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Confidential

December 21,1938.

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Mr. Welles:

As I may not be able to see you before you go to the Cabinet meeting, and as you may be talking with the President about the matter of consolidation, I must take this opportunity to tell you the following with specific reference to the comments I have made on several occasions concerning Patterson.

This morning Mr. Bookman of the United States News saw me and asked me for information with regard to consolidation as he was writing a story. He said he had just seen Patterson yesterday who was very much heated on the question, gave him very full information, was definitely against consolidation and obviously encouraged Bookman to write. He gave Bookman a memorandum which he has prepared on consolidation and which he is evidently giving to correspondents and which we know he has been sending to various people throughout the country.

I told Bookman that the question of consolidation was being considered by the President and by the Departments concerned, and that it was an important matter. This Department was not making any statements whatever with regard to the matter until the President had indicated to us that

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we could do so and we felt that, as this was a matter of public policy, no department should make any specific statement or give any material for publication until the question of government policy had been made known. I suggested that it was highly inadvisable for him to write on this matter for the present as he would have to go off half-cocked and might find himself later in a position of having written entirely differently from what his better judgment, when fully informed, would lead him to write. I gathered that he was not going to write.

I mention this to you specifically because it indicates that Patterson, in spite of all his background, and in spite of his knowing what the President desires done, is going ahead making this propaganda against consolidation. During the last conversation which I had with Patterson in his home, which lasted for hours, he agreed that the fundamental question was not which department had officers in the field and did the work of gathering information, but that it was whether Commerce would have the information to distribute in this country. He cannot claim ignorance as to our views. He formerly used to say that the President had not given any indication to Mr. Roper what his attitude was on consolidation. During our last conversation above referred to, Patterson acknowledged that Mr. Roper knew that the President favored consolidation, but was, nevertheless, insisting that he (Patterson) carry through these propaganda

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measures against it. I at that time pointed out to Patterson that such an attitude was disloyal and dangerous - completely aside from the merits of the question.

I consider that Patterson encouraging this newspaper man to write publicly against consolidation, coming as it does after Secretary Roper's resignation, is particularly significant and, if he was supporting Mr. Roper's stand until recently on grounds of loyalty to Mr. Roper, it is now obvious what was clear to me before that he is lacking the most elementary loyalty to the President and to the Administration. I am sorry to put this in writing, but I think it is most important and, in view of the circumstances, you may wish to convey this final example to the President.

G.S.M.

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