

# \$8,000,000 Shipbuilding 'Kiss Off' Called Possible

By HELEN DMLICH  
[Maritime Editor of The Sun]

Washington, June 19—Aristotle S. Onassis, Greek shipping magnate, today said he could have "kissed off" an \$8,000,000 payment to the United States Government and been under no obligation thereafter to build any ships for the American flag.

However, the naturalized Argentine citizen, who enthralled a crowded hearing room with his flowery phrases as he talked about his business transactions that have grossed him hundreds of millions of dollars said the Maritime Administration and an official of his own company said they wanted to build the ships, so Onassis went along with them.

## Testified Standing

During the entire 2½ hours that the short, rather stocky international millionaire who operates his empire from his headquarters in Monte Carlo testified before a subcommittee of the House Merchant Marine and Fisheries Committee, he stood up, with his hands on the back of a chair or gesticulating freely.

After relating the number of American seamen he had kept employed on the thirteen ships in question—1,000 men for 10 years—and on others, he drolly stated:

"If I had done that in England or any place else, I would have been knighted. In the United States I am indicted."

The ships in question total 108,500 deadweight tons, with one slated, at 104,500 tons—to have been the largest cargo vessel in the world—and the other two at 45,250 deadweight tons each.

## Built for Children

They are being built at the Bethlehem Ship Company Shipyard in Quincy, Mass., in behalf of a trust establishment for his American-born children who he said today were abroad.

The trust is controlled by the Grace Maritime Bank for the United States Government. One fourth of the stock in the trust is owned by Onassis Inc., a corporation in which Mr. Onassis says he controls by owning 85 per cent of the stock.

The American controlled corporation to build the three ships for the United States flag was part of a settlement made with the Department of Justice as a result of a suit growing out of the sale of thirteen ships by the Onassis family to the Maritime Commission to companies in which he was a shareholder.

Representative Zelenko (D.,

N.Y.), who has been relentless in his probe of the Onassis matter has brought up the possibility that the shipping magnate, rather than the Grace bank, has been running the trust.

Today the international shipowner who did not dodge any question, shrugged his shoulders, stated that he had been called in for advice only recently by the trustees because they were encountering financial difficulties due to depressed market conditions.

He interjected that after all he had been building ships in the United States for twenty years and operated them before indicating it would seem wise to seek his advice.

## Interested in Trust

Mr. Onassis added that naturally he had an interest in the trust because one of his firms owned 25 per cent of it and by an act of God, he was the father of the two children involved in the rest of the trust.

"My interest is a God-made interest by the fact that I happen to be the father of those two children," explained in his voluble, but fractured English. "Mr. Zelenko, no matter what laws you may legislate those children belong to me and I belong to them. Therefore, I have a real great interest."

When asked who advised him on the purchase of thirteen ships from the Maritime Commission by setting up companies with 51 per cent United States citizenship ownership, Mr. Onassis replied:

"That is an interesting story. You will be surprised at the answer. We consulted with law firms totaling 375 lawyers in their partnerships and memberships."

## Names Given

He cited the names, including "Mr. George Lord, who is the highest authority on admiralty law in the whole world." Herbert Brownell, Jr., former attorney general of the United States who was in the Federal Government office at the time Onassis was indicted, is a member of the firm of Lord, Day and Lord.

Mr. Onassis added that he had paid "fancy fees" for the advice which led him to being indicted later. He also added that he felt that he could have fought the United States Government on the entire issue of the ship sales and won over a period of years, but he wanted to "pay the ransom and become a free man."

His "ransom" was \$7,000,000 in fines and the construction of vessels under American flag.

"The reason the trust wants to defer the construction of the 108,500-ton tanker now, he said, was because it does not have a charter for the ship and the market did "not smile and hope" was lost."

## Hopes For "Smile"

"We all hope the recession will start smiling a bit," he stated.

"We missed the bus in chartering the ships" is how he described the failure of getting business for them.

At another point, he evoked laughter from the room when discussing the ownership of Arizona. Mr. Onassis tried to explain that in the current world of shipping, a shipowner had numerous companies and often the companies held stock in the others, rather than the person himself.

He said he did not know whether his Arizona stock was in his name or someone else's.

"If it is in someone else's, I own that someone else, anyhow."

Although the whole hearing is supposed to be about the cancellation of ships by the trust, little was said on this matter today. Onassis is due to return before the subcommittee Tuesday.

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