

ROUTING AND RECORD SHEET

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM:				TELEPHONE	NO.	
SE/FI/CE <i>Robt</i>					MEMO	
					DATE 28 February 1955	
TO	ROOM NO.	DATE		OFFICER'S INITIALS	TELEPHONE	COMMENTS
		REC'D	FWD'D			
1. SE/CFI		<i>5 March</i>		<i>[]</i>		<p>The attached memorandum is to be filed in the BGSPEED file which has been retired to Archives. The Archives number for the file is <u>WASHINGTON CIA PRO-285</u>.</p> <p>Note that there is attached a receipt for the delivery of the vessel dated June 4, 1953 which was turned over to the writer by Mr. Bromell for inclusion in the file.</p> <hr/> <p>1403: You may want to keep this for your file rather than send to Archives. Last para is only one you really have to read. <i>[]</i></p> <hr/> <p><i>See entry given to 864/4cc to send to Archives as per []</i></p>
2. DC/SE				<i>[]</i>		
3. CSE		<i>11 March</i>		<i>[]</i>		
4. <i>SALLY</i>				<i>[]</i>		
5. <i>Send 1 copy to [] 7 copy to SE []</i>						
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7.						
8. <i>R/ ARCHIVES</i>						
9. <i>File WASH CIA PRO-285</i>						
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DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCE METHOD EXEMPTION 9828 NAZ WAR CRIMES DISCLOSURE ACT DATE 2007

SECRET

MEMORANDUM FOR: The BGSPEED File

SUBJECT : Disposal of Yacht "JUANITA."

1. The files of BGSPEED, a PF project authorized in June 1950, have been reviewed for the primary purpose of determining whether or not the steps taken in the disposal of the yacht JUANITA, about which the operation revolved were in the best interests of the Agency. In order to present the facts regarding the sale of the vessel in proper perspective, the facts regarding its acquisition and the development of the project are also given in the paragraphs which follow.

OBJECTIVES AND AUTHORIZATION:

2. The project outline states the objectives as follows:

"To utilize funds from the sum approved for BGFRIEND for the purchase and operation of a vessel and one medium and one short-wave radio transmitter to be installed on the craft for the implementation of the specific objectives of broadcasting propaganda into Albania, one of the objectives established by the approved project BGFRIEND."

3. The project was authorized by Frank G. Wisner. 14 June 1950. The outline plan shows the project was developed by [redacted], Plans officer and [redacted], approved by [redacted], EE, on 27 May 1950 and budgeted by [redacted]. In approving the project, Mr. Wisner wrote that he approved the project with much trepidation, and that there were so many important operational details to be worked out, that he felt the acquisition of the yacht "at the present time" might be premature. He said he had seen the same type of enterprise tried twice during the war with eventual abandonment of the project in each instance.

PURCHASE OF "JUANITA;" CONDITION AT TIME OF PURCHASE

4. The yacht IRMAY (later named JUANITA) was purchased for the project thru a cut-out [redacted], Washington, D. C., from Irwin Corporation, 55 Ninth Street, Fitchburg, Massachusetts, on 30 August 1950. The file reflects that a number of yachts were considered before the decision to purchase the IRMAY was made. The file reflects that the yacht was inspected by a representative of our Communications Division and a Naval support Officer and found suitable. The file makes reference to an inspection

of the yacht by Aetna Insurance Company. Unfortunately, the writer has been unable to locate the reports themselves in the project's files. However, from the material available in the file, it appears that while considerable work had to be done on the motors, wiring and related equipment, the condition of the hull, which was declared by a representative of Lloyd's of London in Athens in the spring of 1952 to be so deteriorated as to make the yacht unseaworthy, was satisfactory with minor exceptions which are discussed later in this report. The yacht was built in 1939 at East Boothbay, Maine, and had a gross tonnage of 124 tons and was 84.6 feet in length. The purchase price was \$80,000.00.

5. Regarding the condition of the yacht, there is an undated report in the file made by Yacht Sales and Service Incorporated, 1528 Walnut Street, Philadelphia, which states the following:

"One of the best of her type and in splendid condition throughout. Comfortable for cruising and able under all conditions. Can cruise around the world in comfort."

The file does not reflect how this report was received, and while it undoubtedly was a sales "pitch" it nevertheless sheds some light on the general condition of the yacht at or before the time it was purchased. The report describes the hull construction as "heavy pine planking, bronze fastenings, oak frames with Teak deck." (In fact, the yacht did not have bronze fastenings as stated in the description.

6. The file reflects that there was some evidence of dry rot in one small section of the hull under the fan tail, but otherwise there is no reference to serious hull difficulties. A report of 5 October 1950, made while the yacht was being reconditioned at Baltimore, Maryland, states that the boat was to be "hailed out today or tomorrow" which "would enable the yard to commence work on the rotten wood patch astern."

7. Another report of 10 October 1950 states:

"The ship is upon the ways. A very small area of rotten wood was taken out of the horn timber. Paint has been obtained for the bottom."

On 18 October 1950 the ship was reported to be back in the water, the bottom having been repainted and new wood inserted in the small rotten portion of the horn timbers.

8. It appears clear that great attention was given to the condition of the hull at the time of purchase. Except for the above references, there is no recorded adverse comment concerning its condition. There is a reference in the file, in the form of an undated, unsigned letter in pencil hand-writing addressed to "Dick" () which states:

"I think you'd best recommend whether or not to have the hull painted

in M. (Miami?) The bottom is definately OK. as it was treated with special anti-worm paint about six weeks ago." (This is of significance, in view of the advice given the writer by [] who is a small boat expert and who was sent to Athens to act as "shore representative" of the ostensible owners, that there were no worms found during the adverse inspection given by the Lloyds representative in Athens. [] states that the only condition which would cause a hull to deteriorate in the short time from the purchase of the yacht until the time of the inspection would be the presence of worms in the hull timber.)

9. The yacht was insured by the Auto Insurance Company of Hartford, Connecticut. Coverage on the hull was in the amount of \$80,000 and in addition Protection and Indemnity insurance was had in the amounts of \$100,000 - \$300,000. There is a reference in the file to the insurance company's surveyor's inspection of the hull, in the form of a penciled note unaddressed and unsigned dated 10 November (undoubtedly 1950) which is as follows:

" Insurance surveyors aboard yesterday after I left. Were very pleased with everything."

10. On 1 November 1950 the following was reported by []

"Upon inspecting the old sanitary system, insurance surveyor condemned it. Sump tank actually had a hole, thru which refuse was draining into bilge and all pipes needed replacing."

(Examination of the rest of the text discloses the reconditioning was taken care of.)

11. It is the writers opinion based on conversations with [] and an examination of the file that the hull was in satisfactory condition at the time of purchase and that during re-conditioning all minor defects such as the kind discussed above, were taken care of with the exception of a condition in the galley which is described later in this memorandum. The reconditioning took place between 3 September 1950 and December 14, 1950, over three months, and it is a reasonable assumption that during that period the hull was the subject of minute scrutiny, both from the inside and from without. It is stated in the file that BOOZ Brothers, Baltimore, caulked the seams as necessary, painted the hull with special paint furnished by the owner, and put a graving piece under the fantail, together with other repairs and services.

12. The file reflects that the engines and related equipment were the

cause of constant trouble from the beginning. [] reported on 11 August 1950 that the head of the Buda Engine and Equipment Company's Boston office, after examination of the two Buda engines in the yacht, said three things could be done:

- "1. Minimum overhaul to take 10 days to two weeks - \$1,000.
2. Major overhaul - six weeks - \$1,000 (sic).
3. New engines about \$15,000, minus some allowance for the old ones."

It was the opinion of the Buda official that the engines in their condition were not reliable enough to warrant taking the vessel very far from the coastal waters of the United States and he recommended a major overhaul, which was done at Baltimore, Maryland.

13. Later difficulties were encountered with the engines and it was because of these difficulties that on several occasions, when [] had "hot" prospects who would buy only after a satisfactory trial run, and who might have bought the yacht at a better price than that finally obtained, he was unable to make the trial runs and demonstrate the yacht. In connection with the trouble caused by the engines, [] has advised that the Captain advised him at the time of purchase, he recommended the installation of two new General Motors engines, but the decision was made to overhaul the Buda engines instead.

14. There are a great many references in the file to the trouble encountered with leakage of the fresh water tank on the yacht, and in view of the fact that such leakage is a cause of dry rot, this situation should probably be examined in connection with the survey made by the Lloyd's representative, although [] has advised the writer that the Lloyd's representative made a very superficial examination of the interior of the vessel, and that his appraisal of the yacht as being unseaworthy was based on his examination of the outside hull. Also reference is made in the file to dry rot in the vicinity of the ice-box, freeze unit and sink. In connection with both of these situations, the following was reported [] under date of 6 August 1951:

"WATERTANKS:

1. The water tanks have leaks which result in the loss of a significant amount of fresh water. The location and size of the leak can only be determined by inspection. Since the tanks are located under the gally floor, extending aft to the bridge deck, inspection is possible only when both the gally deck and the deck between the

gally and are opened.

2. The tanks are made of galvanized steel, welded and riveted. It is therefore, impossible to say with certainty whether the existing leak can be properly repaired by soldering as would be the case with copper tanks. Any estimate as to cost of repair is therefore subject to large error, but as a guess \$2,000." (There is a note to the above by [] as follows, "During the past day the leak referred to above has increased seriously so that its repair now ranks equally in order of time importance with the engine repairs.")

"GALLY:

1. There is extensive dry, i.e., fresh water rot in the vicinity of the icebox, freeze unit and sink. While it is not possible to determine the exact extent of damage it is undoubtedly significant and will increase at an increasing rate with the passage of time. There is at present evidence of deterioration near the main chain plates and in the frames and knees next to the gally floor beams as well as in the beams themselves.
2. The layout of the gally is not as workable as could be desired, i.e., proximity of stove to freeze unit causes the latter to run almost continually. It is therefore suggested that the following steps be taken to correct existing conditions. All of the following work could be accomplished within the time necessary to overhaul the engines:
 - a. Tear out existing gally fittings and deck.
 - b. Wood as necessary to eliminate rot.
 - c. Rebuild and relocate counters, storage space, etc., on the basis of experience to date.
 - d. Replace existing plumbing as necessary to eliminate faulty joints which are the cause of present damage."

[] estimated the cost of the above to be \$21,700.)

15. Concerning these two situations reported above, the Captain wrote as follows on 20 June 1951:

"FRESH WATER TANKS:

The fresh water tanks, self-equalizing, have a leak at some unknown point. This condition arose about six weeks ago and

the water loss seems to vary a bit from day to day. The seriousness of the leak cannot be ascertained.

"GALLEY:

The galley is in poor condition. Leaks around the sink and iceboxes are causing rot in the ribs, floor timbers, and possibly the planking. This condition has existed for some years and is now making considerable progress. Attention is brought to the fact that this was pointed out to the owners before the ship sailed from Baltimore and they decided to postpone action on it until the condition should prove itself to be more serious."

16. [] has advised the writer that probably the above conditions would not have had any appreciable effect on the large timbers in the hull. It is significant to record here that the Captain in his report of 20 July 1951 wrote as follows regarding the hull:

"The hull plankings and fastenings are in good condition. Seams are tight, and no 'weeping' has been observed. The ship's bottom is unscared and the shafts, wheels, rudder and stuffing boxes are in good order. All intakes, outlets, and exhausts appear to be in good condition. Painting of top sides will be necessary in a few months."

17. On 8 August 1951, the field cabled that the yacht had developed a major leak in the water tank, and that the unsatisfactory condition of the galley was due to melting in the deep-freeze when the stove was fired, and that probably dry rot in the hull was due to fresh water leakage. The cable further states that none of the above could be attributed to negligence or incompetence of the present crew, but was the result of inherent limitations of the craft.

18. In summary, the writer believes that evidence in the records indicates that the outside hull, or shell of the yacht was in good condition at the time of purchase except for the small area of dry rot under the fan tail which was repaired before the vessel sailed; also that everything necessary with regard to safe-guarding the condition of the outside hull was taken care of. However, examination of the records, indicates that there was a dry rot area in the galley at the time of purchase which was not taken care of and which became extensive; that the leaks around the sink and iceboxes caused rot in the ribs, floor timbers and possibly the planking;

also that fresh water leaks from the water tanks located under the gully floor were serious, and might have caused some dry rot in the inside of the hull. However, none of these conditions were so serious, according to Bromell that it could have caused the vessel to be declared unseaworthy; furthermore, they were not the subject of criticism by the Lloyd's representative, who, as indicated earlier, based his adverse appraisal on the condition of the hull, considered as the shell of the vessel.

SALE OF THE YACHT:

19. On 9 August 1951, after considerable testing of the yacht in the Mediterranean, the field by cable advised that it was the considered judgment of [], [], [] and [] that the vessel was inherently unsuited for the Project because of deficiencies in hull design, interior arrangement, power plant and sail equipment; that to conduct another 350-400 mile test safely would require \$5,000 repair costs, plus re-installation of equipment, which would take at least 4 weeks. The cable stated that [], [], and [] were convinced such testing would be no more successful than the others. The field suggested that in order to save further time and money that the Project be checked up to experience which has taught valuable lessons. Among recommendations along this line, was that the Captain be commissioned to sell the sailboat in the Mediterranean. Headquarters authorized winding up the Project, and there followed a lengthy exchange of cables which disclose a number of attempts to sell the vessel, before its sale to CHARILAOS PETROPOULOS in May 1953.

ATTEMPTS TO SELL; OFFERS MADE:

20. On 17 October 1951, a cable was received [] which stated that a possible buyer was talking in terms of \$90,000 in Egyptian pounds, and on 8 November 1951 the field advised that there were two prospects, an Egyptian representative King Farouk and a Greek with business connections in Egypt. [], Staff Agent and small craft expert who arrived in Greece 26 June 1951 to be shore representative of the cover company had advised the writer that he does not believe these were serious offers, and suspects that the "representative of King Farouk" was notional on the part of Captain Holmes, who was attempting to sell the vessel with the thought of getting a commission. Regarding the other individual, [] has advised that he heard from the Captain that the man's name was TAMVAKAKIS. [] said there is a possibility that there was a third individual interested at the time, Charilaous Petropoulos (who later bought the yacht) because about

a year later, a machinist in Athens told him that Petropoulos was interested to buy the yacht at one time, but the price was too high. [] said further that Holmes never gave him the names of the representative of "King Farouk," but told him that one of the other two lived in Glyfada which is where Petropoulos lives.

21. On 8 November 1951, the field reported a written offer of \$30,000 had been received from Robert MENTZELIOPOULOS, owner of the Cecil Hotel at Patros. [] advised the writer that he has never thought it was a bona fide offer. At this time, Holmes was still trying to sell the yacht and [] feels that the offer was made at the request of Holmes, altho he has no evidence of this. [] said he believes that the offer was worded in such a way that it wouldn't be binding. Later on, in discussing the matter with MENTZELIOPOULOS, [] was told by him that he wasn't seriously interested, especially at a price of \$30,000 but that he did have in mind, if he could get the yacht cheap enough, the possibility of forming a syndicate with some friends and putting the yacht to commercial use. [] pointed out that the crew lived at the Cecil Hotel in Patros and that MENTZELIOPOULOS was very friendly with the captain and acted as a shore agent in the purchase of supplies.

22. On the same cable reporting the two offers described above, the field reported an offer from one REES, associated with ROA in Athens in the amount of \$15,000 in drachmas equivalent. ([] advises the field was in error in stating REES was associated with ROA. He is the owner of the Athens race track.) [] said he himself didn't handle the offer and that it was not a matter of a written offer. He said later REES bought a yacht in England.

23. On 8 February 1952, the field reported a proposition from a syndicate headed by Christopher KARALLOUS, stating that he might offer \$35,000. With regard to this, [] has advised the writer that KARALLOUS, although he has no "real" money, is married to a wealthy woman who is a maid-in-waiting to the Queen of Greece. He said the offer was bona fide apparently at the beginning and that Karallous was going to get a group of fellow yacht-club members together and buy the boat for their joint use and for charter. He said KARALLOUS and his wife looked at the boat several times, but his wife objected to the Spartan decor, and the "thing just died out."

24. After an exchange of cables regarding the possibility of [] taking the yacht to Alexandria in an effort to re-interest King Farouk the field on 7 January 1952 advised Headquarters that the vessel was not in condition to demonstrate and the only alternative to repairing the yacht was to permit it to rot at its moorings.

25. On 29 February 1952, the field cabled that one PAPADAKIS(fm) was enroute to New York and might negotiate to purchase the yacht. The belief was expressed that his offer might be \$25,000. [] states that he

never met PAPADAKIS, but that a buyer with whom he was dealing on the KARALIOUS offer gave him the information, presenting it as a distinct possibility. Nothing came of it, however.

26. On 19 March 1952, the field cabled that the vessel had been listed with all reputable brokers and yacht clubs. On 20 March 1952, the field was advised by Headquarters that [] had received an offer from one COSTA COMBES, Athens, to charter the yacht for a proposed fishing expedition to the Red Sea area. The field by cable, 26 March, advised it considered the proposal a poor one, and suggested that if Headquarters was holding out for a price of \$50,000 then an experienced broker should be sent over to conduct a sales tour.

27. On 1 May 1952, the field cabled that Stratos, G. ANDREADES, a wealthy "local" had offered \$25,000 hinting that he might go to \$27,000 and that the field believed \$30,000 was possible. The cable stated that the sale would be on an "as is" basis, subject to a hull survey. Also the cable said Andreades stated he would have to spend \$15,000 for reconversion of the yacht. Regarding this offer, [] advised the writer that the offeror is manager of the Electric Railway between Athens and Piraeus and a professor of Political Economics at the University of Athens. [] believes Andreades heard about the yacht from KARALIOUS, looked at it and said he would buy subject to a survey. [] said he had the yacht hauled for inspection and that subsequently ANDREADES brought a representative of Lloyds of London name BONNE (fn) and a Greek shipwright named DEMOSTHENES to inspect it. (DEMOSTHENES was described by [] as a highly reputable shipwright who does all the work for the yacht club.) [] said BONNE made a very cursory examination of the yacht (not more than three-quarters of an hour in duration "probing the hull here and there with a pen knife," and then declared the boat unseaworthy. [] said BONNE in every way discouraged ANDREADES from buying it. BONNE, according to [] said the keel would have to be replaced together with some planking, and that as it would be impossible to obtain the size and type planks necessary in Greece, they would have to be imported. [] said that DEMOSTHENES appeared to be overawed by the way BONNE handled the survey and agreed that some work had to be done but said he was capable of doing it. [] said the only condition that would cause a hull to deteriorate so quickly as indicated by BONNE, would be the presence of worms in the wood. However, none were found.

28. [] advised the writer that the day following the survey, he went to BONNE's office, where BONNE told him he was making a written report to ANDREADES, and that a copy would be made available to him. Over a period of several weeks [] visited BONNE in an attempt to get a copy. Finally, ANDREADES, who had long since said he wasn't interested as a result of the survey made it plain to [] that a copy of the report would not be forth

coming. [] advised that BONNE told him that he requested permission of Lloyds of London to make an official survey but was refused because Lloyd's, since the war, no longer made surveys of wooden ships under a certain tonnage, in which class the yacht belonged. [] then wrote Lloyds, asking for a survey but was met with a refusal on the grounds given by BONNE. [] said he then tried to get the American Bureau of Shipping to survey the yacht and was met with a refusal on the same grounds. He said he felt that some official survey would have to be made to counter-act the damage done by the unofficial survey made by BONNE, but that it would have to be either Lloyds or the American Bureau of Shipping, as a survey by any other agency or company would not suffice.

29. On 25 June 1952, the field cabled an offer from POTOMIANOS (fmu) of \$24,000 on behalf of Worldwide Steamship Company of Monrovia. [] said he considered the offer bona fide, but made on the basis of a successful trial run. After making his offer, POTOMIANOS went to England and on his return was to be given the trial run. While he was gone, [] said he worked on the boat to put it in condition for a trial. He said he tried to get the starboard motor and other defective equipment in condition, but that the yacht was still not operative when POTOMIANOS returned to Greece one and a half months later. [] said he continued his efforts and for a month POTOMIANOS continued to visit the ship, but when he found that the yacht was not ready for a trial he withdrew his offer. [] said POTOMIANOS told him that he could get a yacht cheaper in England anyway. [] said he later found out from his Greek landlord thru whom he met POTOMIANOS that the latter had said that he withdrew his offer because of the adverse Lloyds survey.

30. On 25 August 1952, the field advised that POTOMIANOS had stated he was no longer interested in purchasing the yacht, and had requested the return of his purchase deposit. The dispatch stated that [] was following up a lead with the hope of selling the vessel to the Governor of Rhodes, and maintained the hope of a possible sale to the Greek Government. It was stated that if these efforts failed, the field believed that every opportunity to sell the boat in Greece had been exhausted. The field suggested that if the boat was not sold by 1 January 1953 that the field be authorized to transfer it to Naples or Cannes or any other point on the Italian or French Riviera where a possibility of a sale might exist.

31. After the POTOMIANOS offer, [] said there wasn't much activity except that he continued his efforts to sell the yacht, even offering it on a break-up basis. Two individuals expressed interest, a Mr. Fix (fmu) in the beer business and a Mr. Matsaris, manager of the Shell Oil Company installation in Greece. Neither got to the point of making an offer, but both told him they knew of the adverse Lloyds' survey.

32. In connection with the offer by FIX, [] expressed the opinion that FIX may have "paid off" the Lloyd's representative, Bonne, to make an adverse survey to bring the asking price down and pave the way for him to acquire the yacht at a low figure. [] said he feels certain that the ultimate purchaser of the yacht, Charilaos Petropoulos had no connection with the Bonne survey and this would appear to be a reasonable assumption as Petropoulos did not start negotiations for the purchase of the yacht, according to [] until February or March 1952, which was 9 or 10 months after the adverse survey.

33. On 2 March 1953, the field reported the interest of two prospects a Mr. Reise owner of the Athens Race Track and Mr. Nickolosoulus, manager of the local Italian Marconi Agency. Nothing came of negotiations however.

34. According to [], negotiations with Charilaos D. Petropoulos who eventually bought the yacht followed the negotiations mentioned above. [] said the first contact with the Petropoulos family was in February or March 1952 when Dennis Petropoulos, son of Charilaos had a conversation with him regarding the purchase of a small boat. [] showed him a small boat he happened to have seen which was for sale, but Petropoulos said he wasn't interested. [] said he then showed him the JUANITA as a matter of interest, and Petropoulos, after going over the yacht, asked [] if he could bring his father and uncle to see it. The father and uncle looked over the boat that afternoon and [] believes he gave him an asking price of \$30,000 which Petropoulos said was too high. Petropoulos said he would want a trial run in any event if he bought the yacht, and [], of course, agreed. Two or three conversations followed between [] and Dennis Petropoulos, during which [] learned that Charilaos Petropoulos was going to the United States and would negotiate for the sale directly with [] the ostensible owner. [] said he cabled Headquarters advising of this.

35. The vessel was finally sold by the ostensible owner [] to Petropoulos in May 1953, while Petropoulos was in the United States. The transaction was handled thru the Bank of Athens Trust Company, 205 West 33rd Street, New York, to which Petropoulos addressed a letter dated May 7, 1953 with instruction to forward a contract of sale for the yacht and a draft in the amount of \$10,037.50 to the National Savings and Trust Company. The yacht was turned over to Petropoulos by [] in Greece sometime in June 1953. [] received a receipt for the yacht from Petropoulos in which Petropoulos accepts the vessel as is and as equipped.

36. From the facts set out in the foregoing paragraphs, the writer believes the following conclusions can be made with respect to the disposal of the yacht:

- a. The yacht even if it had been in excellent condition thruout was a type of which was hard to dispose of because of its size and cost of up keep.

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- 12-
- b. Added to this was the fact that the difficulties with the engines made it unattractive to prospects who would be put to the expense of replacement or major overhaul. [] has advised that the son-in-law of PETROPOULOS, Nice FILENES told him in May of this year that PETROPOULOS has already spend three times the purchase price in the yacht and was contemplating replacing the two main engines.)
 - c. A purchaser would have to spend a considerable sum in converting the yacht back to a pleasure craft.
 - d. The adverse survey by the Lloyd's representative became well known in circles where prospective buyers might be found, and as it was impossible to obtain an official survey to show the yacht was not in the deplorable condition reported by the Lloyd's representative, there was no way to successfully correct his findings.
 - e. The price of \$10,000 for the yacht is admittedly low in relation to its purchase price and the amount spent on it, however, it is evident that there was no competition offered to the buyer, and the mounting cost of upkeep by us was too great to delay selling it in order to make further attempts to dispose of it at a better price. We were faced with the alternatives of either spending a great deal of money on the yacht in order to put it in saleable condition at a better price, letting it rot at its moorings, or take the offer made by the purchaser. With regard to the price, it should be noted that as early as January 27, 1953, headquarters in a cable to the field stated it was prepared to sell the yacht for as low as \$15,000 in order to stop the cost of up keep.
 - f. In summary, it appears that the field did everything possible to dispose of the yacht at the best price and that the sale to PETROPOULOS was in the best interests of the government in view of the conditions that have been set out in this report.

SE/FL/CE