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Commercial education

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We live in a land where the somewhat nauseating, but one-time popular couplet:

> "Let Law and Learning, Arts and Commerce die,
> But give us still our old nobility,"

has no power to charm us. In the first place we have no old nobility, and in the next place, we have more common sense. In this community we have Laws which owe their binding attributes to the fact that they have been made by ourselves for our own guidance, and though we may not always find in them the expression of the highest wisdom, even their shortcomings are more tolerable than the fiat of an amiable despot, or of unsympathetic class rule.

If for our learning we are still to some extent dependent on the "Pierian spring" that gushes so plenteously from the seats of British culture, it is beyond controversy that the influence of our own Universities has already stirred in the rising generation a keen appreciation of the glamour of academic life and promises a plentiful crop of erudition in the near future.

Art knows no country, and cannot be cabinned, cribbed, confined by local conditions. While her Australian disciple toils resolutely through the constant labour that alone ensures success, seeking the inspiration that shall immortalie his brush, a fine selection of the world's masterpieces is brought to his aid in this far away corner of the earth, largely by the munificence of those who having done well by the country, have righteously determined that the country shall profit by them. And South Australia has been preeminently fortunate in producing that admirable type of colonist.

1 Inaugural Joseph Fisher Lecture, 14 April 1904.

But Laws and Learning, Literature and Art, much as they are to be desired for their own exceeding great reward, are the appropriate embellishments of social progress and material success. It is when we come to Commerce as the final item in the quartette of qualities which this grovelling rhymester would willingly let die, and recognise how largely we owe to it the means and opportunity to cultivate the beauties, the refinements, and the aspirations of modern life, that we plainly realise his hopeless imbecility.

It is to Commerce then – the basis on which the supremacy of our motherland has been reared – and to the roads which lead to its successful command, that I am privileged to ask your attention this evening. Through the enterprise of the governing body of your own University this city enjoys the honourable distinction of being the first in Australia to make provision for giving to a high form of Commercial Education the dignity and prestige of a share in that University recognition, hitherto practically monopolised by students in classical, legal, artistic, or scientific lore. It has placed within the reach of most of you – however lightly equipped with fortune's favours – the opportunity of winning the "hall mark" of capacity in the life's work which you have selected as your sphere of distinction.

As all work in connection with higher Commercial Education is at present – as far as results are concerned – largely tentative, it is perhaps not of immediate importance to decide upon the exact terms of this award and recognition. Whether it takes the form of a certificate by the Examiners of your University; a State business Diploma, as in the New York University; the formal conferring of a degree of Bachelor of Commerce, as proposed by the University of Birmingham, and in force in some of the American Universities; or that of Bachelor of Science in Economics, as in the London University and the celebrated Wharton School of the Pennsylvania University, may not be of vital importance so long as it is distinctly the reward of the successful mastery of a three or four years' course of true University rank.

For my own part I am strongly of opinion that the one thing needful to make the higher walks of this important branch of study more attractive to young men with business careers before them is to give it that wide public acknowledgement which crowns other University studies, and, in the form of its reward at least,

to place it practically on a par with a classical education. From an examination of the synopses of some of these commercial courses I am satisfied that their mastery implies an amount of study and a capacity of brain power that in other walks would certainty earn for the student his Bachelor's degree. Such genuine work appears scarcely sufficiently repaid by the possession of a certificate, the value of which necessitates possible enquiry and explanation I recognise fully the benefits it confers on students whose preliminary education has not been up to the matriculation standard, but I believe that in response to the earnestness with which this question is being now discussed, the day is not far distant when every University of standing will include a Faculty of Commerce and Economics, and will confer degrees therein, that shall be at least as honourable and advantageous to the recipients as those in relation to Literature, Art, Science, Law, and Medicine. Indeed, it seems to me to be one of those conditions of change, everywhere apparently which will demand the serious attention of all Universities, if they are to retain the honourable prestige they enjoy in public esteem, as the guardians of the wisest culture. The desire of most parents who are in a position to do so, is to give their sons the imprimatur of a University education. But to carry it through in its entirety means to enter them for one of the overcrowded professions to which alone the ordinary courses lead. The slow starvation of hundreds of young briefless barristers, and the forlorn outlook of scores of "general practitioners" relegated to back block townships, must eventually work a cure by giving pause to the enthusiasm which creates them in such profusion. Their places would be more than supplied, if it were possible to offer a truly educational course, having a direct bearing on business life equa1 to that lavished on the professions. This would offer a strong inducement to parents who shrank from submitting their sons to the risks of a professional career, and would strengthen the University both by a more widely spread interest in its work, and a substantial addition to its students.

Do not for one moment suppose that, in glorifying that utilitarian form of education which is the necessary groundwork for successful commerce, I am in any way depreciating the highest aspirations of learning for learning's sake. To have had the advantages of several years of classical training in one of our old Universities, with all its reflected lights on the most brilliant pages of literature, or the most stirring feats of history, is indeed a privilege that cannot be too highly prized. But in our present environment it is necessarily a privilege in which but

a few can hope to share. Our Australian life has failed in its lessons if it has not taught us to labour and to wait, and not too hastily to despise out three-rail fences and weatherboard abodes, because we prefer the moss-grown walls and ivy-crowned turrets in which older communities can afford to indulge.

Your generous fellow-citizen, Mr. Joseph Fisher, has provided the University Council with the means of honouring the student who has most distinguished himself in the Advanced Commercial Course, and also for a course of lectures intended to stimulate public interest generally in commercial education.

Having been honoured with a request to deliver the Inaugural Lecture, I propose to treat of the subject on broad, general lines only, leaving all technical and administrative details to those educational experts coming after me, who will by that time have acquired a fuller experience of its workings and of the results it is expected to show. I glean that the work done in Adelaide so far, justifies high expectations of those results which the Examinations will disclose in December next. Certainly the tentative movement has attracted attention, and stimulated proposals in similar directions in other States of the Commonwealth, though in Victoria the clamour has been more for that form of technical education in manual work, by which it is expected to counterbalance the dislike the Australian youth manifests towards apprenticeship.

The Royal Commission on the Melbourne University, which has been sitting for the last two years has not yet submitted its report to Parliament, but it has been drafted and I believe the recommendations are practically agreed upon The scope of the Commission's enquiry was very wide, a large part of it dealing with questions of management and finance. But of the 108 witnesses examined, more than a score gave evidence on the question of Commercial Education. Though there were one or two dissentients the great majority strongly urged that the elementary work of the Business Schools and the Working Men's College, should be followed by a systematic course on true University lines. It is probable that the Commissioners will hesitate to recommend at present a full commercial degree course for day work, because some of the witnesses were strongly of opinion that it was premature. It is however tolerably certain that they will endeavour to meet the demand for the higher form of education in this department by providing a Board of Commercial Studies to control a course carrying a diploma of Commerce

based upon evening or afternoon lectures of true University standard. In such case the Adelaide University will be the recipient of the sincerest form of flattery.

In considering the causes which have given rise to the pronounced movement in favour of a higher phase of Commercial Education, I think there is a consensus of opinion that the first great International Exhibition in London in 1851 gave the initial stimulus, though fully twenty years elapsed before the conditions it had revealed began to be seriously discussed. The business methods and business technique of the long list of foreign competitors in the world's industries, were, by that Exhibition, brought before the British manufacturer and distributor with a comprehensiveness hitherto unattained. It did not take long to discover that the Continental workman was, as a rule, better educated in his trade than the conservative Briton running in the grooves that his father had traversed before him. There was an adaptability in the work of the foreigner which ignored the superstition that "whatever is, is right." And such progressive ideas were not confined to, nor did they originate with the artisan. They were inspired by the employers of labour, the producer, the manufacturer, and the distributor alike. For it must be borne in mind that without adequate commercial equipment, the mere mechanical process of manufacture would soon create a block. It is too often overlooked how largely the success of great factory industries is dependent upon the ultimate dealing with its products at the hands of the merchant class.

It was the enterprise, the daring, and the resourcefulness of the British merchant adventurers of the 17th and 18th centuries that laid the foundations of the acknowledged industrial supremacy of the motherland.

The story of how that supremacy passed from Venice and Genoa to Spain and Portugal, to Antwerp to the Hanseatic towns, and to Amsterdam, and was finally wrested from the Dutch by our forefathers, is an intensely interesting stage of history, but does not bear on the educational aspect. The world was indeed very wide in those days. New fields of commercial enterprise; often it must be admitted of rather a filibustering character, were opening up month by month. It was essentially an era of exploration and exploitation, and the man, or the company possessing the capital, and the ships, found profitable use for both in almost any direction, without having to study the laws of supply and demand, or to wrestle with problems connected with theories of exchange. Ruthlessly oppressive

measures of protection – often exacted from an impecunious government by open bribery – shortsighted and inequitable laws, like the Navigation Acts; giant monopolies like the East India Company and the Hudson's Bay Company, all helped to pour wealth into the coffers of the individual merchants and the powerful trading corporations which they formed, and to make them a real power in the land. It was only during the eighteenth century that the long unchallenged domination of the land-owning class, in social and political life, began to be undermined. It took quite a hundred years to wring a grudging acknowledgment that that was really no sufficient reason to be assigned for the prevalent belief that a man who inherited a large estate and lived on his rentals was necessarily superior to the enterprising man who had amassed a fortune by commerce. The literature of the age is full of contemptuous references to the aggression of men whose money had been made on the mart. You perhaps remember the reply which that epitome of stilted wisdom, Dr. Johnson, made to Boswell's enquiry, what was the reason we were angry at such men acquiring opulence. "Why, Sir, the reason is, we see no qualities in trade that should entitle a man to superiority. We are not angry at a soldier getting riches, because we see that he possesses qualities which we have not. If a man returns from a battle, having lost one hand, and with the other full of gold, we feel that he deserves the gold, but we cannot think that a fellow by sitting all day at a desk is entitled to get above us."

I venture to think we have to-day a truer appreciation of the value of commerce, and a more reasonable estimate of its just rewards than had the great lexicographer, though he undoubtedly echoed the current opinion of the time Indeed it was a notable fact that the successful merchants of those days were not free from sharing in the popular feeling themselves, for numbers of them sought to improve their social status by buying estates, intermarrying with the aristocracy, and in several cases, securing patents of nobility for themselves and their descendants.

During the first half of the last century it looked as if English commerce; would possess the earth, as English ships swept the seas. The thirty years peace which followed Waterloo saw vast developments. The Navigation Acts were repealed, and in response to petitions, originating with the merchants of the City of London, every restrictive regulation of trade, not imposed for revenue, and every duty of a protective character were swept away. So by the time of the

memorable Exhibition of 1851, the British merchant stood on the apex of the world's commerce; his banking colleagues controlled the world's purse strings from Lombard Street; and his manufacturing colleagues continued to make things in the way they had decided that people *ought* to want them, and were too rich, or too independent to worry as to whether their customers were pleased or not.

The trade competitors they had to face from all other countries, fifty years ago, were comparatively unimportant. The mercantile, the financial and the manufacturing interests were largely in the hands of wealthy and responsible men, with the accumulated experience of three or four generations. The era of Joint Stock Companies, as applied to Commerce and Banking had scarcely dawned, and men did what they thought was best their own interest, without the delays of Board Room counsels.

This self-complacent belief that the world was submissive to dictation of the British merchant and manufacturer was destined to receive a shock. In the United States especially, great improvements in the direction of labour-saving appliances – the first consideration in a new country – were so startlingly rapid in their introduction or adoption, that whole cargoes of English exports were condemned as out of date, and valueless compared with the locally invented or adapted substitute. In England, in the fifties and sixties, there was a remarkable immigration of young and generally well educated Germans, Austrians, and Frenchmen, who, without attracting any special attention, secured a footing in the offices, factories, and warehouses throughout the land, learned all the resources of the country – its weaknesses equally with its strength – and repatriated themselves, with a fixed determination to improve on what they had seen, for the benefit of themselves and their own people.

Now commenced that era of competition which caused John Bull to bestir himself and ask questions. Cassandra-like wailings went up that England's commercial supremacy was being undermined. Comparative statistics were made to show very discouraging results, many of which were undoubtedly delusive. The *volume* of British trade was really not materially affected by this competition, for during the last forty years of the century the Exports of merchandise rose steadily from £164,000,000 in 1860, to £354,000,000 in 1900, while the Imports in the same period grew from £210,000,000 to £523,000,000, the figures under

both headings for the latest year being the highest then ever attained. Vast as is the commerce which these figures indicate, it has been so much the fashion in certain quarters to prophesy the approaching supercession of British industries, that it cannot but be satisfactory to note, in passing, another important fact. For the year ended on the 31st December last, there was an increase of £25,000,000 in the volume of trade over the figures just quoted – £6,000,000 in the Exports and £19,000,000 in the Imports. But while the *actual* increase might have been deemed satisfactory, especially as it certainly kept all the manufacturing industries fully employed, the relative progress of other countries began to arouse disparaging comparisons, and, in a considerable section of the press, gloomy vaticinations of national decadence.

From about 1870 there arose, under the inspiration of the public journals, Chambers of Commerce and kindred organisations, an ever increasing demand for better technical training for our artificers, enforced by references to the inroads which German, French and American competitors were making in markets hitherto controlled by Great Britain. Imposing commissions of enquiry followed. In all cases the success of the foreigner was attributed not to any local advantage in production, but to the superior training of the artisans, and to the wider knowledge of international wants and economic conditions acquired by the manufacturers and distributors alike.

Thirty years ago a commercial education was a kind of training looked down upon in England as something below the level of a gentleman's requirements; something that it was hardly fair to call by so dignified a name. And in view of what was understood by the phrase, even in good secondary and public schools, it had little attraction for any but the average clerk – none at all for the ambitious. The established supremacy of British commerce tended to make the mercantile class contemptuous of foreign theories, and resolute to ignore their example in matters educational or otherwise. They declared that it was not possible by any theoretical training, however specialised, to equip a man competently for mercantile pursuits. Experience alone, often very dearly bought, was the only possible means of acquiring a mastery of the varied ramifications of commercial enterprise. But the rapidly advancing strides in the business operations of other countries, where it was an imperative article of faith and practice, was a sufficient answer. Conservative opposition dies hard, and it is only within the last decade

that the full value of the higher commercial education has commanded attention in England and Australia.

I say the *higher* commercial education advisedly, and I am inclined to date the rise of this awakened interest from the establishment of the faculty of Economics in the London University, as recently as 1895. For what was commonly understood as commercial training, there had indeed been an agitation twenty years earlier. It had been met to some extent by increased attention in many of the secondary schools to matters pertaining to mercantile work, and by the promotion of numerous private ventures in the shape of special or technical schools, or business colleges. Their establishment and initial success was largely due to a recognition of the fact that foreign clerks were invading the merchants and bankers offices in London, and were often securing preference by reason of a fitness due to superior training. Hence the direct aim of all these institutions was to make good clerks and to put a specialised finish on such groundwork as had already keen acquired; to construct a perfect machine for recording and controlling business operations, but not necessarily with any equipment for originating, or even thinking out the wider questions which frequently influence action in important mercantile transactions.

Up to a given point they undoubtedly supplied a want, and as a rule they have been, both in England and Australia, fairly successful from the stand point of their promoters. They cater for the wants of a large class of young men whose expectations do not extend beyond being efficient clerks. And it is surprising how large a proportion of them take up office routine as their life's work, preferring light duties and a moderate salary to the anxieties and responsibilities which beset their employer. It is not so in America. That shrewd millionaire, Mr. Carnegie, says that the youth who goes into an office or a bank, without a firm resolve to be a partner, or a general manager, is wasting his time. To the English or Australian youth who has this laudable ambition, the business colleges do not cover all the ground.

Of course, as pointed out by Professor James in the report which he prepared on this subject for the American Bankers' Association, no commercial high school, and no school of finance and economy can make a successful merchant or banker, any more than a law school or medical school can make a successful barrister or

doctor. But if the commercial training is really educational in character, and not a mere top dressing of specialities, it will certainly prepare the youth to learn his business more thoroughly and more rapidly than he could have done without it. He proceeds to show how the six months' courses of the so called business colleges, which have a certain value in securing situations for young men, differ essentially from the objects aimed at in three years' courses of the commercial colleges in Vienna or Paris, or Leipzig or Antwerp. It is the practical and liberal work of this latter character, which educates for life while it trains for a livelihood. But unhappily there was not until the last half dozen years any institution in England or her dependencies that aimed so high, and the establishment of the Birmingham University but yesterday, so to speak, was the first serious answer to the demand.

In Victoria, outside the clerical division of the Civil Service, it is a reasonable estimate to put down the number of clerks employed in Banks, Financial, Insurance, and kindred companies, and in Merchants' offices, at little short of 20,000. It is depressing to think that 95 per cent of this large army has no prospect of doing anything more than routine clerical work until worn out. But it is a hard fact, due largely to the mistaken ambition of parents to put their boys into what is regarded as a light and genteel occupation, for which they have probably shown no special adaptability, and for which their schooling has given them the poorest training. During the last few years, there have been numerous agencies whereby these deficiencies might have been remedied to a large extent, though it must not be over looked that a specialised course of any kind not based on a fair substratum of wider culture, is often found to leave large gaps in the mental equipment when called upon to meet unlooked for developments. But even such facilities as were provided have not by any means been eagerly seized upon. I think it must be candidly admitted that the rising generation in Australia regards study with less favour than their prototypes in Great Britain, and are absolutely out-distanced in self-culture by the youth of most of the European centres of business. It has been the too common experience of all advocates of a *voluntary extension* of our educational methods that the enthusiasm they are able to evoke is too often of a transitory character and easily damped. Eighteen years ago, when I delivered the inaugural address on the establishment of the Bankers' Institute of Australasia, I was led by the apparent enthusiasm around me to prophesy great things for it that are yet unaccomplished. For a year or two the lectures

were kept up to a high standard, were nearly always the work of capable experts, and were some times followed by well sustained discussion. But ere long the apathy of the senior officers, and the more seductive attractions which kept away the juniors reduced the attendances to such a point, that the periodical lectures became at first intermittent and finally extinct. In 1900, under the auspices of the Chamber of Commerce, the Bankers' Institute, and kindred organizations, a series of University Extension Lectures were commenced in Melbourne covering such subjects as the Formation and Management of Companies, Accountancy, Commercial Geography, and so forth, but the response was so unsatisfactory that the guarantors had in most cases to be called upon to make up a deficiency. The Bankers' Institute has done some good in formulating an examination for entrants into office life, which though falling short of the ordinary matriculation standard, has by many of the banks been recognised as satisfactory, and made a necessary preliminary. During the last year or two it has formed a Bankers' Students' Society, which has been of great benefit in helping to provide the few who are willing to learn, with a good foundation for their higher studies. Similar work is being done by the Institute of Accountants, the Insurance Institute, the Accountants' and Clerks' Association, and one or two other bodies. The Working Men's College only last year commenced a four years' Elementary Commercial Course covering a fairly wide synopsis. A few students have taken up one or two of the subjects, but there is not, so far, a single name down for the complete course, though the lectures are delivered at night, the fees are very small, and the instructors mainly men of University standing.

The other organisations in Victoria which have grown out of the demand for commercial training are the so-called business colleges – private schools with a specialised curriculum in which the mere machinery of business, book-keeping, office routine, stenography and type-writing stand well in front, with occasional excursions into elementary mercantile law and commercial geography. Now all these efforts indicate a recognition of a want and a desire to provide for it, while, to the extent, the opportunities offered are availed of, they undoubtedly raise the average of ability in the rank and file of clerical assistants. But they come a long way short of the training which is required to make notable "Captains of Industry" and merchant commanders. It has to be admitted that some prominent writers on education take the view ordinarily held by the successful English businessman of a few years back, that no school or college can possibly teach commerce in

its entirety, that is to say, it cannot turn out a merchant as completely equipped for all contingencies as it can a barrister or a doctor. The weightiest argument in support of this contention is that the area of knowledge to be cultivated is so wide that it would be impossible to get teachers capable of doing justice to all the phases. German educationalists, who have had much to do with the matter, theoretically and practically, very generally maintain that the success of their people in commerce and manufactures is due far more to the thorough and diversified training received in their secondary schools, than even to the liberal provision made for technical and commercial education, which latter they declare succeeds in proportion to the soundness of the general education of the pupils who receive it.

I do not suppose the most strenuous advocates of commercial education expect it to turn out every pupil as a capable businessman. No educational scheme ever devised or dreamt of could do that; certainly not while mental and physical variability remain, whatever may be done under the uniformity of the coming Socialism. There are and always will be plenty of young men on whom a wealth of education has been lavished under most promising conditions, without stint of cost, who have turned out failures in the walk of life towards which their studies were directed. There are things which cannot be learned as a course of study, such as urbanity, tact, a wise reticence, and perhaps most important of all, a demeanour which commands the approving confidence of our kind. A sound judgment of character is rarely acquired in our college days, and yet it is probably one of the most essential factors of success in business. Yet when all has been said the fact remains that the further a youth can carry his general education the more thoroughly will he be benefitted by the specialised preparation for a particular career when he undertakes it.

It seems to me that the methods most generally in vogue in English speaking countries have been rendered somewhat confusing by the want of a more defined line between the commercial training which aims at raising the knowledge and the status of the ordinary clerk, and the real commercial education of the men whose position and prospects justify the assumption that they are likely to be leaders in, and controllers of wide mercantile operations wherein their own individuality and capacity will be the final measure of success or failure. Professor Harrison Moore in his evidence before the Melbourne University Commission

last year was emphatic in maintaining that the toying with technical education as a means of improving the work of the artisan – such as is the first care of our Working Men's College – must be supplemented, if not superseded, by a far more efficient training for our future captains of industry and commerce. These he maintains demand an education standing in the same relation to the life's work of the manufacturer and merchant, as the medical school of the University does to that of the doctor. There is no questioning the statement that such attainments as proficiency in two or three modern languages, clear views on the higher finance, and knowledge of the world's products, markets, and complicated tariffs, can only be acquired by sustained and systematic study. A really scientific enquiry into the structure and organisation of modern trade movements, and the causes by which prosperity may be tested, as they are shown in the experience of Great Britain and foreign countries, cannot be pursued as a pleasing mental adjunct to the day's hard work, or be satisfactorily answered by listening to any number of evening lectures.

Here then, we come to the parting of the ways. In England and her dependencies there has been growing up for the last twenty years – mainly as the result of private effort – a materially improved method of both technical and commercial training. Under that impulse the scope of general teaching bas been greatly widened, the producing power of the country has been stimulated, and the rank and file of the officers connected with its output and distribution disciplined and rendered more efficient. This has distinctly raised the status of the ordinary clerk – raised him from a mere recording machine into an interested and intelligent worker, and, where industry and ability have been combined, has opened to him possibilities of responsible leadership.

But within the last decade, and more notably since the commencement of the present century, there has arisen a demand for a much further stride in the preparation for a business life. It is not aimed at an all-round increase in the teaching of thc privates in the army of commerce, but a special and exhaustive curriculum for its administrative officers, those fortunate few who, by the command of capital, the inheritance of an established business, or like social advantages, may expect as directors to take a prominent part in guiding the business activity of the country. Wealthy merchants have very generally, and very commendably, sent their sons to Universities for that thorough grounding in the higher education which cannot

so satisfactorily be acquired elsewhere. The result has too often been to give those sons a distaste for business, and a keen desire for a professional life. It is because the professional courses are supposed to offer a higher intellectual stimulant, and to the receptive mind a more pleasing and satisfying exercise of the mental qualities, than what has been heretofore somewhat coldly regarded as a training in the art of making money. Such certainly *was* the view, when the matter was considered at all, from the University standpoint; but the old order is changing. The commerce of to-day is not a matter of that shop-keeping which evoked Napoleon's sneer at the English people. The ever-recurring fresh discoveries of science; the practical annihilation of time and space in our means of communication; the rapidity with which new markets spring into existence; the transference of great interests by unlooked for developments; the subtlety of keen rivals; and the drastic changes which an acute financial crisis, or a war, may work in a country's position, are interesting problems, which fifty years ago were calmly put aside. To-day they demand that alertness of mind which is born of a knowledge sufficiently wide to enable the merchant rightly to estimate accurately what is going on in the world beyond the horizon of his own daily duties. Professor Ashley, of Birmingham, deals in a few vigorous words with the charge that such studies cannot be made "intellectually interesting." He says:

> "To be brought to realise the larger issues involved in business decisions; to understand the place a man's own undertaking occupies as a whole all over the world, and the relation of that industry to others; to be accustomed to weigh conflicting considerations for and against a particular policy; to get into the habit of following the larger movements of manufacturing progress and international trade; and to learn how to get at the best accessible information, in foreign sources as well as English – surely this will prevent business from being dull?"

The Oxford and Cambridge Schools Examination Board, which, stimulated by the united Chambers of Commerce, had formulated an examination for a commercial certificate; the Faculty of Economics in the London University, and efforts by Owen College at Manchester and kindred institutions, all tended in the direction of giving a higher tone to the movement. It culminated in the establishment of a Faculty of Commerce in the Birmingham University in 1902, and thus secured for the first time the formal recognition of the right of

Commercial Education to occupy a distinct and recognised place in the wide scope of true University training.

Now the commercial curriculum at Birmingham is a very imposing one. The Faculty of Commerce consists of the Principal and Vice-Principal of the University, the Professor of Commerce and Public Finance, the Professor of Accounting, and the Professor of Commercial Law. To this faculty are attached the Professors of English, French, German, Mathematics, Philosophy, and History; and such other professors as may for the time being be taking part in the course of study prescribed for the degree of commerce. And this course comprises studies which come mostly under four main headings: (1) Languages and History; (2) Accounting; (3) Applied Science and Business Technique; and (4) Commerce. With regard to the first the History is almost entirely modern, dealing mainly with the political and economic movements and revolutionary changes of the world during the last century. No student can receive a degree in commerce unless he is thoroughly master of at least two modern foreign languages. Accounting is dealt with on highly scientific grounds in three ascending courses, one in each of the three years. Applied science and business technique cover courses on Commercial Law, Money and Banking, Statistics, Transport, Public Finance, Taxation, the technique of Trade, and general Economic Analysis. The courses on Commerce, however, give the tone to the whole scheme of instruction. The first year is devoted to a study of the modern development and present position of the industry and trade of Great Britain, her Colonies, and Dependencies. Not only in respect of geographical position or productiveness, but covering the supply, the organization and the efficiency of labour, and the state of the mechanical arts. The second year covers the same ground in respect to the United States, Germany, Russia, France, and other countries, leading up to a critical survey of international commercial relations. The third year is concerned with higher business problems and the results of applied economics. It embraces amongst other things Capitalisation, relativity of Production, Combinations of Merchants or Manufacturers, Trusts, Limited Companies, the financial and industrial consequences of Machinery, Relations of Employer and Employed, Hours of Labour, Markets, Credit, Goodwill, and such an apparently speculative subject and Cycles of Trade. Throughout the courses it is nevertheless to say that Commercial History and Commercial Geography enter largely into these lectures.

This may be taken as the high water mark of advanced commercial education in the British Empire, and in continuity and completeness it seems to be arranged for a highly developed, though probably for some time to come, a very limited contingent of directing power in mercantile affairs. It can only be profitable to students who have attained a certain maturity of mind, and whose training has been at least up to matriculation standard before entry.

It is to be borne in mind also that it is devised for people who are in a position to give their full time to University work. There is no provision for evening lectures. Professor Ashley contends that if such were introduced, they would influence a number of people who now make a sacrifice, by giving their main time to full University work, to attempt such work, less efficiently, by reason of a large portion of their energies being diverted to something else. In the heart of Great Britain, with only one University so far fully equipped for complete commercial training, it may be easy enough to fill the classes, even under very conservative conditions. But at present in Australia the people who can command the time and the means for such an absorbing course, as well as the inclination towards it, are few and far between. The public feeling here trends towards demanding a display of utilitarianism in University work. To make that phase of its work apparent, the conditions under which it has been conducted for centuries must be brought into harmony with a greatly changed environment. Indeed it looks as if the Socialistic trend of Modern Democracy was going to forcibly invade the seats of learning. One of the accepted planks in the platform of the Victorian Labour Party is – "Free primary, secondary, and University teaching for all, the Government to bear the expense of all incidentals thereto," which is probably a euphemism for books and stationery, with possibly railway fares thrown in. It is needless to say the classes are to be the sequel to the statutory eight hours.

So far I have only dealt with the demand for this form of education in our own country. At the risk of wearying you I must with all brevity refer to what has been done in other countries, as it was unquestionably the doings of our commercial rivals that woke us up to the necessity for imitating them. I have had the opportunity of perusing the British Consular-Reports on Commercial Education in France, Germany, Austria, the Netherlands, Italy, Switzerland, and the United States, and the manner in which it has been made a State care in those

countries has been a revelation. It may be confidently affirmed that the methods in force in either France, Germany, or the United States, would each form an ample text for a whole course.

To *Germany*, I think, must be accorded the palm, though the Commercial Courses there are even yet quite outside the recognised University life. The development of the educational system of Germany has proceeded along lines consistent with the most scientific provision for progressive continuity. It is a national pride and passion, and the interest taken in its advancement by all classes is in singular contrast to the apathy commonly displayed by the people of England not specially interested. The Government provides compulsory education for all children up to 14 years of age, but it does not, like our State School system, consider them finished at that point. No person is allowed to work in a factory or workshop under the age of 17, so that there still remains three years for further tuition. With us the whole area between our Primary schools and the University is chaos and conflict. In Germany, the complete system of Secondary education is so admirably organised, the grades of schools so well defined and generally understood, that the pupil emerging from the Primary school at 12 or l3, who can give another five or six years to study, finds his steps marked clearly before him. He passes through the "Realschule," where mathematics and modern languages are the prominent features, into the "Real Gymnasium," where he makes his first acquaintance with Latin, and, if he is intended for the University, he passes thither through the portals of the "Classical Gymnasium," whose certificate of maturity is necessary for his acceptance. If not intended for the University, his continuation is arranged in the High Commercial School, where, in progressive stages, he may continue his studies up to the age of five-and-twenty. There are several hundreds of Commercial Schools in operation throughout Germany; a preponderance of them have evening classes. In some of the States attendance is compulsory up to the age of fifteen. Of the Higher Schools of Commerce there are some five-and-twenty, and there more than a dozen where Commercial Courses of University grade are given to pupils from 16 to 25 years of age. The highest point is reached in the Leipzig Commercial School, which is practically of University standing, though it does not confer degrees. Admission to it is strictly limited to those in possession of certificates of a high grade of general education. The Professors of the Leipzig University take part in the lectures, and organise the course of studies. It is largely used for the training of teachers for the ordinary

Commercial Schools; and though the fees are, for Germany, rather high, it is not self-supporting. It receives a subsidy from the Government, but its financial requirements are cared for by the wealthy Chamber of Commerce of that city.

In *France*, Government recognition of the Commercial side of education is of quite recent growth. In 1889 in an official report by the Inspector General of Technical Education it was stated that the pupils attending any Commercial Schools throughout France numbered only 2,000, as against 400,000 youths annually entering a business career. Here was then a marked indication that parents could afford to keep their sons at school beyond the higher primary courses, desired them to take up the classical side, as leading to the liberal professions. There has since been a considerable change in this feeling. The Government schools were formerly under the joint control of the Minister of Education, and the Minister of Commerce and Industry. There was much friction, and as recently as 1892 a division of authority took place, and the control of the higher primary schools, in which the teaching in mainly industrial or commercial, was handed over solely to the latter Minister. Since that date there has been a rapid increase in the number of these establishments throughout the Republic, but it is complained by the Conservative party that the tendency to unduly specialise is too much in evidence. There is some confusion and much overlapping because they have not the highly scientific organisation of progressive teaching which so eminently distinguishes the German system. The fullest fruition of all these efforts is found in the School of Higher Commercial Studies in Paris, which is mainly supported by the Chamber of Commerce. The French Government supervises and aids about a dozen High Schools of Commerce in leading business centres of the country, and though in all of them the three years course is of a very high order, the Paris school named approaches nearest to University rank. Quite recently the Minister of Commerce established in this School a special section for the training of Commercial teachers. It is housed in the centre of Paris in a magnificent building that cost over £100,000, and forms the goal of the ambition of the young Frenchman who is training for the work of the merchant or the banker. The age of students range from 18 to 22 and the demand for the training is in excess of the accommodation. It covers Economics in relation to the history and organisation of the world's commerce, foreign languages, commercial law of all trading nations, customs, tariff, factory laws, and other regulations affecting industry, commercial and historical geography, and the routes and methods of

transport by sea and land. Indeed in looking over the curriculum, which occupies twenty pages in Professor James' report, it strikes one with amazement as to where it is possible to find all the teaching power.

Time will not allow me to give you more than the barest outline of what is being done in *The United States*. Secondary education there is a matter of wider public interest than it has ever been in England. In nearly all the States there are Grammar Schools, or High Schools, maintained at the public cost. There were 5,100 of them in 1897, with over 400,000 pupils. But in these the classical side has never found the favour it has with us. As each State is sovereign in matters of education within its limits, there is of course great diversity in the system, and the uniform organisation which has done so much for Germany is impossible. Now, though the American people were not suffering from that foreign rivalry in business which caused this question to be taken up so warmly in Europe, they were early infected by the pressing demand for comprehensive business training. "Commercial Colleges" as they were called, began to spring up in all industrial centres giving very specialised preparation for clerkships. Commencing about 1875 they came with a rush, and twenty years later there were 500 of them, with over 120,000 pupils. This stirred the Education Authorities to action, and they met the invasion by introducing business courses into the public secondary schools. By 1900 a large number of the business colleges were closed, and a demand for something higher set in. In 1881 Mr. Joseph Wharton gave £20,000 to the University of Pennsylvania for the foundation of a higher Commercial Department. With this money a Chair of Finance and Economy was founded and endowed. In 1891 its scope was enlarged, and it now covers a four years' course of the most exhaustive kind, leading to the degree of Bachelor of Science in Economics.

Opinion grew that a careful scientific training, based on a sound general education, and covering a wide survey of human affairs, could he better under taken by the Universities than any other educational institution. In democratic America there lurked a feeling that the man of commerce should not be cut off from the high traditions which the Universities stood for. So, in rapid succession the University of Chicago, the University of California, the Columbia University in New York, and several of the smaller Western Universities established faculties, or, as they call them, Colleges of Commerce, within their borders. While it has to

be admitted that there are American Universities which fall very short of what an Englishman understands by that word, the four institutions named which have fathered the claims of commerce, are held in high estimation. Certainly in this affiliation America led the way now being followed in England, and it is probable that in due time Harvard and Cornell Universities will find it to their interest to comply with the popular demand.

I confess that I approach the consideration of the Schedules of your Courses for the "Advanced Commercial Certificate" with some misgiving as to my being able to offer any criticism worth listening to. A thorough mastery of the six subjects dealt with should enable a man to take a leading part in responsible business affairs or financial administration. They would give him a firm grip of the why and wherefore of his operations, and enable him to lay his course with intelligent decision. Necessarily they come considerably short of that highest form of Commercial Education in the Superior Schools of Leipzig and Paris, and some of the Universities I have mentioned. If in Victoria it is held to be premature to initiate a Faculty of Commerce, it is probable that in South Australia the number of students seeking to go so far would be still smaller. It is, however, very gratifying to find the evolution of business training progressing on such sound lines. We may feel assured that the enterprise which founded the Board of Commercial Studies will be equal to providing for its highest development when the demand, which it has had a large part in creating, is sufficiently pronounced.

Business Practice, Accountancy, and Commercial Law alone, well learned, should create a class of clerical assistants that will, with the development of the country, be in ever-increasing demand. During thirty years of active Banking management, I do not think I have passed a single year in which I did not have reason to regret the want of capable men to take up positions of responsibility. The opportunities of doing business of a profitable kind were far more frequent than the finding of the competent man to take charge of it. I believe, therefore, that the movement inaugurated by the Adelaide University, and which bids fair to be followed in the other Australian States, will be, and indeed already is, highly valued by the Banking Institutions.

Probably I am infected with the common failing of "magnifying my office," but I confess to a feeling of doubt whether twenty lectures at weekly intervals

can do more than touch the fringe of such complex subjects as Banking and Exchange. I am reassured, however, when I consider how important a part of Banking training is found under the heads of Commercial Law, Economics, and Commercial History and Geography. Indeed, these four subjects form the staple of the lectures delivered before the Bankers' Institute in London for the last twenty years. They are properly regarded as covering an area of knowledge with which every banker in an administrative position should be fairly familiar. It is impossible to have clearly defined views of Exchange operations without some study of Commercial Geography. The mercantile future of Australia must be largely in touch with India, China, Japan, the Malayan Archipelago, and the Islands of the South Seas. We are on the eve of great trade developments in little known lands. The sooner we can make ourselves acquainted with their resources, and their wants, the better chance shall we have of maintaining that commercial supremacy of which we are proud, and for which we shall have to contend with the keenest rivals. Think what it would mean to Australia if we could persuade the stalwart races of Northern China to wear woollen goods, instead of the cotton padded garments with which they encumber themselves in the winter. Our entire clip might go to Shanghai or Tientsin, with vastly enhanced profit to the growers. But as a rule Australians form their opinion of the Chinaman from a degraded type – the Cantonese (who almost alone come here) – and seek to know nothing of the trade potentialities of that vast hive of industry in the interior.

To-day there is probably no Merchant, or General Manager of a Bank, who could hold the knowledge which the Birmingham Faculty of Commerce propose to pour into him. The training of a generation ago was on quite different lines. But it would be an immense relief in times of stress, to have men about them who could intelligently discuss the problem of the hour, and bring to bear upon it the knowledge garnered from wise teachers and shrewd experts. Such are the men for whose laudable ambition in the direction of self-improvement your Board has offered a way of usefulness. The fact that they are striving for a distinctive mark of excellence predicates industry and self-reliance, qualities which, when capacity is shown, will make them welcome everywhere. It may be that only a small proportion of them will rise to be administrators, but I know some merchants in Melbourne, of high standing, who were office boys within my own recollection. In nearly every case the administrators of our large financial institutions are men who have risen from the ranks, and owe nothing to fortune or favouritism. One

thing is certain, that every winner of the Board's certificate will be an apostle of the higher Commercial Education, and besides stimulating others to follow in his foot steps, he can hardly fail to recognise that he has acquired something of value, not only to himself but to the community with whom his lot is cast.

To sum up the whole matter, I would say that the result of all the Royal Commissions and formal enquiries, leads to the conclusion that all education is indissolubly linked together, and to the belief that a course of specialised instruction commenced too early, or at the cost of curtailing the time spent on subjects which every intelligent youth should master, is very undesirable for the pupil, and generally produces unsatisfactory results. That shrewd but sordid philosopher, who wrote the "Letters of a Successful Merchant to his Son," says:

> "The first thing that any education ought to give a man is character,
> and the second thing is education."

Seriously, however, there are two well-defined stages in education. The first aims at developing the faculty; the second seeks to apply it along the lines that are most related to the student's future career, be it professional or commercial. The first stage – rudimentary, perhaps, but vastly important – the making of the man, is the work of our Primary and Secondary Schools, aided, or ought to be aided, by the too often neglected factor of a judicious home influence. It implies things not scheduled in any school curriculum. Inflexible honesty and truthfulness in thought and deed; moral courage in speech and act; magnanimity without censoriousness; self-reliance without dogmatism. These are the foundations to be built upon if we wish to render the finished product, apart altogether from the question of financial success, a worthy representative of the best traditions of our race. The second stage – the making of the man into a lawyer, a doctor, or a teacher – has hitherto been the work of our Universities, to whose scientifically organised methods we would fain also entrust his transformation into a merchant, a manufacturer, or a director of finance. For it is certain that though the rudimentary principles of commerce may be taught in an ordinary school, it is quite outside that province to deal with the wide-reaching problems of its higher walks; and it is only an institution of foremost teaching rank that can command the highest skill and the rare expert knowledge necessary to bring out the best energies of the willing student, and endow them with its honourable recognition.

Finally, let me say that while the demand for this specialised training has been so marked a feature in educational circles during the last decade, there is the strongest reason why it should be taken up warmly in Australia; for, on extended production, and judicious distribution of her products, the future importance of the Commonwealth mainly rests. Even to-day the volume of her trade relatively to population stands in the front rank. Her exports of domestic produce exceed £58,000,000 per annum. Her imports for home consumption from countries beyond her borders exceed £42,000,000, while the total of her interstate trade touches another £50,000,000. If these impressive figures can be quoted for a population of less than four millions, what may we expect in another generation. The population of the Commonwealth States has more than doubled in the last thirty years. The volume of its external trade in the same period has increased threefold. If we may base estimates on these figures, and if we are not thwarted by suicidal legislation, another thirty years should give us eight millions of people. To minister to their local needs, in a material aspect, to find the most profitable outlets for the results of their labour and their skill, will demand the services of men well trained in the ramifications of commercial enterprise. Men sufficiently well grounded in sound Economic principles, who will not be led aside by the fads of hasty tentative legislation, which may indeed hamper, but can never override the laws upon which the world's commercial progress is founded.

Conditions which we may reasonably anticipate will, I feel assured, bring dignity of position and satisfactory emolument to many of the energetic young Australians who are to-day, and here, earnestly working to attain that wide knowledge which in every walk of life is power. Let me heartily wish that their laudable efforts may be crowned with deserved success.

Appendix

The following Memorandum on the state of Commercial Education in the newly awakened Empire of Japan was intended to be incorporated in the Lecture, but consideration of time and space necessitated its exclusion. The Board of Commercial Studies considers it worth adding in the form of an Appendix.

When I visited the Tokyo University, some dozen years ago, there were four British and five foreign European Professors on the staff – three, if not four, of the latter, being Germans. To-day, I understand that the entire Professorial staff is native born. The eagerness of the Japanese youth to learn is quite phenomenal; and, from the first glimpses of Western knowledge, they displayed a special aptitude for History, Geography, Foreign Languages, Political Economy, and International Law.

The Tokyo University has no Commercial department, but the Tokyo Higher Commercial College, affiliated to it, approaches nearly to University standing. It is a Government Institution, belonging to the Department of Education, and has branches at Osaka and Kobe. There are, throughout Japan, some fifty Commercial Schools of high grade, where the curriculum prepares for this College. The period of study for the College diploma is five years, and under no circumstances can it be issued for a shorter course. When the diploma has been obtained there is open to the successful graduate a further two years' course, in which special instruction is received in Finance, Commercial, Civil, and International Law, Science of Commercial Economics, and Consular Duties and Obligations. The completion of this extra two years' course carries with it the dignity of a Degree – "Scholar of Commerce" (*Shyogyo Gakushi*) – which is eagerly coveted, and worn with pride.

There are some very interesting points in dealing with education in Japan. Before a student can enter the College to try for the diploma, he has to pass a physical examination as to whether he has bodily health that will serve him for a five years' course; and if he is successfully passed, he has to give three hours a week during the term to exercises in the military system of his country.

The five years' Commercial Course, besides giving the soundest general education, covering everything but Classics, is strong in Mathematics, Physics, Chemistry, the Morals, History, Science, Practice and Laws of Commerce, Machinery, Statistics, Finance, English, and a choice of at least one other language out of French, German, Spanish, Italian, Russian, Chinese, or Korean! Two or three of these are desirable, but easy conversational English is indispensable.

The fees payable at the College are absurdly small, according to Australian notions: but every expenditure in connection with education is borne by the Government, and such fees as are received are paid into the General Revenue.