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I left a copy of this with the
Secretary to give the President
at lunch today with
memo 6

A-M

October 5, 1938.

Nov. 9, 38.

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Brief resume of confidential memorandum to the Secretary by Messersmith on the proposed method of consolidation of the Foreign Services of Commerce and Agriculture into that of State.

In the opinion of the Department, the consolidation of the Foreign Services of Commerce and Agriculture into that of State so as to establish one unified Foreign Service under the direction of the Department of State can no longer be delayed in the public interest. The ranking officers of the Department of State are unanimous in this opinion. It is believed that nine out of ten of the Foreign Service Officers of Commerce would now welcome this consolidation, although it may not be favored by some higher officers of the Department of Commerce in Washington. The Director of the Bureau of Foreign and Domestic Commerce and the until recently Chief of the Foreign Commerce Service are in principle in favor of the consolidation. It is believed that the administrative officers of Agriculture, as well as the members of the Foreign Agricultural Service, will be unanimously in favor. The important trade organizations in this country, which were formerly largely opposed to such consolidation, are now, there is good reason to believe, in sympathy

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with it. There is reason to believe that the great majority of the members of the Congress would welcome such a move and support legislation to that end. It is the considered opinion of practically all thoughtful persons interested in our foreign relations that this step should no longer be delayed.

There is every reason to believe that, whether there be peace or war, the work of the Department of State and of the Foreign Service will become increasingly difficult and that the conduct of our foreign relations will meet new obstacles and more complicated and difficult problems. When heading into such heavy seas, we must have the best possible Foreign Service and this can only be brought about by getting a single representation abroad under the Department of State, which is the instrument of the President in the conduct of our foreign relations.

The appended memorandum sets forth the reasons for the consolidation and the procedure to be followed in the consolidation. It contemplates that the present career officers of Commerce and Agriculture shall be brought into the Foreign Service of the Department of State, having all the privileges and status of Foreign Service Officers of State. Admission thereafter to the unified Foreign Service would be through the now established procedure for admission to the Foreign Service of State. The control of this Foreign Service would be in the Department of State.

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In order to provide adequate contact and liaison and in order that the needs of the other interested Departments abroad may be met, it is contemplated that an Assistant Secretary of Commerce and of Agriculture could sit on the Board of Examiners for the Foreign Service and on occasions on the Board of Foreign Service Personnel. In order to provide for more definite formulation of commercial policy and integration between the Departments, a Committee would be set up consisting of the Secretaries of State, Commerce and Agriculture, and probably Treasury, which would serve as a liaison committee between the Departments to consider questions of commercial policy and of the nature of the services to be asked in the reporting and investigating field by the Foreign Service officers abroad.

It is also contemplated that a small advisory committee of probably seven persons be set up representing important persons from the industrial, social welfare, financial, cultural and exporting fields which could act in an advisory capacity to the Departments immediately concerned and serve as the liaison between the interested sections of our population and the Departments and through them with the Foreign Service.

It is contemplated that this procedure would involve the strengthening of the Bureau of Foreign And Domestic Commerce in this country as it properly remains the digesting and distributing agency in this country for the material from the field. It involves the

strengthening of the district offices of Commerce in important commercial centers in this country, particularly through the assignment of officers from this consolidated Foreign Service for service therein. This would accomplish the very useful purpose of giving our Foreign Service officers more experience and contact in this country.

If this program is carried through it will give our Government a unified, effective Foreign Service and this Service will serve the other Departments better than the existing arrangement as well as be more economical.

The memorandum sets forth the status of Military, Naval and Treasury Attachés under the new setup, which would not be affected by the changes contemplated.

To be made effective the changes proposed would have to be approved by the Congress as they require certain changes in existing statutes. The Department of State is prepared, on the suggestion of the President, to proceed with the drawing up of the necessary amendments which will be very simple.

G. S. M.

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