AMERICAN CONSULAR BULLETIN



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AMERICAN CONSULAR BULLETIN

PUBLISHED MONTHLY WITH THE COOPERATION OF THE AMERICAN CONSULAR ASSOCIATION
TO FURTHER AMERICAN BUSINESS INTERESTS IN FOREIGN LANDS THROUGH THE CONSULAR SERVICE

VOL. 1 DECEMBER 1919. No. 10



CHURCH OF SAN FRANCISCO LIMA, PERU.

EDITOR AND PUBLISHER, J. W. YOUNG - 141-145 WEST 36th ST., NEW YORK, N. Y.

AMERICAN CONSULAR ASSOCIATION NEWS

American Chamber of Commerce For the Levant

(Reprinted from "The Orient," Constantinople)

The "Levant House" Movement

At the suggestion of Mr. Ravndal, American Commissioner and Consul General, and honorary president of the American Chamber of Commerce for the Levant, the latter organization has undertaken to organize a movement in the United States which, it is believed, will contribute materially towards bringing America and the Near East closer together in the bonds of commerce and culture. It is contemplated to crystallize this "rapprochement" in a Levant House to be founded in the metropolis of the United States along the lines of policy pursued in the establishment and maintenance of the "India House," one of the most historic clubs in New York City.

The relations between the United States and the countries whose shores are washed by the eastern Mediterranean and the Black Sea date back to the earliest days of American history. Records exist of a visit on the part of the S. S. "Mayflower" to Alexadretta in the 17th century, i.e., a long time before American independence was achieved. American merchants had dealings with the Levant during the Colonial period, and "Levant House" historians will herein find material for fascinating chronicles. In the days of George Washington, the grandfather of Mr. J. D. Langdon, an esteemed American business man in Smyrna of the present day, appeared in these waters and became one of the pioneers of the Boston-Smyrna trade. During 1810 twenty American vessels were to be seen lying in the Smyrna harbor. In 1819, the first American missionaries arrived in these parts, inaugurating the great philanthropic work which stands to America's everlasting credit in the Near East. American commercial and educational enterprises in the Levant were rendered possible by the defeat of the Barbary pirates which forms such a picturesque chapter in American annals. American relations with the British Levant Company present features of interest, so also the attitude of the Ottoman Government towards America during the Civil War. The important services rendered to Egypt by American ex-officers of the Southern confederacy have received but scant attention in public print. America's contribution to the advancement of civilization among Egyptians, Arabs, Armenians, Turks, Greeks and Bulgarians deserves to be commemmorated. This task of bringing into the light of day the connections between America and the Near East in the early days would be assumed by the proposed Levant House in New York. Literary research and lectures upon this topic would be actively encouraged.

The Levant House, besides cultivating traditions of this sort, would gather within its walls for social intercourse, for various kinds of conferences, for meetings on commercial, financial and maritime subjects with special reference to the United States and the Near East, all men of good standing from both sides whose achievements or efforts would seem to entitle them to recognition.

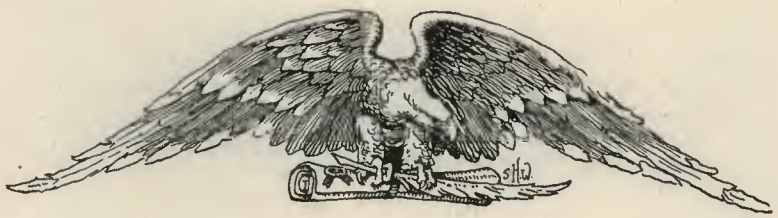
In the Levant House there would be a Secretary, one of whose duties it would be to keep in close touch with the field and especially with the American Chamber of Commerce for the Levant whose agent in America he would be. As such he would furnish reports for publication in The Orient and in the Levant Trade Review on American financial and commodity markets and otherwise acts as an intermediary between East and West.

In order to carry out this Levant House idea whose realization is calculated to prove of vast benefit to the countries concerned, The American Chamber of Commerce for the Levant has named, partly among its officers and "Directors at Large," a group of active business men in the United States to whom it has entrusted the mandate of carrying the Levant House scheme into execution. These gentlemen are:

C. E. Lydecker, Ralph Milton Odell, Edw. Neville Vose, Lucien Irving Thomas, Edw. Ewing Pratt, E. C. Porter, H. M. Hitchcock, H. M. Day, and Harold Hoskins, of New York City; Herbert Adams Gibbons, of Princeton; W. T. Ellis, of Philadelphia, and Luther Fowle, of Boston.

It is believed that the movement will be commensurately pushed by these gentlemen and that gentlemen like Cleveland H. Dodge, James A. Farrel, Arthur B. Farquhar, E. H. Huxley and C. H. Minor, life members of the American Chamber of Commerce for the Levant; Henry Morgenthau, Abram I. Elkus and William C. Redfield, honorary members of the said Chamber, and many other public-spirited Americans possessing affiliations with the Near East will join in founding America's Levant House.

All Americans in the Near East have a right to be well satisfied with the progress made by the American Chamber of Commerce for the Levant, and with the energy it has again been evincing since the armistice. Several years of activity have at length begun to bear fruit on both sides of the ocean. Firms in America have seen a vision of the possibilities of commerce between East and West, and have sent out quite a few representatives who have begun operations on a larger scale than ever for American trade. The plan suggested in this issue of a Levant House to be established in New York, will certainly draw attention anew to the important possibilities in this direction; it will also serve as a centre for all persons already interested in the Near East, both in a business way and for social purposes. Those who spent any time in or near New York during the war remember with pleasure the gatherings from time to time in the "Constantinople" restaurant on Twenty-Fourth Street, with the good fellowship and the exchange of news that all valued so highly. Such a gathering place of a more official and pretentious sort will be much more attractive and valuable. When the American Chamber of Commerce for the Levant has established this Levant House, and the American Bank in Turkey and the direct line or lines of steamers from New York or other ports to Constantinople and Smyrna, then people will begin to realize what an immense amount of energy has been expended on the pushing of American trade relations with the Near East, and to what good purpose.



Storage System of Army

The storage system of the army at present consists of many different classes of storage under the control of practically all of the supply services. At least 90 per cent of this storage is under the direction of the Quartermaster General, Director of Purchase and Storage. However, the Ordnance Department, Motor Transport Corps, the Chemical Warfare Service, Air Service and the Transportation and Construction Services all have storage facilities of their own which are handled practically independently of the Purchase and Storage Service.

The system is in general as follows: To receive goods from Production and to store in bulk there are the large Army Reserve Depots at South Schenectady, New York, New Cumberland, Pennsylvania and Columbus, Ohio These are large and supplies pertaining to all departments and services of the Army are stored in these places in bulk.

The next large bulk storage is furnished by the army supply bases at Boston, South Brooklyn, Norfolk, Charleston, and New Orleans. These bases were built principally as terminal warehouses, of which the need was very great after it was necessary to send large quantities of supplies overseas.

The next storage facilities, and the place where supplies begin to get in touch with the actual combat troops of the army, are the Zone Supply Depots. There are at present thirteen of these Zone Supply Depots, which are very large affairs, and at which are stored all kinds of supplies. They are at Boston, New York, Baltimore, Atlanta, Chicago, New Orleans, San Francisco, Jeffersonville, Seattle, San Antonio, St. Louis and Omaha.

Following down in the system of supply we have the camp supply depots, which are sub depots of Zone Supply Offices, and post supply warehouses, situated at all the posts and stations of the Army. The camp supply depots and post supply warehouses issue direct to the troops, and supplies are issued in unit form at these places.

Beginning with the Army Reserve Depots supplies are generally stored in bulk as is the case at Army bases. At zone supply depots, supplies are stored both in bulk and by assembled units. This rule holds good all the way down the line.

At present conferences attended by the Storage representatives of all services are being held weekly for the purpose of determining exactly what supplies shall be stored and issued by the various services; at what places they shall be stored in bulk; at what places component parts shall be stored; and at what places they shall be assembled in units preparatory to issue to troops.

The plan to be eventually worked out contemplates the following organization: At each reserve army base and zone supply depot there is to be a commanding officer who will be the coordinating administrator of the station. On this officer's staff will be representatives of what may be called the Utilities Services; namely, Finance, Transportation, Motor Transport, and Utilities. In addition at each of these places there will be units varying from one enlisted man or civilian to several officers and detachments of enlisted men who will be furnished by the various services and will be responsible to the chiefs of these services for the proper storage and issue of all supplies pertaining to their own branches. For instance, there will be an Ordnance, Signal Corps, Medical, and Quartermaster units, etc. In the smaller places these units may be consolidated to the extent that one man may represent several services.

The basic idea is to prepare a machine and perfect its parts, so that we will have, in time of peace, a machine which will function in time of war, without the necessity of any reorganization and which will only require extensions along the lines already in operation. It is believed that above remarks will give a general idea of the present situation and what is eventually intended.

As matters of interesting information it may be stated that the value of supplies now under control of the War Department approximates $6,000,000,000. The storage space now owned by the Government is some 35,000,000 square feet, and in addition there is probably 10,000,000 square feet of rented space, which is being given up as fast as supplies decrease in quantity.

There has been so much criticism of supplies being in the open and not being in order, that it is thought the facts should be pointed out. The arm-

istice stopped the war and closed the outlet to Europe for supplies, which were coming in by the millions of dollars worth. There were contracts running into other millions, many of which could not be stopped at once. There were goods in production which had to be taken, under contract, even after the war was ended. The storage provided, at that time about 50,000,000 square feet, was only sufficient to take care of goods under war conditions, that is, for the short time between delivery and shipment to Europe.

The circumstances mentioned above naturally caused great congestion and after it is considered that in some places from one hundred to three hundred cars per day were coming in, with one or two days demurrage on each car, it is seen that the men in charge had to do something to unload these cars, and consequently the goods were not placed in a very orderly manner.

The defects complained of by the public, and by Congress especially, are being gradually corrected, but on account of the enormous quantities continuing to come in, the reduction of the army and the consequent loss of personnel to handle this tremendous amount of supplies it will be a matter of considerable time before all the defects are approximately corrected.

Another item of interest is that it costs about $30,000,000 a year simply to operate storage at present.

The Trade Acceptance

By PAUL M. WARBURG

Chairman, Executive Committee, American Acceptance Council

We are preaching the gospel of the trade acceptance for no other purpose than that we believe its use makes for sounder business and banking conditions.

We do not say that single name paper is not good, or illiquid; but we may fairly say that the trade acceptance is better and more liquid.

We do not say that the trade acceptance serves all purposes and that all cash sales and all cash discounts ought to be avoided; but we do say that where business is not done on a strictly cash basis, the trade acceptance will be found the safer, sounder, and, in the long run, more economical method than the open accounts.

Indeed we believe that it is so much of an improvement over the open account that in some cases sellers, at present sacrificing a very heavy cash discount for the purpose of avoiding the dangers and inconveniences of open accounts, might find it to their advantage to consider the economy involved in the use of the trade acceptance when dealing with customers of strong credit.

We do not want to appear as wishing to force upon anybody the adoption of the trade acceptance, unless he considers it as serving his better interest. We do wish, however, those who can profit from the method to study it carefully and not to hesitate to adopt it.

The American Acceptance Council's interest in the matter is that whatever makes for better morals in business and for better credit and banking conditions is a decided benefit to the United States.



ITEMS



The Belgians do little purchasing without samples, and it is well to bear this fact in mind when attempting to interest Belgian importers. In many cases they may desire consignments, a practice in which they are indulged by some Swiss firms. Consignments can be handled through any of the three American banks now in Brussels, if so desired. These banks are: National City Bank of New York, 18 Grand Place; Guaranty Trust Co. of New York, 158 rue Royale, and the American Foreign Banking Corporation, 52 rue des Colonies. There are two very large organizations of chain stores dealing in food products in Belgium, namely, Delhaize and la Maison du Peuple. The first has 800 branches in Belgium and would offer an exceptional opportunity for the introduction of such a product as chocolate. The American banks offer the best available source of credit information.

The extension of a reasonable credit by American firms will greatly facilitate matters, as the exchange situation, if coupled with a demand for cash payments on the part of America, threatens to bring Belgian purchases from the United States to a standstill.

Caldwell & Company, Inc., and Caldwell Shipping Company distribute monthly the most complete schedule of sailings from United States, Atlantic, Pacific and Gulf Ports and also distribute special pamphlets and circulars pertaining to export business.

Among the most interesting of these pamphlets are the publications entitled "How to Ship for Export" and "Railroad Freight Rates." The first booklet gives general information on the matter of shipping from the United States to all countries. The second pamphlet gives a comparison of railway freight rates on principal export commodities from interior shipping points to the principal ports of exit from the United States.

These pamphlets are mailed without charge to firms interested in the export business.

The American Manufacturers' Export Association of New York announces that they are collecting data in reference to the cable situation in the Near East, which they consider a most important trade centre. In a later issue of the Consular Bulletin a detailed account of the situation will be published.

According to Mr. D. B. Browne, of Messrs. Himebaugh & Browne, New York, international booksellers, sales during the past year has exceeded all previous records. The demand for books from foreign countries indicates that American literature is much favored and a large increase in this business may be expected.

A bill of health was issued by the American Consul at Curacao to the Dutch schooner METEOR on August 11, 1916. The vessel experienced bad weather and returned for repairs and on August 25, 1916 another bill of health was issued. The Consul informed the agents of the vessel that it would be proper for them to ask the Department if the Consulate could be instructed to refund the fee charged for the second bill of health. Upon a report of the facts from the Consul the Department ordered the second fee to be refunded. The following is quoted from the Department's instruction: (Instruction No. 11, November 29, 1916, file No. 191. 3/158).

Harris Structural Steel Co., New York, announce that several shipments of structural shapes for extensive warehouse operations in South Africa have already gone forward and that another large tonnage will be ready for shipment January 1st.

How To Improve The Bulletin.

AMERICAN CONSULAR SERVICE

Salina Cruz, Mexico, December 6, 1919.

Secretary,
American Consular Association,
Washington, D. C.

Sir:

One of our colleagues has handed me a list headed: "Library of Congress: Division of Bibliography; Select List of Text Books for the Use of Those Proposing to Take Civil Service Examination for the Diplomatic and Consular Service; H. H. B. Meyer, Chief Bibliographer." The list of books appended is a most excellent one, such as any applicant for the consular examination would delight in securing about two years before appearing for the examination, and such a list as I would have given a great deal for a few years ago.

The suggestion of the undersigned is that such a list be obtained from the Library of Congress for publication in the monthly Bulletin of the American Consular Association. Every consul is sooner or later asked to furnish such a list to aspiring applicants, and many of the clerks and vice-consuls in our consulates would be interested in such a list. I believe its publication in the Bulletin would be greatly welcomed by all consuls and would be of great assistance to them.

It has come to my attention that a number of the consuls have been complaining that the Bulletin does not suit their needs, and that too much of the matter appearing therein is from their point of view mere padding. When a consul makes such a complaint, I always endeavor to ascertain from him what particular contribution he has made toward the matter already published in the Bulletin, and usually the answer is negative. I believe that the reason there is not more material printed in the Bulletin particularly suited to the needs of the consul, is that the consul is too busy with his daily work to easily spare the time to prepare a suitable article, and the editors too busy in their own work to be able to spare the time necessary to extricate such articles from the consuls. Like Magdalene and my brother consuls, I have sinned, as my many intentions of writing up certain material for the Bulletin have never borne fruit. The slight suggestion embodied in this letter is intended, however, as a promise of better things to come—provided the work eases off a little bit.

Very sincerely yours,

LLOYD BURLINGHAM,

(American Consul).

If the list above mentioned is not available from the Library of Congress, I shall be very glad to furnish same. L. B.



SUGAR PLANTATION, PERU

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International Trade Conference

In view of the present interest in the international financial question, representatives of Belgium, France, Great Britain and Italy recently met at Atlantic City, N. J., under the auspices of the Chamber of Commerce of the U. S. of America, to discuss the international financial situation.

Addresses were made by the various delegates who briefly reviewed their financial situations before the war and the progress that has been made since the signing of the armistice towards restoring order and stability in the war stricken countries.

The necessity of increasing immediate production facilities in order to meet payments on international debts was emphasized and the co-operation of the United States sought to secure through extended credits the means of paying for merchandise, raw material and manufactured articles.

Mr. James S. Alexander, President of the National Bank of Commerce of New York, and Chairman of the International Trade Conference, after hearing all the discussions, addressed the meeting stating that the problem of supplying long-term credits, though undoubtedly of great necessity, was not one for the bankers alone to decide, but that a large responsibility rested with other elements of the population, the investment banker, the exporter, the producer, etc., and most of all the American investor.

It was recommended that steps be taken to expedite the passage of the Edge Bill. The principles of which have been endorsed by the Bankers Association, and further recommended that a new committee be immediately appointed by the Chamber of Commerce of U. S. A. to carry on the work initiated.

(The Edge Bill, it will be recalled, provides for the incorporation of companies of a capital of at least $2,000,000 to finance long time credits in foreign countries. This bill has now been passed and become a law.)

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Apology For Errata.

The Executive Committee of the American Consular Association wishes to express its regret for the egregious typographical errors in the November issue of the "BULLETIN," and also for the excessive delay in the publication of recent issues. The protracted printers' strike in New York City unfortunately synchronized with a shortage of personnel in the offices of the Department of State to which the members of the Committee are at present detailed; with the unfortunate result that the "BULLETIN" could not be given the attention which it should receive. Both causes have now been largely removed.

In this connection it may be permissible to suggest once more that the members of the Association in the field will be rendering a much-needed service if they can find time to prepare and transmit suitable material for publication in the "BULLETIN." This material, as indicated in a previous appeal, should not appear to be propaganda for legislative or official improvements to the Service, except to a limited degree. Personal news is particularly welcome; as are suggestions for unprescribed consular practice.

Present and Future Trade Possibilities In South America

By B. Burke

The fact that the United States shipped approximately 60 per cent of the South American exports during the period of the war has left many under the erroneous impression that the American has established a permanent foreign trade connection of great magnitude in this territory. As a matter of fact, to realize how slight is the hold that we really gained, one has but to glance back over the large number of orders cancelled with the signing of the armistice. It is obvious that a keen international competition struggle has commenced and that we have already been thrown back to our former trade positions.

The present buying power of this vast area will undoubtedly be even increased and therefore future trade possibilities in these countries require a most careful study at this time.

Great Britain, our principal rival, in spite of her unsettled conditions and home requirements, has retained her banking organization intact in South America and is making most energetic efforts to immediately re-establish sound commercial relations and strengthen her trade ties in that part of the world. It must be admitted that with the exception of a flow of comments that meet the eye in current newspapers, books, magazines, etc., our practical efforts in this respect have been very modest.

That the United States occupied an exceptional position in South American trade during the war is without question. It was not salesmanship, competition or price that made it possible to reach the high percentage, but an absolute necessity to buy in the American market. Our European rivals had enjoyed the greater part of this trade in pre-war days with a large investment of capital, long established branch houses. A thorough understanding of their customs, tastes and prejudices have undoubtedly constituted a strong bond which will greatly facilitate their present efforts.

The establishment of American banking facilities is overcoming in some measure a most important former trade handicap—the influence of the sterling exchange—and the use of the dollar exchange as an international medium of business is undoubtedly growing.

America still has many advantages over her European rivals for immediate trade opportunities and should make the most of them.



Photo Furnished By Spanish-American Mercantile Agency,

POSTOFFICE, SANTIAGO, CHILE.

In all probability European wages will never fall to their pre-war level and therefore her former marked advantage of extremely lower production costs will not have to be met.

Present Requirements

At present there is an active demand for all classes of building materials, furniture, office supplies, stationery, printing machinery, books, typewriters, electric and railroad supplies, agricultural implements and all products not manufactured in the Latin countries. There is no country more wonderfully equipped to supply these urgent needs than the United States, but the new competitive situation must be met.

Coal

The cost of production of coal in Europe has increased at least 150% since 1913 and all the coal mined is urgently needed by her own markets, therefore large quantities will not be available for South American demands. This presents a wonderful opportunity for the United States that should be seized if the problem of transportation can be met.

Automobiles

Another interesting instance is the large field for automobiles and farm tractors of a type manufactured in the United States. Formerly the auto business had been looked upon as a luxury and therefore high priced European cars were preferred. When these could not be supplied the demand was diverted to our own markets and in 1916, 80% of the cars imported into Argentine were of American manufacture. Our quantity producing facilities gives us a decided advantage over European competitors, though active competition may be expected in the near future, as the auto industries in European countries have made great strides during the war and will undoubtedly turn their attention to low priced cars similar to American types.

In speaking with a representative of one of the leading export houses in New York City recently, he stated that since the Armistice export automobile orders to South America have increased instead of decreasing, as was predicted.

Textiles and Hardware

The finer grades of cotton textiles of attractive designs and finish, shirtings, etc., are in active demand.



Photo by Spanish-American Mercantile Agency.

TELEGRAPH AND POSTOFFICE LIMA, PERU.

Just what share of the future South American imports which we will enjoy depends upon the skill in promoting this trade. It will become necessary to place competing agents in important trade centres, meet requirements for credits and give assurance of better service. To insist upon a 60 or even 90 days credit is a mistake. It must be remembered that England and Germany built up a vast foreign trade prior to 1914 by allowing a six months' credit as a selling basis and will no doubt continue this policy.

Pan-Americanism

The growing spirit of Pan-Americanism will predispose the Latin American peoples to meet every effort to increase our foreign relations and they will continue to welcome our traders if they can only be convinced of superior quality, satisfactory prices, terms to suit their requirements, and fairly prompt service. We shall be short-sighted indeed if we treat our present opportunities with indifference and let other nations lead the way and establish a permanent foreign trade to our exclusion when this business is now within easy reach and conditions like the present may never be presented again.

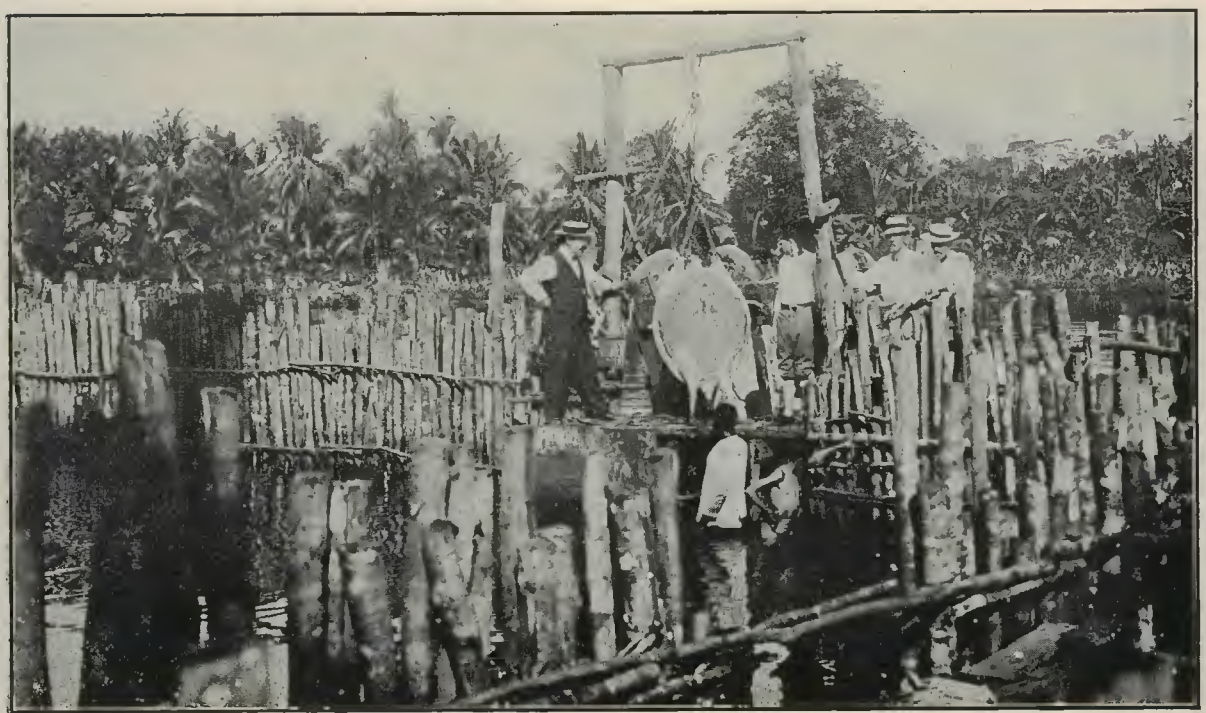


Photo By H. Wimmer

SELECTING TURTLES FOR THE MARKET AT LIMON, COSTA RICA



PERSONAL

Mr. E. Harrison Yelverton, American Consular Assistant, has resigned from the American Consular Service, as of August 25, 1919, on account of ill health. He will enter private business. His success in his private career is hoped for by his friends and colleagues.

Mr. Charles N. Willard, Consul of Class Seven, assigned as Consul at Ceiba, Honduras, has resigned from the Consular Service, to take effect as of October 13, 1919. Mr. Willard entered the Consular Service in September, 1917, after having passed the Consular Examination, and was assigned to Ceiba in November, 1917. He had not served at any other post. His resignation is on account of ill health, and his colleagues and friends extend to him their sorrow and hope that his health will soon improve.

Mr. John P. Hurley, American Consul of Class Eight, who has been assigned to Reval, Esthonia, Baltic Provinces, is a recent appointee in the Consular Service, and has seen active service in the War Zone on the Western Front in France with the A. E. F. Consul Hurley was a Captain of Infantry in the United States Army (Reserve), and was three times wounded by shrapnel.

Mr. John C. L. Dreier, American Vice Consul at Mexico City, Mexico, has resigned from the Consular Service, to take effect as of December 31, 1919. Mr. Dreier intends to engage in private business. He entered the Consular Service in April, 1907, as Deputy Consul General at Panama; and since December, 1918, has been Vice Consul at Mexico City.

NECROLOGY

The condolences of his colleagues and friends are extended to Mr. Alfred R. Thomson, American Consul of Class Six, whose father, Dr. Lewis B. Thomson, of Washington, D. C., died October 15, 1919, in Washington. Consul Alfred R. Thomson, who was assigned to Omsk, Siberia, is now enroute to the United States.

The innumerable friends in the Service of Hon. Philip C. Hanna, who has been American Consul General at Monterey, Mexico, for exactly twenty years, will learn with regret that he has resigned from the Service. His resignation becomes effective December 31, 1919, at the expiration of his leave of absence in the United States. Mr. Hanna first entered the Consular Service in February, 1891, when he was appointed American Consul at La Guaira, Venezuela. He served there about three years and retired in May, 1894, but reentered the service in July, 1897, and after serving as Consul at Trinidad and later at San Juan, Porto Rico, St. Thomas, W. I., and on special detail at Porto Rico, he was appointed Consul General at Monterey, Mexico, November 1, 1899. Mr. Hanna had a long and honorable career and the Association extends to him its good wishes for the life of retirement which he has so richly earned.

Mr. Samuel Edelman who has been in the Consular Service for the past ten years, has resigned to become Vice-President and General Manager of the Chas. J. Webb Corporation of America, whose main office is in Philadelphia. Mr. Edelman will have charge of the Near Eastern activities of the Corporation.

A Motorized World

By Roland R. Conklin
President, Chicago Motor Bus Company
(National Automobile Chamber of Commerce, New York)

In the mass of cable dispatches from England recently, one small item appeared which is of vast importance to the motor world. It told of the determination to continue the use of motor lorries for the transportation of certain types of freight and express.

During the recent railroad strike in Great Britain, hundreds of these motor trucks which were used during the war were put into freight and express service as an "emergency measure," but like the man who went to scoff and stayed to pray, these trucks are to be used permanently for hauling small package freight for short distances.

The transportation authorities found that yards and warehouses were terribly congested when this great railroad strike began. The first few days found increased confusion, and then the motor truck entered into the situation. It was backed up at a freight warehouse, loaded, and then sent out upon its destination, dropping packages at way stations. During the first few days of the new service, such packages as were paid for, were not left at a freight station, but were delivered at the house of the consignee, thereby obviating the necessity of an extra handling. This soon proved to be one of the great advantages of the motor truck in handling this freight, and was a decisive factor in making truck lines permanent.

It won't be long before a motor truck will drive up to a factory in London and take on a sewing machine consigned to Manchester, delivering it there to the party who expects to operate it. Under the old method the machine would have been delivered to a railroad freight station where it would have been unloaded from the delivery wagon on to a platform, and then loaded into the freight car. Perhaps it would again be transferred en route. At Manchester it would have been unloaded from the freight car, reloaded on to a wagon, and then delivered.

The action of the English traffic experts in continuing this service is highly significant, and I believe marks the beginning of a new method of handling small package freight and express in civilized countries the world over. I think in this situation the English have set an example which we may well follow in the more thickly populated sections of the United States. In fact, that has been done to a limited degree between Washington and Philadelphia, New York and Boston, and I believe it will not be so many years before motor express lines will be running between all the large cities of the east and middle west.

The advent of the concrete road which is making its appearance in the middle west and in certain parts of the North Atlantic States will be a great help in this direction.

It is quite practicable to build large roomy buses, which can carry passengers on top and freight below. Even granting that special construction of concrete roads would be necessary on the part of the operating company, freight and passengers could be carried more quickly and with greater safety and speed than on the present interurban electric lines. Concrete roads can be constructed at approximately $20,000 per mile, and not over $15,000 investment per bus-track would be necessary in installing a freight and passenger bus line, allowing for garages, repair shops and storage warehouses. Taking into consideration the cost of grading, rails, cross ties, trolley poles, wires and the maintenance of power houses and highly complex equipment necessary in conducting an interurban line, motor vehicles on their own concrete roads will very successfully compete with the electric carrier. In fact, just as the electric interurban is a competitor in certain circumstances to steam railroads so will the motor vehicle take certain business from the railways.

Under the easiest conditions, it costs at least $50,000 per mile to build a steam railroad. This would be on flat country where no great engineering

difficulties would be encountered. For distances such as those between Washington and New York, New York and Boston, Boston and Buffalo, Chicago and Springfield, Fort Worth and San Antonio, motor vehicle lines running on concrete roads, might very well compete in efficiency with the railroad train in the handling of small package freight and express, in fact reducing the cost to the public very considerably.

The reasons why this competition could be carried on successfully are practically the same reasons which give the motor bus the advantage over the electric car, and in addition there would be greater mobility in the gathering of freight and material, and the avoidance of terminal congestion at both ends of the line.

Some of the advantages of the motor bus over the electric carrier are:

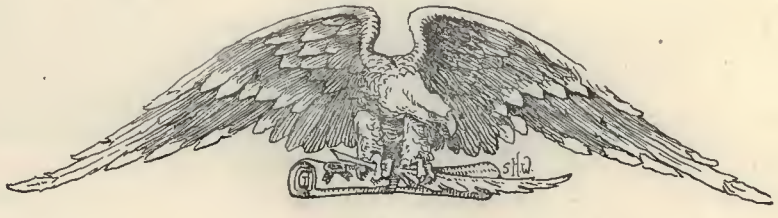
1. Greater Mobility.
2. Absence of tracks.
3. Continual expansion to meet newly developed needs.
4. Ease with which routing can be shifted without loss of equipment.
5. Mechanical difficulties do not obstruct all following vehicles and interrupt schedule.
6. Possibility of maintaining better schedules and intensive service.
7. Weight of vehicle per passenger less than that of common electric carriers.
8. More efficient for certain kinds of traffic.
9. Makes available for pleasure and business residential thoroughfares closed to the common electric carriers.
10. Act as feeders to more rapid and long line electric carrier.

It will not be very long before far-sighted capitalists will be placing enormous sums of money in motor vehicle lines of all types. The fact that the motor does the work best and cheapest makes it the logical method of transportation in places where the roads make it possible.

One reason that capital is halting on the threshold of this motorized world is so that it may have time to look around and see in what manner the enormous investment involved in the older methods of transportation can be cared for.

It is conceivable that the owners of horse drawn stage coaches, horse dealers, farriers, tavern keepers, and holders of Turnpike stock felt very much the same way some 80 years ago when the puffing, rattling, screeching thing of steel and iron called a train first made its appearance, and thousands of persons can recall the difficulties placed in the way of cable and electric cars by the owners of mule and horse car lines when the more modern method of transportation, the electric car, began to drive the other out of business.

I do not mean to say that motor vehicles will to any great extent take the place of steam railroads, except insofar as they can the more economically move freight and passengers for short hauls, but I do believe that the motor has sounded the death knell of the old-fashioned street car, that the interurban electric line is going to go next and that these passe forms of transportation will be laid to rest just as soon as some method can be found to care for the enormous investments involved.





SHIPPING

Marine Insurance.

Marine insurance is over two thousand years old, and the present policy in its vital points, is more than a hundred years old. When the latter was written there was no steamship, no electricity, no one of a hundred differences between ancient and modern navigation, but the wording has remained the same because it was a dangerous and well nigh impossible thing to change a document in every-day use by all the world's shipping. Instead of changing the document, admiralty courts have progressively modified the meaning of the phrases in it, till now hardly a sentence has a legal interpretation or meaning in actual practice when losses occur, which the lay reader would naturaly give to the words. In other words, the English of a marine insurance policy does not convey its meaning.

Not one insurance broker in ten, and not one trustful shipper in two hundred knows whether a policy of marine insurance really insures the goods it is taken out to protect—whether it insures fully or only partially against the loss that may occur to the goods directly or indirectly through assessment of "general average" upon the uninjured goods of a cargo, part of which has had to be sacrificed to save the rest. Very few are sufficiently expert to know whether the insurance covers the goods beyond the arrival of the ship in port. Thousands of policics cover only certain occasions of loss in the voyage itself, though the wording apparently insures against all "perils of the sea" and against "thieves."

The purpose of this article is not to attempt informing shippers so that they may know how to obtain full insurance. There are ways of obtaining almost every kind of insurance, but genuine brokerage services in insurance are like the services of a legal counsel, they involve much technical knowledge of marine laws, of the practices of the insurance fraternity, and of conditions in particular countries. A little knowledge of insurance is a dangerous thing —we do not recommend it for use. The purpose is to call the attention of the American manufacturers to the insecurity of carelessly-obtained insurance. A certain United States automobile manufacturer recently discovered that upon $700,000 worth of his cars that he had shipped abroad, presumably insured fully against marine risks he could have recovered nothing if damage had occurred at even the most dangerous part of the transportation. Up until recently goods shipped to South America were practically at full peril a few hours after arrival in port. Now, by special arrangement, insurance against fire after arrival can be had.

The contract of marine insurance in general use has through court interpretations become more sure in its meaning than a contract which might appear more lucid, but its language to the casual reader is antiquated, and an explanation of a few of the most general terms and clauses may help to make the reading of the insurance policy a little more intelligible.

General Average.

A general average loss is one arising when, in face of danger, sacrifices are made by the master for the common good of all concerned, or in the event that extraordinary expenses are incurred for the preservation of the ship, cargo and freight money.

It is a voluntary and intentional extraordinary sacrifice to protect all the common good. A sacrifice to protect the ship alone, or the cargo alone, is not covered by general average. It is the opposite of an accidental loss caused by a maritime peril.

A loss caused by water to extinguish a fire is general average, but not to the packages which themselves were on fire. The insurance company is responsible for the full amount assessed only when the insurance covers the full delivered value of the shipment.

Particular Average.

A particular average loss differs from a general average loss in that it refers to partial loss on an individual shipment from one of the perils insured against, irrespective of the balance of the cargo. In most cases such insurance can be obtained, but the loss must be in excess of a certain percentage of the insured value of the goods, usually three to five per cent., before a claim will be allowed by the company.

Particular Charges.

Expenses incurred by or on behalf of the assured for the safety or preservation of the subject matter insured, other than general average and salvage charges, are called particular charges. Particular charges are not included in general average or particular average.

They are covered in the policy by permission granted to "sue, labor and travel for, in and about the defense, safeguard and recovery of the goods."

Precedence of Clauses.

In interpreting a marine policy, the printed conditions are modified first by printed clauses pasted to the policy, these by the written or typewritten portions of the policy, and then by slips, if any, pinned to the policy.

F. P. A. E. C. Clause.

The terms f. p. a. e. c., meaning free of particualr average English conditions, refers to a qualifying clause in very common use in marine insurance certificates. There are variations in the wording but the form selected for illustration gives the true intent of the provision.

> "Warranted free from particular average unless the vessel or craft be stranded, sunk or burnt, but the assurers are to pay the insured value of any package or packages which may be totally lost in loading, transshipment or discharge, also any loss of or damage to the interest insured which may be reasonably attributed to fire, collision or contact of the vessel and/or craft and/or conveyance with any external substance (ice included) other than water, or to discharge of cargo at a port of distress, also to pay landing, warehousing, forwarding and special charges if incurred."

If the vessel be stranded the insurer has to pay particular average without regard to percentage, and whether or not the damage is in any way attributed to the stranding.

The damage of the goods may have occurred prior to the stranding or after the stranding, and from an entirely different cause, but providing they were on board at the time of stranding and the insurance was then in force, the damage is recoverable from the underwriters.

The same applies to burnt, sunk, or in collision, but a vessel which might be on fire is not necessarily interpreted as burnt, nor is a fire confined to cargo covered, and the term "or in collision" is interpreted by the courts as if it read "with another vessel," unless otherwise modified in the contract.

F. P. A. A. C. Clause.

Free of particular average American conditions: "Warranted free from particular average unless caused by stranding, sinking, burning or collision."

This clause differs from the F. P. A. E. C. clause in that the loss must be caused by one of the above mentioned casualties.

Per Cent. Particular Average Clause.

"Subject to particular average if amounting to—per cent."

The object of this limitation in amount is to prevent an endless chain of small claims which would involve expense of adjustment without due return. It is often modified to divide a single shipment into several units and becomes applicable to each.

This clause in one of its many modified forms is particularly desirable on most classes of merchandise and machinery, as will be seen by reading the preceding paragraphs.

River Plate Clause.

The risk under this policy shall cease upon arrival at any shed (transit or otherwise), store, custom house, or warehouse, or upon the expiry of ten days subsequent to landing, whichever may first occur .

This clause is being generally insisted on by companies, particularly on policies to Brazil, Buenos Aires and the River Plate, as owing to the large number and size of shore losses, the marine companies do not care to assume the risk.

On insurance bearing this clause, consignee or banks should be advised to see that other insurance is provided in case of lapse before delivery of goods or acceptance of drafts.

Not Covered By Policy.

Unless the policy otherwise provides, the insurer on ship or cargo is not liable for any loss proximately covered by delay, although the delay be caused by a peril insured against:

Ordinary wear and tear;

Ordinary leakage and breakage;

Inherent vice or nature of the subject matter insured, i.e., as fruit rotting, meat becoming putrid, wine souring, or flour heating not from external damage but solely from internal combustion.

Riots, Strikes and Locked-Out Workmen.

Damages caused by these perils is excluded from the general marine cover and if desired must be included by endorsement.

Thieves.

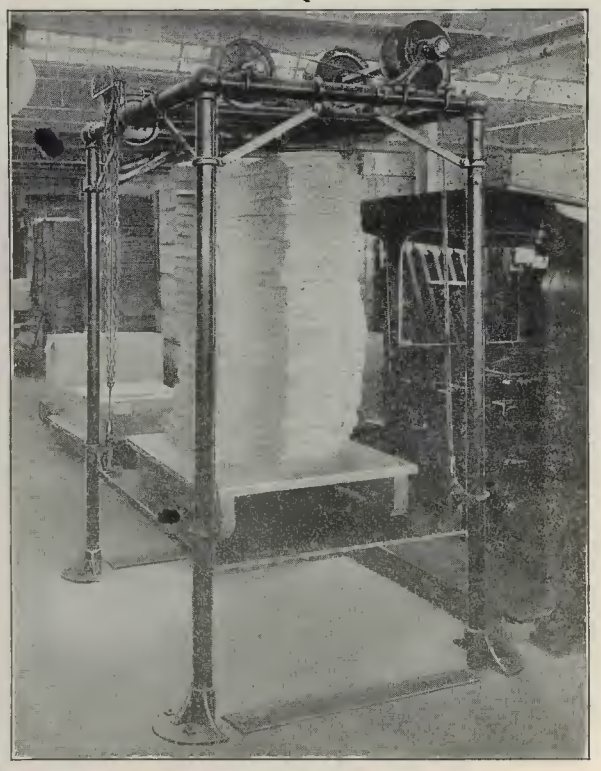
The term "thieves" does not cover private theft or a theft committed by one of the ship's company, whether crew or passengers.

Safely Landed.

Where goods are insured until they are safely landed, they must be landed in the customary manner, and within a reasonable time after arrival at the port of discharge, and if they are not landed the risk ceases.

In Due Course of Transit.

A policy although reading "from warehouse at point of origin to warehouse of consignee at final destination" also bears the words "In due course of transit." These words are not carelessly inserted; they have a meaning.



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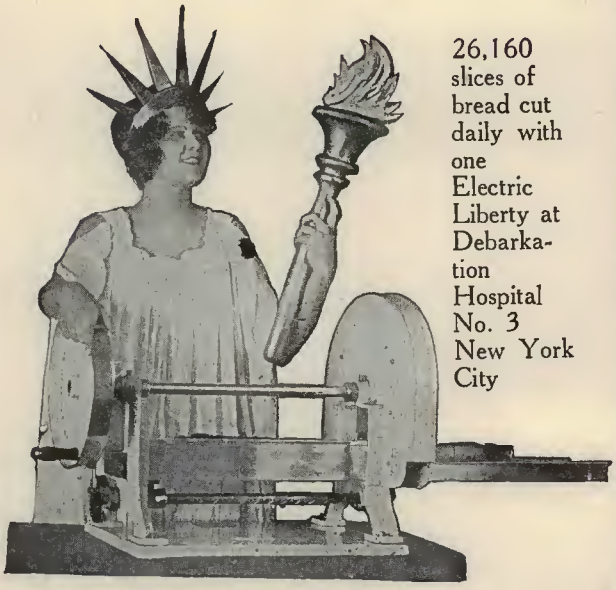
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