SOME ASPECTS OF THE INFORMATION GATHERING AND TRADE PROMOTION ACTIVITIES ABROAD OF OUR GOVERNMENT CONSIDERED IN RELATION TO THE GENERAL PROBLEM OF THE CONDUCT OF OUR FOREIGN RELATIONS.

It is the considered opinion of practically all informed, thoughtful and intellectually honest objective persons in our country -- whether they be in Government, business, industry, finance, the professions, or in other walks of life -- that the conduct of our foreign relations has come to be of primary vital importance to our country in the days in which we live and shall live. The machinery for the conduct of these relations and for the carrying through of the activities of our Government abroad assumes, therefore, a special significance and the need for the most effective and efficient machinery is imperative. A strong Department of State, charged with the conduct of our foreign relations, and a unified, single Foreign Service, as the machinery for our contact with Governments and other peoples, have become as fundamental and imperative a necessity as a strong Army and Navy. It is through the Department of State and its Foreign Service that we conduct those day-to-day relations with other States and peoples which are the best means of keeping the peace with other countries, and in the world.

It is the desire to set forth in this memorandum some of the fundamental considerations which must be kept in mind by our Government in all its Executive departments and agencies and by all sections of our population in considering matters affecting the conduct of our foreign policy, with the specific aim of emphasizing the necessity for proceeding without delay with the unification of our existing foreign representation under
under the Department of State as the one solely charged with the conduct of our foreign relations. Such unification is not only imposed by new conditions which we have to meet in practically every part of the world, but by conditions of efficient organization. In other words, it represents the desire on the part of Government to apply to the machinery of our foreign representations those principles which business would apply in its own organization. There is perhaps no subject concerning which there are so many misapprehensions and so many misunderstandings and these must be cleared away if there is to be an intelligent and considered and sound solution. For this reason it will be necessary in this memorandum to go into considerable detail, which, under the circumstances, is unavoidable.

It is, I believe, not necessary to present any argument as to the importance of our international political, commercial and economic relationships to every one of us in this country. Nevertheless, there is a considerable number in this country, and this includes some thoughtful people, who believe that we and other countries can follow a policy of isolation just by willing it and that in a disordered world this is the policy to pursue. They believe that in some way or other we can find in such isolation that peace, security and opportunity to develop within our own boundary which they earnestly desire. I am sure that all thoughtful persons who hold this conviction will, if they face the facts and examine this country's internal and external position and weigh these facts in the light of known developments, endorse the statement that there can be no such thing in this modern world as political isolation which does not result in a corresponding degree of economic isolation.
At the end of 1937, the United States was the world's greatest export, with exports valued at $3,345,000,000, and imports valued at $3,084,000,000. Our export and import trade in that year represented 13 percent of the total export and import trade of the entire world. Our exports that year represented 7-1/2 percent of the total production of movable goods in the United States. A policy of isolation, in addition to what it would entail for us in the way of diminution of prestige and influence and in spiritual values, would call for a complete rearrangement of the entire economic setup of the United States with an incalculable economic loss to our agricultural and manufacturing interests, as well as an abandonment of the rights and interests of our over 300,000 American citizens established in different parts of the world and of investments of approximately $7,000,000,000 which we have made in physical plant and otherwise in other countries.

We shall have to recognize that even before the more recent developments that have effected such drastic changes in the economic as well as in the political relationships of States, and which are bound to cause further important changes as time goes on, the problems of business men in this country had already become more difficult and perplexing as the result of the increase of economic nationalism in the form of increased tariff barriers, exchange restrictions, quotas, clearing agreements of various kinds and the like. We shall have to recognize that in many ways the conditions which we have to face in practically every part of the world are fundamentally changed. In the year that has just passed, the areas in which the problems of business have arisen have widened and the problems themselves have become increasingly difficult.
difficult. We shall have to realize that certain changed conditions throughout the world will have to be carefully analyzed and that Government and business must cooperate in finding the best method of protecting the position which we have reached in our trade and interests in so many parts of the world through years of intelligent and consistent effort. As it devolves upon the Department of State, through its Foreign Service, to serve as the principal instrument of our Government in the protection of our trade and interests in all parts of the world, it is not necessary to state that that Department has been constantly giving these new conditions and problems arising from them the most careful consideration.

In any consideration of these problems which we have to face throughout the world and of the most effective machinery to meet them, it is necessary to bear in mind that the conduct of the foreign relations of our country is primarily the responsibility, under our Constitution and statutes, of the President and of the Secretary of State. It may be said with all accuracy and without exaggeration that at no time in our national life have our foreign relations been as fundamentally important in our internal life as they are now. The Department of State, which serves as the instrument of the President and of our people for the conduct of these relations, including the formulation of policy, is conscious of this responsibility. One of the most encouraging developments in this country in recent years has been the increasing interest of all sections of our people in our foreign relations and their more understanding knowledge of them and their importance.

In the conduct of foreign relations in the interests of our Government and its people, there is first of all the question of the policy which we intend to follow. This basic policy
policy has been laid down by our Government from time to time and is most succinctly set forth in the statement of the Secretary of State of July 16, 1937. As occasion arises statements of policy are made by the President and the Secretary of State. Constant thought has been given to the questions involved in the actual formulation of policy. Although the President and the Secretary of State are the officials in whom, under our Constitution and statutes, the conduct of our foreign relations and the formulation of policy are placed, it is not necessary to say that the national policy in the field of international relationships must be the expression of the general interest of all our people. While there can be no difference of opinion on the point that the function of the conduct of foreign relations must be a function of one Department, the formulation of policy itself is one which concerns all departments and agencies of our Government. Questions of national policy and the basic principles of our foreign policy are matters of concern to all of our people for in these the peace, happiness and security of all our people are at stake. In the coordination and formulation of foreign policy practically every department and agency of our Government is interested as representing certain phases of our national life or certain groups of our population. It has, therefore, been the consistent effort of the Department of State in recent years to strengthen its contact with the other departments and agencies of our Government in order that through this close contact there may be that coordination in the formulation of policy which is vital in the public interest. In this respect very real progress has been made.

During the centuries, with the increase in communications between States and the consequent increase in the movement of persons and goods, there has been built up a body of public
and private international law and practice under which mutually advantageous relationships could develop and under which private initiative could flourish in the confidence that once established it would enjoy certain guaranteed rights and privileges. There have been built up certain principles of law and order and of international practice which were generally recognized in civilized States, and this provided an indispensable basis for the development of those international relationships, public and private, out of which there arose unquestionably so much that contributed to the welfare of the people in all States. We are now living in a different world — one in which law and order and the given world seem in some quarters to be rather lightly regarded. A few years ago, and perhaps even a few months ago, it would have been impossible to visualize the extent to which that body of international law and international practice has temporarily ceased to function.

We have become accustomed to hear and to read so many startling things in recent years that a general statement such as the foregoing no longer leaves with us the realistic implications which it actually possesses. It is well for us to realize now that in so far as nations disregard their pledged word and the heretofore universally accepted practices, and if they come to accept force as the principal instrument on which policy is based, it will be quite natural that individuals will follow this lead. We have seen in recent years and months how such a change in international relationships will work out in practice and that personal rights and the rights of business and property will be more and more disregarded and subordinated to the will of individual leaders or nations for expansion and for domination. It is not necessary to particularize to thoughtful people in this country how real
real a problem this is and how highly important it is to everyone in a responsible position in its effect upon the decisions which have to be reached almost every day.

We are living in a world in which a country such as ours, firmly dedicated to the maintenance of certain principles in its practice among its own people and in the practice of its foreign relations, is obliged to face problems in the conduct of its relations with other States which up to a few years ago it would have considered altogether fantastic. Just as we have to meet these problems in our major relationships with States, so the individual and business organizations will find the same questions to be met in the relationships they have heretofore maintained beyond our frontiers. We must face these conditions in a very realistic fashion and, as the result of day-to-day developments in so many parts of the world, it would take indeed a blind optimist, who disregards all facts and the evidence of his senses and experience, to believe that we are not moving into a position in which both our relationships with other countries and the relations of other countries with their neighbors will become very much more complex and, in practically every way, very much more burdensome. To put it baldly, the risks and uncertainties in international intercourse and business have become immensely greater. This development in the international situation is one which affects every one of us in this country no matter what his occupation or pursuits may be.

Reference has already been made to those who, doubtless in the hope that in some way it would keep us at peace, advocate a policy of isolation, or who either neglect or refuse to recognize the effect that such a policy would have on our economic structure. They forget that we are a part of this
this world and, whether we wish it or not, must be of it. They forget the evidence which comes to them every day of the repercussions which events beyond our frontiers have on our individual lives in this country. It is time that all sections of our population face the facts and realize that there is no country so great, so strong and so self-contained that in this modern world it can live unto itself to such a degree as not to be vitally affected by events beyond its frontiers.

The President, the Secretary of State and other responsible officers of our Government have not failed during the last few years to emphasize the attachment of this country and its people to the established principles of international law and order and of international practice and, while we intend to stand firmly on these principles, it is well for us to realize that even the degree to which we may be able to maintain these principles without our borders will be influenced by events beyond our frontiers. The high standard of living which we have been able to bring about for a good part of our population in this country and the efforts which we are making to bring about a nation-wide opportunity for decent living are bound to be adversely affected by the absence of law and order elsewhere or if force be substituted for the principles of international law and international cooperation in other parts of the world — remote as they may seem from us. It should be emphasized that there is no phase of our business, economic, social, cultural and political life which will not be affected in a greater or less degree beyond our frontiers.

It is a necessary corollary of the foregoing that if we are to have a world in which we can no longer count on the common acceptance of certain principles of action between States
States and individuals, our foreign relations are going to be very much more perplexing and we are going to have increasingly difficult problems. We must be prepared to protect our interests wherever they may be attacked as a result of the adoption by any States of policies based on force or coercion, or of endeavors to propagate their ideas beyond their borders, not only with the end of making them prevail but with the intent to achieve their objectives regardless of the rights and interests of other States. In other words, the relations of this country with other countries in these circumstances will take on a new and a greatly more complicated character and become infinitely more difficult to handle. Our position at home and abroad will depend upon the measure of our success in maintaining and — so far as we can exercise influence — in restoring general faith in those principles which we believe should still control in the major relations between States and individuals.

With these considerations of such fundamental importance to us at this time given due weight, it becomes obvious to any thoughtful person that we shall have to give the most careful attention not only to policy but to the machinery for making policy effective. Although the Department of State, which is charged with this heavy responsibility, is the smallest and least expensive of our Government establishments, it has, perhaps for these very reasons continuously since its establishment with the beginnings of our Government, given constant thought to its effective organization. In view of the heavy seas in which we already are and into which we may be heading, the organization of the Department has again been subjected to very close scrutiny and measures have been taken in a quiet way in order to strengthen its organization. It may be safely said that at no time in the history of our Government has the Department
Department of State been so effectively organized to handle the business of the conduct of our foreign relations and this can be a very reassuring thought to us in these difficult times. In the very nature of things, however, the Foreign Service of the Department of State, through which it conducts the actual contact with other Governments and peoples, is as important a part of the machinery of the conduct of foreign relations as the Department in Washington. It may, therefore, be worthwhile to review briefly the steps which have been taken to strengthen this important part of the machinery of foreign relations.

Already before the adoption of the Constitution, we had sent Ministers abroad to represent the interest of the Colonies. Immediately after the adoption of the Constitution and the formation of the Government, the President, under his powers given him in the Constitution, began to appoint Ministers and Consuls to look after the developing interests of our Government and of our trade and commerce in near and distant parts of the world. For a little over a century it was possible to keep this foreign representation on a basis where men were chosen at the will of the President without any particular regard to their previous training or experience. Our political relationships were not so important with other States and, aside from our shipping, our trading relationships with other countries meant relatively very little to us in our internal life. We were so busy developing our own tremendous internal resources that foreign markets and conditions in foreign countries were not of such immediate interest or importance to us.

With the increase in communication between States and the increase in the movement of goods, it became more important that we should have information concerning industrial, commercial, financial and general economic conditions in other countries.
countries in addition to political information. Our consuls, every since the formation of our Government, had been charged with the duty of making reports on these conditions and, when one considers that the appointment of these officers was not on any career basis and that very often they were appointed merely as a political reward, it is interesting to observe that nevertheless we received from these officers what was then a sufficiently constant and adequate flow of information for our needs in this country. At the beginning of the twentieth century, however, it became clear to thoughtful persons in this country that our foreign representation of the Department of State would have to be put on a firmer and sounder basis and it was under Secretary Root, in 1906, that the first steps were taken to put the Foreign Service of the Department of State on a career basis. The President voluntarily under the measure taken restricted his liberty of appointment and it was provided that admissions to the Foreign Service should be on the basis of examination. There were then two very distinct parts of the Department of State's representation abroad, the the diplomatic and consular. It was the theory that the diplomatic officers, which included ambassadors, ministers and secretaries, should be the political agents of our Government, while the consuls remained the commercial agents and performed those wide and varied services with which they have since the inception of our Government been charged under the statutes of the Central and States Governments. The compensation provided for the officers in the consular branch of the Service was better than that provided for the diplomatic branch, and the result was that it was almost indispensable for secretaries in the diplomatic branch of the Service to have private incomes. This unfortunate differentiation which was then made resulted in some of these officers having less direct sense of obligation to our Government than the consular officers as they felt that they were more
more or less doing a favor to our Government by accepting this
service. It is true that in those days some of these diplo-
matic secretaries had a rather disinterested attitude toward
some of the problems of Government and business, feeling
that these were the more specific duty and responsibility of
the more humble consular branch of the Service. The diplo-
matic branch, however, was relatively much smaller than the
consular and what should be emphasized and what is so frequently
forgotten by business and by other persons in this country is
that ever since the inception of our Government the very great
body of the representatives of the Department of State abroad
have been men who have concerned themselves principally with
business and practical problems affecting the life and interest
of practically every citizen of this country. In spite of the
facts being as they are: misconceptions as to the attitude of
the great body of the officers of the Department of State to
problems of business have persisted, and still persist,
although the evidence is all to the contrary.

From 1906 on very rapid progress was made towards putting
the representatives of the Foreign Service of the Department
of State on a career basis. The demands on the Service con-
stantly increased with the growing importance of our political
and commercial relationships with other States. These
problems became of more intimate importance to increasingly
larger groups in this country. It became obvious that it
was inefficient and not good administrative practice to have
two separate branches -- the diplomatic and the consular --
of the Department of State abroad. In the so-called Moses-
Linthicum Bill enacted by the Congress in 1924, the diplomatic
and consular services of the Department of State were con-
solidated into one Service and this Act contained many praise-
worthy provisions which laid the final basis for a real career
Service such as we have it today. Others who may be skeptical in this country as to whether the Foreign Services of other Departments of our Government than State may be successfully and in the public interest merged into the Foreign Service of the Department of State, it may be pointed out that the merging of the diplomatic and consular branches of the Foreign Service of the Department of State into one involved far greater difficulties than those involved in such a consolidation now contemplated and there was much more ground for the fears then expressed in connection with that consolidation than there is for those now expressed with respect to the contemplated one. As a matter of fact, as a result of the steps taken by the President and the Secretary of State in 1906 and thereafter, and under the Act of the Congress of 1924, it has been possible by painstaking, continuous and unremitting effort to build up a Foreign Service of the Department of State which is considered by other Governments, even though it may not be fully understood in this country, to be the most efficient Foreign Service possessed by any Government today. It is a Service in which there is not a vestige of politics or preferment except on the basis of performance and merit. Perhaps the most interesting commentary that can be made on this Foreign Service of the Department of State is that there is no endeavor by members of Congress or by interested persons to use political pressure of any kind in connection with admissions, promotions, or assignments in so far as they affect the Foreign Service officers of the career. Even in the grade of minister and ambassador, where the President still has complete freedom of choice, it has become increasingly the tradition of the President to choose members of the Foreign Service who have shown particular capacity so that now approximately
approximately half of our ambassadors and ministers have been chosen from the career. The foregoing recital is in itself a sufficient indication of the recognition by thoughtful persons in this country of the importance of our foreign representation and of putting it on a definite career basis.

Before proceeding with an examination of the complete machinery which we have abroad of our Government, it is necessary, to a thorough understanding of the problem, to recite briefly, but yet with a certain comprehensiveness, the duties now being performed by the Foreign Service of the Department of State. These, I should say, are performed under their Constitutional function as well as under statutes of the Congress and of the Legislatures of the various States. In the very nature of things, under international practice, practically all of these duties have to be performed by them and cannot be performed by the officers of any other department or agency of our Government as they are performed under rules of international practice which are still observed and which likely will continue in a major measure to be observed.

First of all, the Foreign Service officers of the Department of State have to perform manifold services for ships and seamen. These duties cover the relief and repatriation of seamen, the shipment and discharge of seamen, the care of shipwrecked, sick and disabled seamen, the certification of crew lists, the issuance of bills of health to American and foreign vessels, the issuance of certificates of change of registry and a variety of other services all of which are important in the maintenance of the strong merchant marine, under the American flag, which we should have.

These officers are charged, under our law, with the issuance of visas to persons wishing to come to this country for
for a temporary stay or for permanent residence. They are charged with the carrying into effect abroad of the pertinent provisions of our immigration laws and this duty has become a very vital and important one in a disordered world in which there is such tremendous pressure for emigration to this country.

They are charged with the certification of invoices covering shipments of goods to this country, which invoices form to a very large extent the basis for the assessment of duty and for the preparation of statistics of imports by countries of origin.

In connection with American citizens residing abroad or temporarily sojourning in other countries, they are charged with the function of issuing passports, effecting registration and of keeping records and performing certain services in connection with births, deaths, and marriages of American citizens, including, where the local law permits, the custody and settlement of estates of deceased Americans.

They are charged with the duty of answering inquiries with respect to the welfare and whereabouts of American citizens in other countries in whom their relatives here may be interested.

They are charged with legal and notarial functions under the statutes of the Congress and the laws of the several States, these including the giving of information on laws in this and other countries, the furnishing of lists of lawyers in their respective consular districts to interested persons in this country, the authenticating of documents needed from abroad for use in this country, the taking of depositions and the execution of commissions issuing from courts in this country, and a variety of duties in connection our copyright and patent laws.

They
They are charged with the responsible and important function of protecting the interests of our Government and of our nationals abroad, including the protection of the interests of individuals, property and, in general, national, commercial and financial interests. This is one of the major functions of the Foreign Service of the Department of State and must remain solely a function of the officers of that Department as, under international law and practice, officers of no other Department can carry through this function.

They are charged with the representation of the interests of our Government and as such they must maintain contact with the central and local governments to which they are accredited. They must maintain contact with representative persons in all phases of the life of the country to which they are accredited, and with the press, in order that they may be in a position properly to represent the point of view of our Government to the other Governments and to represent the point of view of other Governments and peoples to our own. They participate for us in international conferences. They negotiate, under instructions of the Department of State, treaties, conventions and agreements with other Governments designed to maintain, conserve and protect our interests. It is their duty to present to other Governments the American point of view and to maintain it.

It is their duty to prepare political reports which they transmit by mail and telegraph in order to keep our Government fully and adequately informed concerning those political developments in every part of the world which are of increasingly fundamental importance to us.

They are charged with reporting on the financial, commercial, agricultural, mining and mineral, shipping, social welfare, public health and on general developments of
interest to our Government in the country or district to which they are accredited.

In the field of commercial reporting, they are charged with the preparation of reports on commodities and markets in which we are interested from an export or import point of view, in the preparation of World Trade Directory Reports, of Trade Opportunities, and of Trade Letters. The magnitude of the volume of this single phase of commercial reporting will be apparent to you when it is recorded that in 1937 alone 45,720 World Trade Directory Reports were prepared, 1,352 Trade Opportunities, and 28,555 Trade Letters in reply to inquiries from firms in the United States.

The foregoing is in no sense a complete statement of the work done by the Foreign Service officers of the Department of State in its 56 diplomatic missions and 278 consular establishments and by 770 career officers and 2,969 employees in every important capital and shipping and commercial center of the world. It does, however, give an idea of the broad scope of the activities of the Service.

The field of activity of our Government abroad has of necessity to be a very wide one. Practically every department and certain agencies of our Government, which may have as their immediate interest some sector of our national life in this country, have a very direct interest in certain things happening abroad which particularly affect them and their field. Looked at from one point of view, it is conceivable that practically every Government department and agency would be interested in having some of its own people abroad to gather information for it and to conduct certain activities in which it is interested. Unfortunately, it is just this which has been happening in more than one way and this has brought
brought about a confusion in our foreign representation and
a complexity in the machinery which we have established abroad
to which particular attention is being directed in this
memorandum. It must be recognized that in Government as in every
well-conducted business and enterprise there are certain
principles of organization which must control and without
which the enterprise cannot be effective and efficient.
There must be a well defined principle of division of
responsibility and consequently delimitation of field of
action.

As has already been said, under the Constitution and
statutes, the conduct of our foreign relations is placed in
the President who exercises this function through the Depart­
ment of State and through the Foreign Service of the Depart­
ment of State abroad as its agent. The Department of State
has consistently since the beginnings of our Government taken
the attitude that it has no functions within this country
except those relating directly and immediately to the conduct
of foreign relations and it has resisted any endeavors from
time to time which have been made with good intention to
place upon it domestic functions. It believes that if it is
to carry through its functions effectively in the conduct of
our foreign relations, it must concern itself with that and
leave to other departments and agencies of our Government the
conduct of our internal affairs. It believes that so far as
the internal aspects of our problems are concerned in this
country they fall within the field of the departments and
agencies which have been established from time to time for
that purpose by the Congress. Just as definitely, however,
as it believes this, it must regard the field of the conduct
of foreign relations as peculiarly its own. This is a
principle
principle of Government which we must accept just as it is universally accepted in business. One of the inexplicable developments of recent years, however, has been that, while we have endeavored to improve our business practice through the definite maintenance of certain principles such as a delimitation of field and while we have been insistent on the application of certain principles applied in business to the practice of Government, pressure has been brought upon Government for the maintenance of practices in our foreign relations which are not in accord with these principles.

There has been an increased tendency on the part of departments and agencies of our Government other than the Department of State to send representatives abroad on permanent station to work in limited fields. This has resulted in confusion not only within this country but in our approach to other Governments and by this endeavor to intensify our effort we have, through diffusion, brought about less efficient performance than could be secured through uniformity and unity of approach. The multiplicity of our representation by departments abroad leads not only to weaken but to unavoidable duplication of expense and effort, a condition which would not be tolerated in any well conducted business, but which to a degree certain sections of business are endeavoring to force upon Government.

We now come to a concrete discussion of the developments which have led to the duplication of effort by our Government abroad. As the commercial interests of the United States developed and as the transition took place in the character of our exports abroad from those having in the main an agricultural character and manufactured goods assumed a correspondingly greater place in our exports, there was a very proper feeling among
among certain business interests in this country that there should be more definite and thorough assimilation and distribution of information to commercial and industrial interests in this country of the information which was coming to our Government from the Foreign Service officers of the Department of State stationed in practically every important capital and business center of the world. There was, therefore, organized in the Department of Commerce in 1912 a Bureau known as the Bureau of Foreign and Domestic Commerce/which was in reality a merger of the then existing bureaus in that Department of statistics and of manufactures. This was done through a rider to the general legislative appropriations act enacted in that year. The establishment of this Bureau was one of the most important and effective things that our Government has yet done for aiding our business interests. It provided a means within the Department of Commerce for properly maintaining direct liaison with business interests in this country/ of adequately digesting and giving wide distribution to the commercial and economic reports received from the diplomatic and consular officers of the Department of State. This service of the Bureau was later strengthened through the establishment of commodity divisions therein which provided better machinery within the Bureau for the handling and distribution of this information and for the maintenance of contact with different industries. The services of the Bureau were later strengthened through the establishment of so-called District Offices and of cooperative offices in Chambers of Commerce in important cities throughout the United States. The establishment of these District Offices was a further strengthening of the services which the Foreign Service of the Department of State and the Bureau of Foreign and Domestic
Domestic of the Department of Commerce rendered to our business interests.

In 1914, through a rider to the general legislative appropriations act of that year, there was appropriated a sum of $100,000 to enable the Bureau of Foreign and Domestic Commerce to send Commercial Attaches to some of our missions abroad. This was done in response to a feeling on the part of certain business interests in this country that the services to them might be strengthened through the establishment of a group of officers who would devote themselves solely to the rendering of commercial, industrial and financial reports. The activities of these Commercial Attaches were not intended in any sense to displace the activities which had been conducted by the officers of the Department of State in its widely separated establishments for well over a century. It was thought that these Commercial Attaches could supplement the services rendered by these officers. That the establishment of this service might complicate the conduct of our foreign relations was not envisaged at that time and this is clearly shown by the fact that this legislation was considered only by the Appropriations Committees and not by the Senate and House Committees on foreign affairs before which ordinarily such a step involving the conduct of our foreign relations would come for consideration. It is quite probable, and I believe it may be taken for certain, that if this legislation had been considered by the Committees on foreign affairs of the Congress at that time steps would have been taken then which would have avoided the situation which has arisen since then and which has given cause increasingly for concern. There is no question but that the step was undertaken in entire good faith and the ultimate implications were certainly not foreseen at the time. The
The appropriations for the Bureau of Foreign and Domestic Commerce of the Department of Commerce and for the specific purpose of supporting the Attaché service abroad were slowly but steadily increased, making possible expansion in the service. For a number of years it was the practice of the Department of Commerce to assign these commercial attaches only to capitals. Under pressure from certain quarters within the country, the attaché service was expanded to cover officers of the rank of trade commissioners and offices and bureaus were opened in cities other than capitals. As there was in all of these cities other than capitals already an establishment of the Department of State performing the same functions and much wider ones under our statutes, the duplication and unnecessary expenditure for our Government became more obvious and the difficulties in the administration of the trade-information gathering and promotion services more complicated.

In 1927, the Foreign Service of the Department of Commerce had grown to such size that it was definitely legalized by statute with the passage of the Heuck Act on March 3, 1927. This act specifically provides that the officers of the Department of Commerce Foreign Service shall not have a representative capacity and that their duties shall be confined to reporting on commercial, industrial and financial conditions. Under this act the Department of Commerce felt that it had a mandate to expand its services abroad and the number of foreign establishments was increased. It was inevitable that with officers of the Departments of State and Commerce in capitals and in other cities, both operating in the same field, although in the case of the officers of the Department of State the field was a much wider one, there should be duplication not only within the fields which were common but there was the inevitable human result.
result that officers of the Department of Commerce began to engage in activities in fields in which, under the statutes and laws of this country, they could not operate. This led to such pronounced difficulties in Washington and in the field that it became necessary to take action to prevent the unhappy results which were proving serious for Government as well as for the interests which it served. As a consequence, by arrangement between the Departments of State and Commerce, there was put into effect a Coordination Agreement which helped to eliminate some of the duplication. This Coordination Agreement was later revised and is still in effect. It was found desirable in the public interest to restrict the activities of commercial attachés and officers of the Department of Commerce in the foreign field to capitals and the offices outside of capitals were closed.

Although the Coordination Agreements between the Departments of State and Commerce have considerably helped the situation in Washington and in the field, it is still increasingly clear to all thoughtful persons that no coordination agreement can thoroughly solve the problem which confronts Government and business at this time and with the changed conditions which Government and business have to meet in practically every part of the world. This thought will be further considered later in this memorandum. It is sufficient to say here that, under the position which exists today, representatives of the Departments of State and Commerce in capitals may approach the same Government official or the same foreign or American businessman on the same day for information on the same subject. Firms in this country have begun the practice of addressing duplicate inquiries to the commercial attaché and to the consul at the same post. Not infrequently, through lack of adequate coordination in Washington between the Departments and similarly
similarly between the officers of State and Commerce in the field, there has been a lack of unity of approach to foreign governments and to a degree a lack of necessary uniformity in carrying through policy at a given post. Aside from the inconveniences which this has for our Government and business, it has led to a confusion abroad in governmental and business circles. It is impossible for them to understand that a country which flaunts itself for good practice should have such a hydraheaded organization in the field.

Under the pressure for finding greater markets for our agricultural products and the need which the Department of Agriculture felt for certain specific and technical information, the Department of Agriculture in 1930 secured statutory action from the Congress permitting it to send abroad a number of agricultural attaches. It has used this statutory right to a very limited degree only for it has worked on the principle that it should depend very largely on the officers of the Foreign Service of the Department of State for reports on agricultural conditions and that it should use its officers abroad principally to assist the consular officers with specific advice in the preparation of reports and in the gathering of certain more technical information such as that involved in crop estimating. The Department of Agriculture, therefore, has sent out very few agricultural attaches and these have confined their activities principally to giving consular officers in certain areas the benefit of their technical and special knowledge to be used by them in preparing reports for the Department of Agriculture. This has proved to be a procedure satisfactory to the Department of Agriculture and it is particularly worthy of note as it is one of the considerations which should be borne in mind in making constructive plans for the future. It is significant that the Department
Department of Agriculture by following this procedure of close cooperation with the Foreign Service officers of the Department of State has not found it necessary to expand its foreign agricultural service in any important degree.

As of subsidiary importance in the general problem, but having an important bearing upon it, it is interesting to note that the Bureau of Mines of the Department of Interior needs of certain specialized reporting on mineral products and questions of mineral economics abroad, has succeeded in developing through the Foreign Service of the Department of State an extensive system of reporting by its officers. This has been accomplished by the Bureau of Mines, not through the sending abroad of any number of specialists or attachés, but through the assignment of one of its metallurgical engineers to spend a period of service abroad in the Foreign Service establishments of the Department of State. When assigned, for example, to the Consulate General in Paris, this metallurgical engineer of the Bureau of Mines of the Department of the Interior is given a consular commission and is in close contact with the officers of the Department of State in France. He gives them specific information as to the needs of the Bureau of Mines for reports on mineral products and mineral economics and may, while he is in the country, prepare such reports, with the collaboration of the consular officers, for which he as a specialist is particularly equipped. After having prepared such reports and after having laid the foundation among the Foreign Service officers in France for future reporting along the lines desired by the Bureau of Mines, he proceeds to another country, let us say, Germany, where he is assigned to the Consulate General and performs the same function.

We have thus developed three statutory Foreign Services, that of the Department of State with establishments in every capital.
capital and every important commercial center of the world; that of the Department of Commerce with officers stationed in most of the important capitals of the world; and that of the Department of Agriculture with officers stationed in certain strategic but very limited centers in which agricultural developments are of particular importance to us. With the best will in the world on the part of the three Departments concerned in Washington and with the best will in the world on the part of the respective officers which they have in the field, a certain amount of duplication is bound to occur under such a system and the inevitable result must be less effective services to our Government and to the interests which it serves. As indicated at the outset of this memorandum, the experience of practically all persons in the field for the various departments and of objective persons in Government organizations in Washington, and increasingly of all persons in this country interested in the best service which Government can render to business, and our people, is that the efficient conduct of our foreign relations and the most effective gathering of information abroad can only be secured through the consolidation of these three existing services of our Government abroad into one. Careful thought is therefore being given to the manner in which the existing foreign services of Agriculture and Commerce may be consolidated into the Foreign Service of the Department of State so that we may have a single, unified service which, under international practice and under our Constitution and statutes, could only be under the direction and control of the Department of State. No well conducted business in this country would tolerate such an organization as we now have in the field, and yet there is a part of business in this country which would wish to perpetuate in the field of Government activity a system which
which it would not for a moment tolerate in its own organization.
If we have been able in the past to get away with and to struggle
along under this hydraheaded organization, certainly, in view
of the conditions which we now have to face and in view of the
changed conditions in international relationships, this unified
front becomes imperative.

In spite of the fact that this unification of the Foreign
Service appeals so definitely in principle to thoughtful
business men in this country and to all interested in the
conduct of our foreign relations, there is a tendency for any
such action by our Government, no matter how well considered
it may be, to be opposed by certain business interests. It is
probable that most of this objection is based on misappre­
hensions and misunderstandings which exist. That some of
these should exist is almost incomprehensible and is not a
credit to some of us, but because they do exist, it is
necessary to go into some of them.

First of all, there seems to be a deep-seated fear that,
if this consolidation of the Foreign Services of Commerce and
Agriculture into that of the Department of State is carried
through, the services which are now rendered to business may
be slowed down or decreased in volume. Such apprehensions
have no basis in fact. There are now some 314 establishments
of the Department of State in capitals, commercial centers and
seaports in every part of the world. One of the principal
functions of these has been ever since the founding of our
Government to furnish reports on commercial, industrial,
financial and economic conditions in addition to the trade
protection and other wide activities I have already recited.
As the commercial attaches are stationed in capitals only
and as the establishments of the Department of State are so
widely
widely distributed in every country throughout the country, it should seem axiomatic that the great majority of the information which the Bureau of Foreign and Domestic Commerce receives from the foreign field should come from the Foreign Service officers of the Department of State. There is no reason why this information should reach the business interests of this country with any particular label on it and the Department of State has never been particularly interested in whether it is known to those actually receiving the information whether it comes from a consul or from a commercial attaché. It has considered that it is sufficient for the recipient, and in the public interest, that it should be understood that it comes from a responsible officer of our Government. The very fact, however, that the Department of State does not distribute information in this country and that all the information from the field is distributed through the Department of Commerce and the Bureau of Foreign and Domestic Commerce and its District Offices throughout this country, has given the impression to a very considerable number of our business people that the officers of the Department of State are utterly disinterested in commercial matters and that practically all the information which they get is from the Department of Commerce. This is a very natural result of the system and there is no reason why the system should be changed. It is unfortunate, however, that this basic misapprehension as to the origin of the greater percentage of the material distributed exists for it has a very basic effect upon the attitude which many less thoughtful business men take on the question of consolidation of the Foreign Services. They naturally fear that the consolidation of the Foreign Services of Commerce and Agriculture under that of State may mean that these services are partially destroyed through the consolidation into
into one which is less interested in trade promotion, when, as a matter of fact, it is from the Foreign Service of State that the smaller business man, as well as the large business man in this country, has been getting the principal supply of information. The distribution of information from the field in this country from the Foreign Service of the Department of State on commercial, economic, industrial, financial and agricultural conditions and on other conditions is now placed in the Bureau of Foreign and Domestic Commerce of the Department of Commerce, in the Bureau of Agricultural Economics of the Department of Agriculture, and in various bureaus of the other executive departments and agencies particularly interested in the respective field. The Department of State, which as has been pointed out in this memorandum, is of the opinion that it should not engage in internal activities, definitely remains convinced that the digesting and distribution of material among and the direct contact with interested sections of our population should be in those departments and agencies created by statute for the purpose. It believes that these respective agencies in this country should be strengthened in every possible way. It believes that these departments and agencies should share very definitely in the formulation of commercial policy and that instructions and indications to the field officers of the Department of State of the unified Service for their guidance in the preparation of reports should be prepared in these departments and agencies. It believes, however, just as definitely that, as the field of these departments and agencies in this country must not be encroached upon by the Department of State, there must similarly not be encroachment by these departments in the foreign field. Just as it is a natural tradition
tradition that party differences in this country end at our frontiers, so it is equally clear that, when it comes to representation and activities abroad, departmental lines end at our borders and that there can be only one Department of our Government conducting our foreign relations and activities in other countries.