of steel from and to Australia.

And that action was taken at a meeting yesterday. And the formal order will be public forthwith, and we will send a copy to this committee.

Chairman DOUGLAS. Well, this, of course, is one of the problems: Why these steel companies who have complained bitterly of their loss of an export market and the inroads which foreign steel has been making upon the American market have neglected to complain against what is obviously a very great differential against them.

This is one of the unsolved problems.

And I really think that the steel companies ought to say why they have not made these complaints.

Mr. STAKEM. I feel, Senator, on that point, that the broad investigation which docket 1114 will encompass will bring out some of those answers.

Representative GRIFFITHS. Mr. Chairman—I would say that one of the reasons that they have not complained, and will not complain, is that they do not know what they have to prove to win their case.

Unless you can tell them definitely, unless you can look at the statistics which the Senator presented here yesterday and say, "Obviously you are discriminated against," and do something about it, I do not see why any businessman would complain.

You suggested yesterday that my question was the question of the man on the street. I sat for a while as a criminal judge. And if I

had not known it before, I would not even have had to be intelligent to have realized you cannot enforce a law that the man on the street does not comprehend and does not support.

And, Mr. Chairman, you do not have a law that these people comprehend and can support. They do not know what they have to prove to win a case.

If what your answer is going to be to them is that, "well, as long as we sell more goods, more Nabisco cookies, more Sunshine crackers, or something, in Europe, than they are selling to us, you cannot win your case," they will never present it. If they also, at the same time, have to have you going through all their records, to what purpose—to tell them that they need to automate the steel mill, to tell them they are paying too much for labor, that it has nothing to do with the differential in these rates?

You have to have some exactness in the law before these people are going to complain, in my opinion.

MR. PIMPER. Mrs. Griffiths, there is a case, a relatively recent case, before the Commission's predecessors, in which a lumber log importer complained that the rates had been changed on him and a differential had been made in the rates of lumber and plywood, so that the plywood could be introduced into this country at a price he said was less than he could take the logs and then manufacture plywood, and it mean a loss of his market.

The Board, as a result of that, ordered the conference not to have such a differential between those two commodities.

Now, it seems to me, in looking at that case, the various companies can get an indication of what the Board thought some of its authority was in this regard. I would be happy to furnish a copy of that to you.

Representative GRIFFITHS. When was the case decided?

MR. PIMPER. 1957, 1958, or 1959, as I recall. I do not recall offhand.

Representative GRIFFITHS. Was it appealed?

MR. PIMPER. No, ma'am.

Representative GRIFFITHS. So that it could be overridden now—overruled now, on any appeal. Not that case, but on any similar facts.

MR. PIMPER. It was decided in 1958. I will furnish a copy of that to the staff.

MR. STAKEM. To supplement what the General Counsel has said, I would like to say that there is a tremendously efficient admiralty bar who have been following these regulatory cases for a great number of years.

And, in addition to that, the Commission assigned a hearing counsel to the case in an effort to develop a full record. So that both the Examiner and the Commission can make an intelligent and informed judgment. And, I think, between the submissions of the admiralty lawyers who represent the parties in interest, plus the searching for information on the part of the Government counsel who is in this case to represent the public interest, that the matter of what proof is required and what documents will be required becomes fairly certain as the case goes forward.

Representative GRIFFITHS. Would you say, generally, that a complainant must prove that it lost the sale because of the freight rate?

MR. STAKEM. No.

I do not think you can just put it on that sort of a basis. I think that the Commission has to look at the broader picture, and not just in whether a particular business was lost because of freight rate.

Representative GRIFFITHS. Now, the broader picture is the total price, is it not?

Mr. STAKEM. I think that would be part of it; yes.

Representative GRIFFITHS. And in the total price, then, the price for labor is included, is it not? So that you can say—well, German labor is much cheaper; that is why the Germans sell more steel. Or you could look at Japanese steelmills and say they are much more highly automated than American steelmills; that is why you lost the sale.

Can you do that or not?

Mr. PIMPER. Mrs. Griffiths, I think you are really asking the Commission, a quasi-judicial body, to tell you what the law means in any given case.

Now, it seems to me that the law, as written now, fundamentally says that it is detrimental to the commerce of the United States—leaving aside the question for the moment of whether the Board merely on the basis of a differential would order one reduced or one increased. Certainly, it seems to me that on that basis, the question of the ability to sell abroad because of the difference in freight rates does make a difference.

For example, if a commodity can be produced in country X for \$50, but it costs \$100 to produce it here, and there is only a differential in freight rates of \$20, does it make any difference ultimately as to what the freight rate is, unless you are going to say that you impose an inbound freight rate which, in effect, amounts to a tariff barrier?

Those are some of the problems that I think I will be faced as the material is developed in this—in these proceedings.

Representative GRIFFITHS. If I were the business person selling steel, I would ask you, "Does American steel displace any more space in a ship than anybody else's?"

Mr. STAKEM. I think the answer to that would be obviously "No."

Representative GRIFFITHS. Of course.

Is the trip any longer one way than it is another?

Mr. STAKEM. The answer is still "No."

Representative GRIFFITHS. Of course.

So why should it not be shipped at the same price, or something close to the same price?

And why should you get around insisting upon a fair freight rate for Americans by an answer that it would not make any difference if the freight rate were lower, you would still lose the market?

Mr. PIMPER. Mrs. Griffiths, I did not mean to imply that that would be the answer. I merely asked, the question was, even assuming under the facts that I gave the freight rates were equal, or even some differential outbound, as opposed to inbound, would there be any more steel shipped abroad or any less shipped in?

Representative GRIFFITHS. Well, it would help a lot, it seems to me, the whole economy, if the freight rates were equal for everyone.

Mr. STAKEM. This, I think—Mrs. Griffiths, you have put your finger on what is the essence of this whole problem.

To what extent should one government set the freight rate in international commerce?

If, for instance, the Federal Maritime Commission had authority to set all export rates out of this country, would not all other countries with whom we do business, likewise, have authority to set all rates, and would you not end up in a hodgepodge of international give-and-take on rates?

The net result, I think, probably would be that you would have to fix the rates between two countries almost by both countries doing it by treaty every so often.

Historically, the pattern in international trade has been to leave it to the competitive situation as between the conference and the independents who get into this trade.

Now, I have had many discussions on this point with the shipping people in Europe and in Japan, and they have accused this country, even as far as we have gone, of unilaterally controlling international commerce.

And we have told them that what may be needed here is for countries to get together on a standard of conduct in the shipping industry, and that perhaps we may reach the point where freight rates of this kind might have to be settled on a multilateral basis between governments.

But the historic pattern to this time has been to leave this to the competition that exists between the association of carriers which we, for want of a better name, call the international shipping conferences, and the independents.

Chairman DOUGLAS. Well, now, just on that point, you say you leave it to competition. But, in reality, these rates are fixed by the international shipping conferences; is that not true?

Mr. STAKEM. The international shipping conferences plus the independents who are in the trade.

Chairman DOUGLAS. Now, then, you testified yesterday that there were only 35 American-flag lines belonging to these shipping conferences engaged in U.S. foreign trade, as against some 400 foreign lines. Is that not true?

Mr. STAKEM. That is correct.

Chairman DOUGLAS. And, therefore, that the foreign lines control the shipping rates; is that not true?

Mr. STAKEM. I think that the conferences set their rates on the basis of pretty much on the law of supply and demand.

Chairman DOUGLAS. In other words, rates can be twice as high on American exports as on American imports, even though the commodities are identical and they are carried to and from the same ports, because of the law of supply and demand.

That is justified by the law of supply and demand?

Mr. STAKEM. Senator, you cannot back me into a position where I am upholding the differential and the disparity that exists between the export and import trade, because I do not—

Chairman DOUGLAS. I am simply saying these rates are fixed by the international conferences. Do you defend them?

Mr. STAKEM. No, I do not defend them.

Chairman DOUGLAS. Do you think they are unjust?

Mr. STAKEM. I have to reserve that until I am speaking from a full record, because this is something that the Commission has to look at from its quasi-judicial functions.

Chairman DOUGLAS. Well, let me read the composition of the conferences, as of approximately a year ago.

Trans-Atlantic Association Freight Conference: number of foreign lines, 48; number of American lines, 8.

Gulf Associated Freight Conference: foreign lines, 26; American, 5.

Pacific Coast Committee of Inward Trans-Pacific Steamship Lines: foreign lines, 18; American lines, 5.

New York Committee of Inward Far East Lines: foreign lines, 25; American lines, 6.

East Coast of South America: foreign lines, 15; American lines, 2.

Associated Latin American Conference: foreign lines, 18; American lines, 7.

Latin American Freight Conference: foreign lines, 28; American lines, 3.

Great Lakes Overseas Freight: foreign lines, 12; American lines, none.

Now, in every one of these conferences, American lines are vastly outnumbered.

Is it not true that in many of these conferences the foreign lines of a given country will vote as a block?

Mr. STAKEM. I think that is true, Senator.

Chairman DOUGLAS. Is this not particularly true on the Pacific coast, that the Japanese lines nearly always vote as a block?

Mr. STAKEM. I would say that is definitely true.

Chairman DOUGLAS. And is it not true that the British lines generally vote as a block?

Mr. STAKEM. Well, you are spreading me around the world, Senator, and I do not have all of the knowledge that I would like to have.

Chairman DOUGLAS. Well, our ocean freight goes around the world. That is, you are not certain about the British lines?

Mr. STAKEM. I say that I cannot make it as a categorical statement that in all conferences that all national lines vote as a block. I think that is too broad a picture.

Chairman DOUGLAS. But is this a predominant tendency?

Mr. STAKEM. I will put it this way:

There is no question that the American lines are far outnumbered in the international shipping conferences.

Chairman DOUGLAS. Well, that is true.

Now, is it not also true that the rate schedules which are adopted are binding upon all members of the conference?

Mr. STAKEM. Binding so long as they remain members of the conference.

Chairman DOUGLAS. That is correct.

So as long as they stay within the conference, they are bound by it?

Mr. STAKEM. Yes, Senator.

Chairman DOUGLAS. And you say that in the case of the Pacific Coast lines, Japanese lines vote as a bloc; is that true?

Mr. STAKEM. I cannot point to any particular piece of paper that spells that out, but that is the impression I have.

Chairman DOUGLAS. That is the practice; is it not?

Mr. STAKEM. I think that is.

Chairman DOUGLAS. What about the German lines? Do they vote as a bloc?

Mr. STAKEM. Senator, this would take a—

Chairman DOUGLAS. Look, you are the greatest expert in the country on this matter. Here we are busy with a thousand other things, ignorant people, blundering into this situation. I think we have some evidence to indicate that the German lines do nearly always vote as a bloc.

Now—

Mr. STAKEM. I cannot make it as a categorical statement.

Chairman DOUGLAS. Well, is this a general tendency, for the German lines to vote as a bloc?

Mr. STAKEM. Yes, I would say so.

Chairman DOUGLAS. Good.

Well, why did you not say that in the first place?

Mr. STAKEM. Senator, you are trying to back me into a position.

Chairman DOUGLAS. I am not trying to back you anywhere. I am just trying to find out the truth.

What about the Scandinavian lines? Do they vote as a bloc?

Mr. STAKEM. Let me answer it in this vein, Senator:

That I do know that in all of the European countries, as well as in Japan, that the shipowners have a very powerful owners association. And I feel quite sure that any matter that pertains to the good and welfare of the individual lines is well thrashed out in these owners associations.

Now, that is not to say that there are no independents among these countries. As a matter of fact, in most of the maritime nations there are shipping companies that will not join with the crowd and who do want to operate in the international trade as independents.

And we have a very good example of that in the trade between the North Atlantic and Europe at the present time, where the Meyer Line—it is a Norwegian line that has served this trade for 15 years, and within the past year or so the conferences have been getting a little annoyed with the amount of business that this independent line is obtaining, so there is a bit of a rate war going on between the independent and the conferences.

Chairman DOUGLAS. Well, in other words, these international shipping conferences can be described as international cartels, rate-fixing cartels, and, as long as American lines belong to them, they are bound by the decisions.

Now, have you ever had any complaints from the American lines about these decisions?

Mr. STAKEM. I think the proper answer to that, Senator, is that there have been occasions—and we could document this, if you care to—where the American lines have become annoyed with the practices of a particular conference and have resigned.

Chairman DOUGLAS. Well, our records show that there are two illustrations of complaints. I am not certain these are official. These are drawn from the report of the Celler committee.

The States Marine, which is the only American carrier among some 20-odd members of the Pacific Coast European Conference, had such little influence persuading the conference to alter its policy respecting FOB and FAS sales under dual-rate contracts that it despaired of its efforts as being—and these are its words—

like the voice in the wilderness.

And in the gulf, Mr. A. C. Cook, vice president of Lykes Bros., and an industry spokesman in the gulf trade, has constantly chided the European members of the Gulf Trans-Atlantic Hamburg Range Freight Conference regarding their high-rate policy to little avail and from time to time has openly complained of European domination of a number of conferences in the gulf where foreign lines predominate.

Have you ever investigated these complaints?

Mr. STAKEM. Every time an American line sees fit to leave a conference, this is an indication to us that there is something going on within the conference that requires scrutiny, and we do make inquiries into those situations.

Chairman DOUGLAS. How many such lines have left the conferences?

Mr. STAKEM. Without having the complete records before me, I can remember instances—one, American Mail, left the Far East Conference at one time because of a rate problem.

Chairman DOUGLAS. Did it lose its subsidy by leaving the conference?

Mr. STAKEM. No, sir. It did not.

Chairman DOUGLAS. Did it rejoin the conference?

Mr. STAKEM. Yes, it did rejoin. I think there was a rate adjustment to meet some of the problem that American Mail Line brought out, and it did see fit to rejoin, which was its own management decision.

Chairman DOUGLAS. Senator Proxmire?

Mr. STAKEM. May I finish, Senator?

Senator PROXMIRE. Yes, go ahead.

Mr. STAKEM. Another occasion that I recall is the Waterman Line, working out of the gulf and the Atlantic, resigned from the Pacific Conference, and I think that they rejoined several, but did not rejoin all.

I could search the files if this becomes an important point to the committee and give instances over any given period of time where American lines have seen fit to pull out.

Chairman DOUGLAS. Senator Proxmire?

Senator PROXMIRE. Chairman Stakem, in reply to specific questions by the chairman of this committee, you did not, to my knowledge, indicate what concerns, if any, had made complaints on this differential.

However, you seemed to hesitate when you were asked about each of them.

Can you give to us the names of the firms that have filed complaints on rate differentials, and give us the complete list?

Mr. STAKEM. Yes.

Would you like to put that over any particular period, Senator? Do you want it over a past year, or the past 2 years—since the Commission was organized?

Senator PROXMIRE. Comprehensive for the last 2 years.

Mr. STAKEM. Let us say we will supply for the record a list of all complaints in this rate area that have come to the Commission since it was organized on August 12, 1961, which will be about a 2-year period.

(The material referred to follows:)

COMPLAINTS IN RATE AREA, AUG. 12, 1961, THROUGH JULY 1, 1963

Informal protests against freight rates in the U.S. foreign trade made to the Federal Maritime Commission from Aug. 12, 1961, to July 1, 1963

Date filed	Complainant	Party against	Commodity	Matters involved in the complaint	Disposition
May 29, 1961-----	Eric Briess Co., Inc.-----	River Plate & Brazil Conference.	Brewers malt.-----	Protest of conference increase on brewers malt to Brazil. Indicate loss of business to European suppliers who enjoy a considerable rate advantage.	FMC requested conference to consider reduction. Conference reply cited higher operating costs in justification of increase, also proposed increase by European carriers would place complainant in some relative position as before. Conference also cited economic factors of greater disadvantage to complainant than higher freight rates. Based on available information in the matter, no violation of the Shipping Act, 1916, was shown.
Do-----	Buffalo Export Corp.-----	Pacific Coast European Conference.	Rags.-----	Complainant asserted that higher rate from Pacific coast than from gulf coast to Genoa was forcing west coast sellers out of the market.	FMC asked conference to give consideration to rate reduction on rags. Conference replied that rates from gulf were unduly low because of nonconference competition. Ten-year rate comparison showed that substantial disparity between rate from Pacific and rate from gulf and yet a substantial quantity of rags continued to move from Pacific. Complainant was advised of the foregoing.
June 23, 1961-----	Senator Bartlett (Alaska)---	Trans-Pacific Freight Conference of Japan.	All (with exceptions).	Protest against 30-percent surcharge at Alaskan ports.	Conference removed surcharge from its tariff and made Alaskan rates open to negotiation.
Aug. 14, 1961-----	Firestone International Co.--	River Plate & Brazil Conference.	All.-----	Protest against 10-percent surcharge at Uruguayan ports.	FMC requested details of the 10-percent surcharge. Conference cited increases in stevedoring and port charges, assessment of a 3½-percent tax on freight and a decrease in cargo volume because of Government restrictions as justification. Complainant advised that under the circumstances surcharge appeared to be reasonable.
Aug. 24, 1961-----	International Commodities Corp.	Grancolombiana, Inc.-----	Fertilizer.-----	Complainant asserted that lower rate from Europe to Colombia than from United States to Colombia made it impossible for it to compete.	After some delay, carrier reduced rate.

Oct. 3, 1961	Ely Todorow	Steamship Industry	All	Complainant alleged that present steamship practices discriminate against small shippers and favor large shippers.	Pertinent portions of the Shipping Act dealing with unfair and unequal treatment of shippers were explained. Complainant was advised of his right to file formal complaint or submit details for consideration.
Oct. 18, 1961	Kapok Association	Thailand/U.S. Atlantic & Gulf Conference.	Kapok	Complainant charged that rate on kapok was out of proportion to the value of the commodity and that rate would seriously reduce the use of kapok in the United States.	After extensive exchange, the conference reduced rate.
Nov. 1, 1961	A. D. Treves Lumber Co.	Pacific Coast European Conference.	Lumber	Complainant requested conference reduce rates on part-lot shipments of lumber to the level of charter party rates in order to compete with Canadian exports.	Conference granted a partial rate reduction. Case closed on advice of complainant.
Dec. 23, 1961	Vanderbilt Export Corp.	River Plate & Brazil Conference.	Common clay	Complainant charged that the rates on common clay from United States to Argentina as compared to rates from Europe to Argentina were exorbitant.	Rate increase on common clay had resulted from a tariff revision which placed all clays in a single classification at a single rate. This single rate resulted in higher rates on some clays and lower on others. Conference agreed to temporarily reduce rate while further study was made. Temporary reduction was permitted to expire, the conference contending that the rate was reasonable.
Jan. 10, 1962	Certified Creations, Inc.	Trans-Atlantic Associated Freight Conference.	Footware	Complainant charged that conference's classification of their footware resulted in exorbitant rate from United States to United Kingdom.	Following letter from FMC conference agreed to reclassify commodity at a lower rate.
Jan. 11, 1962	William E. O'Dell	Not named	Automobiles	Complainant objected to disparity between eastbound and westbound rates on private automobiles.	FMC requested that complainant furnish further details of his complaint. Complainant informed FMC that necessary documents were not available. An inbound-outbound rate study on this and all other commodities is presently in progress.
Jan. 31, 1962	Walter Malowan Co.	Far East Conference	Plastic raw material.	Complainant charged that rate on plastic raw material from United States to Korea was exorbitant.	FMC requested further information from complainant. Complainant failed to furnish any additional information and merely said that it would wait and see whether situation changed in the future.

Informal protests against freight rates in the U.S. foreign trade made to the Federal Maritime Commission from Aug. 12, 1961, to July 1, 1963—
Continued

Date filed	Complainant	Party against	Commodity	Matters involved in the complaint	Disposition
Feb. 15, 1962.....	A. Torres Export, Inc.....	North Atlantic-United Kingdom Freight Conference.	Ice cream freezers....	Complainant charged that increase in rate from New York to United Kingdom was exorbitant.	Complainant contended that rate increase caused him to lose business in Europe and United Kingdom. FMC requested conference to comment. Conference maintained that rate was adjusted to be in line with the value of the specific commodity. FMC suggested that complainant submit to conference additional information on the description of the commodity and the extent to which the freight rate affected sales in order that conference would better be able to determine the propriety of the rate. Complainant declined this suggestion and indicated that a satisfactory rate was available from nonconference lines.
Do.....	Pacific Coast Coffee Association.	Pacific Westbound Conference.	Roasted coffee.....	Complainant protested proposed rate increase.	Complainants sent FMC copy of their letter to conference wherein they stated their belief that proposed rate increase was unwarranted. FMC requested supporting data that the rate was unreasonable. The conference postponed the increase. No rate increase has been effected to date.
Feb. 20, 1962.....	Electrical Manufacturers Export Co.	United Fruit Co., as member of the Atlantic & Gulf/Panama Canal Zone, Colon & Panama City Conference.	Fiber conduit pipe...	Complainant alleged that ocean freight rate on fiber conduit pipe was unreasonably high to Panama in comparison with rates charged on similar commodities to other Latin American destinations.	FMC advised complainants to request rate reduction directly from conference. Conference requested that complainant complete traffic analysis form as a guide for rate study by conference. Complainant failed to complete requested form.
Feb. 23, 1962.....	Wonalancet Co.....	West Coast of India and Pakistan/U.S.A. Conference.	Cotton.....	Complainant objected to proposed increase in inbound rate on short staple cotton.	Conference adjusted rate to the satisfaction of complainant.
Mar. 1, 1962.....	Morse Export-Import Co....	Atlantic & Gulf-Singapore, Malaya & Thailand Conference.	Hydraulic brake fluid.	Complainant protested high level of rates from United States compared with European rates to same destination.	FMC requested conference to consider request by complainant for low rates in order that U.S. producers remain competitive. Based on additional information from complainant rates were reduced and complainant so advised.

Mar. 9, 1962.....	Mrs. A. Pedersen.....	North Atlantic Baltic Freight Conference.	Private automobile.	Complainant objected to rate on privately owned or used automobiles being higher than rate on new automobiles.	Conference justified difference in rate between new and privately owned automobiles on basis of dissimilar transportation characteristics; i.e., those existing in movements of commercial automobiles under term contractual arrangements as opposed to the occasional shipment of a car for strictly personal use. Volume and handling characteristics are examples.
Do.....	Chelsea Export Corp.....	River Plate and Brazil Conference.	Textiles.....	Complainant alleged that rate from New York to Buenos Aires is too high compared to rates from Japan and Europe.	FMC requested supporting data on which an investigation could be based. Complainant was unable to do so and withdrew his complaint.
Mar. 14, 1962.....	Pedro Martinto, Inc.....	Atlantic & Gulf/West Coast of South America Conference.	All cargo to Callao, Peru.	Complainant protested 15-percent surcharge at Callao, Peru, because business had been secured without knowledge of surcharge.	Conference postponed surcharge pending attempts to improve conditions at port of Callao. Complainant advised FMC that this action was satisfactory.
Mar. 23, 1962.....	National Lumber Exporters Association.	Gulf/United Kingdom Conference.	Hardwood lumber..	Complainant wanted hardwood lumber exempted from general 10-percent increase in conference rates.	Conference met with representatives of complainant but failed to exempt hardwood lumber from general rate increase.
Mar. 14, 1962....	Reinhold A. Auerbach, Inc..	U.S. Atlantic & Gulf West Coast South America Conference.	Dairy machinery....	Complainant charged that the rate on dairy machinery was exorbitant in relation to the rates on some other types of machinery.	Conference requested that complainant furnish information which would indicate that freight rate had any material effect upon complainant's ability to compete in the South American market. Complainant failed to furnish this information.
Mar. 30, 1962....	Wallace & Tiernan, Inc.....	River Plate and Brazil Conference.	Castor oil.....	Complainant opposed 5 percent surcharge proposed by the Conference and sought a 5-10 percent rate reduction from the then current level.	The proposed 5 percent surcharge was canceled by the Conference but made no reduction in the then current rate.
Apr. 10, 1962....	Polak Winters Co.....	India, Pakistan, Ceylon Freight Conference.	China clay.....	Complainant requested that FMC look into Conference method of considering shipper requests.	Complainant required rate reduction within 4 days from time Conference was notified in order to make particular sale. The conference stated that complainant submitted insufficient information upon which to make a judgment and requested additional information. Conference had received telex late Friday which made Conference decision within a few days impossible. Information available did not show violation of the Shipping Act, 1916.
Apr. 17, 1962....	Senator Saltonstall.....	North Atlantic Baltic Freight and the Norway North Atlantic Conference.	Rope and twine....	Senator Saltonstall inquired as to the disparity in rate on rope and twine outbound and inbound in the trade between U.S. North Atlantic and Norway.	Canvass of rope manufacturers failed to develop instances of prejudice. Inbound Conference explained that movements of rope inbound to United States were insignificant and that rate was for practical purposes a "paper" rate. An inbound-outbound rate study on this and other commodities is presently in progress.

Informal protests against freight rates in the U.S. foreign trade made to the Federal Maritime Commission from Aug. 12, 1961, to July 1, 1963—
Continued

Date filed	Complainant	Party against	Commodity	Matters involved in the complaint	Disposition
Apr. 23, 1962-----	Alex Bauer & Co.-----	North Atlantic Continental Freight Conference.	Heating equipment.	Complainant alleged that he had lost business in Belgium and Germany because of high freight rate.	FMC requested that conference reconsider rate on household furnaces. Conference agreed to reconsider and suggested that complainant furnish information which would make it possible for conference to reach intelligent decision. Complainant failed to furnish additional information.
Do-----	P. L. Thomas Paper Co., Inc.do-----	Paper-----	Complainant charged that freight rate on printing paper in the trade from New York to Germany was excessive.	Conference granted rate reduction.
Apr. 26, 1962-----	Carey-Hirsch Lumber Co.---	Trans-Pacific Freight Conference of Japan, Japan/Atlantic & Gulf Freight Conference.	Philippine mahogany.	Complainant protested higher rate to gulf than to Pacific on Philippine mahogany.	FMC requested conferences to explain differentials. Representative of Trans-Pacific Freight Conference of Japan called at FMC in person and explained that the low rate to Pacific coast was a depressed rate to meet nonconference competition. Figures submitted by Trans-Pacific Freight Conference of Japan show strong nonconference activity on lumber to Pacific coast. From available data it did not appear that Shipping Act, 1916, had been violated. Results of our inquiry in the matter communicated to complainant.
May 17, 1962-----	Robert L. Stix, Inc.-----	Association of West Coast Steamship Companies.	Lobster tails-----	Complainant charged that rate from Ecuador was excessive as compared to rate from other areas.	Conference investigated matter and concluded that rate was low in comparison to the value of the commodity and declined to reduce rate.
May 25, 1962-----	National Association of Importers & Exporters of Hides & Skins.	River Plate & Brazil Conferences North Brazil/United States Canada Freight Conference.	Hides and skins-----	Complainant protested \$2 per ton surcharge at Brazilian ports of Belem and Manáos.	FMC furnished certain tariff information and advice to complainant regarding support of protest. Subsequently association withdrew its complaint.
June 8, 1962-----	U.S. Department of Agriculture.	Pacific/West Coast of South American Conference and Grancolumbiana, Inc.	Powdered milk-----	The U.S. Department of Agriculture furnished FMC copy of one of its foreign dispatches which contained the statement that increased freight rates apparently constituted a limiting factor for further expansion of markets of milk powders in Peru at that time.	FMC requested conference to consider the effect of freight increase on volume of powdered milk carried by members and advise whether it had received any protests from shippers as a result of the increase. Conference advised no increase effected and no protests received.

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June 21, 1962-----	Chamber of Commerce, Industry and Agriculture, Florence, Italy.	W.I.N.A.C.-West Coast of Italy, Sicilian and Adriatic Ports North Atlantic Range Conference.	General-----	Complainant requested that conference reduce its rates from Genoa, Italy, to United States.	Following discussions between shippers and carriers, some rates were reduced.
July 17, 1962-----	Hupp Corp.-----	American Great Lakes Mediterranean Eastbound Freight Conference.	Refrigerators-----	Complainant protested the outport charge of \$20 per ton applicable on cargo moving from Detroit to Larnarca, Cyprus, and cited the \$10 surcharge on cargo to the same destination from U.S. North Atlantic ports.	Following FMC correspondence with the conference the outport charge was reduced to \$10 per ton.
Aug. 14, 1962-----	Governor of Alaska-----	Associated Steamship Lines.	All commodities shown in tariff.	The Governor protested a tariff amendment which would offer service from the Philippines to Alaska at rates 15 percent higher than to U.S. Pacific coast ports.	FMC initially informed the Governor of this tariff filing and immediately asked the conference to justify the rate differential. Governor requested that FMC issue show cause order under Shipping Act but that conference first be given a chance to explain. Upon explanation Governor withdrew his protest.
Aug. 27, 1962-----	Cerveceria Nacional, S.A-----	Atlantic & Gulf/Panama Canal Zone, Colon & Panama City Conference.	Malt, hops, and glass bottles.	Complainant asserted that rate increases militated against the economic progress of Panama.	FMC advised complainant to first discuss matter with the conference and to advise FMC of particulars.
Sept. 4, 1962-----	American Briess Corp.-----	River Plate & Brazil Conference.	Brewers malt (in bags).	Complainant asserted that lower rate from Europe to South America than from United States to South America prejudiced American merchants.	Conference furnished rate comparison indicating rates are comparable except (1) rates from Europe are based on 1,000 kilos versus rates from United States are based on long ton, (2) European carriers give 10-percent rebate, (3) overall stevedoring and operating costs of vessels from Europe are lower than cost from United States, (4) lower cost of securing European currencies which Brazilian importers must purchase.
Sept. 27, 1962-----	Pressed Steel Tank Co-----	Atlantic & Gulf/West Coast South America Conference.	High pressure tanks.	Complainant objected to proposed rate increase.	Conference adjusted rate to the satisfaction of complainant.
Oct. 2, 1962-----	Kimberly Clark Corp.-----	North Atlantic Mediterranean Freight Conference.	Kleenex tissue stock.	Complainant requested that conference reduce rate on Kleenex tissue stock in order to permit complainant to continue to use U.S.-produced tissue rather than European.	Conference immediately reduced rate.
Oct. 16, 1962-----	U.S. Paper Exporters Council, Inc.	U.S. Atlantic & Gulf-Venezuela & Netherlands Antilles Conference.	Printing paper-----	Complainant protested proposed increase on certain classes of printing paper, claiming such increases place complainant in a noncompetitive position with foreign suppliers in Europe.	Conference favorably considered the council's request by reverting to its former rate, thus eliminating the rate increases on certain classes of printing paper.

DISCRIMINATORY OCEAN FREIGHT RATES

Informal protests against freight rates in the U.S. foreign trade made to the Federal Maritime Commission from Aug. 12, 1961, to July 1, 1963—Continued

Date filed	Complainant	Party against	Commodity	Matters involved in the complaint	Disposition
Nov. 30, 1962----	Service Bureau Co.-----	Atlantic & Gulf/West Coast of South America Conference.	Petroleum products.	Complainant charged that a proposed lower rate based upon a minimum shipment of 200 tons (to one consignee) would preclude the average shipper from taking advantage of such rate.	The conference construed its tariff to permit 200-ton lots to be consigned to more than 1 receiver.
Dec. 5, 1962-----	P. L. Thomas Paper Co., Inc.	India, Pakistan, Ceylon and Burma Outward Freight Conference.	Newsprint.-----	Complainant asserted that rate on newsprint was so high as to preclude American competition in the Burma market.	Conference reduced rate.
Dec. 11, 1962-----	Association of Importers of Italian Home Accessories.	West Coast of Italy, Sicilian and Adriatic Ports/North Atlantic Range Conference.	Glassware, china, crockery and earthenware.	Complainant objected to tariff classification which provided a single rate for glassware, china, crockery, and earthenware regardless of value.	Negotiations toward adjustment in rate currently going on between importers and conference.
Dec. 12, 1962-----	International Commodities Corp.	River Plate and Brazil Conference.	Fertilizers.-----	Complainant asserted that lower rate from Europe to South America than from United States to South America prevented him from competing.	Conference refused to reduce rates and complainant filed a formal complaint with FMC under secs. 14-17 of the Shipping Act.
Dec. 13, 1962-----	Republic of Korea.-----	Pacific Westbound Conference.	Bulk cargoes.-----	Complainant objected to tariff rule requiring a minimum rate of discharge of bulk cargoes at Korean ports.	Conference declined to change rule saying in justification that it feared that but for the rule vessels would be tied up too long in Korean ports. However, member lines are currently reconsidering whether conditions require that rule be different at Korean ports than at other Far East destinations.
Dec. 20, 1962-----	Forté Dupee, Sawyer Co.---	Far East Conference.-----	Grease mohair.-----	Complainant protested the action of the Far East Conference in increasing without sufficient notice the rate on grease mohair.	Review of tariff on file with FMC indicated that there were no specific commodity rates on grease mohair and therefore applicable rate would have been "Cargo, NOS" rate of \$234.50. Thus, the newly established rate accomplishes a reduction rather than an increase in rates. This fact was made known to complainant and he was asked to furnish further details. No further communication was received from complainant.

Jan. 18, 1963.....	Kraemer Mercantile Corp.....	Not named.....	Toys.....	Complainant objected to higher rate outbound from United States than inbound in European trade.	FMC requested that complainant furnish further details in order that proper evaluation of matter could be made. Complainant agreed to furnish further data but had not done so by July 10, 1963. Followup letter sent to complainant. This commodity and others are included in current inbound-outbound rate study.
Feb. 26, 1963.....	American Briess Corp.....	Atlantic and Gulf/West Coast of South America Conference.	Malt.....	Complainant sought reduction in rate on two shipments which had already moved.	Investigation showed that rate charged complainant was the lawful rate as published in conference tariff. Conference declined to seek special permission to grant ex post facto reduction but reduced rate for future shipments.
Mar. 1, 1963; Mar. 4, 1963.	Warsaw Lumber Trading Co. and Dantzier Lumber & Export Co.	South Atlantic Steamship Conference.	Lumber.....	Complainants' letters indicated South Atlantic Conference was raising its rates somewhat in advance of the date on which Gulf Conference was raising its rates and that therefore the already existing rate disadvantage of South Atlantic shippers would be exaggerated during the period between the rate changes of the 2 conferences.	FMC advised complainants to make their condition known to conference. South Atlantic Conference postponed effective date of increase to coincide with the proposed increase in the Gulf Conference's rates.
Mar. 12, 1963.....	Mr. F. L. Bligh Eversman Manufacturing Co.	American West African Freight Conference.	Scrapers, levelers, and ditchers.	Complainant requested that its line of scrapers, levelers, and ditchers be classified as agricultural implements rather than roadmaking machinery.	Conference is presently reconsidering the classification of these items.
Mar. 14, 1963.....	Van erbilt Export Corp.....	Gulf/United Kingdom Steamship Conference.	Carbon black.....	Complainant alleged that ocean freight rate increase on carbon black from Gulf ports to United Kingdom ports would make United States producers noncompetitive in United Kingdom market.	Conference maintained that freight increase of 5 percent on carbon black was fully justified in view of nature of commodity and extra handling costs at United Kingdom ports. British port authorities require that carbon black be handled over special berths at extra barge rental and discharging costs to the carrier. The conference indicated to the industry that if an acceptable package could be developed that would be approved by British port authorities and labor unions, the lines would reconsider the rate level.
Apr. 1, 1963.....	Alox Bauer & Co.....	North Atlantic Continental Freight Conference.	Heaters.....	Complainant asserted that the high rate on oil heater parts was restricting his attempt to penetrate parts market in Europe.	Conference is considering request of complainant and has requested additional information for their study.

Informal protests against freight rates in the U.S. foreign trade made to the Federal Maritime Commission from Aug. 12, 1961, to July 1, 1963—Continued

Date filed	Complainant	Party against	Commodity	Matters involved in the complaint	Disposition
Apr. 12, 1963.....	Used Clothing Exporters Association of America, Inc.	United States Atlantic and Gulf-Venezuela and Netherlands Antilles Conference, and India, Pakistan, Ceylon and Burma Outward Freight Conference.	Secondhand clothing.	Complainant objected to proposed increase in rate outbound from United States.	Complainant's letter furnished no facts other than the rate would hurt business. FMC advised complainant to make direct approach to conference and to advise FMC if conference did not give fair consideration.
Apr. 26, 1963.....	Raymond Inter-National, Inc.	American West African Freight Conference.	Propane gas.....	Complainant objected to increase in rate on propane gas in cylinders.	Upon inquiry by FMC conference explained that former rate had been specially instituted in an attempt to assist in the development of new business volume. Only a limited amount of cargo moved during the 2-year period of special rate.
May 27, 1963.....	United Fibre Co., Inc.....	Home Line.....	Rope.....	Complainant charged that rate it had assessed on rope shipment was excessive.	Investigation revealed that carrier's tariff contained no commodity rate for rope and therefore rope would be assessed the relatively high "Cargo, NOS" rate. FMC advised complainant that if he expected to develop trade in this commodity he should so inform the conference and request that commodity rate be established.
June 5, 1963.....	H. D. Sheldon & Co., Inc....	Gulf/Mediterranean Ports Conference.	Refrigerators.....	Complainant protested fact that rate on refrigerators outbound from Gulf was higher than from Atlantic ports.	Conference was requested by complainant to reduce rate. Conference subsequently declined to reduce rates without giving any explanation. Complainant asked FMC for assistance in this matter. Our letter to conference asked for reasons for declining request for lower rate. Reply has not been received from conference. Conference was followed up per our letter, July 18, 1963.

NOTE.—All the above matters are presently receiving attention in connection with the studies of the freight rates in the foreign commerce of the United States.

Senator PROXMIRE. Now, in the Shipping Act, as amended, which was read yesterday, I understand, the language is very explicit and clear that the Board may by order disapprove, cancel, modify, any agreement, et cetera where it operates to the detriment of the commerce of the United States or is in violation of this act.

In view of the fact that there seems, to members of this committee, to be a prima facie case of discrimination, which neither you nor anyone else seems to even contest, is there any legal basis whatsoever for action without having a hearing, or are you absolutely required by law to have a hearing first? Can you take any injunctive action? Can you take any action that would suspend rates, or anything of that kind?

Mr. STAKEM. No, Senator.

Our authority over rates in the foreign commerce of the United States is very circumspect. We cannot approve a rate; we cannot suspend a rate; and we cannot knock a rate down until we have a public hearing.

Senator PROXMIRE. What happens if after the public hearing you find that the rates are discriminatory? What action do you take, specifically what do you do?

Mr. STAKEM. There is an authority in the law for us to alter a rate that we find discriminatory against the foreign commerce of the United States.

Senator PROXMIRE. In other words, you can change it and determine what the rate should be, or you simply deny that rate and require them to come in with something else?

Mr. PIMPER. The act reads that you may alter such a rate.

Senator PROXMIRE. Have you ever used this power?

Mr. PIMPER. Yes, sir, in the *Nickey Bros.* case.

Senator PROXMIRE. What is the case?

Mr. PIMPER. The case I mentioned a few minutes ago; it is a case of that lumber importer in the southern area.

Senator PROXMIRE. Is this the only instance in which it has been used, to your knowledge?

Chairman DOUGLAS. Was there not a baby carriage case?

Mr. PIMPER. That case never went to a formal proceeding, sir.

Chairman DOUGLAS. But you did get a lowering of rates on baby carriages, is that not true?

Mr. PIMPER. I cannot answer that.

Mr. STAKEM. I do not know whether we did or not, Senator.

Chairman DOUGLAS. Well, one of your associates, whom you sent up here to testify sometime ago, said that you had.

Mr. STAKEM. Could we have a gentlemen's agreement not to mention baby carriages any more?

Chairman DOUGLAS. Well, I was trying to strengthen your case, to show that you had been alert in the matter of baby carriages.

Mr. STAKEM. I question whether that lends any strength to my case.

Chairman DOUGLAS. That is a very disarming reply.

Mr. PIMPER. Senator, the Commission under one section could, on a finding that the rate was—

Senator PROXMIRE. Discriminatory?

Mr. PIMPER. (Continuing). Discriminatory as between exporters and importers, alter the rate.

It could also disapprove a conference.

Senator PROXMIRE. This would mean that if the outbound rate was \$10 per ton and this was found to be discriminatory, since the import rate was \$5 a ton, you could then alter the outbound rate to \$5 a ton. Is that what you mean?

Mr. PIMPER. I would say yes, and maybe they could do the reverse. I do not want to say that—

Senator PROXMIRE. Yes.

In other words, you could raise the import rate.

Mr. PIMPER. Yes, sir.

Senator PROXMIRE. Or you could raise one and lower the other?

Mr. PIMPER. I am saying that is a possibility. I have never seen—

Senator PROXMIRE. This has never been tested—this raising one rate and lowering another rate has never been tested?

Mr. PIMPER. The conference in that case did what the former Board told it to do, and did adjust the difference in the log rate as opposed to the plywood rate, so that the producer in the South could import logs and produce plywood, at least insofar as the freight rate was concerned, and still compete in the sale of the plywood he manufactured.

Senator PROXMIRE. What considerations would inhibit you from acting this way?

Would you feel that if your Commission acted in this way, that other countries might retaliate, or the rate might not be honored?

Mr. PIMPER. I do not know that there is anything, sir, in the law that inhibits the Commission—

Senator PROXMIRE. Well, there must be a lot of inhibiting factors, because there has not been any action by the Maritime Commission throughout the many years, except in this one case.

Mr. STAKEM. As I mentioned yesterday, Senator, when you were not here, the historic pattern of handling complaints that concern rates in the foreign commerce of the United States has been on an informal negotiating basis. When a complainant comes in, the former Board or Maritime Commission made an attempt to get the parties together on a negotiated basis. And, as I described it to Senator Douglas, the need for revitalization of this thing was recognized by the Congress, and it is like turning a river around—you are flowing down a certain path for 40 years, and when you take a good look at where you are, it does not look so good, so you have to change your pattern of operation, which is what this new Commission is trying to do.

Chairman DOUGLAS. You really are trying, are you?

Mr. STAKEM. Yes, sir.

Senator, I hope that before we leave this table, we will convince you that we are trying.

Senator PROXMIRE. You see, the case is so stark, it is so obvious and clear to everybody, that U.S. exports are being dramatically discriminated against, that it is very, very difficult for this Senator to understand why vigorous action has not been taken before.

But let me proceed and ask just a couple of more questions.

This is your statement of yesterday—in answer to the question what other commodities have appreciable shipping differentials, you say the Commission is compiling a list of such commodities which will be furnished the committee as promptly as possible, and so on.

In other words, you do not know?

Mr. STAKEM. No; I cannot subscribe to that, Senator. All I can say is that we are preparing, in consultation with other Government departments, a list of 100 or more critical commodities on which we are going to throw the light of day.

Senator PROXMIRE. Now, is this going to be a continuing, regular policy of your Commission?

Mr. STAKEM. That is correct.

Senator PROXMIRE. From now on, you are going to keep alert on all of these critical matters; and you will know exactly the rates and know whether they are discriminatory; and you will be able to tell a congressional committee just what the rates are in the various areas, how discriminatory they are, if they are discriminatory, the reason, and justification for it?

Mr. STAKEM. This is a continuing job within the limits of the staff we have that we will do.

Senator PROXMIRE. So if you are called before this committee next year or at some future time, you would be in a position to tell us in answer to the question the chairman has asked here just what discrimination there is, and, if there is a justification, and if there is no justification, what you are doing about it?

Mr. STAKEM. Yes, Senator, we will proceed in this fashion:

- (1) Formal hearings, where it appears required.
- (2) Factfinding investigation, if it looks like that is the best approach.
- (3) Field investigation by our people, where it is necessary.
- (4) The attendance of hearings with the Commerce Department, when the industry is brought in.

And, through these various processes, we will be moving forward, and I can assure the Senator that we will never, as a Commission, be caught short on the matter of disparity between export and import rates again.

Chairman DOUGLAS. Mr. Stakem, this is a noble resolution. And I frequently have made noble resolutions when the first of the year comes around.

But I sometimes—quite frequently depart from these resolutions in the subsequent months—when the moments of trial and temptation come.

So, I wonder if we could make an engagement to meet together next January, say the 10th of January—that falls on a weekday—I will still be chairman of the joint committee.

May we have a public tryst together on the 10th of January, in which you will report to us what you have done in the intervening 6 months?

Mr. STAKEM. Senator, I would be delighted.

Chairman DOUGLAS. And a report of progress—and what changes have actually been effected.

Now, please don't quote again the legislation and the tools and weapons which you have at your disposal, which you did yesterday, but tell us what you have done.

Mr. STAKEM. Yes, sir.

Mrs. GRIFFITH. Mr. Chairman, in the meantime I would say that the reason we change after 40 years is that you must no longer think

of ships as carrying German steel or Japanese steel but as carrying American gold and American jobs.

Mr. STAKEM. There is no question, as I mentioned in the statistics, that 70 percent of all of the dry cargo liners export and import movement in our commerce is carried in foreign bottoms.

There is no question also that we have been operating on a basis of freedom of the seas, and that about 40 different nations send their ships to our shores.

It is a lucrative trade that they like to be in. And the fact that there are 40 different nations that do send their ships to our ports is evidence of that fact.

And, of course, every dollar that is spent in freight rate on a foreign ship does have an effect on the balance of payments, naturally.

Senator PROXMIRE. Now, may I ask, on your very last paragraph, on page 13, you say:

Mr. Chairman, the Commission shares your concern about the possible current and potential effect of the disparity in inbound and outbound freight rates may have on U.S. exports and the possible consequent effect upon the U.S. balance of international payments.

Recognizing your quasi-judicial status, and I think you are perfectly right in recognizing that you should not make conclusions on something on which you are going to have hearings, isn't it completely obvious that this has a direct and adverse effect, this disparity does, on the exports, and a direct and explicit and certain effect on the U.S. balance-of-payments position, which is adverse?

Is there any other conclusion?

Isn't that true?

Mr. PRIMPER. I think the word possibly only applies, Senator, where the cost of the item in a foreign country as opposed to the cost in this country is such a disparity that no matter what you did with the freight rate, you could not export the commodity from this country and sell it cheap enough to compete with that which is produced in a foreign country.

Senator PROXMIRE. Yes.

But what you are saying is the possible current and potential effect of the disparity of inbound and outbound freight rates may have on U.S. exports.

Now we certainly know on the basis of the figures that have been given this committee there is a disparity amounting to a number of dollars a ton on steel, in any number of different steel products.

In view of the fact that we are selling steel abroad, we have been selling it for sometime, that our market is dwindling, that the importation of steel is increasing, and we are buying more from abroad, doesn't it follow almost as night follows day that this differential has an adverse effect?

Now, it is conceivable, I suppose, that maybe one chance in a million that these other factors swamp the freight differential.

But it would seem to me it is just about that.

This is so clear, so explicit, and so large in terms of the amount involved.

Mr. PRIMPER. I personally believe that the picture here with you sets up a case of prime facie discrimination—no question about it, sir.

Senator PROXMIRE. Very good.

Then I just have one other question, on the basis of what Congresswoman Griffiths was asking.

Some of the flag ships that carry a great deal of freight originate from countries that don't have any steel.

Now, maybe they don't carry steel in their bottoms, I don't know. But Greece, for instance, is a country that has a very large number of flag ships, Norway is another country, and I don't think either country has a big steel industry.

I would think that these countries would not have any particular incentive to stack the cards against the United States of America.

At the same time, I think they have a very serious—if they will recognize it—stake in a prosperous United States and in a favorable disposition of the United States toward them.

After all, we have given enormous help to Greece, and are continuing to do so, and the same thing to Norway.

Under these circumstances it would seem to me that there are conditions, in spite of the apparent cards being stacked against us in conferences, in which an astute and vigorous action by the Maritime Commission could give us the kind of fair and just rates which we obviously don't have now.

Isn't that correct?

Mr. STAKEM. I think that is correct, Senator.

Senator PROXMIRE. Can you give us any figures on what flag ships do carry steel? Do you have those figures? Do you know?

Mr. STAKEM. No.

Senator PROXMIRE. Shouldn't we know that?

I think the chairman's questioning on bloc voting of the German and Japanese and English, and so forth, flag ships would just be devastating if we find that these are the ships that by and large carry steel.

But if it is carried also to a very large extent by these countries that are not in the steel industry, that might alter it.

Mr. STAKEM. I would say that there is competition among not only the conference members, but also the independents and every carrier in the trade to get steel products, because it is a lucrative cargo.

And you could almost say that most of the carriers in the trade would at sometime or another have cargoes of steel.

Senator PROXMIRE. Well, actually, it would seem to me that unless there is a direct tiein, such as the steel producers owning flag ships, or a fleet—there should not be this direct effort to achieve unfair discrimination in favor of their own nationals.

Why should there be?

I am not convinced that the U.S.-flag ships—as a matter of fact, on the basis of what has happened, it appears prima facie the U.S.-flag ships are not fighting tooth and nail for the U.S. steel industry.

What I am trying to say is that I would think that if you gentlemen act with decision and force, that you are not going to run into—you should not run into a great deal of opposition.

After all, the shipping lines should not be adversely affected—the German and the English and the Japanese carirers—if we have just rates.

Carriers shouldn't be. The foreign steel industry might be unhappy.

Mr. STAKEM. The reason for my hesitancy in getting into a dis-

cussion on the point you raise, Senator, is the matter that these will be factors in the case that we have opened, and I have to be careful not to put myself in a position where I am asked to disqualify myself.

Senator PROXMIRE. Well, I just asked for the fact—whether or not you had knowledge as to what flag ships carried steel.

Mr. STAKEM. I think it could be obtained from available statistics within the Government.

Senator PROXMIRE. Thank you.

Thank you, Mr. Chairman.

(FMC reported that this information is not readily available. It will be supplied at a later date.)

Mrs. GRIFFITHS. Mr. Chairman, I would like to say—I would not emphasize cheapness—nor whether or not, if the rate were the same, that American goods were still higher priced.

If cheapness is the real criteria of a sale, half of America would be out of business right now.

I would emphasize the fairness of the rate.

Mr. PIMPER. Mrs. Griffiths, in my answer to your question I did not mean to imply—and if I left that implication I want to correct it—that that would be the determining factor.

I was asked whether or not there was a situation in which the fact of rates might not play a difference, or might not be a factor in determining the ability to export to a given place.

And that is the only reason I mentioned the situation where the freight rate could not possibly be said to have affected or affect the export, or the import situation.

Chairman DOUGLAS. We produced evidence a few minutes ago to show how American-flag lines were outvoted in the various conferences, and also inferential testimony was given that the Japanese, the Germans, and Scandinavian lines voted as a bloc.

The question is whether we could form an American bloc inside the conferences, if indeed the conferences should be continued.

The Senator from Wisconsin has very properly pointed out that the Greek lines are powerful, influential, numerous, that Greece has received benefits from the United States, that the Greek lines are not without influence on their own Government, and presumably their own Government might have some influence on the Greek lines, and possibly Greece might join an American bloc rather than a Japanese, Scandinavian, a British, German, or perhaps what I could call an anti-American bloc.

Now, there are other lines.

Panama has a large tonnage sailing under its flag. It is well known that the Panama ships are fronts for American companies—American companies owning ships, sailing them under the Panamanian flag in order to avoid paying American wages, and so forth.

This is also the case with Liberia.

It is, I believe, the case with Honduras.

I remember going up the Suez Canal in 1956, right after the difficulties there. The Suez Canal was jammed with ships that had been caught, and a good half of them had Liberian and Panamanian flags.

There were fronts for American companies.

Now, is there any record that these Panamanian, Liberian, Honduran companies, which are really American companies, try to pro-

protect American interests inside the international shipping conferences?

Mr. STAKEM. That is a fairly broad question, Senator.

Chairman DOUGLAS. Well, don't you think it is an important question, Mr. Stakem?

Mr. STAKEM. Well, it is one that I don't have a ready answer to, because I don't like to shoot from the hip on something unless I have detailed information.

Chairman DOUGLAS. Well, do you recall the Celler committee, in its report of March 12, 1962, on page 386, made the following recommendation, and I quote:

Both the Federal Maritime Commission and the Maritime Administration should make intensive studies of the problems posed by foreign domination of the waterborne foreign commerce of the United States, and particularly of the steamship conferences engaging in that trade, and should take such steps as they deem appropriate in this regard. Consideration should be given to changes in the voting procedures for the conferences and to the encouragement of greater numbers of U.S.-flag lines to operate on various essential trade routes so that the American voting bloc in each of these conferences would be increased in size and power.

In addition, the subcommittee recommends that every steamship conference operating in the foreign commerce of the United States be required to maintain a resident headquarters in the United States that has authority to deal with shipper's complaints, information requests, and rate adjustment requests.

Now, Mr. Stakem, may I ask what steps have been taken if any to carry out the recommendation of the Celler committee on this point?

Mr. STAKEM. The Commission is constantly supervising the activities of the conferences, and all of the lines who operate under approved agreements.

We have issued I think in the less than 22 months of our existence 14 or 15 rules of conduct that have to guide the people that we regulate.

Chairman DOUGLAS. Have you ever discussed or proposed changes in the voting procedures for the conferences?

Mr. STAKEM. The General Counsel reminded me that there is presently before the Commission in formal proceedings a case that involves the voting rights of the conferences.

Chairman DOUGLAS. Would that have general application or be limited to a specific case?

Mr. PIMPER. It would probably be limited to the specific case, but it certainly seems to me that on an issue of that type it would have repercussions up and down the line in all the conferences.

Chairman DOUGLAS. Has the Commission adopted any general policy concerning voting procedures within the conferences?

Mr. STAKEM. The answer, Senator, is that we do not have a published rule on this point.

Chairman DOUGLAS. Will the Commission take this matter up?

Mr. STAKEM. I can assure the Senator that the Commission will discuss the possibility of a rule.

I don't know whether—I think we need the pros and cons on this matter before you can reach a final determination.

Chairman DOUGLAS. You have had 15 months since the Celler committee made this recommendation.

Mr. STAKEM. Well, as the Senator will recall, when I spoke yesterday, I made an appearance before the Celler committee in September of 1962, and Senator—Congressman Celler recognized that we were

building and training a new organization, and that we were being shortchanged on money and people.

Chairman DOUGLAS. You only have 251 employees.

Mr. STAKEM. And that is not enough to do the job that we have to do, Senator.

And I do hope that as a result of these hearings and our pleas, that we can bank on the Senator's support when we ask for—

Chairman DOUGLAS. We will give you Mr. Boggs on one-quarter time, and he will develop all this material for you.

Mr. STAKEM. Well, that is fine. We may want to take the Senator up on that.

Chairman DOUGLAS. Well, now—

Senator PROXMIRE. Would the Senator yield on that?

Chairman DOUGLAS. Yes.

Senator PROXMIRE. I just want to ask if it would be practical and possible for the Commission to find on every recommendation by a conference, on a commodity that has a substantial amount of trade, whether or not that particular rate, when it is established, does or does not constitute a discrimination—whether it is a fair rate or unfair rate.

In other words, you would determine what would be—you would not have to pass on every single rate—but on every substantially traded commodity you would have a position. This is fair or not fair?

Is that possible, or would that be too demanding in view of the number of rates?

Mr. STAKEM. The rates, Senator, come into the Federal Maritime Commission at the rate of approximately 600 a day—tariffs, I mean. The tariffs come in. Usually there are about 3 million rates in the foreign commerce that are on file with us.

And—

Senator PROXMIRE. What I am talking about, of course, are rates affecting commodities which are sufficiently significant in our trade, so that we would be concerned with them—not baby carriages, but wire rods.

Mr. STAKEM. Here we go again.

It is a fact that we are developing and we are cooperating with the other departments to identify the critical commodities that should be specifically studied, and we have for our first analysis picked 100, or are endeavoring to pick the hundred critical ones to put to scrutiny.

Senator PROXMIRE. I don't want to be unsympathetic or unfair. I know you have a big and tough job, and I realize you have done more than others have done in the past.

But it just seems to me unless there is an explicit policy of following up a decision by a conference with a definite procedure, and specific action within a limited period of time, that we are just going to go through this year after year, and we are going to wander along with gross discrimination against American production, and with a serious worsening of our balance of payments.

Let me give you just one example that Mr. Boggs has called to my attention.

The effects of a serious rate discrimination on U.S. exports and imports is illustrated by this example.

The price of a German wire rod f.o.b. West Germany is about \$116 a short ton. The freight rate from Germany to the North Atlantic port is \$18.25.

The U.S. price of a similar wire rod is \$132 per short ton. With a freight rate of \$18.25, therefore, the German import can probably undercut the price of wire rods in the United States.

However, the outbound rate paid by American exports of wire rod is \$29.50.

That is nearly 50 percent higher than the inbound rate involving precisely the same ports.

If this rate were applied to the German inbound product, it could not compete for the price would be at least \$145—\$10.90 more than the American price.

In this case the freight differential permits goods to come into the United States, compete with our goods, whereas if the American rate were to be applied, German wire rods could not effectively compete.

Now, where you have this kind of sharp and clear differential—a 50-percent difference between the rate on goods coming in and goods coming out against our exports—I am wondering whether you could act at once when this decision is made by the conference to establish this rate, and stop it within a matter of weeks, or whether you would have to study it, consider it, talk about it, along with 3 million other things, and maybe when you come before the committee say that this is something you are concerned about, and have a further study, and then nothing.

In other words, if you can act at once, if you can get some injunctive process.

Maybe you could recommend to the Congress that we modify the law to permit you to have an injunction, so you could prevent this unfair discrimination from going into effect.

Then perhaps you could do it.

Mr. STAKEM. I see the Senator's point. But it is a fact that we cannot, under present law, knock down or suspend a rate or change it in our foreign commerce without a formal hearing. This is the way the law is written.

And I think before you get to the point of changing the law to say that there should be some injunctive power, or some way to knock down a rate within a week or two after it is filed with the Commission, you have to tackle the broader problem of whether you want the U.S. Government agency to have ratemaking authority in its foreign commerce.

Because anything that we can do at this end can be done at the other end as well.

And I think it is because of the international character of the foreign commerce of the United States that the Congress up to this point has not seen fit to put into a Federal agency the authority to fix—actually that is what it would amount to, fixing of rates in the foreign commerce.

Senator PROXMIRE. Not necessarily. What you could do at least would be to have the power to prevent a discriminatory rate from going into effect.

Mr. STAKEM. In other words, a suspension power is what you are talking about.

Senator PROXMIRE. Something like that. I see your objection.

I am certainly against Government price fixing of any kind if we can possibly avoid it.

There are all kinds of problems involved in it.

But unless you come up with some alternative, it seems to me our commerce and our international balance of payments is going to suffer and suffer very seriously.

And this is so grave that I think we might have to take this kind of unfortunate action.

Mr. STAKEM. Senator, my General Counsel is squirming here. I think he has something to say.

Mr. PIMPER. The Commission, back in—the Board, back in 1960, I believe, asked for certain cease-and-desist authority. And the Commission now is going to re-request such authority.

At the present time the courts have told us—although this Commission did try—not in a situation of this character—to order a conference to cease and desist certain activity, and the court said we didn't have such authority.

The Commission's annual report indicates that they are going— Senator PROXMIRE. Then the Commission has already taken a position in favor of a cease and desist.

And I take it from what you say, if Mr. Stakem would go along, that you have not changed that position, you would still favor the Congress giving you that authority.

Mr. STAKEM. No. The First Annual Report of the Maritime Commission covering its activities for the first year had certain legislative recommendations in it, and among the legislative recommendations was the power to have a cease-and-desist order.

We do not have it now.

Senator PROXMIRE. Do you want it?

Mr. STAKEM. We have not thought of it in terms of changes in rates—the day-by-day rates that come in, as I say, at the rate of about 600 a day.

I should think this committee and the Congress would want to study the broader implications of a cease and desist on a rate in foreign commerce before we jump too hastily.

Senator PROXMIRE. That is all, Mr. Chairman—except that I hope that out of these hearings, which I think have been extremely enlightening and very helpful, we get some positive recommendations that will permit us to do something about this situation, and to know that in the future that some agency can act in such a way that we don't have this very adverse and most unfortunate situation continuing.

Mr. STAKEM. I agree with the Senator's concern.

Senator PROXMIRE. And I am not satisfied that so far we have come with that.

Chairman DOUGLAS. Now, the Celler committee also recommended that the Federal Maritime Commission and the Maritime Administration take steps "so that the American voting bloc in each of these conferences would be increased in size and power."

What steps has the Maritime Commission taken to increase the influence of the American bloc?

Have you tried to get Liberia, Panama, Honduras, and Greece on our side?

Mr. STAKEM. That is a tough question to answer, Senator, because we are a regulatory agency, we are not a promotional agency.

Chairman DOUGLAS. You are purely judicial. Don't you have a people's counsel?

Mr. STAKEM. Yes, we have a hearing counsel that acts in the public interest.

Chairman DOUGLAS. Well, is the answer that you have not taken steps to build up the power of the American bloc inside these conferences?

Mr. STAKEM. We have taken the position—and I think it is historic in connection with conference activity, by not only this Commission by all others—its predecessors—that a conference is a voluntary association of shipping lines serving a given trade.

Chairman DOUGLAS. And therefore the answer, I take it, is that you have not taken steps to increase the power of the American bloc?

Mr. STAKEM. I think the answer is that we have not discussed this matter with the Liberians and the Panamians and the Hondurans.

Chairman DOUGLAS. And, of course, those people are Americans operating under foreign masks.

Do you know who own these ships flying the flags of these smaller countries?

Mr. STAKEM. I do know that the Maritime Administration keeps a close watch on the ships and the ownerships of the Panamanian, Honduras, Liberian flag, and that they keep records up to date on this.

Chairman DOUGLAS. You do not, however.

Mr. STAKEM. No, we do not.

Chairman DOUGLAS. Well, we have a representative of the Maritime Administration here in cold storage, and we will have him on the stand in a few minutes.

Now, the Celler committee also recommended that every steamship conference operating in the foreign commerce of the United States be required to maintain a resident headquarters in the United States.

As I understand it, the inbound conferences are separate from the outbound conferences, and the inbound conferences have their headquarters in Europe and in Japan, is that true?

Mr. STAKEM. That is true, Senator.

Chairman DOUGLAS. So that you cannot get at their records.

Mr. STAKEM. We have had quite a number of legal battles on this question of getting at the records from foreign carriers engaged in our trade.

It is a fact that in some of the cases that have come up on this point, that the foreign governments have supported a refusal on the part of the foreign lines to make records available to the Commission.

Chairman DOUGLAS. But—exactly so. But these conferences include American lines and American lines are bound by the decisions of the conferences.

And yet these foreign governments refuse to permit an American organization to know what has been going on inside the conferences. Is that right?

Mr. STAKEM. It is a fact that we have transmitted a case on this point to the Department of Justice, Senator, and it is still pending over there.

Chairman DOUGLAS. What is the name of this case?

Mr. STAKEM. It concerns Mitsui Steamship Line, a Japanese line.

Chairman DOUGLAS. Japan has refused to make the records of this conference available?

Mr. STAKEM. Yes. This is an unusual case. It concerned the shipment of canned goods from the Pacific coast to Europe—from our Pacific coast to Europe.

The allegation was that there was a rebate, an irregularity in connection with the movement.

The records to prove or disprove the particular allegations were located in London.

The Commission ordered the production of the records in the formal proceeding before it.

The Japanese lines, supported by the Japanese Government, refused to make the records available to the Commission.

The Commission issued a formal order in this case. A certain day was set for the compliance. There was no compliance.

So we transmitted the case to the Department of Justice for further handling.

Chairman DOUGLAS. Have you considered the general policy of requiring the steamship conferences covering inborne trade to have headquarters in the United States?

Mr. PIMPER. Actually, that probably was considered by the Congress, in my opinion, in connection with recent amendments to the act, and Congress struck the section out of the bill that covered that.

Chairman DOUGLAS. When did Congress do that?

Mr. PIMPER. 1961, sir.

Mr. STAKEM. September?

Mr. PIMPER. Well, the final bill was passed, I believe, October 3.

Mr. STAKEM. The reference is to Public Law 87-346.

Chairman DOUGLAS. You recommended that be included as an amendment to the Maritime Act?

Mr. STAKEM. I think that is the kind of a question, Senator, that in the light of the congressional legislative history on it this Commission should consult its other—that I should consult the other Commissioners before I gave an off the record, or off the hip answer.

Chairman DOUGLAS. Well, the Celler committee report was made March 12, 1962. The action of Congress you state was in September 1961.

A recommendation by the Celler committee was subsequent, therefore, to the omission of this clause that presumably represented a recommendation by the body charged with the matter.

And it has been before you now for 15 months.

What is your decision on this recommendation of the Celler committee?

Mr. STAKEM. I don't think I can submit an answer to you today, Senator. I would be glad to supplement the record on what the Commission thinks of this particular recommendation.

(The material referred to follows:)

At the hearing of June 21, 1963, the committee requested that the Commission supplement the record with a statement of its views on the following recommendation of the Antitrust Subcommittee of the House Judiciary Committee:

“* * * the subcommittee recommends that every steamship conference operating in the foreign commerce of the United States be required to maintain a resi-

dent headquarters in the United States that has authority to deal with shippers' complaints, information requests, and rate adjustment requests" (report of the Antitrust Subcommittee of the Committee on the Judiciary, House of Representatives, H. Res. 56, 87th Cong. 2d sess., p. 386).

The subcommittee's recommendation actually suggests two requirements: (1) That conferences in our foreign commerce establish a resident headquarters for hearing and handling shipper requests and complaints, and (2) that such conferences establish a resident headquarters for complying with requests for information. Presumably, the requests for information would be those made by the Commission in aid of duties and responsibilities under the shipping statutes.

With respect to the handling by conferences of shipper requests and complaints, Public Law 87-346 amended section 15 of the Shipping Act to include the following provision:

"The Commission shall disapprove any such agreement, after notice and hearing, on a finding * * * of failure or refusal to adopt and maintain reasonable procedures for promptly hearing and considering shippers requests and complaints."

The Commission is presently engaged in a rulemaking proceeding designed to implement the above provision of section 15. The requirement that conferences establish a resident headquarters for handling shipper requests and complaints will be considered in this proceeding. In this connection shippers dealing with inbound conferences are generally located abroad. If, however, it should be developed during the rulemaking proceeding that shippers located in this country are disadvantaged by the failure of inbound conferences to maintain resident headquarters, then such a requirement would be imposed.

In addition to handling shipper complaints, the Antitrust Subcommittee's recommendation would require that the resident headquarters have authority to furnish all information requested by the Commission. The legislative history of Public Law 87-346 shows that Congress gave considerable attention to the problems of the handling of shipper requests and complaints and the production of documents, etc., by conferences operating in our foreign trades.

H.R. 4299, the first of the series of bills culminating in Public Law 87-346, as originally introduced February 15, 1961, would have amended section 15 by adding thereto the following provision:

"No such agreement shall be approved unless it shall (1) designate a person upon whom service of process shall be made within the United States which will be effective against every signatory to such agreement, and (2) contains provision that every signatory shall provide records or other information, wherever located, required by any proper order of the Board issued under section 21 hereof."

Draft revision No. 2 of H.R. 4299 contained in addition to the above the following proposed amendment to section 21:

"Every common carrier by water engaged in the foreign commerce of the United States shall (1) designate a person upon whom service of process may be made within the United States in any action, proceeding or investigation brought by or on behalf of the United States or any agency thereof, and (2) provide records or other information, wherever located, required by an order of the Board."

These provisions in substantially their original form were in H.R. 6775, the successor to H.R. 4299, when it passed the House of Representatives.

During the hearings before the Senate Merchant Marine and Fisheries Subcommittee, there was vigorous opposition to the production of information and resident agent provisions quoted above. Through aide memoire the Governments of Belgium, Denmark, Italy, Japan, the Netherlands, the Philippines, Sweden, and the United Kingdom specifically protested the appointment of agent and production of information provisions. (See hearing, Merchant Marine and Fisheries Subcommittee of the Senate Committee on Commerce, June 16, 1961, pt. I, pp. 52-69.) H.R. 6775 as reported by the Senate Committee on Commerce deleted both provisions, stating in its report:

"Will conferences dissolve if it is required that as a condition precedent to Commission approval each conference's organic agreement must (1) designate an agent in the United States to receive service of process effective against all members, and (2) contain provisions that every signatory must provide records or other information, wherever located when required by Commission order?"

"The House bill proposed an amendment to section 15, Shipping Act, 1916, which sharply raised this question. That bill also contained a related proposed amendment to section 21, Shipping Act, 1916, which would apply to every common carrier by water in foreign commerce and would limit the service of process provision to actions brought by or on behalf of the United States.

"Both proposed amendments raised a storm of protests. The State Department urged this committee in the strongest terms possible to delete these provisions because of their irreparably damaging effect upon important considerations of foreign policy. Twelve friendly maritime nations filed protests with your committee through the Department of State. Every American- and foreign-flag conference line urged their deletion. Only the Department of Commerce/Federal Maritime Board favor these provisions. Apparently the regulatory agency feels that so long as it is required to enforce the Shipping Act here and abroad with no distinction between those transactions which are in our import commerce and those which are in our export commerce, it must be given service-of-process powers and document-production powers similar to that contained in the House bill. Your committee believes, however, that 'saying' the Commission has such powers, which obviously it cannot enforce effectively against the nationals of unwilling foreign governments, would result only in such provisions being enforceable effectively against American-flag lines, thereby prejudicing them in relation to their relatively unreachable foreign-flag competitors.

"To date two U.S. courts of appeal have held that under the present section 21, Shipping Act, 1916, the Commission may lawfully order foreign-flag ocean common carriers serving U.S. ports, inbound or outbound, to furnish documents in compliance with lawful section 21 orders, even though the documents are located in foreign countries. How the United States will be able to enforce such orders in the face of directives not to produce from five friendly maritime nations (Belgium, Italy, Japan, the Netherlands, and the United Kingdom) is a question of great foreign policy importance. Certainly, we would only muddy the waters and do violence to our foreign policy were we to leave such provisions in the bill. Furthermore, we are convinced that if we did so a number of steamship conferences would have to dissolve since a number of foreign lines would be compelled by their governments to withdraw, rather than submit to the receipt-of-process and document-production pledge required by the language of the bill."

The committee of conference adopted the Senate's position and the two provisions were not enacted into law. Because the conditions that prompted Congress to reject the proposition that conferences and carriers agree to provide records and other information as a condition to operating in our foreign commerce have not appreciably changed, the Commission does not at the time recommend legislation on this matter.

Chairman DOUGLAS. I wish you would.

How much time do you want to do that?

Mr. STAKEM. How much time would you like to give us?

Chairman DOUGLAS. Just as little as I possibly can.

Mr. STAKEM. How about a month, Senator?

Chairman DOUGLAS. Oh, no, not at all.

What about Wednesday of next week?

Mr. STAKEM. Senator, we do not have all of the members of the Commission in town.

Chairman DOUGLAS. Well, suppose 2 weeks, then—let's compromise on 2 weeks.

Mr. STAKEM. Yes.

Chairman DOUGLAS. Very good.

Now we are getting somewhere.

Now, I have some other recommendations that I will make in just a moment.

I would like to turn to this question of pooling agreements among members of these conferences.

The Celler committee, beginning on page 157 of the report, and continuing for some pages thereafter, pointed out that most of these conferences have pooling arrangements.

Some of these are relatively innocuous and confined to sailing dates. Others, however, cover an allocation of tonnage. Still others an allocation of earnings.

And there was a table, beginning on page 159 of the report, on the scope of the agreements.

Now, has the Commission collected any evidence dealing with the nature of these pooling arrangements?

Mr. STAKEM. Senator, the Commission watches these pooling agreements very carefully.

First of all, the agreements cannot be put into effect without approval of the Federal Maritime Commission.

Chairman DOUGLAS. Have you ever denied approval of any pooling arrangement?

Mr. STAKEM. I would have to check the record on that, Senator.

Chairman DOUGLAS. Well, what is your general impression?

Mr. STAKEM. I do know that in many of the pooling agreements that have been submitted to us, that we have insisted upon certain additions, modifications, or conditions being placed upon them.

I do know this—that the parties in all of the pooling agreements have to submit periodic reports to the Commission, and they are examined.

Chairman DOUGLAS. Have you ever rejected any pooling arrangements?

Mr. STAKEM. Senator, I would like to submit the answer to that for the record, because I do not have it in mind.

Chairman DOUGLAS. Now, may I ask this.

Under a pooling of earnings, is it not true that American lines will share in the profits from high freight rates paid by American exporters as compared to the lower freight rates paid by American importers?

Mr. STAKEM. I think that would follow, Senator.

Chairman DOUGLAS. So therefore the lines—all the members of the conference share in whatever gains may accrue from the system of differential rates.

Mr. STAKEM. The pooling arrangements—

Chairman DOUGLAS. That is where there is a pooling of earnings.

Mr. STAKEM. Where there is a pooling of earnings, there is a certain percentage that each receives of the total earnings.

Chairman DOUGLAS. Regardless of whether or not they actually carried the products themselves.

Mr. STAKEM. There is an arrangement in these pools whereby they agreed that overcarriage or undercarriage will be handled in a certain specific manner.

Chairman DOUGLAS. So that everybody gets their percentage of the pot, so to speak.

Mr. STAKEM. The agreed percentage.

Chairman DOUGLAS. And to the degree, therefore, that differential rates result in greater total revenues, taken from American exporters, American lines share in this, even though they do not carry the actual products themselves.

Mr. STAKEM. I think the answer is "Yes" to that.

Chairman DOUGLAS. Now, may not this account for the fact that the American lines have not protested against the differential rates?

Mr. STAKEM. Senator, it is my experience that the American lines, at least in the pools that come quickly to my memory without checking the records, they are the ones that would have to pay out into the pool, because of perhaps overcarriage.

Chairman DOUGLAS. As Alice remarks in "Alice in Wonderland," it becomes "curiouser and curiouser".

I thought we had an explanation as to why the American lines have not protested.

Now you say that they lose by this pooling arrangement.

Why hasn't the steel industry protested, why haven't the American lines protested?

Here is an arrangement which would seem to hurt them, as well as hurt the United States of America.

No protest.

It is indeed curiouser and curiouser if what you say is true.

Mr. STAKEM. If the Senator would like a complete wrap-up on all of the pooling agreements that have been approved, and that are operating under our approval, giving the percentages by which each share in the pool, and showing what settlements have been made—these are records that are available in the Commission.

Chairman DOUGLAS. Well, we can get a summary of these.

Don't swamp us with all the 3 million rates.

Mr. STAKEM. It would be nowhere near that volume.

Chairman DOUGLAS. Fine. I think there is a very real problem. Now, let me ask you this question:

Is it true that these pooling arrangements, which may be of earnings or tonnage, are exempt from the antitrust laws of the United States?

Mr. STAKEM. If they receive the approval of the Federal Maritime Commission, the answer is "Yes."

Chairman DOUGLAS. So that if you approve them, then there can be no prosecution under the antitrust laws.

Now, how many of these have you approved, how many of them have you failed to give approval to?

Mr. STAKEM. As you mentioned, Senator, the report of the Judiciary Committee of the House gives a list of the then existing pools, which I think is dated in 1961.

Chairman DOUGLAS. It is my impression that none of them have been disapproved.

Mr. STAKEM. We would be glad to bring that list of pools that are in existence up to date for you.

And, of course, as I said before, we will submit for the record any disapprovals that there have been in this area.

(The material referred to follows:)

POOLING AGREEMENTS IN THE FOREIGN COMMERCE OF THE UNITED STATES—FEDERAL MARITIME COMMISSION, JULY 1, 1963

Active pooling agreements in the foreign commerce of the United States, July 1, 1963

Agreement No.	Members	Date approved	Purpose and scope of agreement	Settlements made
7549.....	Swedish American Line; Swedish American Mexico Line; Transatlantic Steamship Co., Ltd.; Moore-McCormack Lines, Inc.	Dec. 4, 1945	Provides for scheduling of alternate sailings, as may be mutually agreed from time to time, with the objective of dividing as equally as possible the volume and revenue of all cargo lifted between Sweden and U.S. Atlantic ports between the 3 Swedish lines on the one hand and Scantic (Moore-McCormack) on the other. ¹	
7616.....	Harrison Line; Lykes Bros. Steamship Co.	July 1, 1948	Provides for equal division of gross freight revenues less fixed "carrying charges" with certain exceptions, with each party to provide "approximately 50 percent of required capacity from gulf ports of United States to specified United Kingdom ports. Provision is made for arranging joint sailing schedules and for allocation of tonnage to achieve equal division.	Harrison overcarried \$499,083.76 for 177-month period. No evidence of actual money transfers.
7796.....	Compania Sud Americana de Vapores (Chilean Line); Grace Line.	July 6, 1951	Provides for contribution of tonnage, minimum sailing, pooling of gross revenues, less specified charges, on all cargo with certain exceptions, and for apportionment of revenues for southbound voyages between U.S. Atlantic ports and Chile on a 50-50 basis and for northbound, on basis of cargo actually hauled except that minimum 30 percent to each party is guaranteed.	Total paid by Grace Line to CSAV through Mar. 31, 1963; \$6,031,901.38.
7797.....	Compania Sud Americana de Vapores (Chilean Line); Gulf & South American Steamship Co.	do.....	Like agreement No. 7796 between Chilean Line and Grace Line, except that it applies only to southbound cargo between U.S. gulf ports and Chile, and revenues are distributed only in proportion to cargo actually carried except that minimum 35-percent participation is assured.	Total paid by Gulf & South American Steamship Co. to CSAV through Mar. 31, 1963; \$1,527,382.06.
1359.....	Grace Line, United Fruit Co.....	Oct. 8, 1930	Provides for pooling of gross freight revenues less handling charges, for all cargo, with certain exceptions, carried between east coast U.S. ports and designated ports in Colombia and semiannual apportionment on a 50-50 basis. ²	
1692.....	Gdynia America Line (Polish Ocean Lines); Moore-McCormack Lines.	Oct. 30, 1931	Provides that parties will charge same rates, furnish minimum sailings, and apportion revenues on all cargo, with certain exceptions, carried between New York, Philadelphia, and Boston and Gdynia and Danzig, eastbound, and Gdynia and Danzig to U.S. North Atlantic ports, westbound, on 50-50 basis. Agreement also provides for fixed brokerage. ³	
2916.....	Standard Fruit & Steamship Co.; United Fruit.	Apr. 14, 1934	Provides for maintenance of rates, fortnightly sailings, and apportionment of earnings on an equal basis on all general cargo (except explosives) from New York to Santiago and on 20-80 percent basis to outports. ⁴	
7897.....	Garcia, S.A. Compania Naviera; Lykes Bros. Steamship Co.	Nov. 22, 1954	Provides for tonnage division of cargoes with certain exceptions, lifted from west gulf U.S. ports to Havana, with provision for periodic adjustments so as to maintain quotas on the basis of 42 percent Garcia, 58 percent Lykes. ⁵	Cargo and sailing adjustment only.

8061, 8061-A...	Members of Thailand/New York Conference (No. 8100).	Feb. 29, 1960	Provides for the apportionment of transportation of all rubber tonnage moving via conference vessels from Siam to U.S. Atlantic and gulf ports. The agreement guarantees American line participants (American President Lines, Isthmian Lines, and Lykes) a minimum of 32.95 percent of the cargo. No. 8061-A between the aforesaid American lines provides for the distribution of the quota of such lines in the event that one of the parties fails to carry his allocated tonnage.	Tonnage adjustment only.
8067, 8357, 8358.	Fjell Line; Oranje Lijn; Norwegian America Line; Concordia Line.	Apr. 18, 1956	Agreements between Fjell and 1 or more of the other lines providing for a combined sailing schedule on an equal basis and a division of revenues for the transportation of cargo between Great Lakes ports of the United States as well as Great Lakes, St. Lawrence, and maritime ports of Canada and ports of the United Kingdom (with Oranje Lijn); Scandinavian and Baltic ports (with Oranje Lijn and Norwegian America Line), and Mediterranean ports (with Oranje Lijn and Concordia Line).	
8512-----	Fern-Ville Far East Lines; Barber Line; Barber-Fern-Ville Lines; and Barber-West Africa Lines.	July 17, 1961	Provides for joint worldwide passenger, mail, and cargo service under the direction of Fearnley & Eger. All earnings are pooled and distributed according to a formula based on ton-days. Replaced agreement 7655.	
7765-----	Royal Mail Lines and Holland-America Line.	July 21, 1950	Provides for joint service of the lines in trades between European ports and U.S. Pacific coast ports and between U.S. Pacific coast and ports in the Caribbean and the west coasts of South and Central America, and the pooling and division of revenues in proportion to the capacity of ships furnished less certain costs and charges.	
8217-----	do-----	June 24, 1957	Provides for joint cargo service in trades between United States and Canadian Pacific coast ports with the pooling and division of revenues in proportion to the capacity of ships furnished less certain costs and charges.	
7688-----	Compagnie Maritime Belge, S.A./Compagnie Maritime Congolaise S.C.R.L.	Jan. 13, 1949	Provides for joint cargo and limited passenger service between U.S. Atlantic and gulf ports and ports in Europe, the Mediterranean, Red Sea, Persian Gulf, India, Pakistan, Ceylon, and East, South, and West Africa with sharing of revenues in proportion to the insured value of the vessels contributed.	
7825-----	Hamburg American Line and North German Lloyd.	July 2, 1952	Provides for pooling of revenues and their equal division between the 2 lines on all passenger and freight traffic in trades between United States and Europe provided lines each contribute equal tonnage.	
8457-----	Swedish American Line and Flota Mercanta Grancolombiana, S.A.	July 7, 1960	Provides for contribution of equal capacity, alternate sailings, poolings, and equal division of revenues in trade between Canadian St. Lawrence and U.S. Atlantic and gulf ports.	
8348-----	Swedish American Land and Transatlantic Steamship Co.	Apr. 3, 1959	Provides for joint sailings, allocation of 50 percent of tonnage to each of the participants after a priority allocation in favor of Swedish American Line.	
7707-----	Matson Navigation Co.; Isthmian Line Inc.	Jan. 31, 1950	Provides for pooling of net revenue of cargoes moved between Atlantic and gulf ports and Hawaiian Islands. Pool provided in proportion to number of berth sailings from last loading ports.	For period August 1954 through December 1961 Isthmian paid Matson \$909,310.12.
7739-----	5 carriers comprising De La Rama Lines—joint service (No. 7739).	-----do-----	Provides for joint service and pooling of 50 percent of the gross freight revenues in the trade to U.S. Atlantic, gulf from Pacific ports and Japan, Pacific coast of U.S.S.R., China, Korea, Taiwan, Hong Kong, Indochina, and the Philippine Islands. Pool divided in proportion to eastbound sailings.	

See footnotes at end of table.

Active pooling agreements in the foreign commerce of the United States, July 1, 1963—Continued

	Members	Date approved	Purpose and scope of agreement	Settlements made
8359-----	Hamburg-American Line; North German Lloyd; and Ernst Russ.	Nov. 14, 1959	Provides for spacing of sailings and the pooling of net revenues in the trade between United States Great Lakes and Canadian maritimes, and ports in the Bordeaux/Hamburg range of Europe and the United Kingdom. Pool divided 33½ percent to each party when equal sailing tonnage is furnished.	
8529-A-----	Carriers comprising Malaya Indonesia Line—joint service (8529).	Apr. 19, 1962	Provides for spacing of sailings and pooling of 50 percent of the net dollar freight less specified compensations for calling at specific ports in the trade from U.S. Atlantic and gulf ports and from United States and Canadian Great Lakes ports to Malaya, Singapore, Thailand, and Indonesia via ports en route. Pool divided in proportion to "bale space" provided by parties' vessels sailing in the trade.	First statement due.
8620-----	Torm Tramping Co.; and Transatlantic and Pacific Steamship Lines.	Oct. 11, 1961	Provides for joint service and equal sharing of profits and losses incurred in the trade between Canadian and United States Atlantic and gulf ports and ports of the United Kingdom and the Bordeaux/Hamburg range of Europe.	
8640-----	Grace Line Inc.; and, Cie Anonima Venezolana de Navegacion (CAVN).	Sept. 7, 1962	Provides for minimum sailings and pooling of revenues of cargoes carried in excess of 42½ percent of the total cargo movement from New York to Venezuela and 50 percent from all other Atlantic ports, less specified carrying charges. Pool to be divided equally.	First yearly statement due September 1963.
8680-----	12 lines parties to west coast of Italy, Sicilian and Adriatic ports/North Atlantic Range Conference (No. 2846). Includes American Export Lines, Inc.; American President Lines, Ltd.; and, Prudential Steamship Corp.	Mar. 6, 1962	Provides for minimum sailings from two ranges and the pooling of net freight within the two ranges in the trade from ports on the west coast of Italy, Sicilian and Adriatic ports, to U.S. North Atlantic ports. Pool divided by fixed percentage subject to maintenance of agreed minimum sailings in the trade. 3 U.S.-flag lines allocated 45.46 percent of range 1 and 38.25 percent of range 2.	First yearly statement due March 1963.
8681 and 8682..	6 Japanese lines and 3 U.S.-flag lines; i.e., States Marine Lines; Lykes Bros. Steamship Co., Inc.; and Waterman Steamship Corp. All members of Far East Conference (No. 17).	Oct. 11, 1962	Agreement 8682 provides for 90 sailings to be made by each group (American, Japanese) for the carriage of raw cotton from U.S. gulf ports to Japanese ports. Cargo is apportioned 50 percent to each group. The gross freight revenue, less \$20 per 2,000-pound ton, of all overcarriage is pooled for payment to those lines that undercarried. Agreement 8681 provides for apportionment of the U.S.-flag share (50 percent) among the 3 U.S. carriers.	First statement due at termination June 30, 1964.
8685-----	Wilhelmsen Line (joint service No. 7589), and Swedish American Line.	Jan. 15, 1962	Provides for parties to furnish equal number of vessels to maintain alternate sailings between Scandinavian, Baltic, and Europe Continental ports to Cuban, Mexican east coast, and U.S. gulf and South Atlantic ports; and, for the pooling of net cargo revenues. Pool revenues to be divided on basis of actual boat-days vessels are employed in the trade.	
8881 and 8882..	10 Japanese carriers and 5 U.S.-flag carriers: States Marine Lines/Global Bulk Transport Corp.; American President Lines; States Steamship Co.; Pacific Far East Line; and Waterman Steamship Corp. All members of Pacific Westbound Conference (No. 57).	Oct. 11, 1962	Provides for the pool of raw cotton cargo from California to Japan. All terms same as agreements 8681 and 8682, except overcarriage pooling as \$18 per 2,000-pound ton.	1st statement due October 1963.

9020-----	Members of Mediterranean-U.S.A. Great Lakes Westbound Freight Conference (No. 8260).	May 2, 1963	Provides for the pooling of net freight revenues in the trade from Mediterranean, North African, and Iberian Peninsula ports to U.S. Great Lakes ports. Division of pool revenue is subject to maintenance of sailings as specified. The sole U.S.-flag line, American Export Lines, share is 14.50 percent.	1st pool period statement due at end of 1963 Great Lakes season (approximately Dec. 1, 1963).
9040-----	10 of the 14 lines comprising the Brazil-United States-Canada Freight Conference (No. 5450).	June 11, 1963 ¹	Proposes a coffee pool in the trade from Brazil to U.S. Atlantic and gulf ports. Minimum sailings and division of revenue to be specified separately for the gulf and Atlantic trade. ⁶	
9052-----	Zim Israel Navigation and Naviera Castellana.	Apr. 30, 1963	Provides for a joint service in the trade between Mediterranean and U.S. Pacific ports, and sharing of net earnings in proportion to the number of vessels provided by the parties (Zim 75 percent; NC 25 percent).	

¹ Suspended by request of the parties.

² On Sept. 11, 1942, the Board approved a modification of this pool providing for this indefinite suspension.

³ This agreement has been inactive since the conquest of Poland in September 1939.

⁴ On Mar. 3, 1960, the Board approved a modification of this pool providing for its indefinite suspension.

⁵ Because of the Cuban situation, Lykes has withdrawn from the trade and the Board has approved a modification of the pool as of Mar. 13, 1961, suspending it "until the first

day of the month in which Lykes * * * shall have resumed its said service by the sailing of a vessel in said trade."

⁶ Conditionally: Agreement approved June 11, 1963, on condition that it be modified to provide that no distribution be made until after the Commission's final order in docket 1096. Replaced agreement 8505 which by its terms terminated Feb. 28, 1963.

Pooling agreements disapproved under sec. 15, Shipping Act, 1916

Agreement No.	Parties	Purpose and scope of agreement	Remarks
5893.....	Grace Line and West Coast Line.....	Provided for Grace Lines to furnish 56 sailings and West Coast Lines 28 sailings in the trade from U.S. Atlantic ports to ports in the west coast of Columbia, Ecuador, Peru, and Chile and for pooling of gross earnings less \$4 per revenue ton of general cargo, except vehicles, which deduction would be \$15 per revenue ton. Pool was to be divided 75 percent to Grace Lines and 25 percent to West Coast Lines. Additional vessels or tonnage required would be furnished in proportion to division of revenue as above.	Approved July 1, 1937, and subsequently the U.S. Maritime Commission in docket 577 on Sept. 19, 1940, found the agreement to be unjustly discriminatory and unfair between the parties thereto and disapproved the agreement.
1235.....	Matson Lines and Dollar Lines.....	Provided for Matson not to engage in service between mainland U.S. ports and ports in Asia, the Philippines, or Guam, and not to act as agents for any steamship company operating to the Orient. Dollar was not to engage in service between U.S. ports and ports in Australia, New Zealand, Fiji, or Samoa, and not to act as agents for any steamship company operating to that area. Dollar not to solicit Hawaiian traffic but act as agent for Matson for all Hawaiian traffic carried in its vessels and pay Matson 50 percent of the gross receipts thereof.	Approved in 1930 and subsequently the U.S. Maritime Commission in docket 465 on Aug. 17, 1938, found the agreement detrimental to the commerce of the United States and disapproved the agreement.
8860.....	9 Japanese carriers and 2 U.S.-flag carriers: United States Lines; and, Waterman Steamship Co. All are members of Japan-Atlantic and Gulf Freight Conference (No. 3103).	Provides for the pooling of all cargoes, with certain exceptions, in the trade from Japan to U.S. Atlantic ports, and division of same 70 percent to the Japanese group and 30 percent to the American group the first year. This percentage division to be adjusted to 66-34 percent the next year, and result in a maximum division of 50-50 percent by October 1964, based on the maintenance and adjustment of minimum annual sailings of both groups.	Conditionally approved Sept. 25, 1962, subject to certain required modifications being made. To date, the parties have not complied with the Commission's conditional approval. Therefore, there has been no implementation of the arrangements by the parties to the agreement.
8870.....	5 Japanese carriers and 2 U.S.-flag carriers: Lykes Bros. Steamship Co., and Waterman Steamship Corp. Members of Japan-Atlantic and Gulf Freight Conference (No. 3103).	Same as agreement 8860, except that trade is from Japan to U.S. Gulf ports.	Same as agreement 8860.

Representative GRIFFITHS. Mr. Chairman, under what circumstances do you approve?

Mr. STAKEM. Under the standards set up in section 15 of the 1916 Shipping Act.

Representative GRIFFITHS. What are those standards?

Mr. PIMPER. Briefly, that they are not contrary to public interest, violative of the specific sections of the statute, detrimental to the commerce, or unfair as between carriers, shippers, exporters, or importers.

Representative GRIFFITHS. Well, I think they are all contrary to the public interest and detrimental to our foreign commerce.

Mr. STAKEM. Sometimes, Mrs. Griffiths, it is the American lines that are really pushing to get a pool because of the very tough competition that they face in the particular trade from the foreign-flag lines in that trade.

And you will find that in many of the cases that it is the American lines that want the pool, so that they can set the percentage that they will carry.

Chairman DOUGLAS. Well, in other words, this may explain why they never complained about the decisions of the conferences.

Isn't that true?

Representative GRIFFITHS. It is their decision.

Mr. STAKEM. I don't follow.

Chairman DOUGLAS. I said this may explain why they don't protest the decisions of the conferences.

I didn't hear your comment on that.

Mr. STAKEM. As to the conference, and the American participation in the conference, all I can say is that our position is that the American lines are free to move in or out of the conference as they see fit.

Senator PROXMIRE. But I think as the chairman points out, with his expert experience in politics over many years, I think he is right.

There is no question that in this situation the American lines are desperate for a pool, just as you explained to us, because the competition is so tough, and their bargaining power is therefore weak.

They enter this thing, and they have to take pretty much what they get, even though it is discriminatory against American interests and even though, as you have told us, they suffer from it, because they just have to get that pool.

Under these circumstances, it seems to me that vigorous action by the Maritime Commission is particularly required.

Mr. STAKEM. We do not—

Senator PROXMIRE. Because you cannot expect a self-policing situation with the American-flag lines fighting for the interests of America, for their own interests, because their position is so weak in a bargaining way.

Mr. STAKEM. Senator, we do not lightly approve these pooling arrangements. We examine them very carefully. We insist that the records of how the pool is operating be submitted into us, and they are carefully examined.

And, of course, the Commission has authority to disapprove any of the pools that have been approved if it finds that it is operating

to the detriment of the public interest or detriment of our commerce.

Senator PROXMIRE. Well, do you examine the rates before you approve the pool?

Mr. STAKEM. I think the answer is that there has been no specific examination of rates in connection with the pools.

Senator PROXMIRE. That is incredible. How can you determine whether or not the pool is a fair arrangement if you do not examine the rates?

Isn't this the crux of it? Isn't this a vital part of your determination?

Mr. PIMPER. I don't know that I follow, sir.

Senator PROXMIRE. Well, if you do not examine the rates, if you do not feel that the rates are an important criteria in your approval of the pool, what are the standards, what is the basis for determining whether or not this arrangement is fair to the public interest, and fair, as you said, to the various exporters and importers?

The rate is what determines whether or not it is fair.

Mr. PIMPER. Is the fact that two lines will pool their earnings unfair to exporters or importers?

Now, to me that does not necessarily, at that moment, bring into play the question of the level of rates.

It very well might bring in, if you found by reason of that that these people were being charged rates that were unfair.

Senator PROXMIRE. Well, the position of the American shipping lines would be very much modified by whether or not they can get a pool.

They would agree to a rate perhaps which is discriminatory and adversely affects them, the consideration being that, all right, we will get a pool which will protect our position and give us enough business so that we can survive.

Mr. PIMPER. Normally, the pooling agreement in and of itself does not set forth the rate.

Senator PROXMIRE. I understand.

But as a matter of realism, we know these two things may be interrelated, because the considerations are so important.

Therefore, I should think that the Commission would carefully examine them.

Chairman DOUGLAS. Well, Mr. Stakem, you are going to submit an elaborate statistical summary of the cases in which you have approved pooling arrangements, and cases in which you have not.

Drawing upon your very excellent memory, can you remember any case in which you disapproved a pooling arrangement?

Mr. STAKEM. That is the same question, Senator, and I cannot off-hand remember a disapproval.

But I want to check the record before I give that as a positive answer.

Chairman DOUGLAS. Now, I proposed to the members of the Joint Economic Committee a series of recommendations which have been unanimously endorsed by the 15 members of the committee who have voted upon them.

We have been unable to reach one member.

(The material referred to follows:)

1. The Commission should establish guidelines for U.S. complainants pointing out what the law requires as proof of discriminatory freight rates so that the Commission can act on their behalf.

Guidelines of the kind suggested in the committee's recommendation have traditionally been set on a case-by-case basis, each case affording some precedent for future action. While it is the Commission's view that problems of the specific detailed elements and the quantum of proof necessary in adjudicating a claim of rate discrimination are not susceptible to formulate by agency rule, there are set forth, in response to the committee's recommendation, some general guidelines which have been taken from precedents: Generally, it must be shown (1) that there is a difference in the inbound and the outbound rates; (2) that there is a similarity as to the weight, measurement, value, and kind of service required; and (3) that the differential in rates complained of is not justified and is unduly discriminatory and unjust in that it acts to the disadvantage of the complainant, or restricts the flow of traffic and marketing of the commodity.

2. The Commission should initiate steps under its existing authority to eliminate unjust discriminations in rates and should promptly inform the Congress if additional authority is needed to deal with any aspects of these discriminatory practices.

As we have previously informed the committee, the Commission has instituted a formal investigation into the disparities between inbound and outbound rates on steel in the trades between the United States and Europe, Japan, and Australia. This investigation is being pursued on a priority basis.

The Commission's tariff examiners are continuing their analyses of all tariffs now on file with the Commission and will continue to give close scrutiny to new filings in order to promptly spot rates which would appear on their face to place U.S. manufacturers and exporters at a disadvantage vis-a-vis their foreign competitors. In this connection, the Commission has established liaison with the Department of Commerce, Department of State, and the Tariff Commission in order that the Commission may be completely informed of the full effect of ocean freight rates on our foreign trade (see also comments under recommendation No. 3).

Looking toward the future and the Commission's continuing concern with the extent to which ocean freight rates place U.S. manufacturers and exporters at a competitive disadvantage, the Commission will give prompt attention to both formal and informal complaints and inquiries from the shipping public and other interested persons. The Commission believes that greater efficiency in the final disposition of many complaints will be obtained if the Commission continues its practice of informally encouraging voluntary adjustment between shipper and carrier wherever possible. Where such informal attempts at resolution do not produce prompt adjustment formal proceedings are the alternative.

Where appropriate the Commission will make use of factfinding investigations under its rules of practice and procedure and will make full use of its information gathering powers under section 21 of the Shipping Act, 1916, in order to preliminarily develop the information necessary for an informed judgment as to the proper course of action.

The current powers of the Commission to deal with rates which appear to discriminate against the commerce of the United States and against U.S. manufacturers and exporters are found primarily in sections 15, 17, and 18 of the Shipping Act, 1916, and section 19 of the Merchant Marine Act of 1920. Under section 15 the Commission is empowered to disapprove conference agreements which are found to be unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, or to operate to the detriment of the commerce of the United States, or to be contrary to the public interest. Section 17 prohibits carriers from charging rates which are unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States as compared with their foreign competitors. Section 18(b)(5) empowers the Commission to disapprove any rate which, after hearing, it finds to be so unreasonably high or low as to be detrimental to the commerce of the United States. Section 19 of the Merchant Marine Act of 1920 permits the Commission to make rules and regulations to meet conditions unfavorable to our foreign trade and which arise out of foreign rules or laws or the competitive practices of foreign-flag vessels.

It would appear that these statutory provisions are, on their face, sufficient tools for the correction of unlawfully discriminatory rates. The final answer to this, however, must await the completion of cases before the Commission. If, at any juncture in our disposition of cases concerning discriminatory rates, the Commission discovers that additional statutory authority is required we shall promptly make this matter known to Congress.

An additional power which the Commission believes would facilitate the disposition of a variety of cases including those involving discriminatory rates and which the Commission included in its last annual report to Congress is the power to enter interim cease-and-desist orders upon a prima facie showing of a violation of any provision of the Shipping Act.

3. The Federal Maritime Commission should undertake a study of the extent and economic effects of disparities between inbound and outbound ocean freight rates. In selecting products for this study, the following guidelines should be used:

(a) Products which U.S. exporters have indicated are discriminated against in their complaints.

(b) Products which are presently substantially exported or for which there is export potential.

(c) Products which the Commission presently knows are discriminated against.

(d) Products for which freight rates are a high percentage of landed cost.

The Federal Maritime Commission on a priority basis is studying the extent and economic effect of disparities between inbound and outbound rates, utilizing the guidelines set forth above.

The Commission has already completed a study of the inbound and outbound conference tariffs in the North Atlantic trade between the United States and northern and western Europe and the United Kingdom. Using the results of this study, and taking into consideration commodities on which the Commission, the Federal Maritime Board, and the Department of Commerce have had rate complaints, we have compiled a list of 51 commodity groups, on which there is a disparity between outbound and inbound freight rates. The Commission by September 1 will complete an examination of the tariffs of all the outbound conferences and the corresponding inbound conferences to determine in each such trade if there are disparities between the inbound and outbound rates on similar or substantially similar commodities. When these rate compilations are completed a further report will be made to your committee.

As indicated, the Commission has established liaison between the Department of Commerce, the Department of State, and the Tariff Commission, in order that it may be completely informed as to the products which are encompassed within the four categories listed in your recommendation No. 3.

Representatives of the Commission attend meetings which the Business and Defense Services Administration of the Department of Commerce holds with industry groups dealing with the problems that they face in connection with the export of products. The problem of freight rates is specifically discussed at these meetings. The Commission also consults with agencies of the Government in order to develop information as to the export potential of U.S. goods. Past and future complaints filed by shippers will also be used by the Commission in its all-out effort to determine the effect of freight rates on the exports from the United States.

The Commission has requested the National Archives to develop a feasibility study as to the possibility of machine tabulating the more than 3 million freight rates which are filed with it and to estimate the cost thereof. If it is found that such a system is feasible and if the necessary funds are obtained, it is believed that the Commission will be better able to take prompt action with respect to disparities in the import and export trades of the United States.

As disparities in the inbound and outbound rates are disclosed, action as set forth in 2 above will be promptly taken by the Commission.

4. The Federal Maritime Commission should—

(a) Request information from the shipping conferences on rates between Europe, Japan, and third-market countries.

(b) Compare these rates to the rates on U.S. exports to these third-market countries.

(c) Indicate the mileage from Western European and Japanese ports and U.S. ports to these third areas.

The Federal Maritime Commission is endeavoring to obtain information as to freight rates between Europe, Japan, and third-market countries. Assistance of the Department of State has been sought to endeavor to ascertain through its representatives abroad freight rates on specified commodities from Hamburg, Rotterdam, Genoa, Liverpool, and Yokohama to the third-market countries of Brazil, Chile, Panama, Venezuela, Australia, South Africa, and India. Advice has also been requested as to freight rates between the above-named European and United Kingdom ports and Japan. Messages asking for this information were cleared by the Department of State on June 28, 1963.

Letters are also being sent to all steamship conferences and all U.S.-flag carriers serving the export commerce of the United States requesting that they furnish the Commission such information as they have or can develop as to ocean freight rates from third countries to the foreign destinations which these conferences and carriers serve.

As soon as rates are received, comparisons will be made between these rates and the corresponding rates from the United States to common destinations together with a comparison of the mileage over the various routes. If the circumstances warrant, action as outlined in our response to recommendation 2 above will be taken.

Chairman DOUGLAS. Well, thank you very much.

You have been a very courteous polished witness.

Mr. STAKEM. Thank you, Senator.

I might add that I have enjoyed the discussion very much.

Chairman DOUGLAS. At this time I want to call on the members of the Maritime Administration.

Mr. Gulick, I understand you are the Deputy Federal Maritime Administrator.

STATEMENT OF J. W. GULICK, DEPUTY MARITIME ADMINISTRATOR; ACCOMPANIED BY GRAYDON L. ANDREWS, DEPUTY GENERAL COUNSEL; EDWARD APTAKER, CHIEF, OFFICE OF GOVERNMENT AID; AND MARION E. PARR, CHIEF, DIVISION OF TRADE ROUTES

Mr. GULICK. Mr. Chairman, my name is James W. Gulick, and I am Deputy Administrator of the Maritime Administration, Department of Commerce.

I have with me here today, by prior arrangements with your staff, Mr. Aptaker, who is Chief of the Office of Government Aid, sitting on my left; on his left, Mr. Parr, who is Chief of the Division of Trade Routes; and on my right, Mr. Andrews, who is Deputy General Counsel of the Administration.

I am sorry to have to report that Mr. Alexander was unable to be here this morning because of a prior hearing scheduled sometime ago to accommodate witnesses from all over the United States.

Chairman DOUGLAS. We appreciate that.

And we are very grateful for your attendance.

Mr. Gulick, I hold in my hand a letter dated December 23, 1960, signed by Mr. Ralph E. Wilson, Chairman of the Federal Board, addressed to Mr. Jacob Isbrandtsen, president of the Isbrandtsen Co., Inc., New York, N.Y.

(The text of the letter is as follows:)

DECEMBER 23, 1960.

Mr. JACOB ISBRANDTSEN,
President, *Isbrandtsen Co., Inc.*
New York, N.Y.

DEAR SIR: This will acknowledge the receipt of your letter of December 13, 1960, in which you set forth your position with respect to the maintenance of conference rates by American Export Lines, Inc., as well as Isbrandtsen Steamship Co., Inc. The position expressed in your letter is not acceptable.

The views expressed are substantially reiterations of statements made by officials of your company for many years prior to the time that you became affiliated with a subsidized operator. They convey nothing whatever of which the Board is not already aware, nor do they serve any useful purpose insofar as the problem at hand is concerned; viz, the award of an operating-differential subsidy agreement to Isbrandtsen Steamship Co., Inc., and to the future operation of American Export Lines, Inc.

After careful consideration of this matter, the Board has determined that, in the event it should award a subsidy agreement to Isbrandtsen Steamship Co., Inc., it will require that such agreement contain a provision to the effect that the operator agrees to maintain conference rates, rules, and regulations effective for the subsidized services contained in such agreement, irrespective of whether the operator is a member of such conference, unless, due to special circumstances, the Board, in its sole discretion, should decide to modify temporarily this requirement as to a particular conference. Furthermore, the Board will require that an addendum to American Export Line's subsidy agreement be executed which will contain this provision.

We shall appreciate your early reply and acceptance of the above condition in order that we may proceed with the processing of the subsidy application.

Very truly yours,

RALPH E. WILSON,
Chairman, *Federal Maritime Board.*

Chairman DOUGLAS. In other words, the Maritime Board in 1960 said that a company whether inside or outside of a conference must abide by the conference rules regarding rates and other regulations or face the penalty of being deprived of an operating subsidy.

In other words, the subsidy of the U.S. Government was to be used as a club to compel an independent to conform to the provisions of the conference.

Now, you do not deny the authenticity of this letter?

Mr. GULICK. This is a true copy of the original letter; yes, sir.

Chairman DOUGLAS. I have in my hand a copy of what purports to have been a letter of the Maritime Administration addressed "To All Subsidized Operators, Circular Letter No. 3-62," under date of February 2, 1962.

Now, this was after the functions of the old Maritime Board, as I understand it, had been divided. The regulatory functions delegated to the Maritime Commission, and the subsidy functions delegated to your agency.

Mr. GULICK. Yes, sir.

Chairman DOUGLAS. The letter reads as follows:

U.S. DEPARTMENT OF COMMERCE,
MARITIME ADMINISTRATION,
Washington, D.C., February 2, 1962.

Subject: Basic policy with respect to rates.

To all subsidized operators, Circular Letter No. 3-62.

GENTLEMEN: The Maritime Subsidy Board on February 2, 1962, adopted the following policy with respect to rates:

As a general principle, the Maritime Subsidy Board believes it to be in the interest of the American merchant marine, and of stability of trading condi-

tions in the foreign commerce of the United States, for subsidized lines to comply with established applicable conference rates in any trade in which the subsidized lines engage. This general principle is applicable whether or not the subsidized line is a member of the conference. At the same time, it is recognized that in specific instances good reason may exist for departures from conference-established rates. Such specific departures should be based on sound business judgment of the subsidized line, and should be in furtherance of the best interest of the American merchant marine. The Maritime Subsidy Board will, where deemed appropriate, require subsidized carriers to justify any departure from applicable conference rates.

Your attention is directed to the provisions of section 7 of Department of Commerce Order No. 117 (Revised) effective August 12, 1961.

Sincerely yours,

JAMES S. DAWSON, Jr., *Secretary.*

Now, it is the Maritime Administration's policy, which was to compel subsidized American carriers under penalty of loss of subsidy to conform to the rates and regulations of the conferences which we have shown are grossly discriminatory against American shipping and grossly discriminatory against the interests of the United States.

In other words, taxpayers' money has been used as a weapon and a club to compel American lines to follow a policy adverse to American shippers, adverse to American industry, adverse to the balance-of-payments position of the United States which presumably the Department of Commerce is trying to redress.

Now, may I ask, is this the present policy of the Maritime Administration?

Mr. GULICK. The present policy, Mr. Chairman, of the Maritime Administration is set out in our Circular 11, No. 3-62, which you have just read.

The import of this is to require membership in or adherence to conference principles unless—and this is the important departure from the prior policy of the predecessor agency—sound business judgment of the subsidized line indicates that it would be wise for the line to depart from the conference agreement, or adherence to the conference schedule of rates.

Chairman DOUGLAS. Well, that is the exception. And it must also be in furtherance of the best interests of the merchant marine.

Who is to decide that—the Maritime Administration, the Maritime Commission, or the carrier?

Mr. GULICK. The subsidized operator himself decides this in the first instance, with the right in the Subsidy Board to review the business judgment of the operator.

Senator PROXMIRE. If the Senator would yield at that point.

The burden of proof seems to be on the line itself—the last sentence says:

The Maritime Subsidy Board will, where deemed appropriate, require subsidized carriers to justify any departure from applicable conference rates.

Mr. GULICK. This would be true in instances where the agency requires a justification.

Chairman DOUGLAS. Mr. Gulick, it is hard for me to restrain myself on this point.

I shall make a great effort to do so.

I have always been dubious about this subsidy policy. I think I voted against it most of the time but I have always been voted down.

We have been told that it is necessary to overcome the differential labor costs caused by the LaFollette Act.

But I had no idea that this subsidy was being used as a club. And I don't believe the Congress had any idea that the subsidy was being used as a club by the Maritime Administration, and the previous Maritime Board, to compel American lines to charge rate schedules adverse to American shippers, and in the broader sense adverse to the general interests of the United States—because this has risen above individual interests, important as those are.

This involves a balance-of-payments problem.

The Department of Commerce is making every effort to—so it says—reverse the unfavorable balance of payments. It is trying to get a favorable balance.

And I am sure that is the sincere desire of the Secretary.

But here is an agency, directly inside the Department of Commerce, using its power of subsidy to club American lines into adverse rates against shippers.

Now, I am just appalled at that.

What justification can there be for it?

Have I been sufficiently restrained?

Mr. GULICK. If I may, Mr. Chairman, I would like to give a little background on the reason for this requirement.

In the first place, there was a clear division of responsibility of functions between the Federal Maritime Commission and the Maritime Administration.

Chairman DOUGLAS. Now we are in for some buckpassing.

Have all the representatives of the Maritime Commission left the room?

Oh, good, I am glad you are here.

All right.

Go ahead.

Mr. GULICK. The Maritime Subsidy Board, and the Maritime Administration of the Department of Commerce, on the other hand, are obliged to maintain and foster the development of an American merchant marine through, among other things, a ship subsidy program, which involves very substantial outlays of money.

In keeping with this obligation, we have issued circular 3-62, so that the subsidized lines will compete on relatively equal terms among themselves, and with other U.S.-flag carriers, as well as with foreign lines.

This does not infringe upon any of the functions of the Federal Maritime Commission.

In fact, it is wholly consistent with their functions, because we go on the somewhat parochial principle that under our charter from Congress, we are to maintain and develop an American merchant marine which is adequate to carry out commerce, and to serve as an arm of national defense, and we are concerned that in their normal trade activities, they will not be faced with ruinous price rate wars which would completely destabilize the trade in which they are intended to operate.

We desire to see these lines protected, insofar as possible, by the conference agreements, in order to prevent unfavorable competition against American lines.

Chairman DOUGLAS. Mr. Gulick, would you forgive me if I interjected.

You would not regard it impertinent?

Mr. GULICK. Not at all, sir.

Chairman DOUGLAS. Do you regard your function as merely protecting the shipping lines, or to protect the United States? Where does your paramount duty lie? Is it the maintenance of the shipping lines in a prosperous condition, or the furthering of the best interests of the United States of America?

Mr. GULICK. We conceive, Mr. Chairman, inasmuch as we have the mandate of the 1936 act, that anything which is done to implement that act is in the interests of the United States.

Chairman DOUGLAS. In other words, paraphrasing the comment of an esteemed automobile manufacturer, who testified whatever is good for General Motors is good for the United States, you say anything that is good for the U.S. shipping lines is good for the United States. Is that right?

Mr. GULICK. As long as it fulfills the policy determinations under the Merchant Marine Act, and those, of course, are quite specifically spelled out.

Chairman DOUGLAS. In other words, you really have been thinking what is the best thing for the lines, not what is the best thing for the United States—when these discriminatory rates directly hold down our exports, increase our imports, add to the unfavorable balance of payments, add to the drainage of gold.

Senator PROXMIER. This policy directive, Circular Letter 3-62 only authorizes departures based on sound business judgment of the subsidized line, and in furtherance of the best interests of the American merchant marine.

In other words, the only time that the conference rates presumably should be upset, or there should be a departure from what they set forth, is when the business interests, the balance sheet, the operating statement of the subsidized line may be in danger.

And since they take the initiative, it seems to me that there is nothing in here that would enable anyone, either your Administration or anyone else, to take the initiative in the interests of our balance of payments in this case, or of our industry and commerce of the United States of America, the taxpayer, or anyone else.

Mr. GULICK. If I may, Mr. Chairman, in answer to the Senator's question, I have two points.

The first is that by and large all subsidized operators—now, we are not talking about all U.S.-flag operators, but the subsidized operators, roughly the 15 subsidized lines—are members of one or more conferences.

We adhere, as does the Celler report, from which various quotations have been made this morning, to the principle that the conferences may not be the best answer in our foreign trade, particularly insofar as shipping is concerned, but at least it is the best answer we have so far.

And, secondly, we view the conferences as a means of stabilizing trade for our subsidized merchant ships in order that they may do what they were intended to do—that is, to make a sufficient profit to be able to stay in business and replace their fleets with ships in the interest of the United States.

This does not mean that we agree that conferences are all good by a long shot.

But it is not our function to police the conferences. This is a matter for the Federal Maritime Commission. If there are areas in which there is alleged discrimination, it would seem that this would be a matter for the Federal Maritime Commission and beyond the jurisdiction of our agency.

Senator PROXMIRE. But where, as in this case, a conference action is adverse, pernicious, destructive of American industry, American interests, and we have this extremely serious problem now of an adverse balance of payments and loss of gold—where a conference decision contributes directly to that, you are following a policy which would require conformance with that adverse and pernicious action by the conference, and punishment of any firm which would depart from it, unless they depart from it from their own monetary profit and loss interests.

Mr. GULICK. May I interpolate here that this is a policy by the agency, and, except in perhaps one instance of the contract which gave rise to this circular, the Export-Isbrandtsen contract—there may be some question, in fact, I think there is serious question as to whether the Maritime Administration has any authority to enforce this circular by any financial or other type penalty.

Representative GRIFFITHS. I would like to ask you, Has any subsidized carrier ever departed from the policy? Has anyone ever carried at a rate lower than the conference agreed upon rate?

Mr. GULICK. Yes, ma'am.

Representative GRIFFITHS. Well, I hesitate to ask you the next question. But were they carrying at a lower price American goods abroad or foreign-made goods into America at a lower price?

Mr. GULICK. I think the answer would be both, ma'am.

Representative GRIFFITHS. Well, there is something to be said for the theory to make them all charge the same, if they are actually underbidding to bring foreign-made goods in here.

The best interests of the United States requires they underbid to take American goods abroad.

Mr. GULICK. Well, if the operator desires to withdraw from a conference for good and sufficient—that is to say, sound business reasons—we would not interpose an objection as long as the total policy consideration of the Merchant Marine Act of 1936 and the well-being of the other subsidized operators and U.S.-flag carriers were not affected.

This is to say we have not exercised this reservation of the right to require justification.

Representative GRIFFITHS. Well, when they brought foreign-made goods into this country at a cheaper rate, what was your action?

Mr. GULICK. If they had withdrawn from the conference, and had brought goods into this country at a lower rate, or taken goods out of this country at a lower rate, or a higher rate—it makes no difference—we would not necessarily take action unless this were found to contravene the purposes of the 1936 act.

Representative GRIFFITHS. Which the Senator from Wisconsin has already pointed out has something to do with their books alone, and not an overall consideration of whether it is of value to the United States. Is that right?

Mr. GULICK. I am sorry, I missed the last part of that. Would you mind repeating it, ma'am?

Representative GRIFFITHS. Well, your action would be based solely upon the books of that company, as to whether or not you would take any action, or do anything.

The only way in which they could get their action approved would be to present their books and show that it either helped or hurt them to do this.

Senator PROXMIRE. In other words, sound business judgment.

Representatives GRIFFITHS. Not whether it was within the best interests of the United States that they do this.

And the Senator from Illinois has already pointed out it is in the best interest of the United States if they get the business and take our goods abroad.

Mr. GULICK. Well, of course, it would be a matter of their books and also the effect upon the other members of the conference in the particular trade route concerned. That is, other American lines.

Representative GRIFFITHS. What do the other members of the conference have to do with it?

Mr. GULICK. We would want to know whether this particular operator, who left the conference—and I am putting this in very untechnical terms, which I am sure my technical compatriots would not agree with—whether leaving the conference makes an unstable rate situation, so that all would eventually suffer in a rate war.

This is our primary consideration.

Senator PROXMIRE. It is your only consideration—whether they would suffer in a rate war.

The effect it has—as you say here—the stability of trading conditions in the foreign commerce of the United States—stability is what you are interested in, stability of trading conditions.

Mr. GULICK. Yes, sir.

Senator PROXMIRE. You are not interested in whether or not it would result in a benefit to the taxpayer or to the Nation as a whole in these other matters—balance of payments.

Mr. GULICK. We have, sir, a very great interest in this.

But it is a matter which is not under our particular charter of operations.

Senator PROXMIRE. Well, is there any way that you can take action, that you can protest, that you can call to the attention of your superiors in the Department of Commerce, perhaps, or anyone else to the extent that you see that this conference operation is as perverse as we maintain it is?

Mr. GULICK. If we had knowledge of this, yes, sir; we would bring it to the attention of our superiors in Commerce, and undoubtedly also to the attention of our sister agency, the Federal Maritime Commission.

Senator PROXMIRE. You feel you have a responsibility to develop that knowledge, and to be aware of the full effects on the public interest, the interest of the United States as a whole?

Mr. GULICK. Not as far as our particular agency is concerned. There are other areas, I believe, in the Commerce Department which would assume that function.

Senator PROXMIRE. You have no responsibility in that area.

But as it comes to your attention, you feel that as a good citizen and as a responsible public official, you would report it to your superiors for whatever action they want to take.

Mr. GULICK. Yes, sir.

Senator PROXMIRE. To whom would you report it?

Mr. GULICK. To the Secretary.

Senator PROXMIRE. The Secretary of Commerce.

Have you ever taken such action?

Mr. GULICK. We have been working steadily with the Secretary's Office in furnishing such information as we have available from our trade statistics on this very point.

We have not undertaken a complete investigation of our own to develop facts.

Senator PROXMIRE. It is the Secretary of Commerce himself, Mr. Luther Hodges, to whom you would report—not the Under Secretary or one of his assistants. He would be the person in this particular case. And you have been working with him directly on this matter?

Mr. GULICK. We would report to him through the Under Secretary for Transportation, who is the secretarial officer over our particular agency.

Senator PROXMIRE. What is his name?

Mr. GULICK. Mr. Dan Martin.

Senator PROXMIRE. Mr. Martin, then, is responsible, together with the Secretary of Commerce, for the broader implications?

Mr. GULICK. Mr. Martin is responsible for the Maritime Administration and certain other agencies in the Commerce Department.

I believe that the function of balance of payments and this sort of thing comes under the economic side.

Senator PROXMIRE. Have you worked with the economics people on this?

Mr. GULICK. We cooperate with them upon request.

Senator PROXMIRE. You are doing so now, in view of what this committee is developing?

Mr. GULICK. Upon request from them.

Senator PROXMIRE. But you would not take any initiative.

Mr. GULICK. That is correct.

Senator PROXMIRE. You have not taken any initiative to date. You have responded to their requests, given them information they have asked for.

Mr. GULICK. That is right.

Representative GRIFFITHS. In any rate war—what I cannot understand is why wouldn't we win? Why wouldn't American shipping win in a rate war? We could always outsubsidize everybody else, couldn't we?

Mr. GULICK. I am not an expert in this, Mrs. Griffiths, but from what I have been able to study on the problem, particularly the rather extensive Celler study, the magnificent work in it, my impression is that no one wins in a rate war—neither the operator, the shipper, nor the public.

Representative GRIFFITHS. Let's put it another way. We would be the last losers.

Mr. GULICK. No, ma'am. I think perhaps we would be the first to be frozen out.

Representative GRIFFITHS. Why?

Mr. GULICK. Because of the rather small margin of profit which is available to the American operator. He just cannot afford to reduce his price below a certain level—otherwise he is at the complete mercy of the foreign lines.

Representative GRIFFITHS. If we were absolutely put to it, we could subsidize shipping for an unlimited time and an unlimited amount.

We could just simply say we will take the business. So that in reality—

Mr. GULICK. This would require a change in the statute.

Representative GRIFFITHS. Sure.

So that in reality these conference prices, when we are saying to these people, "You must abide by the conference prices or lose the subsidy", we are really being careful and gentle with all other shipping in the world, and all that we really ask in return is a fair and reasonable price for the whole world on shipping, and not one that discriminates against us.

It seems simple to me.

Senator PROXMIER. Particularly in view of the fact that we are carrying so many of these countries on our back in the foreign aid program.

Representative GRIFFITHS. Certainly. Just treat our goods like you treat everybody else's. No discrimination.

Mr. GULICK. Of course, in the subsidy program, I am sure you are aware that we do not guarantee a profit to the American operator.

We do the best we can to put him on a basis of parity.

But our primary purpose is to have ships, good ships, available in time of emergency, used to carry our trade today—whatever can be done to foster this purpose we are interested in.

Representative GRIFFITHS. Thank you.

Senator PROXMIER. Could I suggest, Mr. Chairman, that it would be very helpful if you gentlemen would consider amending or improving your statement in this basic letter 3-62 to add some element or some criteria of fairness to the shippers involved, fairness to American commerce and industry?

All you say is stability of trading conditions in the interests of American merchant marine, and the other criteria are the sound business judgments, so that it is possible for the flagships to operate at a profit.

And I am all for that. Of course, they have to operate at a profit, and they should.

But at the same time unless this Government—and you are the responsible administrator, you have the responsible department—unless you have some criteria of fairness to American commerce, unless you have some criteria considering the overall interests of the U.S. Government, and the American Nation, it seems to me we are going to continue to have this kind of a problem.

Mr. GULICK. I appreciate the suggestion, Senator.

And we will be glad to give it consideration.

I would like to say, however, that we are not using our subsidy payments in order to either require blind compliance with conference requirements or to effect changes.

Chairman DOUGLAS. Just a moment. Excuse me.

In the *Isbrandtsen* case, the previous board certainly did. They clubbed the *Isbrandtsen* case into compliance.

Then you come along in your 3-62 and imply that this policy is to be continued, except when the line can prove that it is to their direct interest not to do so.

I would say that you are throwing the weight of the subsidy program in behind the conference rate regulations.

These conference rate regulations in turn are fixed by foreign lines, and American lines are compelled to comply, and then you act as the policeman to require or to put great pressure on the American lines to comply with a decision made by foreign nationals.

Mr. GULICK. Nevertheless, even granting what you say, I think by and large it is a true statement that the conference arrangement, up to this moment, is the best arrangement for our subsidized operators in foreign trade.

Chairman DOUGLAS. Now, notice what you have said. What you have said has been to approve of the discriminatory shipping rates against American products, not only in steel, but in this whole wide variety of 26 commodities which we have brought forward, which holds down our exports, increases our imports, making our balance of payments more adverse.

And I take it then you stand on 3-62.

Mr. GULICK. If I may say so, Senator, as we indicated earlier, we do not condone any improper practices in the conferences.

But this is not a matter with which we are directly concerned.

Chairman DOUGLAS. Well, suppose a conference should set rates which discriminates against American exports. Shouldn't subsidies be denied to U.S. lines which agree to these rates?

Mr. GULICK. The subsidized lines, each one, have a contract with the United States under which the United States agrees to certain supports.

This is generally intended to place the subsidized line on an operating parity with the foreign competition.

The matter of rates would have no relationship to the granting of payment of these subsidies for operation. Rather it would seem that if there is a question of rate which is discriminatory against shippers, or any U.S. lines, that this is a matter for another agency to be concerned with.

Chairman DOUGLAS. You mean the Maritime Commission?

Mr. GULICK. Yes, sir.

Chairman DOUGLAS. Well, there was a gentleman by the name of Pilate once who washed his hands of all responsibility.

But history has not absolved him from responsibility of what happened.

I must say, without indulging in too moralistic conclusions—I am appalled at the actions both of the Maritime Commission and the Maritime Administration for their refusal to throw out freight rates grossly discriminatory against American shipping, and grossly adverse to the interests of the United States.

And not only doing that, but using the taxpayers' money as an enforcing weapon to see to it that no competitor protests effectively.

Senator PROXMIRE. May I say, Mr. Chairman, I think the next time that there is a requirement for Congress to pass on another \$300 million or so of subsidies to these shippers, that an amendment such as the chairman of this committee has suggested prohibiting subsidies to lines that cooperate with conferences—conferences which set rates discriminatory against American products—would make a very interesting amendment, and in my mind it is doubtful if many Members of the Senate or House would be inclined to vote against that kind of amendment.

Chairman DOUGLAS. I think the Senator from Wisconsin is right. Now, may I ask this?

Have you ever made a study of the discriminatory freight rates adverse to American shipping?

Mr. GULICK. No, sir; not to my knowledge.

Chairman DOUGLAS. You have never made such a study?

Representative GRIFFITHS. Mr. Chairman—may I ask.

Aren't all rates the same for all ships in the world going through the Panama Canal? Is there a rate differential going through the Panama Canal?

Mr. GULICK. You mean the Panama Canal tolls?

Representative GRIFFITHS. Yes.

Mr. GULICK. They are based upon a uniform schedule.

Representative GRIFFITHS. Everybody is treated alike. There is nothing in favor of our shipping.

So that at that time, when we built that canal and operated it, we treated all people the same.

Well, I do think that that is all we are asking for now. And I think it is pretty simple. Either treat us exactly alike, or we will build our own ships and export our own goods.

Senator PROXMIRE. It is so shocking, you know, Mr. Chairman, that we haven't had one single word, a sentence of justification for these discriminatory rates.

Everybody seems to imply that they are justified. And yet it has been accepted—just absolutely shocking to me. I cannot understand it.

Chairman DOUGLAS. I must say I am appalled at the attitude of the foreign shipping lines, of the foreign governments, of our own shipping interests, of our own exporters, of our regulatory bodies, of our administrative boards.

It is as though everybody is in conspiracy against the interests of the United States.

Senator PROXMIRE. And these responsible and expert witnesses before us have not given us one single line of justification. Not one.

Chairman DOUGLAS. Senator Miller.

Senator MILLER. I would like to ask the witnesses this question.

As I understand it, we are agreed that discrimination exists against our interests on the part of these conferences, or at least on the part of some of these conferences.

Do you have a list of the members of these conferences by country, which conferences have practiced this discrimination?

Mr. GULICK. Senator, we do not. We would rely upon the Federal Maritime Commission to supply that information, if we were to get it.

Senator MILLER. Well, suppose the Federal Maritime Commission supplies this committee with such a list, and we should perceive from an examination of this list that some of these nations that are listed are recipients of development loans and foreign aid grants, by our Agency for International Development.

Would it be your position that our foreign aid program should be amended to provide for some type of activity on our part with respect to the preference or perhaps even the withholding of foreign aid against those recipient nations which are members of these conferences which are practicing discrimination against us?

Mr. GULICK. This, sir, would be a matter which would involve a high policy concerned with international relations and I do not think we would be in a position to advise without consulting first with our Department and perhaps the State Department also.

Senator MILLER. Well, may I point out that you would perhaps be asked for a recommendation.

And I would like to know what would be your recommendation. Granted that your recommendation might not be accepted.

What would be your recommendation?

Mr. GULICK. I am afraid I could not give an answer on that now, sir.

Senator MILLER. Well, do you have any idea on what type of action we can take?

I have suggested the foreign aid route, the Public Law 480 is another specific area.

As I understand it, under Public Law 480, we are required to transport our surplus grain in American-owned bottoms, except in the case of barter agreements, and that these barter agreements are very substantial.

Would it be feasible, or would you have any recommendation on whether Public Law 480 with respect to barter shipments might be modified to provide for preferential treatment, for example, to those flagships of nations which are not discriminating against us, or do you think we should, regardless of what action is taken by one of these foreign countries, continue to use foreign bottoms?

Should there be any distinction between them?

Mr. GULICK. I doubt very much that this would be too fruitful a course, for the reason that I think I am correct in saying that most of the shipments under Public Law 480 are carried by tramp ships, who are not members of conferences.

So that it would be an apple and orange proposition.

Senator MILLER. Well, Mr. Chairman, could I suggest that the committee staff obtain a list of those nations which are members of these conferences which are practicing discrimination, and that along with that list be set forth the amount of foreign aid that this country is giving to those particular nations?

I think it might be a very valuable piece of information. And I think it might also be very valuable information to furnish to the Foreign Relations Committee.

Chairman DOUGLAS. We will try to get that.

Of course, in view of the fact that the inbound conferences have their headquarters in European cities, this may be difficult to obtain.

But we will ask Dr. Knowles to try to get as much of this information from both the Maritime Commission and from the AID administration as we can.

(The material referred to follows:)

The following tables show the names of steamship conferences operating in the foreign commerce of the United States, and the nationality of the conference member lines:

No. 14-1—TRANS-PACIFIC FREIGHT CONFERENCE

P. & O. Building, Hong Kong, China

Covers freight traffic from Hong Kong, Canton, Amoy, Foochow, Swatow, and all other ports in China south of and including Foochow, Formosa, Indochina, and Siam to United States and Canadian Pacific coast ports and to Honolulu, Hawaii.

	<i>Number of lines</i>
U.S.-flag lines.....	7
Foreign-flag lines.....	22
<hr/>	
Denmark.....	1
Japan.....	9
Jugoslavia.....	1
Norway.....	4
Philippines.....	5
Sweden/Holland.....	1
United Kingdom.....	1

No. 17—FAR EAST CONFERENCE

11 Broadway, New York, N.Y.

U.S. Atlantic and gulf ports to Japan, Korea, Taiwan (Formosa), Siberia, Manchuria, China, Hong Kong, Indochina, and the Republic of the Philippines.

U.S.-flag lines.....	5
Foreign-flag lines.....	14
<hr/>	
Denmark.....	1
Japan.....	9
Norway.....	2
Philippines.....	2

No. 50-1—PACIFIC COAST AUSTRALASIAN TARIFF BUREAU

465 California Street, San Francisco, Calif.

United States and Canadian Pacific coast and Honolulu to States of Queensland, New South Wales, Victoria, South Australia, and Tasmania in Australia; New Zealand, Cook Islands, Fiji Islands, New Caledonia, New Guinea, New Hebrides, Norfolk Island, British Samoa, Solomon Islands, Tahiti, Thursday Islands, Tonga Islands, and Gilbert Islands.

U.S.-flag lines.....	1
Foreign-flag lines.....	5
<hr/>	
Germany.....	1
New Zealand.....	1
Sweden.....	1
United Kingdom.....	2

DISCRIMINATORY OCEAN FREIGHT RATES

No. 57—PACIFIC WESTBOUND CONFERENCE

465 California Street, San Francisco, Calif.

United States and Canadian Pacific coast ports to Japan, Korea, Taiwan (Formosa), Siberia, Manchuria, China, Hong Kong, Indochina, Thailand, and the Republic of the Philippines.

	<i>Number of Lines</i>
U.S.-flag lines.....	7
Foreign-flag lines.....	¹ 19
Denmark.....	1
Japan.....	10
Liberia.....	1
Norway.....	2
Philippines.....	4
Sweden/Holland.....	1

¹ Plus associate members, 4: Japan, 1; Norway, 2; United Kingdom, 1.

No. 59—RIVER PLATE AND BRAZIL CONFERENCES

17 Battery Place, New York, N.Y.

U.S.-flag lines.....	2
Foreign-flag lines.....	12
Argentina.....	1
Brazil.....	1
Denmark.....	1
Germany.....	1
Holland.....	1
Norway.....	2
Sveden.....	2
United Kingdom.....	2
Uruguay.....	1

No. 85—TRANS-PACIFIC FREIGHT CONFERENCE OF NORTH CHINA

465 California Street, San Francisco, Calif.

Shanghai, Yangtze River, and China north of Shanghai to United States, Canadian Pacific coast and Honolulu/Hilo, Hawaii.

U.S.-flag lines.....	6
Foreign-flag lines.....	5
Denmark.....	2
Norway.....	1
Philippines.....	1
United Kingdom.....	1

No. 88—ATLANTIC EASTBOUND FREIGHT ASSOCIATION

Cunard Building, Liverpool, England

Deals with problems arising at ports in Great Britain in connection with freight traffic from Canadian Atlantic and United States Atlantic and gulf ports to Great Britain.

U.S.-flag lines.....	1
Foreign-flag lines.....	13
Canada.....	1
Scotland.....	1
United Kingdom.....	11

No. 90—JAVA-NEW YORK RATE AGREEMENT

Kali Besar Barat 50, Djakarta-Kota, Indonesia

Covers freight traffic from Indonesian ports, exclusive of ports on the east coast of Sumatra between Langsa and Indragiri, both ports included, to United States Atlantic and gulf ports.

	<i>Number of lines</i>
U.S.-flag lines-----	3
Foreign-flag lines-----	6
Denmark-----	1
France-----	1
Japan-----	1
Norway-----	2
United Kingdom-----	1

No. 93—OUTWARD CONTINENTAL NORTH PACIFIC FREIGHT CONFERENCE

Karel Doormanlaan 8, Katwijk Aan Zee, Holland

Covers freight traffic from Scandinavian, Baltic, German, Dutch, Belgian and French Atlantic ports to United States and Canadian Pacific coast ports, and to Hawaii, with transshipment at Los Angeles Harbor or San Francisco.

U.S.-flag lines-----	¹ 0
Foreign-flag lines-----	10
Denmark-----	1
France-----	1
Germany-----	2
Holland-----	2
Japan-----	2
Sweden-----	2

¹ Plus associate U.S. member, 1.

No. 134—GULF/MEDITERRANEAN PORTS CONFERENCE

Covers freight traffic from United States gulf and south Atlantic ports—Brownsville, Tex./Wilmington, N.C. range—to Spanish Mediterranean ports (from Huelva, east, including Balearic Islands), French Mediterranean ports, Monaco and Corsica, North African ports in Morocco, Algeria, and Tunisia, Sicily, Sardinia, and west coast of Italy ports, Egyptian (Mediterranean), Palestinian, Syrian, Grecian, Turkish, Russian (Black Sea), Bulgarian, Rumanian ports, all Adriatic Seaports, and Gulf of Taranto ports.

U.S.-flag lines-----	¹ 6
Foreign-flag lines-----	² 14
Denmark-----	1
France-----	1
Germany-----	1
Greece-----	1
Holland-----	1
Israel-----	1
Italy-----	1
Norway-----	3
Panama-----	1
Spain-----	1
Sweden-----	1
Sweden/United Kingdom-----	1

¹ Plus associated member (United States), 2.

² Plus associated members, 3: France, 1; United Kingdom, 2.

No. 140-1—GULF/FRENCH ATLANTIC HAMBURG RANGE FREIGHT CONFERENCE

927 Whitney Building, New Orleans, La.

Covers freight traffic from United States gulf ports to France (Atlantic and channel ports only), Belgium, Holland, and Germany (excluding German Baltic).

	<i>Number of lines</i>
U.S.-flag lines.....	4
Foreign-flag lines.....	10
Belgium.....	2
Denmark/Liberia.....	1
France.....	1
Germany.....	3
Holland.....	1
Norway.....	1
Sweden.....	1

NOTE.—See conference No. 161 for associate members.

No. 150—TRANS-PACIFIC FREIGHT CONFERENCE OF JAPAN

603 Yusen Building, No. 20 Marunouchi 2 chome, Chiyodaku, Tokyo, Japan.

Covers freight traffic from Japan, Korea, and Okinawa to Pacific coast ports of California, Oregon, Washington, Canada, and the ports of Hawaii and Alaska.

U.S.-flag lines.....	7
Foreign-flag lines.....	19
Denmark.....	1
Japan.....	11
Norway.....	3
Philippines.....	3
United Kingdom.....	1

No. 161—GULF/UNITED KINGDOM CONFERENCE

927 Whitney Building, New Orleans, La.

Covers freight traffic from U.S. gulf ports to England, Ireland, Scotland, and Wales.

U.S.-flag lines.....	3
Foreign-flag lines.....	5
Denmark/Liberia.....	1
Holland.....	1
United Kingdom.....	3

NOTE.—See conference No. 140-1 for associate members.

No. 191—JAVA PACIFIC RATE AGREEMENT

Post Office Box 2001, Djakarta-Kota, Indonesia.

U.S.-flag lines.....	3
Foreign-flag lines.....	2
Norway.....	2

No. 192—DELI-PACIFIC RATE AGREEMENT

Post Office Box 134, Medan, Indonesia.

Covers freight traffic from east coast ports of Sumatra between Langsa and Indragiri, both inclusive, to Pacific coast ports of North America.

U.S.-flag lines.....	3
Foreign-flag lines.....	3
Denmark.....	1
Norway.....	2

No. 194—HONG KONG/PANAMA FREIGHT CONFERENCE

Commercial Management, Ltd., Hong Kong, China.

Covers freight traffic from Hong Kong and Canton to Panama Canal Zone.

	<i>Number of lines</i>
U.S.-flag lines-----	5
Foreign-flag lines-----	11
Denmark-----	1
Japan-----	6
Norway-----	2
Philippines-----	2

No. 2723—GULF/UNITED KINGDOM AND CONTINENTAL JOINT CONTRACT AGREEMENT

Covers period agreements with exporters and the observance by each conference of rates on cargo transhipped within the scope of the other conference.

NOTE.—See conferences No. 140-1 and 161 for member lines.

No. 2744—ATLANTIC AND GULF/WEST COAST OF SOUTH AMERICA CONFERENCE

Covers freight traffic from U.S. Atlantic and gulf ports to west coast of Colombia, and to Ecuador, Peru, and Chile.

U.S.-flag lines-----	3
Foreign-flag lines-----	3
Chile-----	1
Colombia-----	2

No. 2846—WEST COAST OF ITALY, SICILIAN AND ADRIATIC POSTS/NORTH ATLANTIC RANGE CONFERENCE

Vico S. Luca, Genoa, Italy

Covers freight traffic from west coast of Italy ports between Ventimiglia and Reggio Calabria, Sicilian ports, ports on the Adriatic Sea, and Sardinian ports to U.S. North Atlantic ports.

U.S.-flag lines-----	3
Foreign-flag lines-----	15
Denmark-----	2
France-----	1
Greece-----	3
Israel-----	1
Italy-----	3
Japan-----	1
Yugoslavia-----	1
Liberia-----	1
Norway-----	1
United Kingdom-----	1

No. 3103—JAPAN-ATLANTIC AND GULF FREIGHT CONFERENCE

603 Yusen Building, No. 20 Marunouchi 2-chome, Chiyodaku, Tokyo, Japan

Covers freight traffic from Japan, Korea, and Okinawa to Atlantic and gulf ports of North America.

U.S.-flag lines-----	5
Foreign-flag lines-----	15
Denmark-----	1
Japan-----	9
Norway-----	1
Panama-----	1
Philippines-----	3

No. 3302—ASSOCIATION OF WEST COAST STEAMSHIP COMPANIES

Post Office Box 5042, Cristobal, C.Z.

Covers freight traffic from Pacific coast ports of Colombia and Ecuador to Cristobal and Balboa; to U.S. Atlantic, gulf and Pacific coast ports (including Alaska); and to all other destinations, except those under the jurisdiction of the European/South Pacific and Magellan Conference; also between ports in Colombia and/or Ecuador.

	<i>Number of lines</i>
U.S.-flag lines.....	1 ³
Foreign-flag lines.....	2 ⁵
Chile.....	1
Colombia.....	2
Holland.....	1
Japan.....	1

¹ Plus associated U.S. lines, 3.² Plus associated foreign lines, 9: Chile, 1; Colombia, 2; Denmark, 1; Holland, 1; Japan, 1; Sweden, 2; United Kingdom, 1.

No. 3357—UNITED KINGDOM/UNITED STATES PACIFIC FREIGHT ASSOCIATION

14 Leadenhall Street, London, E.C., England

Covers freight traffic from the United Kingdom to U.S. Pacific coast ports, and to Honolulu, Hawaii, with transshipment at Los Angeles or San Francisco.

U.S.-flag lines.....	1 ⁰
Foreign-flag lines.....	2 ⁴
Holland.....	2
United Kingdom.....	2

¹ Plus associated lines, United States, 1.² Plus associated members, 3: Denmark, 1; Japan, 1; Sweden, 1.

No. 3868—ATLANTIC & GULF/PANAMA CANAL ZONE, COLON & PANAMA CITY CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic between U.S. Atlantic and gulf ports and Colon, Panama City, and all points in the Canal Zone.

U.S.-flag lines.....	4
Foreign-flag lines.....	4
Colombia.....	2
Costa Rica.....	1
Nicaragua.....	1

No. 4188—GULF & SOUTH ATLANTIC HAVANA STEAMSHIP CONFERENCE

321 St. Charles Street, New Orleans, La.

Covers freight traffic from U.S. gulf and South Atlantic ports to Havana, Mariel, and Matanzas, Cuba.

U.S.-flag lines.....	2
Foreign-flag lines (Cuba).....	1

Associated lines (see members of Havana Steamship Conference No. 4189 participating in agreement No. 5080).

No. 4189—HAVANA STEAMSHIP CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic from U.S. North Atlantic ports—Maine/Virginia range—to Havana, Mariel, and Matanzas, Cuba.

	<i>Number of lines</i>
U.S.-flag lines.....	1
Foreign-flag lines (Colombia).....	1

Associated lines (see members of Gulf & South Atlantic Havana Steamship Conference No. 4188 participating in agreement No. 5080).

No. 4292—SHANGHAI/ATLANTIC & GULF JOINT AGREEMENT

In respect to maintenance of rates of New York Freight Bureau (Shanghai) by member of Trans-Pacific Freight Conference of North China on cargo moving under through bills of lading from Shanghai; Yangtze River ports; and ports in China north of Shanghai to U.S. Atlantic and gulf ports, transshipped at United States or Canadian Pacific coast ports.

Member lines of New York Freight Bureau (Shanghai) No. 5800:

U.S.-flag lines.....	5
Foreign-flag lines.....	4
Denmark.....	1
Norway.....	2
Philippines.....	1

Member Lines of Trans-Pacific Freight Conference of North China No. 85:

U.S.-flag lines.....	6
Foreign-flag lines.....	5
Denmark.....	2
Norway.....	1
Philippines.....	1
United Kingdom.....	1
Total, U.S.-flag lines.....	11
Total, foreign-flag lines.....	9

No. 4294—PACIFIC COAST/CARIBBEAN SEA PORTS CONFERENCE

417 Montgomery Street, San Francisco, Calif.

Covers freight traffic from U.S. and Canadian Pacific ports to Barbados, British Guiana, British Honduras, Cuba, Dominican Republic, French Guiana, French and Netherlands West Indies, Haiti, Jamaica, Leeward and Windward Islands, Surinam, Trinidad, Venezuela, and on the east coasts of Colombia, Costa Rica, Guatemala, Honduras, Nicaragua, and Republic of Panama (except Colon).

U.S.-flag lines.....	2
Foreign-flag lines.....	16
Canada.....	2
Colombia.....	1
Holland.....	2
Israel.....	1
Italy.....	2
Japan.....	5
Norway.....	1
Panama.....	1
Sweden.....	1

No. 4379—HONG KONG/NORTH ATLANTIC & GULF JOINT AGREEMENT

In respect to the maintenance of the same rates by members of the New York Freight Bureau (Hong Kong) and members of the Trans-Pacific Freight Conference (Hong Kong) on cargo transported by them from Hong Kong, Canton, Swatow, Amoy, Foochow, and all other ports in China south of and including Foochow; Formosa and Indochina to U.S. Atlantic and gulf ports either direct or with transshipment at Pacific coast ports.

	<i>Number of lines</i>
Member lines of New York Freight Bureau (Hong Kong) No. 5700:	
U.S.-flag lines.....	6
Foreign-flag lines.....	16
Denmark.....	1
Japan.....	8
Norway.....	2
Panama.....	1
Philippines.....	3
United Kingdom.....	1

Member lines of Trans-Pacific Freight Conference (Hong Kong) No. 14-1: Unknown to Maritime Commission.

No. 4490—NORTH ATLANTIC CONTINENTAL FREIGHT CONFERENCE

17 Battery Place, New York, N.Y.

Covers freight traffic from U.S. North Atlantic ports—Portland, Maine/Hampton Roads range—to ports in Belgium, Holland, and Germany (excluding German Baltic).

U.S.-flag lines.....	4
Foreign-flag lines.....	6
Belgian Congo.....	1
France.....	1
Germany.....	2
Holland.....	1
Norway.....	1

No. 4610—U.S. ATLANTIC & GULF-JAMAICA CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic from U.S. Atlantic and gulf ports—Portland/Houston range to Kingston, Jamaica, and to Jamaican outports.

U.S.-flag lines.....	3
Foreign-flag lines.....	2
Foreign-flag lines:	
Holland.....	1
Panama.....	1

No. 4630—PACIFIC/WEST COAST OF SOUTH AMERICA CONFERENCE

417 Montgomery Street, San Francisco, Calif.

Covers freight traffic from United States and Canadian Pacific coast ports to Pacific coast ports in Colombia, Ecuador, Peru, and Chile.

U.S.-flag lines.....	1
Foreign-flag lines.....	4
Colombia.....	1
Japan.....	2
Sweden.....	1

No. 5080

Agreement in respect to consignees' freighting agreements covering cargo moving from U.S. Atlantic and gulf ports to Cuba between—

Member lines of Gulf and South Atlantic Havana Steamship Conference
No. 4188:

	<i>Number of lines</i>
U.S.-flag lines.....	2
Foreign-flag lines (Cuba).....	1
Member lines of Havana Steamship Conference No. 4189:	
U.S.-flag lines.....	1
Foreign-flag lines (Colombia).....	1

No. 5200—PACIFIC COAST-EUROPEAN CONFERENCE

417 Montgomery Street, San Francisco, Calif.

Covers freight traffic from U.S. Pacific coast ports to United Kingdom and Northern Ireland, Ireland, the Scandinavian Peninsula, continental Europe, including ports on and in the Baltic and Mediterranean Seas, as well as the seas bordering thereon, and French Morocco and to the Atlantic islands of the Azores, Madeira, Canary, and Cape Verdes, and by transshipment at the aforementioned ports to ports in South-West and east Africa.

U.S.-flag lines.....	2
Foreign-flag lines.....	20
Canada.....	2
Denmark.....	1
France.....	1
Germany.....	3
Holland.....	2
Israel.....	1
Italy.....	3
Japan.....	1
Yugoslavia.....	1
Sweden.....	3
United Kingdom.....	2

No. 5300—NORWAY/NORTH ATLANTIC CONFERENCE

Roald Amundsens Gate 5, Oslo, Norway

Covers freight traffic from Norway to U.S. North Atlantic ports.

U.S.-flag lines.....	1
Foreign-flag lines (Norway).....	2

No. 5400—GULF-SCANDINAVIAN & BALTIC SEA PORTS CONFERENCE

927 Whitney Building, New Orleans, La.

Covers freight traffic from U.S. gulf ports—Tampa, Fla./Brownsville, Tex., range to ports in Danzig Free State, Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Poland, Sweden, and to Russian and German ports on the Baltic Sea.

U.S.-flag lines.....	1
Foreign-flag lines.....	3
Denmark.....	1
Norway.....	1
Sweden.....	1

No. 5450—BRAZIL/UNITED STATES-CANADA FREIGHT CONFERENCE

17 Battery Place, New York, N.Y.

Covers freight traffic except passengers' baggage and refrigerated cargo from Brazilian ports (Victoria and ports south thereof) to U.S. Atlantic and gulf ports, and to ports in eastern Canada including St. Lawrence River ports and its tributaries including but not west of Montreal but not including Newfoundland.

	<i>Number of lines</i>
U.S.-flag lines.....	2
Foreign-flag lines.....	12
Argentina.....	1
Brazil.....	1
Denmark.....	1
Germany.....	1
Holland.....	1
Japan.....	1
Norway.....	2
Sweden.....	2
United Kingdom.....	1
Uruguay.....	1

No. 5500—NEW YORK COMMITTEE OF INWARD FAR EAST LINES

Deals with local matters arising in connection with discharge and delivery of cargo from Japan, China, Manchuria, Philippine Islands, Malayan Union and Colony of Singapore, Indonesia, Siam, and French Indochina, to U.S. Atlantic and gulf ports.

U.S.-flag lines.....	6
Foreign-flag lines.....	21
Denmark.....	1
France.....	1
Holland.....	1
Japan.....	9
Norway.....	3
Panama.....	1
Philippines.....	3
United Kingdom.....	2

No. 5600—ASSOCIATED STEAMSHIP LINES (MANILA)

Covers freight traffic from the Philippine Islands direct to, or via ports in, United States, Canada, Cuba, Mexico, Central America, Caribbean Sea ports, West Indies, Canal Zone, South America.

U.S.-flag lines.....	9
Foreign-flag lines.....	52
Burma.....	1
Denmark.....	2
France.....	2
Germany.....	3
Holland.....	5
Israel.....	1
Japan.....	10
Liberia.....	1
Norway.....	6
Panama.....	1
Philippines.....	7
Sweden.....	2
Sweden/Holland.....	1
United Kingdom.....	9
Registry unknown.....	1

No. 5660—MARSEILLES/NORTH ATLANTIC U.S.A. FREIGHT CONFERENCE

Impasse des Peupliers, Marseille, France

Covers freight traffic from Marseilles, France, to U.S. Atlantic coast ports.

	<i>Number of lines</i>
U.S.-flag lines.....	2
Foreign-flag lines.....	7
Denmark.....	1
France.....	1
Germany.....	1
Israel.....	1
Italy.....	1
Japan.....	1
Sweden.....	1

No. 5680—PACIFIC/STRAITS CONFERENCE

465 California Street, San Francisco, Calif.

Covers freight traffic from United States and Canadian Pacific coast ports to the Colony of Singapore, Federation of Malaya, Colony of Sarawak, Colony of British North Borneo, including Labuan, and the British Protected State of Brunei.

U.S.-flag lines.....	¹ 3
Foreign-flag lines.....	² 5
Denmark.....	1
Japan.....	1
Norway.....	2
Sweden/Holland.....	1

¹ Plus associate member (United States), 1.² Plus foreign associate members, 4: Japan, 1; Norway, 2; United Kingdom, 1.

No. 5700—NEW YORK FREIGHT BUREAU (HONG KONG)

P. & O. Building, Hong Kong, China

Covers freight traffic from Hong Kong, Canton, Amoy, Foochow, and all other ports in China south of and including Foochow, and from Formosa and Indochina, excluding Saigon, to U.S. Atlantic and gulf ports.

Member lines of Trans-Pacific Freight Conference No. 14-1: U.S.-flag lines.

U.S.-flag lines.....	6
Foreign-flag lines.....	16
Denmark.....	1
Japan.....	8
Norway.....	2
Panama.....	1
Philippines.....	3
United Kingdom.....	1

Member lines of Trans-Pacific Freight Conference No. 14-1: U.S.-flag lines.

Covers freight traffic from Hong Kong, Canton, Amoy, Foochow, and all other ports in China south of and including Foochow, and from Formosa and Indochina, excluding Saigon, to U.S. Atlantic and gulf ports.

No. 5800—NEW YORK FREIGHT BUREAU (SHANGHAI)

11 Broadway, New York, N.Y.

Covers freight traffic from Shanghai, Yangtze River ports, and ports in China north of Shanghai to U.S. Atlantic and gulf ports.

	<i>Number of lines</i>
U.S.-flag lines.....	15
Foreign-flag lines.....	14
<hr/>	
Denmark.....	1
Norway.....	2
Philippines.....	1
¹ Plus associate lines, members of Trans-Pacific Conference of North China No. 85:	
U.S.-flag lines.....	6
Foreign-flag lines.....	5
<hr/>	
Denmark.....	2
Norway.....	1
Philippines.....	1
United Kingdom.....	1

No. 5850—NORTH ATLANTIC WESTBOUND FREIGHT ASSOCIATION

Cunard Building, Liverpool, England

Covers freight traffic from Great Britain and North Ireland and Eire to North and South Atlantic ports of the United States.

U.S.-flag lines.....	2
Foreign-flag lines.....	10
<hr/>	
Belgium.....	1
Germany.....	2
Ireland.....	1
United Kingdom.....	6

No. 6010—STRAITS/NEW YORK CONFERENCE

Post Office Box 247, Singapore, Malaya

Covers freight traffic from the state of Singapore and Federation of Malaya to U.S. Atlantic and gulf ports.

U.S.-flag lines.....	4
Foreign-flag lines.....	11
<hr/>	
Denmark.....	1
France.....	1
Holland.....	1
Japan.....	4
Norway.....	2
United Kingdom.....	2

No. 6060—PACIFIC/INDONESIAN CONFERENCE

465 California Street, San Francisco, Calif.

Covers freight traffic from United States and Canadian Pacific coast ports to ports in Indonesia, and also freight traffic transhipped at a port in Indonesia to ports beyond

U.S.-flag lines.....	12
Foreign-flag lines.....	13
<hr/>	
Denmark.....	1
Norway.....	2

¹ Plus associate members: U.S.-flag lines, 1; foreign-flag lines (Norway), 2.

No. 6070—CANAL, CENTRAL AMERICA NORTHBOUND CONFERENCE

417 Montgomery Street, San Francisco, Calif.

Covers freight traffic, except green coffee of Central America and Mexico, from Colon, Panama City, Panama, Canal Zone, and west coast Central American ports to United States and Canadian Pacific ports.

	<i>Number of lines</i>
U.S.-flag lines.....	2
Foreign-flag lines.....	13
Colombia.....	1
Denmark.....	1
France.....	1
Holland.....	2
Israel.....	1
Italy.....	2
Japan.....	1
Panama.....	1
Sweden.....	2
United Kingdom.....	1

No. 6080—U.S. ATLANTIC & GULF-SANTO DOMINGO CONFERENCE

8-10 Bridge Street, New York, N.Y.

Covers freight traffic between U.S. Atlantic and gulf ports and the Dominican Republic, and between ports in the Dominican Republic.

U.S.-flag lines.....	3
Foreign-flag lines.....	3
Dominican Republic.....	1
Holland.....	1
Panama.....	1

No. 6170—CAPCA FREIGHT CONFERENCE

417 Montgomery Street, San Francisco, Calif.

Covers freight traffic from United States and Canadian Pacific coast ports to Pacific coast ports of Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and to Puerto Armuelles, Panama.

U.S.-flag lines.....	1
Foreign-flag lines.....	6
Colombia.....	1
Italy.....	1
Japan.....	3
Panama.....	1

No. 6190—U.S. ATLANTIC & GULF-VENEZUELA & NETHERLANDS ANTILLES CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic between U.S. Atlantic and gulf ports and ports in Venezuela and in the islands of Curacao, Aruba, and Bonaire, Netherlands Antilles.

U.S.-flag lines.....	3
Foreign-flag lines (Holland).....	1

No. 6200—U.S. ATLANTIC & GULF/AUSTRALIA NEW ZEALAND CONFERENCE

39 Broadway, New York, N.Y.

Covers freight traffic from Atlantic and gulf ports of the United States to ports in the Commonwealth of Australia (including Tasmania), the Dominion of New Zealand, Cook Island, Fiji Islands, New Caledonia, Australian Mandated New Guinea, New Hebrides, Norfolk Island, British Samoa, Solomon Islands, Society Islands, Thursday Island, Tonga Islands, Gilbert Islands, Ellice Islands, Admiralty Islands, and Bismark Archipelago.

	<i>Number of lines</i>
U.S.-flag lines.....	1
Foreign-flag lines.....	¹ 4
Germany.....	1
United Kingdom.....	3

¹ Plus associated member (United Kingdom), 1.

No. 6270—WEST COAST SOUTH AMERICA/NORTH PACIFIC COAST CONFERENCE

417 Montgomery Street, San Francisco, Calif.

Covers freight traffic from Pacific coast ports of Chile and Peru to United States and Canadian Pacific ports.

U.S.-flag lines.....	1
Foreign-flag lines.....	3
Colombia.....	1
Japan.....	2

No. 6400—PACIFIC COAST RIVER PLATE BRAZIL CONFERENCE

417 Montgomery Street, San Francisco, Calif.

Covers freight traffic from Pacific coast ports of North America to ports in Argentina, Uruguay, and Brazil; and from ports in Argentina, Uruguay, and Brazil to ports in California, Oregon, Washington, and British Columbia.

U.S.-flag lines.....	1
Foreign-flag lines.....	5
Japan.....	4
Sweden.....	1

No. 6500—CALCUTTA/U.S.A. CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic from Calcutta, India, to U.S. Atlantic ports in the Portland/Hampton Roads range.

U.S.-flag lines.....	3
Foreign-flag lines.....	4
Greece.....	1
India.....	1
Panama.....	1
United Kingdom.....	1

No. 6670—CAMEXCO FREIGHT CONFERENCE

417 Montgomery Street, San Francisco, Calif.

Covers green coffee from West coast ports of Central America and Mexico to United States and Canadian Pacific coast ports.

	<i>Number of lines</i>
U.S.-flag lines.....	1
Foreign-flag lines.....	13
Colombia.....	1
Denmark.....	1
France.....	1
Germany.....	2
Holland.....	2
Israel.....	1
Italy.....	1
Japan.....	1
Panama.....	1
Sweden.....	2

No. 6800—EAST COAST SOUTH AMERICA REEFER CONFERENCE

17 Battery Place, New York, N.Y.

Covers refrigerated cargo from U.S. Atlantic and gulf ports to Brazil, Uruguay, and Argentina.

U.S.-flag lines.....	2
Foreign-flag lines.....	8
Argentina.....	1
Brazil.....	1
Germany.....	1
Norway.....	2
Sweden.....	2
United Kingdom.....	1

No. 6870

Agreement covering cargo of oil companies intended for their use and not for resale purposes transported from U.S. Atlantic and gulf ports to Curacao, Aruba, and Bonaire, NWI, and Venezuela.

U.S.-flag lines.....	3
Foreign-flag lines (Holland).....	1

No. 6900—RIVER PLATE-UNITED STATES-CANADA FREIGHT CONFERENCE

17 Battery Place, New York, N.Y.

Covers freight traffic, except passengers' baggage and refrigerated cargo, from Argentina, Paraguay, and Uruguay to United States Atlantic and gulf ports and ports in eastern Canada including ports on the St. Lawrence River and its tributaries, including but not west of Montreal, but not including Newfoundland.

U.S.-flag lines.....	2
Foreign-flag lines.....	12
Argentina.....	1
Brazil.....	1
Denmark.....	1
Germany.....	1
Holland.....	1
Japan.....	1
Norway.....	2
Sweden.....	2
United Kingdom.....	1
Uruguay.....	1

DISCRIMINATORY OCEAN FREIGHT RATES

No. 7090—STRAITS/PACIFIC CONFERENCE

Post Office Box 247, Singapore, Malaya

Covers freight traffic from ports in the state of Singapore and Federation of Malaya to Pacific coast ports of the United States and Canada, and to ports in the Hawaiian Islands.

	<i>Number of lines</i>
U.S.-flag lines.....	4
Foreign-flag lines.....	9
Denmark.....	1
Japan.....	5
Norway.....	1
Sweden/Holland.....	1
United Kingdom.....	1

No. 7100—NORTH ATLANTIC UNITED KINGDOM FREIGHT CONFERENCE

17 Battery Place, New York, N.Y.

Covers freight traffic from U.S. North Atlantic ports in the Hampton Roads/Portland, Maine, range to England, Scotland, Wales, Northern Ireland, and the Irish Free State.

U.S.-flag lines.....	2
Foreign-flag lines.....	10
France.....	1
Holland.....	1
Ireland.....	1
United Kingdom.....	7

No. 7170—PACIFIC COAST/PANAMA CANAL FREIGHT CONFERENCE

417 Montgomery Street, San Francisco, Calif.

Covers freight traffic from United States and Canadian Pacific coast ports to Colon, Panama City, Balboa, and Cristobal.

U.S.-flag lines.....	2
Foreign-flag lines.....	10
Colombia.....	1
Holland.....	2
Italy.....	1
Japan.....	5
Norway.....	1

No. 7190—DELI NEW YORK RATE AGREEMENT

Post Office Box 134, Medan, Indonesia

Covers freight traffic from the east coast of Sumatra between Langsa and Indragiri, both ports included, to U.S. Atlantic and gulf ports.

U.S.-flag lines.....	3
Foreign-flag lines.....	7
Denmark.....	1
Holland.....	1
Norway.....	2
Panama.....	1
United Kingdom.....	2

No. 7200—RIVER PLATE AND BRAZIL/UNITED STATES REEFER CONFERENCE

17 Battery Place, New York, N.Y.

Covers refrigerated cargo from Uruguay, Argentina, and Brazil to U.S. Atlantic and gulf ports.

	<i>Number of lines</i>
U.S.-flag lines.....	2
Foreign-flag lines.....	7
Argentina.....	1
Brazil.....	1
Germany.....	1
Norway.....	1
Sweden.....	2
United Kingdom.....	1

No. 7270—COLPAC FREIGHT CONFERENCE

417 Montgomery St., San Francisco, Calif.

Covers freight traffic from Atlantic ports of Colombia to United States and Canadian Pacific coast ports.

U.S.-flag lines.....	0
Foreign-flag lines.....	6
Colombia.....	1
Holland.....	2
Italy.....	1
Sweden.....	2

No. 7540—LEEWARD & WINDWARD ISLANDS & GUIANAS CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic, except bauxite ores in bulk, between U.S. Atlantic and gulf ports and ports in the Virgin Islands, Leeward and Windward Islands, Trinidad, Barbados, British, French, and Netherlands Guianas.

U.S.-flag lines.....	2
Foreign-flag lines.....	2
Holland.....	1
United Kingdom.....	1

No. 7550—HAVANA NORTHBOUND RATE AGREEMENT

11 Broadway, New York, N.Y.

Covers freight traffic from Havana, Cuba, to U.S. ports, Eastport, Maine, to Brownsville, Tex., both inclusive.

U.S.-flag lines.....	3
Foreign-flag lines (Colombia).....	1

No. 7570—PACIFIC COAST/MEXICO FREIGHT CONFERENCE

417 Montgomery Street, San Francisco, Calif.

Covers freight traffic except green coffee northbound, between United States and Canadian Pacific coast ports and Mexican Pacific coast ports.

U.S.-flag lines.....	1
Foreign-flag lines.....	8
Colombia.....	1
Italy.....	1
Japan.....	5
Sweden.....	1

No. 7580—AUSTRALIA, NEW ZEALAND & SOUTH SEA ISLANDS-PACIFIC COAST CONFERENCE

465 California Street, San Francisco, Calif.

Covers freight traffic from Australia, New Zealand and the South Sea Islands to Pacific coast ports of the United States, Canada and ports in Hawaii.

	<i>Number of lines</i>
U.S.-flag lines.....	1
Foreign-flag lines.....	3
New Zealand.....	1
Sweden.....	1
United Kingdom.....	1

No. 7590—EAST COAST COLOMBIA CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic between U.S. Atlantic and gulf ports and Barranquilla, Cartagena, Puerto Colombia, and Santa Marta, Colombia.

U.S.-flag lines.....	3
Foreign-flag lines (Colombia).....	2

No. 7630—MID-BRAZIL/U.S.-CANADA FREIGHT CONFERENCE

17 Battery Place, New York, N.Y.

Covers freight traffic, except passengers' baggage and refrigerated cargo, from ports in Brazil in the territory north of but not including Victoria and up to and including Natal to U.S. Atlantic and/or gulf ports, and to ports in eastern Canada, including ports on the St. Lawrence River and tributaries thereto including but not west of Montreal, but not including Newfoundland.

U.S.-flag lines.....	2
Foreign-flag lines.....	11
Argentina.....	1
Brazil.....	1
Denmark.....	1
Germany.....	1
Japan.....	1
Norway.....	2
Sweden.....	2
United Kingdom.....	2

No. 7460—NORTH BRAZIL/U.S./CANADA FREIGHT CONFERENCE

17 Battery Place, New York, N.Y.

Covers freight traffic, except passengers' baggage and refrigerated cargo, from ports in Brazil north of but not including Natal but including ports in Brazil on the Amazon River, and tributaries thereto to U.S. Atlantic and gulf ports, and to ports in eastern Canada including ports on the St. Lawrence River and tributaries thereto including but not west of Montreal, but not including Newfoundland.

U.S.-flag lines.....	2
Foreign-flag lines.....	9
Argentina.....	1
Brazil.....	1
Denmark.....	1
Germany.....	1
Japan.....	1
Norway.....	1
Panama.....	1
United Kingdom.....	2

No. 7650—SANTIAGO DE CUBA CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic southbound and northbound between U.S. Atlantic and gulf ports and Santiago de Cuba, Cuba.

	<i>Number of lines</i>
U.S.-flag lines -----	2
Foreign-flag lines -----	0

No. 7670—NORTH ATLANTIC BALTIC FREIGHT CONFERENCE

17 Battery Place, New York, N.Y.

Covers freight traffic from U.S. North Atlantic ports in the Hampton Roads/Portland, Maine, range, either direct or via transshipment to ports in Danzig Free State, Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Poland, Sweden, and to continental and Russian ports served via the Baltic.

U.S.-flag lines -----	3
Foreign-flag lines -----	11
Belgium -----	1
Denmark -----	1
Finland -----	1
Germany -----	2
Holland -----	1
Norway -----	2
Poland -----	1
Sweden -----	2

No. 7680—AMERICAN WEST AFRICAN FREIGHT CONFERENCE

80 Broad Street, New York, N.Y.

Covers freight traffic between Atlantic and St. Lawrence ports of Canada/United States Atlantic and gulf ports and West African ports south of the southerly border of Rio de Oro, Spanish Sahara, and north of the northerly border of South-West Africa, including the islands of the Azores, Madeira, Canary, Cape Verdes, Fernando Po, Principe and San Thome.

U.S.-flag lines -----	2
Foreign-flag lines -----	¹ 7
Belgium -----	1
Denmark -----	1
France -----	1
Ghana -----	1
Israel -----	1
Norway -----	1
United Kingdom -----	1

¹ Plus associated lines (Portugal), 2.

No. 7690—THE INDIA, PAKISTAN, CEYLON & BURMA OUTWARD FREIGHT CONFERENCE

26 Beaver Street, New York, N.Y.

Covers freight traffic from U.S. Atlantic and gulf ports to ports in India, Pakistan, Ceylon and Burma.

U.S.-flag lines -----	¹ 4
Foreign-flag lines -----	4
Greece -----	1
Holland -----	1
India -----	1
Norway -----	1

¹ Plus associated member (United States), 1.

No. 7700—THE PERSIAN GULF OUTWARD FREIGHT CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic from U.S. Atlantic and gulf ports and ports in eastern Canada to ports in the Persian Gulf and adjacent waters in the range west of Karachi and northeast of Aden (but excluding both Aden and Karachi).

	<i>Number of lines</i>
U.S.-flag lines.....	2
Foreign-flag lines.....	0

No. 7770—NORTH ATLANTIC FRENCH ATLANTIC FREIGHT CONFERENCE

17 Battery Place, New York, N.Y.

Covers freight traffic from U.S. North Atlantic ports in the Portland, Maine/Hampton Roads range to French Atlantic ports in the Dunkirk/Bordeaux range.

U.S.-flag lines.....	2
Foreign-flag lines.....	3
France.....	1
Norway.....	1
United Kingdom.....	1

No. 7780—GULF/SOUTH AND EAST AFRICAN CONFERENCE

927 Whitney Building, New Orleans, La.

Covers freight traffic from U.S. gulf ports (Brownsville/Tampa range) to South-West, South and East African ports (Walvis Bay to Italian Somaliland, inclusive), and including Madagascar, Reunion, and Mauritius.

U.S.-flag lines.....	1
Foreign-flag lines (Republic of South Africa).....	1

No. 7810—FRENCH NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE

12 Rue des Pierrelais, Chatillon-sous-Bagneux, pres Paris (Seine), Paris, France

Covers freight traffic (except cargo within the scope of the Swiss North Atlantic Freight Conference) of French origin moving via French Atlantic ports in the Bayonne/Dunkirk range to U.S. North Atlantic ports in the Hampton Roads/Portland, Maine, range.

U.S.-flag lines.....	1 ²
Foreign-flag lines.....	1 ³
France.....	1
Norway.....	1
United Kingdom.....	1

¹ Plus associated lines: Members of the Continental North Atlantic Westbound Freight Conference No. 8210 participating in agreement No. 7920.

No. 7820—U.S. GREAT LAKES-BORDEAUX-HAMBURG RANGE EASTBOUND CONFERENCE

108 North State Street, Chicago, Ill.

Covers freight traffic from ports of the Great Lakes of the United States to European ports in the Bordeaux/Hamburg range.

U.S.-flag lines.....	0
Foreign-flag lines.....	14
Canada.....	1
Finland.....	1
France.....	1
Germany.....	7
Holland.....	1
Norway.....	1
Sweden.....	1
United Kingdom.....	1

No. 7830—U.S. GREAT LAKES-BORDEAUX/HAMBURG RANGE WESTBOUND CONFERENCE

44-46 Leadenhall Street, London E.C., England

Covers freight traffic from continental European ports in the Bordeaux/Hamburg range to ports of the Great Lakes of the United States.

	<i>Number of lines</i>
U.S.-flag lines.....	0
Foreign-flag lines.....	14
Canada.....	1
Finland.....	1
France.....	1
Germany.....	7
Holland.....	1
Norway.....	1
United Kingdom.....	2

No. 7860—SWISS/NORTH ATLANTIC FREIGHT CONFERENCE

Covers freight traffic originating in Switzerland and upper Alsace (Belfort and Mulhouse to the south of Colmar inclusive, except potash from Alsace) shipped to U.S. North Atlantic ports in the Hampton Roads/Portland range via European continental ports in the Hamburg/Bayonne range, both inclusive; in the Ventimiglia/Reggio Calabria range, both inclusive, on the Italian mainland; in Sicily; and on the Adriatic Sea.

U.S.-flag lines.....	14
Foreign-flag lines.....	17
Belgium.....	1
France.....	1
Germany.....	2
Holland.....	1
Norway.....	1
United Kingdom.....	1

¹ Plus associated lines: Members of the Marseilles/North Atlantic U.S.A. Freight Conference No. 5660.

No 7890—WEST COAST SOUTH AMERICA NORTHBOUND CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic from ports in Chile and Peru to ports on the Atlantic and gulf coasts of the United States.

U.S.-flag lines.....	3
Foreign-flag lines.....	3
Chile.....	1
Colombia.....	1
Holland.....	1

No. 7920

Agreement covering the undertaking of the parties to protect each other's rates:

Member lines of the Continental North Atlantic Westbound Freight Conference No. 8210:

	<i>Number of lines</i>
U.S.-flag lines-----	4
Foreign-flag lines-----	5
Belgian/Congo-----	1
Germany-----	2
Holland-----	1
Norway-----	1

Member lines of the French North Atlantic Westbound Freight Conference No. 7810:

U.S.-flag lines-----	2
Foreign-flag lines-----	3
France-----	1
Norway-----	1
United Kingdom-----	1

No. 7960

Agreement covering the observance by the member lines of the Marseilles/North Atlantic U.S.A. Freight Conference of the rates and conditions of the Swiss/North Atlantic Freight Conference on cargo originating in Switzerland and moving via European ports to U.S. North Atlantic ports.

Member lines of the Swiss/North Atlantic Freight Conference No. 7860:

U.S.-flag lines-----	4
Foreign-flag lines-----	7
Belgium-----	1
France-----	1
Germany-----	2
Holland-----	1
Norway-----	1
United Kingdom-----	1

Member lines of the Marseilles/North Atlantic U.S.A. Freight Conference No. 5660:

U.S.-flag lines-----	2
Foreign-flag lines-----	7
Denmark-----	1
France-----	1
Germany-----	1
Israel-----	1
Italy-----	1
Japan-----	1
Sweden-----	1

No. 7970—PACIFIC COAST COMMITTEE OF INWARD TRANS-PACIFIC STEAMSHIP LINES

Deals with matters affecting United States and Canadian Pacific coast ports or relating to the discharge and delivery of cargo transported from Japan, Korea, China, Philippine Islands, French Indochina, Siam, Indonesia, Malaya, India, Pakistan, and Persian Gulf to United States and Canadian Pacific coast ports.

	<i>Number of lines</i>
U.S.-flag lines.....	6
Foreign-flag lines.....	18
Denmark.....	1
Japan.....	11
Norway.....	3
Philippines.....	2
Sweden/Holland.....	1

No. 7980—NORTH ATLANTIC MEDITERRANEAN FREIGHT CONFERENCE

17 Battery Place, New York, N.Y.

Covers freight traffic from U.S. North Atlantic ports in the Hampton Roads/Portland range, either direct or via transshipment, to all ports (except Israel and Spanish Mediterranean ports) served on the Mediterranean Sea from Gibraltar to Port Said including Adriatic and Black Sea ports and from Casablanca to Port Said inclusive.

U.S.-flag lines.....	8
Foreign-flag lines.....	17
Denmark.....	1
France.....	1
Germany.....	1
Greece.....	3
Israel.....	1
Italy.....	1
Liberia.....	2
Norway.....	3
Spain.....	1
Sweden.....	1
Sweden/United Kingdom.....	1
United Kingdom.....	1

No. 8020

Agreement between the member lines of the—

Continental North Atlantic Westbound Freight Conference No. 8210.

French North Atlantic Westbound Freight Conference No. 7810.

Marseilles/North Atlantic U.S.A. Freight Conference No. 5660.

The West Coast of Italy, Sicilian & Adriatic Ports/North Atlantic Range Conference No. 2846.

Covers the establishment of just and reasonable ocean rates and transportation conditions on cargo (other than cargo within the scope of the Swiss/North Atlantic Freight Conference) which is common to the European territory served by two or more of the conferences and moves to U.S. North Atlantic ports.

DISCRIMINATORY OCEAN FREIGHT RATES

No. 8040—WEST COAST OF INDIA & PAKISTAN/U.S.A. CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic from the west coast of India and Pakistan, Tuticorin/Karachi range inclusive to U.S. Atlantic and gulf ports.

	<i>Number of lines</i>
U.S.-flag lines.....	3
Foreign-flag lines.....	7
Denmark.....	1
Germany.....	1
Greece.....	1
India.....	2
Japan.....	1
Liberia.....	1

No. 8050—CEYLON/U.S.A. CONFERENCE

Post Office Box 94, Colombo, Ceylon

11 Broadway, New York, N.Y.

Covers freight traffic from Ceylon to U.S. Atlantic and gulf ports.

U.S.-flag lines.....	3
Foreign-flag lines.....	6
Denmark.....	1
Greece.....	1
India.....	1
Norway.....	2
United Kingdom.....	1

No. 8054—SOUTH & EAST AFRICA RATE AGREEMENT

11 Broadway, New York, N.Y.

Covers freight traffic between U.S. ports and ports in South and East Africa, and adjacent islands.

U.S.-flag lines.....	3
Foreign-flag lines.....	2
South Africa.....	1
Holland.....	1

No. 8080—ATLANTIC AND GULF-INDONESIA CONFERENCE

8-10 Bridge Street, New York, N.Y.

Covers freight traffic from U.S. Atlantic and gulf ports to ports in Indonesia, Portuguese Timor and Netherlands New Guinea.

	<i>Number of lines</i>
U.S.-flag lines-----	4
Foreign-flag lines-----	6
Denmark-----	1
France-----	1
Norway-----	3
Sweden/United Kingdom-----	1

No. 8086—ATLANTIC AND GULF AMERICAN-FLAG BERTH OPERATORS AGREEMENT

Covers an arrangement between U.S.-flag carriers for the establishment of rates, terms and conditions of transportation and related services for use as a basis for negotiations with MSTs and related "shipper services," for the transportation of cargo in the trades to and from U.S. Atlantic, Great Lakes, and Gulf of Mexico ports, to and from ports in territories and possessions of the United States, and also between foreign ports.

U.S.-flag lines-----	20
Foreign-flag lines-----	0

No. 8090—MEDITERRANEAN/NORTH PACIFIC COAST FREIGHT CONFERENCE

Vico San Luca No. 4, Genoa, Italy

Covers freight traffic from ports in the Mediterranean and Black Seas and on the Atlantic coast of Spain, Morocco, and Portugal to United States and Canadian Pacific coast ports and ports in the Hawaiian Islands

U.S.-flag lines-----	1
Foreign-flag lines-----	4
Israel-----	1
Italy-----	3

No. 8100—THAILAND/U.S. ATLANTIC & GULF CONFERENCE

1041 Silom Road, Bangkok, Siam

Covers freight traffic from Siam ports to U.S. Atlantic and gulf ports.

U.S.-flag lines-----	3
Foreign-flag lines-----	10
Denmark-----	1
France-----	1
Holland-----	1
Japan-----	4
Norway-----	2
United Kingdom-----	1

No. 8120—U.S. ATLANTIC & GULF-HAITI CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic between U.S. Atlantic and gulf ports and Haiti.

	<i>Number of lines</i>
U.S.-flag lines.....	2
Foreign-flag lines.....	3
Holland.....	1
Nicaragua.....	1
Panama.....	1

No. 8130—GREAT LAKES-UNITED KINGDOM EASTBOUND CONFERENCE

108 North State Street, Chicago, Ill.

Covers freight traffic from ports of the Great Lakes of the United States and Canada, St. Lawrence River, Nova Scotia, New Brunswick, and Newfoundland to United Kingdom ports.

U.S.-flag lines.....	0
Foreign-flag lines.....	4
Holland.....	1
Norway.....	1
Sweden.....	1
United Kingdom.....	1

No. 8140—GREAT LAKES-UNITED KINGDOM WESTBOUND CONFERENCE

Veerkade 1, Rotterdam, Holland

Covers freight traffic from United Kingdom ports to ports of the Great Lakes of the United States and Canada, the St. Lawrence River, Nova Scotia, Newfoundland, and New Brunswick.

U.S.-flag lines.....	0
Foreign-flag lines.....	4
Holland.....	1
Norway.....	1
Sweden.....	1
United Kingdom.....	1

No. 8160—SPANISH/U.S. NORTH ATLANTIC PORTS OLIVE CONFERENCE

Edificio Elcano, OF, 11/12, Sevilla, Spain

Covers olives of Spanish origin from Spanish ports to U.S. North Atlantic ports in the Hampton Roads/Portland range.

U.S.-flag lines.....	1
Foreign-flag lines.....	3
Denmark.....	1
France.....	1
Norway.....	1

No. 8180—U.S. GREAT LAKES, SCANDINAVIAN AND BALTIC EASTBOUND CONFERENCE

108 North State Street, Chicago, Ill.

Covers freight traffic from U.S. Great Lakes ports to ports in Norway, Sweden, Denmark, Finland, Danzig Free State, Estonia, Iceland, Latvia, Lithuania, Poland and to continental and Russian ports served via the Baltic.

U.S.-flag lines.....	0
Foreign-flag lines.....	4
Norway.....	2
Sweden.....	2

No. 8186—WEST COAST-AMERICAN FLAG BERTH OPERATORS AGREEMENT

7 Front Street, San Francisco, Calif.

Covers an arrangement between U.S.-flag carriers for the establishment of rates, terms, and conditions of transportation and related shipper services for use as a basis for negotiations with MSTs and related "shipper services," for the transportation of cargo in the trades to and from U.S. Pacific coast ports, including Alaska and Hawaii, to and from ports in territories and possessions of the United States, and also between foreign ports.

	<i>Number of lines</i>
U.S.-flag lines.....	7
Foreign-flag lines.....	0

No. 8190—JAPAN/PUERTO RICO & VIRGIN ISLANDS FREIGHT CONFERENCE

No. 20 Marunouchi 2-chome, Chiyodaku, Tokyo, Japan

Covers freight traffic from Japan, Okinawa, and Korea to Puerto Rico and the Virgin Islands (United States), either direct or transshipped at ports in Japan and Panama Canal Zone, or U.S. Pacific, Atlantic, or gulf ports.

U.S.-flag lines.....	5
Foreign-flag lines.....	13
Denmark.....	1
Japan.....	9
Norway.....	1
Philippines.....	2

No. 8200

Agreement between the member lines of the Far East Conference No. 17 and Pacific Westbound Conference No. 57.

Relates to the trades from U.S. Atlantic and gulf ports and from United States and Canadian Pacific ports to Far East destinations common to the scope of both conferences, and provides for the establishment by joint action of the rates to be charged for the transportation of commodities and the rules and regulations governing the application of such rates.

No. 8210—CONTINENTAL NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE

79, de Bomstraat, Antwerp, Belgium

Covers freight traffic, except Swiss traffic, from or via the ports of Germany, Belgium, and the Netherlands in the range between Hamburg and boundary line of Belgium and France, to U.S. North Atlantic ports in the Hampton Roads/Portland range.

U.S.-flag lines.....	14
Foreign-flag lines.....	5
Belgian/Congo.....	1
Germany.....	2
Holland.....	1
Norway.....	1

¹ Plus associated lines: Members of French North Atlantic Freight Conference No. 7810.

No. 8220—NORTH ATLANTIC ISRAEL FREIGHT CONFERENCE

2637-39 Broadway, New York, N.Y.

Covers freight traffic from U.S. North Atlantic ports, Hampton Roads/Maine range, either direct or transshipment, to Israel Mediterranean ports.

U.S.-flag lines.....	1
Foreign-flag lines (Israel).....	1

No. 8240—ATANTIC & GULF-SINGAPORE, MALAYA & THAILAND CONFERENCE

8-10 Bridge Street, New York, N.Y.

Covers freight traffic from U.S. Atlantic and gulf ports to ports in the Colony of Singapore, Federation of Malaya, Thailand, Colony of Sarawak, Colony of British North Borneo, including Labuan, and the British Protected States of Brunei.

	<i>Number of lines</i>
U.S.-flag lines.....	3
Foreign-flag lines.....	6
Denmark.....	1
France.....	1
Japan.....	1
Norway.....	2
Sweden/United Kingdom.....	1

No. 8250—AMERICAN GREAT LAKES MEDITERRANEAN EASTBOUND FREIGHT CONFERENCE

333 North Michigan Avenue, Chicago, Ill.

Covers freight traffic from U.S. Great Lakes ports to Iberian Peninsular, North African and Mediterranean ports from Gibraltar to Port Said, including Marmara and Black Sea ports, and from Cacablanca to Port Said, by direct call or transshipment.

U.S.-flag lines.....	1
Foreign-flag lines.....	10
Canada.....	1
Canada/Italy.....	1
France.....	1
Greece.....	1
Holland.....	1
Israel.....	1
Norway.....	2
Panama.....	1
United Kingdom.....	1

No. 8260—MEDITERRANEAN-U.S.A. GREAT LAKES WESTBOUND FREIGHT CONFERENCE

72, Rue de la Republique (bouches du Rhone), Marseille, France

Covers freight traffic from Mediterranean, North African and Iberian Peninsular ports to U.S. Great Lakes ports, by direct call or transshipment.

U.S. flag lines.....	1
Foreign-flag lines.....	7
Canada/Italy.....	1
France.....	1
Greece.....	1
Israel.....	1
Norway.....	2
United Kingdom.....	1

No. 8290—HAWAII/ORIENT RATE AGREEMENT

601 California Street, San Francisco, Calif.

Covers freight traffic from Hawaiian ports (including all cargo originating at, moving through, or transhipped at said ports) to ports in Japan, Korea, Formosa, Siberia, Manchuria, China, Hong Kong, Indochina, Thailand, and the Philippine Islands.

U.S.-flag lines.....	3
Foreign-flag lines.....	0

No. 8300—ATLANTIC & GULF/WEST COAST OF CENTRAL AMERICA & MEXICO
CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic, either for direct movement or for transshipment via Cristobal or Balboa, C.Z., between U.S. Atlantic and gulf ports and west coast ports of Panama (except Panama, Republic of Panama), Costa Rica, Nicaragua, Honduras, Salvador, Guatemala, and Mexico.

	<i>Number of lines</i>
U.S.-flag lines-----	4
Foreign-flag lines-----	2
	<hr/>
Holland-----	1
Nicaragua-----	1

No. 8310—SOUTH ATLANTIC STEAMSHIP CONFERENCE

614 Savannah Bank & Trust Building, Savannah, Ga.

Covers freight traffic from U.S. South Atlantic ports (Cape Hatteras to Key West inclusive) to the United Kingdom and Eire, continental Europe (north of French-Spanish border other than Mediterranean ports), Scandanavia and Baltic ports.

U.S.-flag lines-----	1
Foreign-flag lines-----	4
	<hr/>
Germany-----	1
Norway-----	1
Sweden-----	1
United Kingdom-----	1

No. 8320—SCANDINAVIAN & BALTIC/U.S.A. SOUTH ATLANTIC & GULF WESTBOUND
RATE AGREEMENT

Packhusplatsen, Brostromia, Gothenburg, Sweden

Covers freight traffic from Scandinavian and Baltic ports to U.S. South Atlantic and gulf ports.

U.S.-flag lines-----	0
Foreign-flag lines-----	2
	<hr/>
Norway-----	1
Sweden-----	1

No. 8350—GREECE, TURKEY & SYRIA AREA WESTBOUND TOBACCO CONFERENCE

2637-39 Broadway, New York, N.Y.

Covers tobacco from Greek, Turkish, and Syrian ports to U.S. North Atlantic ports, Wilmington, N.C./Portland, Maine range.

U.S.-flag lines-----	1
Foreign-flag lines (Norway)-----	1

No. 8360—SCANDINAVIA BALTIC GREAT LAKES WESTBOUND FREIGHT CONFERENCE

Packhusplatsen 6, Gothenburg, Sweden

Covers freight traffic westbound from ports of Finland, Sweden, Denmark, Norway, Estonia, Latvia, Lithuania, Poland, and Russian Baltic ports to ports of the Great Lakes of the United States and Canada, the St. Lawrence River, Nova Scotia, Newfoundland, and New Brunswick.

U.S.-flag lines-----	0
Foreign-flag lines-----	4
	<hr/>
Norway-----	2
Sweden-----	2

No. 8390—CARIBBEAN/PACIFIC NORTHBOUND FREIGHT CONFERENCE

417 Montgomery Street, San Francisco, Calif.

Covers freight traffic northbound from Cuba, Jamaica, Haiti, Dominican Republic, Trinidad, Windward and Leeward Islands, Barbados, French and British Guianas, Surinam, French West Indies, Venezuela, and Netherlands Antilles to Pacific coast ports of the United States and Canada.

	<i>Number of lines</i>
U.S.-flag lines.....	1
Foreign-flag lines.....	13
Denmark.....	1
Germany.....	2
Holland.....	2
Israel.....	1
Italy.....	2
Japan.....	2
Panama.....	1
Sweden.....	2

No. 8410—HAWAII/EUROPE RATE AGREEMENT

417 Montgomery Street, San Francisco, Calif.

Covers freight traffic from Hawaii to United Kingdom of Great Britain and Northern Ireland; Ireland; the Scandinavian Peninsula; continental Europe, including ports on and in the Baltic and Mediterranean Seas, as well as the seas and waters bordering thereon; French Morocco and the Atlantic Islands of the Azores, Madeira, Canary, and Cape Verdes; and by transshipment at the aforementioned ports to ports in West, South, and East Africa, Ireland, on the Gulf of Aden, and to ports on and in the Red Sea and Persian Gulf.

U.S.-flag lines.....	1
Foreign-flag lines.....	2
Germany.....	1
Sweden.....	1

No. 8420—ISRAEL/U.S. NORTH ATLANTIC PORTS WESTBOUND FREIGHT CONFERENCE

Via Cairol 6, Genoa, Italy

Covers freight traffic from Mediterranean ports of Israel to North Atlantic ports of the United States (Hampton Roads/Portland range).

U.S.-flag lines.....	1
Foreign-flag lines (Israel).....	1

No. 8458—U.S. ATLANTIC & GULF/SPAIN ABASTOS AGREEMENT

39 Broadway, New York, N.Y.

Covers an arrangement between U.S.-flag carriers for the establishment of rates and conditions for the transportation of cargo purchased by Comisaria General de Abastecimientos y Transportes (an agency of the Spanish Government called ABASTOS), which by reason of U.S. law must be carried in American-flag vessels, in the trades between U.S. Atlantic and gulf ports and the Atlantic ports of Spain, and between U.S. Atlantic ports and Mediterranean ports of Spain.

U.S.-flag lines.....	9
Foreign-flag lines.....	0

No. 8459—MEDITERRANEAN & ADRIATIC PORTS/U.S. SOUTH ATLANTIC & GULF
RATE AGREEMENT

821 Gravier Street, New Orleans, La.

Covers establishment of rates, charges, classifications and related tariff matters on cargo in the westbound trade between Mediterranean and Adriatic ports and U.S. South Atlantic and U.S. gulf ports.

	<i>Number of lines</i>
U.S.-flag lines.....	1
Foreign-flag lines (Yugoslavia).....	1

No. 8493—TRANS-PACIFIC AMERICAN-FLAG BERTH OPERATORS AGREEMENT

7 Front Street, San Francisco, Calif.

Covers arrangement between U.S.-flag carriers for the establishment of rates, terms, and conditions under which cargoes, including military household goods and personal effects, originating with the U.S. Department of Defense and moving under Department of Defense through Government bills of lading executed by trucklines, household goods movers, railroads and/or regulated or nonregulated freight forwarders operating under rate and service tenders approved by the U.S. Department of Defense shall be carried by the parties hereto between U.S. Pacific coast ports (including Hawaii) and ports in the Far East (including Guam, Midway, Wake Island, and other mid-Pacific island ports under trust territory or in U.S. territories or possessions) and/or between ports in the Far East.

U.S.-flag lines.....	8
Foreign-flag lines.....	0

No. 8500

Joint agreement between the member lines of the South Atlantic Steamship Conference No. 8310 operating from U.S. South Atlantic ports to ports in Great Britain, Irish Free State, and in the Bordeaux/Hamburg range; the member lines of the Gulf/United Kingdom Conference No. 161 operating from U.S. Gulf of Mexico ports to ports in Great Britain and Ireland; and the member lines of the Gulf/French Atlantic Hamburg Range Freight Conference No. 140-1 operating from U.S. Gulf of Mexico ports to ports in the Bordeaux/Hamburg range.

No. 8550—SCANDINAVIA BALTIC/U.S. NORTH ATLANTIC WESTBOUND FREIGHT
CONFERENCE

Covers freight traffic from Sweden, Finland, Poland, and U.S.S.R. Baltic ports to U.S. North Atlantic ports.

U.S.-flag lines.....	1
Foreign-flag lines.....	4
Finland.....	1
Sweden.....	3

No. 8558—RED SEA & GULF OF ADEN/U.S. ATLANTIC & GULF RATE AGREEMENT

11 Broadway, New York, N.Y.

Covers freight traffic in the trade from Red Sea and Gulf of Aden ports to U.S. Atlantic and Gulf of Mexico ports.

U.S.-flag lines.....	1
Foreign-flag lines.....	5
Greece.....	1
Holland.....	2
Japan.....	1
Norway.....	1

No. 8560—CALCUTTA/U.S.A. SOUTH ATLANTIC & GULF FREIGHT CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic from Calcutta to U.S. South Atlantic ports, situated south of Hampton Roads but not inclusive, and U.S. gulf ports.

	<i>Number of lines</i>
U.S.-flag lines.....	3
Foreign-flag lines.....	5
Greece.....	1
India.....	2
Liberia.....	1
United Kingdom.....	1

No. 8570—EAST COAST OF INDIA (CALCUTTA & TUTICORIN EXCLUDED) & EAST PAKISTAN/U.S.A. ATLANTIC & GULF FREIGHT CONFERENCE

11 Broadway, New York, N.Y.

Covers freight traffic from the east coast of India south of Calcutta and north of Tuticorin (both ports excluded) and East Pakistan to U.S. Atlantic and gulf ports.

U.S.-flag lines.....	3
Foreign-flag lines.....	4
Greece.....	1
India.....	1
Liberia.....	1
United Kingdom.....	1

No. 8585—UNITED STATES/FAR EAST RATE AGREEMENT

120 Broadway, New York, N.Y.

Relates to traffic in the trades between North Atlantic, South Atlantic and gulf ports of the United States, Pacific coast ports of the United States (including Alaska) and Canada and Japan, Korea, Taiwan (Formosa), Okinawa, Siberia, Manchuria, China, Hong Kong, and the Republic of the Philippines.

U.S.-flag lines.....	9
Foreign-flag lines.....	0

No. 8595—GREAT LAKES/JAPAN RATE AGREEMENT

310 Sansome Street, San Francisco, Calif.

Covers freight traffic from the Great Lakes ports of the United States to Japan.

U.S.-flag lines.....	0
Foreign-flag lines (Japan).....	2

No. 8600

Joint agreement between the member lines of the Trans-Pacific Freight Conference No. 150, and Japan-Atlantic and Gulf Freight Conference No. 3103.

No. 20 Marunouchi 2-chome, Chiyodaku, Tokyo, Japan

Providing for joint action with respect to the transportation of cargo from Japan, Korea, and Okinawa to Pacific coast ports of California, Oregon, Washington, Canada, and ports of Hawaii and Alaska by the Pacific Lines No. 150, and from the same Far East countries to U.S. gulf ports and Atlantic coast ports of North America by Atlantic/Gulf Lines No. 3103.

No. 8630—U.S. ATLANTIC & GULF/RED SEA & GULF OF ADEN RATE AGREEMENT

90 Broad Street, New York, N.Y.

Covers freight traffic in the trade from U.S. Atlantic and Gulf of Mexico ports to Red Sea and Gulf of Aden ports.

	<i>Number of lines</i>
U.S.-flag lines.....	4
Foreign-flag lines (Liberia).....	1

No. 8670—JAPAN/GREAT LAKES RATE AGREEMENT

310 Sansome Street, San Francisco, Calif.

Covers freight traffic from Japan to Great Lakes ports of the United States.

U.S.-flag lines.....	0
Foreign-flag lines (Japan).....	2

No. 8700

Joint agreement between the member lines of the Calcutta/U.S.A. Conference (agreement No. 6500, as amended), operating from Calcutta to U.S. Atlantic ports in the range from Portland to Hampton and Gulf Freight Conference (agreement 8560), operating from Calcutta to U.S. South Atlantic ports, situated south of Hampton Roads but not inclusive, and U.S. gulf ports, by direct call or transshipment; and the member lines of the east coast of India (Calcutta and Tuticorin excluded) and East Pakistan/U.S.A. Atlantic & Gulf Freight Conference (agreement No. 8570), operating from the east coast of India south of Calcutta and north of Tuticorin (both ports excluded) and East Pakistan to the U.S. Atlantic and gulf ports, by direct call or transshipment.

No. 8760—RATE AGREEMENT

Covers trade from the west coast of the United States and Canada to India, Pakistan, Burma, and Ceylon.

U.S.-flag lines.....	2
Foreign-flag lines (Sweden/Holland).....	1

No. 8735—RATE AGREEMENT

Covers the carriage of freight between the U.S. Atlantic coast ports in Atlantic Spain (from the northern border of Portugal to the southern border of France).

U.S.-flag lines.....	1
Foreign-flag lines (Spain).....	2

No. 8770—UNITED KINGDOM/U.S. GULF PORTS RATE AGREEMENT

Covers establishment of rates charges, classifications and related tariff matters by the parties to be charged and/or observed by them in the trade from the United Kingdom (England, Scotland, Wales, Northern Ireland, and the Republic of Ireland) ports to ports in the United States (Key West, Fla., to Brownsville, Tex., inclusive).

U.S.-flag lines.....	2
Foreign-flag lines.....	4
Belgium.....	1
Germany.....	2
United Kingdom.....	1

No. 8790—EUROPEAN-PUERTO RICO/VIRGIN ISLANDS CONFERENCE AGREEMENT

Covers freight traffic in the trade from all ports in the United Kingdom, Sweden, Denmark, Norway, Germany, Holland, Belgium, and Portugal in the Baltic Sea and Atlantic coast ports of France and Spain to ports in Puerto Rico and the Virgin Islands.

	<i>Number of lines</i>
U.S.-flag lines.....	0
Foreign-flag lines.....	9
Colombia.....	1
Denmark.....	1
France.....	1
Germany.....	2
Holland.....	2
Sweden.....	1
Belgium.....	1

No. 8820

Joint agreement between the member lines of the Japan-Atlantic & Gulf Freight Conference No. 3103, and the parties to the Japan/Great Lakes Rate Agreement No. 8670.

Provides for joint action with respect to the transportation of cargo from Japan, Korea, and Okinawa to U.S. Atlantic and gulf ports and to U.S. Great Lakes ports within the scope of the respective agreements.

No. 8750

Joint agreement between Atlantic & Gulf American-Flag Berth Operations No. 8086, and West Coast American-Flag Berth Operators No. 8186, operating from U.S. Atlantic and gulf coasts, and from U.S. Pacific coast ports, respectively, in worldwide trades.

U.S. foreign aid to countries which have steamship lines operating in the foreign commerce of the United States

[In millions]

Country	A ¹	B ²	Country	A ¹	B ²
Argentina.....	\$78.8	\$571.8	Ireland.....		\$146.5
Belgium.....		740.8	Israel.....	\$82.0	\$78.9
Brazil.....	202.5	1,736.8	Italy.....	21.6	3,462.4
Burma.....	.8	93.3	Japan.....	67.8	2,660.2
Canada.....			Yugoslavia.....	116.7	1,702.8
Chile.....	232.3	675.2	Liberia.....	11.7	124.7
Colombia.....	75.8	360.3	New Zealand.....		
Costa Rica.....	10.3	89.0	Nicaragua.....	13.7	65.9
Cuba.....		41.5	Norway.....		351.8
Denmark.....		301.8	Panama.....	25.2	99.9
Dominican Republic.....	36.6	39.3	Philippines.....	49.9	1,334.3
Finland.....			Poland.....	8.1	522.6
France.....	.1	5,181.9	Spain.....	46.8	1,173.3
Germany (Federal Republic).....	.7	4,050.0	Sweden.....		109.0
Ghana.....	130.1	156.3	United Kingdom (includes Scotland).....		7,674.2
Greece.....	47.9	1,784.6	Uruguay.....	6.7	58.6
Netherlands.....	.1	1,230.0	Republic of South Africa.....		
India.....	775.1	3,867.0			

¹ Economic assistance in loans and grants, authorized, obligated and expended in fiscal year 1962.

² Total economic assistance in loans and grants for the years 1946 through 1962, inclusive.

Senator MILLER. I have no further questions.

Chairman DOUGLAS. Just two or three more questions, and I will finish.

Have you ever made any effort to organize a pro-American bloc inside the various conferences?

Have you ever tried to organize the American lines, the Liberian lines, or Panamanian Honduran, Greek shipping lines, to get a readjustment of rates?

Mr. GULICK. No, sir; we have not.

Chairman DOUGLAS. You have not.

Do you have any information as to who actually owns the ships flying under the Panamanian, the Liberian, and the Honduran flags?

The Maritime Commission testified that they thought you did.

Mr. GULICK. We have, Mr. Chairman, a list of the flags of convenience ships which are under effective U.S. control.

We could supply you, sir, with a list of those ships, and their ownership.

Chairman DOUGLAS. I would appreciate that, if you would do so.

Now, one final question. Do you still approve of the policy outlined in 3-62, which I have previously read?

(The material referred to follows:)

SHIPS REGISTERED UNDER THE HONDURAN, LIBERIAN, AND PANAMANIAN FLAGS
DEEMED BY THE NAVY DEPARTMENT TO BE UNDER EFFECTIVE U.S. CONTROL

*Dry cargo ships registered under the Honduran, Liberian, and Panamanian flags
deemed by the Navy Department to be under effective U.S. control as of
Apr. 1, 1963*

[Tonnage in thousands]

Flag, owner, and name of ship	U.S. parent company or representative in the United States	Year built	Gross tons	Dead-weight tons
Total, dry cargo (145 ships).....			1,488	2,721
Honduran flag (12 ships).....			51	55
Balboa Shipping Co., Inc.....	United Fruit Co. (parent company).....			
<i>Almirante</i>		1954	4	3
<i>Aragon</i>		1954	4	3
<i>Atenas</i>		1955	4	3
Empresa Hondurena de Vapores.....	United Fruit Co. (parent company).....			
<i>Choloma</i>		1945	4	6
<i>Choluteca</i>		1945	4	6
<i>Copan</i>		1945	4	6
<i>La Playa</i>		1923	4	3
<i>Mabay</i>		1945	4	6
<i>Managua</i>		1945	4	6
<i>Musa</i>		1930	6	5
<i>Orotava</i>		1927	3	3
<i>Platano</i>		1930	6	5
Liberian flag, total (112 ships).....			1,250	2,430
Ador, Compania Maritima, S.A.: <i>Captain Theo</i>	Trans-Ocean Steamship Agency, Inc. (resident agent).....	1943	8	16
American Foreign Steamship Corp.: <i>Atlantic Robin</i>	American Foreign Steamship Corp. (parent company).....	1944	7	10
Amphitryon Shipping Corp.: <i>World Conqueror</i>	Transoceanic Marine, Inc. (resident agent).....	1943	14	24
Aphrodite Shipping Co., Ltd.: <i>World Cheer</i>	do.....	1943	13	22
Apollo Shipping Co., Ltd.: <i>World Marine</i>	do.....	1943	11	17
Ariate Compania Naviera, S.A.: <i>Ariate</i>	International Navigation Co. (parent company).....	1944	7	11
Artemision Steamship Co.: <i>Trikeri</i>	Aurora Agencies, Inc. (resident agent).....	1944	7	11
Aseuna Shipping Co.: <i>Dominio Crystal</i>	American Sugar Refining Co. (parent company).....	1960	6	9
Atalaya Cia. Nav. S.A.: <i>Dori</i>	Pat-Range Ship Operating Co., Inc. (managing agent).....	1943	7	11
Atlantic Bulk Trading Corp.....	Eastern Gas & Fuel Associates (parent company).....			
<i>E. H. Bird</i>		1962	15	23
<i>Falcon</i>		1959	10	16
<i>Splii</i>		1962	15	23
Avila Compania Naviera, S.A.: <i>Agia Thalassini</i>	World Seas Shipping Co. (operators).....	1943	7	10
Blue Steamship Co.: <i>Florida</i>	Peninsular & Occidental Steam Navi- gation Co. (parent company).....	1931	5	2
Capa Co., S.A.: <i>Santa Venetia</i>	Blidberg Rothchild Agency Corp. (resident agent).....	1944	7	11
Caroline Navigation, Inc.: <i>San Antonio</i>	Seres Shipping Inc. (resident agent).....	1943	7	11

Dry cargo ships registered under the Honduran, Liberian, and Panamanian flags deemed by the Navy Department to be under effective U.S. control as of Apr. 1, 1963—Continued

[Tonnage in thousands]

Flag, owner, and name of ship	U.S. parent company or representative in the United States	Year built	Gross tons	Dead-weight tons
Liberian flag—Continued				
Central Navigation Corp.: <i>Georgel</i> .	Seres Shipping Inc. (resident agent) ..	1945	7	11
Compania de Transporte y Navegacion, S.A.: <i>Marcell M. H.</i>	Transamerican Shipping Corp. (resident agent).	1944	7	10
Continental, Cia. Nav., S.A.: <i>Thrace</i> .	Ocean Shipping & Trading Corp. (resident agent).	1944	7	11
Delos Maritime Co., Ltd.: <i>Delos Pioneer</i> .	Jacq. Pierot, Jr. & Sons (resident agent).	1944	7	10
Dolores Shipping Corp.: <i>Faralis</i>	Piggly Wiggly Corp. (resident agent) ..	1945	7	11
Dolphin Shipping Co.: <i>Blue Dolphin</i> .	The Corporation Trust Co. (resident agent).	1938	8	13
Domlnion Shipping Corp.: <i>Michelin</i> .	Ocean Shipping & Trading Corp. (resident agent).	1944	7	11
Eastern Star Maritime, S.A.: <i>Auromar</i> .	Eastern Steamship Agency, Inc. (resident agent).	1944	7	10
Edina Transportation Co.	Central American Steamship Agency, Inc. (resident agent).			
<i>Catcher</i>		1943	7	11
<i>Cavalier</i>		1943	7	11
Eltraders, Inc.: <i>Kali L</i>	Seres Shipping, Inc. (resident agent) ..	1944	7	11
Fairseas Freighters Corp.: <i>Alexander S. M.</i>	World Seas Shipping, Inc. (resident agent).	1944	7	10
Ferore Co., Inc., of Panama: <i>Ferore</i> .	Gordon-Shalley Corp. (resident agent) ..	1943	7	11
Friendship Navigation Corp.: <i>Grand Explorer</i> .	Sea King Corp. (resident agent).....	1944	7	10
Ganaderos Del Mar, S.A.: <i>Kyrios Stelios</i> .	Federal Motorship Corp. (resident agent).	1945	6	8
Hancver Steamship Corp.: <i>Ocean Leader</i> .	Ocean Freightling & Brokerage Corp. (resident agent).	1943	9	11
Interocean Navigation Co., Inc., S.A.: <i>Pacific Venture</i> .	Associated Maritime Industries, Inc. (resident agent).	1944	7	11
Jackson S.S. Co.	Piggly-Wiggly Corp. (parent company).			
<i>Grand Faith</i>		1942	7	11
<i>Transporter</i>		1944	9	11
Jason Shipping Co., Ltd.: <i>World Campaigner</i> .	Transoceanic Marine, Inc. (resident agent).	1943	14	22
Liberian Ore Steamship Co., Inc..	Aluminum Co. of America (parent company).			
<i>Discoverer</i>		1955	5	8
<i>Dispatcher</i>		1953	5	8
<i>Pathfinder</i>		1950	8	12
<i>Prospector</i>		1950	8	12
<i>Wanderer</i>		1953	5	8
<i>Wayfarer</i>		1954	5	8
Luarca Cia. Nav., S.A.: <i>The Okeator</i> .	Spiros Polemis Sons, Ltd. (resident agent).	1945	7	11
Madison Shipping Corp.: <i>Madison</i> .	World Seas Shipping, Inc. (managing agent).	1944	7	11
Maracay Compania Naviera, S.A..	World Seas Shipping, Inc. (resident agent).			
<i>Chryssi</i>		1944	7	11
<i>Georgie S.M.</i>		1945	7	11
Marlfortuna Nav., S.A.	Chandris (United States), Inc. (resident agent).			
<i>Mareiteen</i>		1944	7	11
<i>Maritihii</i>		1943	7	11
Marine Development & Shipping, S.A.: <i>Winner</i> .	Associated Maritime Industries, Inc. (resident agent).	1943	7	11
Menelaus Shipping Co., Ltd.: <i>World Luck</i> .	Transoceanic Marine, Inc. (resident agent).	1942	7	11
Monthor Shipping Co.: <i>Mexican Trader</i> .	Amerind Shipping Corp. (resident agent).	1946	4	5
Nereid Shipping Co., S.A.: <i>Tiryne</i> .	Hesperus Shipping Corp. (resident agent).	1944	7	10
Nestor Shipping Co., Ltd.: <i>World Legion</i> .	Transoceanic Marine, Inc. (resident agent).	1943	7	11
Norness (Liberia), Inc.: <i>Naess Liberty</i> .	Associated with Naess Shipping Co., Inc.	1963	23	38
Ocean Transport, Ltd.: <i>Hari</i>	Maritime Agencies, Ltd. (resident agent).	1945	7	10
Ormet Shipping Corp.	Associated with Marine Transport Lines, Inc.			
<i>Mathieson</i>		1959	9	18
<i>Olin</i>		1959	9	18
<i>Revere</i>		1959	9	18

Dry cargo ships registered under the Honduran, Liberian, and Panamanian flags deemed by the Navy Department to be under effective U.S. control as of Apr. 1, 1963—Continued

[Tonnage in thousands]

Flag, owner, and name of ship	U.S. parent company or representative in the United States	Year built	Gross tons	Dead-weight tons
Liberian flag—Continued				
Oswego Ocean Carriers: <i>Nagano</i>	Marine Transport Lines, Inc. (parent company).	1963	27	50
Oswego Ore Carriers, Ltd.	do.....			
<i>Oswego Defender</i>		1961	17	46
<i>Oswego Freedom</i>		1959	18	46
<i>Oswego Reliance</i>		1961	17	46
Pacifica S.A.: <i>Athenoula T</i>	Tsakalotos Navigation Corp. (resident agent).	1942	7	11
Panamaman Marine Enterprise, S.A.: <i>Faro</i>	Associated Maritime Industries, Inc. (resident agent).	1942	7	11
Panathena Trading & Shipowning Co.: <i>Santa Rosa</i>	Santa Marie Shipowning & Trading Co. (Bermuda), Ltd. (operating agent).	1943	7	11
Rosario Shipping Corp.: <i>Melida</i>	Piggly-Wiggly Corp. (parent company).	1945	7	11
Samana Shipping Corp.: <i>Omnium Carrier</i>	do.....	1943	8	12
San Juan Carriers, Ltd.: <i>Allen D. Christensen</i>	Utah Construction & Mining Co. (parent company).	1956	11	32
<i>Harvey S. Mudd</i>		1956	11	32
<i>San Juan Exporter</i>		1960	12	18
<i>San Juan Merchant</i>		1959	31	49
<i>San Juan Pioneer</i>		1962	22	70
<i>San Juan Prospector</i>		1962	46	68
<i>San Juan Traveler</i>		1959	31	49
Shipenter Lines, Inc.: <i>Villa Marion</i>	Shipenter Lines, Inc. (U.S. citizen owned).	1944	7	11
Stef Shipping Corp.: <i>Irini Stefanou</i>	Admanthos Ship Operating Co., Inc. (resident agent).	1943	7	11
Tidewater Commercial Co., Inc.: <i>Titanus</i>	Tidewater Commercial Co., Inc. (U.S. citizen owned).	1943	7	11
Transandina Cia. Naviera, S.A.: <i>Aristea</i>	Dolphin Steamship Co., Inc. (resident agent).	1945	7	10
Transmarine Navigation, Inc.: <i>Andros Citadel</i>	C. T. Corp. System (resident agent).....	1944	7	11
<i>Andros Legend</i>		1943	7	11
<i>Andros Lion</i>		1943	7	11
<i>Andros Trident</i>		1943	7	10
Trans World Steamship Co., Ltd.: <i>Chris</i>	Associated with Grauds Shipping, Ltd.	1943	7	11
Transworld Carriers, Inc.: <i>Rio Barima</i>	Associated with Joshua Hendy Corp.....	1959	13	35
<i>Rio Caroni</i>		1967	13	36
<i>Rio Macareo</i>		1957	13	36
<i>Rio Manamo</i>		1959	13	35
<i>Rio Orinoco</i>		1957	13	35
Ultramar, Compania de, S.A.: <i>Zephyr</i>	Transmar Agencies, Inc. (managing agents).	1944	4	5
Union Shipping Corp.: <i>James Monroe</i>	Terrylin Shipping Corp. (resident agent).	1943	7	11
Universal Tramp Shipping Co., S.A.: <i>Nemea</i>	Seatraders, Inc. (managing agent).....	1942	10	13
Universe Tankships, Inc.: <i>J. Louis</i>	Ludwig, D. K. (parent company).....	1961	20	33
<i>Ore Chief</i>		1954	21	60
<i>Ore Convey</i>		1956	16	30
<i>Ore Jupiter</i>		1959	18	46
<i>Ore Mercury</i>		1959	18	46
<i>Ore Meridian</i>		1959	18	46
<i>Ore Meteor</i>		1959	18	46
<i>Ore Monarch</i>		1956	16	45
<i>Ore Neptune</i>		1960	18	50
<i>Ore Prince</i>		1956	16	45
<i>Ore Regent</i>		1956	16	45
<i>Ore Saturn</i>		1960	18	50
<i>Ore Titan</i>		1955	21	60
<i>Ore Transport</i>		1954	21	60
<i>Ore Venus</i>		1961	17	46
<i>Richard</i>		1957	20	33
<i>Spruce Woods</i>		1940	9	14
<i>Universe Defender</i>		1962	35	55
Wanda Cia. Nav., S.A.: <i>P. Prekila</i>	Epiphany Tankers Corp. (parent company).	1943	7	11
West India Fruit & Steamship, Inc.: <i>Sea Level</i>	West India Fruit & Steamship, Inc. (U.S. citizen owned).	1928	8	9
White Star Maritime Co., Ltd.: <i>White Star</i>	Associated with Livanos Shipbrokers, Ltd.	1944	7	11

Dry cargo ships registered under the Honduran, Liberian, and Panamanian flags deemed by the Navy Department to be under effective U.S. control as of Apr. 1, 1963—Continued

[Tonnage in thousands]

Flag, owner, and name of ship	U.S. parent company or representative in the United States	Year built	Gross tons	Dead-weight tons
Panamanian flag, total (21 ships).....			187	236
Alta Shipping Corp.: <i>Drepanon</i>	Harrison Marine Corp. (resident agent).	1945	13	22
Caribbean Steamship Co., S.A.	Reynolds Metal Co. (parent company).			
<i>Carl Schmedeman</i>		1952	10	14
<i>Louise</i>		1957	11	17
Compania Commercial Transatlantica, S.A.	Spiros Polemus & Sons, Ltd. (resident agent).			
<i>The Olympos</i>		1943	7	11
<i>The Otokos</i>		1943	7	11
Cia. Nav. Continental, S.A., Panama: <i>Sara</i>	Ocean Shipping & Trading Corp. (resident agent).	1944	7	11
Cosmos Shipping Corp., Ltd.....	Associated Maritime Industries, Inc. (resident agent).			
<i>Cosmos Altair</i>		1945	7	11
<i>Cosmos Betelgeuse</i>		1945	7	11
Evangeline Steamship Co., S.A.	Suwanee Steamship Co. (resident agent).			
<i>Bahama Star</i>		1931	7	3
<i>Evangeline</i>		1927	5	2
Fiadora Cia. Nav. S.A.: <i>The Omana</i>	Spiros Polemus & Sons, Ltd. (resident agent).	1945	7	11
Gypsum Carriers, Inc.....	Permanente Cement Co. (parent company).			
<i>Harry Lundberg</i>		1957	10	16
<i>Ocean Carrier</i>		1943	7	11
Home Lines, Inc.....	Home Lines Agency, Inc. (resident agent).			
<i>Homerio</i>		1931	19	8
<i>Italia</i>		1928	17	9
Nueva Granada Compania Armadora, S.A.: <i>Menites</i>	United Operators Shipping Agencies Corp. (resident agent).	1945	7	11
Peace, Compania Naviera, Ltd.: <i>Hwa An</i>	J. C. Berkwit & Co. (resident agent).	1944	7	11
Statel Cia. de Vapores: <i>World Centurian</i>	Transoceanic Marine, Inc. (resident agent).	1944	13	22
Transmarine Navigation, Inc.: <i>Andros Seafarer</i>	Orion Shipping & Trading Co. (resident agent).	1943	7	11
Union Navigation Corp.: <i>Union Atlantic</i>	Cheltenham Corp. (resident agent).	1945	7	11
Yarmouth Steamship Co., Inc.: <i>Yarmouth</i>	Yarmouth Shipping Co., Inc. (resident agent).	1927	5	2

Source: U.S. Department of Commerce, Maritime Administration, Office of Statistics, Division of Ship Data, June 25, 1963.

Tankers registered under the Honduran, Liberian, and Panamanian flags deemed by the Navy Department to be under effective U.S. control as of Apr. 1, 1963

[Tonnage in thousands]

Flag, owner, and name of ship	U.S. parent company or representative in the United States	Year built	Gross tons	Dead-weight tons
Total tankers (264 ships).....			5,214	8,429
Honduran flag (1 ship), Empresa Hondurena de Vapores: <i>Francis R. Hart</i> .	United Fruit Co. (parent company)...	1939	8	11
Liberian flag (168 ships).....			3,758	6,100
Afran Transport Co.	Gulf Oil Corp. (parent company)			
<i>Burgan</i>		1949	18	28
<i>Cabimas</i>		1954	21	32
<i>Coro</i>		1949	18	28
<i>Eastern Gulf</i>		1956	24	37
<i>Failaka</i>		1952	18	28
<i>La Cruz</i>		1952	18	28
<i>Lagunillas</i>		1955	21	32
<i>Las Piedras</i>		1953	19	29
<i>Margarita</i>		1954	19	29
<i>Northern Gulf</i>		1956	24	37
<i>Philippine Sea</i>		1961	25	39
<i>San Tome</i>		1950	18	28
<i>Tasman Sea</i>		1961	25	39
<i>Western Gulf</i>		1956	24	37
Aquazul Compania Maritime, S.A.: <i>World Gallantry</i> .	Transoceanic Marine, Inc. (resident agent).	1957	14	22
Alliance Shipping Co., S.A.: <i>Naess Falcon</i> .	Associated with Naess Shipping Co., Inc.	1959	12	19
American Oil Co., The.....	American Oil Co., The (parent company).			
<i>Carma Falcon</i>		1945	10	17
<i>Carma Zulia</i>		1945	10	17
Antilles Shipping Co., Ltd.: <i>Georgia</i> .	C. P. Steuber & Co., Inc. (resident agent).	1943	9	14
Argo Tankers, Inc.	Associated with Gulf Oil Corp.			
<i>Arctic Sea</i>		1959	25	39
<i>Bering Sea</i>		1959	25	39
Artemis Shipping Co., Ltd.: <i>World Tolerance</i> .	Transoceanic Marine, Inc. (resident manager).	1943	11	17
Artemision Steamship Co., S.A.	Associated with Northern Ships Agency, Inc.			
<i>Anne Louise</i>		1944	11	17
<i>Demetrios A.</i>		1945	10	17
Atlas Petroleum Transport, Ltd.: <i>Adoration</i> .	Associated with J. M. Carras, Inc.	1957	16	25
Baifu Bay Shipping Co., Inc.: <i>World Industry</i> .	Transoceanic Marine, Inc. (resident agent).	1957	25	41
Barracuda Tanker Corp.	Union Oil Co. of California (charterer).			
<i>Lake Palourde</i>		1959	39	66
<i>Sansinena</i>		1958	39	66
<i>Torrey Canyon</i>		1959	39	66
California Transport Corp.	Standard Oil Co. of California (parent company).			
<i>A. N. Kemp</i>		1950	17	28
<i>Atholl McBean</i>		1950	16	28
<i>Chercon Transporter</i>		1950	17	28
<i>F. J. McClanahan</i>		1956	12	18
<i>Gage Lund</i>		1952	17	28
<i>George L. Parkhurst</i>		1960	40	68
<i>Paul Pigott</i>		1951	17	28
<i>Robert Watt Miller</i>		1951	17	28
<i>T. L. Lenzen</i>		1960	25	42
<i>T. S. Petersen</i>		1962	29	49
Cavalier Trading Co.	Atlantic Refining Co. (parent company).			
<i>Atlantic Challenger</i>		1962	30	48
<i>Atlantic Competitor</i>		1962	30	48
Calvert Tankers Corp.	American Trading & Production Corp. (agents).			
<i>Lord Calvert</i>		1937	8	13
<i>Lord Howard</i>		1937	8	13
Cestos Bay Shipping Co., Inc.: <i>World Inspiration</i> .	Transoceanic Marine, Inc. (resident agent).	1957	25	41

Tankers registered under the Honduran, Liberian, and Panamanian flags deemed by the Navy Department to be under effective U.S. control as of Apr. 1, 1963—Continued

[Tonnage in thousands]

Flag, owner, and name of ship	U.S. parent company or representative in the United States	Year built	Gross tons	Dead-weight tons
American Oil Co., The—Continued Condor Financiera Panama, S.A.	Central American Steamship Agency, Inc. (resident agent).			
<i>Lake George</i>		1943	11	16
<i>McKutrick Hills</i>		1944	11	17
<i>Montebello Hills</i>		1944	10	17
Dolphin Tanker Corp.: <i>Edward L. Steiniger</i>	Associated with D. K. Ludwig	1958	26	44
Duncan Bay Tankships, Ltd.: <i>Duncan Bay</i>	Ludwig, D. K. (parent company)	1956	13	21
Eastern Trading Co.	Atlantic Refining Co. (parent company).			
<i>Atlantic Caracas</i>		1956	12	19
<i>Atlantic Rio</i>		1956	12	19
<i>Atlantic Santos</i>		1956	12	19
Exeter Marine, S.A.: <i>Olympic Ice</i>	Central American Steamship Agency, Inc. (resident agent).	1954	14	21
Flanigan, Loveland Shipping Co., S.A. and Alliance Shipping Co., S.A.: <i>Enterprise</i>	Associated with Naess Shipping Co., Inc.	1957	20	33
Florida Panama, S.A.: <i>Olympic Lake</i>	Central American Steamship Agency, Inc. (resident agent).	1954	14	22
General Tanker Corp.	Gulf Oil Corp. (parent company)			
<i>Faith</i>		1959	23	36
<i>Freedom</i>		1960	23	36
Globe Tankers, Inc.	Kurz, Chas. & Co., Inc. (parent company).			
<i>Cuyama Valley</i>		1958	29	47
<i>Kenai Peninsula</i>		1959	29	49
Grand Basa Tankers, Inc.	Cities Service Oil Co. (parent company).			
<i>Cities Service Valley Forge</i>		1954	23	39
<i>Cradle of Liberty</i>		1954	23	39
<i>Harmony</i>		1955	20	32
<i>Liberty Bell</i>		1954	23	39
<i>Statue of Liberty</i>		1954	23	39
Greenwich Panama, S.A.: <i>Olympic Eagle</i>	Central American Steamship Agency, Inc. (operators).	1958	28	46
Hemisphere Transportation Corp.: <i>Geo. F. Getty</i>	Tidewater Oil Co. (parent company)			
<i>Minnehoma</i>		1957	34	52
<i>Oklahoma Getty</i>		1957	34	53
<i>Tidewater</i>		1957	34	53
Hercules Tankers Corp.	Trinidad Corp. (parent company)			
<i>Capiluna</i>		1960	30	47
<i>Capisteria</i>		1960	30	47
<i>Capuloniz</i>		1959	30	47
Hunter Shipping Co., S.A.: <i>Michael L.</i>	Albatross Shipping Agency (resident agent).	1953	11	18
Kupan Transport Co.: <i>Kuwaii</i>	Gulf Oil Corp. (parent company)	1949	18	27
Lexington Transport Corp.: <i>Etude</i>	United Marine Corp. (resident agent)	1944	7	16
Little John Corp.: <i>Little John</i>	Hughes Bros., Inc. (resident agent)	1954	2	2
Marine, Caribbean Lines, Inc.: <i>Fred H. Billups</i>	Associated with Marine Transport Lines, Inc.	1960	3	2
Marine Navigation Co., Inc.: <i>Marine Chemist</i>	Marine Transport Lines, Inc. (parent company)	1942	8	13
Marlin Tanker Corp.: <i>Sinclair Venezuela</i>	Sinclair Refining Co. (parent company)	1963	32	51
Mobil Tankers Co., S.A.: <i>Mobil Vanguard</i>	Socony-Mobil Oil Co., Inc. (parent company)	1963	31	51
Naess Shipping Co., Inc.	Associated with Naess Shipping Co., Inc.			
<i>Naess Companion</i>		1956	20	33
<i>Naess Tern</i>		1959	12	20
Nestor Shipping Co., S.A.: <i>Naess Mariner</i>	Associated with Naess Shipping Co., Inc.	1957	27	43
Norbergen Shipping Co.: <i>Benjamin Coates</i>	do	1960	29	48
Norland Shipping Co. and Ventura Shipping Co., S.A.: <i>Naess Venturer</i>	do	1956	21	33
Norman Shipping Co., S.A.: <i>Naess Dragon</i>	do	1957	16	25
Norness Shipping Co., Inc.: <i>Karen Naess</i>	do	1952	11	17

Tankers registered under the Honduran, Liberian, and Panamanian flags deemed by the Navy Department to be under effective U.S. control as of Apr. 1, 1963—Continued

[Tonnage in thousands]

Flag, owner, and name of ship	U.S. parent company or representative in the United States	Year built	Gross tons	Dead-weight tons
American Oil Co., The—Continued				
Norstar Shipping Co., S.A.	Associated with Naess Shipping Co., Inc.			
<i>Naess Challenger</i>		1959	29	47
<i>Naess Thunder</i>		1959	29	47
<i>Naess Voyager</i>		1960	29	47
Occidental Shipping Co., S.A.:	Central American Steamship Agency Inc. (resident agent).	1958	28	46
<i>Olympic Falcon</i>				
Oswego Bulk Carriers, Inc.	Marine Transport Lines, Inc. (parent company).			
<i>Oswego Leader</i>		1943	11	17
<i>Oswego Voyager</i>		1944	11	16
Oswego Transportation Corp.:	Marine Transport Lines, Inc. (parent company).	1961	29	47
<i>Charles E. Spahr</i>				
Pacific Navigation Co., Inc.: <i>World Independence</i>	Transoceanic Marine, Inc. (resident agent).	1957	26	42
Park Tanker Corp.	The China International Foundation, Inc. (parent company).			
<i>Fondo</i>		1945	11	17
<i>Scherzo</i>		1943	10	17
Petrocarriers, Inc.	The Corporation Trust Co. (resident agent).			
<i>Continental II</i>		1953	19	29
<i>Continental III</i>		1953	19	29
Phoenix Steamship Corp.: <i>Nicholas M.</i>	Cargo & Tankship Management Corp. (resident agents).	1937	8	13
Rosedale Navigation Co., S.A.	Associated with Aristoteles S. Onassis.			
<i>Arickaree</i>		1943	11	17
<i>Battle Rock</i>		1944	11	17
<i>Camp Namanu</i>		1944	11	17
<i>Republic</i>		1944	10	17
Sakura Shipping Co., Inc.	Associated with Naess Shipping Co., Inc.			
<i>Naess Chief</i>		1957	27	43
<i>Naess Explorer</i>		1958	27	42
Seatankers, Inc.: <i>Hamilton Lake</i>	Ludwig, D. K. (parent company).	1927	13	20
Somerset Shipping Co.	Kurz, Chas. & Co., Inc. (parent company).			
<i>Philidora</i>		1959	30	46
<i>Philine</i>		1959	30	46
<i>Philippia</i>		1959	30	46
South Atlantic Marine, S.A.:	Central American Steamship Agency, Inc. (resident agent).	1955	19	30
<i>Olympic Sun</i>				
Sulphur Carriers Corp.: <i>Pochteca</i>	International Chartering Services, Inc. (resident agent).	1945	11	16
Sunstone Marine Panama, S.A.	Central American Steamship Agency, Inc. (resident agent).			
<i>Arrow</i>		1948	11	18
<i>Federal</i>		1944	10	16
<i>Fort Bridger</i>		1944	11	16
Tanker Facilities Corp.	Associated with Standard Oil Co., of California.			
<i>Asa V. Call</i>		1962	39	69
<i>George A. Davidson</i>		1959	25	42
Tanker Owners, S.A.	The Corporation Trust Co. (resident agent).			
<i>Lovellia</i>		1959	28	46
<i>Patro</i>		1959	28	47
Tanker Transport, Inc.: <i>Atlantic Ranger</i>	Atlantic Refining Co. (parent company).	1945	10	16
1064 Corp.: <i>Harry Jeffries</i>	Sinclair Refining Co. (parent company).	1959	15	25
1066 Corp.: <i>Thomas B. Kimball</i>	do	1960	15	25
Texaco (Panama) Inc.: <i>Texaco London</i>	Texaco, Inc. (parent company).	1944	14	24
Theatre Navigation Corp.	Keystone Shipping Co. (parent company).			
<i>Aldine</i>		1943	11	16
<i>Lyric</i>		1943	11	17
<i>Palace</i>		1943	11	17
Three Diamond Shipping Co. S.A.: <i>Naess Leader</i>	Associated with Naess Shipping Co., Inc.	1958	27	43
Tidemar Corp.: <i>J. Paul Getty</i>	Tidewater Oil Co. (parent company).	1960	41	74
Tidewater Tankers, Ltd.	do			
<i>Veedol</i>		1955	28	46
<i>Wajra</i>		1956	28	46
Titan Tankers, Inc.: <i>Intercontinent</i>	Barber Oil Corp. (parent company).	1960	22	36

Tankers registered under the Honduran, Liberian, and Panamanian flags deemed by the Navy Department to be under effective U.S. control as of Apr. 1, 1963—Continued

[Tonnage in thousands]

Flag, owner, and name of ship	U.S. parent company or representative in the United States	Year built	Gross tons	Dead-weight tons
American Oil Co., The—Continued				
Transoceanic Shipping Corp.	Tidewater Oil Co. (parent company)			
<i>Denmark Getty</i>		1961	29	46
<i>Maryland Getty</i>		1959	29	46
<i>Massachusetts Getty</i>		1958	29	46
<i>Pennsylvania Getty</i>		1958	29	46
<i>Virginia Getty</i>		1959	29	46
Trinity Navigation Corp.	Marine Transport Lines, Inc. (parent company)			
<i>Trinity Challenger</i>		1960	27	41
<i>Trinity Navigator</i>		1959	27	41
<i>Trinity Shipper</i>		1959	27	42
Trinity Transportation Corp.	Marine Transport Lines, Inc. (resident agent)	1943	11	17
<i>Trinity Mariner</i>				
Tropigas Tankers, Inc.: <i>Marian P. Billups</i>	Associated with Marine Transport Lines, Inc.	1956	2	2
Universe Tankships, Inc.	Ludwig, D. K. (parent company)			
<i>Bulkoceanic</i>		1949	16	30
<i>Bulkoil</i>		1949	16	30
<i>Bulkpetrol</i>		1948	16	30
<i>Bulkstar</i>		1949	16	30
<i>Bulktrader</i>		1950	16	30
<i>Commonwealth</i>		1943	19	31
<i>Fristia</i>		1957	51	86
<i>George Champion</i>		1958	51	86
<i>Harold H. Helm</i>		1958	51	86
<i>Petro Sea</i>		1957	26	44
<i>Petroemperor</i>		1953	22	38
<i>Petroking</i>		1953	22	38
<i>Petrokure</i>		1952	22	38
<i>Petrolene</i>		1957	26	44
<i>Petroqueen</i>		1953	22	38
<i>Phoenix</i>		1954	26	45
<i>Universe Admiral</i>		1957	51	86
<i>Universe Apollo</i>		1959	72	114
<i>Universe Commander</i>		1957	51	86
<i>Universe Daphne</i>		1960	72	115
<i>Universe Defranie</i>		1958	51	86
<i>Universe Leader</i>		1956	51	86
World Banner Corp.: <i>World Banner</i>	Transoceanic Marine, Inc. (resident agent)	1958	21	33
World Beauty Corp.: <i>World Beauty</i>	do.	1957	28	46
World Bond Corp.: <i>World Bond</i>	do.	1957	21	33
World Tankers Corp.: <i>World Glory</i>	do.	1954	28	46
World Sea Corp.: <i>World Sea</i>	do.	1953	13	20
Panamanian flag, total (95 ships)			1,448	2,318
Artemision Steamship Co.: <i>Thomas A.</i>	Aurora Agencies, Inc. (resident agent)	1942	10	16
Bilboa Compania Naviera, S.A.	Orion Shipping & Trading Co. (managing agent)			
<i>John P. G.</i>		1954	19	29
<i>Master Peter</i>		1954	19	29
Caribbean Oil & Transport, Inc.: <i>Imperial St. Lawrence</i>	Standard Oil Co. of New Jersey (parent company)	1957	24	36
Chartered Tankers, S.A.	Texaco, Inc. (parent company)			
<i>Brighton</i>		1959	27	46
<i>Texaco Maine</i>		1959	27	46
<i>Trinidad</i>		1958	27	46
Esso Standard Eastern, Inc.	Standard Oil Co. of New Jersey (parent company)			
<i>Esso Chittagong</i>		1944	10	17
<i>Esso Singapore</i>		1944	10	17
Esso Standard Oil, S.A.: <i>Esso Guatemala</i>	Standard Oil Co. of New Jersey (parent company)	1945	3	4
Esso Sirte, Inc.: <i>Esso Atshan</i>	do.	1946	5	7
General Tankers, S.A.	Texaco, Inc. (parent company)			
<i>Texaco Arizona</i>		1956	18	28
<i>Texaco Arkansas</i>		1956	13	18
<i>Texaco Vermont</i>		1956	18	28

Tankers registered under the Honduran, Liberian, and Panamanian flags deemed by the Navy Department to be under effective U.S. control as of Apr. 1, 1963—Continued

[Tonnage in thousands]

Flag, owner, and name of ship	U.S. parent company or representative in the United States	Year built	Gross tons	Dead-weight tons
Panamanian flag—Continued				
Mobil Tankers, Co., S.A.	Socony Mobil Oil Co., Inc. (parent company).			
<i>Marion</i>		1960	29	47
<i>Tahchee</i>		1952	12	19
<i>Tuscalusa</i>		1942	10	16
<i>Waneta</i>		1952	19	29
<i>Wapello</i>		1953	19	30
<i>Wenatchi</i>		1939	12	19
<i>Winamac</i>		1939	12	19
Nocos Tankers, Inc.: <i>Wabasha</i>	Associated with Keystone Shipping Co.	1959	26	42
Overseas Tankship Corp.	Standard Oil Co. of California (parent company).			
<i>Caltez Antwerp</i>		1950	12	17
<i>Caltez Bangkok</i>		1944	10	17
<i>Caltez Brussels</i>		1951	12	17
<i>Caltez Capetown</i>		1944	10	17
<i>Caltez Copenhagen</i>		1944	10	17
<i>Caltez Durban</i>		1944	10	17
<i>Caltez Genoa</i>		1944	10	17
<i>Caltez Gothenberg</i>		1945	10	17
<i>Caltez Liege</i>		1951	12	17
<i>Caltez Manila</i>		1945	10	17
<i>Caltez Stockholm</i>		1945	10	17
<i>Caltez Venice</i>		1945	10	17
Panama Transoceanic Co., S.A.	Cosmopolitan Shipping Co. (operating agent).			
<i>Barbara Jane Conway</i>		1945	14	24
<i>Retty Conway</i>		1943	14	24
<i>Carolyn E. Conway</i>		1945	15	24
<i>Edna N. Conway</i>		1945	14	24
<i>Mary Ellen Conway</i>		1945	14	24
<i>Phyllis T. Conway</i>		1944	14	24
Santander Compania Naviera, S.A.	Orion Shipping & Trading Co. (managing agent).			
<i>Andros Sea</i>		1953	19	29
<i>Chryssi</i>		1953	19	29
Texaco (Panama) Inc.	Texaco, Inc. (parent company).			
<i>Texaco Alaska</i>		1960	24	40
<i>Texaco Anacortes</i>		1961	26	47
<i>Texaco Bristol</i>		1944	14	24
<i>Texaco Cristofal</i>		1945	3	4
<i>Texaco Hawaii</i>		1960	26	47
<i>Texaco Idaho</i>		1959	23	43
<i>Texaco Iowa</i>		1959	24	40
<i>Texaco Kentucky</i>		1949	18	28
<i>Texaco Missouri</i>		1957	19	28
<i>Texaco New Mexico</i>		1958	19	28
<i>Texaco New York</i>		1949	18	28
<i>Texaco Ohio</i>		1960	26	47
<i>Texaco Oregon</i>		1949	18	28
<i>Texaco Pennsylvania</i>		1949	18	28
<i>Texaco Texas</i>		1959	26	47
<i>Texaco Utah</i>		1958	23	43
<i>Texaco Virginia</i>				
Panama Transport Co.	Standard Oil Co. of New Jersey (parent company).			
<i>Esso Adventure</i>		1959	10	14
<i>Esso Centro America</i>		1945	5	4
<i>Esso Colon</i>		1949	17	27
<i>Esso Sao Paulo</i>		1944	12	16
<i>Esso Talang Akar</i>		1945	3	4
<i>Esso Uruguay</i>		1958	23	36
Panama Transport & Navigation Co., S.A.: <i>Esso Rochester</i>	Standard Oil Co. of New Jersey (parent company).	1943	12	19
Panama Transport & Shipping Co., S.A.	do.			
<i>Esso Balboa</i>		1959	24	36
<i>Esso Brooklyn</i>		1943	10	16
<i>Esso Montevideo</i>		1949	17	27
<i>Esso Norfolk</i>		1942	11	17
<i>Esso Santos</i>		1950	17	27

Tankers registered under the Honduran, Liberian, and Panamanian flags deemed by the Navy Department to be under effective U.S. control as of Apr. 1, 1963—Continued

[Tonnage in thousands]

Flag, owner, and name of ship	U.S. parent company or representative in the United States	Year built	Gross tons	Dead-weight tons
Panamanian flag—Continued				
Panama Transport & Tanker Co., S.A.	Standard Oil Co. of New Jersey (parent company).			
Esso Argentina.....		1958	23	36
Esso Aruba.....		1959	30	47
Esso Chile.....		1957	23	36
Esso Colombia.....		1956	23	36
Esso Cristobal.....		1957	23	36
Esso Genova.....		1949	17	27
Esso Jamaica.....		1958	24	36
Esso Panama.....		1958	23	36
Esso Peru.....		1958	23	36
Esso Puerto Rico.....		1959	25	33
Esso Switzerland.....		1959	23	36
Esso Trinidad.....		1959	23	36
Petroleum Shipping Co., Ltd.	Socony Mobil Oil Co., Inc. (parent company).			
Stanvac Canberra.....		1950	10	17
Stanvac Karachi.....		1950	10	17
Stanvac Ogan.....		1945	1	2
Stanvac Sumba.....		1945	3	4
Stanvac Sunda.....		1945	3	4
Petroleum Shipping Services Co., Ltd.	Socony Mobil Oil Co., Inc. (parent company).			
Stanvac Benakat.....		1945	3	4
Stanvac Djirak.....		1945	3	4
Stanvac Lirik.....		1957	7	12
Stanvac Malacca.....		1958	5	7
Stanvac Selo.....		1944	1	1
Stanvac Pendopo.....		1945	3	4
Socony Mobil Oil Co., Inc.: Winnebago.	Socony Mobil Oil Co., Inc. (parent company).	1943	10	17
Texas Petroleum Co.: Raban.....	Texaco, Inc. (parent company)	1949	5	7

Source: U.S. Department of Commerce, Maritime Administration, Office of Statistics, Division of Ship Data, June 25, 1963.

Mr. GULICK. Yes, sir, we do. We find it has worked very well.

Chairman DOUGLAS. You have no intention of changing it?

Mr. GULICK. We are always aware of possibilities for change. But at the moment we are not persuaded that such action would be indicated.

Chairman DOUGLAS. How would you get a change?

Mr. GULICK. I am sorry.

Chairman DOUGLAS. How would you get a change? Would it require legislative action, action by the Secretary?

Mr. GULICK. This would probably be a matter which the agency could change within its own authority.

But I am sure that any change from this present policy would have to have the concurrence of the Department of Commerce.

Chairman DOUGLAS. Could the Secretary order such a change into effect, even though you disapproved?

Mr. GULICK. I imagine he could, sir.

Chairman DOUGLAS. Thank you very much.

Senator PROXMIRE. I would like to say before we adjourn that I think the staff work done on this particular study has been expert and enormously helpful.

I think Mr. Thomas Boggs has done a really fine job, one of the best I have seen in my experience in the Senate.

Chairman DOUGLAS. That is my feeling, too.

And I think that Mr. Boggs and Mr. Knowles deserve the thanks of the committee and of the public.

I ask unanimous consent to insert in the record a summary of the complaints regarding discriminatory freight rates received by the Department of Commerce, along with a statement concerning the Department of Commerce activities in this area.

I believe it shows of some 50 complaints referred, 5 were acted upon favorably; 5 were turned down, and 40 had an unknown fate, in the German phrase "Spurlos versung."

Without objection, so ordered.

(The material referred to follows:)

COMMERCE DEPARTMENT ACTIVITIES RELATING TO OCEAN FREIGHT RATES

CURRENT ACTIVITIES

From time to time, the Commerce Department receives complaints from businessmen who claim that ocean freight rates are impeding their ability to sell abroad. For the most part, these complaints have been registered in the Commerce Department on a purely ad hoc basis. However, additional comments have also been obtained during export expansion conferences between industry representatives and Commerce personnel.

1. The Bureau of International Commerce (BIC) has recorded about 50 references to ocean freight rates since April 1960. In the typical case, an exporter contacted the Commerce Department (sometimes after having inquired elsewhere) in a search for a way to obtain lower freight rates. The Bureau of International Commerce (or its predecessor) was typically the point of contact. A statistical summary of this miscellaneous correspondence is attached (attachment I). It will be noted that the Bureau of International Commerce normally referred the inquiry to the Federal Maritime Commission or its predecessor (Federal Maritime Board). It should also be noted that included in BIC's summary are five cases in which freight rates were reduced.

The Bureau of International Commerce, in attempting to handle complaints in a systematic way, prepared a "general statement" outlining steps businessmen should take in seeking relief from inequitable freight rates. This statement, with a covering letter, was sent to businessmen who made inquiries. The first statement was dated July 22, 1960. A revision was made May 1, 1963, after consultation with a representative from the Federal Maritime Commission. In addition, BIC prepared a "special statement"—which was essentially the same as the "general statement" mentioned above—on ocean freight rates dated July 29, 1960. This was prepared in connection with the export expansion program. This statement was sent to all Commerce Department field offices. Copies of these three statements are enclosed (attachments IIa, IIb, and IIc).

2. The Business and Defense Services Administration held a series of export expansion conferences beginning in the spring of 1960 and extending into the winter of 1961. About 30 meetings were held with industry groups. In these meetings some information was acquired on the impact of freight rates on exports. These leads were followed up by BIC between June 1960 and June 1961. The responses received were summarized by BIC, and copies were sent to agencies with an interest in the matter—including the Under Secretary of Commerce for Transportation, the Federal Maritime Board, and the Maritime Administration.

Since February 1963, BDSA has been holding another series of industry conferences concerned with the export expansion program. A representative of the Federal Maritime Commission usually attends these meetings. The question of ocean freight rates is on the agenda for each meeting. These conferences will continue for some time. Through May 2, 13 meetings were held, and in 9 of these industry representatives reported (in varying detail) that inequitable ocean freight rates are an important factor in denying them new marketing opportunities abroad. A summary of the information supplied to BDSA is attached (attachment III). In following up the conference with representatives of the refrigeration equipment industry, BDSA prepared a letter in which a number of detailed questions about ocean freight rates were raised. This letter has been distributed by trade associations to 150 members firms. The letter went

to the trade associations in mid-May and was distributed by them in late May. So far BDSA has not received replies, a fact which can be readily understood in view of the technical nature of the questions raised. A copy of this letter is also attached (attachment IV).

FUTURE ACTIVITIES

1. The Business and Defense Services Administration will continue the series of industry conferences on export expansion. The effects of ocean freight rates on business firms' ability to sell abroad will remain a prominent feature of these meetings. The information acquired will be transmitted to the Federal Maritime Commission (whose representative will participate in the meetings).
2. In addition, the Commerce Department will disseminate to businessmen whatever information it has on steps they should take to obtain relief from inequitable ocean freight rates. The staff of the export expansion program will be asked to include in their promotion activities suggestions to present and potential exporters about procedures they should follow in seeking lower rates.
3. Through the Office of the Under Secretary for Transportation and the Assistant Secretary for Economic Affairs a systematic study is being made of the effects of ocean freight rates on the balance of payments. A number of persons in other agencies in the Commerce Department as well as in the Federal Maritime Commission are being called on for assistance. It is anticipated that this study will be completed in September 1963.
4. The Commerce Department is anxious to work with the Federal Maritime Commission in the series of ocean freight rate studies which the Commission has projected. The Commerce Department is particularly anxious to ascertain whether outbound freight rates are unduly high. The Department would like to see special emphasis placed on (a) commodities with substantial export potential, (b) commodities for which outbound freight rates in relation to inbound freight rates appear to be particularly discriminatory against exports, and (c) exports for which shipping costs are high in relation to landed value.

ATTACHMENT I

SUMMARY OF OCEAN FREIGHT RATE COMPLAINTS RECEIVED BY THE BUREAU OF INTERNATIONAL COMMERCE, 1960-63

The attached summary of how the Bureau of International Commerce handled the 50 complaints which came to its attention during the past 3 years is inconclusive because of the fragmentary nature of our files. Out of the 37 cases referred by BIC to the Federal Maritime Board or its successor agency, the Federal Maritime Commission, there is sufficient information in our files on only 9 cases to indicate a final disposition of the complaint. A similar situation exists in regard to the 13 cases on which the Bureau requested additional information so that a meaningful submission could be made to the FMC.

In BIC's letters the shipper was given general background information and advised to make his request for rate adjustment to the concerned conference or carrier before bringing the matter to the attention of the Federal Maritime Commission. BIC, in its communications with both shippers and the FMC, asked for copies of correspondence showing the disposition of the case. Since there was no way of making sure that the shippers would do this, it can only be assumed that in 12 of the 13 cases, some of the shippers pursued the matter further with the concerned conference and/or the FMC. On one 1963 case involving chemicals the Bureau has been promised additional data. Of the 28 cases referred to the FMC on which no further copies of correspondence were received from that agency, it may be that some were successfully concluded and that in others it was demonstrated that the shipper lacked a valid case against the conference.

As a general rule the complaints which came to the Bureau's attention were from smaller business firms. The principal exception probably lies in the 12 cases

which grew out of the 1960-61 export expansion meetings which BDSA held with individual industries. It should be noted that this summary does not include any of the cases arising out of the current series of BDSA/industry meetings aimed at removing barriers to U.S. exports. These cases are being referred directly to the Bureau of Foreign Regulation of the FMC by BDSA.

Below are briefly described the five cases in which the shipper was successful in getting the conference to make the requested rate adjustment.

1. *Lowered rate on footwear to the United Kingdom to meet Far East competition.*—Early in 1962, the Bureau transmitted a letter from a manufacturer of novelty folding package slippers to the Federal Maritime Commission for appropriate action concerning a rate of \$1.25 per cubic foot for shipments from the U.S. east coast to the United Kingdom in contrast with a rate of \$0.75 per cubic foot on the same commodity moving from Hong Kong and other areas to the United Kingdom. The manufacturer had already been turned down by the Trans-Atlantic Associated Freight Conferences on this matter before he brought the matter to the Department's attention.

On February 14, 1962, the Bureau of Foreign Regulations of the FMC wrote to the North Atlantic/United Kingdom Freight Conference requesting a lower rate. On March 26, the conference changed the rate to \$0.75 per cubic foot for contract shippers.

2. *Rate on brake fluid to Malaya lowered to meet European competition.*—A U.S. exporter of brake fluid from New York was losing his market in southeast Asia to European competitors as a result of \$71.50 per ton rate in comparison with the \$45 per ton rate paid by European shippers. The exporter had already appealed to the Atlantic and Gulf/Singapore, Malaya and Thailand Conference without success. On March 1, 1962, we referred this well documented case to the FMC which wrote on March 23 to the conference, stating that the exporter's request deserved serious consideration. On May 1, the conference agreed to reduce the rate to \$45 per ton in order to enable the U.S. exporter to meet the foreign competition.

3. *Removal of an arbitrary favoring New York over Great Lakes ports in export shipments to Cyprus.*—This action was initiated in mid-1962 by a Midwest exporter of refrigerators who complained about an arbitrary of \$20 on shipments from Detroit to Larnaca in contrast with \$10 on similar shipments from New York. The arbitrary is to pay the carrier for deviating from his regular route to serve a port such as Larnaca.

In April 1963 as a result of a request from the FMC, the concerned Great Lakes Conference agreed to lower its arbitrary to \$10.

4. *Trade association wins parity between eastbound and westbound Atlantic rates.*—In the spring of 1961, a committee of a trade association concerning itself with the exportation of commercial laundry equipment came to the Department for advice on how to get the rate on its proposed export to Western Europe reduced from \$60.50 per ton to a competitive level. The rate on the same produce from the United Kingdom to the United States was \$42.50 per ton.

The association presented a documented case to the conference (sending copies of its correspondence to the Bureau and the FMC). The case was partially based on rate data submitted by the members of the association of the committee. On October 5, 1961 Gulf-French Atlantic Hamburg Range Freight Conference reduced the eastbound rate on industrial laundry equipment to \$46 per ton, thus creating a parity between the eastbound and westbound rates.

5. *A Missouri manufacturer of gas stoves was provided with the opportunity of penetrating the traditional British stove market in southeast Asia as the result of a rate adjustment by a conference.*—The rate from the United States was \$56 per ton in contrast with a rate of \$36 per ton from the United Kingdom. The Bureau of Foreign Commerce got the foreign freight rate data through the U.S. Embassy in London on which the submission to the conference was based. The manufacturer and the FMC worked together in presenting the case to the Singapore, Malaya, and Thailand Conference which on December 26, 1961, lowered the rate to \$40 per ton.

Summary of ocean freight rate complaints received by the Bureau of International Commerce, 1960-63

Year	Commodities by SIC											Type of rate complaint				Action		Results			
	Total	Animals and animal products	Vegetable food products	Inedible vegetable products	Textile fibers and manufactures	Wood and paper	Nonmetallic minerals	Metals and manufactures	Machinery and vehicles	Chemicals and related products	Miscellaneous or not indicated	Inbound-outbound discrepancy	United States-foreign, foreign-foreign discrepancy	Rate prevents U.S. competition with domestic price of importing country	Classification of commodity in dispute	Discrimination between U.S. ports	Referred to FMB or FMC	BFC or BIC replied, asking for more data	Conference met shipper's request	Conference did not meet shipper's request	Unknown
1960.....	24	2		2	1	1	2	2	7	4	3	6	16	1	1		21	3		1	23
1961.....	8					2	1		2	1		1	7			4	4	1	2		2
1962.....	15	1	1			1		1	2	4		1	2	3	1	10	5	2	3	3	
1963.....	3				1			1	1			1	1			2	1			3	
Total.....	50	3	1	2	2	4	5	3	13	8	9	9	32	4	4	1	37	13	5	5	40

¹ Not through FMC intervention.

ATTACHMENT IIA
OCEAN FREIGHT RATES

(a) The U.S. Government does not exercise any direct control over the level of ocean freight rates on general cargo. These rates are established by the steamship conference serving the various trade routes of the world. For this reason the first step in seeking a rate adjustment should be to enter into negotiation with the particular conference or conferences concerned.

(b) Negotiations with conferences should preferably be carried out by trade associations of a particular industry representing a large group of shippers, rather than by individual exporters. Most conferences provide an application form to assist in the securing of all pertinent information required in arriving at a decision. Questions usually asked include the following:

- (1) Name of commodity, trade name if used, and full description of article.
- (2) Nature of commodity with respect to being hazardous, inflammable, and liquid or solid.
- (3) Particulars of shipping package, including material from which made, and shape (i.e., box, barrel, crate, etc.).
- (4) Length, width, depth, cubic feet, gross weight of package.
- (5) Cubic feet required per 2,000 or 2,240 pounds, using gross weight and measurements of package.
- (6) Value per unit—ton, pound, article, etc.
- (7) Uses of commodity (this information contributes to a better understanding by the conference of the problems involved in the transporting and marketing of the goods).
- (8) Present and proposed ocean rate, port of origin and destination, and rate to port if origin is interior point.
- (9) Source of foreign competition involved, if any, and particulars as to such matters as rates from source to market in which competition is experienced.
- (10) Volume in which commodity ordinarily moves and nature of movement with respect to whether it is continuous, seasonal, or sporadic.
- (11) Reason for the requested change in rate.

Most conferences accord applicants the opportunity of appearing in person before either representatives or committees of the conference and, on occasion, before the full conference membership.

Copies of all correspondence with steamship conferences dealing with rate matters should be forwarded to the Federal Maritime Board, Washington 25, D.C., and the Transportation and Utilities Staff, Office of Economic Affairs, Bureau of Foreign Commerce.

(c) If negotiations with the conference concerned are unsuccessful and it is felt that a further review is warranted, the matter should then be brought to the attention of the Federal Maritime Board for such assistance as they may be able to render. In submitting a request to the Board for review of a particular rate, the same detailed information should be provided as outlined under (b) above. All correspondence should be addressed to the Federal Maritime Board, Washington 25, D.C.

(d) Upon receipt of such a request the Board may, depending on the circumstances, take one of several actions. These include (1) informal discussion of the matter with the conference concerned; (2) further investigation of the matter through one of the Maritime Administration's field offices; and (3) a formal request to the conference concerned for detailed data in support of the established rate.

No general statement can be made regarding the measures the Board is authorized to take, under the existing shipping laws it administers, as each rate question must be considered in the light of the particular circumstances which are involved.

ATTACHMENT IIB
OCEAN FREIGHT RATES

The U.S. Government does not exercise any direct control over the level of ocean freight rates on general cargo in foreign trade. These rates are established by the carriers and steamship conferences serving the various trade routes of the world. For this reason the first step in seeking a rate adjustment should be to enter into negotiation with the particular carrier or conference concerned.

Most carriers and conferences provide an application form to assist in the

securing of all pertinent information required in arriving at a decision. Questions usually asked include the following:

- (1) Name of commodity, trade name if used, and full description of article.
- (2) Nature of commodity with respect to being hazardous, inflammable, and liquid or solid.
- (3) Particulars of shipping package, including material from which made, and shape (i.e., box, barrel, crate, etc.).
- (4) Length, width, depth, cubic feet, gross weight of package.
- (5) Cubic feet required per 2,000 or 2,240 pounds, using gross weight and measurements of package.
- (6) Value per unit—ton, pound, article, etc.
- (7) Uses of commodity (this information contributes to a better understanding of the problems involved in transporting and marketing the goods).
- (8) Present and proposed ocean rate, port of origin and destination, and rate to port if origin is interior point.
- (9) Reason for the requested change in rate.
- (10) Source of foreign competition involved, if any, and particulars regarding rates from source to market in which the competition is experienced.
- (11) Volume in which commodity ordinarily moves and might be expected to move in the future if rate adjustment is made.
- (12) Nature of movement with respect to whether it is continuous, seasonal, or sporadic.

Most conferences accord applicants the opportunity of appearing in person before either representatives or committees of the conference, and on occasion, before the full conference membership. Independent carriers may have similar procedures.

Copies of all correspondence with steamship lines or conferences dealing with rate matters should be forwarded to the Bureau of Foreign Regulation, Federal Maritime Commission, Washington, D.C., and the Transportation and Insurance Division, Bureau of International Commerce.

If negotiations with the concerned carrier or conference are unsuccessful and the shipper believes that a further review is warranted, the matter should then be brought to the attention of the Federal Maritime Commission for such assistance as it may be able to render. In submitting a request for review of a particular rate, the above itemized detailed information should be provided if it has not already been furnished.

ATTACHMENT IIC

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN COMMERCE,
July 29, 1960.

MEMORANDUM

To: All field offices.
From: Loring K. Macy, Director.
Subject: Ocean freight rates.

The executive secretaries of a number of regional export expansion committees have asked or expressed interest in the question of "What is the U.S. Government doing with regard to ocean freight rates?"

The attached statement, prepared by the Director, Transportation and Utilities Staff, BFC, is transmitted for your information and appropriate use.

In distributing this information to inquirers or to press channels, it should be suggested that shippers provide copies of ensuing correspondence with conferences or the Federal Maritime Board to Mr. Ernst Van Es, Director, Transportation and Utilities Staff, BFC, Department of Commerce, Washington, D.C.

OCEAN FREIGHT RATES

(a) The U.S. Government does not exercise any direct control over the level of ocean freight rates on general cargo. These rates are established by the steamship conferences serving the various trade routes of the world. For this reason the first step in seeking a rate adjustment should be to enter into negotiation with the particular conference or conferences concerned.

(b) Negotiations with conferences should preferably be carried out by trade associations of a particular industry representing a large group of shippers, rather than by individual exporters. Most conferences provide an application

form to assist in the securing of all pertinent information required in arriving at a decision. Questions usually asked include the following:

- (1) Name of commodity, trade name if used, and full description of article.
- (2) Nature of commodity with respect to being hazardous, inflammable, and liquid or solid.
- (3) Particulars of shipping package, including material from which made, and shape (i.e., box, barrel, crate, etc.).
- (4) Length, width, depth, cubic feet, gross weight of package.
- (5) Cubic feet required per 2,000 or 2,240 pounds, using gross weight and measurements of package.
- (6) Value per unit—ton, pound, article, etc.
- (7) Uses of commodity (this information contributes to a better understanding by the conference of the problems involved in the transporting and marketing of the goods.
- (8) Present and proposed ocean rate, port of origin and destination, and rate to port if origin is interior point.
- (9) Source of foreign competition involved, if any, and particulars as to such matters as rates from source to market in which competition is experienced.
- (10) Volume in which commodity ordinarily moves and nature of movement with respect to whether it is continuous, seasonal, or sporadic.
- (11) Reason for the requested change in rate.

Most conferences accord applicants the opportunity of appearing in person before either representatives or committees of the conference and, on occasion, before the full conference membership.

Copies of all correspondence with steamship conferences dealing with rate matters should be forwarded to the Federal Maritime Board, Washington, D.C.

(c) If negotiations with the conference concerned are unsuccessful and it is felt that a further review is warranted, the matter should then be brought to the attention of the Federal Maritime Board for such assistance as they may be able to render. In submitting a request to the Board for review of a particular rate, the same detailed information should be provided as outlined under (b) above. All correspondence should be addressed to the Federal Maritime Board, Washington, D.C.

(d) Upon receipt of such a request the Board may, depending on the circumstances, take one of several actions. These include (1) informal discussion of the matter with the conference concerned; (2) further investigation of the matter through one of the Maritime Administration's field offices; and (3) a formal request to the conference concerned for detailed data in support of the established rate.

No general statement can be made regarding the measures the Board is authorized to take, under the existing shipping laws it administers, as each rate question must be considered in the light of the particular circumstances which are involved.

ATTACHMENT III

BDSA CONFERENCES: MARINE TRANSPORTATION COSTS VERSUS EXPORT EXPANSION

A. Specific examples uncovered at the BDSA industry consultations:

1. *Antifriction bearings*

U.S. ocean freight rates to Venezuela increase June 10 whereas European rates remain at existing levels.

2. *Organic chemicals*

Freight rates on a common plasticizer:

	<i>Per ton</i>
Germany to New York.....	\$35
New York to Germany ¹	88
Germany to Veracruz, Mexico.....	43
New York to Veracruz, Mexico.....	54
England to São Paulo, Brazil.....	35
New York to São Paulo, Brazil.....	Over 80

¹ On American conference ships.

3. *Household appliances*

A specific model of vacuum cleaner retails in the United States for \$49.95. The same model manufactured in England sells there for \$99.95. The landed value

difference between the \$49.95 machine shipped to Australia from the United States and the machine shipped from England worked out to \$1.

4. *Standard textile looms (other than head looms)*

New York to Rotterdam.....	¹ \$89. 72
Rotterdam to New York.....	² 86. 23
New York to Genoa.....	¹ 153. 15
Genoa to New York.....	² 90. 33
New York to Yokohama.....	³ 222. 02
Yokohama to New York.....	³ 152. 25

¹ 2,240 pounds, 40 cubic feet.
² 1,000 kilos, 1 cubic meter.
³ 2,000 pounds, 40 cubic feet.

5. *Household refrigerators and refrigerator parts*

New York to Yokohama.....	¹ \$61. 25
Yokohama to New York.....	¹ 43. 50
New York to Antwerp.....	² 16. 00
Antwerp to New York.....	³ 13. 00

¹ 2,000 pounds, 40 cubic feet.
² 2,240 pounds, 40 cubic feet.
³ 1,000 kilos, 1 cubic meter.

6. *Refrigerating machinery*

New York to Yokohama.....	¹ \$56
Yokohama to New York.....	¹ 42

¹ 2,000 pounds, 40 cubic feet.

B. In six additional consultations, industry representatives stated that freight differentials represented a major barrier to export expansion but could not provide the case history data necessary for further investigation. Specifics will flow to us in the exchange of information which follows each meeting.

ATTACHMENT IV

U.S. DEPARTMENT OF COMMERCE,
 BUSINESS AND DEFENSE SERVICES ADMINISTRATION,
 Washington, D.C.

At a conference held in this Department on Wednesday, March 27, 1963, called by Daniel Goldy, Administrator of BDSA, to discuss export trade barriers, a question was raised concerning the outgoing freight rates that are being charged by independent ship operators and shipping conferences serving U.S. ports. It was stated that the high level of such rates tends to weaken the competitive position of U.S. exporters as against foreign exporters of air conditioning and refrigeration equipment.

This Department is very much concerned about complaints that are being received from exporters pointing to their competitive handicap in instances in which outgoing freight rates covering shipments of commodities from the United States to a specific importing foreign country are reportedly higher than rates covering shipments of the same commodities from competing exporting countries to the same importing country. The Transportation and Insurance Division in this Department's Bureau of International Commerce is now undertaking an investigation of the possible restraining effect of lower rates being charged to exporters in other countries, on the U.S. export expansion program. That Division is very much interested in assembling documented specific cases which demonstrate the deterrent effect of such lower rates on American exports and which could be used in support of efforts to bring about equalizing adjustments.

The attached guide describes the steps which an exporter may take in attempting to obtain a reduction in any rate which he feels to be unfair and a deterrent to his exporting. The exporter should first seek relief from the carrier or conference and write to it for that purpose. If such negotiations are unsuccessful, and the carrier's or conference's determination is felt to be unjustified, the exporter should call the matter to the attention of the Federal Maritime Commission's Bureau of Foreign Regulation. It is possible that that Bureau can be helpful on an informal basis in assisting in securing the adjustment of rate differences. It is noted, however, that the Commission's jurisdiction over the general level and reasonableness of rates in the foreign commerce of the United States appears to be limited. It has no authority to suspend or disapprove a rate

when filed and any action it takes must be based upon findings made after formal notice and hearing. In this connection, legislation enacted in October 1961 (Public Law 87-346), authorizes the Commission to disapprove any rate or charge filed by a common carrier by water in the foreign commerce of the United States, or by a conference of such carriers, which, after formal notice and hearing, it finds to be so unreasonably high or low as to be detrimental to the commerce of the United States.

Copies of correspondence between the Federal Maritime Commission, the conference and the exporter should be forwarded to the Transportation and Insurance Division for proper followup. Our intention is to assemble all such cases in a general study of the problem with the view of possible further action.

C. F. HUGHITT,

Director, General Industrial Equipment and Components Division.

OCEAN FREIGHT RATES

The U.S. Government does not exercise any direct control over the level of ocean freight rates on general cargo in foreign trade. These rates are established by the carriers and steamship conferences serving the various trade routes of the world. For this reason the first step in seeking a rate adjustment should be to enter into negotiation with the particular carrier or conference concerned.

Most carriers and conferences provide an application form to assist in the securing of all pertinent information required in arriving at a decision. Questions usually asked include the following:

- (1) Name of commodity, trade name if used, and full description of article;
- (2) Nature of commodity with respect to being hazardous, inflammable, and liquid or solid;
- (3) Particulars of shipping package, including material from which made, and shape (i.e., box, barrel, crate, etc.);
- (4) Length, width, depth, cubic feet, gross weight of package;
- (5) Cubic feet required per 2,000 or 2,240 pounds, using gross weight and measurements of package;
- (6) Value per unit—ton, pound, article, etc.;
- (7) Uses of commodity (this information contributes to a better understanding of the problems involved in transporting and marketing the goods);
- (8) Present and proposed, ocean rate, port of origin and destination, and rate to port if origin is interior point;
- (9) Reason for the requested change in rate;
- (10) Source of foreign competition involved, if any, and particulars regarding rates from source to market in which the competition is experienced;
- (11) Volume in which commodity ordinarily moves and might be expected to move in the future if rate adjustment is made; and
- (12) Nature of movement with respect to whether it is continuous, seasonal, or sporadic.

Most conferences accord applicants the opportunity of appearing in person before either representatives or committees of the conference, and on occasion, before the full conference membership. Independent carriers may have similar procedures.

Copies of all correspondence with steamship lines or conferences dealing with rate matters should be forwarded to the Bureau of Foreign Regulation, Federal Maritime Commission, Washington 25, D.C., and the Transportation and Insurance Division, Bureau of International Commerce.

If negotiations with the concerned carrier or conference are unsuccessful and the shipper believes that a further review is warranted, the matter should then be brought to the attention of the Federal Maritime Commission for such assistance as it may be able to render. In submitting a request for review of a particular rate, the above itemized detailed information should be provided if it has not already been furnished.

Chairman DOUGLAS. We do not permanently pass out of existence on this subject. We expect a report from the Maritime Commission within 2 weeks. We have made a date with the Maritime Commission.

We now make it with the Maritime Administration, for the 10th of January, to see what progress you have made in redressing these evils, if any.

(By direction of the chairman the following is made a part of the record:)

U.S. SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
June 27, 1963.

Hon. PAUL H. DOUGLAS,
Chairman, Joint Economic Committee,
U.S. Senate,
Washington, D.C.

DEAR PAUL: The attached is a copy of a very thoughtful paper sent to me by Mr. Robert R. Clark, vice president of FMC International, 633 Third Avenue, New York, N.Y., in response to my request for information on the ocean freight rate situation.

The paper was prepared by Mr. Clark, and was delivered at the Manufacturing Chemists Association convention in November 1962.

I believe the information contained therein would be of value to the committee's study of the problems caused by the ocean freight rate situation of American exporters.

I would therefore request that this paper be included as part of the record of the hearings on "Discriminatory Freight Rates in Ocean Shipping," held by the Joint Economic Committee on June 20 and 21.

With best wishes,

Sincerely,

JACOB K. JAVITS, *U.S. Senator.*

THE AMERICAN CHEMICAL INDUSTRY'S SHARE IN FOREIGN MARKETS—UNDERLYING FACTORS AND TRENDS

It is a matter of record that the U.S. balance-of-payments position is not good and that the short-range picture for improvement is not promising.

There is little point rehashing how we arrived at this state of affairs, the situation exists, and additional exports are one way to help correct our payments position and to compensate for the large dollar outflow for overseas military and economic aid, and finally to assist in creating a true favorable balance of trade,

For, unless we are interested in practicing self-deception, we should remember that the reported surplus of exports over imports of several billion dollars is fictitious from a commercial standpoint, and to the extent that published export figures include such items as relief shipments of grain, subsidized agricultural exports, shipments to military installations, etc.

Additionally, if we are measuring our competitive ability abroad, we should reduce the results to size by deducting the shipments that American companies make to their own subsidiaries amounting to over \$2 billion annually.

Since there are some 300,000 U.S. firms potentially eligible to engage in foreign trade, and only 20,000 participating, the Commerce Department is rightfully concentrating on getting nonexporters into the field, and at the same time encouraging and promoting the incumbents to do better.

Like all promotion drives, goals are set for participants and all of this promotional activity can add up to more export business.

However, it is my contention that the Government and the trade expansion councils may be establishing goals for the exporting industries on the basis of the administration's needs, but may not have a full appreciation of what is currently required to compete abroad by some of the individual business segments involved and, more particularly, the complex chemical industry.

At the dollar volume rate of \$5 million every 24 hours, the American chemical industry is "at the head of the class," exporting a greater volume of chemicals and related products than any other single nation in the world, and accounting for about one-tenth of U.S. total exports. This rate of exports doesn't call for an inferiority complex.

However, technological, economic, and political changes are taking place around the world at a breathtaking rate, and are of a nature that will necessitate the exporters of the American chemical industry to extend themselves, if they desire to maintain their present position.

In retrospect, the industry could have exported at an even greater rate, and certainly more profitably, except for one major deterrent which I shall refer to shortly.

Thus with the American chemical industry desiring to maintain its present position and to share in the expanding chemical world markets and the administration desiring to increase overall exports we have closed ranks—a fixed responsibility and a common goal.

However, it should be constantly kept in mind that along with high-sounding objectives the individual companies and their management in the chemical industry have a private responsibility which complicates the picture, they must operate at a profitable level in their international business or they will be forced to retire to the sidelines where they cannot contribute to any goalmaking efforts.

With the reshuffling of world trade lineups and the conglomeration of common markets being formed I believe the most astute students of foreign trade would have considerable difficulty in accurately forecasting the primary, much less the secondary long-range effects upon overall U.S. trade.

However there are two markets, by way of example, where it appears at this time that the U.S. chemical industry will lose ground as far as export sales are concerned.

The first, our neighbor, Canada consumes our chemicals at the rate of \$300 million per year.

As you know Canada is revising its tariff structure for the first time in many years.

I will not dwell on this area except to indicate that the anticipated protective tariff increases and revisions are taking place for obvious reasons and will cause obvious results, not assisted by the prevailing exchange differential of 8 percent.

The second area, Europe, historically has been our largest single marketplace as our chemicals are currently imported at the rate of about \$1½ million a day.

With the formation of the European Common Market we find a six-nation preferential tariff private club with an impressive list of panting nations courting EEC for membership.

A tariff seawall is gradually being constructed around the clubhouse to discourage nonmembers, including the United States, an original supporter of its economic integration.

In fact if you allow a scale of 1 foot per percentage point of eventual average chemical import duty forecasted we end up with a barricade which will average out at 17 feet.

This is a formidable economic wall to hurdle and if the other common markets being spawned follow a similar procedure it does not add up to an encouraging long-range picture for U.S. chemical exports unless, of course, the reciprocal tariff bargaining scheduled under the Trade Expansion Act makes some substantial holes in the dike.

There are, of course, alternatives for the U.S. producer, such as licensing or setting up an operation in Europe, either by himself or in association with a local producer.

Under this latter condition he would have the advantage of another home market, but with a substantial protective tariff against outsiders—lower labor, freight, and production costs—and he could then export to other world markets more competitively than from the United States.

Logically he might even consider exporting to the largest Common Market in the world where it is already known he will not have to overcome a chemical tariff wall which will average 17 percent.

As mentioned earlier the chemical industry could have exported more except for one major roadblock. It is my opinion that the greatest single, still prevailing deterrent to a sizable increase in chemical export sales today is unfavorable ocean freight rates.

To make sure that I was not becoming overly too rebellious or opinionated on freight matters I checked with several industry people to verify my feelings.

Verification was, as I expected, in all instances except one, when I made the mistake of asking a self-appointed comedian the question: "What do you consider to be the biggest roadblock to an increase in your export business?" and I received the prompt reply: "My boss."

To develop the subject further the foreign buyer of chemicals is not particularly interested in where your plant is located or how you accomplish delivery as this is the obligation of the seller. The buyer is interested in a competitive cost, insurance, and freight or delivered price to his port of entry. It follows, therefore, that an integral part of one's selling price is ocean freight.

Sitting squarely between the seller and the customer is the steamship line, a comparatively inflexible service entity, which understandably does not get emotional about or recognize chemicals as providing the most attractive revenue as far as cargo is concerned.

This attitude, plus the fact that the chemical industry is dependent upon the shipping industry for enjoyment of any offshore export business, plus the additional fact that the shipping industry is not solely dependent upon the chemical industry for income, does not enhance the position of the individual chemical exporters in any negotiations to obtain lower rates.

Therefore, unless one is ready to build and operate a fleet to call at all major world ports, it is necessary to operate within the framework of the existing transportation facilities.

Many exporters, in delivering a chemical abroad, must equalize on inland freight out of their gross profit margin to reach the port of embarkation at a level competitive with other U.S. producers for the same piece of oversea business.

There still being a possibility of making a profit, the exporter is then faced with equalizing again, this time against the foreign competition who it seems invariably has substantially lower ocean freight rates.

To put it another way, chemical profits are used to offset the constant differential between U.S. and foreign freight rates and on many competitive chemicals, more often than not, this results in being equalized right out of the competitive picture.

Thus, when a company can produce a product competitively at the plant level but then cannot follow through because of necessary competitive equalizations, then anything in the way of promotion or goals by the individual—the corporate entity, the industry, or the administration—becomes academic.

By way of illustration, a chemical commodity which is at the 15-cents-per-pound domestic price level has a freight rate from New York to Germany as general cargo of \$116 per ton and, surprisingly, from Germany to New York at \$31 per ton.

The same product can be shipped to Veracruz from New York for \$43 per ton, but if the product were shipped from Germany to Veracruz via New York the rate portion from New York to Veracruz would be \$33 per ton.

This same product has a commodity rate to Japan from England of \$40, and \$90 from the United States.

Others: A common plasticizer from Germany to New York, \$35 per ton; New York to Germany, \$88 per ton; Germany to Veracruz, \$43 per ton; New York to Veracruz, \$54 per ton. Try and figure out what standards of measurement are involved in these rates.

On a third country basis, attempting to sell a product to Brazil, a rate of over \$80 per ton is called for from New York to São Paulo, but the rate from England (1,200 miles further away) is only \$35 per ton.

Other examples are:

Holland to South Africa, \$14 per ton versus \$27 per ton from New York.

Germany to Peru, \$25 per ton versus \$43 per ton from New York.

A commercial acid from Germany to Brazil, \$16 per ton; New York to Rio, \$39 per ton.

Is it any wonder that Europe, excluding trade between itself and the United States, delivers chemicals to the remainder of the free world at a 50-percent greater rate than from the United States—or that our chemical exports to Latin America have declined 17 percent since 1957. I would say that better freight rates in the hands of the competition have contributed to this picture.

When reciprocal bargaining takes place under the Trade Expansion Act toward elimination and lowering of tariffs, I hope that our negotiators will keep the overall picture in mind, for it will not matter much at what level a tariff is finally established if one cannot deliver goods competitively to the point where the tariffs become effective.

For the benefit of those present who may not be up to date on the subject of steamship conferences, a group of steamship companies plying the same trade routes band together in conference for the purpose of establishing a uniform standard on practices as well as rates.

The conference invites all exporters to the area serviced to sign a contract engaging themselves to forward all of their shipments on a vessel of the member carriers in return for which a rate reduction of 10 to 15 percent is obtainable.

If exporters prefer not to sign a contract, they can still ship on the conference lines, and rates will be 10 to 15 percent higher.

In other words, they have Hobson's choice.

Generally speaking, foreign-flag lines in those conferences outnumber American-flag lines to a considerable degree; in fact, it is reported that there are about 24 American-flag lines and 270 foreign-flag lines in 100 conferences handling U.S. foreign trade.

In 13 of the conferences there are no American-flag lines.

In 30 of the conferences there is 1 American-flag line.

In 93 conferences foreign-flag lines outnumber U.S.-flag lines.

However, just because the chemical industry may feel it needs more competitive freight rates, does not mean that the shipping lines are going to roll over and play dead.

The shipping industry has more than its share of problems, and the chemical industry has to appreciate the shippers' problems as well as its own, in its pursuit for more equitable rates.

Anyone desiring to obtain better comprehension of the complexity of the shipping industry and the possibility of ever getting competitive rates, would do well to read the revealing 400-page House Report No. 1419, or the excellent 18-page summary of the Antitrust Subcommittee on the Ocean Freight Industry, dated March 1962.

Since individual attempts at rate reductions by members of the chemical industry are like pinpricks to the shipping industry, and will not change the present picture to any appreciable degree, a move in the right direction would be for an association or group representing the chemical industry as a whole to present its problems to the steamship conferences or even the Federal Maritime Commission once the industry had polled itself and documented its findings.

At this point the administration might contemplate giving an assist to the shipping and chemical industries in getting past the 10-yard line in order to make the desired goals. For, in an effort to attempt to stamp out rebating and other improper practices, new regulatory laws grant the Federal Maritime Commission the right to obtain confidential files of steamship lines. The American-flag lines files are readily available but I understand the requests of the FMC to foreign-flag lines for their files are simply ignored. Another regulation, which calls for the lines to give 30 days' notice for raising rates, has stopped conferences from granting spot reductions to meet special competitive situations because the lines are not allowed to automatically restore their rates to former level after the competitive crisis has passed. I would appear to me that this regulation is counterclockwise to the drive for exports.

With a friendly persuasion approach to the shipping interests, I believe the chemical industry can do itself a lot of good.

Its increased business as a result of equitable rates would be in keeping with both the industry's and the administration's desire for more exports.

The steamship lines by cooperating would obtain additional cargo to offset the loss of revenue from rate reductions.

The steamship lines also need a favorable balance of trade to operate profitably and the ideal performance of an individual vessel is to book all its available space both on outbound and inbound trips. I understand that currently there are more vessels than are required for the cargo that is available and that many light-loaded vessels leaving these shores must take on ballast. Since our imports in 1962 show an increase of 14 percent and our exports only 4 percent, it would appear that if this trend continues there will be less trouble obtaining inbound cargo than outbound cargo.

Thus the lines have outbound space which is not producing income and the chemical industry has chemicals which could be used to make the space productive.

It would therefore appear that some communication between the industry and the lines could benefit everyone involved, for with the current U.S. need for exports, it seems a sin to hear of American-flag vessels leaving a berth without a capacity paying cargo.

Only after a series of talks have taken place and a background and basis for bargaining and further communication is established can these provocative, typical questions be asked and discussed:

(a) Why should a conference, which includes American vessels or steamship lines, and which are subsidized both in their building programs and operating expenses by the American taxpayer, have a different rate on inbound and out-

bound cargo to the same ports, for the same commodity, to the disadvantage of the U.S. shipper?

(b) Why cannot freight rates to third country destinations somehow be equalized—particularly where subsidized American-flag lines are part of a conference?

(c) Can a conference, which is predominantly made up of foreign-flag vessels or lines, act objectively upon a rate reduction request by a U.S. exporter?

(d) What measurement, standard, or formula, is used in establishing new rates or the modification of old rates?

Is it the selling price, the cubic measurement, distance transported, what the traffic will bear, etc., and cannot some standards be established?

Essentially, what this all boils down to is that if the shipping and chemical industries can find a method and the time for educating each other it could be to the mutual advantage of all concerned.

Furthermore, if something is not done I think that the Administration, the shipping industry, and the chemical industry do not desire to be in touch with reality.

Turning for a brief moment to the export policies or programs of the individual company members in the chemical industry, each has been motivated and formed over the years under different sets of conditions.

Many have been successful in their efforts and perhaps I should not presume to attempt to tell them why.

However, all things being equal, I would venture to say that those who have been successful have what is called a downstream policy which is simply where the executive officer of the company is interested enough to state a policy and it filters rapidly to intermediate levels of management as contrasted with the upstream policy where the export manager gets an overdeveloped jaw trying to sell management on a policy and usually has to develop the foreign marketplace during recessions in the U.S. marketplace.

Suffice it to say any unit with an upstream policy these days is operating under a real handicap and is destined to arrive with too little and too late.

Times are changing rapidly. I am sure that everyone here today is generally aware of developments outside of the United States which are impinging on both corporate and public situations.

Whether we like it or not as individuals the simple facts are that what happens in Holland or France or South Africa is becoming as important to management and industry and the country as what happens in New York, Philadelphia, Chicago, or Los Angeles sales districts.

The planners with foresight—although some may have been in opposition to the Trade Expansion Act on one hand—are not spending their time sulking but are adjusting to a new order of things and a larger territory, and if it is really necessary for an export market to fold they anticipate and attempt to devise other means of income via licensing, sale of know-how, or oversea manufacturing to offset the loss of income from the sales area.

(Whereupon, at 12:40 p.m., the committee adjourned to meet at the call of the Chair.)

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