

March 16, 1959

Chief of Naval Operations
(Op 09B25)
Navy Department
Washington 25, D. C.

Gentlemen:

This letter is pursuant to my telephone conversations with Commander Charles E. Miller having to do with Micronesia Metal & Equipment Co. Inc., its contracts with the Navy and Interior Departments, and further shipments of scrap under that contract as modified by subsequent agreements.

I am enclosing herewith a copy of a "Provisional Statement of Profit and Loss, Shipment 2500 Long Tons Scrap Trust Territory-Japan, March-April 1959". You appreciate I know that this statement is, as it is entitled, provisional only. I understand however that there is a firm offer for the scrap as indicated. I do not believe that there will be any difficulty in obtaining acceptance by the company of satisfactory arrangements to guarantee to the government that the proceeds of the sale will; 1. be available on delivery, and; 2. be distributed as may be desired by the government, presumably primarily to liquidate obligations to indigenes in the Trust Territories.

It is my recommendation that an effort be made to obtain the shipment and sale referred to herein as soon as practicable, and before any definitive steps are taken by way of suit, consent judgement, or other binding findings as to the amount of the obligations which now exist running from the company to the government under the contracts. I understand that no problem of the statute running or other impediment to postpone the determination of the amounts of the obligations is pressing.

Sincerely

Robert H. Winn

PROVISIONAL STATEMENT OF PROFIT
AND LOSS, SHIPMENT 2500 LONG TONS
SCRAP TRUST TERRITORY--JAPAN,
MARCH-APRIL 1959

Income

Income, gross, firm offer in hand @ \$44.00	\$110,000.00	
Less reserve for penalties for explosives, off-size, and less reserve for shortage of ferrous scrap on arrival		12,000.00
	TOTAL GROSS INCOME	\$98,000.00

Expenses

Cost of scrap, as follows:		
1,000 tons prepared Truk & Koror, ready for shipment	1.00	\$1.00
1,500 tons to be purchased from local hauliers, prepared and stockpiled, Saipan, Truk and Koror		
Saipan 1,000 tons	11,000.00	
Truk 200 tons	4,200.00	
Koror 300 tons	3,500.00	18,700.00
Ship loading charges, including moving scrap to shipside, inspection for explosives and other non-scrap items, last-minute prepara- tion, and loading aboard ship		15,000.00
Ocean freight @ \$12.00	\$30,000.00	
Plus reserve for stevedore damage, demurrage, etc.	6,000.00	36,000.00
Royalty to TTPI and Navy @ \$1.00 per ton, based upon final cutturn weights	2,500.00	
Less reserve (based upon past experience) for overshipment: materials declared by the ship to have been laden but not actually laden when ship is discharged in presence of surveyor	225.00	2,250.00
	APPARENT PROFIT	\$26,049.00

Distribution of apparent profit:

Payment to Saipan residents on a/c past debts	\$7,500.00
Payment to TTPI and Navy on a/c past royalties	7,500.00
Cost of management and of money, petty cash	5,000.00
Reserve for payment other outstanding accounts	6,049.00
	TOTAL
	\$26,049.00