

INDUSTRIAL CONCENTRATION AND PANICS.

The commercial interests of this and all other manufacturing nations have suffered disastrously by the recurrence, at too frequent intervals, of financial panics. It is well worth while considering what effect the present industrial concentration will have upon these periodic seasons of disaster. There are sound reasons for believing that if it does not ultimately prevent them it will at least ameliorate their worst effects. If these great concerns are staunch in proportion to their size, their bulk should enable them to resist any ordinary disturbance.

In a great storm at sea the smaller craft are damaged or wrecked in great numbers, while the scientifically built and skilfully handled ocean liner weathers the cyclone as if it were but a gale, and comes safely to port. The honestly constructed industrial combine is nothing more nor less than the ocean liner of the business world. Its powers of resistance against ordinary financial disturbances are tremendous. Like the Paris, it may sometimes go upon the rocks in calm weather by an error of its commander, but it can defy storms and reduce danger to a minimum. Industrial concentration should strengthen our industries and place them in a position to meet all kinds of financial bad weather with safety. Compactly organized, skilfully managed, properly financed, such concerns are not likely to fail, nor are they likely to call upon the banks for assistance in vain. It is the small manufacturing concern with indifferent executive management that finds credit accommodations withdrawn in times of financial trouble.

The worst panics are always the result of an undue speculative expansion of credit. Something happens to prick the bubble of universal confidence, and the whole collapses. Industrial concentration ought to go far toward counteracting this dangerous abuse of credit. The eager and often reckless competition for trade among manufacturers and other primary producers has been the frequent cause of overtrading. Long datings have been demanded, and have been given to the small jobber and the larger retailer. This stretching of credit has been a constant temptation to these dealers to extend their own credits beyond the safe and conservative limit; in other words they begin to take chances and to speculate on the capital of the manufacturers. This in turn forces the manufacturers to call upon the banks for assistance in order to give such long datings to the trade. The vicious circle of credits goes on growing until a slight shock throws all into disorder. The careful concentration of an industry ought to enable strong-handed and level-headed manufacturers to curb this over-buying or speculative tendency on the part of the distributor. With the

stopping of reckless competition the manufacturers will be no longer tempted to give unsafe credits, and the total trend of the concentration movement should be toward the steadying and bracing of credits. This should make commercial and financial panics less frequent.

The temptation to overproduction, which has been the curse of the independent and keenly competing companies in the past, is removed to a great extent when these industries become concentrated. Where the isolated companies before went ahead blindly, producing as much of one thing and as little of another as their guesses at the state of the total stocks might dictate, the concentrated company can regulate the supply to the demand. If it attempts to abuse this power by forcing up prices it will be punished by the springing up of competitors. Self interest will teach the trusts not to do this, but to make their profits by making a careful forecast of the demands of the trade and regulating their output accordingly and selling their products at fair prices. When they do this there will be no temptation to break the market and sacrifice their product at a loss for the purpose of unloading. Thus the causes that lead to panics both at the consuming and at the producing end of the mercantile line will tend to vanish with the general establishing of the methods of industrial concentration throughout the country.

It stands to reason that the size of these great concerns should increase their resisting power. In this statement we do not include such of them as may be dishonestly overcapitalized; these must go the way of all unsound things. But the fundamental idea of concentration is sound and natural. The combining and organizing under the best brains available is not only a source of strength and a promise of permanency in each individual industry, but is likely to make for ultimate stability in the whole commercial and financial fabric. The effect of industrial concentration upon panics will be worth watching.

WHAT THE PROFESSION OF FORESTRY DEMANDS.

These are the things which forestry offers. Now as to what it demands. In the first place success in forestry, as in any other profession, must come largely from the possession of what we know so well as "Yale spirit," the habit of accomplishment and the willingness to do the work first and count the cost afterward. It is interesting to note here that a majority of the young Americans who have fitted themselves for technical forest work are Yale men. Whatever the connection or the special fitness may be which brings Yale men into this line of effort and achievement, I should like to see the recruits from Yale come in

fast enough to maintain something like the old proportion.

After the "Yale spirit" come soundness of body and hardiness, for foresters must often expect the roughest kind of life in the woods. The helpmeet of hardiness is a contented spirit. There is no more pernicious character than a grumbler in camp, and nothing will help so much to get field work done as the willingness to bear privation cheerfully.

A man who takes up forestry will often find the field work exceedingly or even unexpectedly hard, for it combines severe mental work with severe bodily labor, under conditions which make each one peculiarly trying. Work in the woods differs profoundly from camp life as it is usually understood. Foresters get a certain amount of hunting and fishing, and every forester will do his work better for a wholesome love of the rod and gun, but the line between work and play is still sharply drawn.

I have been speaking of the fundamental qualities which are more or less necessary to success in any vigorous outdoor life. There are several additional capacities with which the forester should be well endowed. The first of these is the power of observation. It is often difficult to say *a priori* whether a man has it or not. In many cases it makes itself known as a love of hunting or fishing, or a general pleasure in all outdoors. To the forester it is one of the most essential qualities in his mental equipment. Finally, perseverance, initiative, and self-reliance are peculiarly necessary, because the forester is so often withdrawn from the inspection of his superiors and altogether dependent on his own steadfastness and devotion to keep him up to the high standard he should set himself for his work. In a new field of effort this is especially likely to be true. It is one of the distinguishing characteristics of the profession of forestry.—Gifford Pinchot in *The Forester*.

AROUND THE WORLD.

According to a recent dispatch from Europe the Russian Minister of Railways has made an official announcement that when the trans-Siberian railway is completed it will be possible to make a trip around the globe in thirty-three days. The Minister's estimate of time required for the different stages of the journey is given as follows:

	DAYS.
From St. Petersburg to Vladivostok.....	10
From Vladivostok to San Francisco.....	10
From San Francisco to New York.....	4½
From New York to Bremen.....	7
From Bremen to St. Petersburg.....	1½
Total.....	33

Nations are formed and governments inaugurated by men for their individual preservation.