P.S.. to the NEWS

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MERCHANT MARINE

One reason why the United States has dropped from first place to tenth on the list of major merchant marine fleets of the world, while the Soviet Union has risen from tenth to seventh place, is buried in a report released recently b.y the U.S. Seri- •

ate Permanent Investigations Subcommittee.

• It tells how the U.s·. Government allowed an American com pany to.sell.· the latest Federally-subsidized shipbuilding tech nology to the Soviet Union, after refusing to let the U.S. Navy use the same plans.

Here is how it happened that our shipbuilding know-how was exported to the Soviet Union to be used against us in military or economic competition, or both.

The Lykes Brothers Steamship Company of New Orleans made a deal last year with the Soviet Ministry of Merchant Marine to

provide a Finnish shipbuilding company in Helsinki with the plans and specifications for the construction and delivery to the Soviet Union of two uniquely-designed American barge ships kno1m as Seabee vessels.

The Soviets wanted this particular design because of its superior performance and especially its 2,000-ton submersible hydraulic stern elevator which loads or discharges two loaded barges simultaneously. The Soviets paid Lykes Brothers more than

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$1,000,000 in royalty for the drawings and data needed to con struct the two Seabees. The Commerce Department issued an export license on December 12, 1974.

This sophisticated technology was developed during the building of three Seabee ships under a Federal construction-subsidy contract, which specified that Lykes and the Federal Government are the joint owners of the technical data.

However, the U.S. Government is not sharing in the royalty paid by the Soviets to Lykes, and two years earlier these same working plans were denied to the U.S. Navy, which wanted to con struct a Seabee ship, for the Defense Department. At one point in the negotiations, Lykes offered to sell the Seabee plans to the Navy for about__ouble the price Lykes later charged the Soviet Union for the same material.

The purpose of the multi-million dollar Federal subsidy provided by the American taxpayers was to strengthen our own mer chant marine and shipbuilding industry. The result, however, is that the Russians were given access to our ship designs so that they can commission the construction of ships in foreign shipyards and build up the Soviet merchant marine to compete with us.

This is just one more way that the delusion of detente operates to the benefit of the Soviet Union and rips off the American worker both in taxes and in jobs.

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