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THE WHITE HOUSE

WASHINGTON

January 26, 1950

MEMORANDUM FOR: Honorable George Elsey

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Emil Sady, Chief of the Pacific Branch, Division of Territories, Department of the Interior, tells me that there is at present a two per cent tariff on copra coming from the Trust Territories of the Pacific, and a three per cent internal revenue tax. The continuation of these taxes is regarded both by the Navy and the Interior Department as harmful to the economic development of the Territories and they would like to see these taxes modified for the good of the Islands.

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Specifically, they would like to eliminate the two per cent entirely, and have the three per cent set aside for expenditure in the Islands, as is now done in American Samoa and Guam. This calls for legislation, which the Navy is now ready to submit to Congress.

EMILIO NASH

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