These institutions served the minority of Canadian people who could afford to give their children a "higher education". For this reason, the universities perpetrated the myth that excellence is synominous with a university.

The universities were financed by tuition fees, provincial grants, and donations from wealthy entrepreneurs and companies. This roughly self-sustaining relationship lasted until the end of the Second World War.

Here comes the baby boom

As part of the federal government's veterans rehabilitation program after World War II, universities were given an outright grant of $150 for every veteran attending university and certified by the Department of Veterans Affairs. The grant represented the first time universities received direct federal aid. They were previously given indirect federal support through research grants.

When the influx of veterans started to subside, universities were faced with a shortage of money. The shortage was solved with the timely help of a concerned federal government.

In June of 1951, the St. Laurent Liberal government instituted a system of direct grants to universities based on the population of the province. The grant of 50 cents per capita was distributed among universities in proportion to enrolment.

The St. Laurent government's last Throne Speech in 1957, before the election of the Diefenbaker hordes, doubled the direct grant to universities to $1.00 per capita. The pre-election speech also called for the establishment of the Canada Council.

The Canada Council is designed to support research and graduate study in the humanities and social sciences. For many years the National Research Council (NRC) funded research in the natural sciences.

The Canada Council was given trusteeship of a $50 million Universities Capital Grants Fund. The Fund, now exhausted, provided grants allocated by provincial population for construction of humanities and social sciences buildings.

The Diefenbaker government increased the grant by 50 percent to $1.50 per capita in 1958. In 1960, the National Housing Act was amended to make universities and colleges eligible for loans to cover the cost of building student residences.

The federal government also finally reached an agreement with the Quebec government in 1960 on the use of federal funds for education. One per cent of the federal corporation tax was allocated to Quebec and adjusted to level of other provinces' grants.

Under the rule of Maurice Duplessis, Quebec rejected Ottawa's first proposal for grants as an infringement on provincial rights. Following the first year of operation, Duplessis prohibited Quebec universities from accepting federal grants. The NCCU began holding the money allocated for the Quebec universities in trust in 1956. With the death of Duplessis and the election of the provincial Liberals in 1960, agreement on distribution of federal funds took place.

The direct grant was raised in 1962 to $2.00 per capita.

The Canadian Association of University Teachers (CAUT), the faculty lobby, got into the act in 1964 by presenting a brief to the federal government advocating increased operating and capital expenditures.

The Canada Student Loans Plan was initiated in 1964 to provide loans for full-time post-secondary students. The government pays the interest on the loan while the student attends school.

The passage of the Canada Student Loans Plan was a great help to students. As the first comprehensive national loan scheme, it provided the financial assistance desperately needed by many young people to attend university.

Canadians Identify Themselves

The Canadian Universities Foundation, the executive arm of the NCCU, made the crowning move of the lobby campaign by appointing an "independent" commission to report on the future financial needs of universities. This commission provided the justification for the massive federal funding universities now enjoy.

Entitled, "Financing Higher Education In Canada", the 1965 report advocated an immediate increase in the federal grant to $5.00 per capita and a further automatic increase of $1.00 per capita each year thereafter. The chairman of this independent commission, Vincent Bladen, M.A., Ll.D., D. Litt., F.R.S.C., was Dean of Arts and Sciences at the University of Toronto. All of the commission members were directly involved in the governing of universities at the highest levels.

The Pearson government acted quickly on the Bladen Report's recommendations by providing the requested $5.00 per capita grant in 1966. An additional $3.00 per capita grant was handed out for the 1966-67 academic year.

To avoid the sticky question of provincial authority over education, the federal government proposed a system of federal tax transfers and equalization grants to the provinces. The federal government would transfer taxes to the provinces if the provinces agreed to accept total responsibility for education financing. The provinces agreed because it was very much to their, and the universities', advantage.

The Federal-Provincial Fiscal Arrangements Act, 1967 allocates funds to cover up to 50 percent of the operating costs of post-secondary educational institutions or $15 per capita, whichever is greater. The Act covers university, professional, technical and vocational education requiring at least junior matriculation for entrance. While the federal government phased out support for non-adult technical and vocational training, it assumed complete responsibility in providing assistance programs for adult training.

In 1966-67, before the Fiscal Arrangements Act had taken effect, the total amount of grants paid to universities was $87,053,000.

Because of the Act, $422.3 million came out of federal coffers for post-secondary education in 1967-68. This year (1972-73), $971.8 million will be funnelled through the Act.

Thus within ten years, the federal government's role rose dramatically to meet the needs of an expanding educational system. Buildings were erected, teachers were hired, and students were drawn by the promise of a pot of gold at the end of the university rainbow.

But some students had the impertinence to demand students have an equal say with the faculty in the running of the university. The more impudent ones demanded the university institute programs to benefit working class Canadians who maintain the universities through taxes, rather than the corporations.

Questioning the worth of university education created a furor which culminated in militant student actions in the late sixties. Occupations and strikes challenged the respected community of scholars that had held itself up to be revered by all who had the provilege to gaze upon it.

While people were questioning the worth of a university degree, the forces of the non-university world were at work, confirming the worst fears of many.

The causes of unemployment

In 1968, with the kind help and able assistance of Canada's mass media and large corporations, Pierre Elliot Trudeau was elected prime minister of Canada by a landslide. Trudeau didn't promise to do anything specific; but he smiled a lot, kissed a few women, and that's all you really expect from a politician anyway. He is a simple man, who just happens to be a millionaire with a residence in the rich part of Montreal.

The fight Trudeau launched against inflation not only put the ordinary worker out of a job, but affected great numbers of highly-trained university graduates. The policy finally destroyed the carefully-built myth that a university degree always leads to a fat-salaried executive job.

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