

The **AMERICAN
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VOL. 15

FEBRUARY, 1938

No. 2

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(FEBRUARY, 1938)

Cover Picture

Lin Lee Chang, merchant
(See also page 132)

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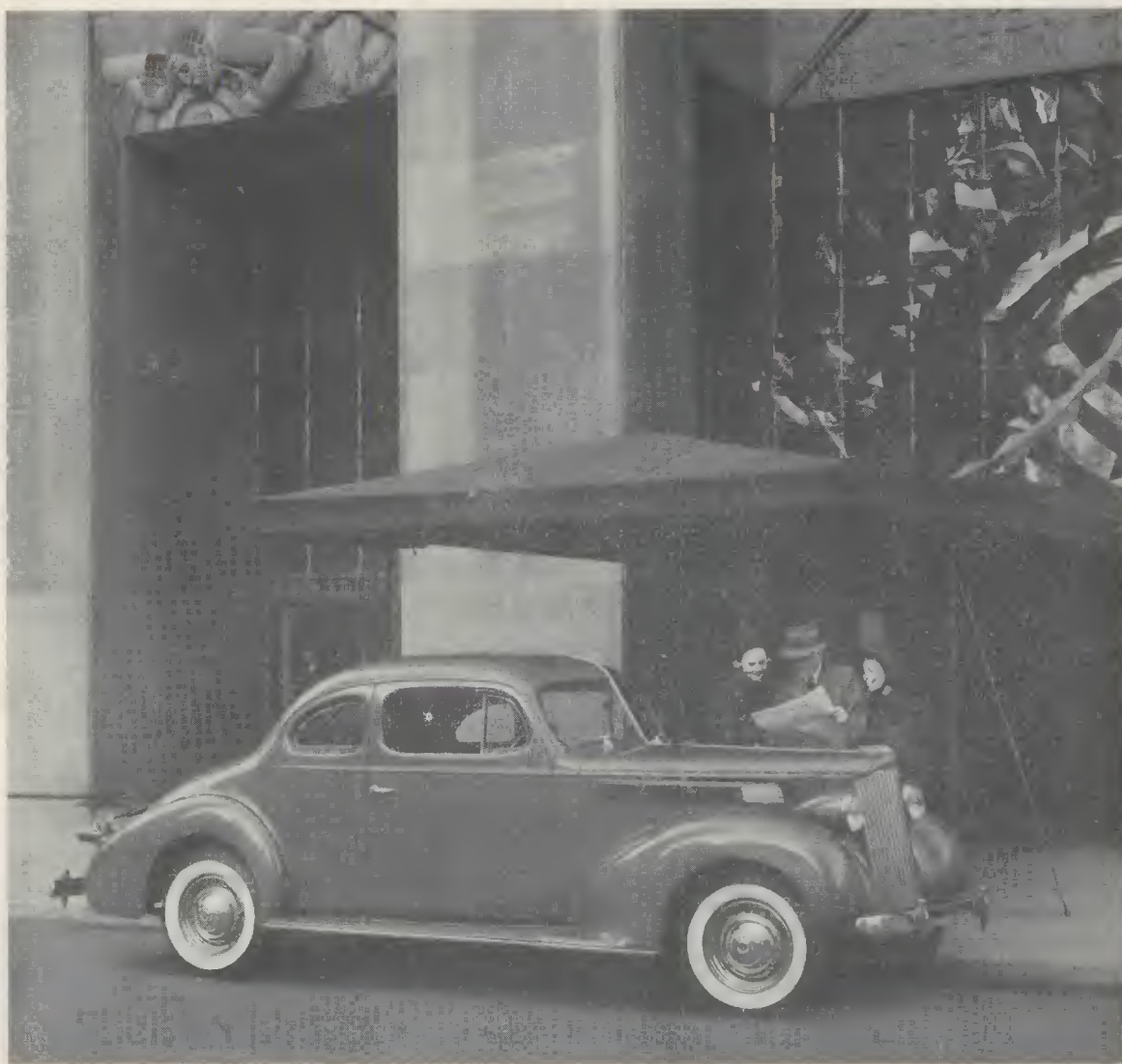
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Farewell party for Walter A. Adams, Consul General, Harbin. The group includes the entire staff, and Mrs. Adams, Mrs. Bennighoff and Mrs. La Mont.

SERVICE GLIMPSES



Left to right: Henri Cochet, Consul Horace Remillard, "Big Bill" Tilden, Albert Burke, and J. Alepee. Professional tennis championship match at Port Enad, December 5, 1937.



Mary K. Harlow's first birthday cake—Ottawa.



Ambassador and Mrs. Alexander W. Weddell in the Embassy garden at Buenos Aires, with Pat-Sih, member of an ancient Pekin family.



Horse and buggy days in Colon—Mrs. Peggy Pork and Consul General Erhardt in the foreground.



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FEBRUARY, 1938

Uncle Sam's Yangtze Patrol

By REGINALD P. MITCHELL, *Secretary of Legation, Dublin*

IN the turbulent, muddy waters of the Whangpoo, a tiny craft flying the Stars and Stripes rolls at anchor, scarcely larger than the myriad ocean-going junks scuttling alongside on this busy thoroughfare between Shanghai and the sea.

To countless Americans on their first visit to the Orient no spectacle excites more lively interest and curiosity than this strange looking vessel, which might conceivably pass for a somewhat unorthodox houseboat except for small guns mounted fore and aft.

A gunboat it assuredly is, one of seven squat men-of-war comprising the Yangtze Patrol of the United States Navy, keeping constant armed

Mr. Mitchell wrote this article over a year and a half ago. No effort has been made to revise it extensively in the light of recent events, since the article is in the nature of general background material. Some minor changes have been made in the original text.



Sailors on the Great Wall of China

vigil as guardian of Uncle Sam's stake in a remote danger zone where American residents are numerous and American interests—commercial, missionary and philanthropic—are important.

Perhaps the station ship at Shanghai is the USS. *Monocacy*, of 180 tons displacement, barely one-sixth the size of the ordinary American torpedo-boat destroyer, itself a pygmy among fighting craft. She is a coal burner of 1914 Mare Island vintage, boasting a maximum draft under service conditions of only two and one-half feet. She presents no imposing silhouette of bristling armament, no rakish lines, no war paint and under forced draft possibly might attain the terrific speed of five knots an hour. Yet her puny appearance soundly belies the prestige which she commands and the role she plays in main-



taining peace. Unquestionably no other units of the American Navy compare with these Yangtze gun-boats for sheer activity and recurrent exposure to danger.

The enormity of the salient patrolled by this midjet fleet may be better visualized on a map of China by taking as a starting point Shanghai, then following the Whangpoo to the Yangtze delta, and veering northwestward to trace the course of the mighty, winding Yangtze past Nanking, site of China's new seat of Government; Kiukiang, center of China's porcelain industry; Hankow, headquarters for the international gunboat patrol on the river; Ichang, at the lower entrance of the famous and enthralling majestic Gorges of the Yangtze; Wanhhsien, the dominant wood-oil port of the world; and finally Chungking, located in the Himalayan foothills approximately 1,400 miles by river route west of Shanghai and at the extreme western limit of navigation open to foreign vessels on the river. In summer, the scope of operations is extended to include the city of Changsha, the Chinese world center of antimony production, located in Central China on a tributary of the Yangtze open only at high-water levels. Changsha probably is best known to most Americans as the site of

Yale-in-China. It is at Chungking in distant Szechwan that the only permanent station ship of the patrol is maintained. The *Monocacy's* sister ship, the USS. *Palos*, became the first permanent station ship there in late 1934, experience having shown the wisdom of relegating one of these two smallest and oldest units of the squadron to remain at this relatively isolated city. Officers and men of the *Palos* are changed periodically

and her supplies are transported by other carriers. In this outlying province, until recent months a veritable cockpit of warfare for many years and the scene in 1935 and 1936 of widespread depredations by formidable Chinese Communist armies, American missionary, educational and philanthropic interests are surprisingly large, with American business interests by no means unimportant, especially in petroleum products and automotive equipment.

Headquarters for the patrol are maintained at Hankow, a part of the Hankow-Wuchang-Hanyang urban unit of 1,500,000 population and the rail, water and air center for a vast region. Situated 600 miles west of Shanghai, Hankow is strategically located as an ideal base of patrol operations. There also are the base headquarters for the Yangtze patrols maintained by four other powers, including Great Britain, Japan, France and Italy. The Chinese themselves patrol the river to a certain extent with a small fleet of gunboats. Until the World War both Russia and Germany also maintained strong naval squadrons on the river, with headquarters at Hankow, then noted as the dominant tea port of the world.

Among the foreign powers, only the Yangtze patrols of the Japanese and British are larger than that of the

United States. The Japanese patrol normally comprises a heavy-armed cruiser, eight river torpedo-boat destroyers, and 12 gunboats. The British have a river squadron of 13 gunboats. The importance of the American, Japanese and British Yangtze patrols is evidenced by the fact that the commanding officers of each is a rear admiral. Both the French and Italian Navies maintain regular patrols of

(Continued on page 118)



USS. *Tutuila* on the Yangtze Patrol



Bluejackets returning to their ships via native sampans, Shanghai



USS. *Oahu* of the Yangtze Patrol

Russia and the Alaska Purchase

By GEORGE F. KENNAN, *Department of State*

THROUGH the courtesy of the People's Commissariat for Foreign Affairs of the U.S.S.R., representatives of our Government have recently been permitted to examine and copy a number of documents, retained in the archives of the former Russian Government, bearing on the sale of Alaska by the Tsar's Government to the United States.

The historical significance of these documents with respect to the background of the Alaska Purchase itself, can be seen from the recent work entitled, "The Annexation of Russian America to the United States," by Victor J. Farrar, in which they are extensively cited. This book was reviewed in the November issue of the JOURNAL. But they also contain a number of passages which throw an engaging light on the spirit of the times and in particular on the state of mind of Russian diplomatists with regard to the United States, during the period just before the Civil War. It is felt that certain of these passages might be of interest to the Foreign Service at large.

The backbone of the collection is formed by the despatches of the Tsar's able and far-sighted Minister and Privy Councilor Edouard de Stoeckl, who served in Washington from 1854 to 1868. Stoeckl was greatly impressed with the speed and energy with which American expansion was progressing and was anxious that it should not come into conflict with the interests of his own country. For this reason, he favored the sale of Alaska and waged a long battle behind the scenes against the monopolistic tendencies of the Tsar's Russian-American Company, which administered that territory and handled a good share of Russian commercial interests in the Pacific area. He warned his Government repeatedly that if the Company refused to adopt more liberal trade practices, American filibusterers would go to Alaska and take by force whatever they considered themselves entitled to. "Monopolies," he wrote, "do not belong to our age and they are more impossible in the Pacific than anywhere else."

Stoeckl prepared the ground for the eventual sale of Alaska by drumming into the minds of the Russian Government the precarious position of the Alaskan colonies. In his despatch of January 4, 1860, he went on to say that "from the political point of view, our possessions scarcely have even a secondary importance. Any mari-

time power with which we might be at war could take them away from us. Only an accident prevented the English from attacking them during the War of the Orient,* and if it were not for their scanty value they would have no protection against the American filibusterers."

Stoeckl was ably seconded in his battle against the Russian-American Company by an unnamed writer (probably the Russian Admiral Popov, who had cruised extensively in the northern Pacific). On February 7, 1860, this individual prepared a memorandum on the subject of the American colonies. Colonies in general, he felt, had a dual purpose. In the first place, they served to relieve the state "of its harmful proletariat"; secondly, they served to provide a new field for the expenditure of commercial energies. Alaska, he held, could serve neither purpose, particularly as long as it remained in the hands of the Russian-American Company.

"Not satisfied with its own monopoly," he wrote, "the company has carried it into California, by taking advantage of the chance situation in that newly created State, where the American hatred of monopolies of every sort has not yet succeeded in entering into the blood of the people. . . . Whatever they may say in Europe about the cynicism of the dogma known in the political encyclopaedia as the 'Monroe Doctrine' or the doctrine of 'manifest destiny,' anyone who has lived the North American life cannot fail to understand instinctively that this principle in entering more and more into the blood of the people, and that new generations are sucking it in with their mothers' milk and inhaling it with every breath of air. Even one who has not lived in America, if he can free himself for the time being from the conceptions of a Europe long since bound by artificial conditions, will understand that a people which has developed so rapidly and so successfully was bound to appreciate that the main reason for this development was the absence of the restricting influence of neighbors. These people try to maintain this invaluable advantage by all the means at their disposal and the question of the destruction of the influence of neighbors leads in practice to the principle of not having any. The

*The Crimean War, 1854-1856.



geographic situation of the North American continent facilitates this healthy endeavor, and the Americans, as a people, would be criminally blind or careless if they did not for their part apply every means to assist nature which has gone so far to help the unhindered development of a firm political independence.

"Once the natural tendency of the Union toward the realization of the idea of *manifest destiny* is understood, it is not necessary to live in America in order to agree with twenty millions of people, each and every one of whom grew up to be an autocrat, and all of whom are inspired by the same thought, and will sooner or later carry this thought into execution. They are already putting it into practice rapidly by the absorption of border tribes, and a similar fate awaits our colonies."

Like Stoeckl, this anonymous realist felt that the real future for Russian expansion in the Far East lay along the shores of the Amur River and the Tartary Coast. "Such an expansion, founded on the inner forces of Russia, would not only not weaken us in case of war, but would give us means to harm the enemy which we cannot have in Europe. Our naval forces on the Pacific Ocean will be extremely formidable if the necessity of defending detached colonies does not confine them to weak and vulnerable points."

"Whatever we may decide with the colonies," he concluded, "it is clear that the day of commercial companies with special governmental powers has passed. The unsoundness and the inconveniences of this sort of power have at last found expression in the fall of the East Indian and Hudson Bay Companies; but these commercial governments carried with them a comforting gift of glory and private wealth to their fellow citizens. Russia is unencumbered by any such services on the part of its Company."

As the sale of the Alaskan Territory drew near, only one voice appears to have been raised against the project. This was the voice of a young nobleman by the well-known name of Osten-Saken, doubtless the same one who was an official at that time in the Asiatic Department of the Foreign Office, and had accompanied Count Putyatin on an expedition to China and the shores of the Pacific in 1857. He had learned of the project of ceding Alaska on December 16, the day before the decisive conference at which the decision to cede was reached by the Tsar and his advisors. "Shaken to the depths of my soul by this news," Osten-Saken writes, "I returned home from the Department to write a short memorandum on the subject." He pointed to the various "misunderstandings, disadvantages, further seizures, etc., to which we should

be subject if we were to receive a new next-door neighbor in the person of the United States of America." There was no real knowledge, he wrote, of the extent to which these colonies might become useful to Russia in the future. The present generation, he concluded, "had a sacred obligation to preserve for future generations every clod of earth along the coast of an ocean which has world-wide importance." The following morning, we learn from a second document which he added to the file twenty-five years later, he sought out another official, one of his superiors, at the latter's apartment, and handed him the memorandum. But this official "apparently did not understand the enormous importance from the point of view of the State of the question of sale and was surprised at my efforts and at my excitement."

Osten-Saken's intervention did no good to the cause in which he was interested, and probably less to his own career. His memorandum remained in the files, to be appreciated only by those future generations for whom he was concerned.

After the treaty concerning the sale of Alaska had finally been concluded, Stoeckl wrote to his Foreign Office a long despatch reviewing the history of the subject which had engaged his attention for so many years. The first page of this document is reproduced here in facsimile. In this despatch Stoeckl dwelt at length on the breakdown of the colonial ideal. The discovery of America, he said, had seemed to create a new era in the world. All European Powers, great and small, had thrown themselves upon the new continent in order to exploit the immense riches which it contained. The natives had been driven out, or more often destroyed. Entire empires had been founded, but these empires had disappeared and had brought no profit to the powers which had founded them. England had been the only exception. But even here, the tendency of the colonies had been to make themselves independent; and the only effect of the war which Britain had waged to retain its colonies in the New World had been to stir up between the two nations "hostile sentiments which even a century had not been able to efface." The other nations which he took up, one by one, had fared even worse, and the Russian experience had been perhaps the most unhappy of all. Russia's weak colonial system had been particularly menaced by the expansion of the United States toward the Pacific.

"Extended as the limits of the Confederation of the United States may be," Stoeckl wrote, "they still seem narrow to the feverish activity and the enterprising spirit of the Americans. In their eyes, this continent is their patrimony. Their des-

Wanted: A Merchant Marine

By BROCKHOLST LIVINGSTON



Joseph P. Kennedy, former Chairman, U. S. Maritime Commission

AT a luncheon marking the opening of Britain's Merchant Navy Week at Southampton, the Earl of Athlone said that "the success of our whole defense scheme depends on the efficiency of the Merchant Navy." Great Britain with its far-flung colonies and vital lines of communications may be in greater need of a merchant marine than is the

United States with its bountiful natural resources but America must trade with the rest of the world and must import vast quantities of commodities which either are not available domestically, or can be produced only at prohibitive cost. An American merchant marine is necessary for the most complete development of our foreign commerce.

In addressing Congress in March, 1935, the President presented the question of whether or not the United States should have an adequate merchant

marine. He said: "To me there are three reasons for answering this question in the affirmative. The first is that in time of peace, subsidies granted by other nations, shipping combines, and other restrictive or rebating methods may well be used to the detriment of American shippers. The maintenance of fair competition alone calls for American-flag ships of sufficient tonnage to carry a reasonable portion of our foreign commerce." "Second," he continued, "in the event of a major war in which the United States is not involved, our commerce, in the absence of an adequate American merchant marine, might find itself seriously crippled because of its inability to secure bottoms for neutral peaceful foreign trade. Third, in the event of a war in which the United States itself might be engaged, American flagships are obviously needed not only for naval auxiliaries but also for the maintenance of reasonable and necessary commercial intercourse with other nations. We should remember lessons learned in the last war."

When war broke out in Europe in 1914 the American Merchant Marine engaged in foreign trade consisted of 2,360 vessels of 1,066,288 gross tons. By 1917 when we entered the war the gross tonnage of the marine had, from necessity, risen to 2,440,776. By 1921 when the last of our war-time program was being completed, the number of ships totaled 5,951 and the gross tonnage, 11,077,398. Due to scrapping and other losses, the total in 1936



Artist's conception of new \$15,750,000 liner which has been ordered by the Maritime Commission for the United States Lines.



had dropped to 2,093 ships of 4,159,348 gross tons. It will be noted that war-time needs required the construction of the most tremendous fleet of ships which ever sailed under the American flag. It would be uneconomical to maintain that number in time of peace since we cannot expect to carry all of our foreign trade. However, the tonnage which is now in commission must certainly be replaced if we are to maintain our present place in the world's merchant fleets. Almost 90% of our ships will have become obsolete within the next five years due to the fact that they were built during the war-time pressure to produce more and more ships to meet the submarine menace.



The S.S. American Merchant

Courtesy of United States Lines

In 1936 we had fewer ships in foreign trade than we had in 1914 but the average size had increased considerably. That is the result of a general world trend. It is possible that in replacing the existing ships we shall be able to still further reduce the number of ships and, consequently, the operating costs of the various services which are deemed essential.

The Maritime Commission. — After prolonged hearings on several bills, Congress finally enacted the Merchant Marine Act of 1936 and this may be accepted as its answer to the President's question of whether or not the United States should have an adequate merchant marine. The declaration of policy contained in the Act states:

It is necessary for the national defense and development of its foreign commerce that the United States shall have a merchant marine. . . . It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine.

The creation of an agency to be known as the United States Maritime Commission to supersede the old Shipping Board Bureau of the Department of Commerce was an important provision of the Merchant Marine Act of 1936. The Commission is made up of five members appointed by the President and the permanent Commission which took office in April 1937, is headed by Joseph P. Ken-

nedy, formerly head of the Securities and Exchange Commission. The duties of the Commission are comparatively broad and embrace all those functions which are considered necessary for the fulfillment of the basic policy of the Act. Certain alterations in the law will, of course, have to be made as experience indicates the necessity for them, and the Commission is directed to make recommendations to Congress for such further legislation as it deems necessary better to effectuate the purpose and policy of the Act.

In broad terms, the Merchant Marine Act of 1936 empowers the Maritime Commission to undertake the study of mari-

time needs of the nation and to extend such assistance, financial and otherwise, as may be required to develop and maintain an adequate merchant marine owned and operated under the United States flag by citizens of the United States insofar as may be practicable, and composed of the best-equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel.

Realizing that the most modern vessels are but inert masses of steel unless manned with efficient personnel, Congress directed that the Commission investigate the employment and wage conditions in ocean-going shipping and establish minimum-manning and minimum-wage scales and reasonable



working conditions for all officers and crews employed on all types of vessels receiving an operating-differential subsidy. The licensed officers of all vessels are required to be citizens of the United States and the crew of every subsidized cargo vessel departing from the United States must be citizens of the United States. The percentage of the crew of passenger vessels which must be American citizens varies from 80% in the first year of operation of the Act to 90% at the end of the third year of operation. Any aliens employed must be in possession of a valid declaration of intention to become a citizen, or other evidence of legal admission to the United States for permanent residence, and such aliens may only be employed in the steward's department on passenger vessels.

Another important provision of the Merchant Marine Act of 1936 is that directing the cancelation of the ocean-mail contracts made pursuant to the Act of 1928. The mails are now carried, insofar as practicable, by American vessels and their carriage is paid for on a poundage basis very much in the same way as would any other freight be paid for. In place of what some claimed was an indirect subsidy, direct payments to private operators are now authorized. The President, in his message of March 4, 1935, said:

I propose that we end this subterfuge. If the Congress decides that it will maintain a reasonably adequate American merchant marine, I believe that it can well afford honestly to call a subsidy by its right name.

Congress did so decide and the subterfuge of earlier legislation was ended.

Under the new Act there may be said to be three different forms of subsidy. The first, known as the "construction-differential subsidy," covers the difference in the cost of building a ship in the United States and that of constructing the same ship in a foreign yard used by the principal foreign competitors in the service in which the vessel is to be operated. This subsidy shall not exceed 33 1/3% of the construction cost of the vessel paid by the Com-

mission except that in cases where the Commission possesses conclusive evidence that the actual differential is greater, it may approve an allowance of not to exceed 50%, upon the affirmative vote of four members. The cost of national defense features embodied in the vessels are borne by the Government and are not included in the calculation of cost.

The Commission actually contracts for the building of the ship and the future operator pays the Commission 25% of the construction cost. The balance of the purchase price must be paid by the operator in twenty annual instalments following the delivery of the vessel. Interest at the rate of 3 1/2%



Courtesy I. M. M. Co.

The S.S. Virginia and a naval vessel.

is paid on all instalments remaining unpaid. The bids of Pacific Coast shipyards may be 6% higher than those of Atlantic Coast yards in the case of vessels to be operated from the Pacific Coast. If no satisfactory bid is received from a private shipbuilder, the Commission may have the vessel constructed in a navy yard.

The second form of subsidy is referred to as the "operating-differential subsidy" and is intended to place the American operators on a parity with foreign competitors. The amount of the subsidy must not exceed the excess of the fair and reasonable cost of insurance, maintenance, repairs not compensated by insurance, wages and subsistence of officers

(Continued on page 122)



Results of soil erosion in the cotton belt.

The United States and the World Cotton Market

Based on information furnished by the Agricultural Adjustment Administration

THE United States will continue to produce cotton for export. That is the policy of the national administration, subscribed to by the great majority of the people of the Cotton Belt South. But determining the extent to which such production is profitable is a perennial problem for the South and is particularly difficult at present.

The problem had its beginning in declining export markets for U. S. cotton and other farm products. Losses of foreign trade were primary reasons for the surpluses in cotton which accumulated after 1930. By 1932 these surpluses had driven down cotton prices until the South was almost bankrupt, and a reduction in cotton production was inevitable. The problem then was whether that reduction should be made through the

wholesale ruin which would attend the forcing of thousands of cotton farmers out of production, or whether the Government should help all the farmers make the adjustment in an orderly, less drastic way.

A year earlier the Farm Board had failed in its efforts to stabilize cotton prices largely because it lacked means to control production. It had conducted stabilization operations in 1929, 1930, and 1931. In 1931, however, American production was large, over 17 million bales. This meant a large carry-over of American cotton.

On August 1, 1932, this carry-over was at a record level of 12,960,000 bales, nearly a year's supply under normal conditions. In spite of the Farm Board's efforts, cotton became a drug on the world market, and in July of that year the price to cotton farmers

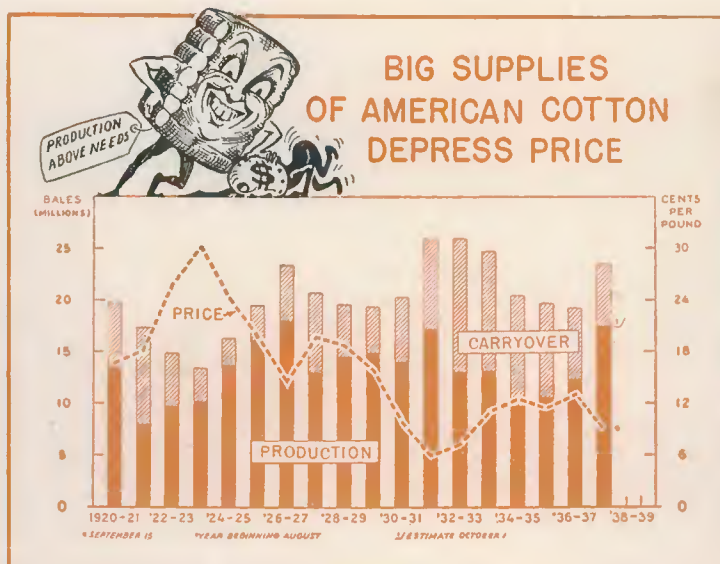


Loading cotton for export at New Orleans.



dropped to 5.1 cents per pound. Cotton farmers that year received only \$463,000,000 for their crop, an average of only \$232 per farm family.

With this experience and the prospect of another huge crop before it, the Agricultural Adjustment Administration in 1933 launched its first production-control program. In that year growing cotton plants that would have produced about 4,470,000 bales were plowed under. The results have been variously interpreted, but the farmers of the Cotton Belt know that this program, together with other recovery measures, gave them an improved income and saved their economic lives. The \$463,000,000 income of 1932, which went almost entirely for out-of-pocket production costs, rose to \$896,000,000 in 1933, stayed above \$800,000,000 in 1934 and 1935, and in 1936 rose still further to \$979,000,000.



Meanwhile, however, exports of cotton to foreign markets continued their decline. World surpluses of cotton continued to grow larger; foreign production of cotton continued to increase. The problem is—what to do about it?

The proposal that we restore foreign markets for American cotton by removing trade barriers is sound.

The reciprocal trade agreements are an excellent step in this direction. But this process is slow, and even its complete ultimate success will not remove the factor of competition from increased foreign production of cotton, an increase not likely to be halted even by reciprocal trade agreements.

A study of foreign cotton production indicates a long-time trend toward increase which has little or no connection with American cotton production programs. Expansion of production began in Russia in 1921 and in China in 1926. In Russia,



Picking season in the cotton belt of the United States.



China, and Uganda and to some extent in Brazil, governmental policy has been to expand production because of long-time considerations as well as on account of what the United States or any other countries did. Russia and China have moved to increase production for use in their own

countries. In Brazil the extremely low price of coffee, in comparison with that of cotton, has caused some of the shift from coffee to cotton.

This year's production of foreign cotton will probably be 8 or 9 million bales larger than foreign production five years ago. The present supply of foreign cotton is 10 million bales higher than it was in 1932. Foreign consumption of cotton has gone up but not at a rate at all comparable to foreign production. That fact, plus the fact of the abnormally large United States production this year, explains why the world supply of cotton is now the greatest on record; it also explains in part why foreign consumption of American cotton, according to unofficial estimates, has slipped down to around 5½ million bales for the past crop year.

In several European cotton consuming countries exchange restrictions are largely responsible for the decline in takings of United States cotton. This is notably true in the cases of Germany and Italy. Our tariff policies have deprived these countries of the exchange with which to buy the American cotton they have wanted



Hauling cotton to gin.

to purchase. Lacking that exchange, they have adopted barter arrangements with cotton-producing countries other than the United States.

Furthermore, trade barriers have affected United States cotton exports because of the fact that difficulties in our exchange with non-producing countries

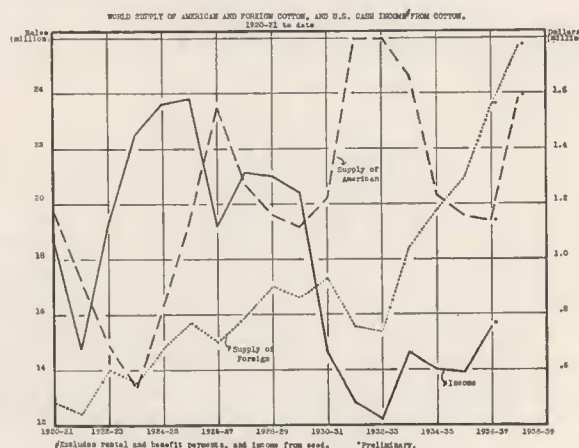
have stimulated cotton production in other countries eager to pick up the markets we were losing.

While it is true that price rules production both in the United States and abroad, trade goes where exchange is most convenient. Any substantial increase in the price of cotton tends to stimulate cotton production both in the United States and in some of the foreign countries; conversely, a decrease in price tends to discourage production; but in either circumstance the movement of American cotton in world trade is affected largely as exchange is facilitated.

The real problem is to adjust cotton production in such a way as to give the Cotton Belt an income from cotton sufficient for its needs. Such an adjustment seems to lie in the middle course be-

tween the courses advocated by the extremists on either hand, those who would recapture world markets at whatever cost to United States cotton growers, and those who would renounce world markets altogether. Neither extreme would produce the larger income which is the prime need of the South at the present time; the middle course makes such larger

(Continued on page 127)



Field Notes on Service Needs

By "SATURN"

1. "*Esprit de Corps*"

Are a common allegiance to the ideal of service — to our compatriots and to our country — and a knowledge of the Regulations, including the flood of mimeographed instructions incident thereto, sufficient to create and maintain a vital "*Esprit de Corps*" among us as officers of the American Foreign Service, or is there yet something to be achieved in this respect? A certain sense of cohesion and camaraderie has persisted and continues to grow, despite the many possibilities of diffusion and dissipation along all our separate ways from Cathay to El Dorado; but this may be more of the form than the substance of that sense of unity which the term implies.

Services such as the Army and the Navy are more fortunate than ourselves in this matter because of the many associations held in common through years of training at West Point and Annapolis, and also due to the greater similarity of their life and work in after years. We come from many sources of preparation and we go often thereafter through many divergent and different paths of experience.

Assuming that this desirable quality of which we speak is based on a lively sense of fellowship among colleagues and a widespread recognition of the active, sympathetic and personal interest of our superior officers and those officials who direct our work, what then can be done to develop and instill to an even greater degree both loyalty and enthusiasm for the welfare and achievement of the Corps under whose banner we serve?

I would offer three suggestions:

1. Have you ever, after some years in the field come "home" to that stately (if you please) structure across from the White House, and, as uncertain hours of waiting and indefiniteness dragged by, found yourself wondering what it was all about? Have you ever then gone on a mental search for your place in the scheme of things, be it big or little, important or merely routine — and continued to wonder? I am convinced that the officials in the Department want to know each of us, would like to hear our problems aired, our Service interests discussed, and our needs met. But they are busy, overwhelmingly busy, in view of which one can but marvel at the forbearance, patience and courtesy with which they often sidetrack the tasks awaiting

them while they chat with some chap just in from Timbuctoo or Kamchatka. On the other hand, many a man from the field has no doubt felt hesitant about pushing in here or calling there despite the keenness of his interests or problems, particularly if he didn't have the good fortune to be personally acquainted with "the man behind the desk." It is not interest or concern that is lacking on either side, but rather the mechanism for integrating time, opportunity and the human equations involved.

We need someone, and, I believe, preferably a Foreign Service Officer, who would act as a go-between, an arranger of times and convenience, a co-ordinator of interests. Such an officer on duty in the Department could assist both the officials of the Department and men in from the field. He might advise Foreign Service Officers about personal problems; organize group activity, especially as regards the bringing together of officers on leave; assist in working out plans for utilizing the services of officers from the field for consultation or temporary duty in the Department; and help those officers to employ their time in Washington to the best advantage. An officer's training in the functioning of our Government and his store of general background information could be greatly furthered while on leave in Washington, if there were someone to open doors, figuratively speaking, and to assist him in fitting together those elusive factors of limited time and available opportunities.

2. An organized system of periodic refresher courses would not only result in stimulating our "*esprit de corps*," but in beneficial advancement of our professional experience and knowledge and hence our value to the Government. In this connection, the Foreign Service School has been a very important factor in creating and diffusing a desirable service spirit among the younger members of the Service, but why should organized training stop there? More of this in our next.

3. We need a place of our own in Washington in which to foregather for friendship and fun with facilities for both officers and wives. A Foreign Service Club serving the same function as does the Army and Navy Club for their members, although of course not as elaborate in view of the lesser numbers of our Service, would play as definite a role in our Service life and spirit as it does in case



of those other Services. And, further, in view of the increasing congestion in the District of Columbia, it might not be too much to hope that suitable and convenient living quarters could be available in such a club for officers and their wives when temporarily in the city on leave. Perhaps this is a pipe dream premature by fifty years, but the formulation of the objective would be something, and the sooner we get started toward its realization, the earlier we will arrive.

Are not these things within the province of the Foreign Service Association to further? Would they not be helpful? Or what, fellow officers, would you propose for the sake of "Esprit de Corps?"

Income Tax Returns

By A FOREIGN SERVICE OFFICER

HAVING just made up my income-tax return with the assistance of an American lawyer and expert on the subject, in London, certain points of interest have come to my notice which had previously escaped me and which it is thought possible may also have been overlooked by some Foreign Service Officers.

Various items are taken up below in accordance with their numbers on income-tax return Form No. 1040, for net incomes of more than \$5,000.

Item 1. Our salaries and post allowances, as ascertained exactly from the accounts of the consular office, should be given in this space. Allowances for rent, heat, light and fuel, however, are exempt from income tax and should not be mentioned under this item. The 5% retirement deduction is taxable and should be included in it.

Item 10. Other sources of income will of course be given in items 2 to 12, inclusive, but amongst these, Item 10, Dividends on Stock, is particularly important, as mentioned below.

Item 14. Under Taxes Paid, there were, with the approval of the lawyer mentioned, included on my form the following taxes:

On automobile (15 shillings per H.P.
on a H.P. car) \$.....
Real estate tax and water rate on residence
Tax stamps (4 cents each) on cheques drawn
On gasoline used in automobile (16 cents per gallon on gallons used in miles shown by speedometer). Members of the American Embassy at London are exempted

from the payment of this tax by the British Government
Amusement taxes, not less than
\$.....

Item 17. Contributions. Under this was stated the following:

No account of these is kept, but donations in Church, to Little Sisters of the Poor, Dr. Barnardo's Homes for Children, etc., exceeded \$.....

Item 18. The other deductions claimed on my account were stated as follows:

Travel Expenses from London to the United States incurred by reason of and arising from my office and/or employment and not paid for by the Government. The taxpayer has, necessarily, and by reason of his office, resided abroad in the Foreign Service for 27 years and it is an obligation upon him to visit his own country from time to time for patriotic and personal reasons and in order to keep in touch with home and not become an expatriate. Such essential visits, which would not be necessary but for his official position abroad, are not paid for by the Government. Return fare to the United States and reasonable visit there cost not less than \$.....

Official Entertaining.

Necessary official entertaining arising from and incident to my official position and/or employment and which is not paid for by the Government. No accurate account of this is kept, but it is an extremely heavy item, not paid for by the Government (as it is by most business organizations) and is incurred exclusively because of the taxpayer's official position as American Consul General in London. This entertaining extends not only to important official and business contacts in London, but to prominent visiting American politicians, officials and businessmen from home. Not less than \$..... per week, on the average, is expended for this purpose. \$.....

Item 22. It is clearly explained in the form itself that the personal exemption of an officer is \$1,000 if single, or not living with wife, and \$2,500 if married and living with wife.

Item 23. In addition to the personal exemp-

(Continued on page 128)



The tell-tale boot found at Dr. Mudd's, Payne's gun and knife at lower left. Above are Booth's compass, necktie and whistle, and a roller coding machine.

Lincoln Relics in the Department Building

By EDWIN SCHOENRICH, *Department of State*

IT is not generally known that in the basement of the building which houses the Department of State are to be found some valuable Lincoln relics. They are under the custody of the

War Department. They are the items which were used as evidence in the murder trials.

Several weeks ago a group of us trooped down to see them. We held Booth's pistol and wielded the dagger that struck at Secretary Seward. Jack Simmons did some photographing. Each one of the articles in the accompanying pictures has an interesting story, particularly as told by Mr. E. B. Pitts, Chief Clerk of the Judge Advocate General's office and official custodian of this property.

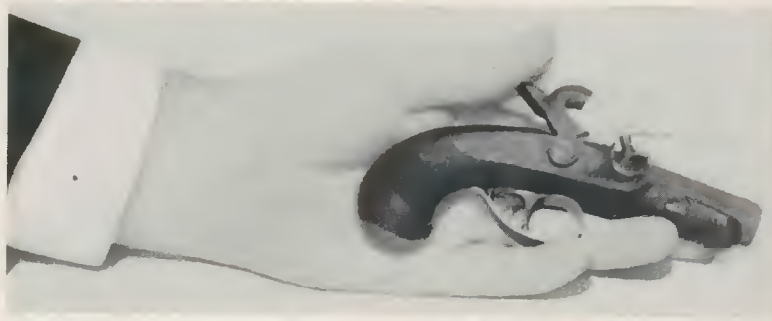
For background Mr. Pitts had to go into some detail. While the 3rd act of "Our American Cousin" was in progress at Ford's Theatre on April 14, 1865, so Mr. Pitts told, Booth passed through the door that led from the main auditorium into the passage behind the box occupied by the President. He closed the door and fastened it with a wooden bar. The bar evidently had been made for this sole purpose and placed at hand by a confederate; it is shown in one of these photographs. Before him now was the door to the box. First he peered through a hole which had been made in the door. Then he stole in. Probably he had his pistol in his left hand, a dagger in his right, and a whistle in his mouth. He was directly behind and within three feet of the President. He blew the whistle and fired the fatal shot. Dropping the pistol he grasped the balustrade for the 12-foot leap to the stage. Major Rathbone, the other male occupant of the box, tried to

stop him but received a back-handed gash from the knife. In his descent Booth caught a spur in the flag which draped the side of the box. He struck the stage obliquely and partially fell, fracturing the fibula in his left leg. He sped across the stage and out a back door, mounted his horse and was off.

At Lloyd's tavern in Surrattsville he and his companion, David E. Herold, stopped to pick up a rifle and ammunition. A marker is on the building today. Before dawn the next day they called at the house of Dr. Samuel A. Mudd near Bryantown. Dr. Mudd had to cut the boot from Booth's leg. A week later, on a dark night, the two conspirators crossed the lower Potomac, Herold at the oars and Booth holding a compass and a candle under a hat in the bottom of the boat. Twelve days after the assassination they were cornered in the Garrett barn three miles from Port Royal, Virginia. Herold surrendered and Booth was shot by Sergeant Boston Corbett.

A remarkable story is attached to the weapons recovered from the conspirator Lewis Payne. At the same hour that Booth entered the Presidential box Payne, a muscular young man, was seeking admission into the presence of Secretary of State Seward. The Secretary happened to be in bed with a broken collarbone. Refused admission by the Secretary's son, Payne fractured the latter's skull with a blow of his pistol and dashed into the sick-chamber. Taking aim at Mr. Seward he pulled the trigger, but the blow just given had locked the weapon. Dropping the pistol Payne drew the bowie-knife which is shown in one of the accom-

(Continued on page 102)



The pistol that closed the life of the Great Emancipator. A 45 calibre, single-shot, muzzle-loading Derringer.

Some Problems in Citizenship

When the editors approached Mrs. Ruth B. Shipley, Chief of the Passport Division, upon the subject of obtaining material on citizenship for publication in the JOURNAL, they were given the series of questions printed below. If you want to experience the sort of headache the editorial board developed over these brain-twisters, try them out. The system of grading papers was stiff, too: 4 points were deducted for each incorrect answer. A list of correct answers will be published in the March issue.

1. A child was born in the District of Columbia on May 23, 1934, its father being the Chinese Minister to the United States and its mother being his Chinese wife. The child is not a citizen of the United States. True
False
2. A child was born in Duluth, Minnesota, on September 23, 1922, its mother being a native American woman and its father a native of Sweden who has not been naturalized. The parents were married in 1920. The child is not a citizen of the United States. True
False
3. A child was born at Ellis Island on June 10, 1910, of alien parents who had just arrived from Italy and who were shortly thereafter sent back to Italy having been found inadmissible to the United States. The child is not an American citizen. True
False
4. A child was born at San Francisco, California, in 1906, its father being the Japanese Consul in that city. The child is not a citizen of the United States. True
False
5. An illegitimate child was born in St. Louis, Missouri, in 1910 to an alien German woman. The father was a German citizen. The child is not a citizen of the United States. True
False
6. A child was born of alien parents in 1904 on an American vessel en route to this country from England the ship being at the time on the high seas. The child is not an American citizen. True
False
7. A child was born in 1911 to Italian parents on board a British ship which was in New York Harbor within the 3-mile limit. The child is not an American citizen. True
False
8. A child was born in China in 1910, its father being an American citizen and its mother being a native Chinese woman. The child is not an American citizen. True
False
9. An illegitimate child was born in 1911 to an American woman who was then in England. The child is not an American citizen. True
False
10. An illegitimate child was born in Switzerland in 1920 of an American mother and a French father. The parents were subsequently married and under the laws of France the child thereafter was regarded as legitimate. The child is not an American citizen. True
False
11. A native American citizen went abroad in 1880 and had a son born in Nicaragua in 1900. The son married in Nicaragua when he was 18 and had two children. The son and his two children came to the United States for the first time in 1925. The children are American citizens. True
False
12. A child was born on June 10, 1934, in France to two American parents. The child will not be a citizen if it fails to come to the United States before reaching its 13th birthday. True
False
13. A child was born in France on May 15, 1936, to an American mother and a German father. The child is now an American citizen. True
False
14. A child was born in Italy on October 5, 1936, of an American father and an Italian mother. The child will not have to come to the United States before his 13th birthday in order to retain his American citizenship. True
False
15. A child was born in France of American parents in 1900 and continued to reside in that country until 1925. It did not make any declaration of its intention to retain American citizenship before reaching the age of 21 and did not take the oath of allegiance to the United States before attaining its majority. It is an American citizen. True
False
16. An English woman was married to an American citizen in 1904 in England. She has not come to the United States and has been residing for the entire time in England with her husband. She is not an American citizen. True
False
17. A Chinese woman was married to an American man on April 1, 1907. She acquired American citizenship by reason of her marriage. True
False
18. An English woman was married to an American citizen in this country in January, 1923. She did not acquire American citizenship by reason of her marriage. True
False
19. A Chinese woman married an American citizen on July 1, 1932. She acquired American citizenship by reason of the marriage. True
False
20. A German woman was married to an American citizen in 1909. She acquired American citizenship by reason of the marriage. True
False
21. A woman of the Chinese race was born in England and married an American in 1911. She



- | | | | |
|--|-------------------------------------|--|-------------------------------------|
| <p>did not acquire American citizenship by reason of the marriage.</p> | <p><i>True</i>
<i>False</i></p> | <p>citizen until after it has resided in the United States for five years.</p> | <p><i>True</i>
<i>False</i></p> |
| <p>22. An Italian widow with a three year old child married an American citizen on April 1, 1907, in Italy. The family came to the United States on September 24, 1922, and were legally admitted for permanent residence. The child acquired American citizenship.</p> | <p><i>True</i>
<i>False</i></p> | <p>34. An American family consisting of a man, his wife and two minor children emigrated to Canada in 1904. Thereafter two other children were born. In 1910 the father was naturalized in Canada. Assuming that the Canadian laws were identical with the American laws of that period the father lost his American citizenship.</p> | <p><i>True</i>
<i>False</i></p> |
| <p>23. A Chinese widow with a five year old son married an American citizen in 1910. They came to the United States in 1911 where they have since resided. The child is not an American citizen.</p> | <p><i>True</i>
<i>False</i></p> | <p>35. In the same case the mother lost her American citizenship.</p> | <p><i>True</i>
<i>False</i></p> |
| <p>24. A German widow with a five year old son was married to an American citizen in 1930. They came to the United States the same year and were admitted for permanent residence. The child is an American citizen.</p> | <p><i>True</i>
<i>False</i></p> | <p>36. In the same case the American born children retained their American citizenship.</p> | <p><i>True</i>
<i>False</i></p> |
| <p>25. A Russian divorcee who had legal custody of her five year old child was married on September 21, 1922, to an American citizen. The mother and child came to the United States in 1925 and were legally admitted for permanent residence. The child is an American citizen.</p> | <p><i>True</i>
<i>False</i></p> | <p>37. In the same case the Canadian born children are now American citizens.</p> | <p><i>True</i>
<i>False</i></p> |
| <p>26. A German man was naturalized in the United States in May, 1906, at which time he had in Germany a wife and two children all born in that country. The wife did not acquire American citizenship since she did not reside in this country.</p> | <p><i>True</i>
<i>False</i></p> | <p>38. An American born boy of Italian parents was drafted into the Italian Army on April 5, 1918, then being 22 years old and took the customary oath of allegiance to Italy two weeks thereafter. He did not protest against such service claiming that he thought it would do no good. He did not lose his American citizenship.</p> | <p><i>True</i>
<i>False</i></p> |
| <p>27. In the same case the children acquired citizenship immediately.</p> | <p><i>True</i>
<i>False</i></p> | <p>39. An American born boy of Polish origin was drafted into the Polish Army in 1924 shortly after attaining his majority. He wrote to the American Consul at Warsaw protesting against being required to serve but the Consul advised him that the Consulate could do nothing. The boy was compelled to serve and took the usual oath of allegiance to Poland. He expatriated himself.</p> | <p><i>True</i>
<i>False</i></p> |
| <p>28. A Greek man was naturalized in this country in 1908. Residing with him were his Greek wife and three children who were 18, 20 and 22 years old, respectively. The wife became an American citizen immediately.</p> | <p><i>True</i>
<i>False</i></p> | <p>40. A naturalized American citizen of Italian origin was drafted into the Italian Army on June 5, 1916, being 32 years of age. He had a wife and son who were born in Italy subsequent to his naturalization. He took the customary oath of allegiance to Italy in connection with such service without making any protest. He had another son born in Italy in 1920 and in 1922 he took the oath of repatriation and was issued a passport. Both children were properly included in the passport as American citizens.</p> | <p><i>True</i>
<i>False</i></p> |
| <p>29. In the same case all of his children who had been residing in the United States for at least five years acquired citizenship.</p> | <p><i>True</i>
<i>False</i></p> | <p>41. An American couple moved to Canada in 1920 and the husband was naturalized as a Canadian citizen on December 10, 1926. Under the Canadian law the wife acquired Canadian citizenship by reason of the naturalization. The wife lost American citizenship.</p> | <p><i>True</i>
<i>False</i></p> |
| <p>30. A Rumanian man was naturalized in the United States on July 4, 1930, at which time he had in Rumania a wife and three minor children who were aged 7, 10 and 15, respectively. The wife became a citizen immediately.</p> | <p><i>True</i>
<i>False</i></p> | <p>42. An American woman married a German citizen in 1905 in this country. Under the German law she thereby became a German citizen. She continued to reside in this country until April, 1907, when she went to Germany with her husband and took up residence there. She did not lose American citizenship.</p> | <p><i>True</i>
<i>False</i></p> |
| <p>31. In the same case the oldest child came to the United States on January 10, 1932. He became a citizen upon his arrival in this country.</p> | <p><i>True</i>
<i>False</i></p> | <p>43. An American woman was married in this country in 1909 to a Russian citizen and both have since resided in this country. The husband was</p> | <p><i>True</i>
<i>False</i></p> |
| <p>32. In the same case the younger children came to the United States on June 5, 1934. They became citizens upon their arrival.</p> | <p><i>True</i>
<i>False</i></p> | | |
| <p>33. A child was born in Czechoslovakia in 1930 to an American mother and a Czech father. The father came to the United States and was naturalized on June 10, 1935. He then sent for his family which arrived in this country on April 1, 1936. The child will not be an American</p> | | | |

(Continued on page 102)



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EDITOR'S COLUMN

This is the first issue since Herb Bursley relinquished the Editor's post that the JOURNAL has gone to press without Ed Trueblood's very substantial contribution to the content and form of the magazine. For the present, at least, the JOURNAL is going to suffer because of his departure to the field. He brought to his editorial work on the JOURNAL a live and liberal point of view, original ideas, and initiative in obtaining and preparing material of interest to the Service. The JOURNAL staff regrets to lose him, but wishes him every success in his new assignment.

As is so often the case, when an officer receives credit for good work, the wife deserves no small share of it. Much of the foregoing paragraph applies also to Mrs. Trueblood. Many times—when an article was needed, when there was a rewrite job to be done, when the editors were struggling to put the magazine together in a presentable manner—she was of the greatest assistance. Of course, she had an annoying habit of being right too often, and of immediately finding a simple solution for a seemingly perplexing problem. That, without doubt, is a failing of most wives.

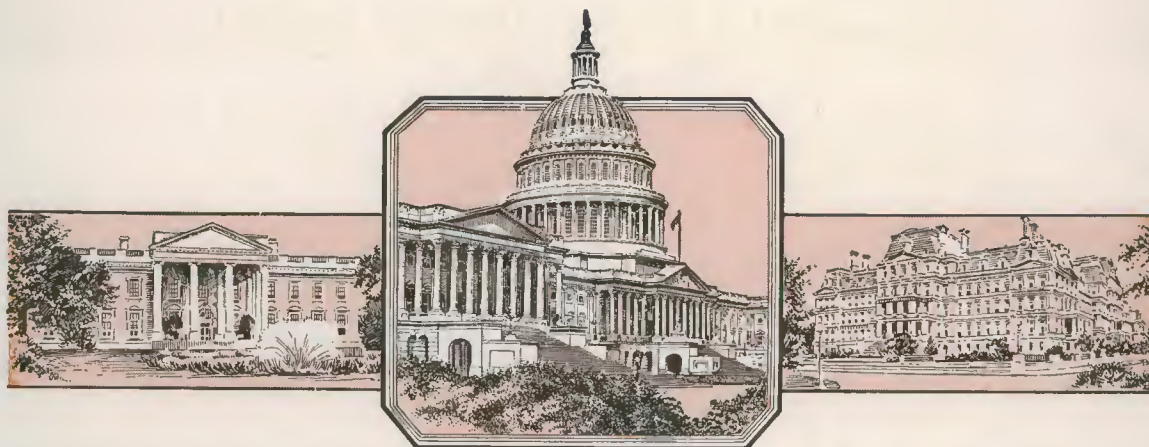
There have been other, and happier, changes in the JOURNAL staff. The Editorial Board has been strengthened by the addition of Henry Villard, whose ability and experience will mean much to the JOURNAL. Robert Joyce, now on duty in the Department in the Division of Current Information, has agreed to prepare the section on "News from the Department" each month. Replies have been received from most of the officers who were addressed upon the subject of reporting news from the field for their districts. A description of the organization of this part of the JOURNAL work will be printed in the March issue. Other changes are being studied by the JOURNAL staff and the Foreign Service Association. These, also, will be discussed in the next issue.

STATE DEPARTMENT CREDIT UNION

The JOURNAL believes its readers, particularly those serving abroad, will be interested to know that a credit union formed of employees of the Department has been in existence since July, 1935, and has made a record unsurpassed by any other similar organization in the United States.

Membership has risen month by month to the point where it now includes more than half the employees of the Department. Their accumulation of savings in the union now totals over thirty-two thousand dollars, an increase of almost fifty

(Continued on page 103)



News from the Department

By ROBERT P. JOYCE, *Department of State*

ALTHOUGH December 24 was declared a holiday by the President, Secretary Hull, Under Secretary Welles, Political Adviser Hornbeck, Chief of the Far Eastern Division Hamilton, Chief of the Division of Current Information McDermott and many other officials of the Department were at their desks. The Japanese note replying to this Government's representation over the bombing and sinking of the U.S.S. *Panay* was received at the Department that morning and on Christmas Day the Department despatched its note to the Japanese Government accepting the apologies and assurances proffered in the Japanese note.

On January 8 the Secretary received the Canadian Delegation to the United States-Canada Aviation Conference. The membership of the Inter-departmental Committee on Civil International Aviation, of which Counselor of the Department R. Walton Moore is a member, was present to meet the Canadian Delegation, which was headed by Mr. V. I. Smart, Deputy Minister of Transport.

On January 15 the Secretary gave the first of his two annual dinners to the chiefs of mission assigned to Washington.

The following Ministers and Ambassadors called at the Department between December 15 and January 15: J. V. A. MacMurray, Fay Allen Des Portes, Frederick Sterling, William Dawson, R. Henry Norweb, Ray Atherton, and Antonio C. Gonzalez. Mr. William E. Dodd, Mr. Hoffman Philip, Mr. Julius Lay, and Mr. Ralph J. Totten, all of whom recently retired, also visited the Department during this period. The Honorable Bert Fish was also in this country, spending his leave of absence in Florida.

New Appointments to the Department

Mr. Clark L. Willard, who for some years was a Special Agent of the Department with headquarters in New York City, was on December 16 appointed a Senior Divisional Assistant in the Division of International Conferences.

Mr. Frederick B. Lyon, of Michigan, on December 29 entered upon his duties as Assistant Chief of the Division of International Conferences. Mr. Lyon, from 1925 to 1933, was a member of the Foreign Service of the Department of Commerce and served at Athens, Istanbul, and Budapest.

Foreign Service Changes in the Department *Arrivals*

Consul General Walter A. Adams, who has been assigned to duty in the Division of Far Eastern Affairs, reported on December 8.

Consul Harry L. Troutman, who has been assigned to the Visa Division, reported for duty on December 15.

Second Secretary Edward J. Sparks reported for duty in the Division of the American Republics on January 15.

Departures

Third Secretary Edward G. Trueblood sailed for his new post at Santiago, Chile, on January 15.

Foreign Service School

Fifteen officers have been called in for training in the Foreign Service School, which will start its sessions on March 15.

Oral Examinations

Oral examinations of the sixty-two candidates who attained a mark of 70 or better in the written examinations last September were started on January 10.



Diplomatic Appointments

The Senate on January 13 confirmed the following nominations: Joseph P. Kennedy to be Ambassador to Great Britain, Hugh R. Wilson to be Ambassador to Germany and Norman Armor to be Ambassador to Chile.

Department Appropriations Hearings

The hearings before the House Subcommittee on Appropriations on the regular annual appropriation bill for the Department of State were held during the period from December 6 to December 15, 1937. It was the general opinion of the representatives of the Department who appeared before the Committee that it had shown a very complete and sympathetic interest in and understanding of the work and needs of the Department and of the Foreign Service. The hearings reflected the growing interest in the problem of our foreign relations on the part of members of Congress generally. The particular interest of those members immediately concerned with the preliminary consideration of legislation affecting the Department of State has been most gratifying. It is too early to give any figures concerning the appropriations which may be recommended as the appropriations for the Departments of State, Justice, Commerce and Labor are all included in one bill. It is still a matter of weeks before the report of the Committee can be completed and transmitted to the Congress. The unusual attention which is focused at this time upon economy in Government expenditures, and the current business recession, would not seem to warrant any expectation of important expansion in appropriations, but there is every good reason to believe that the importance of conducting our foreign intercourse efficiently at this time will be reflected in adequate appropriations which will prevent any harmful curtailment in the activities of the Department and of the Foreign Service.

VISITORS

The following visitors called at the Department during the past month:

	December
Hartwell Johnson, Montreal	16
F. S. Barny, Lille	16
Edward M. Groth, Calcutta	17
William R. Langdon, Mukden	17
Sylvia Baud, Paris	17
D. R. Heath, Berlin	17
Landreth M. Harrison, Warsaw	18
Kennett F. Potter, Prague	18
Phyllis R. Faria, Pernambuco	20
William P. Robertson, Porto	22
William E. Chapman, Bilbao	23
Herbert C. Hengstler, Toronto	23

Andrew W. Edson, Oslo	24
James K. Penfield, Yunnanfu	27
A. M. Warren, Inspector	27
Reginald P. Mitchell, Dublin	28
Vinton Chapin, Prague	28
James W. Riddleherger, Berlin	29
Helen T. Spining, Santiago	29
Walton C. Ferris, Sheffield	29
Mary C. Boudinot, Riga	30
Harold Shantz, Athens	31
George V. Allen, Cairo	31

January

Leo J. Callanan, Malaga	4
J. J. Muccio, La Paz	5
George M. Abbott, Riga	6
Charles M. Gerrity, Danzig	7
J. Hall Paxton, Nanking	7
Edward G. Trueblood, Santiago	8
William E. Dodd	10
Ray Atherton, Sofia	14

Mr. Maxwell K. Moorhead, Consul General, retired, wrote during December from Johannesburg, where he and Mrs. Moorhead were visiting friends. Mr. and Mrs. Moorhead had motored from Istanbul to Genoa, through Bulgaria, Yugoslavia, Albania, and along the Dalmatian coast. They plan to return to the United States this spring, and for the present may be addressed in care of the U. S. Despatch Agent, 45 Broadway, New York City.

MARRIAGES

Schraud-Richards. Miss Mae Louise Richards and Mr. Myron H. Schraud were married December 15, 1937, at San Antonio, Texas. Mr. Schraud is assigned as Vice Consul at San Luis Potosi.

MacMillan-Byington. Jeannette Gregory Byington and Zebulun Lash MacMillan were married at Montreal on January 7, 1938. Mrs. MacMillan is a daughter of Mr. and Mrs. Homer M. Byington.

Joseph E. Jacobs, Consul General temporarily detailed on a special mission to Manila, has resumed charge of the Office of Philippine Affairs.

Maynard B. Barnes, formerly in the Division of Near Eastern Affairs, has been assigned to the Embassy in Paris.

DEPARTMENT OF COMMERCE CHANGES

Mr. Clayton Lane is now Commercial Attaché at Johannesburg, South Africa, replacing Mr. Samuel H. Day who has returned to Washington.

Commercial Attaché Julean Arnold, Shanghai, is returning shortly for triennial leave.

Special Instruction for Foreign Service Officers

By EDWARD G. TRUEBLOOD, *Third Secretary, Santiago*

THE ever increasing complexity of the subjects which the Foreign Service is being called upon to handle has given added significance in recent years to the need for authority and funds for special instruction of selected officers. In recognition of this need, spokesmen for the Department succeeded in obtaining an initial appropriation of \$10,000 for this purpose in the 1937 Appropriation Act. In describing this allocation, the following language appears in that Act:

"This sum will cover the tuition of some ten or twelve Foreign Service Officers to be given intensive training in the field of economics, finance and commerce in order that their value in reporting on conditions abroad may be materially enhanced and strengthened. Army and Navy officers for several years have been given the benefit of special instruction in civil education and post graduate instruction at Government expense on a much more elaborate scale than is contemplated under this sum the Committee is approving. It is felt that the modest sum to be devoted to this purpose will be many times offset by the increased value to the Government of the officers so trained."

The appropriation was contained in the 1938 Act, as follows:

Contingent Expenses, Foreign Service

"... allowances for special instruction, education and individual training of Foreign Service Officers at home and abroad, not to exceed \$10,000; ..."

On December 14, 1937, Mr. G. Howland Shaw, Chief, Division of Foreign Service Personnel, appeared before the sub-committee on appropriations in connection with the hearings on the Department of State supply bill for 1939 and recommended that this appropriation be continued. Mr. Shaw stressed the importance of having funds available for this purpose, which would enable the Department to give selected officers valuable training for a year (or whatever time seems necessary) in subjects involved in Foreign Service activities particularly in the economic field.

Mr. Shaw told the committee that this practice

would do a tremendous amount to improve the service. He also pointed out the importance of the work that is being done at several American universities in the field of the social sciences and the desirability of having Foreign Service Officers brought into touch with these developments.

Shortage of officer personnel has limited the usefulness of this policy thus far very materially. While a certain number of officers have manifested their desire, both orally while at the Department, or in writing, to be considered for special instruction courses, this shortage has held down such assignments to a minimum. One officer, however, has completed a one year's course of study in economics and finance at the Harvard Graduate School of Arts and Sciences, several are taking special courses in Washington and others have been or will be selected to carry on work at the beginning of the next academic year.

The JOURNAL understands that it is the earnest desire of the officials entrusted with Foreign Service personnel matters to expand the usefulness of this policy within the limits allowed by available funds and personnel. Some of the qualifications which have been suggested for officers interested in being considered for such instruction are:

Collegiate degree, and a demonstrated ability to perform academic studies better than satisfactorily.

Age not more than 40, though exception may be made.

A certain amount of experience *abroad*, either in or out of the Foreign Service, wherein insight into the point of view and background of foreigners has been fostered.

Experience in commercial, economic, or political reporting and a demonstrated ability to draft despatches and reports of better than average character.

A better than average Foreign Service record and prospects.

In addition, the following personal attributes have been suggested as desirable:

A sense of practical values, and *not* the secluded,

(Continued on page 104)



LETTER

The following comment upon Mr. Chapin's article on the Foreign Service has been received from Nelson P. Meeks, Vice Consul, Vancouver:

Inasmuch as you expressed a desire in the December issue of the AMERICAN FOREIGN SERVICE JOURNAL to receive the reaction of officers in the field to the article prepared by Seldin Chapin, I am submitting below the case of non-career vice consuls, as it appears to me.

At the close of each calendar year it is necessary to take stock of personal assets and liabilities and to review transpired events and trends having a bearing on our individual prospects for the future. What a heartbreaking disillusionment non-career officers in the Foreign Service of the United States must have had who follow this practice! They have, without doubt, read with interest various items in the *Christian Science Monitor* depicting the hardships with which career diplomats must contend, the article in the *Saturday Evening Post* of May 8, 1937, entitled "Diplomats Pay to Work," by Ambassador Hugh Gibson, proposing certain remedial measures to improve our "first line of national defense" and, more recently, the article by Selden Chapin, appearing in the November and December issues of the AMERICAN FOREIGN SERVICE JOURNAL, in which he presents a brief for additional allowances to cover expenditures for representation, for home leaves of absence, for new outfitting when departing for another post with a climate entirely different from that in which the officer is serving, and for damage to household effects in shipment or by climatic conditions. In addition, Mr. Chapin also suggests several changes in the existing method of determining promotions which automatically increase the remuneration of career officers.

The non-career personnel does not take issue with any of these objectives nor does it request the extension of the allowances enumerated above to the non-career branch of the Service.

What it does want, and what it in equity should receive and what Congress has provided for, is promotion upon efficient service to the following grades:

Clerks	Senior	Number
Class 1	\$4,000	2
Class 2	3,750	2
Class 3	3,500	7
Class 4	3,250	16
Class 5	3,000	60
Clerks	Junior	Number
Class 1	2,700	62
Class 2	2,500	130
Class 3 All under	2,500	1,333

Total..... 1,612

The above figures were taken from the *American Year Book* for 1935 and, inasmuch as it has been stated that no non-career person has been promoted above Junior Clerk class 2 in the past five years, it may be presumed that the table is still substantially correct. A further examination of the figures cited above indi-

(Continued on page 104)

EDITORIAL CONCERNING THE SERVICE

(From the *Baltimore Sun*, Dec. 29, 1937)

The nomination of Hugh R. Wilson, now Assistant Secretary of State, to be Ambassador to Germany is expected to reach the Senate early in the regular session beginning next week. When he takes his post all corners of the Rome-Berlin-Tokyo triangle which bulks largely in the troubled world scene will have been intrusted to career diplomats rather than political appointees.

Whether this marks a definite policy step by the Roosevelt Administration toward ultimately complete reliance on a career foreign service is a matter of speculation. Most observers attribute the Wilson selection more to decreasing pressure on the White House for political diplomatic plums.

They explain that, in the ordinary course, such political jobs could be expected to last only three years because President Roosevelt is serving his second term. The career service, it is said, has made its most notable advances, as a rule, in Presidential second terms.

LINKED TO TRADE PACTS

There is also speculation as to whether expanding efforts of Cordell Hull, Secretary of State, to rewrite American trade pacts into a peace-and-commerce arch played any part in Wilson's impending appointment to Berlin. Current negotiations with the British Commonwealth, regarded at the State Department as the keystone of the arch, unquestionably have some bearing on the expected appointment of Joseph P. Kennedy to succeed the late Ambassador Bingham in London.

Working out similar agreements with Rome, Berlin, Tokyo at some future date presents especially difficult problems. There is no hint, as yet, however, that more than resumption of the Italian-American conversations interrupted by Italy's Ethiopian campaign is in early prospect.

The fact that William Phillips, formerly Under Secretary of State and a career service veteran, elected this year to turn to ambassadorial duty in Rome attracted no great attention at the time. He took over the post last August at a time when repercussions of the Italian campaign in Ethiopia had been supplemented by the Spanish crisis leading to still prevalent fears that a new World War was impending.

PICKED IN TIME OF STRESS

Selection of another former under secretary and career man, Joseph C. Grew, to be Ambassador to Tokyo in 1932, came at a time when Japanese-American relations were strained over Manchuria. There was no suggestion, when the Roosevelt Administration came in a year later, of replacing him with a political appointee.

Career specialists have been relied upon in China for more than a dozen years. Ambassador Nelson T. Johnson succeeded John Van A. MacMurray and both were backed by years of foreign service experience in China.

(Continued on page 104)



News from the Field

AMSTERDAM

The Netherland-American Chamber of Commerce gave a farewell dinner on December 16 to Kenneth S. Patton, Consul General, who has just been transferred to Singapore. A representative group of Dutch business men and bankers were present, including W. H. de Monchy, managing director of the Holland-Amerika Lijn.

The offices have been completely renovated during the past few months; more space has been created through building out into a central well, the rooms have all been repapered and repainted, and a new telephone system has been installed.

Recreation facilities here are exceptional, though the uniformly bad weather restricts the opportunity for outdoor sport. There is rowing, swimming (several large pools in the city), skating (artificial ice rink), tennis, and a squash court has just been built in a restaurant on the Dam.

The problems which arise in the work here are, I suppose, the same as those which face consulates the world over. We took in nearly \$3,000 in fees for the month of November alone, which indicates that there is plenty of work.

WILLIAM BARNES.

JERUSALEM

Jerusalem Calling, December, 1937. The Consulate General introduces itself, this by way of initial response to the JOURNAL'S request for monthly notes.

We are the only office in Palestine—a territory under British mandate about the size and shape of New Jersey—with 10,000 resident Americans, mostly Zionist Jews, and some \$48,000,000 American investment. Subtract from that figure three \$2,000,000 items (Iraq Petroleum Company installation, Rockefeller Antiquities Museum, and the finest Y.M.C.A. outside America)

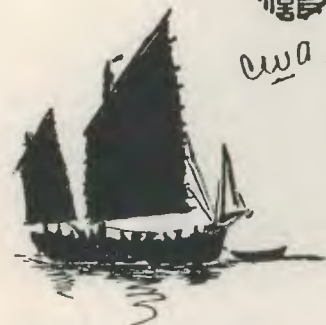
(Continued on page 111)

NANKING

Greetings from Nanking
and Hankow.



W. B.



Christmas Greetings
and all Good Wishes for the
New Year

It's not the 'eavy bombing
that keeps us all on
'ooks -

It's The 'ammer, 'ammer,
'ammer on the damned
code books.

A Political Bookshelf

CYRIL WYNNE, *Review Editor*

SOUTH AMERICAN DICTATORS DURING THE FIRST CENTURY OF INDEPENDENCE. Edited by A. Curtis Wilgus, Ph.D. (The George Washington University Press, Washington, D. C., 1937.)

In the course of the heated political discussions so characteristic of our days frequent recourse is had to the use of the term "dictator." The term generally expresses opprobrium or approbation depending on the political philosophy and personal views of the user of the term and those of the reader or the listener. In addition signifying an objective fact, namely, the exercise by one person of supreme authority in the state, conflicting political credos have endowed the word with varying connotations. In the light of past history this is not surprising. In the multitude of political changes which have characterized the rise and fall of governments since the days of Alexander the Great, the record consists largely of the efforts of individuals exercising autocratic powers to resist the vigorous opposition of groups or individuals desirous of wielding the same powers. In the case of South America alone, and in the brief scope of a century, the historical role played by several individuals who, whether by temperament or circumstance, have been cast in the role of dictators, has been extremely important.

An objective survey of the role of the dictator in the turbulent drama of South American politics during the past century is of particular interest to the American reader. The struggle for independence in South America in the early nineteenth century followed by a generation the establishment of the United States of America as an independent nation. In the difficult period of transition from the Spanish colonial era to the attainment of statehood by the new republics certain forceful personalities stand out against a background of confused political thought and military activity. The ideals and theories of Rousseau and Jefferson had their passionate advocates. The brilliant progress already made by the United States instilled a fervent hope in the breasts of those seeking the establishment of democratic institutions. Harsh circumstances, however, were such as to render most difficult the achievement of such ideals, and to lead to their very questioning by many contemporaneous actors in the drama.

The comprehensive symposium which is now presented by Dr. Wilgus serves an extremely useful

purpose in presenting under one cover a scholarly and fairly complete chronicle of the lives of most of the more important political leaders of the American Republics during the past century. The book consists of an introduction containing three chapters: one by Dr. Wilgus himself containing some general comments on the Hispanic American dictator as a type, and two by J. Fred Rippy of the University of Chicago, discussing the general conflict of political philosophies during the era, and the great ideal and disillusion of Bolívar. There follow twenty additional chapters, contributed by Lewis W. Bealer of the University of Arizona, N. Andrew N. Cleven of the University of Pittsburgh, Allen K. Manchester of Duke University, and Dr. Rippy, in which are set forth the salient features of the lives and activities of some twenty or thirty of the more prominent political figures in South American history during the century following independence. Interwoven with these biographies there is of necessity a large amount of general historical, social and political background material. Taken as a whole, the volume presents an interesting survey of Spanish American history in its more dramatic aspects. There is a brief appendix by Almon R. Wright of the National Archives outlining the relations between Juan Manuel de Rosas, the famous Argentine dictator, and the Catholic Church.

The historical value of such a volume is apparent. One does not have to subscribe to the theory that history consists of the lives of great men to realize that no history of the post-colonial days of Spanish America can be written without devoting considerable attention to the exploits of certain outstanding leaders. The volume under review contains not only a large amount of general historical information in addition to the various biographies given particular attention, but also abounds in bibliographical references in footnote form which will be of immense value to the student who desires to push further his research into any particular phase of the general picture presented. It should be pointed out, however, that the greatest value can be derived from the book only by a person already possessing at least a rudimentary historical knowledge of the nineteenth century in South America. There is no need to emphasize the usefulness of such a background and an understanding of the conditions in which the great leaders of the past rose and fell,



in contributing to a sounder evaluation of current political trends in South America, in avoiding unfair bias and in inculcating a spirit of tolerance on the part of the observer.

It is the duty of the reviewer to point out certain pitfalls in the book which may entrap the unwary reader. (It should be noted parenthetically that the authors are undoubtedly aware of these pitfalls, although they have not in all cases clearly indicated them.) For example, the recurring use of the term "dictator" appearing throughout the volume might lead the uninitiated unconsciously to group under one classification the numerous personalities described in the volume. There is a distinct danger in the promiscuous use of the term "dictator." The provincial *caudillismo* of Facundo Quiroga presents startling contrasts with the political philosophy and idealism of Simón Bolívar. The driving force of Urquiza in bringing into being the Argentine constitution of 1853 presents contrasts with the harsh tyranny of Melgarejo. The extreme egotism of Guzmán Blanco is the antithesis of the self-effacement of Portales. Not only in their personal characteristics and temperament have the political leaders differed one from another, but their objectives are not always the same. The complete isolation of Francia has nothing in common with the disastrous foreign engagements of the younger Lopez. Many of the characters described in the volume as dictators figured in the early days of the new republics. The struggle for independence from Spain lasted for many years, and the chiefs were necessarily military leaders. Obviously such leaders required authority: a general in command of an army at war always exercises dictatorial powers. The chapter on "Dictator José de San Martín" starts out by saying that there is "something despicable about dictators"; yet in the brief two years that San Martín exercised supreme authority in Peru it should be noted that there was still an undefeated and dangerous Spanish force in the sierra region of that country. In the gradual emergence of independent governments from the chaos caused by the wars of liberation, let it be said to the credit of many of the so-called dictators that they strove to give their peoples constitutional governments adapted to their needs.

A valuable contribution to what might be termed the philosophy of dictatorship is contained in Dr. Rippy's chapter on Venezuela. Perhaps because of the long succession of dictatorial rule in that country under Páez, Guzmán Blanco, Castro and Gomez, Venezuela produced at a relatively early date a school of thought ably defending that type of regime. Dr. Rippy's reference to the work of Laureano Valenilla Lanz and Pedro Manuel Arcaya

is indeed valuable in this connection. These writers "recalled that Bolívar had serious doubts with respect to the capacity of the Venezuelans to operate a democratic system of government, and that he was compelled to assume a dictatorship." They analyzed the bases and origin of *personalismo*, at first restricting their analyses to conditions in their own country. Subsequently, Arcaya stated that what he had imagined to be "a peculiar phenomenon of Venezuela" he later looked upon as a "normal aspiration which has always been felt, in the depths of the soul, by all the peoples of the earth." This pessimism regarding democratic institutions was based on the fact that the average voter will not be motivated primarily by the spirit of public service, but "will always be actuated by purely personal considerations." There is nothing more stimulating or desirable than for those of us who believe in and support democratic institutions to be familiar not only with the acts of those who exercise dictatorial authority but also with the philosophy of those who seek to explain and defend it.

PAUL C. DANIELS.

THE GOOD SOCIETY. By Walter Lippmann. Boston Little, Brown & Co. \$3.00.

Mr. Lippmann has written a damaging attack on collectivism. His aversion to it arises from his belief that the whole collectivist philosophy is based on a profound and tragic misunderstanding of the nature of modern industrial society, the distinguishing feature of which is to him the division of labor. This division, he argues, must be allowed free rein to broaden out into all corners of the world, unfettered by collectivist controls, or the standard of life must fall. The collectivists made their initial mistake in believing that the injustices of capitalism, which to them arise solely from private ownership of means of production, could be removed simply by changing the title to those means from private individuals to the state.

Mr. Lippmann's answer to that is that *ownership* of the means of production has little or nothing to do either with the running of industrial society or with its injustices. The evils have arisen from violation by monopolistic industry of the law that the division of labor demands as complete freedom as possible from rigid controls, and merely to change title is to put another label on the same evil, since the state's control is even more throttling and monopolistic than private industry's. Instead, therefore, of building up another great monopoly, the State, Mr. Lippmann would cure capitalism's evils through the correction by law, common and

(Continued on page 109)



Foreign Service Changes

The following changes have occurred in the Foreign Service since December 4, 1937:

Bernard C. Connelly of Rock Island, Ill., American Vice Consul and Third Secretary of Legation at Bucharest, Rumania, assigned to Karachi, India, as American Vice Consul. He will also serve as American Vice Consul at Kahul, Afghanistan.

William E. Scotten of Pasadena, Cal., American Vice Consul at Palermo, Italy, assigned to Bucharest, Rumania, where he will serve in a dual capacity as American Vice Consul and Third Secretary of Legation.

Eugene M. Hinkle of New York City, Second Secretary of Embassy at Buenos Aires, Argentina, assigned to Ciudad Trujillo, Dominican Republic, as American Consul and Second Secretary of Legation.

Clare H. Timberlake of Jackson, Mich., American Vice Consul at Zurich, Switzerland, assigned to Vigo, Spain, as American Vice Consul.

H. Gordon Minnigerode of Washington, D. C., American Vice Consul and Third Secretary of Legation at Bangkok, Siam, assigned to Singapore, Straits Settlements, as American Vice Consul.

The following changes in the non-career service have occurred since December 4:

Henry T. Unverzagt of Falls Church, Va., American Vice Consul at San Luis Potosi, Mexico, appointed American Vice Consul at Puerto Cortes, Honduras.

Myron H. Schraud of San Antonio, Tex., American Vice Consul at Puerto Cortes, Honduras, appointed American Vice Consul at San Luis Potosi, Mexico.

Linton Crook of Anniston, Ala., American Vice Consul at Ciudad Trujillo, Dominican Republic, appointed American Vice Consul at Palermo, Italy.

Alfred J. Pedersen of Boston, Mass., who has been serving as a clerk in the Legation at Bogota, Colombia, appointed American Vice Consul at Bogota.

The American Consular Agency at Oran, Algeria, was closed on November 30, 1937.

The following changes have occurred in the Foreign Service since December 18, 1937:

David A. Thomasson of Henderson, Ky., who has been serving as a clerk in the American Legation at Helsinki, Finland, confirmed as a Foreign Service Officer, Unclassified, Vice Consul of career and a Secretary in the Diplomatic Service, and assigned to Naples, Italy, as American Vice Consul.

Forrest K. Geerken of Minneapolis, Minn., who has been serving as a non-career Vice Consul at Colon, Panama, confirmed as a Foreign Service Officer, Unclassified, Vice Consul of career and a Secretary in the Diplomatic Service, and assigned to Colon as American Vice Consul.

The assignment to Shanghai, China, of T. Eliot Weil of Pleasantville, N. Y., has been cancelled. Mr. Weil will continue to serve as American Vice Consul at Canton, China.

Hedley V. Cooke of Orange, N. J., American Vice Consul at Glasgow, Scotland, assigned to Bombay, India, as American Vice Consul.

Howard A. Bowman of Clyde, N. Y., American Consul at Mexicali, Mexico, assigned to Glasgow, Scotland, as American Consul.

Robert Y. Brown of Dothan, Ala., Third Secretary of Legation at Panama, Panama, assigned to San Jose, Costa Rica, as American Consul and Third Secretary of Legation.

Horatio Mooers of Skowhegan, Maine, American Consul and Second Secretary of Legation at San Jose, Costa Rica, assigned to Mexicali, Mexico, as American Consul.

Robert Mills McClintock of Altadena, Cal., Third Secretary of Legation at Ciudad Trujillo, Dominican Republic, assigned also as American Vice Consul at that post.

Walter S. Reineck of Fremont, Ohio, American

(Continued on page 110)





Security Lift Vans in Rome

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LINCOLN RELICS

(Continued from page 89)

panying pictures. With this he landed several vicious slashes on Mr. Seward's neck. But again Fate, in its strange manifestations, raised its hand to save the Secretary. The patient's neck and shoulders, after the surgical practice of the day, were in a metal encasement. The full force of the blade was turned aside. An amazing combination of circumstances! Despite the intervention of a hurly sergeant, a male nurse and another son of the Secretary, Payne slashed his way out of the house, leaving five people cut and bleeding. He was captured the next night.

"There are many loose ends about the conspiracy which have never been tied up," said Mr. Pitts. "For example, why did Booth blow that whistle? I am inclined to believe that it was a signal to someone to turn out the lights. Some things point to the possibility that a confederate was supposed to do this but was unable to get at the gas-light control box."

Mr. Pitts was reminded that he had told us nothing about the *sic semper tyrannus* speech.

"Some witnesses," said Mr. Pitts, "testified that Booth shouted it from the stage, Major Rathbone said he shouted it as he slashed at him with the knife, and Booth in his diary stated 'I shouted *sic semper* and then fired.' I am inclined to believe that Major Rathbone's statement is the correct one. I certainly do not believe that Booth paused to make any speech from the stage. All sorts of legends have arisen. Even at the time of the trials some people sent in articles of 'evidence' the bona fides of which are doubtful. We have one or two here." And he showed us a pane of glass on which Booth was supposed to have written an incriminating statement a year or so before the event.

Mr. Pitts was asked what would ever become of these relics. He did not know. They have been offered to the Smithsonian, he said, but the latter does not care to exhibit them. There is a story that Barnum once offered a million dollars for them. These historical objects are stored only as all other exhibits in other military trials and no funds are appropriated for their care. Although Mr. Pitts sees that they are handled with care upon the few occasions of their being exhibited, if they remain where they are, without what might be termed museum attention, they will eventually deteriorate to such an extent that they will have to be discarded.

CITIZENSHIP

(Continued from page 91)

naturalized on September 24, 1922. The woman is now an American citizen.

True
False



44. An American woman was married to a Japanese on October 1, 1923, and has continued to reside in this country. She lost her American citizenship by reason of the marriage. *True False*
45. An American born woman lost her American citizenship by marriage to a German citizen on April 10, 1909. After his death in 1920 she returned to the United States immediately with her two German-born children. The children acquired citizenship upon their arrival in this country. *True False*
46. A naturalized American citizen of German origin returned to his native country in 1923 and resided for 18 months. Then he went to France where he resided for three years and from there he went to Italy where he resided for four years. He made no trips to the United States in the meantime. The presumption of loss of citizenship arose against him after he had resided outside the United States continuously for five years. *True False*
47. An alien born woman who acquired American citizenship by reason of her marriage to a native American citizen prior to September 22, 1922, is not subject to the presumption of loss of citizenship under the Act of March 2, 1907. *True False*
48. A person who acquired American citizenship through the naturalization of his father is subject to the presumption of loss of citizenship under Section 2 of the Act of March 2, 1907. *True False*
49. John Jones, a native of England, was naturalized in this country on January 2, 1924. He went to England in December, 1928, to spend Christmas with his family. After the holidays he went to France and stayed for a few weeks and while there was offered a good position in England. He returned to England in March, 1929, and took up a permanent residence there. Proceedings cannot be instituted to cancel his naturalization under Section 15 of the Act of June 29, 1906. *True False*
50. Giovanni Martinelli was naturalized in this country in 1910 at which time he had in this country a wife and two children aged 18 and 20. He returned to Italy in 1914 and took up a permanent residence in that country. His naturalization has been canceled under the provisions of Section 15 of the Act of June 29, 1906. The two children did not return to Italy but have resided in the United States continuously since the naturalization. The children are not American citizens. *True False*

CREDIT UNION

(Continued from page 92)

per cent in the last twelve months. Loans to members since the union was first organized have totaled over one hundred thousand dollars and cover a wide range of provident and productive purposes. No loan payments are in arrears, and

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not a penny has been lost by the union since its organization.

It will be recalled that in January, 1937, the union declared, as it had done the year previous, a dividend of 6 per cent, thus becoming one of the few Federal credit unions in the country to declare for two consecutive years the maximum dividend allowed under the law. This was done despite the fact that the union was one of the first in Washington to reduce its interest rate on loans below the rate usually charged by credit unions. By September 30 of this year a profit of over twelve hundred dollars had been accumulated, which was an increase of almost fifty per cent over the corresponding amount at the same time last year. Therefore, in the absence of any unforeseen developments, the union will be in a position to declare another good dividend at the end of the year.

The credit union movement in this country received great impetus from the passage of the "Federal Credit Union Act" on June 26, 1934. This Act defines the powers and responsibilities of such unions and since its adoption 2,236 Federal credit unions have been chartered under it (as of June 30, 1937). Slightly more than 10% of these unions are made up of Federal Government employees, while the others represent a wide variety of occupations and groups.

Foreign Service Officers assigned to the Department are eligible to participate in the Department credit union and can continue such participation after their return to the field. Several officers have already taken advantage of this privilege.

SPECIAL INSTRUCTION

(Continued from page 95)

retiring kind of research student who lacks aggressiveness and the capacity of acquiring knowledge from and of men as well as books.

Reasonable evidence that the officer is settled on a Foreign Service career with probably at least five years of service.

Willingness, if not eagerness, to undertake the necessary post graduate courses.

Initiative and imagination.

Independence, soundness and originality of thought.

The Department has also been approaching this matter from another angle. Selected officers have been brought in to the Department for service in the Division of Trade Agreements for periods usually not longer than six months. Two officers received such assignments in 1936 and there are now

two officers finishing their duties in the Division. These men have been made a part of the regular organization of the Division, have served on various committees and in general have obtained good first-hand experience with the work done by this new agency.

The JOURNAL is gratified at the progress which has been made already in this important field and at the interest which officers are displaying in it. All concerned recognize that the policy is still in an experimental stage and that a certain amount of pioneering will have to be done before the best type of special instruction can be determined. In the meantime this subject would seem to be a particularly good one for thoughtful discussion in the JOURNAL's columns and the Editorial Board will be glad to consider for publication expressions of opinion submitted on any of its many phases.

SERVICE EDITORIAL

(Continued from page 96)

One reason assigned for the fact that none of these diplomats of career has been challenged successfully for his post by a political office seeker is that world conditions make diplomatic life at any of the capitals involved socially less attractive these days. There is said to have been little seeking after the Berlin assignment, for example, even though the resignation of Ambassador Dodd had been in prospect for months.

CAN TALK FACE TO FACE

Language qualification, the ability to talk face to face without an interpreter with officials of the country to which they are accredited, is one great advantage career service diplomats enjoy. Another factor, however, is that they are quite familiar with the show of extreme deference always paid to a new ambassador and unlikely to consider it a personal tribute, or permit it to sway their judgment, or color their reports to the State Department.

And it is upon such reports that the efficiency of any diplomat is rated—reports that never are published. With experienced career men like Wilson, Phillips and Grew at the diplomatic listening posts in Berlin, Rome and Tokyo, the Washington government expects to be kept thoroughly informed of trends in world affairs.

LETTER

(Continued from page 96)

cates that less than 2 per cent of the non-career personnel are in the first four senior grades having salaries of \$3,250 to \$4,000, while in the career service, using the same source of information, over 23 per cent of the career officers are in the first four grades, providing salaries ranging from \$6,000 to \$10,000 a year.

Although some non-career vice consuls have the



Helsinki, Finland

By FREDERICK LARKIN, Chief, Foreign Service Buildings Office

THE reproduction above shows the new Legation and combined office quarters building at Helsinki, Finland.

Included in the project, in addition to the Minister's residence, will be quarters for two of the Secretaries, and office space for the Chancery, the Consulate, and for various Attachés.

As will be seen from the perspective, the architectural style of the building is in the best period of modified Virginian Colonial, adapted to the specific weather and other conditions which obtain in Helsinki.

The location of the new building is in the finest part of the city, in the new residential section called Brunnsparken. All of the newer Legations are in the same section, a number of them being on the

same wide boulevard on which our building will face.

The drawings for the work have been completed and are now in the hands of the contractors for proposals. It is expected that the contract will be awarded in February, and delivery of the completed building can be expected in about twelve months.

In addition to furnishing a properly designed and adequate residence for the Minister, the new project will also provide properly arranged office space for the various officers and clerks, all in a building that is expected to be the last word in construction and design. This building is expected to be a fine example of the Department's efforts to provide the most modern and dignified housing for our representations in all parts of the world.

same duties and obligations as consuls, the disparity in pay, and in the application of provisions for advancement as between the career and non-career branches, is, to put it mildly, simply amazing. While the career service is theoretically open to the non-career personnel, in practice those who have lived abroad for a number of years and married nationals of another country are automatically barred from the examination. It must be admitted, that owing to exigencies at various posts for additional signing officers, the Department has commissioned non-career personnel as vice consuls whose limited ability and lack of initiative have been a serious detriment to their advancement.

There are, however, a large number of non-career

vice consuls capable of handling with credit any contingency arising in an office and whose knowledge of local conditions, customs and language make them almost indispensable. Many of these officers after serving for fifteen years or more are now receiving as a basic salary only two or three hundred dollars more a year than they received when they were originally appointed. In contrast to this, career vice consuls entering the service without any experience, receive an initial salary of \$2,500 and the last group that was appointed was given an increase of \$250 a year upon the completion of their course in the Foreign Service School.

While it is realized that officials in the Department are fully cognizant of conditions in the field and are



doing their utmost to remedy unsatisfactory conditions within the Service, it is believed that more progress would be made in alleviating the plight of deserving non-career officers by changing their status on the payroll from clerks to chancellors or some similar designation which would indicate that the officer so designated was a trusted official with responsible duties. Appointment to this position, bringing with it an annual salary of from \$3,000 to \$4,000 should be contingent upon 10 years' service and then only upon the recommendation of two principal officers to avoid any appearance of partiality and politics.

Such a system if adopted would, it is believed, overcome any objections the Appropriation Committee in Congress may have heretofore held in relation to additional funds for the non-career branch of the Service.

As previously intimated, the morale of the non-career officers in the field is gradually breaking down in the light of long delay in advancement. This disintegration of morale is bound to have an adverse effect upon the quality of work performed by such officers. While numerous, specific instances throughout the Service cannot be cited in proof of this contention, the case of a non-career officer, in charge of commercial work at this post for the past five years, is probably not unusual.

This officer, knowing that the value of commercial and economic reports depends largely upon accuracy and timeliness, joined a club patronized by local business men whose comments on business conditions were of material assistance in the preparation of monthly economic and other required reports. The cost of maintaining a family, consisting of a wife and two children of school age, with constantly rising commodity prices, on a basic salary of \$2,500 proved to be incompatible with membership in a club particularly as there appeared to be no future prospects for advancement. In addition to withdrawing from the club, he is now of necessity seriously considering the sale of his automobile which has been used extensively in obtaining information to be used in the preparation of World Trade Directory reports on firms in this consular district. Suffice it to say that there is a long rainy season here and that business areas are widely scattered.

Considerable speculation has been aroused by recent administration changes in the Department, and it is the fervent hope of men in the field that those now in executive positions in the Department will redouble the efforts which have been made in the past to provide adequate compensation and equitable treatment for non-career officers, and that such officers will not be called upon to serve six or seven years without any promotions.

DEATHS

The JOURNAL records, with regret, the death of Mrs. Emma Woods Macgowan, wife of David Bell Macgowan, Foreign Service Officer, retired, on January 7, 1938, at her home in Lynchburg, Virginia.

FRANK B. KELLOGG

Mr. Kellogg died at his home in St. Paul on December 21. The Secretary telegraphed the following message to Mrs. Kellogg:

May I, on behalf of the Department of State and the entire Foreign Service, express deepest sympathy in your great loss. Mr. Kellogg's record as Senator, Ambassador, and Secretary of State was one of high distinction and his many public services will long be gratefully remembered. Nowhere will his memory be more cherished than in the State Department, where his sterling character, his incisive mind and his human sympathies endeared him to his many associates.

In a statement to the press, Secretary Hull said:

The passing of Mr. Frank B. Kellogg, who, as Ambassador at London and as Secretary of State, played a distinguished and gifted part in the development of the foreign relations of the United States, is deeply regretted by all of us in the Department of State.

For many years a leader in the public life of this country, Mr. Kellogg, with deep wisdom and unfaltering energy, devoted himself at the height of his career to the ideal of universal peace and with a realization of this ideal in treaty form his name will forever be associated. He had the courage to brush aside difficulties which might have baffled a less determined man and to take his stand for world peace by the renunciation of war as a policy to be pursued by civilized governments.

To the last Mr. Kellogg was unshaken in his devotion to the course which he had charted. He will be mourned not only in his own country but throughout the entire civilized world.

The Honorable William Dawson, American Minister designate to Uruguay, was appointed by the Secretary as the latter's personal representative to attend the funeral services at St. Paul on December 23.

ROBERT WORTH BINGHAM

Ambassador Bingham died at Baltimore on December 18. In his statement to the press, the Secretary of State said:

It is with the deepest sorrow that I learn of the death this evening of Ambassador Bingham. He was a close friend of many years' standing. His career was throughout one of true civic service in many fields. He had been outstanding in agricultural leadership in Kentucky and neighboring districts. He was among the most distinguished of the country's journalists and editors; but perhaps his most conspicuous service was as our Ambassador to Great Britain where his work was of the highest value. He was a faithful interpreter of all that we stood for and by his loyalty and sense of fair play he won the respect, the confidence and friendship of the people and government to which he was accredited.



In Portugal, Bringing Water and the Family Wash. PHOTOGRAPH BY W. ROBERT MOORE

A WORLD-WIDE AUDIENCE AWAITS YOU

YOUR friends may often have said to you, "Why don't you write the story of your travels?" We also suggest that you describe your observations and personal experiences in the realm of human-interest geography, so that others may share your travel adventures. Published in *THE NATIONAL GEOGRAPHIC MAGAZINE*, your narratives and photographs of the everyday life in countries familiar to you will provide instructive pleasure to a million reader-families throughout the world. You yourself will derive pleasure from thus performing an educational service. In addition, you will receive liberal payment for all material accepted for publication. Before preparing manuscripts, it is advisable that you submit a brief outline of your proposed article.

THE NATIONAL GEOGRAPHIC MAGAZINE

Gilbert Grosvenor, Litt.D., LL.D., Editor
WASHINGTON, D. C.

His passing will leave a sense of genuine grief in both countries.

Mr. George T. Summerlin, Chief of Protocol with Ministerial rank, went to Baltimore representing the President. Ambassador Bingham's remains were sent to Louisville, Kentucky, for burial. Assistant Secretary of State Hugh Wilson attended the funeral services as representative of the Secretary.

OLIVER BISHOP HARRIMAN FOREIGN SERVICE SCHOLARSHIP

The Advisory Committee of the Oliver Bishop Harriman Foreign Service Scholarship invites children of present or former Foreign Service Officers interested in applying for the scholarship to submit their applications in such time as to be in the hands of the Committee not later than June 1, 1938. Applications should be *in duplicate* and addressed to the Honorable Sumner Welles, Chairman, Advisory Committee, Oliver Bishop Harriman Foreign Service Scholarship, Department of State, Washington, D. C.

Each applicant must include information covering the following particulars:

Age and sex of applicant; a full statement con-

cerning the education and courses of study pursued by the applicant up to the present time, including scholastic ratings; the courses of study and profession which the applicant desires to follow; whether or not the applicant contemplates the Foreign Service as a career; the need of the applicant for financial assistance (this should include a statement whether the applicant will be able or not to complete or continue his education without the aid of this scholarship); the institution at which the applicant proposes to make use of the scholarship if granted; and evidence that the school experience of the applicant covers the work required for admission to the institution selected. A small photograph of the applicant must also be included. The application may include any further information which the applicant deems pertinent and which, in his or her opinion, should be taken into consideration by the Committee.

The application should be accompanied by a letter likewise in duplicate, from the parent or guardian of the applicant.

The Committee calls attention to the following conditions, which should be borne in mind by applicants: The amount available for scholarships



in any year will presumably be little in excess of \$1,200 and may, in the discretion of the committee, be divided among two or more recipients. Funds awarded under the scholarship may be used only in defraying expenses at an American university, college, seminary, conservatory, professional, scientific or other school. This school may be selected by the recipient. No payments may be made until the recipient has been finally admitted to the particular educational institution selected.

It may be recalled that the deed of trust instituting the scholarship provides that in the selection of recipients the Advisory Committee shall be governed by the following rules and regulations:

"(a) The recipients shall be selected from among the children of persons who are then or shall theretofore have been Foreign Service Officers of the United States; and the moneys paid to a recipient from the income of the trust fund shall be used by the recipient in paying his or her expense at such American university, college, seminary, conservatory, professional, scientific or other school as may be selected by the recipient.

"(b) The scholarship may be awarded to a single recipient or may be divided among two or more recipients in such proportions as the Advisory Committee shall determine.

"(c) The candidates for the award of the scholarship shall apply therefor in writing to the Advisory Committee at such times and at such place as may be designated by it on or before May 1 in each year. Such applications shall be accompanied by letters from the parent or guardian of the candidate and by such other data or information as from time to time may be required by the Advisory Committee. Each application shall be made in duplicate.

"(d) Each candidate shall submit evidence that his or her school experience covers the work required for admission to the American educational institution selected by him or her.

"(e) No payments from the income of the trust fund shall be made to a recipient until the recipient shall have been finally admitted to the university or other institution which he or she may desire to enter and payments of such income to any recipient shall continue only so long as the Advisory Committee shall direct."

The Advisory Committee is at present constituted as follows: The Honorable Sumner Welles, Chairman; Mr. Elliott Debevoise, Manufacturers Trust Company; Mr. Charles W. Weston, Manufacturers Trust Company; and the Honorable George S. Messersmith.

SUMNER WELLES,
Chairman, Advisory Committee

HOW IT'S DONE IN ITALY

Italian shoes for men and women are excellent products as to style and quality. They come with an ineradicable squeak. The Italians demand it.

Italian merchants like shrewd bargaining. They do not expect to receive the first price asked for articles of consequence.

Italian antiquities can be made to deceive the most astute collector.

Night life is almost non-existent in Italy.

The best restaurants in Italy are usually to be found in first-class hotels.

There are more Italians in New York than in Rome.

Only a small portion of the Italian people own motor cars. The slow uptake of the pedestrian and numerous bicyclists in the provinces make motoring hazardous everywhere.

Gasoline costs sixty-five cents a gallon; one-half of the cost is government tax.

There are several auto speedways in Italy, varying in length from ten to fifty miles. There is no speed limit on these ways. A small charge is collected from each motorcar for their use.

The medieval cities on the hill-tops give one a lasting impression of Italian scenery. They were placed there for protection. The advantage is that they occupy the poorest of the hill-top land and make it easy for the peasantry to cultivate the surrounding slopes and nearby valleys. The water supply was the greatest inconvenience, but that has been solved in recent years. Running water is to be found in all such towns and villages. They are nevertheless more picturesque than sanitary.

There are 365 churches in Rome.

Florence is the cultural capital of Italy.

Rome was founded in 753 B. C. It observes its birthday anniversary each year. Last April it celebrated its 2688th birthday.

The Cloaca Maxima, a sewer built by the Etruscans for draining the Roman Forum, still functions without attention. It antedates the discovery of the arch, though its construction reflects the earliest forms of that principle.

Lake Nemi, south of Rome, is formed by waters collected in an extinct volcano. It is high above sea level and to control the water level in the lake a tunnel was built before the Christian Era through the mountain for a distance of twelve miles, through which the water is permitted to pass to the low coastal area where cultivation by irrigation is made possible. The control mechanism at the Lake Nemi end is original and has been functioning for more than two thousand years.



Trade Agreement Notes

By EDWARD I. MULLINS, *Department of State*

THE January 15th issue of the *Saturday Evening Post*, in an article on the Secretary, pays the Department a doubtful compliment. The writer of the article mentions the fact that the Department has not grown as some other Departments or branches of the Government have, and then goes on to say: "You could lose the whole State Department in one corner of a PWA project; its largest unit, the Trade Agreements Division, through which Mr. Hull negotiates his commercial treaties, has only eighty persons on the payroll."

Foreign trade with agreement and non-agreement countries for the first eleven months of 1937 shows some interesting contrasts. The exports to trade-agreement countries increased by 42.6 per cent over the corresponding period of 1936. The exports to non-agreement countries increased 32.2 per cent. Imports from agreement countries increased by 22.0 per cent for the same period. Imports from non-agreement countries increased by 39.4 per cent.

Notice of intention to negotiate an agreement with the United Kingdom, Newfoundland, and the British Colonial Empire was announced on January 8, 1938. Hearings are scheduled to begin March 14. The inclusion of the Colonial Empire has stimulated interest in the Division in the study of commercial geography.

Notice of intention to negotiate an agreement with Turkey was made January 11, 1938. The hearings in this instance are scheduled for February 23.

A book by Mr. Tasca of the Division entitled "Reciprocal Trade Policy of the United States" (380 pages, University of Pennsylvania Press) will be published about February 1. This book was written as a thesis in partial fulfillment of the requirements for his Ph.D. from the Graduate School of the University of Pennsylvania.

H. Corby Fox, who has been assigned to the Trade Agreements Division since July, 1937, has been reassigned to the field. Mexico City is his new post. While we regret to lose Mr. Fox from the Division we are happy that he has such a pleasant prospective assignment.

BOOKSHELF

(Continued from page 99)

statutory, of the ills of modern society which he doesn't for a moment attempt to deny.

The clearest thinking comes towards the end. Having laid the collectivists low, Lippmann goes



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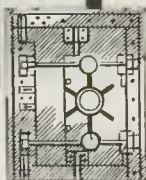


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after the "latter-day liberals" such as Herbert Spencer, who themselves misread the nature of economic society, and in self-defense against the collectivists, fell into the fatal error of excusing all capitalism's ills out of reverence for the system. Respect for liberalism was thus lowered to such a point that a wide reading of THE GOOD SOCIETY is essential to liberalism's rejuvenation as a cause which man will once more actively espouse.

HENRY V. POOR.

FOREIGN SERVICE CHANGES

(Continued from page 100)

Consul at Ciudad Trujillo, Dominican Republic, assigned to Vancouver, British Colombia, Canada, as American Consul.

The assignment to Canton, China, of E. Paul Tenney of Seattle, Wash., has been cancelled and he has been assigned to Shanghai, China, as American Vice Consul.

Douglas MacArthur of Washington, D. C., American Vice Consul at Naples, Italy, assigned to Paris, France, as Third Secretary of Embassy and American Vice Consul.

The following changes have occurred in the non-career service:

Charles C. Gidney, Jr., of Texas, American Vice Consul at Tampico, Mexico, assigned to Maracaibo, Venezuela, as American Vice Consul.

Franklin Hawley of Michigan, who has been serving as a clerk at Lille, France, appointed as American Vice Consul at that post.

Donn Paul Medalie of Illinois, American Vice Consul at Montreal, Canada, assigned to Vienna, Austria, as American Vice Consul.

Oscar C. Harper, of Texas, American Vice Consul at Nuevo Laredo, Mexico, assigned to Ensenada, Mexico, as American Vice Consul.

Elias G. Garza of Eagle Pass, Texas, American Vice Consul at Ensenada, Mexico, assigned to Nuevo Laredo, Mexico, as American Vice Consul.

The following changes have occurred in the Foreign Service since January 1, 1938:

Ely E. Palmer of Providence, Rhode Island, who has been serving as Counselor of Legation and Consul General at Ottawa, Canada, has been assigned as Consul General at Beirut, Syria.

Hartwell Johnson, of Aiken, South Carolina, American Vice Consul at Montreal, Canada, has been assigned as Third Secretary of Legation at Panama, Panama.

John Farr Simmons of New York City, now Chief of the Visa Division, Department of State, has been assigned as Counselor of Legation and Consul General at Ottawa, Canada.

Herbert O. Williams of Sacramento, California,



now American Consul at Gibraltar, will retire from the American Foreign Service effective at the close of business June 30, 1938.

The temporary assignment of Horace W. Smith of Xenia, Ohio, as Consul at Shanghai, has been made permanent. His permanent post was Tsinan, China.

Douglas Flood of Kenilworth, Illinois, American Vice Consul at Barcelona, has been designated Third Secretary of Embassy.

The following change has occurred in the non-career service:

Adrian B. Colquitt of Savannah, Georgia, American Vice Consul temporarily assigned to Brisbane, has been assigned to Port Elizabeth, Union of South Africa, to open a Consulate at that place.

The following changes have occurred in the Foreign Service since January 8, 1938:

Frank C. Lee of Salida, Colorado, who has been serving as First Secretary of Embassy at Berlin, Germany, has been assigned as Consul General at Amsterdam, Netherlands.

Charles S. Millet of Richmond, New Hampshire, who has been serving as Language Officer at Peiping, China, has been assigned as Vice Consul at Harbin, China.

John S. Service of Ohio, who has been serving as Language Officer at Peiping, China, has been assigned as Vice Consul at Shanghai, China.

Edward E. Rice of Milwaukee, Wisconsin, who has been serving as Language Officer at Peiping, China, has been assigned as Vice Consul at Canton, China.

Robert D. Longyear of Cambridge, Massachusetts, who has been serving as Consul at Marseille, France, has resigned from the Foreign Service, effective the latter part of March, 1938.

The following changes have occurred in the non-career service:

Lloyd E. Riggs of Illinois, who has been serving as Vice Consul at Karachi, India, has resigned from the Foreign Service, effective at the close of business March 1, 1938.

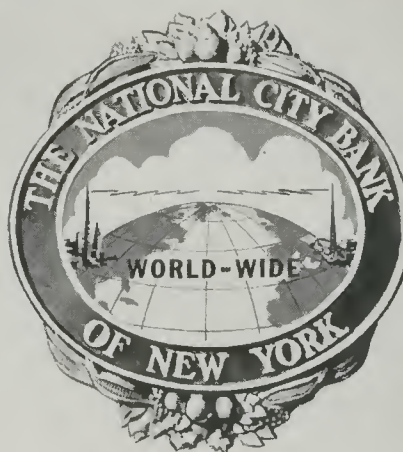
The assignment of Charles M. Gerrity of Scranton, Pennsylvania, as Vice Consul at Danzig, has been canceled. He will be assigned elsewhere in the near future.

NEWS FROM THE FIELD

(Continued from page 97)

and three \$500,000 items (oil company installations, property owned by naturalized Arabs, and cultural interests, largely missionary). The result is approximately \$40,000,000 of American Jewish investment made largely since the War; and that does not include donations averaging perhaps

THE BRANCH AROUND THE CORNER



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\$2,000,000 a year towards the building of the Jewish National Home.

At the end of the War the population of Palestine was estimated at some 700,000, including only 55,000 Jews; today it is double that figure and includes 400,000 Jews. In 1920 our consular fees were less than \$2,000; this year they will pass the \$20,000 mark. In 1920 the office was run by one consul and a vice consul; today a consul general *needs* the assistance of three career and one non-career officers.

We work in what, 25 years ago, a noted writer, whose standard was cultural background interest, called "one of the three most interesting cities in the world." His others were Rome and Peking. Today that cultural background—of history, religion and a wealth of vestiges of ancient civilizations—is in a sense vitalized by modern political developments.

Last year on Christmas Eve our office received

a rare favor. From the Church of the Nativity in Bethlehem the Consul General broadcast Christmas greetings to all the world. This year we take this means to broadcast, through the JOURNAL, best wishes for the holiday season to all our colleagues in the Service.

G. W.

GUAYMAS

Vice Consul Charles C. Gidney, who arrived at Guaymas on a "temporary detail" which he estimated would last one or two weeks, finally proceeded to his post at Tampico on November 29, 1937, after a "brief" sojourn here of one year, one month and ten days. During that time, he packed up his things to go a number of times, and on each occasion a farewell party was given him. Thus, when he finally cried "wolf" for the nth time, no one believed him, and he was obliged to leave with-



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J. Hall Paxton (left), Second Secretary, Nanking, is greeted by Stanley K. Hornbeck, Adviser on Political Relations, at the Department, January 6, 1938. Mr. Paxton was aboard the *Panay* when it was bombed.



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out a "despedida," and while en route to Tampico he was ordered to Maracaibo.

OSLO

Mr. Andrew W. Edson, Consul, has been assigned to the Department for duty, subsequently to undertake special instruction and training. The purpose of the assignment appears to be indicated in the recent speech of Assistant Secretary of State George S. Messersmith, when he referred to the assignment of an officer to the Post Graduate School at Harvard for the purpose of pursuing certain advanced studies in economics and finance and added that several other officers of proved special capacities and adaptability would take up similar work in other universities and colleges where particularly valuable training has been found available.

DUBLIN DIPLOMACY IN ACTION



The Honorable John Cudahy—soon after presenting his credentials as American Minister to the Irish Free State Government.



HABANA

Even though the United States was amply and well represented by an admirable delegation to the recent Radio Congress in Habana, their activities were conducted on such a wave length that the Embassy staff had only fleeting glimpses of them, especially after the departure of Harry Norweb for more southern climes. The work finished on December 13 and Commander Craven, Chairman of our delegation, and the other members are to be felicitated for their ether-eal accomplishments.

The U.S.S. *Blue*, commanded by Lieutenant Commander Jerauld Wright, was in port from December 4 to 10, on a shake-down cruise. The *Blue* is one of the newest of our destroyers, more in the nature really of a light cruiser, and was the admiration of all who had an opportunity to inspect the vessel. The visit was notable for the cordiality with which the officers and men were received by all residents of Habana.

At a buffet supper dance at the Embassy for Commander Wright and a majority of the officers the former, on behalf of the *Blue*, presented the Ambassador and Mrs. Wright with a very intricate mechanical contraption in the form of a mortar, which far from being employed to repel boarders, is actually designed to cause them to linger longer.

The Embassy, Consulate General and Commercial Attaché's office are initiating an exchange of weekly memoranda indicating the various subjects of a political and economic nature in which the several offices are interested. It is thought that this will tend to effect closer cooperation besides, at the same time, providing the different officers with subjects for contemplation and possible report.

Owing to the reported influx of some 5,000 Spanish refugees, the housing situation, in Habana particularly, has been more than usually difficult. However, the Embassy and Consulate General are now happily installed, the latest settlers to take up hearth and home being Consul General and Mrs. Coert du Bois.

SIDNEY E. O'DONOGHUE.

MONTEVIDEO

On November 10, 1937, a telegram ordering Vice Consul Hector C. Adam, Jr., to the United States at the request of the Department of Justice was received in Montevideo. Three days later he was on his way by airplane. As the time was too short to secure a reservation by the regular Pan American plane through Brazil, it was necessary to take the Pan American Grace route via Chile, Ecuador, Peru, Colombia, Panama and

(Continued on page 132)

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NELSON P. MEEKS



GEORGE F. KENNAN



ROBERT P. JOYCE

Contributors to This Issue

REGINALD P. MITCHELL wrote his article on the Yangtze Patrol many months ago. The fact that it still makes interesting reading speaks well for his work.

GEORGE F. KENNAN, who recently reported for duty in the Department, was last assigned at the Embassy in Moscow. He is familiar with the documents and records relating to the Alaska purchase.

BROCKHOLST LIVINGSTON, a former Foreign Service Officer, wrote his timely article on the Merchant Marine especially for the JOURNAL.

The AGRICULTURAL ADJUSTMENT ADMINISTRATION, at Mr. Trueblood's request, very kindly prepared the article on cotton which appears in this issue.

SATURN is a Foreign Service Officer. His "Field Notes on Service Needs" will, we hope, encourage additional comment on this subject.

EDWIN SCHOENRICH, who wrote the Lincoln sketch for which JOHN F. SIMMONS furnished the photographs, has been studying Civil War history and records during his assignment at the Department.

MRS. RUTH B. SHIPLEY has furnished enough mental exercise on the subject of citizenship to keep us busy for some time.

ROBERT P. JOYCE starts his work as JOURNAL reporter for Department news in this issue.

EDWARD G. TRUEBLOOD made another of his interesting contributions on matters of Service interest just a day or two before he started for Chile.

NELSON P. MEEKS' letter of comment upon Mr. Chapin's article will be read with understanding and sympathy by all of us who look forward to the correction of undue hardships and injustices in the Service.

PAUL C. DANIELS met the Review Editor in the corridor just about the time Mr. Wynne was thinking of the next issue of the JOURNAL. The result confirms our Review Editor's persuasive powers and his ability to command good work.

HENRY V. POOR contributes the short review this month, and now is on the Editor's list as a live prospect in the JOURNAL's search for contributors.

A blanket, but none the less grateful, acknowledgment is made to others who have furnished material printed in this issue. The final make-up of the magazine is completed the day before it goes to the printer for page proof, and the contents is subject to some change after this page is written. Special appreciation is due the many officers who have sent in news from the field.



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YANGTZE PATROL

(Continued from page 76)

smaller and varying numbers, and each of the five foreign patrols frequently welcomes as far as Hankow in summer larger and more powerful ocean-going naval vessels of their nations. Great Britain especially sends her 10,000-ton "treaty" cruisers of her Asiatic Fleet upriver to Hankow during high-water levels, solely for representation purposes. The last powerful American naval vessel to show the flag at Hankow was the USS. *Houston* in September, 1932, before retiring as flagship of the Asiatic Fleet in favor of the USS. *Augusta*. Both Shanghai and Nanking, however, are frequent ports of call for foreign men-of-war.

For purposes mainly of prestige, the flagship of the American squadron on the Yangtze, the USS. *Luzon*, spends the greater part of the time in Hankow. Aboard this 560-ton gunboat, the largest of the American patrol, are the rear admiral, serving directly under the admiral commander-in-chief of the Asiatic Fleet on the USS. *Augusta*; the flag secretary; the flag lieutenant; the flag medical officer; and the flag paymaster. Each of the gunboats has either four or five officers, including a medical officer, and from 51 to 54 men, the crew being regularly enlisted. The commanding officer of each gunboat is a lieutenant commander, except that of the *Luzon*, who is a commander.

Moreover, the presence of the flagship at the base headquarters much of the time is further justified by the location there of the Hankow Consulate General, encompassing within its district the greater part of the Yangtze and much of Central and Western China.

Ranging between the flagship and the two aged coal burners are the sister ships *Panay* and *Oahu* of 450 tons each, and the sister ships *Guam* and *Tutuila* of 370 tons each. Aside from the *Palos* and *Monocacy*, all are fast oil burners, all were built in Shanghai, many of their parts being shipped from Navy Yards in the United States, and all were built in 1928, except the *Guam*, constructed a year earlier. It is interesting to note that the *Luzon* draws only a maximum of seven feet, yet is of sufficiently shallow draft to operate throughout the year along the major reaches of the Yangtze, but not in the Gorges during the low-water winter levels. The *Panay* and *Oahu* draw only a maximum half-foot less than the *Luzon*, while the *Guam* and *Tutuila* draw six feet maximum.

With the *Palos* now assigned permanently to Chungking, the main burden of patrolling the immense stretch from Shanghai into Szechwan falls to only six of the gunboats, which operate vir-



tually exclusively the year round between Shanghai and Ichang, located exactly 1,000 miles by river route from the sea. They have no permanent assignment, but function on a very elastic schedule mapped out periodically by the rear admiral, and subject to change at times so sudden that men ashore on liberty are called back to get the gunboat under way. The schedule usually is designed to bring each of the gunboats into Hankow at least three or four times a year for stays of several weeks at a time and into Shanghai at least once annually for overhaul, a larger and more pretentious American naval vessel customarily being in port at Shanghai for purposes of representation.

Almost always, however, a gunboat is at Hankow, Shanghai, Nanking and Ichang, the two remaining gunboats perhaps cruising at intermediate points, perhaps en route on an emergency mission, or perhaps performing one of miscellaneous services which arise to make the Yangtze duty a truly enviable and never-to-be-forgotten experience. It may be to drop anchor in a tiny obscure village to bring up to date the list of Americans and other foreign residents in order that evacuation can be effected expeditiously in time of danger, each gunboat possessing current evacuation directions and charted routes for any river point inhabited by Americans. It may be to assist in the ransoming of a kidnapped American, as happened close to Hankow in 1931. It may be to tie up at Shasi or Chenglingki in the so-called "middle river" stretch between Hankow and Ichang, which has achieved the unsavory reputation as the principal danger zone of the Yangtze. Or it may be one of those rare days which prove no more eventful to officers and men than trying to keep cool in sweltering Central China temperatures, nights in summer often being as torrid as the days.

In this connection it is of interest to note that the extraordinary heat prevailing on the Yangtze in summer, particularly in Central China, led the Navy Department in 1934 to make an exception in requirements of dress for enlisted men serving in the Yangtze Patrol. At the option of the commanding officer of each gunboat, the crew in summer is permitted to wear white shorts, open neck and short sleeve shirts, black shoes and rolled white socks. Officers and men alike in summer wear sun helmets, and officers when aboard ship not infrequently dress as comfortably as the enlisted men.

Aside from officers and enlisted men, each gunboat also carries a small complement of Chinese. Five native contract boatmen, who have no naval status but are authorized as part of the crew, handle the bamboo poles when soundings are made in the constantly shifting river bed; they man the

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gunboat's native sampan; and they perform general work about the ship. Each gunboat also has three to five Chinese mess attendants, familiar with the principal dialects spoken from Shanghai to Chungking. Frequently they act as interpreters, an officer or enlisted man with even a sketchy "pidgin English" knowledge of any of the river dialects being a rarity. As Foreign Service Officers with China experience can well testify, even a proficiency in the Shanghai dialect is of scant value in the Hankow or upriver regions and similarly their dialects are often incomprehensible to downriver natives. In addition, a native pilot is always aboard when the gunboat is under way, two being used for negotiating the treacherous Gorge region, probably the most dangerous stretch of navigable waterway in the world. The pilots are not a permanent part of the ship's company, being contracted for general use by the Navy and transferred or discharged as conditions warrant.

Aside from performing their principal mission as defenders of American lives and interests, the gunboats render the invaluable service of making available to American consular and diplomatic offices and other American official agencies in China powerful Navy radio communication facilities. The emphasis placed on providing this communication service uninterruptedly and in closely coordinating the activities in China of Navy and State Department units account to a considerable extent for the presence virtually always of a gunboat at Hankow, Shanghai and Nanking. Because of the strategic location of Ichang close to the feared Gorges and the middle-river danger zones, a gunboat customarily is stationed at that port. It often happens that a second gunboat is in Hankow for a brief stay. At this base are located the patrol's "go-down," constituting the supply depot for the boats, and the patrol's dental office, manned by a naval dental lieutenant and a non-commissioned lieutenant.

Likewise, the families of the officers, and a few among those of the petty officers, reside at Hankow during the service on the river, which usually is about one and one-half years. Many of the officers, either before or after Yangtze duty, serve a similar period elsewhere on the Asiatic Station, either ashore at Manila, aboard the cruiser flagship, the destroyers, the submarines, or on other assignment.

Athletics constitute an important phase of activity for the men. Baseball and basketball comprise the two major sports and the gunboat teams not only vie among themselves for the patrol championship each year, but strive to compete in these sports with any other available teams. Teams from Japanese gunboats and Japanese civil-

ians frequently offer competition in baseball. Almost every year the American civilians in Hankow form a team to play a gala Fourth of July game. In basketball, the gunboat teams frequently meet Chinese aggregations, and occasionally a soccer game is played against a British gunboat outfit.

Alone among Yangtze naval vessels, the American gunboats are equipped with sound moving picture facilities. Current releases of American films are expedited to the Orient and speedily circulated among the various boats. A two-film program is offered almost every night, weather permitting, on the upper deck of each gunboat, which is sufficiently large to accommodate officers, men and often many guests, especially outside of the "treaty" ports at small river points where an American movie is a rare treat. Needless to state, a showing always attracts a huge uninvited gallery of natives who swarm over nearby pontoons, junks, sampans, and the foreshore to howl with delight at the pictures.

The presentation of moving pictures has built up much good will for the Americans along the river. In the smaller ports prominent Chinese officials, military and business men frequently are invited guests, as well as Americans, foreigners, and officers and men from other gunboats in port. In fact, to the Chinese of peaceful pursuits, the American gunboat is almost invariably a welcome visitor to port. It means the sale of certain commodities to the ship; it means the sale to officers and men of curios, porcelain ware, brass ornaments, model junks and other native ware; and it means a marked lessening of the possibilities of warfare in the immediate locality during its presence.

Since the inauguration of patrol activities several decades ago by the American Navy the gunboats have figured in many engagements, principally in the "middle river" where the sharp turns and twists of the Yangtze place vessels at a disadvantage from shore fire. Since 1932, however, the river has been relatively quiet, and emergencies have been infrequent. The nature of their mission impels them to be ready for any exigency and they literally can swing into action almost instantaneously. Especially constructed for this service, they have bullet-proof steel on a great part of their hull above water and bullet-proof shutters for openings. The bridge, the chief target of gunfire, is especially well protected. In addition to 3-inch guns mounted prominently fore and aft, a mere show of such strength often acting as a deterrent to would-be attackers, each gunboat carries six mounted and protected machine guns, numerous Thompson sub-machine guns, automatic rifles and less important firearms.



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ALASKA PURCHASE

(Continued from page 80)

attacking the Treaty of Cession, to reply to these questions. . . . It has been impossible for me not to see that the efforts of the company have been fruitless, that the future of this country was sterile, and that, menaced by the neighborhood of the Americans, our possessions would sooner or later bring us into serious conflict with the Federal Government and would end up by becoming the prey of the Americans. In reporting to the Imperial Government on the state of our colonies, I have always conscientiously portrayed the truth and the whole truth. If I have participated in this way in the cession of the colonies, I am ready to take my share of the responsibility with the full confidence of having fulfilled the duties of a faithful subject of our August Master and of having acted in the true interests of my country."

Stoeckl was an old and tired man upon the completion of his important work. He was rewarded by the Tsar for his conduct of the negotiations with a personal grant of 25,000 rubles. He wrote an official despatch, full of flowery expressions of gratitude. But to his friend Westmann, who was the equivalent of Under Secretary of State in the Foreign Office, he took a different tone. "As far as my pecuniary compensation is concerned," he wrote, "I feel that one might have been more generous, if one considers that I obtained more than the maximum which had been fixed and that in order to conduct this affair I passed up a post in Europe and God knows whether I shall have another chance. But after all, it is something, and it brings me nearer to the time when I shall be able to enjoy a modest independence—the goal of my desires."

MERCHANT MARINE

(Continued from page 83)

and crews, and any other items of expense which place the American operators at a substantial disadvantage in comparison with the operators of vessels under the registry of a foreign country whose vessels are substantial competitors.

The third form of subsidy although provided for as an operating-differential subsidy is sometimes referred to as a "countervailing subsidy" and may be

paid when the Commission finds that the ordinary subsidy is inadequate to offset the effect of governmental aid paid to foreign competitors. To grant such an additional subsidy, all the members of the Commission must vote affirmatively.

The Act covers a number of administrative provisions with regard to qualifications of applicants for subsidies, the profits which may be permitted, the salaries of employees, and the setting up by beneficiaries of funds known as the capital reserve fund, and the special reserve fund, the deposits in which are intended for several purposes not the least important of which is the future replacement of the vessels built with the assistance of the Government.

Should it be deemed impossible to develop a privately-owned merchant marine, the Commission may build the ships for its own account and have them operated on bare-boat charter basis by citizens of the United States who shall agree to maintain such line or lines as may be deemed essential. The Act, however, encourages the private ownership and operation of the vessels to be constructed and private charter operation may be considered as a last resort. It was the intention of the Act to get the Government out of the shipping business but unless private operators capable of carrying out the purposes of the Act can be found, it may be necessary for the Government to continue as an active participant in the shipping industry.

What Has Been Accomplished. — The members of the Maritime Commission took office in April, 1937, and since that time a number of important policies have been worked out. The most spectacular move has probably been the signing of a contract for a new passenger vessel to replace the *Leviathan*. This vessel will be the largest merchant ship ever constructed in the United States and will be a companion vessel to the *Washington* and *Manhattan*, popular participants in the North Atlantic trade. The Commission has also disposed of over eighty ships of its laid-up fleet under terms which will prevent their operation in competition with American ships now in active operation. Most of the vessels were sold for scrap.

The labor difficulties which have confronted American shipping men for sometime have been dealt with to the extent of the powers conferred upon the Commission. Minimum-manning and minimum-wage scales for certain classes of ships have been prepared and further study is being given to this subject. Standards of reasonable working conditions for crews have also been worked out and operators are being required to make such provisions for their ships' crews as will assure them proper standards. Within the limitations of the



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Act, steps have been taken to eliminate the causes of grievances on both the part of the employee and the employer.

The most constructive accomplishment of the Commission, thus far, however, has been the completion of its economic survey of American shipping. This report is probably the most thorough study of the subject which has ever been undertaken. It will guide the Commission in the future formulation of policy. In making public its special report on November 10, 1937, the Chairman stated that the survey just concluded indicates that "the American Merchant Marine is a very sick industry." "Any remedy, to be effective," it was added, "must be a compound of many ingredients."

The Problems. — There are many problems to the accomplishment of the purposes of the Merchant Marine Act of 1936 but certain of them are of special importance. The labor problem is recognized as one of the more intricate and labor conditions in the American Merchant Marine have been referred to as "deplorable." The Maritime Commission concludes that unless something is done to reduce inter-union friction, to increase the efficiency of our crews and to restore discipline upon our ships, all Government efforts to develop a strong American fleet will be futile. "A merchant marine built upon inadequate and unsatisfactory personnel is little better than no merchant marine at all." To assist in solving this important problem, the Commission has recommended the establishment of a mediation board similar to the Railway Mediation Board which is stated to have been conspicuously successful in minimizing labor strife in that field. The Commission has also gone carefully into the question of sea training and one plan proposed provides for the training of 500 young men a year under the supervision of the United States Coast Guard. The labor problem is not insurmountable but its difficulties are fully appreciated by all those in close touch with our maritime affairs.

The analysis of the financial condition of the subsidized lines, in view of the replacement needs of the companies, reveals a truly depressing outlook for this segment of the industry, the Commission has stated. The procurement of capital necessary for the development of a privately owned and operated merchant marine is another important factor in the successful accomplishment of the aims of the Merchant Marine Act. However, various steps are being taken to place the industry on a sounder basis. Consolidations, mergers and eliminations are now under way. The Commission, in its survey, points out that a weakness of the American Merchant Marine, and one which seems unlikely to be remedied, is the hesitancy of private capital with regard to

this industry. "Whatever money is forthcoming," it is stated, "probably will come from the so-called 'insiders,' who have an investment to safeguard and who may have an interest in some related industry benefited by the maintenance of the ship line in question." The problem of capital is a serious one but its solution may lie in the development of greater interest in our maritime affairs and some assurance to investors that the industry is as soundly managed as those which command a flow of necessary capital.

It has been determined that only nine companies are reasonably assured of continuing existence under the Merchant Marine Act of 1936. Three of these companies do not require any new vessels at this time and the six remaining companies will require about sixty-six vessels to replace their existing fleets and to provide for anticipated expansion. It appears that, providing certain details are ironed out, sixty vessels can be built within a period of five years. The Commission adds to this statement: "There are too many factors, some of them unpredictable, to make the contemplated construction program anything more than an expressed intention." However, if it becomes a reality, it will be the largest merchant ship program undertaken in the United States since the World War.

Reference has sometimes been made to the apparent inconsistency of our trade agreements policy and the development of a merchant marine. The Commission has dealt with this phase of the subject and has stated that it does not view this apparent inconsistency in national policy as a serious obstacle to the development of our shipping. "Shipping is a basic industry, upon which many other industries depend, and for that reason it should be preserved," is the Commission's belief. It is possible that the development of a more adequate merchant marine will give us an added instrument with which to work in the carrying forward of our trade agreements program. However, students of maritime affairs are convinced that the national defense feature of maritime development is alone sufficient evidence of its necessity.

Carrying out the directions of Congress, the Maritime Commission in its survey has suggested certain amendments to the Act of 1936 and among these may be mentioned the alteration of the down payment required on new construction. At the present time this consists of 25% of the domestic cost and it is suggested that it be changed to 25% of the foreign cost. It has also been suggested that where the construction differential is more than 50%, operators be permitted to build abroad. Certain extensions of the Commission's powers are also recommended, all of the recommendations be-



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ing made in order that the objectives of the original Act may be more likely of attainment. The Maritime Commission, in addition, believes it would be desirable to combine the functions of many of the governmental agencies which now exercise some jurisdiction over maritime affairs. A preliminary survey has shown that not less than fifty bureaus extend some form of control over shipping.

The Commission dealt with a vast number of questions in its survey but certain conclusions are of greater interest to the general public than others. A tentative schedule, subject to further refinement, has been drawn up with regard to essential trade routes and these comprise 23 services deemed essential to the proper development of American commerce. Studies have shown that it would be very unwise for the United States to enter the field of tramp shipping at this time. Indications are that it would be equally unwise for the United States to attempt to compete with nations favored by lower costs with respect to luxury, size or speed. This indicates that the superliner is not contemplated as a part of the American Merchant Marine which it is hoped will be built in the near future. Transoceanic aviation plays its part in the decision not to compete in the luxury liner field. Flying boats which are promised for the near future will, it is claimed, reduce the cost of carrying a passenger to about half that of the superliner while making the trip six times as fast. Because of the interrelation between sea-borne traffic and overseas flying, the Commission has recommended that the responsibility for developing the new form of transport be lodged in the Maritime Commission.

A recommendation of the Commission which may be termed by some as radical and destructive of one of the oldest customs of shipping is that which deals with the revision of the existing form of ship's articles. It has long been the practice of the sea to sign workers on and off for each voyage. "Whatever justification there may have been for this archaic system in the days of the sailing ship, there seems to be no reason for its perpetuation. Continuous employment is the rule in most industries. It should be the rule in shipping." So, regardless of the objections which may arise from this recommendation, its adoption should be a step forward in the creation of a more permanent personnel for American shipping.

The Benefits. — The accomplishment of the aims of the Merchant Marine Act of 1936 will be of benefit to American commerce as a whole and will assure steady employment for workers in shipping and in the shipyards. The creation of a long-range program by the Maritime Commission should stabilize conditions in the shipping industry, attract



additional capital, and permit the development of a merchant fleet on a sound economic basis. We do not desire to rule the waves but our position as one of the most important powers in the world's commerce demands that we provide ourselves with ocean carriers capable of transporting a reasonable share of our exports and imports.

In conclusion one can do no better than quote, verbatim, from the Maritime Commission's own conclusions in its special report:

The commission believes . . . that the lines should be given all possible encouragement consonant with the objectives of the Merchant Marine Act, 1936. If they are still unable to build, the commission should be prepared to proceed promptly with extensive construction for government account. . . .

The commission has been guided in its approach to the merchant marine problem by a single objective—the national welfare. Shipping—at least that portion of it which is subsidized—must be viewed as an instrument of national policy. Upon the degree to which shipping fulfills this public service function, therefore, must rest its principal claim for government support. . . .

Today, we have gone back a long way from the ambitious program of the early Nineteen Twenties. We are about to start again, not in a riot of enthusiasm, not with an expenditure of billions, but with a carefully planned program that gives due regard to the factors of need, method and cost. Therein, we believe, lies our hope for the future of the American Merchant Marine.

COTTON MARKET

(Continued from page 86)

income at least possible. By depressing the world price of American cotton to a point far below United States costs of production, it is conceivable that part of this country's world markets for cotton might be regained even in the absence of efforts to improve trade relations, but such an expedient would be ruinous to American cotton growers. Huge exports are a mockery if they do not mean a fair return to the producer. For the American South to sell cotton to the world at a price below cost might be excellent philanthropy, but the South at present simply cannot afford to be philanthropic; it has too many mouths to feed.

The desirable middle course would first serve notice to the world that the United States intends to keep its place in the world cotton market, and second it would continue the present national policy of building up and preserving the fertility of the soil by adjusting production of cotton to a volume slightly above what the markets of this and other countries have been accustomed to take, while at the same time providing land for additional production of home feed and food crops.

Under such a program, this country apparently



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could provide its domestic and foreign customers with about 13 million bales of cotton year after year, or more if they needed it, grow additional supplies of home feed and food crops, and build up the soil fertility at the same time.

The national farm plan now being followed in the United States under the provisions of the Soil Conservation and Domestic Allotment Act embodies precisely this program for the cotton industry, and fits it into the general program for American agriculture as a whole.

The national farm plan and the cotton program alike are designed to safeguard consumer interests and retain or enlarge market outlets by maintaining adequate supplies at all times and at fair prices; to conserve the fertility of American farm land for this and future generations; and to help assure farm families in the Cotton Belt as well as other agricultural regions, of an income sufficient for the good living to which they are entitled.

INCOME TAX RETURNS

(Continued from page 88)

tion mentioned in Item 22, a credit of \$400 may be claimed for each person (other than wife) under 18 years of age, or incapable of self-support, who received his or her chief support from the taxpayer during the taxable year.

Item 27. This should be 10% of earned income shown in Item 1, except that it cannot be more than 10% of Item 20.

Item 29 is believed clear.

Item 30. If the amount given in Item 24 is less than \$4,000 there will be no surtax under Item 30. If Item 24 exceeds \$4,000, but does not exceed \$6,000, the surtax is 4% of the amount by which Item 24 exceeds \$4,000. Similarly, if the amount, given in Item 24 exceeds \$6,000, but does not exceed \$8,000, the surtax is 5% of the amount by which Item 24 exceeds \$6,000.

My lawyer friend was inclined to think that taxes on gasoline would not be allowed as an exemption, for the reason that they are not imposed upon the consumer directly but upon the seller, by whom the corresponding additional amount is charged the consumer. However, upon explaining to the lawyer that some members of our Embassy staff at London are exempted by the British Government from the payment of this tax, he felt that there might be a chance of the deduction being concurred in by the Collector and thought it worth while at any rate to claim it.

In regard to contributions, the general rule is that only donations or contributions to recognized charities or associations will be allowed.



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In regard to traveling expenses, the lawyer wrote me as follows:

"Only travelling expenses will be allowed while one is away from home 'in pursuit of a trade or business' (Section 23; *Federal Revenue Act, 1934*). While you are not engaged in what is technically known as a 'trade or business' it has been provided for tax purposes that the term 'trade or business' includes the performance of a function of a public office (Section 48; *Revenue Act, 1934*). The circumstances of each case are considered by the Treasury which decides whether the expenses are business or personal and, no doubt, the question may be raised in your case.

For the above reasons, I suggest that you revise your statement as follows:

Travelling expenses from London to the United States, these expenses being incurred by reason of obligations incident and essential to and arising from my office and/or employment.

In claiming allowance for travelling expenses, such expenses include the entire amount

expended for 'meals and lodging,' as provided in the above *Section 23* of the *Revenue Act, 1934*."

It is felt that the above language represents the situation truly, because in every reasonable sense it is necessary, or obligatory, that Foreign Service Officers visit the United States from time to time, and it is undeniable that the expense of such visits are incurred by reason of their employment; for if Foreign Service Officers were not stationed abroad, the necessity of their spending money to visit the United States would not arise. However, it was thought advisable to add something to the lawyer's language, as shown in item 18 above, under which claim was made for traveling expenses.

In regard to official entertaining, the lawyer wrote as follows:

"Another item which you have included in your 'Other Deductions' is \$..... for 'official entertaining.' While the cost of specific entertainment and its relation to the taxpayer's business must be clearly established before a deduction will be allowed, the tax authorities



cannot disregard the taxpayer's uncontradicted testimony as to the relation even though the sum spent was substantial. Therefore, this is also something which depends upon the facts of each case and no definite rule is fixed, except that if such entertaining is necessary and arises from and incident to the official business or position, the item should be allowed. Therefore, I would include the entire amount of the deductions you claim, plus such additional expense as you may think justified in view of my above comments."

No certainty is felt that all of the deductions mentioned above will be concurred in by the Collector, but they all seem reasonable and just and it is felt that an effort, at least, should be made to secure their exemption.

(EDITOR'S NOTE: It is understood that the amounts claimed as deductions were allowed and that the return was audited as correct. The return referred to was made up during March, 1936.)

NEWS FROM THE FIELD

(Continued from page 115)

Jamaica, landing at Miami.

The occasion for this sudden call was the necessity of Adam's testimony before the Federal Grand Jury at Baltimore which was considering indicting 14 members of the crew of the American steamship *Algic*, whose crew had staged a strike in the harbor of Montevideo the previous September. He arrived only one day before the date set for his testimony, as the plane schedule had been delayed by storms over the Andes.

The men were subsequently indicted and later found guilty on two counts of an "attempted revolt" indictment, Adam staying in the United States to testify also at the trial. He has now been ordered back to his post, but the possibility remains that he will be called up again at a later date to testify at the trials of three more of the crew being held in Brooklyn, New York, and one other now in jail in Jacksonville, Florida.

BIRTHS

A son, Rafael Francisco, was born to Mr. and Mrs. Ralph G. Saucedo on October 7, 1937, at Guaymas. Mr. Saucedo is clerk at the consulate at Guaymas.

A daughter, Lucia, was born to Mr. and Mrs. Charles Millet, at Tokyo on October 27, 1937. Mr. Millet is serving as language officer at Peiping.

A daughter, Graee Adele, was born to Mr. and Mrs. Wales W. Signor on November 28, 1937, at

Should this second trip become a reality, it would mean that Adam had flown some 28,000 miles in a six month's period.



LUXEMBURG

From left to right: John J. Ernster, President of the American Veterans' League at Luxemburg; George Platt Waller, Charge D'Affaires ad Interim at Luxemburg on occasion of bestowing of Purple Heart, Silver Star, and Victory Medals upon American Veterans of the World War residing in Luxemburg on November 11, 1937.



American veterans who received decorations on November 11, 1937, at Luxemburg for services in the World War gathered before the Monument de Souvenir. Delegations from the French, Belgian, Italian and Luxemburg veterans' organizations were present with flags, and the Grand Ducal Government and armed forces were officially represented.

Melbourne, where Mr. Signor is Vice Consul.

A son, Douglas Hamilton, was born to Mr. and Mrs. Frederick P. Latimer, Jr., on December 19, 1937, at Istanbul. Mr. Latimer is assigned there as third secretary and consul.

COVER PICTURE

Lin Lee Chang, merchant. The picture is another one of the set of Chinese photographs contributed by Kathleen Todd of the Embassy staff at Peiping.



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