

Edl (1916) Department.

Mis SERIES.

G.O. No. 374

DATED 4. 4. 16

[Despatch Abstract.]

Legislative Council Recording notes
connected with the resolution moved at
the — meeting held on the 18th Feb-16
re. the establishment of a College of
Commerce at Madras

FOR PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

NOTES.

Previous papers

260 *just* 27 4-2-14
 369 *Ed* 27 2-4-14
 867 .. 27 22-7-14
 1385 *Ed* 27 7-12-14
 705 .. 27 13-6-14
 485 .. 27 5-5-15

RESOLUTION ON MATTERS OF GENERAL PUBLIC INTEREST.

[SUBJECT.—*Establishment of a College of Commerce at Madras.*]

The Hon'ble Rao Bahadur B. NARASIMHESWARA SARMA :—

“XXVIII. This Council recommends to His Excellency the Governor that a College for Commerce be established at Madras.”

EDUCATIONAL DEPARTMENT.

In a resolution moved by the Hon'ble Mr. K. R. V. Krishna Rao at the meeting of the Legislative Council held on the 13th March 1914, it was urged that a School of Commerce should be established at Cocanada as the needs of the East Coast districts were not served by the School of Commerce at Calicut. The Hon'ble Mr. Stone pointed out in reply that under the scheme for the award of secondary school-leaving certificates the courses in the secondary schools included also the teaching of commercial subjects and that these subjects were better learnt as part of secondary education. At the same time he stated that the question of making provision for more advanced instruction in commercial subjects was engaging the attention of Government.

With reference to the request of the deputation from the Gōdāvari District Association that a commercial school might be established at Cocanada, His Excellency the Governor stated that the Presidency as a whole was ahead of most other places in that it had a School of Commerce at Calicut and that there were no funds for the provision of a second such school. The Government have since decided to establish a college of higher accountancy and auditing in Madras which would fully serve the needs of the Presidency. The Director of Public Instruction has been requested to submit detailed proposals in this regard which are expected to reach Government shortly.

2. Towards the establishment of the Government College of Commerce in Bombay, His Excellency the Governor of Bombay received generous promises of support which amounted to an income of about Rs. 23,000 per annum and that Government have also promised to contribute an annual grant of Rs. 15,000. It was proposed that the staff of the college should consist as follows:—

Pages 66 and 67 of G.O. 389, Educational, 2nd April 1914.

Full-time professors.		Salary per mensem.
		RS.
1.	Principal (a British graduate in commerce who has specialised in Banking and Organization).	800
2.	Professor (to be recruited in Bombay)	350
3.	Professor (an Indian graduate in economics).	300
4.	Professor (locally available) for Actuarial Science.	250

		Salary per ensem.
		RS.
Part-time professors.	5. Professor of Accountancy	200
	6. Assistant do.	100
	7. Professor of Banking, Law and Practice	200
	8. Professor of Mercantile Law	100
Total ..		2,300

Thus the cost of the staff per month is Rs. 2,300 or Rs. 27,600 per annum. This excludes the cost of the clerical and menial establishments and contingencies. No definite information is available as to the cost of establishment actually employed. Perhaps the Bombay Government may be addressed separately requesting information on the subject.

3. The Director of Public Instruction in submitting a scheme for the formation of Society of Chartered Accountants for Madras, stated that instruction for apprentices would be provided by Government in a commercial institute in Madras. He added that "there is much to be said for the creation of such an institute for commercial instruction of all grades, but it will probably be well to begin with higher accountancy classes. The staff of the institute would therefore cost about Rs. 1,200 a month" (as shown below):—

		Per mensem.
		RS.
Principal and Lecturer in Accountancy		750
Law Assistant		250
Book-keeping, etc., Assistant		200
Total ..		1,200
		or 14,400 per annum.

To this should be added the cost of the accommodation required, clerical and menial establishments, library charges, contingencies, etc.

4. In their letter No. 261, Judicial, dated 4th February 1914, this Government agreed to India's suggestion that the Bombay examination might be held in centres outside Bombay and stated that they would be prepared to accept the Bombay diploma as a sufficient qualification for the eventual grant of permanent certificates. In his recent demi-official the Hon'ble Mr. Sharp, while referring to the above, has stated that it is the intention of the Government of India to circulate the final scheme of the Bombay Government to Local Governments for their suggestions and consideration. The Government of India have also asked that Government to expedite the matter so that this Government may be able to consider the possibility of an examination common to the two institutions, an arrangement which, it is thought, will make for convenience and efficiency.

5. The Honourable Member may be informed that the question of establishing a college of higher accountancy and auditing is engaging the attention of the Government, but that under present conditions no substantial progress in this direction is practicable.

6. Orders are solicited as to who should reply to the resolution.

T.K.—14-11-15.

C. G. TODHUNTER—15-11-15.

Please ask the Director of Public Instruction to take it.

P[ENTLAND]—16-11-15.

LEGISLATIVE DEPARTMENT

The Hon'ble Rao Bahadur B. NARASIMHESWARA SARMA :—

"XXXII. This Council recommends to His Excellency the Governor that a College for Commerce be established at Madras."

EDUCATIONAL DEPARTMENT.

The additional member proposed to move the resolution at the last meeting of the Legislative Council, but subsequently intimated that he did not want to move it then.

Attention is solicited to the notes above in which it was decided that the Director of Public Instruction should take charge of the resolution.

For orders whether a copy of the notes with the connected papers may be sent to the Director of Public Instruction.

T.K.—19-1-16.

This may be done.

C. G. TODHUNTER—20-1-16.

P[ENTLAND]—20-1-16.

The discussion in Council was to the effect that the motion should be answered on the lines that Government are in sympathy with the desire for commercial education and are taking steps in that direction in considering the creation of a college of accountancy, but that financial considerations preclude their taking up the larger question at present.

C.G.T.—25-1-16.

Extract from the Proceedings of an Adjourned Meeting of the Council of the Governor of Fort St. George assembled for the purpose of making Laws and Regulations under the provisions of the Act of Parliament, 5 & 6 Geo. V, Ch. 61.

The Council re-assembled at the Council Chamber, Fort St. George, at 11a.m. on Thursday, the 3rd day of February 1916.

**RESOLUTION RE OPENING OF A COLLEGE OF COMMERCE
AT MADRAS.**

The Hon'ble Rao Bahadur B. NARASIMHESWARA SARMA :—"Your Excellency, it is with very great pleasure that I rise to move the next resolution on the agenda —

'XXVII. This Council recommends to His Excellency the Governor that a College for Commerce be established at Madras.'

"I do not think, sir, that I would be exaggerating the importance of this resolution when I say that upon the future commercial development of this Presidency largely depends the economic welfare of the people living therein, and that it is absolutely necessary that a college for the teaching of commerce should be started in Madras in order to place its commercial position on a satisfactory basis.

"In proposing this resolution, I am sure I shall be appealing with great force to the sentiment of the Englishmen who rule us, because they are a peculiarly commercial people and they must be alive to the importance of commercial education, because they have benefited by it and they now see that their methods also require revision if they are to keep pace with the advancing countries of the world. Before I deal with this question of the commercial development of this Presidency, it is but just that I should pay a tribute of praise to the progress which the country has achieved under British rule in the matter of the development of commerce, though many of us think that the development has not been altogether as sound as might be desired or as might be desirable. The reason why I have brought this question forward at this stage is because I have felt that with so many facilities, with so many advantages, with an exclusively hereditary caste devoted to trade, we have not made hitherto that progress which we should ordinarily expect. The opening of communications and the interest which has been taken hitherto in promoting the peace in the country have accelerated the pace and brought the foreign trade of the Presidency, or the seaborne trade of the Presidency to a grand total of Rs. 5,800 lakhs. It seemed to me that one reason why we have not been able to make any greater advance is that, amongst Indians who are carrying on trade, there is no adequate conception of what is meant by higher commerce, or what are the requirements of higher commerce, as to what it is that they have to do if they are to be industrial chiefs, commercial magnates and if they are to take the commercial and industrial activity of the Presidency into their hands and under their custody. Various causes have been at work in bringing about this decayed condition of things; chiefly, the discouragement of foreign travel, but, happily for us, the prejudice has almost disappeared and is fast disappearing. Therefore, we can look forward to a better state of things under which any impetus which the Government may give to this movement will lead to its desired results. My Lord, the Government have hitherto had only one school for the teaching of commerce and that has been at

(Mr. Narasimheswara Sarma.)

[3RD FEBRUARY 1916.]

Calicut and the school has achieved very good results and has been pronounced by all to be a success. What I now desire is that a school should be started in Madras with the view of its being gradually and slowly—but not unnecessarily slowly—developed into a college where not merely the requirements of the clerical section and of the accounting section but the requirements of higher commerce may be met by the teaching of such subjects as the organisation of industrial processes, the various conditions under which trade can thrive, and the conditions under which the co-operative credit of the community can be fostered, to the mercantile community of the country.

“I stated, at the outset, that we had great facilities and I beg to repeat that remark, because the community which, until a few years ago, until the advent of the British rule, carried on successfully the inland trade and, to a certain extent, the foreign trade, is a shrewd community with business-like habits and intelligence and also commands credit throughout the Presidency. It fulfilled the functions for which it was designed by the ancient Hindu law-givers and the advent of Muhammadan rule facilitated the growth of trade in certain quarters; because we find in practice that the Muhammadans are shrewd merchants as they have shown by their prosperity in various branches of trade in Madras and elsewhere. Therefore, we have to our aid the Muhammadan community, particular sections of which have developed a peculiar instinct for trade; we have the Komatti and the Chetti community which have had the business of the country in their hands and who are hereditarily employed on this business and the number of students also in the commercial schools studying for commerce has not been hitherto a negligible factor. Last year 14,009 students went up for the examination in commercial subjects. Therefore, the conditions are favourable, but what has been the state of things? It struck me as rather remarkable that the number of merchants, the number of local merchants proceeding from this Presidency to foreign countries, is remarkably small and that may account to a certain extent for the commercial stagnation of the Presidency, relatively to the other Presidencies. And the way in which the art of advertisement is carried on in other places seems to be altogether unknown here, the way in which the food and agricultural products of Canada are advertised in almost every centre of population on all occasions in England and elsewhere. That is a remarkable proof of the commercial instincts of the Canadian people and how they have been taking advantage of the times in order to push their products wherever they can, so much so that when I asked for a Swiss apple in a Swiss hotel—I found that that was a rare commodity—and I was told to my surprise that it could not be had and that if I wanted an apple it must be a Canadian apple. There are various industries which could be developed remarkably, if our people only had the requisite commercial knowledge and if they only knew what is going on in other advanced countries such as America. Such a knowledge is a sealed book to them.

“Another important matter which requires the immediate attention of Government is how to foster the banking institutions of the country. Nothing struck me so painfully, when reading through the evidence which was tendered before the Currency Commission two years ago, as the remarkable lack of knowledge on kindred subjects exhibited, with rare exceptions, by the community in India generally, and the recommendations of that Commission clearly show that as soon as the war is over, we are bound to have an investigation as to what steps should be taken to promote the banking concerns of this country. We have made some slight progress during recent years and the progress of the co-operative credit movement typifies in a small measure the rate of progress which might be achieved if the businessmen of this Presidency should know what is at the back of banking concerns if they have banking knowledge, and if they know how co-operative credit can be fostered. It is upon the manner in which credit is facilitated and the small resources of the people of this Presidency can be utilised as capital for the work of advancing the industrial progress of the country, that the growth and betterment of our economic condition would largely depend. But we have, it must be confessed, very few people who have any knowledge, much less an adequate knowledge, of banking, and as to what is being done in other countries for the growth of banking facilities. Similarly with joint stock companies. A number of insurance companies have arisen of late years and are being fostered and encouraged by people who do not know what it is that is really comprised within the meaning of ‘insurance.’

[3RD FEBRUARY 1916.] (Mr. Narasimheswara Sarma; Mr. K. R. V. Krishna Rao.)

They have not the business knowledge; they have the enthusiasm and the desire to foster industries; but it is sad to note that so many of these companies have been wrecked because they had no men with business knowledge to run them. They started under bad auspices; they had no financial or business knowledge behind them and the result is a set-back to the rate of progress. The growth of mills and factories, which now number 391, and the growth of joint stock companies and insurance companies and co-operative credit societies and the growth of the foreign trade of the country fully justify, I submit, a further step being taken in the matter of improving the facilities for a wider spread of true commercial knowledge among our capitalists and mercantile men.

“I was a teacher in Madras many years ago, and I came into contact with the children of the Chetti community and most of these children were not anxious to follow any University career, and when I asked them why they did not do so, they said ‘we want enough knowledge of English to be able to carry on our trade. We want to enter trade.’ I believe that is true and that is the object with which they enter these institutions. I believe it is true not simply of those students that entered that particular institution in which I had the privilege to serve but in a large number of other places in the Presidency. If we had only a commercial school or a college, the children of these merchants would naturally be sent to these schools where they could be educated on proper and sound lines.

“My Lord, turning to the curricula, in some schools I find that economics and economic geography and the physical condition of the chief parts of the Empire, the chief products, and trade relations, and the bearings of physical conditions on commercial federation and resources, the transport system and trade relation of the various countries of the world, agricultural economics and the study of the industrial questions, the money market, currency, banking, fluctuations and depressions of trade, and the study of the industrial history of particular countries and the industrial history of India and the British Empire, specialisation of labour, localisation of industries, and what is more important, large and small scale production, the social functions of the business capitalists, co-operation and the organisation of capital, the economics of distribution—these are some of the questions which are dealt with in higher schools of commerce in England; and the study of one or more foreign languages is encouraged. It may be that all or most of these may not be introduced into the school of commerce that I ask Government to start. But the steady aim must be not to be satisfied with a school which deals with the clerical section, the accounting section, which is to train up auditors, but there should be a section which would deal with the higher problems of commerce upon which would be dependent the progress of this Presidency, and I am sure that if only a working knowledge of some of these foreign languages be imparted—higher knowledge is not necessary,—I am sure the European community domiciled here as well as the other communities would be greatly benefited in finding commercial travellers to advertise our goods in foreign countries and adding to the commercial prosperity of the country. I hope, therefore, that the Government would take into consideration the desirability of starting a college at as early a date as possible, somewhat on the lines suggested, and should not consider any expenditure, whatever it may amount to—after all it cannot be very much—as unnecessary or useless expenditure. The problem has been, of late years, whether the expenditure of one lakh or two would be justified by the actual conditions of the country and the Government have been peculiarly too narrow in the view which they have been able to take. We want a little more imagination; we can of course risk a little more in matters of vital importance. That is the way how early administrators began. English was not regarded as a favourable subject; boys had to be given scholarships, and, as soon as they began to perceive the advantages, they were willing to pay any price for it. Similarly with this institution, I hope the exchequer will not grudge the expenditure of a few thousands—it may be a lakh or two—for a purpose with which is so closely bound up the future progress of the country.”

The Hon'ble Mr. K. R. V. KRISHNA RAO:—“My Lord, some time back last year I moved before the Council a resolution to the effect that a commercial school might be established on the East Coast on the lines of the Commercial School of

RESOLUTION RE OPENING OF A COLLEGE OF COMMERCE
AT MADRAS.

(Mr. K. R. V. Krishna Rao ; Mr. Stone.)

[3RD FEBRUARY 1916.]

Calicut and that that school might preferably be located at Cocanada. That resolution was not accepted and this resolution, which my honourable friend Mr. Sarma has brought for consideration before the Council, is for the establishment of a college of commerce in Madras. Looking from every aspect of the prosperity of the country and the commercial conditions prevailing in this Presidency, it seems necessary to have a college of commerce in order that facilities may be afforded to persons to learn not only branches of book-keeping, auditing, correspondence and the like, which are elementary and very unimportant in their nature, but such subjects as banking and financing, forming joint stock companies and so forth. These are subjects which are essential for the prosperity of the country, and we must have a college where these subjects may be properly learnt and the economic condition of the country be improved by floating joint stock companies and insurance companies and such other concerns. Now there is some interest created among the capitalists to start joint stock concerns and also insurance companies in several places, and these are now being practically handled by persons who have neither theoretical nor practical knowledge. I admit that commercial knowledge cannot be learnt all from books and by education in college; the knowledge must be largely learnt by working practically in the business houses. But, however, a thorough knowledge of some of the subjects in connection with commerce is also necessary, and economics and banking have to be learnt in the college as well as in the large concerns in a practical manner. It is, therefore, necessary that a college should be established in a large metropolitan city like Madras and facilities afforded for persons to learn commerce and take to large enterprises.

"Well, sir, an insurance company has been formed in Cocanada—a Marine Insurance Company; and several such insurance companies are likely to be formed, and these insurance companies are less risky than several other insurance companies. But the methods of working and the practical knowledge required for working these companies cannot be acquired unless persons are trained both in a college and also in a business firm on practical lines. Here, in Madras, if the theory can be taught to students in a college established for commerce, there are facilities for learning the practice of the commerce also by serving as apprentices in various firms and also securing employment in large firms. These facilities can be availed of, and the opportunities we have here in this city can be very well utilised, for there are a large number of people who are not anxious to compete for appointments in Government service but who would like to have private concerns and to contribute largely to the economic development of the country. These people will have great facilities of acquiring the knowledge that is necessary for them in equipping them to make themselves useful and also to develop the resources of the country.

"For these reasons also, and for the reason that it is desirable to have a college of commerce here, I second this resolution. I may also add, sir, that a college of commerce has been working in Bombay with excellent results and the report of that college is a very encouraging piece of literature. It has been doing and it has done, excellent and good work in that place and is helping the development of commerce in that city. I second this resolution."

The Hon'ble Mr. J. H. Stone:—"Your Excellency, the honourable member who seconded this resolution has referred to the Government College of Commerce in Bombay. I think the Council might be interested to know that His Excellency the Governor of Bombay received generous promises of support which amounted to an income of Rs. 23,000 and that the Bombay Government promised only a grant of Rs. 15,000, so that apparently the College of Commerce in Bombay is supported more largely by private benefactions than by the funds of the Government. However, I am instructed to say that although Government are not prepared to accept this resolution, they have directed me to submit proposals for the establishment of an institute or college—I think the word 'college' was used—for higher accountancy and auditing in Madras and, at present I am preparing such proposals. It must be obvious to the Council that even this smaller scheme is not likely to progress very rapidly owing to the financial position; but, if and when this scheme is realized, at any rate the Educational department will come into touch with Madras commercial

RESOLUTION RE OPENING OF A COLLEGE OF COMMERCE
AT MADRAS.

3RD FEBRUARY 1916.]

(Mr. Stone ; Mr. Narasimheswara Sarma)

circles in a way in which it has not done yet, and we shall be in a position to see what further developments in the direction of a college that the honourable member asks for are possible and desirable."

The Hon'ble Rao Bahadur B. NARASIMHESWARA SARMA:—"Your Excellency, just one remark with regard to the College of Bombay. We realize fully that the commercial prosperity of that province enables the people there who have an interest in the subject to subscribe largely for the foundation of the college, but whatever may be the causes which have led to a comparative inactivity in Madras in commerce, there is the net fact that we have not got those commercial millionaires or large commercial magnates in Madras that there are in Bombay. Therefore, to hope for a time when the commercial residents in Madras will be able to support a scheme is out of the question. I would submit that to wait for that time before the Government can move in the matter, is to wait for the Greek calends that will never come. The people require it, and a few thousands more or less do not make much difference. With regard to the more important question, the Hon'ble Mr. Stone has stated that the Government wish to make a beginning. That is what I have asked for also. I cannot say that a college can be brought into existence in a day nor will it be possible for Government to do anything this year until the war is closed. Inasmuch as it has been stated that the Government have an idea of making it a complete college, if commercial men wish it to be done, or if the requirements of the Presidency need it, I do not think there is any reason to press this resolution, because the object of the Government and the people is to have a college when practicable and that will not be before the end of the war. Consequently I shall not press this resolution to a division."

With the permission of His Excellency the President, the resolution was withdrawn.

C. G. TODHUNTER,
Ag. Secretary to Government, Legislative Dept.

Es. I. 24

The proposals for the establishment of a College of Higher accountancy and auditing are still under consideration by the D.P. and no action; it is submitted, need be taken until they are received. They may therefore ~~may~~ be

Order No 374 ES (Mis. A-4-16)

Recorded.

28.8.12

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P4

RESOLUTION RE OPENING OF A COLLEGE OF COMMERCE

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The following are the names of the persons
 who have been appointed to the various
 positions in the office of the
 Secretary of the Department of the Interior.
 The names are given in the order in which
 they were appointed.

Received
 1891
 11/15/91
 11/15/91

When given for copying _____
 When copied _____
 When examined _____
 When signed _____

191

READ AGAIN G.O. No.
 191

DATED

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT

A A A A A A A

LETTER OF GOVERNMENT

STATEMENT WITH DETAIL

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