GOVERNMENT FOREIGN SERVICE REORGANIZATION

The Honorable George S. Messersmith, Assistant Secretary of State, addressed a meeting of exporters and importers, and members of the National Foreign Trade Council, at The India House, New York, on May 15th, on the subject of the proposed consolidation into a single foreign service of the Department of State of the foreign services of the Departments of Commerce and Agriculture. Mr. James A. Farrell occupied the chair. This consolidation plan has the support of the other Departments concerned under legislation already approved by Congress. In his address Mr. Messersmith said: "The plan presented is a constructive and logical advance towards greater efficiency in the reporting field and in the general services rendered to the American business community. The reasons assigned for this consolidation plan in the Memorandum presented to Congress are: (1) that the State Department is the sole medium under international law and practice for the conduct of external relations; (2) that the present system leads to duplication and overlapping, with consequent loss of efficiency and much confusion as well as embarrassment to the State Department; (3) unnecessary increased cost of a multiplex system of representation in foreign capitals; and (4) that even were it feasible to transfer to the officers of the Department of Commerce all reporting activities in the foreign commercial and economic fields, the Government could not abandon even one of the 314 posts where it now maintains a diplomatic or consular establishment.

"The necessity for this consolidation is the changed economic background of international political and commercial relations; there no longer exists a clear line of demarcation between political and commercial reporting. This gives rise to overlapping and to the constant danger of interference with the functions of the State Department in its foreign relations.

"International relations have become so involved with political, economic and commercial problems, that the State Department views as utterly impossible the attempt to segregate and delimit the duties of representatives of other departments and
agencies attached to the diplomatic missions, in a form to prevent interference in strictly political questions.

"Another consideration in support of the consolidation plan is the fact that the fundamental factors involved in foreign trade promotion have profoundly changed. Our export trade is no longer so largely governed by quality of goods, mass production costs and the enormous amount of capital funds lent abroad, which characterized our trade before the collapse of 1929-30. The situation has completely changed and may be expected to change still further. No longer is it a question of American exporters being on a competitive basis. The problem today is one of keeping open the channels of trade. This can be done only through the medium of the Foreign Service of the Department of State - ambassadors, ministers and Foreign Service officers, with status enabling them to negotiate in a representative capacity with the officials of other governments."

Commenting on the proposed plan, Mr. Farrell said, "that any plan which gives promise of strengthening the foreign commercial services of the nation and of enabling Foreign Service officers to aid more effectively the efforts of American exporters to keep the channels of trade open, will be welcomed by those who are engaged in this trade.

"Duplication and overlapping in the foreign services is, of course, to be avoided, if our reputation for sound business practice and general efficiency is to be maintained abroad.

"Whatever changes are introduced as a further step towards improvement of our foreign commercial services, much will depend upon the form which interdepartmental coordination will take. Our business men have been looking forward for some reorganization of the commercial services."

Mr. Farrell praised the work of the Department, "limited as they were by Congressional appropriation. It was only at the beginning of the century that the nation
awoke to the necessity of abandoning the system that had been in force for a century and of providing a more effective foreign commercial service adequate to meet the changed conditions brought about by the rapid growth of industry. In 1914, at the First National Foreign Trade Convention, the Secretary of Commerce of that time, William C. Redfield, announced that the Congress had appropriated the sum of $100,000 for the work of the Department. Announcement was also made at that time of the extension of the foreign services to a number of countries. In the twenty-five years that followed, further extensions took place, the results showing in the approximate total of our foreign trade for 1929 of almost ten billions.

"With the depression of 1930, the services were greatly reduced. The step now taken of consolidating all foreign services under the State Department has the advantage of properly accrediting all government representatives as officers of the Foreign Service of the State Department. This, perhaps, is the most logical ground for the proposed consolidation. It cannot be doubted that the nation's commercial interests abroad can be most effectively served by officials who in their contacts with the officials of other governments appear in a representative capacity."