

AMERICAN CONSULAR BULLETIN



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AMERICAN CONSULAR BULLETIN

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



The Status of Passport Control Legislation

The question of passport control, comprising as it does an extensive new field of consular activity, is of commanding interest at the present moment. Originally making its appearance as a war measure, it has undergone evolutionary changes which raise the question as to whether there is not a tendency to perpetuate it in its present or in a modified form as a permanent part of a general policy relating to our national security. It will be recalled that on May 22, 1918, an Act was approved as follows:

"That when the United States is at war, if the President shall find that the public safety requires that restrictions and prohibitions in addition to those provided otherwise than by this Act be imposed upon the departure of persons from and their entry into the United States, and shall make public proclamation thereof, it shall, until otherwise ordered by the President or Congress, be unlawful:

"(a) For any alien to depart from or enter or attempt to depart from or enter the United States except under such reasonable rules, regulations, and orders, and subject to such limitations and exceptions as the President shall prescribe;" etc., etc.

Section 2 of the same Act made it unlawful

"for any citizen of the United States to depart from or enter or attempt to depart from or enter the United States unless he bears a valid passport."

It will be noted that the application of the above Act is limited to that period when the United States is at war. Anticipating a possible return to a state of peace, there was presented to the President on October 29, 1919, an Act which became law without his signature, providing as follows:

"That if the President shall find that the public safety requires that restrictions and prohibitions in addition to those provided otherwise than by this Act

be imposed upon the entry of aliens into the United States, and shall make public proclamation thereof, it shall, until otherwise ordered by the President or Congress, be unlawful:

"(a) For any alien to enter or attempt to enter the United States except under such reasonable rules, regulations, and orders, and subject to such passport, vise, or other limitations and exceptions as the President shall prescribe;" etc., etc.

Sections 4 and 5 of the same Act provide:

"Sec. 4. That in order to carry out the purposes and provisions of this Act the sum of \$600,000 is hereby appropriated.

"Sec. 5. That this Act shall take effect upon the date when the provisions of the Act of Congress approved the 22nd day of May, 1918, entitled 'An Act to prevent in time of war departure from and entry into the United States, contrary to the public safety,' shall cease to be operative, and shall continue in force and effect until and including the 4th day of March, 1921."

As no other funds had been provided to defray the expenses of passport control under the Act of May 22, 1918, and as the continuance of a state of war postponed the application of the Act of October 29, 1919, a Joint Resolution was passed on December 24, 1919, making the sum of \$450,000 available for the remainder of the fiscal year 1920 out of the \$600,000 carried in the above Act. In the Diplomatic and Consular Act approved June 4, 1920, the remaining \$150,000 was made available under the Act of May 22, 1918, and an additional sum of \$250,000 was appropriated for use when the new Act "shall become effective," which means, after the return of a state of peace. It will be noted from the foregoing that while the continuance of a state of war left in effect the original Act of May 22, 1918, provision is made and appropriations provided for a continuance of passport control only until March 4, 1921.



AMERICAN CONSULAR BULLETIN



When the Diplomatic and Consular Appropriation Bill was under consideration, the Senate added an amendment increasing the rate of fees for passports and visas, which amendment was later amplified in conference between the two Houses, into the following provision:

"Section 1. From and after the 1st day of June, 1920, there shall be collected and paid into the Treasury of the United States quarterly a fee of \$1 for executing such application for a passport and \$9 for each passport issued to a citizen or person owing allegiance to or entitled to the protection of the United States: Provided, That nothing herein contained shall be construed to limit the right of the Secretary of State by regulation to authorize the retention by State officials of the fee of \$1 for executing an application for a passport; and provided further, That no fee shall be collected for passports issued to officers or employees of the United States proceeding abroad in the discharge of their official duties, or to members of their immediate families accompanying them, or to seamen, or to widows, children, parents, brothers, and sisters of American soldiers, sailors, or marines, hurried abroad whose journey is undertaken for the purpose and with the intent of visiting the graves of such soldiers, sailors, or marines, which facts shall be made a part of the application for the passport.

"Section 2. From and after the 1st day of June, 1920, there shall be collected and paid into the Treasury of the United States quarterly a fee of \$1 for executing each application of an alien for a visa and \$9 for each visa of the passport of an alien; Provided, That no fee shall be collected from any officer of any foreign Government, its armed forces, or of any State, district, or municipality thereof, traveling to or through the United States, or of any soldiers coming within the terms of public resolution approved October 19, 1918 (40 Stat. L. pt. 1, p. 1014).

"Section 3. The visa of a passport of an alien may, under regulations prescribed by the Secretary of State, be refused if the applicant would be dangerous to the public safety or obviously be liable to exclusion if allowed to present himself at a port of the United States for admission; Provided, That such applicant, if rejected by the officer of the United States to whom the application was originally made, may appeal to the Secretary of State: And provided further, That the issuance of a visa to an alien by a person duly authorized to issue such visa on behalf of the United States shall not relieve said alien or the steamship company transporting him from the operation of any provision of the laws of the United States.

"Section 4. From and after the 1st day of June, 1920, it shall be unlawful for any alien, other than a

seaman, to enter, or attempt to enter the United States without a passport duly vised by a person duly authorized by the Secretary of State to issue such visa: Provided, That this section shall not apply to nationals of Great Britain domiciled in the Dominion of Canada, Newfoundland, the Bermudas, or the Bahamas, or to nationals of France domiciled in St. Pierre and Miquelon, or to citizens of Cuba, Panama, or Mexico.

"Section 5. From and after the passage of this act every citizen or person, other than a seaman, owing allegiance to or entitled to the protection of the United States and departing from the United States or any of the possessions thereof for any foreign country, except the Dominion of Canada, Newfoundland, St. Pierre, and Miquelon, Panama, the Bermudas, the Bahamas, Mexico, and Cuba, or departing from the United States or any of the possessions thereof by way of any of said countries for any other country shall be required to bear a valid passport.

"Section 6. The validity of a passport or visa shall be limited to two years, unless the Secretary of State shall by regulation limit the validity of such passport or visa to a shorter period.

"Section 7. Whenever the appropriate officer within the United States of any foreign country refuses to visa a passport issued by the United States, the Department of State is hereby authorized upon request in writing and the return of the unused passport within six months from the date of issue to refund to the person to whom the passport was issued the fees which have been paid to Federal officials, and the money for that purpose is hereby appropriated and directed to be paid upon the order of the Secretary of State.

"Section 8. Section 1 of the act approved March 2, 1907, entitled 'An Act in reference to the expatriation of citizens and their protection abroad' (34 Statutes at Large, part 1, page 1228), authorizing the Secretary of State to issue passports to certain persons not citizens of the United States is hereby repealed."

It is interesting to note the following comments made by the Honorable Albert Johnson, Chairman of the Committee on Immigration and Naturalization, on the above amendment:

"Consular advices concerning prospective immigrants are all right, but consular rejections, even in so-called 'obvious' cases, may be all wrong. Consular advice to prospective immigrants should be helpful, but a proposal for consular 'thumbs up or thumbs down' should not be made into law on an appropriation bill.

"In my opinion, the way to do this thing is to place the whole immigration and naturalization machinery in the Department of State, where that machinery can operate in connection with the passport machinery.

Having adopted a passport system as a war necessity, we are not likely to abandon it. I introduced and advocated strenuously the bill extending the passport control act in so far as it applied to incoming aliens. That extension was granted for the lifetime of this Congress. It was agreed that the Sixty-sixth Congress would perfect a plan for control of immigration and enact same into law before final adjournment, March 4, 1921. To that end your Committee on Immigration and Naturalization has been working on a plan, and has actually under consideration a plan for transfer of the immigration service in the State Department,

"Further, the matter of immigration is not a labor question; it is a social and racial question, involving our relations with foreign countries and our future. Citizenship is a matter of State if anything is."

The Honorable Isaac Siegel also observed in his remarks that the Bill as reported from Conference "contains provisions which practically reverse the immigration policy of the United States, and instead of having immigrants examined when they arrive here, it places the power to exclude them in the hands of American consular officials abroad."

The Bill as finally passed modified this provision by eliminating many important features as will be apparent from present consular regulations on the subject.

If the passport control system is to be continued beyond March 4, 1921, additional legislation must be enacted at the forthcoming short session of Congress, and it is with great interest that the Service will watch developments along these lines, especially with regard to the general policy which it may entail.

THE VICE CONSULAR CORPS

Through additional appropriations carried in the Diplomatic and Consular Act of March 4, 1919, provision was made for a corps of Vice Consuls *de carrière*, which corps has now been constituted through the appointment of three officers of Class I, thirty-one officers of Class II, and forty-seven officers of Class III, making a total of eighty-one officers in all.

In view of the important bearing that the creation of this corps is to have on the general adjustment of the service, it is interesting to review the hearings before the Committee on Foreign Affairs in which the policy of the Department is revealed:

The Chairman: You are asking for a considerable increase in the appropriation for salaries of the consular service on page 21. The amount appropriated last year was \$1,215,500, and you are asking for \$1,974,500?

Mr. Carr: It is a very large increase, as you will observe—approximately \$762,000. What we hope to do is this: We feel very strongly that the day of the \$2,000, \$2,500 and \$3,000 consul is over, and that it is important to raise the salaries of the officers in those classes, certainly for the present to not less than \$3,500, and then to raise the salaries of the consuls general of the fifth class from \$4,500 to \$5,500, which would then make it possible for a consul at \$3,500 to go up through

the grades to \$5,000, and then become a consul general, and remain a consul general for the rest of his period of usefulness.

That would be a thoroughly orderly procedure based upon very sound principles and I think would give us a vastly better service than we have now.

Then our plan would be to establish paid vice consulships with salaries from \$3,500 down, the idea being that the majority of the men who go into the service originally from civil life should begin in the capacity of vice consuls. They would get their training under some experienced consul general or consul. They would do the work of a vice consul, of a subordinate officer, for a certain time, until they had obtained a proper amount of experience, and when they should finally come into the position of consul at \$3,500, they would know thoroughly what to do, how to run the office, and how to maintain themselves in a creditable way.

Further than that, we would like to use those salaried vice consuls to take the places of the consular agents we now have who are paid by retaining one-half of the fees they collect, and who are usually engaged in local business of their own, who are sometimes Americans and sometimes foreigners, because American citizens



AMERICAN CONSULAR BULLETIN



are not available in many places. We would like to put into those vice consulships American citizens under salary and under bond, who would be attached to the nearest consulate as vice consuls.

Mr. Cooper: Will you please make that last statement again? You would like to put into those places what?

Mr. Carr: American citizens paid salaries, under bond, and who would be attached to the nearest consulate as vice consul and be actually stationed at these ports where we now maintain local consular agents. I think that would give us a very much better and more reliable service and a more alert service than we have at present.

Mr. Cooper: Like sub-stations of a post office?

Mr. Carr: Exactly so.

Mr. Rogers: May I ask whether you think it would be practicable and whether you have considered the desirability of merging that vice consular grade and the consular assistants under the present law?

Mr. Carr: I had not proposed that for several reasons. In the first place, we thought it would be better to submit this proposition in regard to vice consuls to you and see what action you were willing to take upon it before proposing any change in the consular assistants.

Mr. Cooper: If you want to make a career vice consulship with varying scales of salary according to experience you do away with the necessity of having a consular assistant body, do you not?

Mr. Carr: You are quite right, and there would be really no special need for having a consular assistant body if you once had a career vice consular service.

Mr. Cooper: Such a system would offer a direct incentive to efficiency to those in the lower grades in order to secure promotion?

Mr. Carr: Exactly, and it would also offer sufficient incentive at the beginning to induce men of high character and real ability and fine personality to cast their lot with this service, starting in at the bottom and working their way up. It is no use attempting to enlist a great many of the kind of men we want through the consular assistant corps, even with the salary you were good enough to give us last year; the times have so changed that the kind of men we ought to have will not enter the service on that amount of salary. They will do so more readily now than they would last year. Last year, under the law, they would have to spend three years at \$1,000, and under the present law they begin at \$1,500 and go forward \$200 a year. That is vastly better and is going to improve that service immensely;

but I know that even that is not sufficient to get the high type of men we ought to have.

Mr. Rogers: There are now nine classes of consuls general and consuls, are there not?

Mr. Carr: Yes.

Mr. Rogers: Class 7 receives \$3,000; Class 8, \$2,500; and Class 9, \$2,000?

Mr. Carr: Yes.

Mr. Rogers: It is your proposal to eliminate from the consular grades the lowest three classes?

Mr. Carr: It is our proposal to eliminate from the consular grade the lower three classes.

Mr. Rogers: Leaving only six grades of consuls general and consuls?

Mr. Carr: Yes, sir. We are not asking for any change in the law, but we are merely asking for an additional appropriation which will enable us to establish under existing law what I have outlined. The appropriation bill provides already for salaries of vice consuls; you were good enough to make that change a year or so ago. There is no law which requires us to have the seventh, eighth and ninth class officers. So, in order to accomplish that which has been described, we merely ask for an increased appropriation, and I think the change will be of tremendous value to the service.

The Chairman: Do you think you would get a better class of men in the service?

Mr. Carr: Yes; I think we have got to have a better class of men in the service.

In his statement before the Committee on Foreign Affairs, January 13, 1920, Mr. Carr presented the following additional views relative to the corps of Consular Assistants:

Mr. Rogers: Are those forty consular assistants all American citizens?

Mr. Carr: Yes; and they are a very useful body of men; some of them have grown up into as useful and capable men as we have in the service. This particular corps appeals to a younger body of men than the position of vice consul or consul; a young man who would be suitable for consular assistant would be a young man right out of college, say, without much experience elsewhere; occasionally that is different; but that applies to the general run of them. And I think the corps ought to continue, and especially if Congress should consider seriously later on some such provision as that embraced in the bill introduced by Mr. Rogers for the reform of the service and the appointment of consular pupils, in which case this provision, and that of consular pupils, might be coordinated in some respect.



DIPLOMATIC PERSONNEL COMMITTEE

It will be of interest to the Service to learn that under a recent Departmental Order a Diplomatic Personnel Committee was established for the purposes, under supervision of the Secretary of State, of considering appointments and transfers in the Diplomatic Service, the betterment of the general discipline and morale of the service and the establishment of closer personal touch between the Department and the members of the Diplomatic Service in the field.

Th membership of the Committee is announced as follows: Mr. Van S. Merle-Smith, Third Assistant Secretary of State; Mr. Warren Robbins, Acting Chief of the Division of Near Eastern Affairs; Mr. Robert Woods Bliss, Acting Chief of the Division of Western European Affairs; Mr. John Van A. MacMurray, Chief of the Division of Far Eastern Affairs; Mr. Wallach A. McCathran, Chief of the Diplomatic Bureau, and Mr. Lithgow Osborne, Diplomatic Secretary, the latter to act as secretary of the Committee.

It is understood that the Diplomatic Personnel Committee is now engaged in perfecting its organization and outlining its functions and mode of operation. When its field of activity shall have been completely defined, it is hoped that the BULLETIN may be able to publish a comprehensive analysis of its organization with reference to its general bearing upon service efficiency and personnel administration in the Diplomatic Service.

MEXICO GIVES U. S. CONSUL MEDAL FOR ANTI-PLAGUE FIGHT

Mexico City, Mex., Aug. 17.—The Veracruz anti-bubonic campaign committee has decided to award Paul H. Foster, United States consul in Veracruz, a gold medal for his aid in the anti-plague fight, said a dispatch to El Universal.—*El Paso Herald*.

RESIGNATIONS IN THE CONSULAR SERVICE

Vice Consul Nason, formerly at Soerabaya.
Vice Consul Arthur E. Cook, formerly at Kobe.
Vice Consul John J. Cunningham, formerly at Hong-kong.
Vice Consul Joseph H. Ray, formerly at Irkutsk.
Vice Consul T. R. Hansen, formerly at Harbin.
Vice Consul Arthur L. D'Olle, formerly at Irkutsk.
Vice Consul Hans P. L. Beck, formerly at Monterey.
Consular Assistant Donald Ingram, formerly at Göteborg.
Consular Agent John H. Keefe, formerly at St. Marc.

CONSULAR OFFICERS RECENTLY IN THE DEPARTMENT

Vice Consul William T. Collins of Tientsin.
Vice Consul Einar T. Anderson of Nottingham.
Vice Consul Russell H. Rhodes of London.
Vice Consul R. K. Christenbery of Santo Domingo.
Consul William Dulaney Hunter of Nice.
Consul William J. Pike of Strassburg.
Consul General G. Bie Ravndal of Constantinople.
Consul B. S. Rairden of Curacao.
Consul George L. Logan of Penang.
Vice Consul Clarke Vyse of Ottawa.
Vice Consul Edward B. Thomas of Harbin.
Vice Consul John D. Long of Para.
Vice Consul Charles L. De Vault of Paris.

File 000

A Brazilian, living by his wits, was one day passing the American Consulate in a certain Brazilian port when the happy thought came to him that the representative of such a rich and prosperous country would be just the person to "touch," provided the "touching" was gone about in a formal, dignified manner, and so he decided to present his case in writing. He took down the consul's name (as he thought) from the office hours' sign which was printed in English on the right-hand side of the entrance, and the same afternoon formally presented his appealing letter which began: "Hon. Sr. Saturdays."

THE FIRST DETAILS OF ECONOMIST CONSULS

Four economist consuls—Frederick E. Lee, Dana G. Munro, Maurice Parmelee and Charles D. Westcott, appointed under the provisions of Executive Order of August 26, 1919, to assist consuls general in economic investigational work—completed their instruction period at the Department on September 22, 1920, and will proceed at once to the respective consulates general to which they have been detailed. Consul Lee goes to Shanghai, Consul Munro to Valparaiso, Consul Parmelee to Berlin and Consul Westcott to Paris.

The appointment of these officers—the first of their kind in the Consular Service—marks the beginning of a new era in the commercial work of the Service. Under the direction of the consul general in charge of the office to which he is detailed, each economist consul will conduct such economic investigational work in the country as may appear desirable, will have supervisory charge of the general commercial work of the office, and through suggestions to and cooperation with other consular officers in the country, will assist in raising the standard of such work among them. Each of the more important consulates general will in time have detailed to it such an officer.

APPOINTMENTS AND TRANSFERS IN THE CONSULAR SERVICE

Consul Ralph C. Busser detailed to Corunna.

Consul General Albert Halstead detailed to Consulate General at Paris.

Consul E. H. Dooman detailed temporarily to Taihoku.

Consul L. L. Schnare detailed temporarily to Kobe.

George P. Waller, reappointed Vice Consul de carriere and assigned to Kobe.

Consul Parker W. Buhrman assigned to Ceiba.

Consul William P. Garrety assigned to Puerto Cabello.

Vice Consul Robert S. Townsend assigned to Johannesburg.

Consular Assistant Howard A. Bowman assigned to Danzig.

Consular Assistant Austin C. Alden assigned to Department.

Vice Consul Henry E. Albee appointed to Nassau.

Vice Consul William W. Corcoran assigned to Bombay.

Vice Consul Alexander G. Swaney appointed to Edinburgh.

Vice Consul John W. Connelly appointed to Buenos Aires.

Consul Shelby E. Strother detailed to Department.

Vice Consul Lester C. Scott appointed to Calcutta.

Vice Consul George Wadsworth assigned to Sofia.

Vice Consul Harry E. Carlson assigned to Christiania.

Vice Consul Jack D. Hickerson assigned to Tampico.

Vice Consul Rollin R. Winslow assigned to Florence.

Vice Consul Hooker A. Doolittle assigned to Tiflis.

Vice Consul Peter H. A. Flood assigned to Southampton.

Vice Consul Frederick Chamberlain appointed to Palma de Mallorca.

Consular Assistant Luther Swaim assigned to Department.



HON. ROBERT R. SKINNER

American Consul General at London,
President, American Consular Association.

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NEWER COUNTRIES OF WORLD RIVAL EUROPE AS CAR AND TRUCK MARKET

British India and Canada Prove Pace-Makers for Belgium and England

*From National Automobile Chamber of
Commerce, New York*

Use of automobiles is becoming more and more favored in the newer countries, as well as in Europe, as is evidenced from the world censuses of cars recently published by the Bureau of Foreign and Domestic Commerce.

Although there are more automobiles in the United Kingdom than in any other European country, its number is surpassed by Canada, which in 1919 had about 269,359 cars, or about 10 per cent more than the mother country.

Belgium, with more inhabitants per square mile than any other European country, is nearly equalled in car registration by British India, which is also densely populated but covers a larger area.

South Africa a Large Market

Spain and Italy have each close to 15,000 cars, or approximately as many as the total

numbers of cars registered in both Japan and French Africa.

Despite limited motoring area, China is taking no automobiles, so that now the number of cars in use there exceeds by 1,000 those in Bulgaria.

The Straits Settlements and Chile are emulating the Scandinavian countries, the former having about 500 cars more than Norway and the latter only 1,000 and 1,600 cars less than Denmark and Sweden respectively.

South Africa is developing an excellent field for motor vehicles and now has in use cars exceeding in number by 30 per cent those in Holland.

French Roads Encourage Car Usage

France, with a fine system of roads, has automobiles equal to the combined registration of cars in Mexico, Cuba, Brazil, Uruguay, Australia and New Zealand. The latter countries are better markets for United States automotive products than France, because even such a small country as Uruguay imported during the last six months from the United States about three times as many cars as the larger European republic. The imports into the other countries have been larger still.

More Motor Transportation Needed

Excellent markets for automobiles are developing not only in the European countries, but also in those sections where the people, encumbered little, if at all, by the war debts, are receiving unprecedented prices for their products and because of dearth of other transportation facilities are more and more turning to motor vehicles.

The introduction of automobiles results in demand for good roads. With construction of roads new products of those countries can be profitably brought to the world's markets, the purchasing power of the people consequently increases and the demand for automobiles becomes greater in proportion.



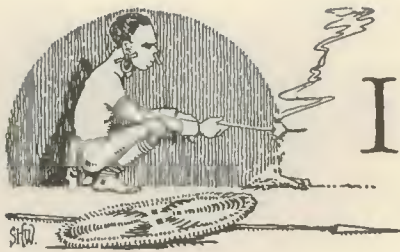
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Irrawaddy Flotilla Steamer, Rangoon



Street Scenes Bhamo



ITEMS



EXPORTERS WILL EXCHANGE VIEWS ON INTERNATIONAL TOPICS

From the American Manufacturers Export Association

In an interview recently, A. W. Willmann, Secretary of the American Manufacturers Export Association, said:

"The Eleventh Annual Convention of the American Manufacturers Export Association, at the Waldorf-Astoria in New York, on October 14th, will take place during a critical period in the history of America's trade relations with the countries of the world. The interest in the vital problems confronting exporters is no less intense than that which existed during the dark days of the recent war. Questions of paramount importance must be surmounted if American exporters hope to retain many of the opportunities opened up by the world conflict, and it is these questions which will form the chief topics of discussion at the forthcoming meeting of exporters in New York. Views will be exchanged at this conference and ideas advanced which, it is believed, will aid materially in solving many of the complex problems that are causing grave anxiety to export managers throughout the United States.

"The Association has been fortunate in receiving acceptances from men highly qualified to speak on the export problems confronting the country today. These international foreign trade authorities will address the afternoon session which will begin at two o'clock in the Grand Ball Room of the Waldorf-Astoria and the Annual Banquet, which will take place in the evening.

"Invitations have been extended to leading manufacturers, chambers of commerce and commercial organizations in the country and a large attendance is looked for. The Convention comes at an opportune time. American exporters will be told that in order to obtain world trade, they must now take a leading part themselves. If this advice is followed, there is no reason why the future should not witness a decided growth and expansion in the export trade of the United States."

TRADE ACCEPTANCES IN FOREIGN TRADE

A memorandum prepared by the Federal Reserve Bank of New York and furnished by Governor Harding of the Federal Reserve Board to Secretary of Commerce Alexander, states that since the first of the current year to close of August, the outright purchases of acceptances of all kinds by that bank amounted to approximately \$758,330,000. This is exclusive of bills purchased from dealers under their 15-day repurchase agreement. Approximately \$568,457,000 of the amount represents acceptances in connection with foreign trade, both import and export. The memorandum says further:

"In order to arrive at the amount of bills purchased by us, covering particularly our trade with the Orient, we have taken the total volume of bills bearing the names, as acceptor and as indorser, of the various foreign banks which have agencies in New York as well as in the Orient, and of the American foreign trade banks whose chief business is in connection with the Oriental trade. This shows that since the first of the year up to the close of August,

AMERICAN CONSULAR BULLETIN

we purchased acceptances upon which their names appeared:

As indorser, approximately... \$96,281,000
As acceptor, approximately... 33,801,000

\$130,082,000

"These figures, of course, give only a very approximate indication of the total bills originating in the Oriental trade, as there is no doubt a fairly considerable volume of bills accepted by American banks covering exports to the Orient, which only a detailed summary of our schedules would disclose with any degree of accuracy.

"I believe, however, that the above mentioned amount of approximately \$96,281,000, representing acceptances purchased by us with the indorsement of the particular classes of banks referred to, gives a fairly good idea in connection with imports to this country from the Orient. There is, however, no similar method by which we can arrive quickly at the volume of bills purchased by us covering our exports to the Orient. . . .

"In order to get some idea, however, of what this figure amounts to, we have examined our schedules for one representative day each month from January to August, 1920, inclusive. This shows that the total amount of bills purchased by us on those days drawn against exports to the Orient was as follows:

January	\$565,000
February	761,000
March	1,328,000
April	1,071,000
May	484,000
June	255,000
July	582,000
August	500,000

Total for eight days..... \$5,546,000

"All of the above figures relate to acceptances purchased for our own account alone. To arrive at the aggregate amount purchased by us, not

only for ourselves, but for account of other Federal Reserve banks, member banks and foreign correspondent banks, the above figures should in each case be increased by approximately 30 to 35 per cent.

"As you know, we have always been most favorably disposed toward bills drawn in connection with our foreign trade, and, as indicated by the above figures, we have shown them marked preference and have always purchased them freely when offered to us through the market.

"In addition to their active support by us in our open market purchases, we have taken every occasion to encourage and develop their use along the proper lines."

ACCEPTANCES IN SOUTH AMERICA

In Brazil a very apt name is given to paper which, under the guise of an acceptance but not representing a merchandise transaction, is purely accommodation paper created to secure a loan. It is called *papagaio* (parrot). In other words, it looks well and talks well, but there is very little to it.

This is one of the interesting details as to the use of acceptances in South America as pointed out by J. W. McCrosky of this city in correspondence with the American Acceptance Council following his return recently from a business trip to various countries south of the equator. Other interesting comment by Mr. McCrosky follows:

"I found that in Brazil, Argentina and Chile, exports are quite generally paid for by either long or short bills drawn under bankers' letters of credits. Sometimes these bills are drawn on banks in the country of destination of the commodity exported, but more often, especially in Brazil and Chile, bills are drawn on London.



"In other parts of South America, acceptances where used are not usually bankers bills, but trade bills drawn on New York commission houses.

"Very few instances of bills drawn on and accepted by South American banks came to my notice, although it is not unusual for foreign shippers to South American countries to draw a trade bill on the consignee under a guaranty of the consignee's local bank.

"With reference to the use of acceptances in domestic trade in South American countries, the Bank of Venezuela is discounting at 8% per annum acceptances drawn in payment for sales by importers and jobbers to their customers. It also collects these drafts at maturity and transfers the funds from interior cities to Caracas without making an extra charge. This makes the use of the acceptance decidedly advantageous, as the normal loaning rate on other paper is 9% and the commission for transfer of funds from interior cities is from $\frac{1}{2}$ to 1%. Importers in Caracas are introducing the acceptance system extensively in place of the old 'current account.' One of the most important importers told me that they make sales at present against cash payment or acceptances. In Colombia also the acceptance in domestic trade is considerably used, and such drafts receive favorable rates of discount from the local banks. I found, however, that the

bank is chiefly interested in the names on the draft and little, if any, in the character of the transaction. There are large amounts of the acceptances discounted at the banks which are purely accommodation paper, and although the proceeds may be used for business purposes, such paper is little, if any, different from a two-name promissory note.

"In Brazil also acceptances are being used in domestic trades. Here again, banks take pure accommodation paper, although not as freely as in Colombia."

Sheffield, England, August 31, 1920.

Wesley Frost, Esquire,
Foreign Trade Adviser,
Washington.

Dear Mr. Frost:

I have read with great interest the article entitled "Candles and the Revolution" on page 14 of the May number of the American Consular Bulletin, as I *organized* and then managed the factory therein mentioned until I secured possession of the Vacas mines at Durango, Mexico. While I was manager of this factory I made a trip on horseback from Tamos up the Panuco River district and through the Huasteca. I was accompanied by a French engineer in search of petroleum. This was before the wonderful development of the Tampico oil district.

It is encouraging to learn that some of my work, after twenty years, has survived the troublesome times in Mexico.

Very cordially yours,
WILLIAM J. GRACE,
American Counsel.





(Continued from September Issue)

The Duties and Rights of American Seamen

Remarks by Consul L. C. Pinkerton Before Recent Consular Class

Much trouble is being encountered now in collecting wages of seamen in the rate of exchange to be used in making the collection. The law specifies that wages paid to seamen under the direction of consular officers shall be in gold or its equivalent without any reduction whatever. Inasmuch as American money is now at a premium in most countries, masters often endeavor to pay seamen their wages at a rate of exchange less than that given by a bank. If any such condition arises, consular officers should report it immediately and should endeavor to see to it that the wages are paid in the proper manner.

Extra wages are damages given to seamen for a breach of contract or cruel and unusual treatment, etc., and are not to be paid to foreigners shipped in a foreign country, but are to be paid only to American seamen. The term "American seaman" does not imply necessarily that a man is an American citizen, but the term as defined in the Consular Regulations applies to foreigners shipped in a port of the United States as well as to Americans, regardless of the port of shipment. This should be borne in mind in case you are ever required to collect extra wages for a seaman, also it should be borne in mind that a seaman is not entitled to receive extra wages when he is discharged because of injury incurred on the vessel or because of the expiration of the time specified in the articles.

Consular officers are also required to take charge of a deceased seaman's effects and to account for them both to the Government and to the Judge of the District Court for the district embracing the port from which the vessel sailed or the port where the voyage terminates. There are two methods of disposing of deceased American seamen's effects: First, a consul may allow the master of the vessel of which the seaman was a member of the crew to retain the effects and deliver them to the proper officer in the United States. In this case the consul should require a statement of the deceased seaman's account with the vessel from the master and should also require an inventory of the effects on shipboard. This statement and inventory should then be forwarded to the Department for proper action. Second, in case a vessel is to remain abroad for a considerable period, it is best that the consular officer require the master of the vessel to deliver to him the money due to the seaman as well as the effects. If this is done, consular officers should account to the district judge for

Whenever an American vessel leaves the United States, a certified copy of the list of the members of the crew

is retained by the collector of customs at the port from the proper district for the wages and effects and he should obtain from the judge a receipt covering the wages and effects. This receipt is to be used in preparing accounts for the Department. In case of a foreign seaman shipped in a foreign port, consular officers are authorized to deliver the wages and effects of the deceased seaman to the appropriate consul representing the nationality of the seaman. The auditor accepts the receipts of the foreign consul as proper accounting.

On March 4, 1915, the so-called Seamen's Act was passed changing in many ways the American law regarding seamen. One of the principal changes was the abolishment of imprisonment as a penalty for desertion. American consular officers are therefore no longer authorized to have a seaman arrested for deserting his ship. In many cases, without encroaching on the law, the consul can have a seaman conducted back to his ship and placed on board, thereby preventing him from deserting. At the present time, however, the only punishment for desertion is loss of wages due and effects on shipboard and a foreigner who deserts without cause from an American ship loses his status of an American seaman and is not entitled to relief when destitute. Desertion is not simply being absent from the vessel at the time of sailing, but, in order to desert, a seaman must leave his vessel with an intent of not again returning to the ship's duty. If this will be borne in mind, you will find that there are comparatively few desertions. The funds arising from the sale of deserters' effects and the wages forfeited are to be used in defraying the expense occasioned by the desertion, and the balance, if any, is to be turned over to the proper officer in the United States to be used for the relief of sick, disabled and destitute seamen. The consul does not have authority to require the master of the vessel to pay to him the balance of deserters' wages, but when a master applies for the certification of a desertion list, the consul should require the master to present his account books showing the accounting of all deserters, and in case the account is not proper, the consul may withhold his approval of the list.

which the vessel sails, and the master is required to produce or account for every member of the crew with which he sails from the United States. The certificate of a consular officer that a seaman has been discharged, has died, or has deserted is accepted by the collector of customs in accounting for the crew. For every seaman not accounted for, the master is required to pay a penalty



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of \$400. Consular officers will therefore be careful to attach to ships' articles and crew lists all necessary forms when seamen die, or are discharged, or desert.

Crimes committed on board American vessels are becoming more and more frequent and cases of insubordination are often regarded as cases of mutiny; however, it should be borne in mind that mutiny consists in the crew of a vessel or in any one or more of them endeavoring to overthrow the legitimate authority of the commander of the vessel with the intent to remove him from his command. Mutiny is one of the gravest offences that can be committed on a vessel and in all cases of mutiny, the offenders should be arrested and returned to the United States for trial. Consuls are authorized to make such arrests and are authorized to detain seamen until he can return them to the United States. However, before a seaman is arrested, the consul should investigate the case thoroughly and should obtain affidavits from witnesses which will prove conclusively that the seaman is guilty. Since there is a great deal of expense connected with the arrest of a seaman and his return to the United States, consuls should be careful to have a clear case before he orders the arrest. In all cases where the local laws permit or where the port authorities offer no objection, consuls should endeavor to arrange for the trial in the United States of all charges involving American seamen unless the peace of the port is disturbed, and in such cases the local authorities would have jurisdiction without any question if they desire to exercise it. In case a seaman is arrested and is about to be returned to the United States for trial, consuls should telegraph to the Department the name of the vessel on which the prisoner will arrive in the United States and the approximate date in order that proper steps may be taken to have him arrested upon his arrival.

Probably the most important of a consul's duties with regard to seamen is the duty relative to the relief of destitute seamen. In deciding whether or not a seaman is entitled to relief, a consul should first ascertain that the seaman is without doubt an American seaman as defined by the regulations, that is, he is one of the following classes: (1) A merchant seaman being a citizen of the United States or a person who has declared his intention of becoming a citizen of the United States and has served for three years on an American vessel and who, at the time of applying for relief, is by habit and intent a bona fide member of the American merchant marine, although his last service may not have been on an American vessel, or (2) foreigners regularly shipped on an American vessel in a port of the United States. Having determined that the man is an American seaman within the meaning of the law, the consul should ascertain the cause of his discharge. In case the man was not discharged but deserted from his vessel, proof

of American citizenship must be obtained, because a foreigner who has not declared his intention of becoming an American citizen and has served for three years on an American vessel loses his status of American seaman by the act of desertion without cause, and is therefore not entitled to relief. Cases of relief fall naturally into two classes: First, seamen discharged on account of injury or illness incapacitating them for service and those who are shipwrecked, and, second, seamen discharged for all other causes. Seamen in the first class are entitled to relief at the expense of the Government without regard to any wages or money which they may have and the consul should not endeavor to have such seamen pay for their own relief. In the case of a shipwrecked seaman it is not necessary to determine that the seaman is an American seaman, for all members of the crews of American merchant vessel who are shipwrecked are entitled to relief at the expense of the Government. In all other cases a seaman must be destitute before he is entitled to relief, and destitute means what the word implies, that is, without funds.

With regard to the conditions and character of relief, it may be said that a destitute American seaman is entitled to subsistence, hospital treatment and sufficient clothing to clothe him properly, but the charges for relief should be kept as low as possible in order that the Government appropriation may not be exhausted.

In rendering accounts for the relief of destitute American seamen, consular officers will be careful to have proper vouchers to accompany the relief account and in case wages are collected, receipts for wages must be included.

With regard to the transportation of destitute American seamen, it may be said that transportation should never be furnished unless the seamen are entitled to relief in other ways. Transportation should never be paid in advance except when absolutely necessary, and then only in case the transportation is obtained on a foreign vessel. Consuls should endeavor to return destitute seamen to the United States on American vessels and in case the transportation is obtained on a foreign vessel, the consul's reason for so doing should be reported to the Department. The master of every American vessel bound for a port in the United States is required to receive from consular officers such destitute seamen as they may desire to send to the United States, but no vessel can be required to take more than one seaman for every 100 tons burden of the vessel. In payment of transportation the consul should give to the master of the vessel a certificate covering a definite agreement as provided by the law and regulations. Forms for these certificates are provided by the Department and are assignable for collection. The agreement must be clearly stated in the certificate and should not prescribe compensation at the "usual rate."



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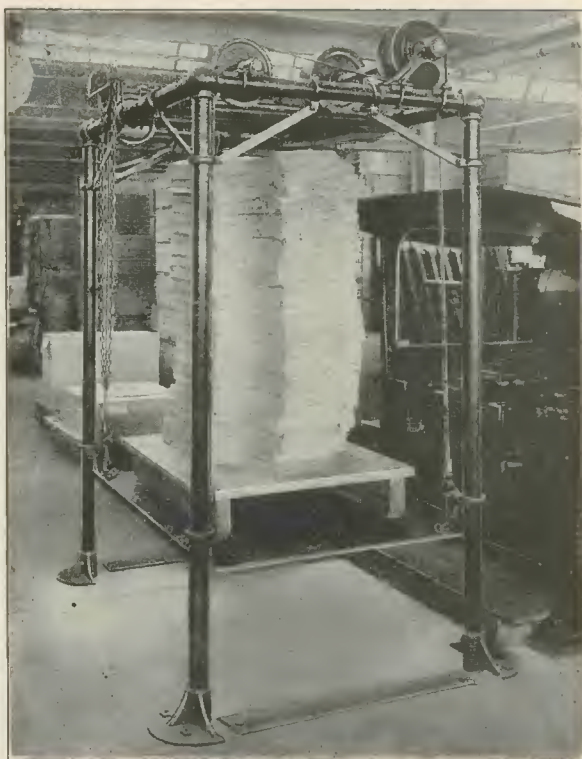
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