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DEPARTMENT OF STATE

ASSISTANT SECRETARY

A-M

February 1, 1938.

STRICTLY CONFIDENTIAL

I saw the President at 2:15 and he expressed his interest in the conversation which he had had at lunch the day before with Dr. B. I told him that Dr. B. had not been at his best and was somewhat nervous. I said that he had said some very interesting things to me at the house the night before which I thought he would be interested in, and the President said he would be very glad to have a copy of the memorandum of the conversation.

The President spoke about the general situation in Europe with particular reference to Germany, England and Austria and touched on various aspects of his conversation with Hugh Wilson before leaving for Berlin. He said he was much surprised that Wilson had indicated that he thought we ought to lay less stress on the democracies and democratic principles. I told the President that no one was more interested than I in the official and personal success of Wilson's mission, but that there were some things concerning human psychology, and particularly German, that were a strange country to Wilson. He did not, for example, know

know that the only way to deal with the Germans now in power today was to stand up for opinions and convictions; any other attitude was taken as weakness. I had feared that Wilson might through a wrong attitude spoil his influence at the outset and I had, therefore, tried to make him see the German psychology as it is and as I have learned it from my experience there. The President said he quite understood that silence and a certain negative attitude would be taken by the Germans as weakness and he was somewhat disturbed concerning Wilson's ideas. I said I had done my best to set him right but that we might from time to time have to set him right for if we wish to avoid serious difficulties for ourselves in the world we would have to maintain our principles.

I told the President about the memorandum on coordination which I prepared and which the Secretary and Under Secretary thought we should send out to the field to help out the situation until we get the complete coordination and consolidation of our services made possible in the future under the reorganization bill. I told the President that I understood from the Under Secretary that he still held to his idea about the consolidation of our Foreign Services and that I understood that it was not necessary to discuss this. The President said that was so and that he believed in the consolidation of the services abroad. I said I was

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making a study of how this could be done most effectively and that I would prepare a memorandum in which he expressed much interest. I said that I thought we could have some scheme of consolidation ready to put in effect practically at the time that his reorganization bill became law and that the putting through of such a reorganization and consolidation scheme in the Foreign Service would be a very popularly appreciated measure.

I said that the memorandum I was leaving with him was intended to help our chiefs of mission to take care of this situation better in the meantime and that we felt that it ought to go to the field now. The President said that as other departments were concerned, he thought the Secretary might wish to take it up with them before we send it out. It would not be necessary to take it up with the Army and the Navy but the Secretary might ask the Secretary of Commerce and the Secretary of Agriculture to come in to see him and then read the memorandum to them and, if they wished to discuss it, say that he saw no reason for discussion as it did not change existing practice but merely crystallized it. I said to the President that I understood that he did not want to arouse discussion about this matter through this memorandum when the major question of consolidation would be coming up probably very soon. The President said that was his idea. He certainly did not want the Secretary

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to give the memorandum to Commerce or Agriculture for it would start at the top and go down the line and that would be bad.

I suggested to the President that, as this memorandum did not change anything in already established practice, it occurred to me that the procedure he suggested of having the Secretary read the memorandum to Mr. Roper and Mr. Wallace was hardly necessary and perhaps an unnecessary complication. It would be a very good thing to get this thing into the field and I thought if he would read over the abstract which we had made of the memorandum he would be able to let me know that he saw no objection to its going out. The President said that he would read the memorandum as he was most interested in the whole subject and that I could get in touch with him. Quite probably, he said, he would be able to indicate that we could send it out without in any way taking it up with the other departments even in the most informal way.

I then took up the question of the retirement fund for the Foreign Service and explained briefly the amendments. He said he regretted to learn that our fund was in the same insolvent shape as that with which he had to concern himself in the Civil Service fund some years ago. I told him what we were after, what the cost involved was and he said that in principle he was quite in favor of the amendments

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and the procedure which I outlined. He wanted me to take the matter up with Bell, the Director of the Budget, and he saw no reason why the program should not go to the Congress as a measure having his full support. I could say to Bell that the President was in principle in favor of the action set forth in the amendments and the report.

The President asked me what progress I was making on the reorganization program. I told him that I was giving the whole question of the Department and of the field careful thought but that it was not the work of a day. We were, as he knew, very much pressed with things that had to have attention from day to day and that I had been putting myself into the work more than I should and that I had to let up some. This naturally slowed up my studies on the reorganization and I could not tell him when I would be ready to make a report. I was confident that he was more interested in the job being done right than being done quickly. He said that that was so and that there was only so much that one could do and one should not do more. I told him that the reorganization implied a good deal more than appeared on the surface if it was to be done right.

The President expressed his belief that some of our larger establishments were over-staffed. I told him that I thought that this might to a degree still be true but that

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we had made much progress in readjusting that situation. I felt that what he said had to a degree been true but was no longer so. We could still make further readjustments and we were giving the matter careful attention all the time. He said he had the feeling that some of the men were not putting themselves into the work as they should. Here, I said, I thought he was unfortunately entirely right and that it was a matter of concern to me that some of our men in the field did not realize their full responsibilities. On the whole the men were responding well and doing their job but we had a good deal to do in this direction still. I made it clear nevertheless that we had on the whole the best Service in the world today and that this was generally recognized.

The President said that too many of the men did not know enough about their own country. He hoped we would be able to find some way to bring the men back every fifth year and have them spend a year in this country. He was not so much interested in their being in the Department as in various parts of the country learning something about our people and our problems. I reminded the President that this was largely a question of appropriations as well as of administration and that it was a question to which we were constantly giving thought.

After a further discussion of the general political

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situation to which he reverted, he was then good enough to speak about myself and said that, while I had a job to do here which needed very much to be done, he thought I was much more needed in other places and that he was keeping that in mind. I told him that I was quite willing to make all the sacrifices involved in doing the job here but that I was naturally more interested in the work in the field where I felt that any capacities I had could be most usefully employed.

G. S. Messersmith.

1 1/2 hours.



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