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April 29, 1938.

The Acting Secretary:

You will recall that the President approved your letter to him of April 22 transmitting a copy of my memorandum of April 16, 1938 to you concerning the bill now before Congress making certain changes in the statute governing the Foreign Commerce Service. That is, the President authorized me to speak informally to the members of the appropriate committees of both houses concerning the objections and reserves we have with regard to this bill.

Yesterday you were good enough to inform me that you had submitted to the President a draft of an amendment to this bill which authorizes the President by executive order as from July 1, 1938 to incorporate the present Foreign Commerce Service into that of the Department of State and to place these activities abroad under the Secretary of State. You stated that the President had approved this amendment in the form submitted and that I was authorized to get in touch with the appropriate committees with regard to it.

You stated that, in view of the impending return of the Secretary on Monday and of the importance of the matter, it seemed advisable that you should place the President's wishes and instructions before the Secretary on his return as he

might

might wish to speak with Secretary Roper of Commerce about the matter before taking it up formally with the appropriate committees of both houses.

In accord with our conversation yesterday, I called, with Mr. Hosmer, upon Senator Pittman, the Chairman of the Senate Committee on Foreign Relations, and explained the entire situation to him. I gave him the full background. The Senator said that he was in entire sympathy with such an amendment as it was important that these activities abroad should be under the Department of State and its direction not only from the point of view of the best administrative practice and the best service we could render to our Government but also from the point of view of our work abroad where foreign governments in many instances were unable to understand our multiple approach. He remarked that this was something which should have been done long ago and he felt that his Committee would join him in approval of the amendment.

I asked the Senator what the best tactical procedure was from the legislative point of view. As the bill has been passed by the Senate and has been reported to the House by the House Committee on Interstate and Foreign Commerce, there were two ways in which this amendment could be offered. The Chairman of the House Committee could ask for the re-commitment of the bill to the Committee when this amendment could

could be offered and discussed and the bill again reported to the House. The other way was to simply offer the amendment on the floor of the House when the bill came up for passage but this might bring on a discussion which could result in the failure of the bill as a whole including the amendment. As the legislative session was nearing an end, this second procedure was the less desirable of the two. The Senator suggested that I take up the matter with Judge McReynolds, the Chairman of the House Committee on Foreign Affairs.

I thanked the Senator for his interest and support and asked him if he would be willing to call a meeting of his Committee before which the Secretary or Mr. Welles could appear and explain the objects of the amendment in order that the Senators might have full information in case there was discussion on the floor of the Senate. The Senator said that he would be glad to call such a meeting at any time we might wish it.

I further told the Senator that, as the Department was considering suggesting to the Secretary that he might wish to speak with Secretary Roper immediately on his return, it might be as well to keep the matter of this amendment in confidence for the present. The Senator said that he thought this was the best procedure for the present.

I thereupon called upon Judge McReynolds, the Chairman of the House Committee on Foreign Affairs, and explained the entire situation to him. In view of our objections to the bill as set forth in my memorandum to you of April 16, 1938, he had already agreed when this bill came up to request that action be deferred as certain amendments might be offered in which the President was interested. I went over with Judge McReynolds my conversation with Senator Pittman, which the Senator had authorized me to do, and Judge McReynolds stated that he was very much in sympathy with this amendment and that it would accomplish something which in the public interest should long since have been done. It was one of the most important things we could do to increase the effectiveness of our foreign representations and of the service we can render abroad to this Government and our interests.

Judge McReynolds said that if the bill came up on Monday, which is quite possible, he would see that it was not discussed and he further indicated that he would speak to Mr. Lea, the Chairman of the House Committee on Interstate and Foreign Commerce, or to Mr. Crosser, who was in charge of the bill, asking them not to bring the bill up for the present, as the President was interested in certain amendments thereto. Judge McReynolds said that the best way legislatively to handle the matter was to get the bill returned to the

Committee

Committee so that the amendment could be discussed. If the Committee would report the bill with this and other amendments then there was a good chance of passing it this session. If the amendment was introduced on the floor of the House, it might bring about a lengthy discussion and the failure of the bill as a whole including the amendment. In view of the importance of the amendment and the object to be gained, it would be best to have this discussion in the Committee.

I told Judge McReynolds that, as the Secretary would probably talk with Secretary Roper about this matter, it was better to keep it in confidence for the present so far as the particular amendment is concerned which would place the Foreign Commerce Service under State. He said that he could easily take up the question of the recommitment of the bill with the Chairman of the Committee without referring to the specific character of the amendment except to state that it was vital. I said I saw no inconvenience in this.

I asked Judge McReynolds whether he would be willing to have a meeting of his Committee to discuss this amendment in view of its importance even though the Committee would not have direct consideration of the bill. The Judge said that he would be glad to do this if it were necessary but if the amendment could be reported favorably by the Committee on

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Interstate and Foreign Commerce such a meeting of his Committee would not be necessary. If the meeting, however, was found advisable he would be prepared to call it and he believed that his Committee would be fully behind the amendment as he was.

It was interesting to note that both Senator Pittman and Judge McReynolds said that they thought the bill would have a favorable reception in the Senate and in the House. Those members of the two houses, who had not voted for the President's Reorganization Bill on the ground that specific action in each case should be brought up before the two houses, would in many instances be found behind such a bill as it provided for the legislative procedure in reorganization matters which they favored. From that point of view, therefore, they felt that the prospects for the bill were good and the fact that it was a reorganization measure would not be against it but most likely in favor of it.

I told Senator Pittman and Judge McReynolds that I would get in touch with them shortly after the return of the Secretary.

G. S. Messersmith.