

THE FINANCES OF DALHOUSIE MEDICAL SCHOOL

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In April, 1964 the Dalhousie Medical Students' Society arranged for a discussion of the education of medical students and internes at Dalhousie University and the Victoria General Hospital. Dr. C. M. Bethune and I were asked to express our views. Prior to the meeting an interest was expressed in the plans of the new Medical Building and future changes in the curriculum. However, it became apparent that the recent announcement of an increase in tuition fees, a suggestion that scholarships and loan funds were inadequate, and a rumour that the interne remuneration here was lower than in other Canadian centres were the "hot" topics. Finance, rather than "pure" education was likely to be the main order of business at the meeting.

Dr. Bethune and I were very pleased with the evident interest of those who were present and felt that the ensuing discussion was very worthwhile. However, because the number was relatively small, I have decided to offer my notes for publication in the Dalhousie Medical Journal. This is in response to a mild criticism implicit in one student's question. Toward the end of the session he wanted to know why I had not let the students know the facts about the

financial situation of the Medical School earlier. He thought all students and alumni should have such information. Probably he is right. There was never any intention on my part to keep these facts a dark secret. However, I had considered that these were my worries as Dean, which unfortunately were not easy to unload on others.

Some of my comments at the meeting were rather frank, particularly about the lack of support from certain governments. I hope they will not create any offense. However, I have decided to make no serious revisions in what I said except to bring a few of the factual tables up to date.

Some students have been asking me the reason for the increase in tuition fees in 1964, and the prospects of a comparable increase in interne honoraria. I think it is quite in order that I should provide you with this information. You are paying fees to Dalhousie University and you have a right to know something about how the money is spent and what is the "market value" of the product you are purchasing.

Table 1 shows the tuition fees of all Canadian medical schools as taken from the annual calendars. Since nine schools have a course of four years and three of five years, the total fees for the complete course are shown for comparisons. Some schools also have different fees in the preclinical, clinical and interne years and the first year tuition cannot be used to calculate the total.

TABLE 1

STUDENT FEES IN 1963-64 AND 1964-65 OF 9
FOUR YEAR AND 3 FIVE YEAR CANADIAN
MEDICAL SCHOOLS.

	<u>1963-64</u>	<u>1964-65</u>		<u>1963-64</u>	<u>1964-65</u>
Laval	\$2,925.	\$2,925.	McGill	\$2,420.	\$2,840.
Toronto	2,830.	3,046.	Queens	2,380.	2,696.
<i>West. Ont.</i> Western Ontario	2,700.	2,900.	Alberta	2,288.	2,288.
Dalhousie	2,685.	2,925.	<i>U.B.C.</i> British Columbia	2,204.	2,444.
Ottawa	2,520.	2,720.	Manitoba	2,172.	2,172.
Montreal	2,500.	3,000.	Saskatchewan	2,050.	2,215.

Dalhousie's fees ranked fourth highest in 1963-64 and, if none of the other medical schools had increased their fees, we would have stood with Laval at the top of the list in 1964-65. I am quite sure that all of the students will agree with me that this is not an enviable position. Standing first in the class academically is considered to be a good thing by most students, but having the highest fees of all Canadian Medical Schools is not in quite the same desirable category.

However, a review of the situation in September, 1964, shows that eight other medical schools, as well as Dalhousie, did in fact increase their fees. Only Laval, Alberta and Manitoba stayed at

the same level as in 1963. Toronto has the highest tuition fees, a total of \$3,046. for the four years. Montreal is next with \$3,000., Dalhousie and Laval tie for third place at \$2,925., and Western Ontario is next at \$2,900. The University of Montreal had an increase of \$500. in tuition for the five-year course and McGill \$420. Four had approximately the same increment as Dalhousie, varying from \$200. to \$240.

We regret very much the necessity of increasing the tuition rate this year. However, the cold, hard facts of life must be considered. When the budgets for 1964-65 were prepared, it was clear that the Faculty of Medicine of Dalhousie University would incur a deficit of more than \$160,000. in spite of the increased income from tuition fees. This deficit amounts to more than \$500. for each of the 312 students enrolled. An approach was made to the governments of the four Atlantic Provinces to increase their grants during the year to cover this deficit. At the time of writing some degree of success can be reported. The Governments of Nova Scotia and of Newfoundland increased their grants in the amounts which we requested. No decision has yet been reached by the Government of Prince Edward Island, but we are optimistic of the outcome. The Government of New Brunswick refused to increase their

grant at all. After receiving the Nova Scotia and Newfoundland grants the deficit for 1964-65 will be \$87,000. which still amounts to more than \$300. per student.

Some of the students have told me of data published in the newspapers some months ago by the Government Grants Committee. From these figures the impression was gained that the Medical School had a very small deficit. For this reason the need for an increase in fees was questioned. The explanation is simple. These published figures were, I believe, the expenditure of two years ago. Unfortunately, we have not been able to keep the expenditures at the same level ^{since} ~~during~~ that time but the income did remain about the same.

Table 2 shows the budgets of the Faculty of Medicine at Dalhousie University at periodic intervals during the past ten years.

TABLE 2

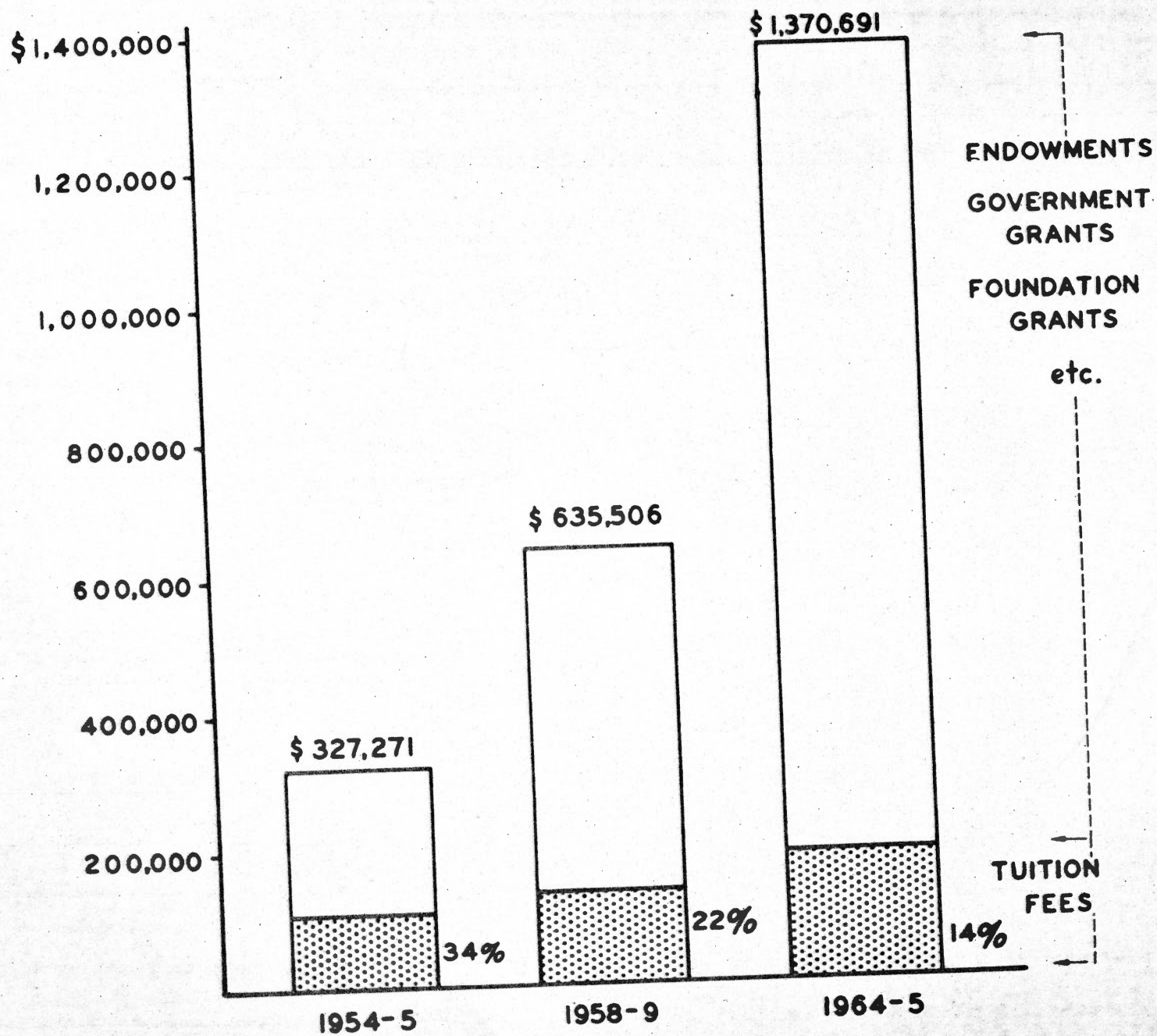
BUDGETS OF DALHOUSIE FACULTY OF MEDICINE

<u>YEAR</u>	<u>UNDERGRADUATE BUDGET</u>	<u>RESEARCH GRANTS</u>
1954-5	\$ 327,271.	\$ 80,257.
1958-9	635,506.	196,586.
1963-4	1,092,052.	466,554.
1964-5	1,334,531.	521,608.

There has been an increase of over one million dollars per annum in the expenditures of the Medical School from 1954-55 to 1964-65, more than a fourfold growth. During the same period there has been an increase of almost \$400,000. per annum in the research grants from the Medical Research Council, the Department of National Health, the National Cancer Institute and other national fund-granting bodies, approximately a sixfold increase. ⁹ Figure 1 shows the trends over the longer period since 1930, including the research funds which began to have an appreciable effect about 1950.

FIGURE 1

TRENDS IN THE ANNUAL OPERATING BUDGETS OF THE
FACULTY OF MEDICINE OF DALHOUSIE UNIVERSITY
SINCE 1930.

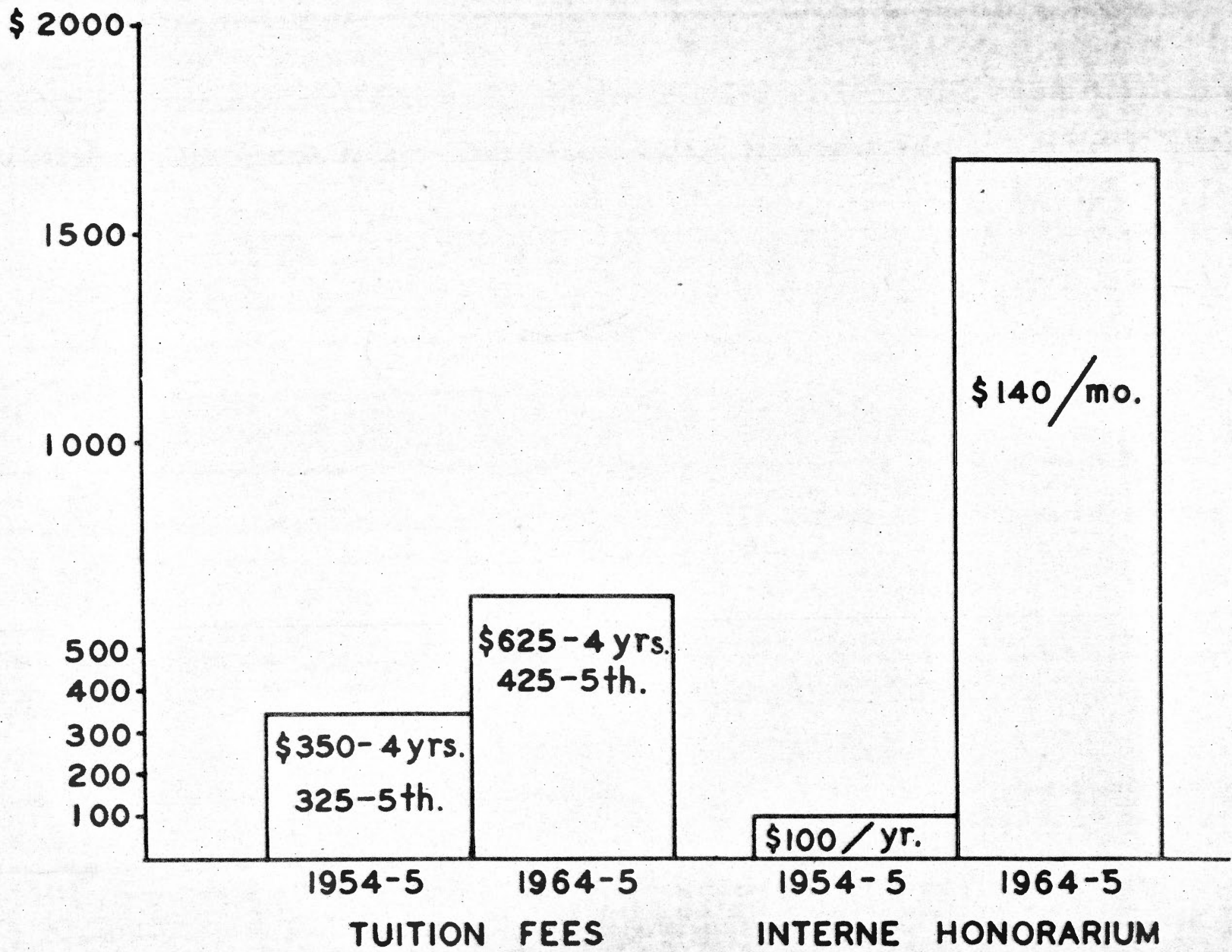


The increases shown in Figure 1 appear on first examination to be extremely generous, but let me point out that our total budget in 1964 is still among the lowest of the eight Canadian medical schools of similar size. We could not have remained in the ranks of accredited medical schools with the 1954 level of expenditures. We have in ten years increased our costs by more than one million dollars per year, but we were so far behind that this was absolutely essential and we have not yet caught up. Furthermore, two medical schools of similar size which obtained new buildings in recent years are now receiving research grants between \$200,000. and \$300,000. greater than those which are granted to Dalhousie. Lack of space makes it impossible for us to apply for all of the research funds that could be obtained. I believe that a new building will allow us to increase our research grants to one million dollars a year within two or three years after it is opened.

Figure 2 shows graphically the annual expenditures for 1954-55, for 1958-59 and 1964-65, including one additional piece of information that should be of interest to students. The amount of the total undergraduate budget of the Medical School is again shown but the portion derived from tuition fees is designated by vertical hatching.

FIGURE 2PROPORTION OF ANNUAL INCOME DERIVED FROM
TUITION FEES.

The fees covered 34 per cent of the total budget in 1954-55, but in spite of the increase they will provide slightly less than 14 per cent in 1964-65. The income from student fees rose from \$114,000. in 1954 to \$184,000. in 1964. This is an increment of 61 per cent. During the same period the total budget increased 316 per cent. Most of the new income was obtained from additional endowments, increases in provincial government grants, special grants from foundations, and a few small additional sources. Tuition income constitutes the smallest component of the total increase.



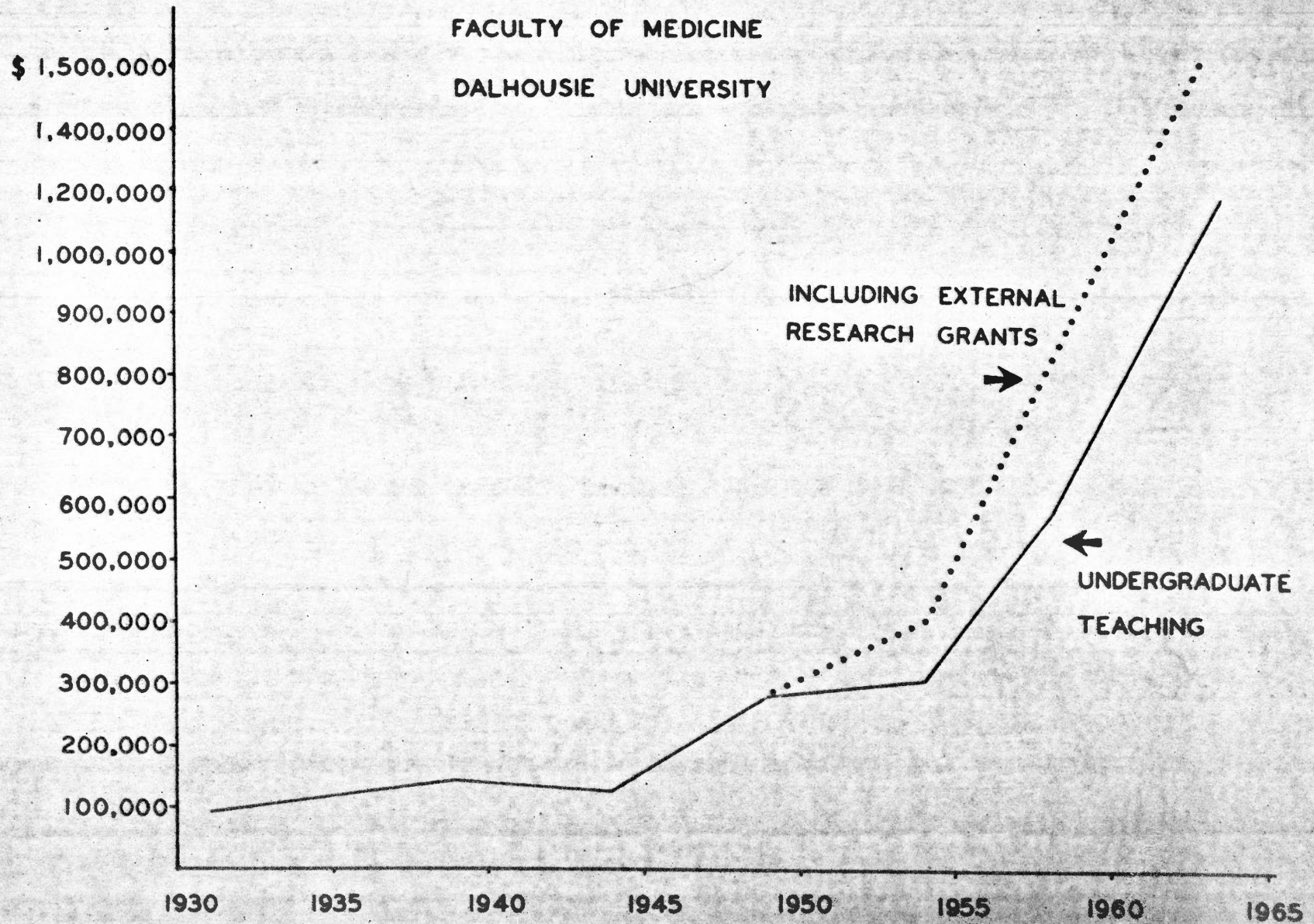
While it is regrettable that fees had to be increased this year, there is also another side to the coin which present students of Dalhousie may not be acquainted with. Figure 3 makes a comparison of the situation ten years ago with respect to tuition fees and interne honoraria.

FIGURE 3

INCREASE IN TUITION FEES AND INTERNE HONORARIA

1954 TO 1964

ANNUAL OPERATING BUDGETS



The tuition fees of students in Medicine in 1954-55 were \$350. per annum for the first four years and \$325. in the fifth year. ^{This} Next year these ^{are} will be \$625. in the first four years and \$425. in the fifth year. The total tuition for a student who spent five years at Dalhousie ten years ago was \$1,725. For the 1964 student it will be \$2,925., an increase of \$1,200. for the total course.

In comparison, the internes at the Victoria General and other hospitals in 1954 received \$100. per year, or \$8.33 per month. This was the same honorarium that had been paid in the early 1930's. The University requested increases at periodic intervals from 1954 onward, and Dr. Bethune supported our efforts wholeheartedly. The result is that the 1964-65 honoraria ^{will} ^{be} \$140. per month net (or \$190. gross with \$50. deducted for board and room.) This rate of \$140. per month amounts to \$1,680. per year, or \$1,580. more than was paid to the internes in 1954-55.

As Dr. Bethune has already indicated, the present net stipend per month at the Victoria General compares favourably with that of other teaching hospitals in Canada. One must take into account the various deductions that are made for room, board and laundry at some of the other institutions which appear to have slightly higher rates.

During the last ten years, therefore, the cost of tuition to a Dalhousie student has increased by \$1,200. for his complete five-year course, but the income he has been receiving in the final year as an interne has increased by \$1,580. The students who are interning next year will therefore be \$380. better off than the students of 1954-55. ~~¶~~ While you are feeling sorry about the increase in tuition fees, I hope you will take a fair-minded look at what you have been given during the same period. First of all, a medical school which is capable of providing a much better educational programme than in 1954-55, and secondly a financial charge for this education and the internship which is less than the student of ten years ago paid. Although admittedly you are paying more than students at some other Canadian medical schools, this amounts at most to a total of \$760. spread over the five year period.

As future alumni and as leading citizens of your communities, which you will be, I hope you will remember that the medical student, pays only fourteen per cent or less of the cost of his medical education at Dalhousie. I suggest that you remember this for two reasons. First, in the next few years there will be growing pressure upon government to provide free tuition at the universities or very generous scholarship and loan funds, in order that all students may have

a university education who are capable of benefitting from it. I am enthusiastically in favour of this, and I assume that you will be also. But what most citizens fail to realize is that there is an increasing cost to the university as well as to the student himself. The universities cannot continue to provide a medical education for an increasing number of students unless the government bears a much larger proportion of the budget of the university itself and not just the student's tuition and living costs. Relieving the student of what he has to pay in fees will be politically very attractive. Students and their parents have votes. But it will still leave the other 86 per cent of the burden of financing the medical student's education upon the shoulders of this Medical School. This is a load which we cannot continue to bear. I therefore ask your help as voters to press for University aid as well as student aid. The loan fund introduced this summer is a long first step toward student assistance, but there is still no sign of federal aid to the medical schools.

Secondly, may I tactfully suggest that as future alumni you might consider repaying part of this debt to the University. I have never before suggested to students, while they were undergraduates, that they should consider this matter. But, frankly, I think

that most doctors are sufficiently well remunerated for their services that they can afford to ^{do this} ~~be generous.~~

I also think that the medical school should be one of the top institutions on their list for charitable donations. Perhaps it is in part our fault that this is not more frequently the case. Maybe we should be more outspoken about our predicament. As a student in the mid-1930's, I certainly had the impression that my tuition fees had paid for my education completely and that I owed the Medical School nothing when I left. When I now look back over the financial statements I realize that in 1934-35, when I was a second-year student, the tuition provided only 54.6 per cent of the cost of operating the Medical School. My tuition fee was \$250. per year but my education cost the University almost \$500. I therefore still owed Dalhousie University \$1,000. to \$1,200. when I graduated. No one told me that I did and, until the 1955 campaign, I did not think of making a contribution to the University.

We have over 2,000 living alumni of Dalhousie Medical School. If every doctor gave the Medical School a \$100. Christmas gift (on which he would pay \$30. to \$50. income tax ^{if he did not give it} anyway), we would have an additional \$200,000. in annual income. If, in addition, he gave a once in a lifetime gift of \$1,000. for capital construction, we would have the two million

dollars, which we will require in addition to the centennial grant, in order to provide the Sir Charles Tupper Building. Do you think that these two requests for an annual gift and for a once-only capital gift are excessive?

While I am on this subject, let me say that the alumni of certain districts have contributed generously to the Dalhousie campaigns. In 1955 the doctors of Nova Scotia and a few other areas contributed approximately \$150,000. This provided you as students with new teaching laboratories in the Department of Anatomy and Microanatomy after the Dental School moved from the Forrest Building. It also provided new teaching laboratories and research laboratories in the Medical Sciences Building and it furnished the new lecture room and laboratories in the Pathology Institute. (The building was provided by the Provincial Government). The present campaign is also receiving strong support from many of the doctors in those areas where an approach has already been made. However, some think in amounts much smaller than I have mentioned and contribute a good deal less than they in fact owe the University for their own education.

But my main purpose is not to tell you about your future debt to Dalhousie Medical School.

I leave that to your own conscience. What I do wish to point out is why we are now in the position where we have to increase tuition. I have already indicated that it hinges very largely upon the amount of money provided by the governments of the four Atlantic Provinces and by the federal government. I should like to elaborate on this a little further.

Table 3 shows the breakdown of the 1964-65 budget by source of income.

TABLE 3
COST PER MEDICAL STUDENT 1964-65

	<u>Cost per student.</u>	<u>Percent of budget.</u>	<u>Balance per student.</u>
Undergraduate budget (\$1,370,621. - 312 students)	\$4,393.	100	\$4,393.
Tuition fees	625.	13.7	3,768.
Government grants	1,658.	37.7	2,110.
Endowments	833.	19.0	1,277.
Short term grants	510.	11.6	767.
Other University funds and bank loans	767.	18.0	-

The total budget for 1964-65 as shown here is the undergraduate teaching budget, excluding the cost of research and the operation of the Dalhousie Public Health Clinic and the cost of the programme of continuing medical education for practitioners of the

four Atlantic Provinces. All of the costs included here are directly related to the undergraduate courses in the Medical School. The total is divided by the number of medical students who are enrolled in the School this year. This gives an average cost of \$4,393. per student per year. Of this, the student provides \$625. in fees in the first four years leaving \$3,768. per year as the cost to the University. The federal and provincial government grants amount to \$1,658. per student leaving \$2,110. which still has to be met by the University from endowments, or short term grants from foundations or through bank loans, the last resort to cover the deficit.

I have occasionally had well-to-do parents grumble to me, when their sons came to Medical School, that we do not have enough scholarships, loans or bursaries to support students. I should certainly like to see more student support to cover tuition and living expenses. However, when the University is providing \$2,110. for every student, I think we are treating you reasonably well. This is in fact a bursary for every student.

Every time I ask government representatives for more money the immediate reaction is "Why should we pay to educate doctors? They are the highest paid people in the Atlantic Provinces. Why can't they

pay for their own education?" My answer, of course, is that the medical student who is the son of a farmer or a miner does not have the money. Most of our students are not doctors' sons. Students have to have some backing to obtain the money before they can get the medical degree allowing them later to earn reasonable incomes. I also take every opportunity to point out that the response of the medical profession has been very generous in our alumni campaigns. They have provided us with the physical facilities to increase our student body very appreciably. However, people think doctors are wealthy and for no logical reason they think medical students are also. It is not easy to convince governments or the public of our need. Yet the telling fact is that in several medical schools in Canada 85 per cent of the income is provided by the provincial governments while at Dalhousie only 37 per cent comes from all government sources, both federal and provincial.

Table 4 shows the provincial grants to the Medical and Dental Faculties since 1954. All approaches to the governments have been made jointly on behalf of the two Faculties, by the President and the two Deans.

TABLE 4PROVINCIAL GRANTS TO MEDICAL & DENTAL FACULTIES

<u>NOVA SCOTIA</u>		<u>NEWFOUNDLAND</u>	
1954	\$ 80,000.	1954	\$ 10,000.
1955	150,000.	1955	26,000.
1958	222,280.	1958	51,543.
1959	294,570.	1959	77,078.
1963	429,000.	1963	77,078.
1964	531,000.	1964	116,000.

<u>NEW BRUNSWICK</u>		<u>PRINCE EDWARD ISLAND</u>	
1954	\$20,000.	1954	\$ 5,000.
1955	30,000.	1955	12,000.
1958	30,000.	1958	18,000.
1959	30,000.	1959	40,000.
1962	60,000.	1962	50,000.
1964	60,000.		

Until 1940 Dalhousie University was completely supported by tuition and endowments. Then the first small grant of \$10,000. was made by the Government of Nova Scotia, increased in three stages to \$80,000. by 1950. Newfoundland made its first grant in 1942 and doubled it to \$10,000. in 1948. After repeated approaches, in 1947 the governments of the other two Atlantic Provinces were also persuaded to provide grants, New Brunswick \$20,000. and Prince Edward Island \$3,000. the latter increased the following year to \$5,000. These grants totalling \$115,000. remained at the same level until 1954. In that year our request was for \$145,000. divided according to the number of students

enrolled from each of the four provinces over the preceding five years. We obtained increases totalling \$103,000., 100 per cent of what we requested from Newfoundland and 77 per cent of what we asked from Nova Scotia, 60 per cent from Prince Edward Island and 40 per cent from New Brunswick.

Again in 1957 we presented a three-year plan showing the increments that we would need in 1957, 1958 and 1959. The Governments of Newfoundland and of Nova Scotia provided 100 per cent of what we requested. Prince Edward Island increased its grant in 1958 and again in 1959 to reach 80 per cent of our request and in 1962 more than exceeded the amount, although a little later than we had requested it. The Government of New Brunswick was approached annually by the President and two Deans but refused to provide any increase in the grant from 1955 to 1960. Meanwhile, the other three provinces had indicated an unwillingness to make further increases unless New Brunswick bore its share. The Royal Commission on Higher Education in New Brunswick recommended an interim increase from \$30,000. to \$60,000. This was finally made in 1962 and represented 56.6 per cent of the amount which had been calculated in 1959 as its reasonable share based on student enrolment. There has been no change since that interim increase and the request for 1964 has been rejected.

In 1963 and again in 1964 the Province of Nova Scotia provided the requested increase in full. Likewise the Government of Newfoundland provided the full increase which we requested.

We have made many efforts to obtain assistance from the City of Halifax to no avail. It might be pointed out that with an annual budget of one and three-quarter millions for both education and research, the Medical School at Dalhousie University is one of the larger industries of the City of Halifax. In addition, each of you as students will spend approximately \$1,500. per annum, bringing the grand total to more than two million dollars. An industry spending this amount of money in the City might expect to have some assistance. Our request for a grant toward the new building was refused. In fact, after we made the request a small grant of \$15,000. from the City was cut off.

Much has been written concerning the inadequacy of the federal grants to universities in the Atlantic Provinces and in particular to Nova Scotian institutions. Suffice it to say that the grant per student from the federal government is the lowest of any in Canada and has been in this unfortunate position from the very institution of the federal grants.

In the brief which Dalhousie University presented to the Royal Commission on Health Services (the Hall Commission) we requested federal scholarships of \$2,000. per year for the support of medical students and an additional federal grant to the University in the amount of \$2,000. per student per year. The Hall Commission has recommended support for medical schools and also for students. Unfortunately, they recommended the continuation of the iniquitous system of grants based on per capita of population, the plan which has resulted in such low grants for our general university operation.

It was perfectly obvious to most of us that a new Medical School Building was needed even in 1954. The large veteran enrolment had crowded the Medical School very badly, and the new Dental Building was then being planned which would double its enrolment. However, it was also obvious to me and to the Faculty Council that if we obtained several million dollars for a new medical building, we would be unlikely to get sufficient annual increments to provide the essential staff. For the first five years we decided that any additional money would be spent on improving salaries and increasing the number of staff. This has been done with a considerable degree of success. In 1954 we had 16 full-time teachers, only two in

the clinical departments. We now have 54 with 26 in the clinical departments. Nevertheless this figure for the clinical departments is below that of other Canadian medical schools of similar size and only about one-third the number that is considered desirable in American medical schools. We had 123 part-time teachers in 1954 and we now have 164. The enrolment increased somewhat but the greater increase in staff means that each student has more personal attention.

financial I doubt that any business would operate under the circumstances that I have described above. It is somewhat depressing. If we were logical we would declare ourselves bankrupt. However, we are attempting, as we have over many years, to convince governments that we are providing a service to the population of the four Atlantic Provinces which is absolutely essential. Personally, I believe it is, but we are going to need your help as future alumni to put whatever pressure you can upon government to see that the support is more adequate.

I am tremendously proud of Dalhousie Medical School but profoundly aware at the same time of its deficiencies and its needs. We require all the help we can get to keep it moving forward. Positive constructive suggestions from the students have helped us many

times in the past. Criticism for its own sake is sand in the gears. I would welcome and value your help more than I can say. I hope this frank discussion of a few of our present financial problems will lead to better understanding.

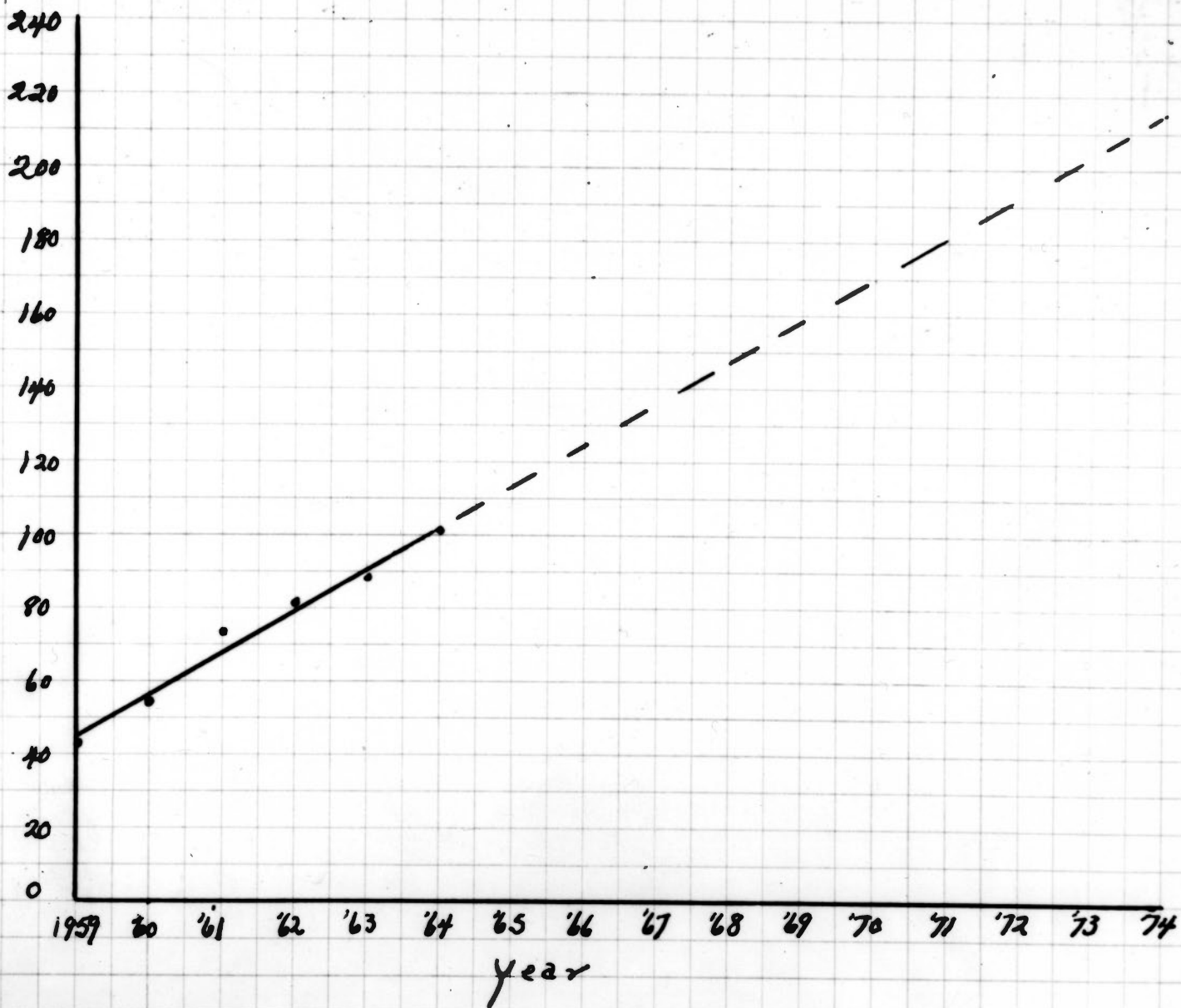
TABLE 1

TOTAL STUDENT FEES FOR THE COMPLETE COURSE IN
CANADIAN MEDICAL SCHOOLS-1963-64 & 1964-65

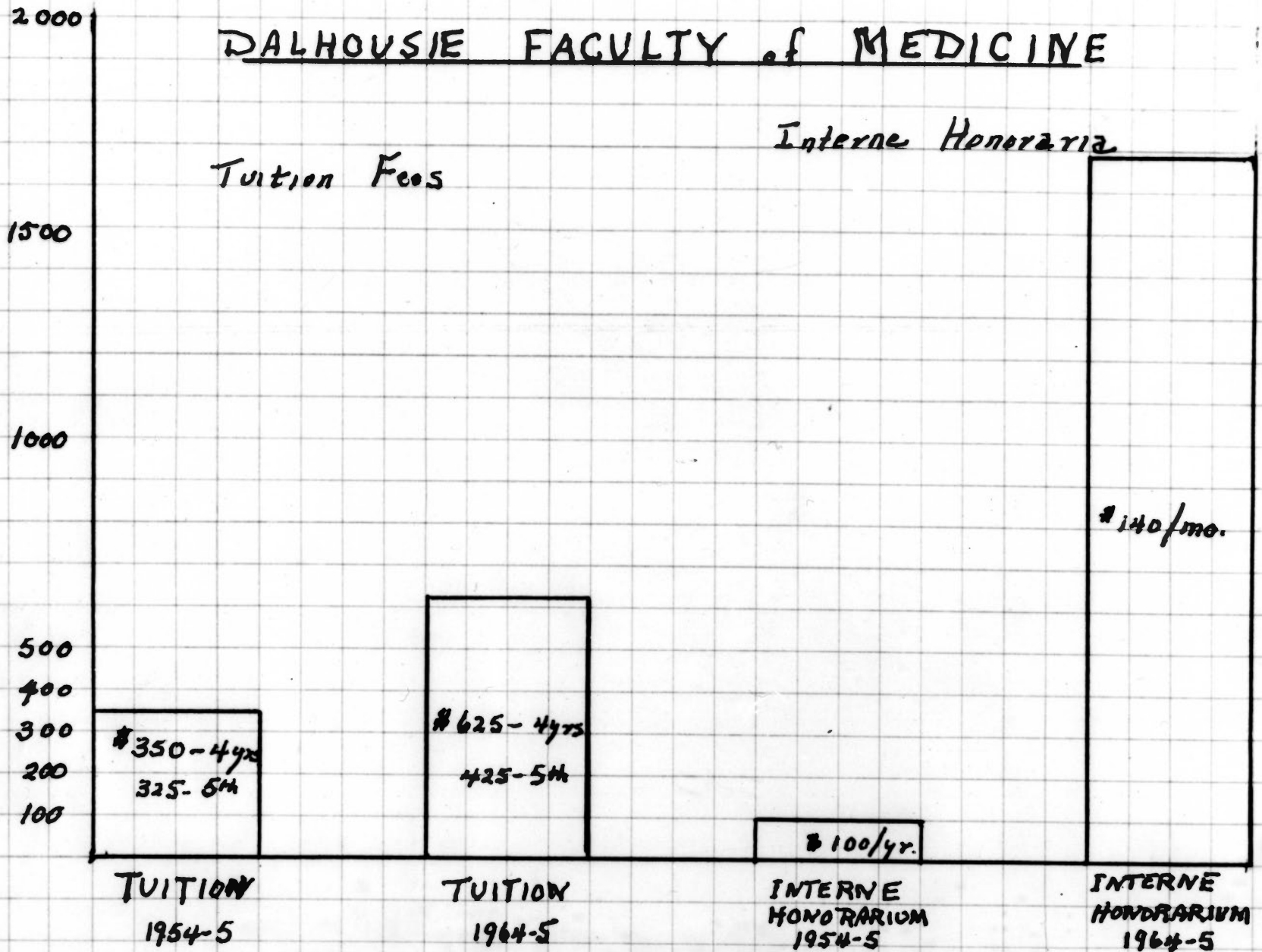
	<u>1963-64</u>	<u>1964-65</u>		<u>1963-64</u>	<u>1964-65</u>
Laval	\$ 2,925	2,925(625) (1)	McGill	\$ 2,420	2,840(710)
Toronto,	2,830	3,046(761)	Queens	2,380	2,696(674)
West.Ont.	2,700	2,900(725)	Alberta	2,288	2,288(534)
Dalhousie	2,685	2,925(625)	U.B.C.	2,204	2,444(611)
Ottawa	2,520	2,720(680)	Manitoba	2,172	2,172(543)
Montreal	2,500	3,000(600)	Sask.	2,050	2,215(516)

(1) First year tuition for 1964-65 in brackets.

Number
of
Applicants
from
Atlantic
Provinces



DALHOUSIE FACULTY of MEDICINE



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