Commercial Education.

By Professor Davis R. Dewey.

During the past two years there have been frequent references, not only in educational literature but in the utterances of men engaged in industrial and public affairs, to commercial education. We have had, to be sure, for many years commercial or business schools,—"Colleges," as they are termed by the American spirit of extravagant characterization. The object of these schools has been to teach penmanship, bookkeeping, accounts, typewriting and stenography,—accomplishments primarily designed for the clerk, bookkeeper, and stenographer; and it is agreed that many of these schools have undertaken this practical training to good advantage.

The commercial education, however, which has been the subject of more recent discussion, is of an entirely different kind; and it is the purpose of this brief paper to consider the significance of this new movement. It is certainly a development in which every engineer engaged in the production of economic goods should be interested.

The success of a business enterprise may be roughly described as depending upon two factors: first, the manufacture of goods at a low cost; and second, the marketing of these commodities when once produced. The engineer is primarily engaged with the first activity; and through the encouragement which has been given to technical education in this country, the United States is taking a commanding position in its ability to manufacture serviceable goods at a low cost. Until recently the marketing of the product thus created has been a comparatively easy problem. As long as the business of an industrial establishment was confined within narrow limits and the factory, mine, or smelter was small, producing for a restricted area, it was not difficult to master the conditions governing the successful sale of the goods. The two sides of the business, the technical manufacture and the commercial sale, were easily carried on by the same person. The manufacturer could without great effort gain the practical experience required for successful selling.

Conditions, however, are changing rapidly, so that the technical and the commercial sides of the business are being very definitely separated. The forces controlling manufacture, relentlessly tend toward the creation of an enormous manufacturing establishment, surrounded by a group of sub-industries engaged in providing the semi-raw materials demanded in production, as well as in manufacturing the by-products which formerly went to waste. All this has been brought under one management and has made the task of the producer gigantic as compared with former days. On the other hand, the problem of marketing this enormous output, so various in its character, has taken on a new aspect because of the economies of transportation, both domestic and foreign, which tend to annihilate space. Trade is more and more international. We thus have a competitive movement which was undreamed of in a preceding generation.

Now the question is whether there is any special education which will fit the man in charge of the marketing or commercial end, to meet these new conditions with greater power and resourcefulness. Certainly for the business which is likely to have foreign competition, it does not require much reflection to suggest certain lines of study which will be helpful if not imperatively necessary. The commerce management should have knowledge of (1) the markets of raw materials; their territorial distribution and their accessibility to routes of transportation; (2) routes of commerce, including railroad and shipping lines; local regulations as to harbor and port dues, dock privileges; freight rates, marine insurance and charter contracts; (3) restrictions placed upon international trade by tariffs, including not only a knowledge of our tariff but those of foreign countries, including the regulations of customs administration; (4) the rights of American commerce as regulated by international law, and the duties of consular officials, and (5) official statistics of trade, as reported by governments, boards of trade, or commission merchants,—not only the sources but the interpretation of these documents. Even in those branches of business which do not have international points of contact there is an increasing number of subjects of which a knowledge would greatly assist a young man in the successful execution of his duties. A brief list of topics which might well engage attention is here given: Securities and investments; domestic and foreign exchange; taxation; railroad practice; clearing houses; stock and produce exchange; banking; trust companies; savings banks; bond business and note brokerage; patent.