SILOS & STOVEPIPES: THE RATIONALIZATION OF HIGHER EDUCATION IN NOVA SCOTIA DURING THE 1990s.

By

Karl Williams TURNER

A Thesis Submitted to
Saint Mary's University, Halifax, Nova Scotia
in Partial Fulfillment of the Requirements for
the Master of Arts degree in
Atlantic Canada Studies

February, 2011 Halifax, Nova Scotia

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Approved:	Dr. John Reid Supervisor
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Date:	11 February 2011

CERTIFICATE OF EXAMINATION

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ABSTRACT

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ABSTRACT: This thesis looks at the rationalization negotiations between the Nova Scotia provincial government and its universities during the 1990s. The first chapter of this thesis places these negotiations into an historical context by looking at previous amalgamation attempts. In this section it is argued that, during the Carnegie Federation Scheme in the 1920s, Dalhousie University was exposed to and later embraced an institutional paradigm inspired by German research universities founded during the 19th century. The second chapter of this thesis explores the forces that brought about the founding of the Nova Scotia Council on Higher Education (NSCHE), the arm's-length organization created by government in consultation with the universities during the 1980s. The final chapter traces the rationalization negotiations during their apex. Ultimately it is argued when the rationalization process became politicized Dalhousie's response was to push for amalgamation. This resulted in a counter-proposal, which the provincial government supported.

11 February 2011

NOTE ON SOURCES

This thesis approaches the topic of the rationalization of Nova Scotia's universities during the 1990s primarily through university records and interviews with the leading participants. A complete list the people who were interviewed can be found in the bibliography section of this thesis. Copies of these interviews have been donated to the Saint Mary's University Archives. Although most of the interview subjects granted unrestricted access to public, a few have placed time restrictions on the material. Researchers wishing to access this material should contact the University Archivist for details. Each of the recordings is accompanied by a transcript that includes notes made by the author on when and where the interview took place, as well as some observations made during the interview.

All of the interviews were recorded on a Sony MD Walkman MZ-NH700 Digital Recorder using a Becho-Voice 635A Dynamic Omni Directional Microphone. These recordings were later converted to WAV format and stored on CD-R discs.

ACKNOWLEDGEMENTS

All journeys begin with a question and the one that inspired this thesis – why go to university – appeared easy enough to answer. We go to university to get an education so that we can get a good job, to maybe study something we feel passionate about or learn to be a critical thinker. When you think about it there are lots of answers to this question, but thankfully none of them satisfied the high school students who I began my career in higher education attempting to recruit. This forced me to take the question more seriously and, of course, once I did, I quickly realized that no one has a *really* good answer to that question, and when I say a *good* answer I mean one that not only justifies the cost to society, but to the individual students as well. An undergraduate degree takes a minimum of three years to complete. Attrition rates are high and student debt for some can be crippling. When viewed through the same critical lens that academics use to critique society, a university education is a rather odd phenomenon.

My own journey though graduate education took longer than I thought, was harder than I expected and has in the end left me indebted to three people. The first person is Kim Kierans, who I suspect will be a little surprised to see her name here. I must admit I did not expect to write it until, after a period of careful reflection, I came to realize just how profoundly her support at crucial points in my life has altered it for the better. Indeed, she is the person who when I began asking questions about universities directed me towards the second person to whom I am indebted, Dr. John Reid, my thesis advisor.

While on an academic conference a few years ago I found myself in the company of a number of his gradate students. To my surprise we all shared two sentiments towards him. The first was that we had all at one point or another been gripped by a paralyzing fear that we might not have within us the academic rigor needed to meet his standards. Thankfully, this was a passing terror for the second sentiment was a humbling sense of awe that someone with so much talent could be so generous and supportive with their time and so willing to believe that, yes, we did in fact have within us the ability to reach higher than we had ever reached before.

The third and final person to whom I am indebted is my wife, Margaret Langley. Over the last five years as we raised children and renovated houses you have loved and supported me. I suspect that was not always easy for those years were punctuated with long silences occasionally shattered by one-sided chatter as my mind weaved with the thoughts that will soon follow. You have tolerated my research related absences, the tapping of my keyboard late into the night, and the interruptions to your sleep when I climbed back into bed. Suffice it to say that without you I would have never started this journey.

TABLE OF CONTENTS

Certificate of Examination ..... **ii**
Abstract ..... **iii**
Note on Sources ..... **iv**
Acknowledgements ..... **v**
Table of Contents ..... **vi**
Introduction **1**
Chapter One: Faith, Democracy & Higher Education, 1821 - 1929 ..... **5**
Preface 5
Faith, Democracy & Higher Education, 1821 - 1921 6
Chapter Two: Growth & Governance, 1912-1988 ..... **29**
Preface 29
Growth & Governance, 1912 - 1988 30
Chapter Three: Horseshoes & Hand Grenades, 1992 - 1996 ..... **52**
Preface 52
Horseshoes & Hand Grenades, 1992 - 1996 53
Conclusion **108**
Bibliography **112**

INTRODUCTION

In early 1995, less than two years after the Nova Scotia Liberals formed a majority government under John Savage the *Chronicle Herald* ran a feature-length article by education reporter Cathy Shaw entitled, "The Courtship: Halifax Universities play hard to get in the face of Dalhousie's merger proposal."[1] Stories covering the ongoing rationalization discussion between the provincial government and the universities had appeared in the media ever since the Royal Commission on Post-Secondary Education released its report in 1985. However, Shaw's two-page spread in the paper's Saturday edition – complete with dramatic profile shots of the seven Metro university presidents – caught the public's attention.

The article painted a bleak picture. On one side of the debate, and pushing hard for amalgamation of the metro universities, was Howard Clark, president of Dalhousie University. Clark had good reason to push for a union. From the moment he arrived at Dalhousie, eight years earlier, he had struggled to get the university's finances under control. The 1980s were lean years during which Dalhousie teetered on the verge of losing control of its finances. As the largest and most government-dependent university in the province Dalhousie had the most to lose from expected cuts to transfer payments by the federal government.[2] According to the province's calculations annual funding to higher education would drop from $196 million annually to $160 million within a single year.[3] Clark argued that amalgamation would save nine million dollars in administration alone and used a Dalhousie-sponsored consultant's report to

[1] Cathy Shaw, "The Courtship: Universities play hard to get in face of Dalhousie's merger proposal," *Chronicle Herald*, 14 January 1995, 5.
[2] Howard Clark, *Growth and Governance of Canadian Universities: An Insider's View*, (Vancouver: University of British Columbia Press, 2003), 11.
[3] Public Archives of Nova Scotia (PANS), 2004/010/002, Nova Scotia Council on Higher Education Meeting Minutes, 22 & 23 March 1995.

back his claim.[4] In the article Clark took an uncompromising position, arguing that starvation was the only alternative to amalgamation for the impending federal cuts would leave any institution not part of his deal with little money to survive.[5] On the other side of the debate were the six remaining Metro University presidents who, fearing that Clark's proposal might prevail, were working in private to negotiate their own proposal. While Clark's plan pushed for outright amalgamation theirs promised similar cost savings through cooperative measures that preserved institutional integrity.

In the middle of the debate holding the purse-strings was the provincial government. During early discussions on rationalization, it had remained silent, choosing instead to allow the Nova Scotia Council on Higher Education (NSCHE) – an independent, yet government-sponsored body that the universities had helped create in 1992 – to act on its behalf. As time wore on, though, government became less willing to play a secondary role. As the issues became more contentious, and as the threat of a full-scale fiscal crisis loomed larger with each passing day, the Liberal government assumed a more central role in the rationalization talks. Indeed, the Savage government showed unprecedented resolve, implementing widespread changes to teacher education within the province, which led to the closure of the Nova Scotia Teachers' College and the Departments of Education at Saint Mary's and Dalhousie Universities. For the first time for as long as anyone could remember government meant business. Amalgamating seven Metro universities all located within a twenty-kilometre radius was no longer far fetched. For some – Howard Clark in particular – amalgamation made perfect financial sense, but for others the potential financial gains were questionable at best. Proximity

[4] Shaw, "Courtship", 5.
[5] Ibid.

obscured the fact these were institutions rooted in different traditions that predated Confederation. It was easy to see what would be lost, but what exactly would be gained?

This thesis examines the root causes behind the rationalization negotiations that took place between the Nova Scotia provincial government and the province's universities and pays particular attention to the 1995 proposal by Dalhousie to amalgamate the Metro Halifax universities into one institution. As anyone with even a passing interest in the politics of higher education will know, amalgamation has been discussed in Nova Scotia for two centuries. Newcomers to the region are often mystified as to how so many universities came to exist in such a small province, whereas veterans of the topic are at a loss as to how government will ever be in a position to break the status quo. But that is exactly what came very close to happening in the mid-1990s. These negotiations provide insight into how our system of higher education is structured and why it is so difficult for government and universities to negotiate reform.

The thesis is divided into three chapters. The first chapter – Faith, Democracy, and Higher Education – attempts to explain how so many universities came to exist in such a small province and pays particular attention to an attempt in the 1920s to amalgamate the region's universities. During this amalgamation attempt Dalhousie was exposed to a new institutional paradigm inspired by German research institutions, and it is argued later in the thesis that its embrace of this concept was a motivating factor behind its eventual bid to amalgamate with the surrounding metro universities. The second chapter – Growth and Governance – explains how and why governments came to subsidize higher education during the middle part of the last century. It also investigates the roles the Maritime Provinces Higher Education Commission (MPHEC), the Royal Commission on Education, Public Services and Provincial-Municipal Relations (otherwise known as the Graham Commission), and the Royal Commission on Post

Secondary Education played in the creation of the Nova Scotia Council on Higher Education, the government-sponsored body that attempted to negotiate rationalization between the universities in the 1990s. The final chapter – Horseshoes and Hand Grenades – traces the 1990s rationalization negotiations during their apex.

Ultimately it is argued that the independent reviews sponsored by the NSCHE were working, and that the university presidents, though public in their criticisms, had resigned themselves to the fact that there would be losses and gains spread more or less evenly throughout the system. In the midst of this process, though, St. Francis Xavier University successfully lobbied the Minister of Education to keep its education program even through the NSCHE-sponsored report suggested otherwise. This intervention politicized what had been up to that point a relatively unbiased, arm's-length process mediated by the third party that both government and the universities had created. Once this happened the universities began to rally their considerable resources and began to work both for and against each other. During the spring of 1995, the Savage government called a truce. They met with the Metro university board chairs and urged them to get their presidents to expand upon the counter-proposal to Clark's amalgamation bid. This meeting coincided with the appointment of a new president at Dalhousie, Tom Traves, who agreed to work closely and cooperatively with the other universities. The Metro Business Plan was tabled in cabinet on December 21st, 1995, the same meeting that the NSCHE tabled its plans for the universities. Three months later cabinet approved the Metro Business Plan and the only merger to result was the one that had been negotiated between Dalhousie University and the Technical University of Nova Scotia.

CHAPTER ONE:

FAITH, DEMOCRACY & HIGHER EDUCATION, 1821 - 1929

PREFACE

The goal of this chapter is to attempt to explain how so many universities came to exist in such a small province. Understanding why these universities were founded and the circumstances in which they came to be structured is crucial if one hopes to understand how the rationalization talks came about and why they were so difficult to negotiate. In the first half of this chapter we look at the events leading to the founding of King's and Dalhousie, the province's first colleges. It is argued that the competing nature of their institutional paradigms not only laid the foundation for a one-hundred-year rivalry, but also gave rise to numerous other faith-based colleges during the middle decades of the 19th century that continue to exist to this day. In the second half of this chapter we look in some detail at an amalgamation attempt that took place in the 1920s, during which the region came very close to establishing a central, non-denominational university. It is important to look at this amalgamation attempt for it will be argued in the final chapter of this thesis that during the Carnegie federation scheme Dalhousie College was exposed to and later embraced a new institutional paradigm, one founded on a tradition inspired by non-secular research institutions such as the University of Berlin and Johns Hopkins University, and that this was a motivating factor behind its bid to amalgamate with the surrounding Metro universities.

FAITH, DEMOCRACY & HIGHER EDUCATION, 1821 - 1921

The key to understanding how Nova Scotia came to have so many universities in such a small province lay in the relationship between its two oldest universities – institutions, one might add, that were more or less rationalized by the time of the negotiations in the mid 1990s. To understand this relationship one must go all the way back to the beginning when these colleges were founded and look at how they came to be structured the way they were. Almost solely responsible for setting the terms of that relationship was George Ramsay, the Ninth Earl of Dalhousie. When Lord Dalhousie arrived in Nova Scotia on October 2nd, 1816, to assume the role of Lieutenant Governor he did not have an educational agenda. Although his legacy in the province was the creation of a university that now bears his title, he was at his core an ambitious military career man who, up to that point, had failed to demonstrate even a passing interest in educational issues, and whose primary reason for going to Nova Scotia was to reach the rank of Commander-in-Chief so that he could pay off his debts and then retire to his home in Scotland at half-pay.[6] But even though he did not arrive with an educational agenda it did not take long for him to conclude that the province was in desperate need of a university.[7]

At the time Nova Scotia's population was approximately 80,000. Most people lived in small communities spread more or less evenly throughout the region, the largest of which was Halifax with approximately 12,000 people.[8] There is no accurate breakdown of the population along religious lines, but we do know that faith more or less split the region into quarters. The closest figures we have are approximations derived from the 1827 census, during which the largest religious group in Nova Scotia were Presbyterians. Located primarily on the Northumberland Shore in what is now Pictou County, they represented approximately 30% of

[6] Marjorie Whitelaw, *The Dalhousie Journals, 1 Vols.*, (Ottawa: Oberon, 1978), 15.
[7] Ibid., 27.
[8] Ibid., 9.

the population, but were in reality split over a bitter feud between the sect of the Kirk and the Secessionists who espoused autonomy from the Church of Scotland. The Catholics, who represented approximately 16% of the population, were located primarily in Halifax and Cape Breton. The Baptists – located in the Southern part of the province – also represented about 16% of the population, of which a small, yet powerful group lived in Halifax. The most politically well positioned of all the denominations were the Anglicans, who were more or less evenly distributed across the province and represented approximately 23% of the population.[9]

Lord Dalhousie was a Kirk Presbyterian. But he was also Lieutenant-Governor, which meant he had official duties to perform for the Church of England, one of which was sitting on the board of governors for King's College, the only university in the province.[10] Eleven months after his arrival, he travelled to Windsor to attend the board's annual meeting. Founded in 1789 by Bishop Charles Inglis, King's College was in a grievous state of disrepair. The main building – flat-roofed and perched upon a hill overlooking the Windsor valley – was in a ruinous state. According to one of Dalhousie's journal entries it was: "(e)xtremely exposed by its situation every wind blows thro' it. The passage doors are torn off, the rooms of the students are open & neglected ... In short there are a thousand objections to it, & reasons why it should not prosper in its present situation, laws and conduct."[11] To make matters worse the College's Royal Charter forced students to subscribe to the 39 Articles set down by the Church of England, which in effect barred students from other religious denominations.[12] Lord Dalhousie opposed the exclusion of students from the other faiths, but recognized that the College was so set in its ways that even his title and position on the board was not going to be enough to leverage change, and

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[9] J.S. Martell, *Immigration to and Emigration from Nova Scotia: 1815-1838*, (Halifax: PANS, 1942), 8; Statistics Canada. http://www.statcan.gc.ca/pub/98-187-x/4151288-eng.htm (accessed 20 December 2010).
[10] Whitelaw, *Journals*, 11.
[11] Ibid., 63.
[12] Ibid., 62.

that the only way to swing open the doors of higher education was to build another university. The only problem was that the university he chose to build was modeled after the University of Edinburgh, an institution at complete loggerheads with the English tradition that inspired King's College.

For many Oxford University is *the* preeminent institution of higher learning. Without doubt one of the oldest surviving universities in the world has inspired the creation of many universities, but Oxford was in fact a by-product of the University of Paris, Europe's *first* university. In 1167, as the conflict between King Henry II and Thomas Becket escalated, English scholars studying in Paris were ordered to return to England by the King of France who was friends with the archbishop. If there is a reason why these scholars decided to relocate to Oxford it has been lost to history. Whereas Europe's first universities were located in cities, Oxford stood apart in that its founding-scholars choose to locate themselves in a small village that remains to this day a considerable commute from the English capital. Although Oxford has changed a lot over the years its remote location became one of the principal hallmarks of what will for this discussion henceforth be referred to as belonging to an *English* tradition. Indeed, during its first 700 years Oxford was pretty much run like a lay monastery where celibate fellows resided with their pupils.[13] Of course that was the whole point for over time it became ultra-royalist and orthodox, catering to a privileged, yet isolated ruling class spread more or less evenly across the country. Students did not necessarily go there to get an education, but went instead to forge deep personal connections with other people from their class.[14] The University went out of its way to avoid opening its doors to the lower classes for its scholarships and fellowships were handed out with such discretion that it made it almost impossible for

[13] V.H.H. Green, *A History of Oxford University*, (London: Batsford, 1974), 85.
[14] Elie Halevy, *England in 1815*, (London: Ernest Benn, 1960), 550.

underprivileged students to attend. Isolating it even further were the 39 Articles to which the Church of England insisted students subscribe.[15]

Bishop Charles Inglis' primary motivation for establishing a college in Nova Scotia was to avoid students having to study in the United States where he felt they were being exposed to the same revolutionary ideas that had forced him to flee the American Revolution.[16] If the region hoped to remain under British control, he argued, the province needed to educate its own. This argument resonated with the province's ruling elite for, like him, most were Anglicans who had secured their position through support from the crown, and since the province's first university was established by (and for) Anglicans, it should come as no surprise that Oxford was the model to which they turned for inspiration. From the beginning King's College adhered to the English paradigm right down to its location in a small town far from the temptations of the capital city. The one feature that was in dispute, though, was writing the 39 Articles into its Royal Charter. Inglis argued that closing its doors to other denominations would limit the student body and therefore put the institution at risk of being able to sustain itself. Despite the logic of this position, he was overruled and the Articles remained.[17] Although Inglis died before Lord Dalhousie arrived in Halifax, the founders of the province's first colleges were in agreement on one major point: the region needed to educate its own. But since there was little hope that King's would ever strike the 39 Articles from its Charter, Lord Dalhousie set to work to build a new college that he argued would serve the needs of the entire province.

Like Inglis, Lord Dalhousie looked no further than his own cultural tradition for inspiration. As far as he was concerned the University of Edinburgh – yet another offshoot of

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[15] Green, *Oxford*, 141.
[16] Judith Fingard, "Charles Inglis," in *Dictionary of Canadian Biography, 5 Vols*, (Toronto: University of Toronto Press, 1966), 445.
[17] F.W. Vroom, *King's College: A Chronicle 1789 – 1939*, (Halifax: Imperial, 1941), 42.

the University of Paris – was the best educational model for the province, and in many ways he was right.[18] The problem was that adherents of the English tradition considered Scottish institutions to be vastly inferior. There were no admissions standards or final exams; most were located in cities with no residential requirement; lectures were open to the general public and sometimes drew hundreds of people into crowded auditoriums making it impossible for students to have sustained contact with their professors. There was also the fact that the scholastic term – barely twenty-two weeks – was undeniably short and that some students enrolled as early as aged fourteen and graduated in four years with a Master of Arts degree.[19] What the critics failed to realize though was that these were essential hallmarks of what will henceforth be referred to as the *Scottish* tradition.

In many ways it is difficult to separate the real Scottish tradition from the myth that began to emerge around the time when Lord Dalhousie sought advice on how to structure the university he hoped to create. Proponents of the Scottish system argued that it was more 'democratic' than the English tradition. The argument more or less went that in Scotland it was a person's ability that mattered, not lineage or inherited wealth as it was in England. If a boy showed intellectual promise, then it was his right to go to school; and if there was no school to attend in his remote corner of the country, well then, there was nothing wrong with sending a promising fourteen-year-old off to university to get on with it.[20] This was the explanation for the lack of admissions standards at Scottish universities. Whereas Oxford drew from a narrow, yet wealthy section of society that had access to the best teachers since birth, Scottish universities

[18] Dalhousie University Archives (DUA), letter from George Baird and Andrew Brown to Earl of Dalhousie, 1 August 1818.
[19] Halevy, *England*, 539-541.
[20] Peter Waite, *The Lives of Dalhousie University 1 Vols.*, (Montreal: McGill-Queen's, 1998), 18.

drew from a wider cross-section that did not.[21] There was no point in testing someone who had never set foot in a classroom for the real test was to graduate. As for the location of Scottish universities in bustling cities, arguments in support of the democratic myth emerged here as well. One of the most persuasive was that since professors were not paid a lot of money, usually around £30 a year, barely enough to live on, they sold tickets to their lectures to make extra money.[22] Although this resulted in crowded lecture halls that distanced pupil from professor, advocates of the system argued there was a larger dynamic at play. Professors realized that a good lecture was like good theatre in that it created a buzz that drew a larger audience the second time around. The result was that these lectures were not only dynamic and interesting, but the message contained within them reached deep into the heart of Scottish society for they were open to all, and since most professors only had to teach for a few months each year, they were free to spend the rest of their time doing the other thing that augmented their salary, writing.[23] Although the Scottish democratic myth was not altogether wrong, it was not exactly right either. According to historian R.D. Anderson, it was an "idealization and distillation of a complex reality."[24] In many ways there is little point separating myth from the reality for both played an equal role in the creation of Lord Dalhousie's college for his hope was that an accessible college modeled along these lines might be able to spark an intellectual fire in a province mired in poverty and divided by religion.

A little over a year after his arrival, Lord Dalhousie presented his proposal to the Council in the form of a draft dispatch, which he addressed to the colonial secretary requesting that the Castine funds acquired during the War of 1812 be used for the creation of a new college to be

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[21] Waite, *Dalhousie*, 19-20.
[22] D.B. Horn, *A Short History of the University of Edinburgh*, (Edinburgh: Edinburgh University Press, 1967), 58-60.
[23] Ibid., 58.
[24] R. D. Anderson, *Education and Opportunity in Victorian Scotland*, (Oxford: Clarendon Press, 1983), 1.

located in Halifax.[25] Council was opposed to the idea, mainly because many of its members were Anglican with strong ties to King's College, but did not attempt to suppress it. Instead, they did what they always did when confronted with something they did not approve: they slowed the process as much as possible while they waited for the Lieutenant Governor's inevitable transfer to another location.[26] But Lord Dalhousie proved more tenacious than they expected for on Monday, May 20th, 1820, he broke ground on the building that would house the College; and since there had been strong opposition to the plan, he held a cornerstone-laying ceremony filled with as much pomp and ceremony as he could muster. That afternoon troops from the garrison formed a line that stretched from Province House to Parade Square. At a few minutes before two o'clock, Dalhousie led a procession of dignitaries up the street to where the grand master of the Masons waited with corn, wine and oil.[27] Before they began the ritual of pouring it onto the square stone they had carved for the ceremony, Lord Dalhousie addressed the large crowd:

> [The College of Halifax] does not oppose the King's College at Windsor, because it is well known that College does not admit any student unless they subscribe to the tests required by the Established Church of England and these tests exclude the great proportion of the Youth of this Province … it is founded on the principles of Religious Toleration secured to you by the Laws … Let no jealousy disturb its peace, let no lukewarm indifference check its growth. Protect it in its first years, and it will abundantly repay your care."[28]

By the time the College officially opened its doors the following year Lord Dalhousie had finally realized the overarching ambition that brought him to Nova Scotia in the first place: he secured

[25] Nova Scotia Assembly, *Journals (1836*, Appendix 58), 125-126.
[26] Waite, *Dalhousie*, 37-38.
[27] Ibid., 24-25.
[28] Royal Gazette, 24 May 1820 in *The Dalhousie Journals*, ed. Marjorie Whitelaw, (Canada: Oberon, 1978), 195-6.

the position of Governor General of the Canadas. Of course the promotion required him to move to Quebec, which meant the College lost its only well placed advocate while still in its infancy. From 1821 to 1837 no classes were taught and no professors were paid. With the exception of a baker and his family who occupied the lower corner of the building by the Duke Street entrance, the rooms sat empty.[29]

With the building mired in debt from cost overruns it did not take long for Sir James Kempt, Lord Dalhousie's successor, to conclude that there was barely enough money in the province to support one college let alone two. With no money to pay faculty he saw only two options: he could either sell the building in order to recoup the costs or he could push for a union with King's College. Amalgamation seemed the better option for he sat on the Board of Governors of both colleges and was well positioned to push for such a union. On the surface this made perfect sense for Dalhousie College had a brand new building located in a city bustling with plenty of potential students, whereas King's College had professors with years of teaching experience.[30] What Kempt failed to appreciate though was that these institutions were founded in two fundamentally different educational traditions. Not only had these traditions developed to serve groups on opposite ends of the socio-economic spectrum, but also the only reason they were able to coexist in the first place was the sheer physical distance between them.

In January 1824, representatives from both Colleges attended a meeting at Government House where they worked out a unification plan and came up with a new name, the United College of King's and Dalhousie, which was to be located in Halifax and was to be governed in much the same way as King's College, Windsor. Dalhousie College conceded that the President and at least three fellows were to be unmarried Anglicans, whereas King's conceded that the

[29] Waite, *Dalhousie*, 36.
[30] Ibid., 32.

professorship and the student body was to be open to any capable candidate regardless of religious orientation, and that there was to be no residential requirement for students.[31] John Inglis, Bishop Charles Inglis' son, surmised that this would bring the King's/Dalhousie rivalry to an end. In his own words, to keep up this feud would keep both institutions in "poverty and insignificance, because it must be evident that one college will be ample for the literary wants of Nova Scotia, and perhaps of the adjoining provinces for several centuries."[32] Although things looked positive, there was one last hurdle to jump: the union had to be approved by Charles Manners-Sutton, the Archbishop of Canterbury, who rejected it outright.

Over the next century there were numerous unsuccessful attempts to amalgamate Dalhousie and King's, but probably the most significant one occurred approximately twelve years after the first amalgamation attempt, shortly after the Dalhousie Board of Governors appointed Thomas McCulloch as first president of the College. McCulloch was an interesting choice as he was an ordained minister of the Secessionist Church. To some degree his appointment was a step towards reconciliation between the Secessionists and the Kirk. Unfortunately, during the process of hiring faculty, the Board of Governors, which was dominated by Kirk Presbyterians, made a grievous misstep and chose an inferior Presbyterian candidate over Edmund Crawley, a qualified and influential Baptist minister. The choice was probably made to balance out McCulloch's controversial appointment as president, but the move stirred deep religious rivalries within the province and called into question both factions' longstanding claim that Dalhousie College had a non-sectarian mandate.[33] In fact, the controversy over Crawley grew so intense that it was raised in the Legislative Assembly where Joseph Howe, who was serving his first term in office, found himself in an untenable situation.

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[31] Ibid., 32-33.
[32] Nova Scotia Assembly, *Journals*, (1836, Appendix 58 sec 2), 133.
[33] Waite, *Dalhousie*, 51.

He had long been a supporter of Dalhousie College and its mandate of accessibility, but the rebuff proved so embarrassing that Crawley was now openly denouncing the institution for failing to live up to its non-denominational mandate, while at the same time using it as a rallying cry for Baptists to start their own institution. Howe feared that if he supported Crawley's bid for a Baptist college that it would not be long before Catholics, Methodists and possibly even Presbyterians would be rallying to build their own colleges. What the province needed was one university open to all citizens. At the same time, though, Howe recognized that the treatment of Edmund Crawley had so undermined confidence in Dalhousie College that he had no other option but to vote for the bill.[34]

The subsequent public enquiry forced Dalhousie College to amend its constitution to include fair religious representation on the Board of Governors, but the damage was already done.[35] Within two years Crawley was able to table and pass the Queen's College Bill, which led to the creation of Acadia College. And within a year of this Bill being passed the Catholics tabled their own requesting the creation of Saint Mary's College. By 1842 there were so many funding requests to the Legislative Assembly that the House became mired in a debate over how much each one should be allocated. Anglican members argued that King's College should continue to receive its allotted £444 a year. Baptist members countered by saying that they had personally raised the money for the construction of their college – a claim King's and Dalhousie could not make – and that they should receive at least as much. The debate ended with Acadia and King's College each receiving a grant of £444 whereas Dalhousie and Saint Mary's College would each receive £400. But the resolution sparked a larger, more public debate over why the province needed to have so many colleges. The Legislature was now handing out just under

[34] Ibid., 58-59.
[35] Ibid., 57-58.

£1,700 a year to four poorly-funded, inadequately-staffed colleges that left two whole segments of the population – Methodists and Presbyterians – waiting in the wings to start their own institutions.[36] Why not redirect the money to one college open to all denominations? Howe led a motion to have the Assembly abandon endowing institutions "of a Sectarian or Denominational Character," but it was defeated because the House could not agree on where the institution should be located. In the end the grants tabled in 1842 were approved by the Legislative Council, but when it came time for the next election Howe decided to take the debate to the people.[37]

On Wednesday, September 25th, 1843, Howe called a meeting at Mason's Hall, Halifax. In front of a packed audience, he argued that the current system was draining the treasury, and that the sectarian colleges "were like feudal castles in the olden time, each rallying the point of a party whose only object was to strengthen their own position."[38] A number of resolutions were passed at this meeting, but the most significant was:

> Resolved, therefore, that this meeting earnestly suggest a concentration of the energy and means of the true friends of Education, both in the Capital and the Country to oppose a system which is intended to lead the erection and support of five or six weak and inefficient Institutions under the name of Colleges, and to encourage the Legislature to endow one Central College, which from the number of professors, the branches of varied learning taught, its Library and Museum, will enable the Youth of Nova Scotia to receive a liberal education at home, instead of being sent, as under the present and contemplated Sectarian system, to be educated abroad.[39]

The proposal was popular in Halifax, but it split the province's voters. Churches, fearing their colleges would disappear without public funding, rallied their congregations behind the

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[36] Waite, *Dalhousie*, 59-60.
[37] Ibid., 61-62.
[38] *Novascotian*, 9 October 1843.
[39] *Novascotian*, 2 October 1843.

opposition and the Tories were voted into power with a slim one-seat majority effectively silencing the amalgamation debate for the next twenty years.[40]

The problems Joseph Howe encountered during the 'One College' election were not unique to Nova Scotia. By this point most colleges dotting the east coast of North America had sprung from the English tradition in so far as they served the needs of a particular faith. By the mid-19th century, though, democratically elected governments recognized the potential in higher education and were keen to have them realigned so that they might better serve the needs of their economies. But politicians were also quick to learn that directing public funds to a faith-based college at the expense of another faith-based institution presented certain ethical issues that were almost always resolved at the ballot box. Joseph Howe learned the hard way that faith-based election platforms almost always split the electorate and created hostility.

In the 1880s the Liberals under Philip Carteret Hill attempted to solve this problem once and for all by creating an umbrella institution modeled along the same lines as the University of London. Unfortunately Hill's government was in no position to push such bold initiatives. Participation in the scheme was voluntary, and since most colleges disliked the idea, the University of Halifax failed to grow beyond a central examining body that most students chose to ignore. The real problem occurred when the Legislature attempted to repeal the Act five years after it was passed. Members broke party ranks and reorganized themselves along denominational lines that fought to secure more money for 'their' college. In the end the Legislature agreed to extend more money than was necessary in order to secure a larger share for each of the denominational camps, but the Executive Council rejected this as being fiscally unsound and sent it back to the Legislature. By this point the members of the Legislature

[40] Waite, *Dalhousie*, 64.

realized just how explosive the issue was and dropped it altogether. For the next eighty years not a single cent from the provincial treasury was directed towards the Colleges.

By the time the Carnegie Corporation of New York sent two representatives – William Learned and Kenneth Sills – to Nova Scotia in the fall of 1920, higher education was in a grievous state. On one level this was odd for the region was still relatively prosperous. Beneath the surface, though, it was facing deep structural problems that would plague it for the next century giving rise to what would later come to be known as the Maritime Rights Movement. During the second half of the 19th century Nova Scotia had shown all the signs that it was well on its way towards making the transition to an industrialized economy, but then, during the 1880s, when Premier Hill was attempting the amalgamate the province's universities, it experienced a minor recession that caused the Bank of Nova Scotia, the province's largest lending institution, to reassess its lending practices. Thomas Fyshe, the bank's Cashier, implemented a systematic lending policy that he learned while in training at the Bank of Scotland. These two events resulted in the Bank closing loans within the region, and then redirecting the capital to Western Canada where it expected to get a better return on investment. In effect, from 1880 to 1910, the Maritimes was reduced to being a revenue source for external markets.[41] Although the region was financially prosperous during the period stretching from 1900 to 1920, this was mainly due to the rising price of coal of which Nova Scotia had abundant and accessible supplies.[42] Of course this only served to mask the more serious problem that the region was not industrializing at the same rate as Western Canada. In fact, the redistribution of

[41] James D. Frost, "The 'Nationalization' of the Bank of Nova Scotia." *Acadiensis.* XII, 1 (Fredericton: Autumn 1982), 43.
[42] E.R, Forbes, *The Maritime Rights Movement, 1919-1927.* (Montreal: McGill-Queen's University Press, 1979), 3.

capital towards development projects in Western Canada had resulted in an out-migration of human capital that most leaders argued would eventually cripple the region.[43]

When Learned and Sills arrived for their tour in the fall of 1920 the region's colleges were so impoverished that they had overwhelmed the Carnegie philanthropic trusts with grant requests. Henry Smith Pritchett, acting President of the Carnegie Corporation of New York, believed the trusts needed to develop a consistent policy on such requests, or so Learned and Sills maintained during their visit. After travelling through the region for two months the two men calculated that, if pooled, the total resources of the five endowed institutions in Nova Scotia would amount to two and a half million dollars, a sum that had to sustain approximately 1000 students.

> Yet the typical "small college" of New England, a college such as Amherst, Bowdoin, or Williams, confined strictly to the curricula in arts and sciences, and doing comparatively little graduate work, has in each of the cases mentioned nearly or much more than $3,000,000 of endowment for approximately one half of 1000 students.[44]

As for college libraries, they calculated that the smallest American colleges operated with a book collection of over 100,000 volumes. Dalhousie, the largest university in the region, only had 32,000 volumes and no professional librarian. As for laboratory facilities, Learned and Sills regarded Maritime colleges as no better than well-supplied secondary schools. Indeed, their conclusion was that, with the exception of Dalhousie and to a lesser degree St.F.X., the Maritime institutions were not genuine colleges. Technically more than secondary schools yet less than

[43] Ibid., 65.
[44] William Learned and Kenneth Sills. *Education in the Maritime Provinces of Canada*, (New York: Carnegie Foundation, 1922), 30.

colleges, they coined a new phrase to categorize them: collegiate institutes.[45] Learned and Sills concluded that there were many parallels between Eastern Canada and New England, even going so far as to call the Maritime Provinces the "New England States of Canada." Westward growth had robbed the region of its wealth and talent leaving it a "partially forgotten" geographical pocket.[46] As far as they were concerned there were three possible solutions to the current problem: differentiating the focus of each institution so as to avoid duplication of programs; selecting one institution for future funding – probably Dalhousie – at the expense of the others; or uniting the institutions into one centrally located university.[47] They chose amalgamation.

The report could easily have become a footnote in the province's long history of amalgamation attempts were it not for the fact that the Carnegie trusts could provide something that no other amalgamation scheme had been able to do up to that point: money. Within a few months of the report going public the Carnegie Corporation of New York offered three million dollars – five hundred thousand for each participating college – to help defray the costs of relocating to Halifax. For a little over a year advocates and opponents alike schemed, lobbied and lied to advance their end of the debate. At first it looked as if there was enough momentum to bring about change, but then things began to sputter and stall as the region's colleges announced one by one that they would not be participating in the scheme, leaving the money to sit unused until the offer expired in the spring of 1929. There is a considerable amount of scholarly research into the Carnegie federation scheme and for the sake of this discussion little more needs to be said with regards to the details of how it transpired. The only thing that should be noted, though, is that prior to Learned and Sills's arrival in Nova Scotia fires destroyed the main administration buildings at King's and Acadia. After deliberating on the situation for close

[45] Ibid., 32.
[46] Ibid.
[47] Ibid., 33-36.

to a year Acadia ultimately concluded that it was in a position to reject the offer whereas King's was forced to recognize that its political and denominational base had dwindled so much over the previous century that saying no would result in the closure of the College. In 1923 King's College was forced to move its facilities to the bottom corner of the Dalhousie campus effectively bringing to an end its one hundred year rivalry with Dalhousie. Again, there is a considerable amount of scholarly research on the Carnegie scheme and little more needs to be said as to how it transpired. But what does need to be asked is why the Carnegie trusts were willing to tie up so much of their money in a 'partially forgotten' corner of the world for close to a decade. The answer to this question lays in the values and ambitions of Henry Smith Pritchett, the man who approved the Carnegie proposal, and his decision to do so casts an illuminating light on why eighty years later the province would find itself once again at the exact same crossroads.

Pritchett was born on the Missouri frontier in 1857. The US Civil War dominated his early years for it both divided and impoverished his family, eventually forcing them to move east. When he reached adolescence he expressed an interest in becoming a lawyer, but his father discouraged him, encouraging him instead to pursue a career in astronomy of all things. At eighteen years of age Pritchett moved to Washington, DC, where he apprenticed at the Naval Observatory under his father's friend, Asapha Hall. Pritchett excelled under Hall's tutelage and eventually decided to pursue his doctoral degree at the University of Munich.[48] When Pritchett left for Germany in 1894 he followed a well-worn path, for the German system of higher education was attracting a considerable amount of international attention particularly among American graduate students. In earlier decades most graduate students had gone to English

[48] Ellen Condliffe Lagemann, *Private Power for Public Good: A History of the Carnegie Foundation for the Advancement of Teaching*, (Middleton: Wesleyan University, 1983), 26.

schools, but by the second half of the nineteenth century they began exploring German educational options. In fact, during the 1880s over 2000 Americans were awarded doctoral degrees from German universities, most of them returning to teach at faith-based colleges where they exerted tremendous pressure on their institutions to restructure along German lines.[49]

The German system of education was unique and, thanks in large part to the work of Wilhelm von Humboldt, it emerged almost wholly formed not long after the Prussian defeat at the Battle of Jena in 1806. Prior to the defeat Humboldt was Prussian ambassador to the Vatican. Following the defeat he was ordered to abandon his position and return to Berlin where he was appointed head of ecclesiastic affairs and education in the ministry of the interior. He was tasked with restructuring the entire German education system so that within a generation or two they might be in a position to overthrow Napoleon's occupying forces. The job was enormous, but Humboldt's philosophy of education proved surprisingly simple: everyone from pauper to prince should receive the same level of state-funded education.[50] Upon graduation the majority of these students were directed towards a trade while the more promising ones were encouraged to attend university. But of course they were not encouraged to attend just *any* university for Humboldt argued that this institution had to adhere to meritorious principles. It also had to be autonomous from state influence, yet at the same time receive generous and consistent financial support. The students who went there did not so much study under their professors as stand shoulder-to-shoulder with them in an environment dedicated solely to the pursuit of scholarship. The results were dramatic. Within a generation the German system of higher education transformed the country from a defeated state to a burgeoning society.[51]

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[49] Richard Hofstadter and Walter P. Metzger. *The Development of Academic Freedom in the United States.* (New York: Columbia, 1955), 378.
[50] Paul R. Sweet, *Wilhelm von Humboldt: A Biography (Vol.2).* (Columbus: Ohio State, 1980), 38.
[51] Ibid., 53-71.

Pritchett's experience at the University of Munich proved equally transformative. For the first time in his life he saw how an independent, well-funded research university served the common good. As a European-trained academic who had grown up on the American frontier, Pritchett returned with a unique perspective on the world. He knew the pioneer life and concluded there was no romance in it. As far as he was concerned, pioneers were wasteful and selfish, and that the wave of immigrants now pouring into the country was very quickly bringing that era to a close. In 1902, while speaking at the second annual Simmons College commencement, Pritchett addressed the issue directly.

> The close of our Civil War found us still in the pioneer state of national development. There was abundant room for men to live the pioneer life, if they so desired. Pioneer methods still held in our farming, in our mining, in our manufacturers, and even in our conception of education and life … But the economic change that has taken place in the period since the war has taken us out of the pioneer stage. Population has poured in upon us from all the nations of the world, and, although our vast area is not yet settled to a density comparable with that of Europe, nevertheless, economic conditions here are approaching those of the old world, and it becomes more and more necessary that every human being should become an effective economic unit.[52]

Pritchett believed that the United States was going through a period of rapid transformation, and if it was to thrive in the next century, its education system needed to go through a period of restructuring similar to the one Germany had gone through at the turn of the previous century.

Not long after Pritchett was appointed president of the Massachusetts Institute of Technology (MIT) – a position he assumed shortly after his return from Germany – he attempted to change the system from the inside by conspiring with Charles Eliot, president of Harvard University, to amalgamate the two schools. Pritchett was certain the merger would not only raise

[52] Lagemann, *Private Power*, 32.

the caliber of scientific training for Boston, but for the entire Northeastern seaboard as well. Unfortunately for him MIT's faculty and alumni considered the move akin to treason and immediately set to work to have him removed.[53] In all likelihood Pritchett positioned himself in Andrew Carnegie's social circles in the hope that the philanthropist's proposed retirement fund for university professors might appease some of the riled members of faculty, but then, in the process of cultivating this relationship, became convinced that he could do a more effective job reforming higher education from outside its walls than within. What we do know for certain is that between 1901 and 1905 the two men corresponded on a frequent basis, that Pritchett visited Carnegie's home in Scotland, and that, according to Pritchett it was there, during their "walks and talks" that the Carnegie Foundation for the Advancement of Teaching (CFAT) was born.[54]

Not long after making the jump to CFAT Pritchett scored a number of victories that paved the way for educational reform. By far his greatest success though was modernizing medical training. After being approached by the American Medical Association (AMA), Pritchett contracted Abraham Flexner, a fellow admirer of German research institutions, to travel the country for two years investigating the country's medical schools. Flexner eventually produced a report that supported what the AMA already knew, that the quality of medical training in the United States was abysmal. The report proved far more controversial than anyone predicted for the ensuing public outcry resulted in the closure of 70 of the country's 155 medical schools. More significant than this was the fact that, while casting a harsh light on to the dreadful state of medical training, the Board of the CFAT was able to endorse John Hopkins University, a type of German-inspired research institution that Pritchett believed the country needed to embrace. The only problem was that Pritchett and the board's vision of higher

[53] Ibid., 30-31.
[54] Ibid., 46.

education was at odds with Andrew Carnegie's. Whereas Carnegie was interested in making education more widely available and was particularly keen to support the 'motley array' of small, unregulated, faith-based colleges, they believed that that was exactly what must be avoided. Pritchett's experience with German research institutions had solidified his belief that the US needed to go through a process of reform that would both centralize and standardize education, and that the quickest way to do this was to further strengthen its strongest institutions. Although the two men clashed on occasion, Carnegie's solution to the conflict was neat and to the point: he diverted the lion's share of his fortune into a new trust, the Carnegie Corporation of New York, thereby robbing Pritchett of the resources needed to fight his crusade.[55]

When A. Stanley Mackenzie, president of Dalhousie College, wrote Pritchett in the winter of 1919 asking for help with the creation of a teaching hospital that he hoped to model after Johns Hopkins University, Pritchett initially did not respond. The province was looking for projects to channel excess relief money tied to the Halifax Explosion.[56] Mackenzie was a graduate of Johns Hopkins University, and like Pritchett a generation earlier, he had experienced first-hand the tremendous contribution that a research institution could make to society.[57] More than anyone he understood the importance of the opportunity implied by linking his institution to a hospital in the same fashion as Johns Hopkins – the exact model that the Carnegie Foundation endorsed – and that it would probably never happen again. When he failed to get a response Mackenzie grew desperate and wrote a second letter in which he pretty much begged for help. The reason Pritchett was reluctant to respond was because he was attempting to make a delicate transition into the senior administrative ranks of the Carnegie Corporation of New York (CCNY)

[55] Ibid., 52-53.
[56] DUA, UA-3;173;6, Dalhousie – President's Office: Carnegie Foundation for the Advancement of Teaching, 1918 – 1922, letter from A. Stanley Mackenzie to Henry Pritchett, 25 February 1919.
[57] DUA, UA-3;173;6, Dalhousie – President's Office: Carnegie Foundation for the Advancement of Teaching, 1918 – 1922, letter from A. Stanley Mackenzie to Fred Yorston, 7 July 1919.

and did not want to be seen making any bold moves. Unlike the Foundation, the Corporation's board drew from a wider range of people. Their agenda was broader than that of the Foundation and as a result they had been put off by the negative publicity tied to the Flexner Report. Pritchett could not afford to be seen supporting these projects any more, and when he finally wrote back, his interest in the project appeared tepid at best. He did urge Mackenzie to come to New York to talk about it, perhaps a veiled attempt to avoid having the issue documented through correspondence.[58] In the end, Mackenzie did receive some financial support from the Corporation and was able to create a modern medical school, but the real payoff came from the relationship itself.

During this same period Pritchett was also in contact with another influential and likeminded figure from the Maritimes, Father James Tompkins, Vice-President of St.F.X. During his tenure in office Tompkins had worked hard to raise academic standards at St.F.X., but the process of doing so brought him face-to-face with the realization that there was little hope for real specialization so long as the province's educational resources were divided into small faith-based colleges. If Catholics wished to better themselves and play a more prominent role in public life, then he believed Catholic colleges needed to follow the lead of larger research institutions and begin to specialize. "Take the majority of our so-called colleges and look over the list of professors," Tompkins wrote in a letter to Henry Somerville. "Rev. Robert Brown, S.T.B, PH.D., Professor of Latin, Physics, Geometry, English, Geography, Music and Penmanship. Some genius! Have these people ever heard of specialization?"[59] As far as he was concerned, St.F.X. needed to move its academic programs to Halifax where it would form a

[58] DUA, UA-3;173;6, Dalhousie – President's Office: Carnegie Foundation for the Advancement of Teaching, 1918 – 1922, letter from Henry Pritchett to A. Stanley Mackenzie, 2 April 1919.
[59] William X. Edwards, "The MacPherson-Tompkins Era of St Francis Xavier University." Report of the Canadian Catholic Historical Association, *Study Sessions,* 20 (1953), 43.

Catholic college within a large research institution that would support the best and the brightest in their pursuit of academic excellence. As for the bricks and mortar left in Antigonish, Tompkins envisioned a people's school that would be free to "do for the whole people what they have in part been doing for one-half of one percent of the people."[60]

In all likelihood Tompkins and Mackenzie worked in tandem to convince Pritchett that this forgotten corner of the world was ripe for the type of change he envisioned. The region's faith-based colleges had become so impoverished from decades of neglect that the right offer would leave them no other choice but to accept. From the very beginning Pritchett knew who he was sending to the Maritimes to investigate the state of higher education. Kenneth Sills was a logical choice in that he was the president of Bowdoin College, Maine. He had the professional connections and the weight of position needed to open all the doors necessary to conduct such a review. That he was Canadian only helped matters. But he was also a long-time supporter and friend who shared similar views on education. William Learned, on the other hand, was an employee of the Carnegie Foundation for the Advancement of Teaching. Originally a school teacher, he had been hired by Pritchett shortly after receiving his doctoral degree in 1913 from the Harvard Graduate School of Education. Learned not only proved to be a dedicated and productive employee, but also was philosophically aligned with Pritchett's thoughts on education for he too was a disciple of the German system of higher education and had written his doctoral thesis on the professionalization of teaching in Germany. The Learned/Sills report contained few surprises, subtly capturing the spirit of the burgeoning Maritime Rights Movement. It appealed to the region's pride in its history while at the same time respectfully nudging it towards the cold reality of its present circumstances. On the surface the proposed federation scheme appeared to

[60] James D. Cameron, *For the People: A History of St Francis Xavier University*, (Montreal: McGill-Queen's University Press, 1996), 182.

be building upon the last serious attempt in the 1880s to amalgamate the region's colleges, which made sense for the University of London was a model that most senior administrators within the region recognized mainly because it had been adopted by the University of Toronto. But the core principles put forward in the report were different from the last attempt for, as opposed to leaving the colleges where they were, this amalgamation attempt sought physically to move them to a central location where they would become denominational *colleges* within a non-denominational *university*, a move designed explicitly to secure continuous, arms-length financial support from the provincial government. In Learned's own words:

> If undertaken and successfully carried thru, the plan would indeed resolve in a brilliant manner the last of Canada's difficult situations in higher education. But it would do far more. It would accomplish under singularly favourable conditions a unique and widely important service to education. The problem of the profitable use and development of small denominational college, the question of how to successfully combine the use of private and public funds for education, and especially the very serious and difficult problem of the suitable organization of student life under modern university conditions would here profit by the illuminating experiment almost certain to succeed. A plan already suggested and partially applied at Toronto, but worked out in Halifax in thoroughgoing fashion, as the product of a general reorganization, could accomplish many improvements and serve as a model appropriate to many existing situations. As a contribution to our knowledge of successful education practice alone, the plan would seem well worth while.[61]

Had the scheme been a success the proposed university might very well have turned out to be the model for how faith, democracy and higher education could successfully coexist. Despite Mackenzie and Tompkins's claims that the region was ready for such an institution, its faith communities were still too deeply ensconced in their ways to consider such a bold plan, and since the colleges were unwilling to move towards a model that government could embrace, they were shut out of the provincial coffers for another forty years.

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[61] Learned & Sills, *Education,* 50.

CHAPTER TWO:

GROWTH & GOVERNANCE, 1912-1988

PREFACE

This chapter examines the events behind the creation of the Nova Scotia Council on Higher Education (NSCHE), the organization created by the provincial government in consultation with the universities during the late 1980s. The chapter begins by looking at the period stretching from 1912 to 1972, during which the National Conference of Canadian Universities (NCCU), later known as the Association of Universities and Canadian Colleges (AUCC), successfully lobbied the federal government to financially support higher education. This event was significant not just because it silenced amalgamation discussions in Nova Scotia, but because the burden of this commitment was later passed to the provinces at a point when most governments had begun to question its terms. The second half of this chapter examines how the Nova Scotia government attempted to renegotiate the terms of this relationship and begins by looking at the creation of the Maritime Province Higher Education Commission (MPHEC). This entity, though effective, created certain political problems in Nova Scotia. Since the province had more universities than the other provinces combined, the 1988 Royal Commission on Higher Education recommended that government create the NSCHE, a similar entity mandated to act as a non-biased third party with the specific goal to rationalize the province's system of higher education.

GROWTH & GOVERNANCE, 1912 - 1988

During the winter of 1966 York University invited three academics and a politician to speak at the prestigious Frank Gerstein Lectures. The topic that year, 'Government and the University,' was inspired by a statement John W. Gardner, former Carnegie Corporation President and then American Secretary of Health, Welfare and Education under the Johnson Administration, had made two years earlier. Gardner's statement was as follows:

> (a) Present government-university dealings are part of a far-reaching and profoundly significant trend in the relationship between the governmental and non-governmental sectors of our society.
> (b) Both government and the universities are being changed by the relationship. Neither will ever be the same again.
> (c) University people should concern themselves not only with what this means for their own institutions, but about what it means for the government. It is their government too.[62]

The statement proved highly controversial and the lecturers were directed to address the question at the heart of the debate: has the relationship changed?

All four speakers agreed with Gardner's statement. Indeed, by the mid-sixties it was hard not to do so, for the physical transformation alone at universities made it impossible to argue otherwise. Buildings were going up at a furious rate as campuses expanded to meet societal demands. In Canada, not only had the growth predictions of Edward Sheffield of the Dominion Bureau of Statistics proven true, but the universities now flush with government dollars were expected to start showing results. The problem was that research requires a continuous and ever increasing revenue stream. The initial investment needed to build and staff these research facilities was not enough for innovative developments more often than not necessitated a

[62] William Mansfield Cooper, William G. Davis, Alphonse-Marie Parent, and Thomas R. McConnell. *Governments and the University*, (Toronto: MacMillan Company of Canada, 1966), ix.

reinvestment in technology every few years. The result, western governments were beginning to learn, was a seemingly endless demand for more money. Although all four speakers at York agreed that a fundamental change had taken place at universities, none was able to pinpoint exactly what this change meant for government.[63] It was clear that the number of students attending university had spiked to unprecedented levels, but what was difficult to measure was the extent to which increased participation had transformed societal expectations of government. To complicate matters universities insisted upon maintaining strict autonomy even though a modern research institution could only be sustained through access to public resources that were by their very nature bound to the whims of governing parties trying to stay elected. By the early 1970s funding was the most fractious and contested feature of what was now a very complex, symbiotic relationship. The question that almost every Western government grappled with was how to strike a balance between accountability for access to public funds while at the same time respecting universities insistence that they remain autonomous from the political process.

The question not addressed at the Gerstein lectures that year was why the relationship had changed with such seeming suddenness during the middle part of the 20th century. From the beginning, when the world's first universities were founded in Bologna and Paris during the 11th century, there had been a tension between universities and government, particularly municipal governments. There were benefits to having a university in your city and governments did everything within their power to keep them there, everything from providing land to passing policies that respected their intellectual freedom. Up until the 19th century, though, that was the limit, for universities were still too deeply entrenched in their religious traditions to allow themselves to be realigned towards state interests. But the success of the universities in Edinburgh and Berlin highlighted what most Western governments had suspected all along, that

[63] Ibid.

a strong university properly aligned with the state's interests could have a profound and positive effect upon a country. Indeed, in the 1930s when Abraham Flexner wrote his groundbreaking book *Universities* – an exposition of all of the educational traditions up to that point – he identified four 'concerns' shared by all world's universities: the conservation of knowledge and ideas; the interpretation of knowledge and ideas; the search for truth; and the training of students who will practice and 'carry on.'[64] Already, during the 19th century it had become increasingly clear to some that elected governments might be a better partner in these pursuits than the Church. But, as noted in the previous chapter, the hand off from Church to State was far from seamless. Lord Dalhousie's attempt to introduce a non-secular institution to the province was for the first forty years an abysmal failure that led to the creation of even more secularly focused colleges. Even Henry Pritchett's attempt to broker a compromise during the early half of the 20th century proved too much, too soon. So what brought about the shift?

In 1957, during its first twenty-two days in orbit, Sputnik I, the first artificial satellite to be successfully launched into space, did little more than emit a high frequency radio signal that ham radio operators around the world could pick-up as it passed overhead. It resembled the chirping of a cricket. Western media agencies ran the sound as their lead announcing ominously that "*this* is the sound of Sputnik." Today it is hard to imagine that a *chirping* satellite could terrify people but, in the context of the Cold War, it did. US President Dwight D. Eisenhower knew from his intelligence operatives that there was no immediate threat and did his best to downplay the event – it was the size of a basketball and could do very little except signal that it was up there. But his assurances had little effect, for on a clear night during the fall of 1957 Sputnik could be seen creeping its way across the sky, a haunting reminder that a hostile

[64] Abraham Flexner, *Universities: American, English, German,* (London: Oxford University Press, 1930), 6.

government bent on overthrowing democracy had accomplished something the West with its freedom and liberty could not.

Western universities were the greatest beneficiaries in the race for space. Almost overnight they went from living "in an atmosphere of genteel poverty" to being viewed as the engine of economic development.[65] Indeed, much of the rocket technology the Russians used to launch Sputnik into space had been derived from Germany at the end of World War II and was arguably a by-product of Humboldt's research focused university system. Sputnik was in effect the world's first intercontinental ballistic missile capable of carrying a nuclear payload 8,800 kms with a circular error probability of 5 kms and this threat shook Western democracies from their post-war slumber. They were forced to consider all their options and the option that they almost unanimously agreed upon was long-term financial support for the very same people who had developed this technology in the first place, namely academics. But as we all know success is rarely an overnight phenomenon. In Canada, at least, the reality was that for almost fifty years the country's senior academic administrators had worked behind the scenes, knitting themselves into a national organization that not only enabled them to speak with one voice, but to become increasingly more successful at lobbying the federal government for support.

At the turn of the 20th century, British universities – driven together to secure their advancement and interests – decided to invite Canadian universities to participate in a conference in London in the spring of 1912. In preparation for the conference twenty representatives from fifteen Canadian universities met at McGill University to discuss issues they hoped to raise at the Congress of Empire Universities the following year. While there they realized the enormous

[65] Claude Bissell, *Halfway up Parnassus: A Personal Account of the University of Toronto 1932-1971,* (Toronto: University of Toronto Press, 1974), 44.

potential of such gatherings and resolved to do it again on a more regular basis.[66] The next meeting was convened in Toronto three years later at which time several committees were struck, the most important one being tasked with the responsibility of drafting a constitution and nominating officers in time for the next Conference to be held in 1916. The constitution was adopted in 1917, but the organization was not formally entitled the National Conference of Canadian Universities (NCCU) until 1944. The main reason for the delay was that for most of this period the NCCU was little more than an ineffective boys' club. Presidents met to discuss issues, but very little was accomplished. However, in the early years of World War II, the NCCU stumbled upon an issue that not only resonated with government, but provided a rallying point around which they were able to forge strong inter-institutional bonds.[67]

In 1918, Norman A.M. "Larry" MacKenzie, who would go on to distinguish himself as President of the University of New Brunswick and the University of British Columbia, returned from active service in World War I to discover that the federal government was unwilling to give financial support to his decision to finish the degree he had started prior to the war.[68] Although he cobbled together enough money to finish the degree, he carried this injustice with him for over twenty years. When World War II broke out he saw an opportunity to right a wrong and convinced the other members of the NCCU to support his effort to lobby government on behalf of veterans.[69] To their surprise government was open to the idea. The war had jump started the economy, but economists were fearful that a sudden influx of veterans might spark another depression. The NCCU's proposal for a Veterans' Rehabilitation Act to support returning soldiers' pursuit of education or training solved two problems: it eased veterans back into the

[66] Gwendoline Evans Pilkington, *Speaking with One Voice: Universities in Dialogue with Government*, (Montreal: McGill University, 1983), 5.
[67] Pilkington, *One Voice*, 12.
[68] Waite, *Dalhousie*, 148.
[69] Pilkington, *One Voice*, 33.

work force and it provided training for the knowledge workers that had been lost during the war. Of the 15 percent of veterans who took the government up on the offer – approximately 50,000 soldiers – half decided to go to university, of which only a small portion were returning students. The vast majority were first-time students. [70]

The effects of this policy were dramatic. During the war Dalhousie's enrolment was 654 students, but then, as the war drew to a close, this number rose nine percent, and then jumped again the following year by 62 percent. By 1945 almost half of the 1,153 students enrolled were veterans.[71] The same story unfolded at the other Maritime universities. Although veterans did not create a majority as they did at Dalhousie, they did form strong minorities. By 1947 one-third of the St.F.X.'s student population were veterans.[72] That same year at Mount Allison 306 of the 919 students enrolled were veterans. [73] Although the NCCU did not anticipate these outcomes it seized upon its success for, in effect, this was the first glimpse universities had of what subsidization and accessibility could do for their campuses and it whetted their appetite for increased support. Over the next few years they lobbied hard for increased cooperation between government and universities to no avail. By the 1950s, though, government began to warm to the idea as the Soviet threat began to loom large.

On October 27th, 1950, the NCCU received the first sign that its post-war lobbying efforts were working. During the University of Toronto's convocation address, Prime Minister Louis St. Laurent made a strong case for federal aid to Canadian universities. "Universities are, without question among the most precious of our national institutions."[74] Of course he went on

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[70] Waite, *Dalhousie*, 148.
[71] Ibid., 151.
[72] Cameron, *For the People*, 268.
[73] John G. Reid, *Mount Allison University: A History to 1963, 2 Vols*, (Toronto: University of Toronto Press, 1984), 203.
[74] Pilkington, *One Voice*, 61.

to point out that education fell under the provincial domain, and that it should remain there saying that "no one with any real respect for our history and tradition would wish to disturb that constitutional position." But then he also went on to argue that, "many of us realize increasingly that some means must be found to ensure our universities the financial capacity to perform the many services which are required in the interest of the whole nation."[75] The NCCU executive struck while the iron was hot. On March 17th, 1951, it met in Montreal to discuss how to keep the momentum going and reached agreement that the best way to do this was to request a meeting with the Prime Minister as soon as the Finance Committee tabled the Massey Report to the House of Commons. The main reason for holding off until after its release was that the NCCU executive had seen briefs of the Report and knew that it supported higher education. When the full Report was tabled it was even more favourable than they had expected for the Massey Commission urged the federal government to pay universities 50 cents per head for the entire population of Canada. St. Laurent – fearing that the provinces with larger populations would balk at paying for the education taking place in smaller ones – adapted the recommendation so that it was based on provincial population.

This was both good news and bad news. On the one hand the NCCU had scored a major victory: the federal government had agreed to support higher education enabling Canadian universities secure and reliable funds. On the other hand the universities were now stuck in the middle of a federal/provincial debate over who should be responsible for higher education. Had the federal government stuck with the Massey Commission's recommendation to fund 50 cents per head for the entire population of Canada things might have worked out very differently in Nova Scotia. Instead, they went with the St. Laurent compromise which placed Nova Scotia's universities at a disadvantage for two reasons. The first was that Maritime Provinces had a

[75] Ibid.

smaller population than the other provinces in Canada, but proportionally educated more students, many of them coming from other provinces. The St. Laurent compromise also failed to take into consideration the emigration of educated Maritime students to other provinces, which meant that the taxpayers of Canada's smallest provinces were now footing a larger portion of the bill. The second reason the compromise placed the region at a disadvantage, and this was especially true for Nova Scotia, was that they had more universities than other provinces, which meant the federal grant would be more thinly distributed than other areas. Surprisingly these problems only served to strengthen the resolve of the NCCU for instead of warring over the money the Council incorporated so that it could distribute grants on behalf of the federal government.

In 1955, Edward Sheffield of the Dominion Bureau of Statistics provided the NCCU with its best argument yet for increased funding to universities. In what is now referred to as the Sheffield Report he predicted that demographic pressure alone was going to double university enrolment in Canada to over 120,000 by 1965.[76] The NCCU decided to use the key messages found in the Sheffield Report and to pass them on to the Canadian public. In the past the NCCU had attempted to communicate to its stakeholders though speech-making engagements at Canadian Clubs, but since this had failed to move their agenda forward it decided it was time to speak directly to the country and published a simple one-page letter to the editors of all the country's newspaper.[77] The letter-writing campaign culminated with a national conference in Ottawa in 1956 entitled, 'Canada's Crisis in Higher Education.' The conference began with Claude Bissell, president of Carleton University, presenting a paper that reinforced the findings of the Sheffield Report, and then concluded with Cyril James, principal of McGill, presenting

[76] 'Canadian University and College Enrolment Projected to 1965,' NCCU, Proceedings, 1955, 34-6.
[77] Paul Axelrod, *Scholars and Dollars,* (Toronto: University of Toronto Press, 1982), 23.

one that compared and contrasted university financing in Canada, the United Kingdom and the United States. In September of that same year there was a second national conference at St. Andrews, New Brunswick, this time on engineering, scientific and technical manpower, which drew a number of Canada's business leaders. At this point the Cold War was deepening and the conference participants argued that a stronger emphasis had to be placed on global competition. One researcher cited even Allen Dulles, the Director of the Central Intelligence Agency, stating that the Soviets would graduate 1,200,000 students in pure science in the 1950's whereas the United States would only graduate 990,000.[78]

By the mid-1950s government and business were in agreement that universities needed to be better funded, but the most crucial stakeholder, the Canadian public – the one that would pay for it – was still unconvinced. However, in October 1957, that attitude dissolved abruptly with the successful launch of Sputnik I into space. The western world watched with bated breath as the Americans attempted a similar launch only to have it explode before their eyes. Throughout the fall Sputnik could be seen creeping its way across the sky, a cold reminder of who had gotten there first. The race for space was on thereby enabling the NCCU to position itself as the lobby group for the institutions that government was now betting on to win the race. But, as stated at the beginning of this chapter, by the early 1960s questions were being raised over whether or not this new government/university partnership was changing both parties forever.

Among the first to offer real data on the impact of this new partnership was Stephen Peachiness. In the mid 1960s the federal government, after being challenged by Quebec that it had overstepped its jurisdiction, decided to transfer responsibility for funding back to the provinces. Although the federal government assured the provinces that money would be transferred through various means to cover the costs, the provincial governments were still

[78] Axelrod, *Scholars*, 24.

anxious. In Nova Scotia this change in policy was of especial concern because the province suddenly found itself on the hook for institutions that it had given up subsidizing in the 1880s. The Council of Ministers of Education in Canada responded by tasking Peachiness to investigate the issue, and his report pointed out that between 1961 and 1967 post-secondary expenditures had increased from $315,000,000 to almost two billion dollars, and that as these costs continued to grow governments would soon be faced with competing social priorities.[79] Not long afterward this report was followed by an even more detailed analysis by David Dodge, an economist at Queen's University. Dodge studied the return on investment for the training of accountants, engineers and scientists and concluded that the returns were, "negative at a discount rate of five per cent or greater."[80] Even more damning than this was his conclusion that universities had actually closed doors within the economy. In the case of the more lucrative professions such as accounting and engineering a degree was now a barrier-to-entry technique imposed by the profession itself. In other areas of the economy companies were using degrees as an artificial means to discriminate against applicants.[81]

Throughout the 1970s the public sector, the umbrella under which universities now found themselves, fell under rigorous scrutiny. The federal and provincial governments were operating from mid-decade with annual deficits that drove the nation's debt to unprecedented levels. It did not take long under these circumstances for a change in thinking to take place. No longer could higher education be viewed as the engine of the new economy for government needed the private sector to be the main driver of economic growth. By the mid-1970s Peachiness's predictions

[79] Axelrod, *Scholars*, 142.
[80] David Dodge, *Return on Investment in University Training: The Case of Canadian Accountants, Engineers, and Scientists*, (Kingston: Queen's University Press, 1972), 111.
[81] Axelrod, *Scholars*, 143.

became a reality as governments attempted to break the cycle of debt by encouraging growth in the private sector while attempting to cap public sector expenditures.

In 1971 the Liberal government of Nova Scotia headed by Premier Gerald Regan began its own investigation into the changing relationship between universities and government. It approached John Graham, head of the Economics Department at Dalhousie University, to lead a three-member Royal Commission with a mandate to study the province's municipal relations, its public service and its education system. The Graham Commission fell on the heels of the failed Maritime Union movement, which had been set in motion in the spring of 1964 by a short speech by New Brunswick Premier, Louis J. Robichaud. The Prime Minister and ten premiers had gathered for the opening of the Confederation Centre in Charlottetown, Prince Edward Island. Each gave a short speech to honour the occasion, during which Robichaud pointed out that the Conference of 1864, which led to Confederation, had originated as a conference on Maritime Union. Although he did not come out and propose union, he did suggest that "some of the original incentives for Maritime Union might still be present and there might now be new reasons or pressures to complete what had been deferred in 1864."[82] This speech ushered in a new era of cooperation within the region and resulted in the creation of the Council of Maritime Premiers (CMP). One of the first items on the newly minted CMP's agenda was rationalizing the region's system of higher education.

The genesis of the Maritime Provinces Higher Education Commission (MPHEC), however, came from the universities themselves. From 1965 to 1970 a number of reports were produced under the auspices of the Maritime Union Study. One report, "Higher Education in the Atlantic Provinces for the 1970's", was produced by the Association of Atlantic Universities

[82] Fred R. Drummie, John J. Deutsh and Frederic J. Arsenault. *The Report on Maritime Union Commissioned by the governments of Nova Scotia, New Brunswick and Prince Edward Island,* (Fredericton: Queens' Printer, 1970), 22.

(AAU) and covered several key areas including the enrolment explosion, university finance and the cooperative efforts amongst the universities. The conclusion of the report contained five recommendations, one of which was the rationalization of the provinces' grant committees.

> Accordingly, whether Maritime political union comes about or not, we advocate one university grants committee adequately staffed to serve the three provinces. In considering this recommendation we have pointed out some of the frustrations that would be inevitable. However, on account of the regional facilities in specialized fields, the smallness of the area, and the impossibility of providing adequate staff at a reasonable cost for three committees, we believe that this is the proper solution. If one committee is not deemed politically feasible, we advocate at the very least a far closer working agreement between the various provincial committees, with continuous consultation and with sharing of staff properly qualified to provide statistical data, financial analysis and research.[83]

It was difficult not to see the report for what it was: a well argued, yet partisan attempt on behalf of the universities' lobby group to acquire a better funding agreement. But a second report authored by the chairmen of the three provincial grant committees that came out the following year gave credence to the recommendation.

> "(I)f there is need for cooperation among educational institutions, there is just as important a need for the governments of the Maritime Provinces to approach their policies towards higher education on a region-wide basis. It will make no sense at all for each province to try to be self-sufficient in every aspect of higher education. For a number of advanced, specialized and professional programmes, the most likely result of such an approach will be to create second- or third-rate schools which have high costs in relation to the standards achieved.[84]

Based on these recommendations the MPHEC ended up being one of the first projects put forward by the Council of Maritime Premiers. The Council announced in May of 1971 that a

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[83] John F. Crean, Michael M. Ferguson and Hugh J. Summers, "Higher Education in the Atlantic Provinces for the 1970's," (Halifax: Association of Atlantic Universities, 1969,) 93.
[84] Arthur Murphy, J.F. O'Sullivan, E.F. Sheffield. "Region-Wide Policies for Higher Education," (Fredericton: Maritime Union Study, 1970), 3.

new agency would be established. In 1972 it appointed a chairman-designate, and then in the spring of 1973 the premiers introduced identical legislation to their respective legislatures. The statute stated that the purpose of the MPHEC was, "to assist the provinces and the institutions in attaining a more efficient and effective utilization and allocation of resources in the field of higher education in the region."[85] Its scope of duties was ambitious for it included:

> (a) the future structure and development of higher education in the Maritime region;
> (b) the support of new programs and institutions;
> (c) the desirability of terminating support for some existing programs;
> (d) cooperation among the institutions of higher education;
> (e) the encouragement of regional centres;
> (f) provision [of] or access to education services not available or not economical within the region;
> (g) systems of student aid;
> (h) definition of the institutions to be included within the system;
> (i) the minimizing of self-defeating competition and duplication; and
> (j) to recommend to the Maritime Premiers Council an appropriate formula for the allocation of funds among institutions in the region and the contributions to be made by each province.[86]

When the Graham Commission – tasked with defining the changing relationship between governments and the universities, with particular attention to Nova Scotia – submitted its report in 1974 it was cautious about predicting how successful the MPHEC would be in fulfilling its mandate. On the one hand it stated that the Commission "should be able to function as the necessary intermediary body in the determination of financial support for Nova Scotia's universities and for ensuring the necessary degree of accountability and coordination."[87] However, it also pointed out that the obstacles were enormous. Not only did the financial formula have to make its way past a fifteen-member board, but it also had to be approved by the

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[85] Maritime Provinces Higher Education Act (Nova Scotia), Stats. N.S. 1973, c. 10.
[86] Prince Edward Island Commission on Post-Secondary Education, Fourth Annual Report, 1972, 8-9.
[87] John Graham, "Report of the Royal Commission on Education, Public Services and Provincial-Municipal Relations," (Halifax: Queen's Printer, 1974), 63 - 34.

Council of Premiers, three provincial cabinets and their respective legislatures. The Graham Commission looked critically at how universities were funded historically, how they were funded in other areas of the world, and how they were currently being funded in the province. When it came to accountability, autonomy and academic freedom, its concluding recommendation to the provincial government was as follows:

> If the Maritime Provinces Higher Education Commission will not or cannot carry out all of the functions that we recommend be performed by an intermediary body, then the provincial government should consider the establishment of a small Nova Scotian intermediary body to perform these functions and to act as far as possible in cooperation with the Maritime Provinces Higher Education Commission.[88]

In many ways this recommendation proved the genesis of the Nova Scotia Council of Higher Education (NSCHE) – the organization that led the rationalization talks in the 1990s – but not for the reasons that the Graham Commission intended. The rationale behind the recommendation was that a Nova Scotia intermediary body was necessary *only* if the MPHEC failed to perform its duties. After getting off to a bumpy start, though, the Commission did end up creating a funding formula that established how much each university within the region should get. The problem was that, as far as the Nova Scotia government was concerned, the amounts put forward by the MPHEC were too high. To make matters worse, the commission was both physically and politically outside its sphere of influence. The MPHEC was doing exactly what the CMP had set it up to do – act as an arm's-length, non-political intermediary body. For the first five years the Nova Scotia government met the amount set by the funding formula, but then, approximately one year after the Progressive Conservatives took power under the leadership of John Buchanan, the provincial government announced that it was unable to match the figures put forward by the MPHEC and scaled them back a set percentage across the

[88] Graham, "Royal Commission," 64 - 92.

board.[89] Although the Nova Scotia university presidents bemoaned this claw back in public, they chose not to fight it. Instead, they attempted to make up the difference by lobbying every possible branch of government to secure money for capital projects.[90]

Technically, the MPHEC should have been included in any discussion the Nova Scotia government was having with the universities around capital grants, but by this time there was consensus among senior government officials that the Commission was too far removed, both geographically and philosophically, to appreciate the political climate of Nova Scotia. In fact, the MPHEC was often referred to within government circles as "Fredericton" or "New Brunswick" in order to reinforce the fact that any decision or policy coming from the Commission was in reality a decision made outside of the provincial borders.[91] Since the Buchannan government was reluctant to bestow any more responsibility than necessary upon a body beyond its political influence, the results were predictable. The universities mobilized their formidable network of connections amongst the political and business elite within the province in order to secure money for whatever project they had on the table. Although the Nova Scotian universities were still banded together on a national level though the AUCC, on a regional level through the AAU, and again still on a provincial level through the Council of Nova Scotia University Presidents (CONSUP), this backdoor lobbying very quickly began to take its toll on their relationship. The problem was that since the process was now political no one really knew who was getting access to government, and since larger universities such as Dalhousie and Saint Mary's had a much broader political reach, they were perceived as edging out the smaller ones.[92] But this lack of process not only pitted the universities against themselves but also began to

[89] Saint Mary's University Archives (SUA), author's interview with Colin Starnes, 27 July 2007; SMUA, author's interview with Ken Ozmon, 30 April 2007.
[90] SMUA, Ozmon interview, 30 April 2007.
[91] SMUA, author's interview with Gerald McCarthy, 13 December 2008.
[92] Ibid.

create tensions between government departments as well. Within a short period of time ministers from other departments began to encroach on the domain of Department of Education, making funding announcements for major projects tied to universities within their own ridings. [93]

At one point CONSUP decided enough was enough and called a meeting with the Minister of Education and the Premier, during which it expressed concern that there was much bad feeling created by the way in which government was awarding these grants. Gerald MacCarthy, who was Deputy Minister at the time, and who was at the meeting, recalled that "there was an agreement entered into, pretty much a formula. Not one you could put down in one line, but how it would be handled and so on." During the next few months things seemed to be on the right track, but then were stirred up all over again when a senior minister of Buchannan's cabinet while at a university president's retirement ceremony announced (without even consulting the Department of Education) that government was going to provide a major grant for the construction of a building on that campus. A few days after the dinner, the Minister of Education received a letter from CONSUP that could be paraphrased as stating that this was "frigging bloody betrayal."[94]

In many ways the government was in an untenable situation. Unable to match the MPHEC figures, it found itself cornered at every turn by the high profile figures that now populated the university boards.[95] But Buchanan proved rather adept at manoeuvring his way through political minefields, and the technique he used to get through this one was to study the issue at length. As Peter Kavanagh pointed out in his biography of Buchanan:

> Studying an issue has always appealed to Buchanan. Not because he is a man given to sober deliberate action but for a more

[93] Ibid.
[94] Ibid.
[95] Kathy MacLellan, "The Contemporary University: A Case Study of St. Francis Xavier University," undergraduate thesis, St. Francis Xavier University, 2001. (This thesis is a case study of the transformation of the St.F.X. board.)

> mundane, though politically astute, motive. If you study a problem you have an opportunity to capitalize on the issue several times. Firstly, when you identify it, secondly, when you received the recommendations and finally, when you decide to take action on the problem.[96]

In 1983 Buchanan called for a Royal Commission – the Royal Commission on Post-Secondary Education – that spent two years traveling the province looking at the entire question of government-university relations. When the Commission finally tabled its report in 1985, it put forward almost the exact same recommendation as had Graham in 1974, that government should create an intermediary body that would be charged with rationalizing the province's system of higher education. In fact, the Commission even went so far as to name it: the Nova Scotia Council on Higher Education (NSCHE). The Royal Commission's report went on to say that the primary role of the NSCHE would be to act as an intermediary between government and the universities, and that while it would work in cooperation with the universities, it would also have 'executive powers' to ensure that change took place. The Royal Commission also suggested that, while government would be responsible for determining how much money went towards higher education, the NSCHE would be responsible for determining how that money was distributed. The Royal Commission was well aware that such an administrative body was going to be in conflict with the existing mandate of MPHEC as the body on which the government relied to manage the funding formula that determined how much each university should get. But the Royal Commission challenged this and recommended that the Nova Scotia government stop treating its universities as if they belonged to a coordinated regional system. Instead, the NSCHE would assume the MPHEC's responsibility as the central coordinating body.[97]

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[96] Peter Kavanagh, *John Buchanan: the Art of Political Survival*, (Halifax, Formac, 1988), 95.
[97] *Report of the Royal Commission on Post-Secondary Education* (Halifax: Province of Nova Scotia, 1985) 163.

Not long after the report was released, Gerald McCarthy, Deputy Minister of Education, gathered together several senior civil servants who helped him draft a bill that would enable government to enact into law the Royal Commission's recommendations, including the recommendation about the creation of the NSCHE. However, the bill created such outrage amongst the university presidents that when the Minister of Education brought it to cabinet for review it was blocked without even reaching the House. At the urging of the university presidents, the Premier and the Minister of Education directed McCarthy to work cooperatively with a committee comprised of university presidents that was tasked with drafting a more appropriate bill. The main elements of this new bill, presented to the government in the fall of 1986, were:

1) Nova Scotia would remain within the Maritime Provinces Higher Education Commission which would continue to function and discharge its responsibilities much as in the past;
2) The Nova Scotia members of the MPHEC would constitute a Nova Scotia Council on Higher Education which would give particular consideration to matters related primarily to Nova Scotia and would give a new Nova Scotian focus to all matters relative to university education, governance, finance and research within the Province;
3) The Nova Scotia Council on Higher Education would have a staff and would be located in Halifax;
4) The Deputy Minister of Education would be a member of the Council, thereby assuring an immediate link, heretofore absent, between Minister and Government on the one hand and the intermediary body responsible for advising on university matters on the other;
5) The Nova Scotia Council members, in their capacity as members of the MPHEC, would also ensure a more carefully considered and crafted Nova Scotian position at MPHEC on matters of particular consequence or interest to Nova Scotia;
6) The Nova Scotia Council would not have executive powers but would exercise its influence through cooperative discussion and understanding with the universities on one hand and the Government on the other.[98]

[98] PANS, 2004/010/003, Briefing Notes RE: Nova Scotia Council on Higher Education and University Affairs for the Honourable Ronald C. Giffin, Q.C., 26 February 1991.

On November 25th, 1987, the Buchanan government reorganized the cabinet. Among the changes made was the creation of a new portfolio – Minister of Advanced Education and Job Training – which assumed the responsibility for university relations that had previously rested with the Minister of Education. The House enacted into law the bill that had been drafted in consultation with CONSUP. The Nova Scotia Council of Higher Education was now a legal entity and in early December of that same year McCarthy was appointed Council Chairman and Advisor reporting directly to the Minister of Advanced Education and Job Training on all aspects of university affairs. The newly created Council bore a faithful resemblance to the counter proposal that had been drafted in consultation with CONSUP. Not only were all members of the Council appointees to the MPHEC, but the Nova Scotia Government had successfully lobbied the other Maritime provinces to amend their legislation so that Nova Scotia's representation on the MPHEC could be increased from six to nine. Although the NSCHE did not have executive powers, as had been recommended in the Royal Commission report, it was directed under the legislation to exercise "leadership through cooperative discussion and to acquire and assert the moral equivalent of 'executive powers.'"[99]

Throughout the summer and early fall of 1989, at the request of the NSCHE and the MPHEC, each of the province's degree-granting institutions prepared a "Role and Planned Capacity Statement" that provided data on its current situation as well as revealing enrolment plans for the next five years. The NSCHE used these data to develop an approach towards executing its core responsibility "to establish, in conjunction with the universities, a long range plan for the development of a coordinated system of university education."[100] As a result it

[99] Ibid.
[100] PANS, 2004/010/003, Briefing Notes Prepared at the Request of Deputy Minister Gordon Gillis for the Meeting of the Premier and the Minister of Education with the Council of Nova Scotia University presidents on Tuesday,

submitted over thirty recommendations to the Minister of Advanced Education and Job Training, the Honourable Joel Matheson, who, in September 1990, brought them to CONSUP for comment and recommendation. On January 14th, 1991, Matheson and the Chairman of CONSUP, President J.R. Perkin of Acadia University, issued a joint news release announcing that CONSUP had taken the lead in establishing inter-university working groups to consider the implementation of the recommendations.[101]

In the fall of 1990, amidst a scandal over his personal finances, Premier John Buchanan resigned from provincial politics and accepted a Senate position. The new premier, Donald Cameron, worked hard to distance himself from the Buchanan government, campaigning on a platform of open government, free from patronage and focused on reducing the deficit. Following the change in leadership Ronald C. Giffin was appointed Minister of Advanced Education and Job Training. Two months into the position Giffin met with CONSUP to reaffirm the government's desire to create a more "coordinated and coherent university system."[102] On May of that same year CONSUP responded to the government's plan of action, proposing, "that final decisions on the first stage of a major rationalization of university programs will be taken by the end of 1991." The organization went on to say that "the remaining recommendations will be addressed in the second stage."[103] In essence CONSUP endorsed the following seven propositions that would dominate the rationalization agenda for the next five years.

1) There should be one major Business School offering a full range of degree programmes, in Halifax.
2) There should be some reduction in the number of teacher training programmes in Nova Scotia.

November 19th, 1991.
[101] Ibid.
[102] Ibid.
[103] Ibid.

3) There should be an examination of the degree programmes in Food Science in Nova Scotia with a view to rationalization.
4) There should be one institution offering a nutrition degree programme in Nova Scotia.
5) There should be one institution offering a full geology programme in Nova Scotia.
6) There should be one computer science degree programme in Halifax.
7) As part of a general examination of the Engineering Associated System there may be some reduction in the number of institutions offering Engineering.[104]

On the surface, at least, CONSUP's seven propositions implied that there was unnecessary duplication of programs for which taxpayers were footing the bill. Although the Buchanan government had laid the foundation for the rationalization process by creating the NSCHE, the Cameron government realized that time was ticking on its political mandate. It needed to show that real changes were taking place before the next election was called, and when Gerald McCarthy, Chairman of the Council, announced his retirement, the Cameron government wasted no time seeking a replacement and contracted a consulting firm, Janet Wright & Associates, to start looking for a new Chairperson. By the time the consultant approached Janet Halliwell, a senior federal civil servant who had recently departed from a position with the Natural Sciences and Engineering Research Council (NSERC), Halliwell already had two job offers in front of her. In Halliwell's own words, the Directorship of the NSCHE was "the biggest can of worms I had ever seen."[105] Not only was it the lowest paying of the three, but it required her husband to take a leave of absence from his own position in order for them to move out East for a job that was a political appointment at a time when the Conservative government appeared to be on the verge of collapse. To top it all off Dalhousie University, which represented over one half of the system to be rationalized, was by that point so encumbered with

[104] Ibid.
[105] SMUA, Author's interview with Janet Halliwell, February 2007.

debt that it could be seen as verging on financial collapse. The odds were stacked, but for Halliwell this was by far the most exciting challenge she had seen in years.[106]

[106] Ibid.

CHAPTER THREE:

HORSESHOES & HAND GRENADES, 1992 - 1996

PREFACE

This chapter traces the rationalization negotiations during their apex. It picks up in 1992 right after Janet Halliwell's appointment as Director of the NSCHE and begins with an overview of the major issues facing the rationalization negotiations. These issues include questions around whether or not there was a structure to the system of higher education, Dalhousie University's complex governing structure and mounting financial debt, as well as the pending collapse of the Conservative government after fifteen years in power. From here it traces the course of events over the next four years including the independent program reviews that the NSCHE used to investigate crucial areas that the government and the universities had agreed were in need of rationalization. This section pays particular attention to the events surrounding the release of *Teacher Education in Nova Scotia: An Honourable Past, an Alternative Future* – otherwise known as the Shapiro report – which led to the closure of the Nova Scotia Teachers College and the Departments of Education at Saint Mary's and Dalhousie Universities, and argues that StFX's successful bid to keep its education program even though the independent reviews recommended otherwise, politicized the process. The last section of the chapter traces the final months of the rationalization talks, during which the Savage government urged the Metro university presidents to expand *Partnerships*, a plan that had been put forward as a counter-proposal to the amalgamation option favoured by President Howard Clark of Dalhousie.

HORSESHOES & HAND GRENADES, 1992 - 1996

Janet Halliwell moved to Halifax late in the summer of 1992. During that first week she not only had to unpack and get settled into her new job, but she was scheduled to speak to CONSUP. Under the circumstances it would have been reasonable for her to request a postponement in order to get settled, but she realized that rationalizing the province's universities was the challenge of a lifetime and each opportunity had to be approached firmly and expeditiously. Of course there was a lot riding on this speech for if she hoped to earn the university presidents' trust she would need to make a strong and positive first impression. The problem was not so much who she was speaking for Halliwell was used to working with academic administrators and had done so in varying capacities for most of her career. She had a doctoral degree in Chemistry from Queen's University and, like the presidents, had come to administration through the academic ranks. The challenge was what to say and how to say it, and to get this right she knew she would need a crash course in the politics of the room. And there was no one better prepared to do this than Gerald McCarthy, the founding director of the NSCHE.[107]

Even before she arrived Halliwell had gotten to know McCarthy. The two discovered they had a shared love of single malt scotch and over the next few years they met frequently to discuss how things were going.[108] Halliwell sounded ideas off him and listened to his advice, attaching considerable weight to the hard-earned lessons he had accrued over a long career that not only spanned the negotiations around the creation of the NSCHE, but reached all the way back to 1970s when he had been a member of the Graham Commission.[109] McCarthy was as informed as one could be and was an inspired choice for a mentor. He was supportive, discreet and did his best to inform her not just of the politics of the room, but that of the provincial

[107] Halliwell interview, February 2007.
[108] McCarthy interview, 13 December 2008.
[109] Halliwell interview, February 2007; McCarthy interview, 13 December 2008.

government itself. As John Gardner had so aptly put it thirty years earlier, a profound and significant change had taken place in the relationship between government and universities. Halliwell was standing squarely between the two, tasked with setting this relationship straight.

By the fall of 1992, the biggest problem by far that faced the prospect of rationalization concerned questions around the structure of the system. Up to that point no one had ever played such a strategic role at the provincial level in nurturing the development of higher education. As noted in Chapter One, the 19th century had seen failed amalgamation attempts that often led to the creation of even more faith-based colleges. At the heart of the debate at that time were questions over what role, if any, the government should play in higher education, and since the province had a small population evenly split along religious lines, government found it easier to just back away altogether. The result was that the system had evolved on its own. Surprisingly, by 1992 none of the colleges founded during the previous century had actually closed. In fact, now that government was footing a large portion of the bill most of these institutions were thriving as never before while still maintaining a tenuous connection to the religious traditions that founded them.[110] Complicating matters was the fact that other institutions had been added over the years to address gaps in the system. There was the Technical University to address the engineering and architectural needs of the province as well as the agricultural and teachers' colleges. To top it all off a vocational and technical institute system had been introduced in the 1960s that was now beginning to sputter and stall from financial neglect. Viewed from the top down the system appeared to be in a state of shambles, complete with overlaps, gaps and redundancies. However, from the perspective of an individual university president the picture was much brighter. In fact, there were really only two problems to speak of. The first was that at a level of principle the government was attempting to back away from the arm's length

[110] SMUA, Starnes interview, 27 July 2007.

financial commitment it had made in the 1960s; and second, at a more everyday level, the government was seen as meddling in the internal affairs of the universities.

One of the first things Halliwell did to address the gulf between the two positions was to challenge the presidents with the very question she was tasked to address, "Is there a system of higher education?" Since rationalization was the attempt by government to determine the most productive way to distribute the province's limited financial resources, it made sense for the presidents to aide Halliwell by providing a short analysis with their thoughts on how the system was structured. The result was a curious array of insightful, yet at times partisan essays circulated by their authors to the other members of CONSUP, who in turn responded with respectful criticism and further analysis. The papers were of varying lengths and quality with the longest edging up to twenty pages. By far the most interesting analysis came from Colin Starnes, the President of King's College. Starnes was in a unique position in that Carnegie federation scheme had already rationalized the relationship between the province's two oldest universities. In fact, while executing his duties as president of King's College, Starnes maintained a cross-appointment with Dalhousie's Classics department. In this sense he was less threatened than the others by the negotiations and was therefore in a better position to write with detachment and insight.

According to Starnes there was a system. The problem was that it did not appear as some would have liked. For example, Newfoundland had what most people in government would consider a highly rationalized system in that higher education could be divided into two halves. On one side there was the College of the North Atlantic with campuses spread across the province to address its vocational training needs. On the other side was Memorial University, geographically close to the provincial legislature and with all its academic programs neatly

packed into a triangle-like structure that placed the majority of the students at the bottom in undergraduate programs that formed a strong financial base that could be used to subsidize the more costly graduate and research-based programs on the top. In many ways this was a scaled-down version of the model Humboldt had created in Germany in the 19th century. And it was a model that government liked for it was very easy to work with. Indeed, any decision only required three people to be in the room: the Minister of Education and two presidents.[111] What Starnes argued was that the Nova Scotia system did the exactly same thing but in a more interesting way. In Nova Scotia the neatly packaged undergraduate base found at Memorial was pocketed throughout the province at 'undergraduate' universities such as St.F.X., Acadia and the University College of Cape Breton (UCCB). These were dynamic 'centres of excellence' with unique educational cultures that in some instances had been nurtured for over 150 years.[112] The problem was that during the second half of the 20th century Dalhousie had assumed the lion's share of the responsibility for graduate and research-based programs. Since graduate programs almost always had lower faculty to student ratios than undergraduate programs, delivery costs were higher. Complicating matters was the fact that many of these graduate programs required the purchase and maintenance of costly scientific equipment. Another problem was that Dalhousie, which now made up approximately fifty percent of the system, was not at liberty to use the money trapped in the undergraduate universities to subsidize its expensive upper-level programs in the same way that Memorial University could even though most of its graduate students had completed their undergraduate degrees within the province. Complicating matters even further was the fact that the system required a large number of people to be in a room in order for any sort of decision to be made. In many ways this argument resonated with Halliwell

[111] SMUA, Starnes interview, 27 July 2007.
[112] University of King's College Archives (UKCA), Box 2, CJS President – 93/03, Files Regarding Metro University Consortium, "Is There a System," essay by Colin Starnes, 30 November 1994.

and formed the foundation for how she proceeded with her negotiations.[113] However, there were also other factors that unavoidably affected the rationalization negotiations in the fall of 1992.

If the system's structure was the biggest problem, then running a close second was the fact that Dalhousie University was on the verge of losing control of its finances.[114] Whether anyone recognized it or not the Carnegie federation scheme had had a profound effect on the course of higher education in Nova Scotia. The creation of the Carnegie Foundation for the Advancement of Teaching in 1905 was significant for practical reasons that included the provision of pension funds for professors, but it also presaged a new role for American universities, a role that was seen explicitly as helping the country make a transition from a pioneer state to becoming a modern industrial economy.[115] By this point the German system of higher education was arguably the best in the world, producing research that had transformed that country's industrial economy. The problem was that research required the type of long-term financial commitment that only governments could provide. The Carnegie federation scheme was an attempt to broker a compromise between the established, secular model of higher education rooted in the 17th century with a new non-secular research-focused vision. At one point during the scheme, A. Stanley Mackenzie wrote a letter to William Learned in which he sketched out the governing structure for the proposed university. In it he provided an inventory of the faculties already under Dalhousie's administrative umbrella – Arts and Science, Law, Medicine and Dentistry – before going on to say that the federated university "will be expected to organize as rapidly as its resources permit other professional Faculties" and listing Agriculture, Pharmacy, Forestry, Fine Arts and Education as examples of some of those that

[113] Halliwell interview, February 2007.
[114] SMUA, Author's interview with Allan Shaw, 21 October 2009.
[115] Lagemann, *Private Power*, 38.

would need to be created if the federated institution were to become a modern university. Later in the letter Mackenzie went on to outline the "Powers and Duties of the Board of Governors of the University" and towards the end described the "Duties of the Senate."[116] What is striking about the document is that – with the exception of a few faculties and the swath of denominational colleges upon which the whole thing sat – it set out an almost picture-perfect template for what Dalhousie would become during Henry Hicks's tenure as president a generation later.

The institution that emerged following the successful launch of Sputnik was not the result of a 'grand plan' in the sense that Hicks knew that by a certain date *this* building would go up *here* and once completed that building would go up over *there*. Instead, growth and expansion was fuelled by the momentum of the changing times. For example, one of the first buildings constructed during his tenure consisted of an underground link between the Chemistry and Arts Buildings. According to Andrew MacKay, who was Academic Vice-President during most of Hicks's time in office, during the early 1960s Dalhousie was "very short of space and numbers were booming. We needed lab space. We needed classroom space." Hicks's response to the problem was quick and to the point. "Well, then, fill *that* in." From the beginning Hicks seized opportunities, among them the celebration of Canada's centennial year in 1967. As MacKay recounted:

> The government of Canada had made up its mind to contribute to the development of centennial projects across the country. The National Arts Centre is the big one that came out of it for the national capital. Nova Scotia was the Sir Charles Tupper building. Medicine. Hicks and Stanfield, they conned the feds into putting their money into Dalhousie for that building. Her majesty, the Queen Mother, came and opened it.[117]

[116] DUA, UA-3; 173;7, Dalhousie – President's Office: Carnegie Foundation for the Advancement of Teaching, 1918 – 1922, , letter from A. Stanley Mackenzie to William Learned, 14 March 1922.
[117] SMUA, Author's interview with W.A. MacKay, 12 June 2008.

Although the forest of cranes that swung back and forth across the campus during the 1960s and 1970s appear to have sprung up in haphazard fashion, it would be wrong to assume that there was no overarching structure to which the administration aspired, for the unanticipated outcome of the failed Carnegie federation scheme was that it forced the region's colleges to renew their institutional visions. For most that meant an upgraded realignment towards the undergraduate education of their traditional secular market. For Dalhousie it meant much more. From the 1930s to the 1950s the institution began to step away from the Scottish tradition that had inspired Lord Dalhousie and move towards the German tradition. It expanded upwards into the costly realm of graduate education that focused on research. When money began to pour in for capital projects during the 1960s there was no crisis forcing the universities to rethink their visions. They simply invested in the one that had been forged in the 1920s in reaction to the scheme. For most of the province's universities there were no hidden expenditures tied to investing in this vision. But for Dalhousie the real cost tied to the expansion that took place in the 1960s and 1970s only began to appear by the 1980s.

There is an old saying among western farmers that if you owe the bank a thousand dollars then that is *your* problem. If you owe the bank a million dollars, well then, it is *their* problem. By the 1980s it was clear the cost tied to Dalhousie's decision to shift from being a small 'College by the Sea' to a graduate-level research institution was no longer *its* problem. Henry Hicks was one of the most politically connected presidents in the country and was therefore a hard man to rein in.[118] The advantage of this was that Nova Scotia now had a 'national' university committed to providing the highest quality of education while at the same time conducting serious academic research. The disadvantage was that most of the other national-

[118] Waite, *Dalhousie*, 400.

level research institutions were more or less in the same position as Memorial in that they had a strong undergraduate base which could be used to subsidize the more expensive graduate and professional programs.[119] In many ways the numbers spoke for themselves. In 1963, the year Hicks was appointed president, Dalhousie's operating deficit was $107,000. The year before he retired it was $1,330,000 and growing. In 1963 the university's accumulated debt was only $484,000. By 1979 it had ballooned to $4,678,000. The total revenue that year was $79.4 million, of which 57 per cent came from the provincial government.[120] By the 1980s Dalhousie's Board of Governors was deeply concerned that it was not only deeply indebt to the banks, but was now overly dependent upon the government.[121] The logic was that Dalhousie's financial difficulties were now coming perilously close to becoming someone else's problem.

The first area where trouble began to manifest itself was in the leadership of the university. By the 1980s universities across Canada were going through a dramatic shift in how they went about choosing their leaders. In Henry Hicks's case the Board had 'greased' the rails for his ascent to the presidency from the moment he arrived as Dean of Arts and Science in 1960.[122] By the 1980s, however, there was an increased demand for consultation and transparency, particularly from faculty and students. In fact, Hicks's successor, Andrew MacKay, was appointed in the midst of a political scandal over whether or not the short list should be released to the community in advance of a decision. The faculty representative for the selection committee resigned in protest, and then, several days, later an anonymous caller provided the Dalhousie Gazette with the short list.[123] The names were later published in the

[119] SMUA, Author's interview with Tom Traves, 24 September 2007.
[120] Waite, *Dalhousie*, 399.
[121] SMUA, Shaw interview, 21 October 2009.
[122] Waite, *Dalhousie*, 243.
[123] Ibid., 397.

university's student newspaper, embarrassing some of the candidates.[124] Scandal aside, MacKay was in many ways a logical choice. He had dedicated most of his adult life to administering the university, first as Dean of Law, then later as Vice President.[125] But there were those who viewed him as belonging to the Hick's era. While in office he was viewed as running big deficits with no mechanism to pay it back.[126] Towards the end of his first term, Allan Shaw, who would later go on to become Chair of the Board of Governors, cornered MacKay before an important board meeting to warn him that he did not have the support to carry an important vote, and that if he pushed it he might lose the confidence of the board.[127] MacKay dismissed the warning and lost the vote. Mackay later boarded a plane for Toronto for a meeting of the Association of Universities and Colleges of Canada (AUCC), of which he was president. By the time he returned things had begun to unravel. His newly-appointed Vice-President Academic resigned. Their dispute centred on the Vice-President's desire to slash programs in order to cut costs whereas MacKay argued that that sort of bold action was next to impossible in a modern university and that it was the Vice-President's responsibility to manage the departments with whatever budget the President allocated him via board approval. The lost vote and high-profile resignation resulted in a call from the Board Chair who wanted to know why no one wanted to work with him. MacKay then called a meeting with the Chair and the Vice Chair during which he suggested that if they had concerns then they should go out and speak to representatives of the different constituencies. When they returned a few days later they asked for his resignation.[128]

Had the Board come out and publicly announced its decision not to consider MacKay for a second term things might have worked out differently. Their concerns had a basis in reason.

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[124] Dalhousie Gazette, 29 November 1979.
[125] Waite, *Dalhousie*, 399.
[126] SMUA, Shaw interview, 21 October 2009.
[127] Ibid.
[128] SMUA, MacKay interview, 12 June 2008.

There were calls for change and to some MacKay appeared to be moving too slowly. But the real problem did not lie with MacKay's pace or his ability to lead. He had been there through it all and understood better than most just how complex the issues were. The real and underlying difficulty was that the University was in a financial crisis and the constituencies that made it up – the Board, the Faculty, the Faculty Association, and the students – were no longer in agreement over which direction it should take. [129] For MacKay consensus had to be nurtured from the ground up.[130] Unfortunately for him the Board disagreed, and since he was nearing the end of his term it initiated a search for a new president.[131] The problem was that MacKay was deeply respected within the community. [132] Indeed, as president of the AUCC, he had a network of administrative connections throughout the country. As word spread Dalhousie quickly gained a national reputation for being a 'president killer'.[133] Response to the position of president was weak and not long after the short-list was announced candidates began to fall away until the only person left in the running was Howard Clark.[134]

In some perceptions, Howard Clark came to embody many of Dalhousie's least attractive characteristics. During the Carnegie federation scheme, one of the reasons Mackenzie was keen to have religious colleges form the base for the university was so that it would create a more intimate learning environment. The colleges would divide its large undergraduate base into smaller, more personable units. In fact, as early as the 1920s, research institutions were getting a reputation for being cold, unfriendly places to study.[135] By the time Clark arrived at Dalhousie the student population had swelled to unprecedented levels. Under the harsh light of the times

[129] SMUA, Shaw interview, 21 October 2009; SMUA, MacKay interview, 12 June 2008.
[130] SMUA, MacKay interview, 12 June 2008
[131] SMUA, Shaw interview, 21 October 2009.
[132] SMUA, Ozmon interview, 30 April 2007.
[133] SMUA, Shaw interview, 21 October 2009.
[134] SMUA, MacKay interview, 12 June 2008.
[135] DUA, UA-3; 176;6, Dalhousie – President's Office: Carnegie Foundation for the Advancement of Teaching, 1918 – 1922, , letter from A. Stanley Mackenzie to William Learned, 9 December 1921.

Clark's reserved and often blunt-spoken nature took on a more sinister edge. For many he represented what they believed the University had become: cold, insensitive and arrogant.[136] The reality was that Clark invested a considerable amount of time and energy attempting to reach out to the community, only to be rebuffed. When he arrived the Dalhousie Faculty Association (DFA) attempted to thwart his departmental visits, claiming he belonged to management and therefore must communicate through a chain of command approved by the Association.[137] Even the students ignored him. At one point he announced he was going to spend an allotted amount of time each week in the Student Union Building, and that while there he was willing to talk about anything – tuition costs, the debt, student life, etc. Clark showed up but no one approached him.[138] It was as if the constituencies at Dalhousie no longer wanted to engage with their president no matter who it was.

In a more prosperous time Clark could have retreated from view and administered the University's affairs from a distance, but by 1986 Dalhousie's financial situation was such that he was forced to engage its constituencies whether they wanted to talk to him or not. By his own admission Clark knew prior to his arrival that Dalhousie's financial situation was bad. When he got there MacKay provided him with "a voluminous book of briefing materials that had been prepared, containing not only the essential organizational, administrative, and financial details but also impartial accounts of all the critical issues then facing the institution."[139] He even took the time to escort him around the city introducing him to key government officials and important

[136] All of the people interviewed for this thesis who were Clark's colleagues commented that he was widely viewed as being cold and arrogant.
[137] Clark, *Growth*, 141.
[138] SMUA, Author's interview with Robert Berard, 7 April 2009. (Clark also makes mention of this in a Dal News article.)
[139] Clark, *Growth*, 133.

members of the community. What Clark did not realize, though, was the full scope of the problems he was about to face. In his own words:

> The scenario was in fact about as bad as could be imagined for anyone stepping into a presidency of any university; it was, I think, much worse than I had anticipated, even after the very thorough briefings I had been given. Slow as I am, it fortunately took quite a few years before I really appreciated this![140]

Clark's primary problem was that Hicks's ability to secure money for physical expansion during the 1960s and 1970s had come with hidden costs that began to emerge in the 1980s. During Clark's first summer as president he was notified that the air-conditioning capacity for the campus was almost zero. When he looked into the matter he discovered that there had been no maintenance on the chillers in the Central Services Building since their installation in 1965. As a result the aluminum fins had melted into solid blocks, which meant the entire system had to be replaced at a cost of over one million dollars. Similar reports emerged during the rest of the summer. The entire campus, it seemed, was in a state of disrepair. But that was just the tip of the 'financial' iceberg.[141] Prior to Clark's arrival Dalhousie's financial situation was deemed so dire that the MPHEC threatened to withhold grant funds in an attempt to force the University to get its growing deficit under control.[142] In the fall of 1986 Clark and Bryan Mason, the newly installed Vice-President Finance and Administration, took control of all expenditures and were able to keep the deficit below $250,000 for the 1986-87 financial year. The following year they were able to lower the operating deficit to just under $100,000, a figure achieved through base budget reductions. Each year from 1986 to 1990 the annual budget was cut 3.0, 4.24, 3.6, and 2.55 percent respectively. By his own calculation Clark cut the university budget 26.7% over the

[140] Ibid., 137.
[141] Ibid., 135.
[142] Ibid., 137.

course of his two terms in office.[143] Although these changes began to put Dalhousie's financial house in order, it brought him into direct conflict with faculty and staff whose salaries consumed almost 80% of the university's budget.

Dalhousie's financial woes created a siege mentality that isolated its executive officers from the constituencies they were trying to manage.[144] Budget cuts brought them into repeated conflict with the DFA in arenas ranging from the Senate to the classroom. By the time Halliwell arrived in 1992 the University had endured two faculty strikes and was on the verge of a third, this time with the administrative unit. An unfortunate by-product of all this was that Clark's administration found itself not only isolated from its internal constituencies, but from the external community as well.[145] Whereas MacKay had been widely admired by those who worked with him, Clark frequently aroused more negative responses. Some of his colleagues at the other universities recognized that the fault lay not so much with Clark himself as with the narrow mandate he had received from the board.[146] Indeed, MacKay's fate should have been sufficient enough warning as to what would happen to any president who dared to stray from their fiscally conservative mandate. Clark often left CONSUP in agreement with the other presidents on some principal or shared project only to return to the next meeting in total disagreement.[147] In prosperous times his colleagues may have been more forgiving, but since they were now on the verge of serious negotiations over the rationalization of limited resources they were less inclined to be generous. After years of indecision, the agenda had been set and it

[143] Ibid., 147.
[144] SMUA, Halliwell interview, February, 2007; SMUA, Ozmon interview, 30 April 2007.
[145] SMUA, Author's interview with Elizabeth Parr-Johnston, 12 September 2007; SMUA, Halliwell interview, February, 2007; SMUA, Ozmon interview, 30 April 2007; SMUA, McCarthy interview, 13 December 2008; SMUA, Starnes interview, 27 July 2007.
[146] SMUA, Parr-Johnston, 12 September 2007; SMUA, Halliwell interview, February, 2007; SMUA, Ozmon interview, 30 April 2007.
[147] SMUA, Parr-Johnston, 12 September 2007.

was now clear that over the next few years there were going to be winners and losers. It served their institutional interests to allow Clark to be painted in the most unreasonable light possible.

In a broader sense by the 1980s there was very little public sympathy for Dalhousie as an institution, let alone for Clark as a president. The University was popularly portrayed as bloated beyond its means, with the logical inference being that if it went bankrupt then so be it. But for those with a different vested interest in the province's system of higher education – namely the students, staff, faculty, and chief executive officers at the other universities – a tempting response to Dalhousie's growth was that it had arrogantly expanded to unwieldy proportions at the expense of the other institutions and was now placing everyone in crisis. Yet, as historical experience showed, the reality was more complicated. The province's undergraduate universities were now at the same crossroads as during the debates over the Carnegie federation scheme. The difference this time was that government was now a full partner, and when the province looked across the country for examples, what it found as the preferred and more fully embraced model was that of the Humboldt-inspired research institution, the same model Dalhousie had spent most of the 20th century attempting to build. And now that it had grown to be approximately fifty percent of the system amalgamation was an even more pressing possibility than it had been before. Simply put, Clark's colleagues could not afford to be sympathetic towards Dalhousie and were better able to serve their own institutional interests by allowing him to be painted in the most unreasonable light possible.

It did not take long for Clark to reach the same conclusion as Starnes had drawn in his essay, "Is There a System?" that the source of Dalhousie's financial woes was the funding formula. Initially Clark avoided talk of amalgamation and chose instead to lobby the MPHEC to amend its funding formula, which by this point was over ten years old. Although Dalhousie had

grown almost four-fold under Hicks, enrolment had reached a plateau. Many of the University's programs were professional and had limited enrolments. As of 1986 Dalhousie provided over 85 percent of the graduate programs and research within the region. Although the funding formula weighted these programs more heavily than undergraduate programs, it did not, according to Clark, take into consideration the cost that went with research. Also, the formula was designed to reward growth in undergraduate programs. "In 1988-89 government funding to universities was increased by 7.7 percent overall," Clark later noted, "with institutional increases ranging from 2 to 13 percent. Dalhousie, which constituted almost 50 percent of the Nova Scotia system, including the most expensive programs, received an increase of 3.14 percent."[148]

After two years of lobbying, the MPHEC agreed to contract an external consultant, Alan Aldington, to review the funding formula and make recommendations for how to improve it. In his report Aldington stated that while researching the report he met with most of the region's university presidents, all of whom in some way expressed their unhappiness with the existing formula. Aldington concluded that the region should drop the formula altogether and make a "fresh start." According to him, the existing formula was, as Clark pointed out, unfair to institutions that were not growth-orientated:

> The inconsistent response to funding advice given by the MPHEC between New Brunswick and Prince Edward Island on the one hand and Nova Scotia on the other, creates unique problems between and amongst the Nova Scotia institutions which must be resolved. It has not yet caused a breakdown in the inter-provincial collaboration and cooperation as regards specialization of certain disciplines and programs at selected institutions, but it is a problem of growing concern. For example, the capacity and capability of Dalhousie to attract and apply sufficient funds to enable to maintain and enhance the quality of teaching and research in certain areas and disciplines is of crucial importance to several of the key institutions in the *three* provinces.[149]

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[148] Clark, *Growth*, 163.

[149] A. K. Adlington, *Adlington Report*. (Maritime Provinces Higher Education Commission, December 1988), 3.4 -

Aldington concluded that the MPHEC should replace the formula by a "planned capacity" approach, which he argued would better enable the universities to address the issue of quality academic teaching and research.

In a planned capacity model a university would receive a set amount of grant money every year based on a previously approved growth strategy. Thus, the region's universities would be required to submit short- to medium-term plans for their growth and program development. The MPHEC would then approve or reject each plan based upon enrolment projections as well as the overall system. If an institution's enrolment were to drop more than 3 or 4 percent below its planned capacity then its grant would be reduced accordingly. If the institution's enrolment were to increase more than 3 or 4 percent above its planned capacity then it would be allowed to keep its grant money, but would not be given any extra to compensate for the growth. Aldington also suggested that the MPHEC take a certain amount of the region's money directed towards higher education and set it aside in the form of a limited number of policy envelopes:

> One such envelope could be for Accessibility when and if the Commission deems it necessary. Others could be created for certain defined purposes (e.g. physical plant renovations and renewal) and applied across all the funded institutions. Other policy envelopes might have more limited application relative to type of institution and special needs, such as research and/or infrastructure costs, special roles such as serving a linguistic community, special functional needs related to skill training and technology, encouragement and support of particular new developments (e.g. co-operative education in one or more selected institutions or program areas).[150]

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[150] Adlington, *Adlington Report*, 3-4 – 12.

In many ways Howard Clark could not have written a more congenial report himself. By the time Halliwell was scheduled to speak to CONSUP, Clark had already succeeded in turning Dalhousie's financial situation around. Although there were still many difficult years ahead, the most serious work had been accomplished. In fact, if the structure of the system and the state of Dalhousie's finances were the only reason for the negotiations, then rationalization probably would have proceeded in a relatively civil manner. But the proceedings were not cordial, for there was a third and even more serious reason for them to take place: the province's finances.

In many ways Nova Scotia never recovered from the minor recession that brought down the Liberal government under Philip Carteret Hill in the 1880s. It resulted in a restructuring of the banking system, which then proceeded to redirect capital to other areas of the country.[151] For most of the 20th century Nova Scotia struggled to catch up with the rest of the country. There had been a mild reprieve under Robert Stanfield during the 1960s, which petered out in the 1970s under Gerald Regan. By the time the Progressive Conservatives took control under John Buchanan things were going from bad to worse. In 1978 Nova Scotia's population was 841,000 producing a gross domestic product of almost five and a half billion dollars. Even though Nova Scotians had been able to double their personal and per capita income they were still almost 20% lower than the national income. By 1978 the province's labour force had expanded from 280,000 to 342,000 mainly through the participation of women. But the unemployment rate had also increased from 7% in 1972 to 10.6% in 1978.[152] "In relative terms, the province had 2% more of its labour force employed than the other provinces in the Atlantic Region, but lagged more than 6% behind the rest of the country in terms of overall employment."[153] Complicating

[151] James D. Frost, "The 'Nationalization' of the Bank of Nova Scotia," *Acadiensis.* XII, 1, (Autumn 1982): 3-38.
[152] Province of Nova Scotia, Department of Development, Today's Economy, 7th ed., p 30.
[153] J. William MacLeod, Technology Triumphant: The Promise of a Community College for Nova Scotia" (Doctoral thesis, Dalhousie University, 1995), 158.

matters was the fact that the province was about to go through a demographic shift that would see an influx of young workers into a mature workforce. This meant an increased demand for entry level jobs and greater competition within the job market for the existing one.[154] According to E.R. Forbes's analysis the 1980s

> … opened with a serious recession, confounding traditional economics with a stagnant economy accompanied by double-digit inflation and the highest interest rates ever. The victims of the recession included not only the traditionally vulnerable construction workers and unskilled labour, but, also, the middle class, as corporations trimmed managerial staff in a drive to be more competitive. The upperly mobile were often the ones losing their homes or savings as rising interests more than doubled mortgage.[155]

But while things looked bleak Buchanan was able to point towards the prosperous times on the horizon. There were seven rigs operating offshore as well as 150 oil- and gas-related industries operating within the province. To top it off there was a major real estate boom that not only increased property values, but also decreased commercial vacancies. With the political opposition still in disarray Buchanan followed the dictum set down by Keynesian economics that you borrow and spend your way through tough times. The problem was that Buchanan's government borrowed record amounts money at unprecedented rates of interest. In 1978, when Buchanan came to power, the province had a deficit of $76.8 million that could be attributed to the previous government. By 1984 it had swelled to $248 million. Within six years the Conservatives had quadrupled a $500 million dollar debt that, according to Murray Beck, had taken the province 100 years to accrue.[156]

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[154] MacLeod, "Technology Triumphant", 160.
[155] E.R. Forbes, Challenging the Regional Stereotype: Essays on the 20th Century Maritimes, (Fredericton: Acadiensis Press).
[156] MacLeod, "Technology Triumphant", 162.

By the time Halliwell arrived in 1992 the province's debt was playing a larger role in politics at all levels. By this time Buchanan had been succeeded by Donald Cameron, who for a while had been relegated to the back benches for publicly criticizing his government's excessive borrowing. Cameron realized he only had two years to turn the party around before he would have to call an election. He implemented widespread reforms that he hoped would enable his government to campaign on a platform of fiscal responsibility. But his reforms – particularly the ones tied to political patronage – did not sit well with the party membership used to the spoils of power. As a result Cameron alienated the grassroots that Buchanan had so masterfully cultivated.[157] During the lead-up to election it was clear that the prosperous times that Buchanan had promised were 'just around the corner' were not going to arrive. Tough times were ahead for the province was saddled with such a massive debt that the only way to get the financial situation back under control was to slash budgets. To make matters worse, there was considerable public resentment directed towards the Conservatives over Buchanan fleeing to a well-paid Senatorial appointment in Ottawa. It was during these uncertain fiscal and political times that Janet Halliwell stood up in front of the leaders of the province's universities to discuss how *they* were going to move forward with reform.

According to Halliwell her first meeting with the Nova Scotia university presidents went well.[158] At that point, however, the presidents had little to fear as the agenda had been set by them. For example, it was obvious that there were too many poorly-run departments of education within the province, graduating too many students into a saturated workforce. The problem was that these departments were cheep to run and were therefore used to subsidize more costly programs. Everyone agreed that some of them had to go, but no one wanted to lose their

[157] Jeffery J. MacLeod, "Clientelism in Practice: An Analysis of Nova Scotia Politics, Patronage and John Savage" (Doctoral thesis, University of Western Ontario, 2002), 26.
[158] SMUA, Halliwell interview, February, 2007.

program. Ideally, the losses and gains would be shared evenly across the board. For example, Dalhousie was willing to lose its education program so long as it got Computer Science in return. And Saint Mary's was willing to do the same so long as it kept its School of Business. Complicating matters was that even though Dalhousie was willing to give up its education program it was less keen to give up its School of Business. What the presidents hoped for was someone to help them facilitate these more difficult transactions. For them the best negotiation would have been conducted in private, so that they could delicately sound the more difficult exchanges with the affected constituencies which they as presidents were mandated to protect. When consensus had been reached everyone would step forward as a group and release the decision to the public.[159] In fact, the universities had already scored a number of collaborative successes, the most notable of which was the Novanet library system that enabled students anywhere within the province to take out books at the other university libraries. This was the first time anything like this had been done and it created a world class library system almost overnight. Another example of a successful shared venture was the cooperation between Dalhousie and Saint Mary's in creating a joint International Development Studies program that enabled students to take classes at each other's universities.[160] As Starnes had pointed out there was in fact a system – a very good one as far as the presidents were concerned. They just needed some help to work out the kinks.

The political reality was that the Conservatives under Buchanan had not created the NSCHE to help the universities to work out their kinks. It had been created because government had become a victim of too many private negotiations with the universities.[161] In fact, the increasing recruitment to university Boards of members of the province's financial elite was

[159] SMUA, McCarthy interview, 13 December 2008.
[160] SMUA, Ozmon interview, 30 April 2007.
[161] SMUA, McCarthy interview, 13 December 2008; SMUA, Starnes interview, 27 July 2007.

ensuring that the government would be constantly and pressingly lobbied with special requests. Government had learned this lesson in the 1980s. Once it was agreed to help one university with the construction of a library or a sports facility the others would expect similar favours. As for as helping the universities to 'work out the kinks' of their relationship, as far as government was concerned, it had been a long, hard-fought battle just to get the universities to create and accept the rationalization agenda.[162] The province was well aware of the further travails that would result if any senior civil servant was assigned to help the presidents negotiate whose departments of education should be closed. It was one thing for a president to acknowledge that there were areas in need of rationalization, but implementation was a very different matter. Indeed, any university president who was presented with an unwelcome decision would promptly turn to a well-connected board of governors which would in turn place pressure on elected officials to either replace the negotiator or have the government retreat from the contested position. The 'closed door' approach would also never have worked because it rested on the assumption that all universities were equal partners at the table. This was not so, for the Clark administration was all too willing to point out – publicly, if need be – that it represented fifty percent of the system and therefore deserved special consideration.[163]

How, then, could rationalization proceed? Halliwell was in a difficult position, but decided at an early stage that, while institutional amalgamation would have made things easier on some levels, it did not serve the greater interests of the province. Even McCarthy urged her against going that route, suggesting instead that she focus on the seven points that the universities agreed needed to be rationalized. During this same period Halliwell approached

[162] SMUA, Starnes interview, 27 July 2007.
[163] During his two terms in office Clark wrote an article each week for the Dalhousie News. Although this was an internal publication, he knew it was being read by senior officials in government, as well as colleagues at the other universities. In his articles Clark often pleaded the case that Dalhousie's size warranted special consideration.

another person for informal counsel who also advised against amalgamation. Aims McGuiness was an American who had spent a considerable amount of his career investigating the state of university governance. Over the years he had been approached by numerous State governments to advise them on how to proceed with similar problems. At one point Halliwell invited him to speak to an audience of provincial stakeholders during which he said:

> There are those in Nova Scotia, and in fact all over the world, who believe that not only is a single university such a good idea, but that it can be achieved by a sweeping government action to merge the institutions. Place a new board and chief executive in control and charge the new leaders to work out the details. Some call this the strategy of putting the cats in a bag and letting them fight it out. Inevitably the biggest and most aggressive one wins. Even in instances where government has done this with only two institutions it has resulted in incredible disruption and cost.[164]

With that decided, Halliwell was now left with a serious problem. If she was not going to work towards amalgamating the universities then she needed to create a process that the universities would not only participate in, but accept the outcomes. After a considerable amount of research and thought Halliwell settled on a peer review process that had been established in the Netherlands. The first step of the process was to identify a problem that all parties agreed needed to be resolved. This part was easy for the seven areas in need of rationalization had already been identified. The next step was to establish consensus upon the template that the universities would use to perform a self-analysis of the particular area being studied. The final step was for the Council to select a review committee comprised of unbiased experts. On paper the process looked assured, for not only did everyone have to agree in advance upon the parameters of what was being studied, but also they provided the core data used in the analysis. Although the review committee was free to accept or reject the data, or indeed to request

[164] PANS, 2004/010/004, Copy of speech by Aims McGuiness for Critical Choices: A Forum on Higher Education, 17 February 1995.

additions or clarifications, most of the information used by the independent review committee came from the universities, which meant they were in a strong position to argue for their interests up front. Halliwell convinced the Council that this was the best way to deal with what she referred to as the 'weaker sisters of the system.' The NSCHE would oversee five independent peer reviews that would each address an area in need of rationalization, beginning with a review of the only area over which government had any control: teacher certification.[165]

Halliwell approached Bernard Shapiro, professor of Education and Public Policy at the University of Toronto, to lead the review committee. Shapiro normally turned down these requests, but in this case he accepted. He had known Halliwell for a long time and was at a point in his career when he had the time to take on such side projects. Shapiro had recently retired from the public service where he held a series of positions, including Deputy Minister of Education, for the Ontario government. He was undeniably well qualified to access the situation in Nova Scotia, holding a Doctorate in Education from Harvard University and prior to entering the public service had held senior administrative positions at Boston University, the University of Western Ontario, and the Ontario Institute for Studies in Education. That he was going to chair the first of the NSCHE's independent peer reviews boded well for the process as a whole, to the point that critics of the eventual report would be hard pressed to counter its recommendations.[166]

The situation the committee encountered was difficult and complex. Almost every university in the province had a coveted education program that was being used to subsidize other more expensive programs. Since there were no costly research facilities tied to education programs all that was needed to run one were faculty, classrooms and students. Although this

[165] SMUA, Halliwell interview, February, 2007. (PANS, 2004/010/003, Discussion paper: General rationale for the rationalization of Nova Scotia's universities, December 1992.)
[166] SMUA, Author's interview with Bernard Shapiro, 17 April 2009.

worked well for individual universities, the system as a whole did not serve students, the profession or the Province. Over 1000 teachers graduated every year from Nova Scotia universities, of whom only a small portion had any hope of getting a job.[167] The universities attempted to hold on to their programs by arguing that employment was not necessarily the best way to measure program success for many of these students found work in other provinces. But of course that was the whole point of the exercise for the provincial government was not interested in subsidizing the education of teachers who would be forced to work elsewhere.[168] Shapiro and his committee went a step further, arguing that not only were the vast majority of these students not finding jobs, but the lack of centralized resources meant that the ones who did were poorly trained.[169] If the province hoped to raise the performance of its teachers it needed to centralize its resources in such a way that fewer students entered the system and once there were supervised by highly qualified faculty who had the time and the resources to not only teach the teachers, but also to study the system in which they were serving.[170] In brief, this meant closing most of the departments of education, limiting the number of seats, lengthening the program to two years, and centralizing the resources to three locations that would with time develop into centres of excellence.

One of the components of the peer review process was that the universities were allowed to respond to the report before it was officially released. Since the committee was free to put forward any recommendations it saw fit, the response was really just a chance for the universities to address any grievous errors or omissions that may have seeped into the final draft. It was during this part of the review that the faculty members of Dalhousie's Department of Education

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[167] *Teacher Education in Nova Scotia: An Honourable Past, An Alternative Future*, (Halifax: Nova Scotia Council on Higher Education, February 1994), 47.
[168] Ibid., 48.
[169] Ibid., 25-28.
[170] Ibid., 31-32.

learned that the review committee had recommended their program be closed. The news was met with utter disbelief. Dalhousie had the only graduate education program in the province and had fought for years to do the very things that the peer review was suggesting, namely raise the calibre of teacher education within the province. Its members had even rationalized their program delivery with Mount Saint Vincent University. Yet arguably they had failed to take the Shapiro process seriously enough. Immediately before they were to hand in their self-analysis, President Clark blocked their submission and forced them to do a rewrite in order to avoid public embarrassment. Not only was the initial document riddled with factual errors, duplication and spelling mistakes, but also it was three times longer than it was supposed to be.[171] Faculty members simply did not believe that anyone had the power to close their program, and up to that point there was some reason for holding such a view. The University's wrangling with government rarely went anywhere. Indeed, even Shapiro, the chief author of the report, never thought anything would come of it.[172] But in the spring of 1993, as the peer review was about to start, the Conservative government finally collapsed after fifteen years in power and over the course of that summer Nova Scotia's political climate began to change in a way that no one could have predicted.

Not long after John Savage was elected premier of Nova Scotia with a 40-seat majority he broke protocol and called Janet Halliwell to enquire how long it was going to take to amalgamate the province's universities. Even though Halliwell was personally non-partisan, she was in a precarious position for she had been appointed by the previous government. Up to that point in Nova Scotia's history these types of positions were often replaced shortly after the new government assumed control. But Halliwell had little to worry about for Savage had campaigned

[171] SMUA, Berard interview, 7 April 2009.
[172] SMUA, Shapiro interview, 17 April 2009.

on an anti-patronage platform, and even though pressure within the party was mounting for him to recant, he was not about to replace any competent government employee with a card-carrying Liberal be it a snowplough driver or director of the NSCHE. What he did want to know, though, was how long it was going to take to get on with amalgamation, and in hindsight based on his government's future track record – the amalgamation of the province's cities into the Halifax and Cape Breton Regional Municipalities, as well as the amalgamation of some of its hospitals into health districts – it was clear that he was serious. Yet, according to Halliwell, after a long conversation she convinced him of what Starnes had argued and what Aims McGuiness would state publicly several months later, that there was a system and that placing 'the cats' in the proverbial bag was not going to result in efficiencies or even reduce costs. Such a route would be disruptive, divisive and would in the end probably cost the province more money than it would save. The better route was to refine the existing system by continuing with the peer reviews now under way. According to Halliwell over the course of the conversation Savage came to agree with her and when they hung up the phone amalgamation was never mentioned by government again.[173]

Savage was a recent convert to fiscal conservatism. As Mayor of Dartmouth he had considerably increased the city's debt. What defined him politically was a passionate desire to eradicate patronage, which may have been connected with an experience he had when he was still a family doctor in Dartmouth. Not long after Conservatives came to power under Buchannan he was ousted from a leading position in a drug dependency program he had helped to found. Although he was uniquely qualified for the role, he had previously run for federal political office as a Liberal, and came to understand that Buchanan had personally insisted that political patronage must prevail. During the early phases of his ascent to power, Savage already

[173] SMUA, Halliwell interview, February, 2007.

showed signs that on patronage matters he was not in step with his party. He was willing to eradicate patronage even if it meant alienating the party faithful and upon being elected leader he carried that message straight through into the general election sometimes making stump speeches in which he said, "If you are a member of this party to get a job you should join another party."[174] Savage made these speeches against the advice of party strategists who insisted that Nova Scotians were much more concerned about the economy than about patronage. Their argument failed to move Savage, for he believed the province was in the grip of a corrupt system that was robbing it of its potential.[175] Once the new government took office, a key cabinet appointment was that of Bernard Boudreau to the Finance portfolio. Boudreau was an interesting choice in that he was a lawyer by training with no financial experience. But he was also one of the most respected members of the party and quickly became one of Savage's most trusted advisors. Boudreau had suspected that the province's finances were worse than the Conservatives had let on, and his fears were soon confirmed in a report by the accounting firm Price Waterhouse which concluded that spending for the first quarter of the 1993-94 fiscal year was up $46 million, projecting a record-breaking operating deficit of $650 million.[176]

For the entire summer Boudreau worked on a plan to get their finances back under control and in early September he called a meeting with Savage that would change the course of the government. According to Savage, the meeting lasted for about an hour-and-a-half, during which Boudreau convinced him that the province was in the midst of a financial crisis. The true debt was probably close to $7 billion with the province "paying out 21 cents or more out of every dollar on the interest of that debt." He pointed out that the province already had the lowest credit rating in the country and that the agencies were talking about lowering it further. Boudreau

[174] MacLeod , "Clientelism", 106-7.
[175] Ibid., 113-114.
[176] Ibid., 146-147.

went on to express concern over how their government was going to pay for any proposed improvements to health care and education when he judged it necessary cut at least $200 million from the budget that year. The only promising note was that if Savage supported him on this then Boudreau expected the budget to be balanced in time for the next election. Savage was shocked by the news, but was convinced by Boudreau's assessment. The cabinet agreed, but, fearing the political consequences, began to joke in private that this was not so much a plan as it was one lemming following another off a political cliff.[177] The more serious implication was that from that moment forward the Liberals began to govern as if losing the next election was a sure thing. The implication to the universities was that the doors that had been open to them under Stanfield, Regan, Buchanan and Cameron were now firmly closed. Even the party faithful found themselves on the outside. The government's political mission was to bring the province's finances back under control. The only hope they now had for reelection was to succeed in doing so.

Wholesale budget cuts followed in the fall of 1993.[178] One of the ministers most affected was John MacEachern, the Minister of Education. While in opposition he had become close to both Boudreau and Richie Mann (now Minister of Transportation). All three were from Cape Breton, had leased rooms next to each other in the same hotel in downtown Halifax, and frequently strategized together informally.[179] Since MacEachern was a math teacher he had seen first hand the casualties of the gaps within system of higher education. He was less interested in reforming the universities than with revitalizing the vocational school system. The only real problem he had with the universities was that there was insufficient accountability for the money

[177] SMUA, MacEachern interview, 28 April 2007; SMUA, Author's interview with Bernard Boudreau, December 2009.
[178] MacLeod, "Clientelism", 169-170.
[179] SMUA, Boudreau interview, December 2009.

that the province handed over to them.[180] Early in his mandate MacEachern's primary focus was to follow through with reforms to the Community College that had started under the Buchanan government, but had stalled under Cameron. Not until January 1994 did he come fully to appreciate the significance of Halliwell's independent peer reviews.

Although MacEachern was briefed in advance by Halliwell on the contexts of the Shapiro Report, his first detailed reading of it happened shortly after it was leaked to the media and began to make headlines. The Shapiro committee had recommended a radical restructuring of teacher education.[181] With the exception of three university-level education programs – Mount Saint Vincent, Acadia and Université Sainte Anne – it suggested that every educational program in the province be closed, including those of Dalhousie, Saint Mary's and the Nova Scotia Teachers' College.[182] MacEachern realized immediately that he was 'jammed'. Whoever had released the report to the public had probably done so in the hope to avoid the suggested closures, but the political reality was that it tied government's hands and sealed their fate. Up to that point MacEachern had no interest whatsoever in closing schools. In fact, if he had read the report beforehand he would have said as much to the Shapiro committee, arguing for them to 'soften the language.' For example one of the recommendations he outright disagreed with was lengthening the program to two years. Whether or not the Shapiro committee would have altered their report based on feedback from the Minister is impossible to know, but it is certain that if MacEachern had fully appreciated its contents he would have exerted as much political pressure as possible to have it altered in order to avoid placing his government in the midst of a furore.[183] The calibre of the committee, and its following of a process to which the institutions had agreed

[180] SMUA, MacEachern interview, 28 April 2007; SMUA, Boudreau interview, December 2009.
[181] SMUA, MacEachern interview, 28 April 2007.
[182] *Honourable Past*, 34-35.
[183] SMUA, MacEachern interview, 28 April 2007.

in advance – a process that used data provided by the universities to perform the analysis and included consultation throughout – meant that once the report was released it was effectively unassailable.[184]

In many quarters of the province the Shapiro report was met with shock. The faculty, staff and students of the Teachers' College of Nova Scotia were devastated by the news. Since the institution reported directly to the Minister of Education and lacked a well-connected board, it was relatively easy to close. In fact, the whole idea of a college dedicated solely to teacher education was an approach to teacher training that had long since fallen out of vogue in North America. There was little hope that the Teachers' College was going to survive this report. As for the faculty, staff, and students at Dalhousie and Saint Mary's Departments of Education, they too were caught off guard by the news, but held out hope that if they lobbied hard enough they would be able to save their schools.[185] For all that, the news was met with relative silence by the senior executives at both institutions. Some letters were written and public denunciations were made but there was little or no serious lobbying to preserve these departments.[186] In the view of Howard Clark, there was little room for manoeuvre:

> We knew when [Halliwell] started on education that the outcome would probably be negative for Dalhousie, but education was not really a central issue for Dalhousie, and its loss was not crucial. Indeed we knew that if education remained at Dalhousie, the urgent need for a permanent building would sooner or later have to be addressed. We certainly could not afford the cost of going against the Shapiro report and had little alternative but to go along with it. I don't think it is fair to say that there was any prior view that Dalhousie was planning beforehand to get rid of education, or even that it was not valued, but when the Shapiro report was published, there were few arguments that would have supported Dalhousie in a fight against NSCHE and the Government.

[184] SMUA, Howard Clark, e-mail message to author, 7 January 2008.
[185] SMUA, Berard interview, 7 April 2009.
[186] PANS, 2004/010/001, Council Meeting Minutes, 7 March 1994.

What was a priority at Dalhousie was that it become the centre for Computer Science and, if at all possible, maintain a strong link with Engineering at the Technical University of Nova Scotia (TUNS). As for Saint Mary's, its plan for growth centred on its School of Business.[187] All three of these programs were to be reviewed in the coming months. The bottom line was that Education was an unfortunate but acceptable loss so long as core institutional interests could be maintained.

St.F.X., on the other hand, believed that closing its education program was a blow from which it would never recover. Not long after the report was released, President David Lawless, wrote to the NSCHE arguing that surveys of incoming students at St.F.X. revealed that most intended to pursue an education degree upon graduation. He feared that if the program were lost the institution would experience a drastic drop in enrolment and that this would in turn have a negative impact on the economy of the town and surrounding area.[188] But the lobbying did not stop there. One evening John Savage heard a knock at the door of his house only to discover that it was the Bishop of Antigonish. Savage invited him in and made him a cup of tea, but the Bishop quickly learned what the party faithful were experiencing, that the Premier had "intellectually separated the role of politics from the act of governing."[189] Savage was willing to chit-chat, but whenever the Bishop raised educational issues he dismissed it by saying he had full confidence in MacEachern's handling of the Education portfolio. Of course, MacEachern also became the target of intense lobbying, especially seeing that St.F.X. was his alma mater.[190]

According to MacEachern, the premature release of the Shapiro recommendations left him in a political straitjacket and that, even though he disagreed with some of the

[187] SMUA, Ozmon interview, 30 April 2007; SMUA, Starnes interview, 27 July 2007.
[188] PANS, 2004/010/001, letter from David J. Lawless to Janet Halliwell, 24 December 1993.
[189] SMUA, MacEachern interview, 28 April 2007; MacLeod, "Clientelism", 142.
[190] SMUA, MacEachern interview, 28 April 2007; SMUA, Halliwell interview, February 2007.

recommendations he had no other choice but to move them forward. The only major exception to this was that he gave St.F.X a second chance. MacEachern later recalled that he was aware how this would look, but for him it was not the lobbying that mattered, or any issues over the quality of the program, but where the school was located. MacEachern took a map to cabinet and pointed out that the three schools the Shapiro committee suggested remain open were all located in the southern half of the province. Although he planned to follow through on the majority of the recommendations he thought that the province needed at least one program located in the northern half of the province. According to him cabinet was in complete agreement and did not even bother to debate the issue leaving him to negotiate some sort of way for St.F.X to improve its quality.[191] Of course this was an interesting turn of events for when Savage selected his cabinet he had avoided choosing people based on the 'politics of geography' and focused instead on who was the best person for the job. The result was that the front row of the legislature was weighted with five Cape Bretoners in prominent portfolios.[192]

MacEachern contacted the senior executive team at St.F.X. and informed them that they had a year to improve the quality of the program. Within three months, though, he received a call from someone at the university informing him that nothing was happening. On a trip home to Cape Breton he arranged a meeting with the President and Vice President, informing them that Shapiro's team would be back in less than a year to review the program a second time, and that if it was still deemed inferior he would be closing their department along with the other ones he had announced. In MacEachern's own words: "They thought I was playing them, see, that I had done this to save them. But I told them, no, they would be gone."[193] Lawless set to work and when the review committee returned a second time they still found the program's quality barely

[191] SMUA, MacEachern interview, 28 April 2007.
[192] MacLeod, "Clientelism", 146
[193] SMUA, MacEachern interview, 28 April 2007.

passable, but deemed that since there had been a slight improvement it was now headed in the right direction and therefore should be allowed to exist.[194]

Although the university presidents were more or less respectful of the rationalization process, during the lead-up to the Shapiro report serious tensions had begun to develop. The NSCHE had time to focus on the system in a way that had never happened before. Hitherto, governments had signed the universities a cheque and then allowed them the autonomy to do with it essentially whatever they saw fit. But since the NSCHE had the time and mandate to look broadly at the issues – and since money was driving the whole process – it began to identify other problem areas outside of the rationalization agenda that needed addressing. One of the first of these areas was that the universities were all using different – and in some cases questionable – accounting practices. As a result the NSCHE placed pressure on them to conform to the same transparent, standardized practices that publicly traded companies used.[195] Complicating matter was the fact that the Council had the right to insist upon data – or at the very least participation in processes – that sought answers to questions never seriously asked before. Within months of being appointed Halliwell had concluded that the universities' reluctance to accept each other's curriculum via transfer students was tantamount to double-dipping with government funds, not to mention short-changing the students for whom the system was subsidized in the first place.[196]

These developments stirred up a lot of bad feelings towards the NSCHE. Janet Halliwell, in particular, became the focus of intense personal attacks and by the time the Shapiro report was released tensions were ready to boil over. Up to that point the universities had been effectively forced to stay on track because the Savage government was not open to lobbying. During the

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[194] *An Honourable Past, An Alternative Future: Reprise: Teacher Education at St. Francis Xavier University*, (Halifax: Nova Scotia Council on Higher Education, April 1995), 22-23.
[195] SMUA, Parr-Johnston interview, 12 September 2007; SMUA, Halliwell interview, February, 2007.
[196] Cathy Shaw, "Giving Credit where Credit is Due: First-, Second-Year Credits Now Transferable in N.S. Universities," *The Chronicle-Herald/The Mail-Star*, 18 June 1993, A6.

university presidents' first meetings with the new premier, Savage had spoken for a few minutes about his government's priorities before introducing them to John MacEachern. At that point he informed them that MacEachern was in charge of everything related to universities, and promptly left the room. At a different meeting MacEachern had essentially repeated the procedure with Halliwell. The result was that even though the presidents grumbled about the incessant demands being placed upon their time, and complained in private about what some regarded as Halliwell's condescending demeanour, they did not attempt to bypass the rationalization process by using their connections to government. However, the Shapiro report changed all that. St.F.X., fearing it had nothing more to lose, lobbied with abandon and succeeded where others had failed. When MacEachern gave his 'alma mater' a second chance the other university presidents were suddenly put in an exposed situation. The ones who had not fought the closure of their education departments were now placed under intense scrutiny by faculty, staff and students who felt that a president who was not willing to fight for their interests was not worth having.

The reports arising from the next two of the NSCHE's independent reviews – Engineering and Computer Science – were released in May 1994. By this point the universities had unsheathed their political knives and were ready to do battle. Dalhousie in particular was paying close attention to these two reports, which belonged to the suite of programs that sat at the heart of the institution's research focus. Had even one of the review committees come down in its favour the rationalization process as a whole might have recovered from the St.F.X ordeal, for Dalhousie had enough political weight to pull the other universities back into orbit. But both reports contained recommendations that were at direct variance with Dalhousie's interests. In fact, the Computer Science recommendations were shocking enough to involve the local media.

Clark wrote a blistering letter to Janet Halliwell reminding her that the goal of the NSCHE-sponsored report was designed to rationalize the system in order to save taxpayers' money, and yet the review committee was recommending the creation of a whole new school that it had even dared to name: the Joseph Howe Institute of Computer Science.[197] In retrospect, even Halliwell admitted that the report was weak.[198] Although the peer review process was designed to accommodate such an eventuality in that the NSCHE got to write its own report in response to the review, having such a weak report fall so closely on the heels of the St.F.X episode did not bode well for the process.

In the spring of 1994, as the public debate over the last two NSCHE reports intensified in the local papers, Clark struck an *ad hoc* rationalization committee comprised of select members of the Dalhousie Board of Governors. At its first meeting the group reached the conclusion that Halliwell had an anti-Dalhousie agenda, and that her goal was to dismantle the university. It immediately devised a plan to undermine both Halliwell herself and the independent review process, and to gain control of the rationalization agenda. A priority was to launch a letter-writing campaign that would mobilize the alumni. The group drafted a letter that explained the situation and included a second letter in the envelope that the recipient could sign and forward to the Minister of Education expressing support for Dalhousie.[199] On the whole, the campaign was a failure. Within a month of the group's second meeting the local media caught wind of the campaign and journalist Cathy Shaw wrote an investigative entitled, "Guerrilla Warfare: Some N.S. Universities Mount Quiet Campaign to Discredit Halliwell, Rationalization Process."[200] During the planning phase the *ad hoc* committee had been concerned about the possibility of

[197] DUA, BOG Files, Rationalization 1994, letter from Howard Clark to Janet Halliwell, 14 June 1994.
[198] SMUA, Halliwell interview, February, 2007.
[199] DUA, 2004-034, Box 5, minutes for a meeting held on 16 June 1994.
[200] Cathy Shaw, "' Guerrilla Warfare: Some N.S. Universities Mount Quiet Campaign to Discredit Halliwell, Rationalization Process," *The Chronicle-Herald/The Mail-Star*, 12 July 1994, A3/A4.

there being a public backlash, but in the end it had nothing to worry about for the newspaper article failed to elicit much of a response.[201] As for the thousands of letters sent to alumni only a handful were forwarded to the Minister.[202]

What the *ad hoc* committee did not anticipate, though, was how hostile the government's reaction would be. On Wednesday, August 10th, 1995, Savage called a last-minute meeting with the university presidents at the Blue Cross Building in the Burnside Industrial Park, during which Savage 'read them the riot act.' The only record of this closed-door meeting comes from the media who received a tip and were waiting outside. MacEachern described it as a 'bear pit'. According to anonymous attendees Savage instructed the university presidents to stop trying to undermine Halliwell, as the government had no intention of letting her go. Quite the opposite, more than ever the government needed to move forward with rationalization because the province was in such financial distress that the whole system of higher education might be jeopardized.[203] Indeed, during the fall of 1994 the province's financial situation worsened as the federal government struggled to get its debt and deficit under control. In order to cut costs it began to download responsibilities to the provinces. Boudreau also received strong messages from the federal Department of Finance to prepare for drastic cuts to transfer payments.[204] Despite the reprimand from Savage that summer, Dalhousie continued with its plan to regain control of the rationalization agenda and contracted a group of consultants to look into the possible cost savings of amalgamating the metro universities.[205] According to Halliwell, Clark had leaned hard on her in private not long after her arrival to consider such a plan and was very

[201] DUA, 2004-034, Box 5, minutes for a meeting held on 16 June 1994.
[202] PANS, 2004/010/001, Council Meeting Minutes, 15 August 1994.
[203] Dale Madill and Cathy Shaw, "Government Hangs Sword over Colleges: Universities Unwilling to Reform to Lose Funds," *The Chronicle-Herald/The Mail-Star*, 12 August 1994, A1.
[204] SMUA, Boudreau interview, December 2009.
[205] Howard Clark, "Ready, Willing and Able to Change," Dalhousie News, 11 January 1995.

disappointed when the Council decided not to go that route.[206] He had backed away from the issue temporarily, but in late 1994 – armed with the consultant's report – he finally went public.

On January 14th, 1995, the *Chronicle Herald* ran a feature-length article by Cathy Shaw titled, "The Courtship: Halifax Universities play hard to get in the face of Dalhousie's merger proposal."[207] By this point the rationalization talks were at a standstill. On one side of the debate was Clark, claiming that amalgamation would save nine million dollars in administrative costs alone, and threatening that any university not part of this plan would be left impoverished from the impending federal cuts. On the other side were the other metro university presidents. In reaction to Clark's report they had broken away from the rationalization discussions and were conducting private, closed-door meetings to negotiate an alternative plan. This left Halliwell caught in the middle, looking as if she had lost control of the rationalization discussions. In private she attempted to coax the universities back to the table, but was forced to announce that there was going to be a delay in the final two independent peer reviews for President Kenneth Ozmon refused to allow Saint Mary's to participate in the review of the School of Business.[208]

Halliwell soldiered on with the rationalization negotiations as best she could and held a public symposium that winter. MacEachern was one of the guest speakers and on the first night he stood before a crowd of students, faculty and senior executives and delivered a speech that laid out in clear, colourful language that the province was flat broke and that the Liberals were struggling to get its financial house back in order. This was no time for the universities to fight amongst themselves, as the federal government had warned that drastic cuts to transfer payments

[206] SMUA, Halliwell interview, February, 2007.
[207] Shaw, Cathy. "The Courtship: Universities play hard to get in face of Dalhousie's merger proposal," (*Chronicle Herald*. 14 January 1995), 5.
[208] SMUA, Ozmon interview, 30 April 2007

were at best two years off and that the province needed to brace itself for the worst.[209] Further down the roster that night was Aims McGuinness, the expert in educational planning with whom Halliwell had been consulting ever since her arrival in Nova Scotia. It was during his speech that he urged everyone to avoid the 'cats in the bag' approach to problem-solving, and then turned away from talk of money and inter-institutional rivalries to remind the audience of why education was so important: "It is only because colleges and universities are so deeply embedded in the hopes and aspirations of their communities that they become the battleground for working out broad social and economic issues."[210]

Later in the winter of 1995, Tom Traves – at the time Vice-President (Academic) at the University of New Brunswick – was selected to be the new president of Dalhousie. Two years earlier the Board had granted Clark a two-year contract that conformed to the province's mandatory retirement legislation.[211] For the last few weeks of Clark's term, he and Traves and he worked shoulder-to-shoulder to ensure a seamless transition. Prior to his appointment at Dalhousie, Traves had concluded from a distance that the rationalization talks in Nova Scotia were at an impasse and that if anything substantial were to come of them a new approach would need to be taken. Although he agreed in private that amalgamation was in Dalhousie's best interests, he and Clark also concurred that it was not going to happen. In fact, Traves later disclosed that if he had thought for a moment that there was any chance of success he would have 'lobbied like mad' to bring it about.[212] During Clark's eight years as president the relationships between Dalhousie and the other universities could be described as adversarial

[209] PANS, 2004/010/004, Copy of speech by John MacEachern for Critical Choices: A Forum on Higher Education, 17 February 1995.
[210] PANS, 2004/010/004, Copy of speech by Aims McGuiness for Critical Choices: A Forum on Higher Education, 17 February 1995.
[211] SMUA, Berard interview, 7 April 2009.
[212] SMUA, Traves interview, 24 September 2007.

verging on hostile.[213] During his final months in office they deteriorated even further. The other metro university presidents released their own report entitled "Partnerships" in which they argued that the same cost savings outlined in Clark's report could be found through cooperative means. However since no one was willing to negotiate any more neither agenda moved forward.[214]

It was in this climate that the provincial government called a meeting with the board chairs of the metro universities in an effort to break the stalemate.[215] Over the years these governing boards had become a meeting place between the universities and the province's financial elite. The relationship was mutually beneficial in that the universities needed well placed people within the community to protect their interests. As for the province's business elite, these boards offered volunteer opportunities which provided them access to important social networks within government and the community as a whole. Until the spring of 1995 most of the rationalization discussions had taken place between the university presidents and the NSCHE. Most of the meetings physically took place at the Atlantic School of Theology, or occasionally at one of the other universities, and never at a government office. When the government finally decided to intervene in the process, it did not reach out to either the university presidents or the NSCHE, but turned instead to the board chairs and invited them to a traditional downtown meeting spot for the city's and the province's elite, the Halifax Club.

The meeting lasted for about an hour and a half and the discussions were pointed from the start. MacEachern and Boudreau declared that the province was effectively bankrupt, and

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[213] PANS, 2004/010/003, Note 1 – The General Situation with respect to Dalhousie, Memorandum from Gerald McCarthy to A. Pinard, 1 May 1992.
[214] SMUA, Box 24, Dead Storage, 29 October 1997, Memorandum from Chuck Bridges to Ken Ozmon regarding release of *Partnerships*.
[215] DUA, Rationalization Process 1995, Memorandum from Julia Eastman to Howard Clark, Vice Presidents and the Board of Governors regarding 3 May 1995 meeting of Metro university board representatives with the Minister of Education and Finance. (This memo contains handwritten notes taken by Allan Shaw during the meeting.)

that the rationalization process was in trouble.[216] The universities were no longer participating with the talks. The two ministers pointed out that the NSCHE was still moving forward with its recommendations and would soon present its report to government. If those were the only recommendations tabled then cabinet would have no other choice but to accept them. Therefore, it was imperative that the universities get their act together and come up with something that not only demonstrated to cabinet that they took this financial crisis seriously, but that cut costs in a way that everyone could accept. The meeting ended on a cordial note, with all of the board chairs agreeing they were certain they could mobilize their senior executive ranks.[217] Within two weeks a second meeting was held, again at the Halifax Club.[218] Boudreau was unable to attend and Halliwell was not invited. But MacEachern was joined by the board chairs and also the presidents of the metro universities. Although Traves continued personally to see amalgamation as being in Dalhousie's best interests, he accepted the other university presidents' counter-proposal and agreed to work with them to work out a plan founded upon the principle of inter-institutional cooperation.[219]

From that point forward the inter-institutional rivalries that had escalated over the previous decade subsided rapidly. For the next eight months the metro university presidents met almost weekly to work out a plan to rationalize the delivery of higher education in metropolitan Halifax. When Robert Geraghty, a retired Deputy Minister, stepped down as board chair of the Nova Scotia College of Art and Design (NSCAD), he was approached by the metro presidents to see if he would be interested in helping them with the plan. Geraghty was an interesting choice in that he not only understood the inner workings of government, but of the universities as well.

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[216] Ibid.
[217] Ibid.
[218] SMUA, Consortium 1995, Memorandum regarding 6 July 1995 meeting with Metro university presidents, their board chairs and the Minister of Education.
[219] SMUA, Traves interview, 24 September 2007.

He accepted the position and set up an office at Saint Mary's University. He organized the presidents' meetings, drafted the agendas, wrote up the minutes and followed through on their action items. Things came together very quickly as they raced to build a plan that they hoped would be ready in time for the last meeting of cabinet before the 1995 Christmas holidays, which also coincided with when the NSCHE's plan was to be tabled by MacEachern.[220]

While in the Metro University Plan was in development, Traves and Ted Rhodes, the president of TUNS, met informally over dinner one evening. Unexpectedly to Traves, Rhodes proposed that amalgamation of their two institutions should become part of the plan. This was at variance with Rhodes's earlier position that he had no interest in TUNS amalgamating with Dalhousie. However, over the course of his tenure as president, which was coming to an end, he came to the conclusion that maintaining the high quality of programs expected of an engineering school was fiscally impossible as a stand-alone institution. Simply put, TUNS needed Dalhousie's large undergraduate base to subsidize the delivery of its costly programs. And since these programs fitted perfectly with Dalhousie's research focus, it was eager to willing to accept the offer. Traves and Rhodes immediately sketched out a plan for how the amalgamation would take place and then followed up with the other presidents about including it in the plan.[221] The other university presidents had no objection. To the contrary, they were delighted for this not only added substance to their proposal, but also helped to divert any potential pressure on them to amalgamate.

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[220] DUA, Rationalization Process 1995, Memorandum from Julia Eastman to Howard Clark, Vice Presidents and the Board of Governors regarding 3 May 1995 meeting of Metro university board representatives with the Minister of Education and Finance. (In Shaw's hand written notes he quotes Boudreau as saying, "Bring us your plan to cut. Don't ask us to take the flack up front. It's urgent; it has to be totally done within the year."); SMUA, Boudreau interview, December 2009.

[221] SMUA, Traves interview, 24 September 2007.

By the fall of 1995 the metro university presidents had identified areas in which they could work cooperatively to save money. The objectives that guided their decision-making process followed four simple points:

1) Yield a 'virtual' Metro Halifax University system
2) Achieve cost savings
3) Optimize/maximize opportunities for revenue generation
4) Realize the perceived benefits of merged academic and administrative facilities through a collaborative process that involved:
    - Cooperation
    - Coordination
    - Rationalization
    - Consolidation[222]

Early on in the process the presidents had split their vice-presidents into two subcommittees, with one group focusing on teaching related units and the other on the administrative support units. These subcommittees in turn mobilized deans, librarians and directors to flush out all the possible ways in which their departments could realize institutional gains in accordance to the four objectives set down by the presidents. The deans reported back that approximately $4.5 million could be saved by targeting part-time instruction and that there were approximately 50 faculty positions throughout the system that could be shed through attrition or early retirement. They also proposed consolidating Classics, Spanish, German and Drama on one campus, and closing or redeploying Comparative Religion and Religious Studies. The Science departments were to remain untouched, but the deans suggested the possibility of restructuring all program delivery into a trimestered system that would allow students to move more quickly through their courses. As for the non-teaching units, they concluded that the metro universities spent approximately $45 million a year on administration and that could save $1.3 million in retirements with the caveat that some of the identified positions would need to be replaced with

[222] SMUA, Box 25, MPC Binder, faxed copy of the notes taken by Robert Geraghty during the 11 September 1995 meeting of the Metro Presidents Council.

more junior personnel. Through such measures, they estimated that at best they would be able to shave approximately ten percent off the current budget.[223]

The basic assumption of the Metro university presidents was that by the following year funding for Nova Scotia universities would drop from $196 to $160 million, and that if the government spread these cuts evenly across the system that meant funding for the metro universities would drop from $137 million to $112 million. Their plan needed to save $24 million, but when they added everything up they realized they were only half way there.

> To date the current identified savings amount to about 50% of the stated goal of $24 million, and some of these savings are not assured. Therefore it can be concluded that to achieve the desired goal will require major reduction or elimination of some programs and services offered by the seven metro universities.[224]

The presidents decided that now nothing was sacrosanct. Everything was on the table.[225]

Two weeks later Traves and Ozmon met in private to discuss the outstanding issues around their Schools of Business. Although Ozmon had effectively stymied the independent review process, they still had to overcome the fact that the rationalization agenda stated that there should only be one School of Business in the city. The only record of their meeting is a set of hand-written notes taken by Geraghty. The main issue was that neither president wanted to get rid of his School. According to Geraghty's notes Traves admitted that Dalhousie's School of Business was not a major priority and that it and the School of Arts were used to subsidize the more costly research programs. But even so, the School was still important to the University for three reasons: student fees; fundraising, and Dalhousie's need to maintain the perception that it was a 'multiversity'. Saint Mary's, on the other hand, was in the opposite situation, in that its School of Business was central to its development. Since neither saw any benefit in merging the

[223] SMUA, Box 25, MPC Binder, faxed copy of report by the Metro Vice Presidents Council, 16 June 1995.
[224] Ibid.
[225] Ibid.

two Schools, Traves agreed not to expand Dalhousie's School of Business at the expense of other priorities and offered that he was open to some sort of joint effort in which they focused on separate areas of specialization. He also agreed that Dalhousie would not oppose Saint Mary's should it decide to move forward with construction on what would later become the Sobey School of Business. He was comfortable with SMU having the larger School of Business so long as Dalhousie remained in a position in which it could say it had such a faculty.[226]

Although the other Metro University presidents were not at the meeting, this agreement between Dalhousie and Saint Mary's was good news for them all. Business education had been the last major stumbling block en route to putting forward a strong and coherent proposal. Although there were shared losses all around, almost all of the Metro universities were now in a position to gain something substantial and possibly even come out stronger than before. Since Mount Saint Vincent was the only Metro university to keep its education program it was poised to become the largest and arguably the most important centre of excellence within the newly revamped system. And in exchange for allowing Saint Mary's to expand its School of Business, Dalhousie was now in a position to amalgamate with TUNS, which meant it would strengthen its research focus while at the same time developing into a centre not only for Engineering and Architecture, but for Computer Science as well. As for the University of King's College, NSCAD and the Atlantic School of Theology – the smallest and most vulnerable schools in the system – they would survive to see another day.

With Traves's blessing Ozmon began work on a plan to convince the government that it was in the public interest for the province to help build a home for the Saint Mary's School of Business. On November 7th, 1995, one day after the Metro University Presidents met with the

[226] SMUA, Box 25, 29 October 1997, Robert Geraghty's hand written notes of a meeting between Ken Ozmon and Tom Traves on 20 September 1995.

Premier and Minister of Education – a meeting in which government disclosed that the proposed federal cuts to transfer payments could amount to over $2 billion in losses to the Province – Ozmon met with MacEachern and his assistant, Royden Trainor, to present the new plan for Business Education, one with newly defined roles for Dalhousie and MSVU.[227] Ozmon asked for provincial help to construct a "state of the art facility for Nova Scotia management." Ozmon acknowledged the meeting the night before with the Premier saying, "We know the Province is financially strapped for cash, but we think, working with you, we can overcome that obstacle with your help," and then introduced Scott Carson, the Dean of the School of Business, who discussed the role that management education could play in economic expansion. Carson argued that with government support Saint Mary's could "lead Nova Scotia by being one of the best business schools in Canada." While working cooperatively with the other universities, Saint Mary's would produce graduates who were "global and entrepreneurial" in focus, and do so in an economical manner that suited the financial exigencies of the day.[228]

By this point in the negotiations MacEachern was no longer using the NSCHE to act as an intermediary body. The most obvious result of his frequent and direct contact with the presidents was that his sometimes-adversarial approach to dealing with them had given way to the role of an affable advocate. He professed to genuinely like and respect them and to be, for the most part, encouraged by the progress they had made. At the same time, he was frank about the possibility that the cabinet as a whole would be unmoved. At a meeting on September 7th, 1995, of what was now known as the Metro Presidents' Council (MPC), Tom Traves summarized the dangers:

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[227] SMUA, Box 25, 29 October 1997, Ken Ozmon's hand written notes of a meeting with John Savage, John MacEachern, Janet Halliwell, Roydan Trainer and the Metro university presidents on 6 November 1995.
[228] SMUA, Box 25, 29 October 1997, Ken Ozmon's hand written notes of a meeting with John MacEachern and Roydan Trainer requesting support for the construction of a building for Saint Mary's School of Business held on 7 November 1995.

> Success will demonstrate our universities' integrity and responsibility, our sensitivity to the fiscal situation of the Province, and our ability to transcend out particular interest and to work together for the good of students and of Nova Scotia. Failure would put our fates in the hands of others.[229]

The Metro presidents were well aware that they were still fighting for autonomy. Failure meant a solution would be imposed upon them, possibly leading to their being managed by the NSCHE or, worse, micro-managed by the government itself.[230] At that same meeting Traves identified the three major points upon which their ability to cooperate hinged.

1) Financial decision-making
2) Academic decision-making
3) The organization and governance of the non-teaching functions[231]

Throughout late 1995, the presidents struggled to come up with a cooperative, power-sharing structure that would nevertheless allow them to remain stand-alone institutions. The presidents eventually settled on a consortium model in which the MPC would be the body that would oversee everything. Although things had progressed smoothly up to this point they recognized that there was a strong possibility of future disagreements and that there must therefore be a dispute-resolution mechanism. They eventually decided to expand their forum by three people – 'disinterested Solomons' – who would for the most part observe their meetings and be called upon to make a decision should the presidents find themselves at loggerheads over an issue. These three people would be chosen unanimously by the members of the MPC and sit for five years. Any decision made by this group would be binding and would be based on system wide values.[232]

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[229] SMUA, Box 25, 29 October 1997, Memorandum from Tom Traves to Metro university presidents on 7 September 1995.
[230] Ibid.
[231] Ibid.
[232] Ibid.

While the Metro university presidents raced to put together a plan to put before cabinet, Halliwell and the Council were working on their own plan. In fact, as early as in the summer of 1994, one day after Clark's *ad hoc* Board committee on rationalization had met for the second time to create a plan to regain control of the rationalization process – the point at which the universities began to undermine the peer review process – Katie Swenson, a member of the NSCHE Board, wrote a memorandum to Halliwell outlining her concerns about the unfolding political situation and urging her to take the Council in a new direction.

> I've given a lot of thought to how we have arrived at this stand off with Dalhousie. As you will recall, Howard and Ken were both agreeable to closing out their facilities at that early meeting which you held. Maybe if that process had been continued there would be more cooperation now … A large part of the negativity is focused on the political decision to retain St.F.X. If some of these political realities had been stated up front, very different decisions could have been made … In retrospect it might have been better for the review teams to have presented a number of alternatives which took into account factors like geography, etc, rather than having their recommendations solely on the quality issue … I wonder if system wide reviews have outlived their usefulness? With the current attitude of Dalhousie, I don't believe they will participate in further reviews. Saint Mary's may feel the same way. A new methodology could be carried out in a shorter time span and in a broader context.[233]

Although the Council later abandoned the peer reviews, they did continue with their review of university financing, which had officially begun in December 1993. By October 1994 the review committee had published a status report that built on what Adlington had raised in his report in 1988. Their report, *University Financing: A Status Report on the Issues*, identified fourteen finance-related issues ranging from cost effectiveness of the system to student mobility and aid. The following spring, as the province's financial situation worsened and as the stand-off between the NSCHE and the Universities reached new lows, the Council held a two day retreat to

[233] PANS, 2004/010/001, Council Meeting Minutes, June 1994.

establish consensus on which of the five proposed restructuring scenarios they were going to put forward to government. After a considerable amount of discussion they finally settled on two possible scenarios.[234]

In May/June 1995, Halliwell produced a report entitled, *Possible Scenarios for Restructuring Metro Universities, Nova Scotia*. Although Halliwell had initially urged Savage to avoid amalgamation, the NSCHE was now endorsing two merger scenarios. In the preamble of the report Halliwell stated that impending government cutbacks in combination with the Council's concerns about "the academic and strategic functioning of universities" meant that the status quo was no longer sustainable. Approximately 80% of the university sector budgets were spent on salaries, with 70% of government expenditure on universities centred in Metro. As a result any plan needed to address the situation in Halifax. The first scenario suggested that government establish "two distinctive but cooperative blocks of universities that operate in different modes." One block comprised Dalhousie and TUNS merged into one institution, with King's and NSCAD acting as associated universities. The other block comprised SMU and the Mount "in partnership or close association." The fate of AST was left undecided except that it would eventually be closely associated with one block or another. The rationale was that the first block would focus on costly research-related programs whereas the second would focus on undergraduate programs. The second scenario was an outright merger of all the Metro universities into one institution similar in design to the one put forward during the Carnegie federation scheme, in that each of the universities would become a college of sorts complete with principals who would report to a president and board of governors. In keeping with Swenson's memorandum to Janet Halliwell a year earlier, the Council did not state which of the two

[234] PANS, 2004/010/002, Council notes from retreat in which they discuss restructuring scenarios, 14-16 May 1995.

scenarios it endorsed.[235] Soon afterwards Halliwell submitted a second report, *University Financing – Past and Present*, in which she laid down in exhaustive detail the costs of the current system.[236]

Thus by the summer of 1995, as the Metro presidents were still in the early phase of cobbling together a plan, Halliwell had already presented a serious and detailed case for a radical restructuring of higher education in Metro Halifax. In October 1995 she followed up on this by presenting MacEachern with the Committee on University Financing's final report along with a draft of *Shared Responsibilities in Higher Education*, which outlined the Council's recommendations for how matters should proceed. On 27 October 1995, she received a letter from the Minister, thanking her for her and the Committee on University Financing's hard work. In it MacEachern made no mention of the possibility of merging the Metro universities. Instead he stated that the, "(u)niversities have an important role to play in the economic and cultural renewal of Nova Scotia," before going on to task the NSCHE with creating a proposal for a new funding formula that recognized the "distinctions in cost and institutional responsibilities between teaching and scholarship on the one hand and research on the other." MacEachern went on to state that the formula needed to be completed by June 1996 and that it needed to address the following issues:

- the differential costs of undergraduate and graduate programs;
- the relationship of tuition with government funding;
- specific professional and high cost programs, if there are differential fees for such programs;
- decisions on what programs should be eligible for government funding;
- how institutional enrolment corridor should be set;

[235] PANS, 2004/010/002, *Possible Scenarios for Restructuring Metro Universities, Nova Scotia*, May/June 1995.
[236] *University Financing – Past and Present*, (Halifax: Nova Scotia Council on Higher Education, June 1995.)

- funding for the college/technical/trades components of UCCB and NSAC and how these should be treated vis-à-vis the funding of the Community College.[237]

In the letter MacEachern also identified the need to create separate funding envelopes for alterations, renovations and capital funding. Although the presidents had yet to submit the Metro Business Plan to cabinet for a vote it was clear from the tone and direction of the letter which way the minister was leaning.

On November 6th, 1995, the MPC completed a third draft of what was tentatively titled "Metro Halifax University Consortium – Preliminary Business Plan." Although this draft of the proposal outlined the proposed governance structure, Ozmon had private concerns over its legality and took legal advice on extent to which the Universities would be bound by decisions made within the Consortium. In effect, he wanted to know whether a president who reported to a board-governed university could delegate authority to an external body. The eventual advice was that there was nothing in the university's legislation to limit him from doing so, but warned that the dispute mechanism needed to be worked out in better detail.[238] In early December the final draft of the Metro Business Plan was submitted to cabinet. It was submitted two weeks prior to that body's last meeting of the year in order to give the members time to read it over beforehand. Each member also received a copy of *Shared Responsibilities*, the NSCHE Report submitted by Janet Halliwell.[239] During the last week of the fall semester most of the Metro presidents sent internal memos to faculty and staff informing them cabinet would be meeting on December 19th to discuss the Plan, and that in all likelihood there would be no news about their

[237] Government Support of Universities in Nova Scotia: A Proposal for a New Funding Program, Nova Scotia Council on Higher Education, 7 March 1996, Annex I.
[238] SMUA, Box 25, Letter from Frederick Crooks of Cox Downie Barristers and Solicitors to Ken Ozmon regarding legalities of proposed governance structure sent on 21 November 1995.
[239] SMUA, Box 25, Fax from Robert Geraghty to Metro university presidents containing his notes of a meeting he had with John MacEachern sent on 18 December 1995.

fate until the New Year. Traves sent his via email and admitted frankly that even though the presidents had worked hard to come up with a good plan there was no guarantee that cabinet would accept it, that the New Year could bring dark times filled with program cuts and layoffs. For the time being, though, nothing more could be done.

The cabinet meeting on December 19th discussed the Metro Business Plan for about an hour and twenty minutes. Twelve of the sixteen members had actually taken the time to read the reports. Although there was criticism of the lack of timelines in the Metro Business Plan, many of the ministers were impressed that the presidents had been able to get over their differences long enough to even come up with a proposal. A few believed the whole thing was a ruse, and that the presidents had no intention whatsoever of moving forward with the plan, just as the creation of a Metro School of Business had been discussed intermittently for over twenty years without real progress. One minister was quoted as asking, "Why are we dealing with universities with a velvet glove when we've dealt so strongly with other sectors?"[240] Boudreau later reflected on the answer to that question. Had the Metro Business Plan been placed before the cabinet earlier in their mandate it probably would never have been approved. But now, as they were about to enter the second half of the mandate, the ministers knew that if there was any hope of re-election the government must start becoming more conciliatory.[241] In many ways the presidents' timing could not have been more perfect. Whereas every other sector had been dealt with in a decisive manner early in the Liberals' term in office, the fate of the universities was tabled at a point when they knew that they needed good news stories. Unlike other sectors, the university presidents were actually in a position to ask for money to initiate their plan. Although MacEachern sat quietly throughout the meeting, Savage applauded their efforts and challenged

[240] SMUA, Box 25, Fax from Robert Geraghty to Metro university presidents containing his notes of a meeting he had with John MacEachern sent on 8 February 1996.
[241] SMUA, Boudreau interview, December 2009.

the others to recognize just how far they had come on their own. This was a good first step. Indeed, over the course of the meeting cabinet members warmed to the plan, and began to show an increasingly friendly disposition towards the presidents. Boudreau, on the other hand, was cautious and urged that they set up some meetings with Halliwell to discuss a three to five year financial plan, as well as establish what the tuition fees would be.[242]

Come January there was still no news as to what cabinet planned to do. However, the first sign that matters looked positive for the presidents' plan came in the form of a meeting between MacEachern and the non-metro university presidents. Incensed that they had not been included in the Metro Business Plan and arguing that the Metro university presidents were attempting to squeeze them out of a special deal with government and leave them to deal with cuts, the non-metro presidents urged the government to develop a new funding formula that would divert a higher percentage of the potential cuts towards the Metro universities. At the meeting MacEachern responded, according to notes taken at the time: "You guys are paranoid because if we do not have a proper solution in Metro we do not have to worry about you guys." MacEachern went on to say that, "if we had tried to involve non-Metro universities in the first stage we would not have a plan as we have from Metro." He assured them that government's objective for the 1996-97 academic year was to keep them afloat and that in all likelihood the Metro Business Plan would need to be blended with the one put forward by the NSCHE.[243]

On February 6th, 1996, MacEachern finally sat down with the Metro presidents to discuss how matters were progressing. During the meeting the presidents pressed him to commit money for the next three years, but MacEachern countered that they still had not heard from Ottawa.

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[242] SMUA, Box 25, 29 October 1997, Fax from Robert Geraghty to Metro university presidents containing his notes of a meeting he had with John MacEachern sent on 8 February 1996.
[243] SMUA, Box 25, 29 October 1997, Memorandum, Royden Trainer's notes on a meeting held between John MacEachern and the non Metro university presidents sent on 18 January 1996.

There was no point, he informed them, in pressing him further because he was no more sure of the next year's numbers as he was of what the weather would be the next day. But Starnes took the lead and pushed hard for figures. According to Geraghty's notes, Starnes cut straight to the point by stating that the game was almost over:

> To get merger is to go through the Consortium and that takes time. But, if you want to do a forced merger, then do it now. But a forced merger will cost political capital. Blood on the floor is irresponsible.[244]

To this the Minister responded:

> Some cabinet colleagues do not see academics as important people. I am merely expressing a view. There is an impression about universities and university presidents that may not be supported by the facts. We have to convince them that we are serious.[245]

But Starnes would have nothing of it and laid down an ultimatum. "Consortium is time limited. Three year funding brings it into existence."[246]

By the spring of 1996 the Liberals were three years into their mandate. For most of that period they had shown unprecedented resolve in reining in the province's finances. Although they could technically go another two years without calling an election, many in the media had argued that delaying an election to the five-year limit was one of the reasons why Cameron's Progressive Conservatives had lost power in 1993. If there was any hope of success, the Liberals they needed to call the election within a year. And during the intervening period they needed to put forward as many positive news stories as possible. Merging the metro universities against their will would have created a political scandal of national proportions, prompting a flood of media stories that would run parallel and overshadow their bid for re-election. If they hoped to

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[244] SMUA, Box 25, 29 October 1997, Fax from Robert Geraghty to Metro university presidents containing his notes of a meeting he had with John MacEachern sent on 8 February 1996.
[245] Ibid.
[246] Ibid.

avoid political disaster, then they needed to win back supporters who had been alienated and begin to campaign on their financial track record. Whether or not there was a 'system' of higher education was no longer the question. The NSCHE had demonstrated in a multitude of reports that Nova Scotia's universities were able to produce graduates more cheaply than any other province in the country. Simply put, at that moment there was no point in attempting to squeeze the universities more tightly when they had already produced an arrangement amongst themselves that promised to save money while perhaps even strengthening the institutions themselves.

In April 1996 *Maclean's* magazine ran a feature entitled, "All Eyes on Halifax." The article discussed the Consortium model put forward by the Metro university presidents and hinted that this it might be one worthy of emulation by the rest of the country. The piece had been written in response to the official announcement at Province House on 4 April 1996 that the provincial government would endorse the Metro Business Plan, approve Dalhousie's merger with TUNS, and support the creation of a new facility for the Saint Mary's School of Business University funding, moreover, would not fall below an annual $171 million over the next three years. That afternoon, after posing for a group picture with the other metro university presidents that would later be published in the *Maclean's* article, Traves returned to his office and wrote an email to the faculty and staff of Dalhousie.

> If I may close on a personal note, these past few months have been incredibly hectic, with occasional pitfalls and false steps as we made our way forward to today's positive outcome. Throughout, I have been conscious of where Dalhousie stood about two years ago; Education closed, Business and Computer Science threatened. As we look back on this point from the vantage from where we stand now – amalgamation with TUNS and the prospect of strong new faculties of Engineering, Computer Science and Architecture, confirmation of the future of our excellent Business programmes and the undergraduate and graduate levels, recognized leadership

> in the university system and a great start on our new Capital Campaign – I think we all have reason to feel good about what we have achieved. Thank you very much for the support you have shown for Dalhousie throughout the process. Today's outcome would not have been possible without this community's strong belief in itself. We can now move forward confidently as a community. We have truly turned a new page.[247]

[247] DUA, Photocopy of email from Tom Traves to members of Dalhousie community concerning 'Today's Announcement', 4 April 1996.

CONCLUSION

When interviewed for this thesis one university president equated rationalization to a surge tide, a collision of otherwise benign forces that in combination contained so much power they threatened to wash away a system of higher education 200 years in the making. By the spring of 1996, though, the threat of amalgamation had all but passed. One hour after the announcement at Province House John MacEachern was moved to another portfolio in a cabinet shuffle that Premier Savage hoped might reignite the government's prospects for re-election but in reality foreshadowed the end of its political mandate.[248] From that point forward nothing of any significance was tabled by the Liberal government. Indeed, six months after the announcement the Metro university presidents had trouble getting someone from government on the phone let alone arranging a time for them all to sit down to discuss how exactly they should go about executing this plan that had consumed close to a year of their lives.[249] Of course all this begs the question as to whether or not the Metro universities had 'truly turned a new page.' Did rationalization bring about substantive change or was it just a freak collision of forces that dissipated during the final weeks of the Liberal government's political mandate?

To answer this question let us start by identifying once again the three principal forces at play during the high point of the rationalization talks. The first and probably most talked about issue driving rationalization was debt: not just Dalhousie's, but the provincial government's debt as well. During the 1960s and 1970s the province's largest university went through a period of substantial growth that by the 1980s had led to the quadrupling of its student enrolment. Student

[248] SMUA, MacEachern interview, 28 April 2007.
[249] SMUA, Traves interview, 24 September 2007.

growth went hand-in-hand with program expansion and infrastructure to house it. But as the University scrambled to keep up with opportunities inherent in these changing times it failed to work out a strategy for how to maintain this new vision of the University. When things began to slow down the principal constituencies that made up Dalhousie were divided over what direction to take and, as the internal disputes deepened, the Board feared justifiably that the University was perilously close to losing control of its finances. During the lead up to the rationalization talks Howard Clark overcame several obstacles and was well on the way towards regaining financial health. Indeed, a major victory was scored when the MPHEC recognized through the Adlington Report that Dalhousie's research focus and limited enrolment graduate programs warranted special consideration with regards to funding. But, during the exact period that Dalhousie moved closer towards fiscal responsibility, the provincial government under John Buchannan began to borrow and spend at an unprecedented rate: so much so that by the time he left office in 1991 the public debt had expanded almost six fold.

The second and somewhat less talked about issue driving the rationalization negotiations was the extent of the changes taking place in Ottawa during the early half of the 1990s. When the Liberal government under Jean Chrétien began to address the federal debt, it also began to download costs to the provincial and municipal governments. To make matters worse, at the exact moment the provinces were forced to take on greater financial responsibilities, the federal government showed signs that it planned to slash transfer payments as well. This meant poorer provinces like Nova Scotia not only needed to carry a greater financial burden, but also had to do so at the exact moment the flow to one of their most stable revenue streams was being adjusted. Nova Scotia's massive public debt, in combination with the Federal government's downloading of program costs and adjustments to transfer payments, brought the province close to financial

catastrophe. The financial crisis that the Savage Liberals struggled with during their tenure in government ran in perfect tandem with the rationalization negotiations.

The third and rarely mentioned issue driving the rationalization negotiations was the paradigm shift that had taken place following the failed Carnegie federation scheme in the 1920s. Although the scheme failed to amalgamate the province's denominational colleges into a non-denominational university, it did succeed in forcing the colleges to re-evaluate their institutional focus. For the most part the province's colleges returned to serving the needs of their traditional faith-based markets, but Dalhousie struck a new path and embraced the research paradigm, inspired by the German education tradition that sat at the heart of the federation scheme. During the first few decades very little progress was made, but then, as the federal (and then later the provincial) government began to funnel money towards the universities in response to the Cold War, Dalhousie expanded upwards into costly graduate and professional programs while at the same time developing its research focus. The result of all this was that two separate educational traditions thrived, for a time at least, within the province. One half of the system was made up of small, undergraduate universities such as Acadia, St.F.X. and Saint Mary's that were all loosely tied to the denominations that had founded them. The other half of the system comprised Dalhousie University. As long as money was not an issue both systems were able to live in relative harmony.

Without a doubt money was the driving force behind rationalization. But the actual dispute was over the structure of the system. The NSCHE under Janet Halliwell succeeded in avoiding opening up a discussion with the universities over how to structure the system by focusing instead on rationalizing the delivery of programs that the universities had themselves identified as problem areas. The first of five NSCHE program reviews proved to be very

effective, but the review process was derailed when the Minister allowed St.F.X. to keep its educational program even through the review committee initially suggested otherwise. Although the other program reviews had the potential to work, the process fell apart not long afterwards and erupted into inter-institutional fights that resulted in a gridlock that was finally broken when MacEachern called a meeting with the Metro Board Chairs at the Halifax Club.

So, did the quest for rationalization bring about substantive change? When viewed from an institutional perspective, yes, it brought about a considerable amount of change. The Shapiro Report led to the closure of not only the Nova Scotia Teacher's College, but the educational programs at Dalhousie and Saint Mary's. The subsequent negotiations amongst the Metro universities brought about an agreement between Dalhousie and Saint Mary's over the role that their respective Schools of Business would play in the coming years. Indeed, the discussions amongst the Metro universities even brought about the amalgamation of Dalhousie and TUNS thereby settling a longstanding dispute over how and where programs such as Computer Science, Engineering and Architecture should be housed. But, most important of all, these agreements led to a commitment from the provincial government to secure funding during a very unstable period. Yet the question that has been at the heart of every amalgamation attempt for the last 200 years remained unanswered. During the darkest hours of the rationalization talks Howard Clark attempted to force government to choose Dalhousie's institutional paradigm over the others. The move failed. Indeed, the Metro Business Plan was at its core a negotiation over how both paradigms could continue to coexist. The argument over how the system should be structured was unresolved, and remains so in 2011. Clearly, the next time money grows tight the fight may well be on again.

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