

(This differs from the figure given in my memorandum of January 27† because the Middle East figures used in that calculation for the over-all total contained the permits issued in 1954 for tank parts for Israel. Those permits, you will recall, were not used and were replaced in part by new permits issued in 1955. The Middle East figures which you gave the House did not include these unused permits, and the Middle East figures which were subtracted from the over-all total in my memorandum of January 27 were the same as those you used in the House. Thus the residual total obtained was about a million dollars too high. The figures now given have been corrected on this point.)

I should mention that the figures attached herewith are subject to the limitations given in my memorandum of January 27 commenting on the earlier figures. I attach a copy of that memorandum for convenience of reference.

I should add a word about the shipments to Indochina and Korea. At the time our Commission was settling in to its task there was a full review of the question of shipments to Indochina of military items, with full account taken of the provisions of the cease fire agreement. Those items which are prohibited are "arms and munitions, and other war material". A separate passage provides a definition of "other war material" as "combat aircraft, naval craft, pieces of ordnance, jet engines and jet weapons and armoured vehicles". It was our Commissioner's interpretation, supported by the Department, that items falling outside these categories were not prohibited. The items approved for release to Indochina have in fact consisted of maintenance parts for aircraft, tanks, trucks, jeeps and radios, and have all been examined prior to approval in the light of the considerations mentioned. The one item released for Korea was a radio transmitter, certainly not prohibited under the armistice agreement and possibly not a military item at all.

J. L.[ÉGER]

[PIÈCE JOINTE 1/ENCLOSURE 1]

CONFIDENTIAL

PERMITS (IN THOUSANDS OF DOLLARS) FOR ARMS EXPORTS
TO SENSITIVE AREAS IN 1954 AND 1955

Country	1954	1955	Total
Burma	276	30	306
Egypt	—	771	771
Finland	7	—	7
India	287	622	909
Indochina	120	65	185
Indonesia	124	25	149
Israel	736	1,332	2,068
Hong Kong	—	4	4
Japan	—	120	120
Korea	1	—	1
Malaya	—	23	23
(French) North Africa	3	2	5
Pakistan	101	342	443
Sweden	6	3	9
Thailand	67	15	82
Yugoslavia	7	1	8
	1,735	3,355	5,090
		1,735	
		(5,090)	
Total for Middle East			2,839
Residual Total			2,249