DEPARTMENT OF THE INTERIOR
BUREAU OF EDUCATION

BULLETIN, 1924, No. 21

# PRACTICES AND OBJECTIVES IN TRAINING FOR FOREIGN SERVICE

REPORT OF
THE NATIONAL CONFERENCE ON FOREIGN SERVICE TRAINING
WASHINGTON, DECEMBER 26, 1923

Prepared by

GLEN LEVIN SWIGGETT
SPECIALIST IN COMMERCIAL EDUCATION

WASHINGTON
GOVERNMENT PRINTING OFFICE
1924

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# CONTENTS

# PRACTICES AND OBJECTIVES IN TRAINING FOR FOREIGN SERVICE

REPORT OF THE NATIONAL CONFERENCE ON FOREIGN SERVICE TRAINING, WASHINGTON, DECEMBER 26, 1923

## INTRODUCTION

Eighteen States and the District of Columbia were represented at the second conference of collegiate instructors in foreign service training subjects, which was held at the New Willard Hotel, Washington, D. C., December 26, 1923, under the direction of the former advisory council and committee of fifteen on educational preparation for foreign service, now known as the National Council on Foreign Service Training. This conference was the outgrowth of a small round-table conference held under similar direction at the Hotel Sherman in Chicago, December 27, 1922. Preliminary to the latter conference the chairman of the National Council on Foreign Service Training, Dr. G. L. Swiggett, requested two groups of men engaged in the service of Government and business for an opinion based on experience in regard to necessary educational preparation for their respective types of work.

Each group expressed the belief that overspecialization was not desirable; that technique should come late in the course of study; that the maximum of English should be offered; and that chemistry should be taken as the basic science. The business group urged as essential studies: A course in general geography of collegiate grade on a commodity basis, general economics, industrial history of the United States, at least two foreign modern languages, and accounting and finance. This group expressed the belief further that typewriting and stenography are essential; advanced courses in government unnecessary; that the economic aspects in collegiate foreign service subjects should be stressed early; and that opportunity be found for continued training on the job. It is the belief of those who have had experience in the consular and diplomatic service that one for-

eign modern language, well taught over a long period of years, is preferable—if two are studied they should be from different groups, like French and German; that history is the most important of secondary subjects; that thorough courses in general history should precede regional treatment of economic history; that algebra and plane geometry be required; that typewriting and knowledge of accounts are necessary tools; and that a course in general science and at least three years in Latin be offered in the high school.

With the above suggestions in mind it was decided at the 1922 Chicago conference that the following subjects, with unit requirements, will best serve as secondary preparation for further collegiate study in foreign service subjects: English, 4; modern language, 4—at least three units in one language; American history,[1] 1; English history or modern European history,[1] 1; economic geography, 1; mathematics—algebra and plane geometry, 1½; chemistry or physics, 1; civics, ½; elective, 1; 15 units in all.

## COURSES OF STUDY

The following courses of study[2] have been designed to meet the needs of colleges and universities for a four-year articulated and motivated course of study in preparation for overseas service of Government and business as well as for general economic and political culture. Established educational practice has been considered in their preparation. Specifically, course of study A is designed as preparation for service in commerce; course of study B, for consular and diplomatic service.

COURSE OF STUDY A. *Freshman year, first semester.*—English, 3; modern language, 5; economic history, Europe since 1750, 3; mathematics, 3, or laboratory science, 5. *Second semester.*—English, 3; modern language, 5; American economic history, or economic resources, 3; mathematics, 3; or laboratory science, 5.

*Sophomore year, first semester.*—Modern language, 3; principles of economics, 3; accounting, 4; transportation, 3; contracts, 3. *Second semester.*—Modern language, 3; principles of economics, 3; accounting, 4; transportation, 3; agency, 3.

*Junior year, first semester.*—Modern language, 3; business organization, 3; money and banking, 3; marketing, 3; foreign trade practices, 3. *Second semester.*—Modern language, 3; statistics, 3; corporation finance, 3; sales administration, 3; foreign trade practices, 3.

*Senior year, first semester.*—Modern language, 3; foreign exchange, 3; international trade principles, 3; marketing studies of major commercial areas: Europe, Far East, Near East, Latin America, 6. *Second semester.*—Modern language, 3; foreign credits, 3; international trade policies, 3; marketing

[1] With emphasis upon the economic aspects.

[2] The figures after the subjects, arranged by year and semester, refer to number of hours per week offered in each subject.

studies of major commercial areas: Europe, Far East, Near East, Latin America, 3; foreign investments 3.

COURSE OF STUDY B. *Freshman year.*—(Same as in COURSE A.)

*Sophomore year, first semester.*—Modern language, 3; American Government and politics, 3; American history, 3; principles of economics, 3; elective, 3. *Second semester.*—Modern language, 3; English history, 3; American history, 3; principles of economics, 3; elective, 3.

*Junior year, first semester.*—Modern language, 3; European history, 3; English Government, 3; commercial and maritime law, 3; money and banking, 3. *Second semester.*—Modern language, 3; European history, 3; governments of Continental Europe, 3; commercial and maritime law, 3; foreign investments, 3.

*Senior year, first semester.*—Modern language, 3; international law, 3; international trade principles, 3; political history of Europe and Near East since 1850, 3; American foreign relations, 3. *Second semester.*—Modern language, 3; international law, 3; international trade policies, 3; political history of Far East and Latin America since 1850, 3; American foreign policies, 3.

## NATIONAL COUNCIL ON FOREIGN SERVICE TRAINING

The National Council on Foreign Service Training was appointed on request of the first public conference on this subject, which was organized by the chairman of the council and held in Washington December 31, 1915, under the joint auspices of the Pan American Union, the Consular Service of the Department of State, the Bureau of Foreign and Domestic Commerce, and the United States Bureau of Education. Through the effort and investigation of the council, the purpose that underlay its appointment has been kept steadily in mind, namely, to plan for and promote a type of training which would not only give to business and to the service of the Government at all times an adequate supply of properly trained personnel, but would aid in building an intelligent and informed public opinion on all matters relating to foreign contacts and relations of our Government and our people.

Through the United States Bureau of Education the council has aided in the establishment of broad foundational work in our schools and colleges for subsequent foreign service study, particularly in the field of business education, including the modern languages and social studies. It has helped in coordinating the various types and grades of schools offering instruction in these fields, in securing larger opportunities for the study of well-planned sequences in languages, science, and social studies, in order that our future graduates might enter the foreign service of the Government and of business with a broad background in addition to essential technique. The council has also stimulated the interest of organized business and education for better preparation for foreign service, it has participated in conferences on this subject in connection with annual meetings of business men and educators, and has encouraged the publication of statistics, reports, etc., relating to foreign service training.

The National Council on Foreign Service Training consists of the former members of the committee of 15 and its advisory council. The former constitute the active members of the council; the latter, the advisory, all of whom are representative men of the Government, of business, and education. The active members of the council are E. D. Adams, Stanford University; E. L. Bogart, University of Illinois; James Carter, National City Bank of New York; J. Anton de Haas, New York University; Stephen P. Duggan, director of the Institute of International Education, New York City; James C. Egbert, Columbia University; E. B. Filsinger, of Lawrence & Co., New York; W. F. Gephart, First National Bank, St. Louis; Howard C. Kidd, University of Pittsburgh; Howard T. Lewis, University of Washington; W. F. Notz, Federal Trade Commission; Leo S. Rowe, Director General Pan American Union; C. D. Snow, Chamber of Commerce of the United States of America; H. A. Tosdal, Harvard University; and G. L. Swiggett, United States Bureau of Education, chairman.

Among the projects which now engage the attention of the active members of the council may be mentioned the following: A report on foreign service training in foreign countries; the preparation of a syllabus for a one-semester course on foreign trade for use in colleges and universities; and the program of coordinated student travel for study or otherwise in foreign countries.

## NATIONAL CONFERENCE ON FOREIGN SERVICE TRAINING.

Topic of the National Conference on Foreign Service Training, Washington, December 26, 1923: Practices and objectives in training for foreign service of Government and business. General chairman of the conference; Glen Levin Swiggett.

### PROGRAM

*Afternoon Session, 2 O'clock, New Willard Hotel*

Topic: Selected Collegiate Types, with Emphasis upon Methods and Motivation

L. S. Rowe, Director General, Pan American Union, presiding

Ohio State University—Eugene Van Cleef, Chairman, of Foreign Commerce Division, College of Commerce and Journalism.

Georgetown University—W. Coleman Nevils, S. J., Regent, School for Foreign Service.

New York University—J. Anton de Haas, Professor of Trade and Transportation, School of Commerce, Accounts and Finance.

Dartmouth College—Frank R. Rutter, Professor of Foreign Commerce, Amos Tuck School of Administration and Finance.

Harvard University—G. B. Roorbach, Professor of Foreign Trade, Graduate School of Business Administration.

*Evening Session, 8 o'clock, New Willard Hotel*

Topic: Foreign Trade and Foreign Service; Structure and Functions of Agencies, with Emphasis upon Opportunities for Placement

William F. Notz, Dean of the School of Foreign Service, Georgetown University, presiding

Business—William S. Culbertson, Vice Chairman, United States Tariff Commission.

Commercial Organizations—Edward L. Bacher, Assistant Manager, Foreign Commerce Department, United States Chamber of Commerce.

Bureau of Foreign and Domestic Commerce—E. Dana Durand, Chief; Eastern European and Levantine Division.

Diplomatic and Consular Service—Wilbur J. Carr, Director of Consular Service.

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# PROCEEDINGS OF THE CONFERENCE

## AFTERNOON SESSION

*L. S. Rowe, presiding*

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LEO S. ROWE. On a recent tour through South America, traveling through Peru, Chile, Argentina, Paraguay, Uruguay, and Brazil, I was deeply impressed with the excellent preparation of the men who are now being sent to represent American enterprise in these countries. This improvement is due in large measure to the special training that is being offered in our universities for this career. Preparation for foreign service has come to mean professional training of quite as high grade as the training for the liberal professions. This new standard we owe to the schools of foreign service that have multiplied so rapidly during recent years. Those engaged in the preparation of the youth of the country for foreign service have every reason to congratulate themselves upon the results thus far obtained.

EUGENE VAN CLEEF. The curriculum in foreign commerce of Ohio State University is offered in the department of economic and social geography of the College of Commerce. A standard four-year high-school course is required for entrance. The work is based upon the first two years of general arts training with two subsequent years in marketing, general business principles, and foreign trade. In the latter division of work about one-half is devoted to general business, one-tenth to special courses in foreign-trade technique, and two-fifths to geographic aspects of trade. Throughout the four years languages must be carried, including a fair share of English. In addition to the 10-hour foreign-language requirement in the first year upward of 30 hours more is required, depending upon the language preparation of each student. In addition to the number of electives the following subjects are offered in the third and fourth years:

*Third Year.*—Money and banking, geography of Europe, political geography of South America, business law (contracts), Caribbean region and Panama Canal, business law (agency and sales), geography and history of commerce, marketing.

*Fourth Year.*—Exporting and importing, marketing problems, salesmanship, world industries and commerce, exporting and importing, foreign exchange, principles of advertising, trade centers and trade routes, international commercial policies, field work in geography and commerce, economic geography of the Far East.

Among preferred electives are: International law; port and terminal problems; ocean and inland water transportation; business communications; business statistics; economic history of the United States; Europe and the World War, from 1878 to 1918; European problems of reconstruction from 1918 to the present; Europe and Asia (the Far Eastern question); history of Latin American republics.

The United States is in the early stages of international trade. The latter will grow only at a moderate rate. Many of the graduates of the foreign-trade course must serve therefore as pioneers. They must be prepared to enter domestic business; look for foreign trade opportunities, and get permission from their employers to try their hand at foreign trade; once they succeed they will be given greater opportunity until eventually a substantial foreign business is developed. The course of study therefore is so shaped that the student upon graduation can fit himself rapidly into the domestic as well as foreign field.

W. COLEMAN NEVILS. The school of foreign service of Georgetown University is a complete and separate department established for the purpose of giving the necessary training for work in all fields of foreign service and foreign trade, including exporting, importing, international ship operation, consular, diplomatic, and trade commissioner services, international law, etc. The entrance requirements are those of standard American universities for degree candidates. The applicant, however, ordinarily must be 20 years or over. Sufficiently competent persons are admitted as special students. The degree course is four years; certificate courses are two or three years. The student body at present includes men from practically every State in the United States and from approximately 20 foreign countries. The first-year course includes logic, ethics, English, forensics, and other basic cultural subjects. The second year covers the fundamental subjects necessary for any branch of foreign service, such as staple commodities, economics, applied geography, commercial policies, languages, etc. There are two fourth-year courses. One gives advanced courses in direct preparation for diplomatic and consular work, including such subjects as international law, diplomatic procedure, foreign relations, diplomatic history, etc.; the other gives courses in direct preparation for international shipping, including such subjects as steamship operation, steamship-office management, ports and terminals, etc.

Graduates of the school of foreign service must be able to speak and understand with facility at least one modern language. They

must have also a sound and broad knowledge of geography, of those broad phases of modern day geography that touch closely upon the life and happiness of all individuals and nations. Original research work under close supervision is also required.

J. ANTON DE HAAS. The requirements for admission to foreign trade work at New York University are: (1) Graduation from a four-year approved high school—this work must include four years of English, one year of algebra, and not less than two years of some one science; (2) psychological and personnel examinations. Special students 21 years of age are admitted provided they have had some business experience.

Two degrees are offered. The bachelor of science degree requires four full years of study, of which two years are of cultural character. The bachelor of commercial science degree requires 96 points, or approximately three full years of purely commerce work.

All courses in foreign trade are given in the department of trade and transportation. The introductory course extends throughout the year and deals with the external organization of foreign trade, with institutions, and with the legal background. Another introductory course deals with international commercial policies. It is on these two courses the further work is built. This has been arranged in four groups. Group 1 deals with the commerce of raw products, the marketing of manufactured products, and contains a seminar in foreign trade. Group 2 includes regional surveys of Latin-American, European, African, Russian, Far Eastern, and Near Eastern trade. Group 3 deals with the technique of exporting and importing and sales practice in foreign trade. Group 4 deals with transportation, marine insurance, and terminal facilities.

FRANK R. RUTTER. The thoughts and ambitions of the students at the Amos Tuck School, Dartmouth College, run to production and finance and domestic sales, rather than to foreign trade. The present problem therefore is to give those in the foreign-trade courses, whose primary interest is in other fields, an added tool, so that when our graduate rises through the production, accounting, or sales departments to a general executive position, he may know something of foreign trade and be able to sense general world movements; and may know how to handle foreign as well as domestic transactions if he goes into selling or banking.

The best business executive is an all-around man, able to judge accurately the problems and the accomplishments of all departments and to fit together their several plans. His training should therefore not be one-sided; specialization should come after, and be built on, general business training. The essentials are the same in domestic and foreign selling, and banking, and the other branches of business. The student who is going into foreign trade must know

production, finance, accounting, statistics, commercial law, foreign languages, marketing, and sales, and he can learn them best from the specialist in each field. That greatly simplifies the task of the teacher of foreign trade. He needs but to emphasize the foreign side of things—how foreign conditions differ from those in the United States, how trade practice varies from one country to another, how to modify selling methods in consequence, and how to overcome the difficulties incident to great distances and tariff barriers. The Tuck method is the "built-in" method.

To enter Tuck school a student must have completed at least three years of college work; have taken certain required courses (among them, two years of economics and one year of a modern foreign language); and stand in the first half of his class. The course covers two years. The first-year work is practically all prescribed and includes a course in foreign markets, a descriptive course in foreign trade that treats of countries and products as a background for trade and trade methods. At the end of the year the successful student receives the degree of bachelor of arts or bachelor of science.

Specialization comes in the second year. Among the electives offered during the first semester is a general course in foreign-trade principles and problems. The treatment is topical. Facts already learned are brought into their logical place and new facts added; alternative methods and practices are compared; and, with the aid of problems, the student is trained to analyze situations and to make reasoned decisions. He is then ready to take up, during the final semester, one or both of the more technical courses: The first, in export merchandising, designed for men specializing in sales or foreign trade; and the other, in export technique, for men specializing in finance or foreign trade. Upon completion of the work of the second year and the presentation of a satisfactory thesis, the student receives the degree of master of commercial science.

G. B. ROORBACH. The Graduate School of Business Administration at Harvard University admits only graduates of approved colleges. The course covers two years and leads to the degree of master of business administration. The school believes that specialized business education should be based on a broad foundation of general business training, and therefore requires that each student shall take introductory work in the following subjects before he begins his specialized training in any field of business: Accounting, business statistics, finance, industrial management, and marketing. These subjects constitute generally the first year's work of the student whether he is specializing in accounting, banking, transportation, marketing, foreign trade, or any other subject. During the second year the student electing to specialize in foreign trade may choose from the following subjects: Foreign-trade principles and

organization, export sales management, foreign exchange, Latin-American trade, Far-Eastern trade, and European trade. He must also take business policy, a course concerned with business problems in all their interrelations, which is required of all second-year students.

The general purpose of the courses in foreign trade is to give the students the necessary background of the facts and principles of international commerce, foreign-trade methods, foreign finance and investment, foreign markets and marketing methods, together with training in the application of these principles to actual business conditions. The method of teaching centers largely around the study of business cases or problems. The cases used are taken from actual business experience and are collected from business houses by the school's bureau of business research. The aim of the instruction is to acquaint the student with problems met by the business executive—problems of administration and business policy as applied to foreign trade. While the courses inevitably deal with many of the technical aspects of foreign trade, it is assumed that most of the technical details will be learned in actual business experience; but that the ability to analyze problems, understand principles, and apply facts and principles to concrete cases, is the most important aim in university business education.

## *EVENING SESSION*

*William F. Notz, Dean of the School of Foreign Service, Georgetown University, presiding*

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W. F. NOTZ. This second conference of collegiate instructors of foreign-service training subjects is meeting an actual need in American education. It is a new field of work, and new problems in education are being submitted for consideration. To understand them, to analyze them, and to arrive at some satisfactory solution, if possible, is a matter that affects the efficiency of a growing number of educational institutions throughout our country, and common counsel and cooperation seem therefore not only timely but highly desirable. This annual conference serves as a clearing house for foreign-trade education, and a national forum for considering its present and future needs—thus rendering a distinct constructive service which can not fail to reflect itself beneficially upon the commercial and cultural life of the United States.

A practical problem which is pressing for attention is the placement of men trained for foreign trade. We are to-day meeting with the same difficulties which a generation or more ago confronted the law and medical schools and other pioneer ventures in the history of American education. The question of adjusting, of developing a demand for men and women trained for foreign trade, has become a very live issue.

WILLIAM S. CULBERTSON (Editor's comment.)—Marked emphasis was placed at the afternoon session upon nontechnical studies in preparation for foreign service, and this same thought ran as a connecting thread in the remarks of the first speaker of the evening, William Culbertson, vice chairman of the United States Tariff Commission. The key thought of his address was that training for foreign service should be most broadly based; that preparation for foreign trade may be called education in the economics of diplomacy. Technique has been overemphasized, he said. In its place we must substitute largely for our students a point of view that will enable them to meet situations as they arise.

E. L. BACHER. Foreign-trade bureaus in American commercial organizations are of comparatively recent origin. Prior to 1912

chambers of commerce in the United States received few demands for assistance in the promotion of overseas trade. The larger American business concerns had their own channels of distribution. The experienced export commission houses took care of smaller manufacturers. The World War placed upon commercial organizations the obligation to supply their members a vast amount of foreign-trade information of an extremely varied and frequently a highly technical character. Forty-six chambers of commerce in the United States maintain foreign-trade bureaus. Twenty-six of them are cooperative offices of the United States Bureau of Foreign and Domestic Commerce. Twenty-five are located at interior points.

There are two broad divisions of the work of these bureaus: First, research and publicity work—in cooperation with the foreign-trade committee of the chamber of commerce—in the study, determination, and promotion of definite policies with respect to foreign-trade legislation and to the establishment of adequate facilities of a national character for the conduct of overseas trade; second, general service work covering the hundred and one different phases of export and import business. Broader questions relate to the support of Government activities in the promotion of overseas trade, Federal incorporation of firms in the China trade, the reduction of passport and visa fees, the expansion of our parcel-post system to such countries as Cuba, the general tariff policy of the United States, combinations in export trade under the Webb-Pomerene Act, etc. Of related consideration is the local situation with reference to the establishment of adequate facilities for the handling of export and import shipments, the financing and insuring of same, and the creation and maintenance of a sound foreign-trade interest.

Technical service, rendered by these bureaus, reflects the foreign-trade problems which confront exporters and importers. In so far as students of foreign trade can be taught the solution of these practical problems, just so much greater will be the demand for their services in the business world upon the completion of their collegiate work.

The local bureau maintains constant contact with the foreign training concerns in its membership. Information of permanent interest to houses handling a particular commodity or dealing in a particular market must be brought to their attention. It supplies copies of books, reports, special trade announcements, etc., maintains a library, reference files of clippings and statistics of exports and imports, and aids local business men visiting foreign countries and foreign business men visiting the local city. It has contact with American consuls abroad and chambers of commerce in foreign countries, and through the International Chamber of Commerce can

bring the opinions of its members to bear upon many important commercial problems of international moment. The organization of clubs, meetings, trade and language classes, tours to overseas markets, visits to the foreign departments of local industries, form part of its general activities. The bureau is called upon for service relative to the shipping of merchandise to foreign ports, particularly information regarding sailing dates, shipping rates, routing of shipments, packing requirements, traffic claims, parcel-post facilities, etc. It helps with questions regarding cables and wireless and with the coding and decoding of messages. Where translation service is not maintained it helps in the selection of public translators, the drafting of foreign-trade literature, and the selection of foreign advertising media.

In the financing of overseas shipments this bureau must keep in touch with exchange rates, local facilities for handling drafts on foreign countries, the meaning and operation of various form of financial documents, as well as the details of marine insurance, pilferage insurance, etc., and facilities for the obtaining of such coverage. Importers call upon the bureau for American tariff rates, information as to drawback and bonded warehouse requirements, foreign sources of supply, etc. Trade disputes emphasize the need for acquaintance with channels for commercial arbitration, with the correct meaning of trade terms and definitions, as well as with the various conditions and provisions of bills of lading, letters of credit, agency contracts, and bills of sale, with collection methods, with sources of credit information, and with legal procedure for prosecuting cases which would not yield to amicable adjustment through arbitration.

The trade association's foreign-trade executive is concerned with a definite commodity or group of commodities. As an example of this work the Tanners Council of America has compiled a list of foreign importers of leather throughout the world, made a file of credit reports upon leather buyers, and published detailed monthly statistics regarding imports and exports of raw stocks of leather, an international cable code for use by hide and leather trades, adjusted complaints, etc. The National Automobile Chamber of Commerce keeps members supplied with information through a loose-leaf manual; works for good roads throughout the world; and looks after the foreign tariff situation, in so far as it affects the importation of automobiles and motor trucks, as well as foreign legislation affecting the sale of such vehicles.

In addition to trade associations the large exchanges make foreign-trade matters a definite part of their daily activities. Large national foreign-trade organizations, such as the National Foreign Trade

Council, the American Manufacturers Export Association, etc., focus the attention of foreign traders upon national problems and provide certain services to members in the promotion of their own trade. Export managers' clubs and foreign trade clubs serve as a definite channel for the discussion of foreign trade problems. There have also sprung up in foreign countries, due for the most part to the need for cooperation locally in the promotion of American trade, some 40 American chambers of commerce in foreign countries. Not only are there American chambers of commerce in the Philippines, Porto Rico, Hawaii, and Alaska, but also in the following foreign countries: Argentina, Belgium, Bolivia, Brazil, Chile, China, Cuba, Dominican Republic, Egypt, England, France, Germany, Greece, Haiti, Italy, Mexico, Poland, Portugal, Serbia, South Africa, Spain, and Turkey.

The Chamber of Commerce of the United States, organized in 1912, maintains through its foreign commerce department contact with the national organizations interested in the promotion of foreign trade with the foreign-trade bureaus in chambers of commerce and trade associations in the United States, with American chambers of commerce, and with a great many of the larger local commercial organizations in foreign countries. It has given consideration to such national questions as the improvement of the consular service, support of the Bureau of Foreign and Domestic Commerce, combinations for export, American merchant marine, and American tariff policy. The International Chamber of Commerce, organized in 1919, has accomplished results in such matters as commercial arbitration, trade terms, customs regulations, and international transit.

The Chamber of Commerce of the United States brings to the attention of its members through its publications many matters of foreign-trade interest. The committee of the foreign commerce department meets to discuss foreign-trade problems that have been submitted to the Chamber of Commerce. Among subjects recently considered by the committee are the following: China trade act, the commercial agreement with Spain, the International Conference on Customs Formalities at Geneva, taxation of Americans abroad, reduction of passport and visa fees, trade terms and abbreviations, support of American chambers of commerce abroad, improvement of the diplomatic and consular service, appropriations for the support of the work of the Bureau of Foreign and Domestic Commerce, parcel-post agreement with Cuba, adequate naval patrol for American vessels of the Upper Yangtze, promotion of trade with Mexico, facilities for commercial student interchange with foreign countries, and plant quarantines.

The foreign commerce department issues quarterly a pamphlet entitled "Our World Trade," condensing and analyzing the export

and import statistics of the United States on a country and a commodity basis, and issues annually a "Foreign Commerce Handbook," indicating sources of service on export and import matters in the United States, etc.

One of the most noticeable gaps in the present-day machinery for training young men for foreign commercial service is the lack of adequate facilities for placing graduates in commercial positions. To some degree this is caused by the comparative quiet in export trade during the past few years. Even more so, perhaps, is it due to the belief of the practical man that the absorption of a given amount of printed information about world economic conditions, commercial treaties, shipping documents, and foreign languages can not make up for any existing lack of selling ability, business judgment, skill at profit making, and solid acquaintance with the trade. The foreign-trade instructor can do his students no more practical favor than to maintain himself firm contact with the men and concerns who are actually doing the nation's export and import business, either through direct contact with these individuals and concerns or through foreign-trade clubs, chambers of commerce, and trade organizations. To foreign-trade students these periodic visits to the foreign departments of American corporations, to the meetings of foreign-trade clubs, or visits to foreign countries where the branch offices and representatives of American houses are in actual operation will do much to give a practical turn to their training.

E. DANA DURAND. The Bureau of Foreign and Domestic Commerce is rapidly growing, due to the increasing recognition of the importance of foreign trade and of the necessity of fostering it. With the advance in our standard of living, with the discovery of new products in the hitherto less developed regions, with the improved facilities of transportation, our people are demanding more and more goods from abroad, and to pay for these our exports must be correspondingly expanded. At first our exports were chiefly agricultural products which more or less sell themselves. With the growth of our population and the development of our manufactures, we consume a larger portion of our own foodstuffs and raw materials, and must sell abroad increasing quantities of manufactured goods—for which markets must be sought, demand stimulated, and active competition met. American business concerns are coming to realize the complexities and difficulties of foreign trade, and the necessity of having in their employ men who have gained in advance, by study and research, much which can not normally be gained in the lower ranks of actual conduct of business. Closely related to the field of foreign trade is that of foreign investment. Intelligent placement of investments abroad requires a wide range of general

information and often a mass of detailed and specialized information.

The functions of the Bureau of Foreign and Domestic Commerce may be divided into two main groups—those relating to foreign trade and investments in general, and those relating to particular commodities or particular industries as fields of investment. It is of the utmost importance to any concern engaged in or about to enter foreign trade to know the general economic and political conditions both in the countries with which the concern deals and in countries which are competitors. Such conditions greatly affect buying power and competitive ability. The safety of foreign investments depends in a great degree upon similar factors. One of the most important functions of the bureau is to aid American business men to understand these general conditions. The exporter needs also to know the technique of trade—tariffs, export and import regulations, methods of organization, methods of promoting sales, agencies, methods of advertising, internal transportation facilities, methods of packing goods for shipment, etc. Many a concern has failed in its efforts from ignorance of these apparently insignificant details.

As to any particular export commodity, the business man wishes to know for each foreign country the facts as to general and special local demand; time variations in demand, etc. He needs to know about local production, the sources of import supplies, prices, and much that is peculiar to his own field regarding technical matters like tariffs, methods of selling, advertising, packing. The individual manufacturer or export house can not be expected to maintain the facilities necessary to get all the information required. Governmental agencies must be called in.

The foreign field staff employed directly by the bureau, though rapidly expanding, is still comparatively small—about 110 members apart from locally employed foreigners; and for a large proportion of the foreign information it is dependent upon the closely related Consular Service of the State Department. The personnel embraces commercial attachés and trade commissioners, assistant trade commissioners, and clerks to trade commissioners or attachés. The latter position should not be confused with that of a mere routine employee; it is one embracing responsible duties, and the bureau's policy is to appoint only those who are believed to be competent to rise to higher rank.

Owing to the limitations of its appropriations, the bureau is not able to maintain any considerable number of commodity specialists in the field service. For the most part, the same men have to perform both general and special functions. In the Washington office a high degree of specialization is obtained. The field of general economic, political, and financial conditions is covered primarily

by the four regional divisions, the Research, and the Finance and Investment Divisions. Then there are some 16 commodity divisions covering all the more important groups of commodities Finally, there are several divisions of a technical character—the Tariff Division, Transportation Division, Commercial Intelligence Division, and the Commercial Laws Division. The normal organization of a division is a chief, an assistant chief, and two or three specialists, besides the general clerical staff. Apart from the Washington staff the bureau maintains branch offices in the principal cities, which bring the services of the bureau more directly to the business man.

The bureau is more and more adopting the policy of taking men who have already had a satisfactory preparation, starting them in the lower ranks, and promoting them fairly rapidly if they make good. There are two ways in which a man can get the initial preparation required; first, by specialized study and second by actual business experience. A combination of both has marked advantages. Doubtless the bureau will have to seek men who have received their training in the universities and in specialized schools of foreign trade.

It is, in general, essential to a high measure of success in Government trade promotion work—and for that matter in private foreign trade activity—to have a good all-round education. The work requires ability to think, originality, and initiative. Specialization should not be begun too soon. The equivalent of the sophomore year in college at least should be completed in most instances before one devotes himself particularly to foreign-trade study. From this point on, the preparation will depend chiefly upon whether the young man aims at the more general or the more specialized commodity work. For the latter, the training for foreign-trade promotion is not materially different from that for engaging in the given domestic industry. In most cases the bureau finds it desirable to take its commodity specialists from those who have already had some experience in the actual industry concerned and not directly from the universities and technical schools.

For the more general work, specialized university training will often constitute a direct stepping stone to entrance into the bureau. The desirable courses include the following: (1) General economic principles—a thorough foundation course covering at least a full year and preferably with one or more supplemental courses; (2) banking, currency, and public finance—both general principles and practical details of the banking and especially the foreign exchange business; (3) industries and commerce of the United States—what we produce, are best fitted to export, and what we need to import; this should be both descriptive and analytical—deal with both facts

and causal relations: (4) industries and commerce of foreign countries—similarly studied; (5) statistical methods—not the higher mathematical methods, but such a course as will enable the student to understand and to test the validity of statistics and to digest and present them in an effective manner; (6) commercial policy—principles of foreign trade, balance of trade and of payments, the relation of currency and exchange to trade, tariff policy, bounties, and the like, partly descriptive but chiefly analytical and critical; (7) foreign trade practice—methods of organization, shipping, and exchange documents, commercial law, methods of selling, credits, collections, methods of packing, etc.; advanced training calls for several such courses; (8) modern history and political science—a reasonable summary, with special emphasis on economic history; (9) modern languages—French is of very great assistance in almost any part of the world; Spanish is useful throughout Latin America; German has a wide utility. Ability to read freely is more valuable and easier to acquire than a superficial ability to speak the language. (10) English composition should, of course, be thoroughly mastered before specializing. Nothing is more important for the work of the bureau than ability to write clear, concise English, and private business houses are laying more and more stress upon the same requirement.

An important question for the student is to decide how far he shall specialize regionally. For the majority of students the better plan is to devote a large part of the preparation to more general aspects; a minute knowledge of one country or region, if not accompanied by a broad, general grasp, will not make an all-round man for work even in that limited field. Moreover, the college or university student is usually in no position to foresee the relative demand for men to deal with different regions or countries. At the same time, regional specialization has advantages for those who already during their student career have affiliations which offer good promise of employment relating to some specific region, or who by having lived abroad have acquired a long start toward high expertness in a particular territory. In any case a certain amount of specialization serves to give the student a more concrete and practical point of view.

The method of instruction should be such as will develop thinking power. The student should be trained to grasp facts in their relations to one another, to have an orderly and logical mind, and to see things in due perspective. Specific problems and the case method should be extensively used, but the student should be made to grasp these problems and these cases in their larger bearings. One of the most important things is to acquire familiarity with the original sources of information which must be used in later work—the lead-

ing publications of our own country and of foreign countries dealing with industry and trade.

It is highly desirable that the student should get practical experience as he goes along. Summer vacations, part time during the college year, or an entire semester now and then, may well be spent in actual employment with some business concern, or with some trade association, or the Government itself. There is an important field for summer courses, night courses, and to some extent even for correspondence courses, for the benefit of those who have already begun their business career or who have already entered the Government service. The particular line of study which a man already employed should seek to pursue will necessarily depend largely upon circumstances. It is a mistake to encourage such a part-time student to hope to accomplish too much in a short space of time. It is a mistake to give him a mere smattering of training. Specialized education can not alone make a man satisfactory for the work of conducting or promoting foreign trade. Success depends upon personal traits—force, tact, courtesy, and what is generally called a pleasing personality.

The usual method of entrance into the Bureau of Foreign and Domestic Commerce is by civil-service examination. There are three principal grades of these examinations. In all three, previous education and experience are counted directly as an important part of the rating. The questions asked and the thesis required are of a practical character, such as will test both the general reasoning power of the candidate and his knowledge of major facts. The written examinations are not in a strict sense competitive, but only those who pass with relatively high rank have any real chance of appointment. If the candidate shows decided promise in his written examination, he is given an oral examination before a board of officers of the Civil Service Commission and of the bureau. The purpose of this is chiefly to judge personality.

The normal thing is for the successful candidate to take at first a subordinate position. If he makes good, promotion is likely to be rapid. He is likely to be given research work, filing, possibly some stenographic work. The entrance salary may not be more than $1,200 or $1,400. He may remain two or three years in the United States, gaining one or more promotions meantime, and thereafter he is likely to be sent into the foreign field as a clerk to a trade commissioner at a salary ranging from $2,000 to $2,500. The well-trained man with a good personality may hope, by the time he is 35 or thereabouts, to become a trade commissioner or even a commercial attaché or the chief of a division at Washington. The salaries of these positions at present range from $4,000 to $8,000.

WILBUR J. CARR. There are strong reasons why the subject of training for foreign service should be one of vital concern to the Department of State. The complexity of the relations of the United States with foreign nations has increased to an astonishing extent within recent years. The prices of our farmer's crops are fixed not alone by the conditions in this country over which we have control, but by events thousands of miles away in foreign lands; misinformation about the United States and its policies may almost overnight give rise to conditions resulting in the loss of a market worth many millions of dollars; while a new tariff or adverse administrative regulations imposed upon our products by a foreign government may almost instantly destroy a great industry and throw thousands of our people out of employment. To a greater degree than before the World War there are encountered on every hand foreign governmental policies or regulations that interfere with, if they do not actually prevent, freedom of commercial intercourse between the people of our country and the peoples of certain regions of the world. World trade and world politics have now come to have a relationship so close that it is not possible in the majority of cases to draw a line between activities which are purely political and those which ultimately affect our commercial welfare. Probably the principal activity of the Department of State and the foreign service of the United States has been devoted directly or indirectly to creating and maintaining a condition in which trade could be freely carried on by those seeking to engage in it.

It is of the utmost importance that the conduct of our international relations should be in good hands. There should be a steady flow of the most accurate information obtainable into the Department of State and other departments of the Government concerning the interplay of political parties, the evolution of policies, and the general political and economic conditions. The interpretation of these phenomena, to be useful, must be made by men who can think and analyze, who can recognize and weigh evidence, and who can avoid becoming the channel for mere propaganda. The negotiation of treaties and the protection of Americans in the lawful pursuit of their affairs requires agents who combine with sound professional knowledge that degree of tact and firmness which alone makes for success in negotiations. To quote from a British diplomatist of much experience:

> The new era presents for diplomacy tasks of greater complication and difficulty than it has ever had to deal with. The difficulty is not lessened by the increase of groups and parties with leaders, and press combinations with spokesmen who, however, with their small experience appeal to the public ear with quick and easy methods of solving problems, political, military, or diplomatic, which have taxed the highest abilities of experts in all countries in all

times. * * * The insidious weapon of propaganda has been and will probably be more and more used to create currents of opinion in certain quarters in order to promote specific aims. Constant vigilance, intelligent observation, and perception of the forces at work in other countries will be necessary to estimate real values, to detect sources of inspiration, and if possible to counter them. The peace and prosperity of the world will in the future even more than in the past depend on the manner in which international questions are handled.

The regular agency through which these international questions are dealt with is known as the foreign service, the two branches of which are the diplomatic service and the consular service. The former is primarily a political agency through which the Government carries on relations with the central authorities of foreign governments. The jurisdiction of the latter branch is restricted to specified areas or districts. It has contact with the local authorities of those districts but usually not with the central government; it is subordinate in a sense to the diplomatic mission at the capital and generally devotes itself to the concerns of individuals, to Americans in difficulty or distress, and to economic and commercial questions, and the application of our own laws to shipping, exports, emigration, and notarial services.

These two branches of the foreign-service organization may be said to be interdependent and yet essential to each other. In the defense of the country's interests and in the promotion and protection of its trade, the diplomatist and the consul are found working side by side with a common purpose, each doing that part of the work which his qualifications and his legal status permit him to do.

Embassies are now maintained in 12 countries and legations in 36 countries, a total of 48 stations. The heads of missions, as the ambassadors and ministers are collectively called, are frequently men who have had no previous diplomatic experience. Three ambassadors and 13 ministers now in the service, however, began their careers in the lower ranks of the service.

The other members of the missions are designated as counselors or secretaries, the number in each mission depending upon its importance. They obtain their appointments in the lowest grades of the service after an examination, and win their advancement by meritorious service. There are at present in the diplomatic branch of the foreign service 14 counselors and 116 secretaries. There are also a large number of clerks not within the classified service, making a total personnel of 630, not including the various military, naval, commercial, and other attachés, representatives of other departments.

Operating in conjunction with the diplomatic branch of the service is the consular branch with officers stationed in 410 cities of 57 countries. The American consulates usually exist for reasons of actual or potential trade; but not infrequently they are established

for the purpose of protecting American lives or property in the locality or of supplying points of observation in relation to political events that may be taking place. While it is generally supposed that consuls occupy themselves mainly with matters of commerce, a consul occasionally finds himself converted overnight into a diplomatic agent with all the responsibility which that position may entail for the representation of the United States in that region.

All consuls general and consuls of whatever class are career officers, enter the lower grades of the service after an examination to test their fitness, and win their advancement strictly through meritorious service. There is no position in the service which a young consular assistant, student interpreter, or vice consul of career may not hope to reach provided his qualifications and the character of his work prove more meritorious than those of his colleagues.

There are at the present time 2,816 persons in the consular branch of the service, 534 of whom are consuls general, consuls, vice consuls of career, interpreters, student interpreters, and consular assistants—that is, officers of career who have entered by examination and are eligible to promotion.

The cost of the diplomatic and consular branches of the foreign service for the fiscal year 1923 was only $7,338,677. This sum represents only one-tenth of 1 per cent of the amount of the foreign trade of the United States for 1923, and during that year imposed a burden of but 7 cents a year upon each person in the United States. The amount mentioned, however, does not take into consideration the cash income derived from the consular service annually from fees which foreign merchants pay for certifying invoices of exported merchandise; those which foreign vessels pay for bills of health; those which aliens bound for the United States pay for visés of their passports, and those which divers persons pay for notarial and other similar services. Neither was there included the income which the Department of State collects annually for passports issued to its citizens traveling abroad—issued not because there is any American requirement that travelers abroad should have passports but because those documents are insisted upon by the governments of the countries in which Americans expect to travel.

The aggregate cash income from both branches of the foreign service and from the Department of State in Washington amounted in 1923 to $7,981,566, making the total *net* cost of operation of the entire diplomatic and consular service, with that of the Department of State in Washington thrown in, only $453,934, less than a half cent for each person in the United States.

John Hay, one of our greatest Secretaries of State, once wrote that it was abominable form for a government to brag of its diplo-

matic successes. And the greatest of the successes—those countless acts performed day by day and year by year by ambassadors, ministers, and consuls to remove causes of irritation, to adjust difficulties, to develop closer contacts with foreign officials, and to win that confidence which is inspired by fair dealing, that indirectly reduce the cost of armament and relieve the ordinary citizen of the burden of taxation, the aggregate of which crystallize in peaceful and friendly relations between nations—must for the most part go unmentioned. The three following examples, however, may be cited as illustrative of the achievements that demonstrate the usefulness of a foreign service:

A certain foreign government levied a forced loan upon individuals and firms in the country, including American citizens. The American minister protested and after much discussion of the subject finally obtained the exemption of American citizens from the levy, saving them several millions of dollars.

Shortly after the war a certain American company delivered to a foreign government some 600,000 cases of oil, valued at some $3,000,000. The government failed to make payment, and it was only with the active aid of the American legation extending over a period of more than a year that the amount was finally paid with interest.

The foreign shipping companies had for years a monopoly of the emigrant transportation from a certain European country. Four American companies not long ago sought to obtain licenses permitting them to obtain their fair share of the transportation, but encountered strong opposition. Insistence of the legation upon equality of treatment of the American companies finally resulted in the granting of the licenses.

In the consular service, a much larger organization, similar activities are going on daily. One consul general established contact between a foreign firm in his district and an American firm which resulted in the sale of 3,000,000 feet of lumber by the American firm. Another consul through his intervention enabled American firms to obtain export permits for the shipment of about $2,000,000 worth of merchandise which without his aid would probably still be in Germany. The consular service in 1923 extended protection in one form or another in 75,309 cases (nearly 50 per cent more than in the year before); they handled the estates of over 1,000 deceased American citizens; they performed 167,000 notarial services; they shipped over 28,000 seamen, and gave financial relief to over 3,800 destitute seamen; they issued nearly 40,000 bills of health to ships and viséed the passports of 408,000 aliens coming to the United States; they certified 806,000 invoices of merchandise shipped to the United States; they made some 27,000 trade reports (disseminated to the public through the Department of Commerce) and replied to trade

inquiries from some 55,000 business men in this country. They sent altogether 1,097,438 letters during the year, and paid into the Treasury of the United States in fees the sum of $6,805,470.

The foreign service is worthy of the best products of our institutions of learning, and more than that the finest examples of Americans of culture and unquestioned patriotism. Educators have a patriotic duty to perform in discouraging their students of mediocre ability, inferior personality, without sound judgment, or deficient in industry from applying for admission to the foreign service. Many of them may make good business men, successful salesmen, or find room for their talents in other occupations, but in the foreign service they are likely to be unsuccessful if admitted, and in most cases will fail to pass successfully the examination for admission. The task of the examiners is to select men who will best do the Government's work in the diplomatic and consular service. They have studied the records of officers in the service and have a fairly clear idea of the type of man who will not succeed.

A young man likely to be admitted to either branch of the service, and to make a success as an officer, should be well grounded in history, economics, the government and economical development of his own country; international and at least commercial and maritime law; he should have an accurate reading and speaking knowledge of the French language, and that which is less common than it should be, an accurate knowledge of the English language; he should have an inquiring mind that analyzes and reflects; a habit of study; and moreover he should be hearty, personable, manly, shrewd, business-like, observant, and well informed, with a good knowledge of human nature. He should have the instincts of a gentleman in the finer sense.

The history of the service during the past four years shows that an average of seven vacancies have occurred in the diplomatic service and 28 in the consular service each year. The range of salary available at present is only from $2,500 for a lower grade of secretary in the diplomatic service to $4,000 for a counselor; while in the consular service the range is from $2,500 for a vice consul of career to $8,000 for a consul general of the second class. There are two consuls general of the first class who receive salaries of $12,000, but their cases are exceptional. The initial salary of vice consuls and secretaries is even now greater than that income which the average young lawyer or doctor or engineer expects to receive. But obviously there is no future financial reward to look forward to comparable with that offered by the professions mentioned. So long as the present scale of compensation continues to exist, the appointees to the diplomatic service will inevitably be chosen exclusively from

men of families of fortune who can afford life on the present basis, for the reason that no others possessing the requisite qualifications will apply for admission to the service, knowing full well that they would be unable to do credit to their Government or to themselves. Furthermore, the promotion or transfer to the diplomatic service of consuls who have shown conspicuous political or diplomatic ability is rendered impossible because such promotions or transfers would involve too serious reductions in compensation. Likewise transfers to the consular service of members of the diplomatic branch whose particular qualifications might be highly desirable at some consular post would be equally impracticable because involving a promotion out of all proportion to the merits of the case and resulting in destruction of morale.

The Rogers bill, now pending before Congress, has for its purpose the remedying of these defects and providing for a well-coordinated and business like adjustment of a foreign service. It proposes to accomplish this by laying the foundations for a broader service of trained men and providing the means of attracting and holding the type of men capable of measuring up to future requirements in international affairs. The attainment of these objects is sought through four important provisions:

First. The amalgamation of the diplomatic and consular service into a single foreign service on an interchangeable basis which would relieve the limitations of the present career and promote the most efficient use of the personnel of both branches. By assimilating the positions in the diplomatic branch with the corresponding positions in the consular branch through the use of the title of foreign service officer it would become possible to establish the two branches of the service upon an interchangeable basis, and since practically all political questions have now come to have an economic aspect, and since essentially economic questions have come so largely to underlie the relations of nations, the men of economic training in one branch of the service could then conveniently, in the interest of the public welfare, be employed when necessary in the other branch and thus give the entire service vastly greater strength than it now possesses.

Second. The adoption of a single revised salary scale, applicable equally to officers in both branches of the service, thus making unification and interchangeability possible; and by raising the range of salary for both branches from a minimum of $2,500 to a minimum of $3,000, and from a maximum of $4,000 or $8,000, as the case may be, to a maximum of $9,000, democratize the diplomatic service by broadening the field of selection, eliminating, to a large extent at least, the necessity for private incomes and permitting the relative merits of candidates to be adjudged upon the basis of ability alone.

The adoption of this feature of Mr. Rogers' measure will improve the consular service, democratize and vitalize the diplomatic service, broaden the competition of young men of ability for careers in both branches, and enlist a body of able and thoroughly capable men willing to devote their ability to the service of the Government.

Third. The authorization, when necessary, of allowances to our representatives at foreign capitals for expenses of representation, thus further eliminating the possession of large private means as an essential qualification for appointment and making the service more consistent with the spirit of our institutions.

Fourth. The extension of the civil service retirement act with suitable modification to the officers of the foreign service. This measure has become urgently necessary for the maintenance of the desired standard of efficiency under the merit system, and proposes that officers shall contribute 5 per cent of their salary annually to a fund out of which an annuity comparable to the retirement pay of Army and Navy officers shall be paid to them after they reach the retirement age of 65.

Through this measure and through the aid which our institutions of learning may bear, the diplomatic service below the grade of minister and the consular service can be developed to a proper standard of excellence; it will become the rule to place at the head of our embassies and legations men who have grown up in the ranks, and who have become thoroughly qualified by experience for the post of ambassador or minister. The entire increased cost would amount to only about $375,000, which would still make the burden of foreign-service expense on the income of our taxpayers only about three-fourths of a cent a year.

The Department of State is deeply interested in the general question of training for foreign service. Charged, as the representative of the President in the conduct of our foreign relations, with maintaining a reputation abroad for straightforwardness and justice in our dealings with the other nations of the world, the Department of State can not fail to be gratified when it observes American firms or banking houses sending to represent them in foreign cities men of education and culture who can meet and deal upon a plane of equality with business and professional men of other lands. That sort of thing means that contacts made by such men with their neighbors across the seas will ripen into friendships instead of proving, as has too often been the case in the past, provocative of ill feeling and distrust. The educated and trained man, thoroughly alive to the differences of history, of environment, of customs, of point of view of the people of the country to which his business calls him, will go there in effect an unofficial ambassador

of good will and fair dealing: he will so adapt himself to the customs of the country that he will inspire confidence and regard, not alone for himself, but for the country to which he owes allegiance. Thus the work you are doing in training young men for foreign service generally, for banking, salesmanship, and the professions, if done thoroughly can not but be of the greatest value in the achievement of those peaceful aims which occupy the attention of every Secretary of State—peace and good understanding among the nations.

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