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March 27, 1937.

Mr. Bullitt:

All these memoranda seem to me to be based upon fundamentally erroneous assumptions. By way of clearing away these assumptions, it should be said:

1. We should not contemplate any reduction in the services to business men below those provided for in Secretary Roper's policy of 1933.
2. We should not contemplate impairing in any way the ability of the Bureau of Foreign and Domestic Commerce to discharge its function in keeping American business men fully informed, including all pertinent information, regarding tariff changes in France.
3. We should not contemplate any interference with the work done by other branches of the Government for the furtherance of the trade agreements program. That work needs continuation and strengthening.
4. I do not understand that the adjustment in Paris which you desire contemplates relinquishing the services of any member of the Department of Commerce Service who in your judgment is essential to the maximum economic and commercial service to both the Departments of State and Commerce.

In the light of the foregoing, what remains to be done is such a consolidation under a single supervision of all of the personnel in your Embassy engaged in economic and commercial service and reporting as shall insure the two Departments and the business men of this country being supplied with a maximum amount of coordinated, well considered and non-conflicting information and opinion. If this represents  
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what I think is your view, and certainly is mine, the majority of the objections brought out in the enclosed memoranda fall to the ground.

There is another point in Mr. Lane's memorandum which I think is erroneous and that is the assumption that officers of the Department of Commerce have a responsibility in matters of trade protection in addition to their rightful function of trade promotion. The protection of interests, including those of trade interests, is and always has been and always will have to be functions of diplomatic and consular officers acting under the direction of the Secretary of State. However, such a consolidation of all activities having to do with economic reporting, trade promotion, keeping abreast of tariff changes and similar things which you contemplate in the Embassy in Paris, would, if the Commercial Attaché's office were included in it, give the Commercial Attaché and his staff, acting under the direction and control of the Chief of Mission, a rightful and proper part in the work of the mission in the field of trade protection. That is precisely the way any well organized business establishment would be operated.

I hope the foregoing will answer your purposes.

W.J.C.