The Secretary
The Under Secretary

My last conversation with Secretary Hopkins took place some two or three weeks ago when he had lunch with me alone at the house. We talked over a number of things and at the close of the conversation reverted to the consolidation of the Foreign Services under the Department of State. I remarked that he had been seeing responsible business men from all over the country, with some of whom he had undoubtedly discussed consolidation, and I asked him if he could tell me what they had said about it. He replied that he found most of them in favor of it. Most of the people whom he found not in favor of consolidation were those who spoke about the matter with emotion and therefore their reactions would not have the same value.

We continued the discussion of consolidation in very general terms and Mr. Hopkins said that he realized the President's deep interest therein. The President obviously knew a lot about this matter, as he did about other matters connected with the organization within the Government. He knew that the President had been giving thought to such consolidation of the Foreign Services for a number of years.

Mr. Hopkins
Mr. Hopkins went on to say that he had seen Secretary Hull that morning and that the Secretary also was apparently very much interested in the matter. He had told Secretary Hull that he would be prepared to go ahead with consolidation some weeks hence. I asked him what his plans were and Mr. Hopkins said that if we saw no inconvenience he would prefer to take up this matter after he had made his Des Moines speech and returned to Washington. This would more or less coincide with the President's return to Washington from his trip South. It was his plan, therefore, that consolidation should be taken up after the President's return early in March and I gathered that his own attitude was definitely in favor of such consolidation and that he intended to proceed with it. I told him that I thought it was desirable that the recommendations go to the Congress from the three departments concerned — State, Commerce and Agriculture — with the approval of the President. Mr. Hopkins agreed that this was the best procedure.

It is still not clear whether a general reorganization bill will pass the Congress, although one has now been introduced. Under this reorganization bill the President could carry through consolidation of the Foreign Services through an executive order. This would be the most simple way of doing it. If we are sure that a reorganization bill
bill will pass which will permit consolidation, then the best way of handling this matter is to wait until the bill has passed.

If there is real doubt that such a reorganization bill will pass, or reasonable doubt, I think there should be considered the advisability of submitting a separate measure under which the consolidation can be carried through. If such a bill will go to the Congress with the approval of the President and of the three departments concerned there will be, I believe, no doubt as to its passage.

Immediately after the President's return there will undoubtedly be discussions with respect to business recovery and related problems. Mr. Hopkins will wish to make certain changes in his own Department which he has delayed pending the delivery of his Des Moines speech. I am convinced that the consolidation of the Foreign Services can be made a very significant, effective and popular part of such a program for business recovery. The consolidation of the Foreign Services under the Department of State and a unified front abroad will have a very real appeal to thoughtful people in this country. It would be necessary, however, at the same time that any public announcement were made of the intention
intention to consolidate the Foreign Services, that an indication should be given that the Bureau of Foreign and Domestic Commerce definitely remains in the Department of Commerce and that the activities of the Department of Commerce and the Bureau in this country in the promotion of trade will be expanded and made more effective rather than decreased, or transferred to another department. It should be clearly made known at such time that the domestic end of the Bureau of Foreign and Domestic Commerce will be strengthened and domestic business problems be given that study in the Bureau which has not up to now been given them in the Department of Commerce. It is important to bear in mind in this connection that, although the Department of Commerce is the principal executive agency which should have to do with all matters intimately connected with commerce within the country, the Bureau of Foreign and Domestic Commerce, which is the organism in that Department concerned with commerce, has expended about 90 percent of its energy and used about 90 percent of its personnel on foreign commerce. In other words, it has been really a bureau of foreign commerce rather than a Bureau of Foreign and Domestic Commerce. The Department of Commerce and the Bureau have therefore been really neglecting a field, that is of domestic commerce, which is particularly their own for a field which in many respects (foreign commerce)
commerce) lies largely in another department. It is now a splendid opportunity for this Government and for the Department of Commerce to correct this situation by concentrating activities in connection with trade abroad under the Department of State, where it belongs, except so far as the dissemination of information concerning foreign trade is concerned which should remain in the Departments of Commerce and Agriculture. It is a splendid opportunity to strengthen the services of the Department of Commerce in the internal field and it will be a very popular move in this country for the domestic activities of the Bureau to be expanded in proper directions. Properly handled such a step will be realized by thoughtful people in this country to be a constructive one in a program for recovery in business.

I believe that these facts may usefully be brought to the attention of the President with the recommendation that a decision in principle may be reached by the Departments concerned. The reorganization bill has been reported favorably to the House by the Committee. There is apparently good prospect that this reorganization bill will be passed. As soon as it is passed, the President could issue an executive order for the consolidation of the Services. It would, I believe, be very helpful in many ways, and remove a good deal of the present uncertainty which
which is not good, if the President would instruct the three Departments to agree on a plan for the consolidation of the three Foreign Services into one under the Department of State. The details could easily be worked out between the three Departments if the President so instructs and it would then be possible to draw up an executive order within a few days after the passage and approval of the reorganization measure.

G. S. Messersmith.