

HENDERSON, Hon. Charles B.
 Chairman of the Board,
 Reconstruction Finance Corporation
 Washington, D. C.

August 13, 1946.

Wrote to the President re the President's letter, dated 2/1/46, to him, requesting the U. S. Commercial Company to continue and expand its operations in certain Pacific Island areas in accordance with the recommendations from the Navy Dept. States that it is the opinion of the Board of Directors of the Reconstruction Finance Corporation that consideration should be given at this time to the transfer of the Pacific Ocean Program to the Navy Department which is responsible for the control of the islands. Asks the President's views.---Attached is letter, dated 8/29/46, from Hon. James Forrestal, Sec. of the Navy, to the President, referring to above letter from Mr. Henderson to the President.---Attached is routing slip of the Naval Aide to the President and the President's memo, dated 9/3/46, referring above letter from the Navy Dept. to Hon. Richmond B. Keech, Administrative Assistant to the President; asks for a memo on this situation.---On 9/6/46 Mr. Keech returned above correspondence to Mr. Latta.---On 9/7/46 Mr. Latta sent memo to Mr. Keech and enclosed letter of 8/13/46 to the President from Mr. Henderson; letter of 8/23/46 (above) copy of letter of 2/1/46 to Mr. Henderson; copy of memo of 1/14/46 to the President from Mr. Snyder; copy of letter of 2/1/46 to the President from Mr. Henderson.

On 2/23/46 Hon. James Forrestal, Sec. of the Navy, wrote to the President re attached letter, dated 8/13/46, (above). Recommends that the United States Commercial Company be directed to continue its present activities in the Pacific Ocean Areas.---attached is memo, dated 9/10/46 from Mr. Richmond B. Keech to the President re above correspondence which was referred to him. Attaches a draft of a letter to be sent to the Chairman of the RPC,

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if the President concurs in disapproval of the transfer.---On 9/10/46, the President wrote to Mr. Henderson, saying he received above letter from the Secretary of the Navy, expressing the view that the interests of the United States and the welfare of the native inhabitants of the former mandated islands require that the above Company continue its activities until such time as the status of the islands has been determined and the native economy has been reestablished on a firm basis. Says the Sec. of the Navy further concludes that the continued existence of the United States Commercial Company precludes the criticism that the United States is exploiting the area or subjecting the natives to a regime of martial law. Believes that the disadvantages of the proposed change outweigh any economies which might be effected, and does not feel that the activities of the above Company in the Pacific Ocean area should be transferred to the Navy Department at this time.---Attached is memo, dated 9/12/46, from Mr. Hopkins to Mr. Keech, with file on above matter.---On 9/12/46 Mr. Keech wrote to the Secretary of the Navy, at the direction of the President, and enclosed a copy of the President's letter of 9/10/46, to Hon. Charles B. Henderson re above matter.