THE PAST IS A FOREIGN COUNTRY:  
THE LIFE AND TIMES OF EARLE DOUGLAS MacPHEE. 

The publication of the Ford Foundation Report in 1959 is generally considered to have had a transformational impact on business education, to the point that the era prior to 1960 is an unknown or foreign country, scarcely relevant today. Yet, as a soldier, educator, business executive and dean, Canadian professor Earle Douglas MacPhee made an extraordinary contribution to business education well before 1960.

In his recent history of American business education, Harvard Business School Professor Ramesh Khurana credits the Ford Foundation report published in 1959 with changing everything for business schools (Khurana, 2007; Thompson, 2008). Undoubtedly, the Ford Foundation report authored by UC Berkeley economist Robert Gordon and Yale trained economist James Howell, and its contemporary the Carnegie Report authored by economist Frank Pierson, did form a watershed for business education in the 1960’s. Business schools had apparently become in the words of Herbert Simon “a wasteland of vocationalism” attracting the least intellectual faculty and the lowest quality students (Simon, 1991). This perception created a rationale for the continuing involvement of both Foundations in improving the quality of business education long after the publication of the reports. The recommendations of these reports included increasing the proportion of research oriented faculty, standardizing the MBA curriculum emphasizing quantitative analysis and the social sciences, and improving doctoral programs that would train future generations of business school faculty. Both Foundations had an enduring impact on business education. Indeed, Khurana argues that the Ford Foundation had completely transformed American business education by the end of the 1960s and that all the major business schools by then conformed to the Ford model with the exception of Harvard (Khurana, 2007).

From today’s perspective, the era of business education prior to 1959 is somewhat of a foreign country. In the United States and Canada, there are many university based business schools dating back to the early twentieth century. An excellent history of business education can be found in Professor Barry Boothman’s thorough article covering both commercial and university based education in Canada (Boothman, 2000). Nevertheless, the origins of these schools are often remote to the uninitiated though there are individual professors and deans or prominent alumni who have enduring legacies. One such individual is Earle Douglas MacPhee who in addition to having a successful business and consulting career, served at different times on the faculties of Acadia University and the Universities of Alberta, Toronto and British Columbia. As well, he served as Director and then the first Dean of Commerce at the University of British Columbia from 1950 to 1960 (now Sauder School of Business) and later as Dean Emeritus. He served as Dean of the Banff School of Advanced Management from 1953 to 1965. Receiving an honorary degree from the University of Alberta in 1957, MacPhee was recognized as the “conscience of Canadian business” (Cameron, 1987). Clearly a revered figure in his time, MacPhee has an important legacy even today at UBC and elsewhere. It is hard to imagine that Dean MacPhee presided over a ‘vocational wasteland’ with less intellectual faculty or the lowest quality of students. Indeed, it is

1 “The Past is a Foreign Country; they do things differently there” is the opening line of L.P. Hartley’s novel, The Go-Between, 1953. This novel was adapted to film in 1971.
more likely that the critics at the Ford and Carnegie Foundations and their disciples of the 1960’s have obscured the view of the origins and development of modern business education.

**Earle Douglas MacPhee**

**Formative Years**

Earle Douglas MacPhee was born in 1894 in the village of Lower Millstream River, New Brunswick. His parents came from Prince Edward Island where his father worked as an engineer in a sawmill. His father had the ambition of owning a sawmill and moved to New Brunswick in 1890 to set up his own operation.

The area was largely a farming community made up of United Empire Loyalists. Earle MacPhee recalled his early years were spent in a happy, healthy family group until about 1903 when his father lost his sawmill to fire and was forced to leave the family to find employment in British Columbia in the lumber business. This meant that from 1904 to 1909 his father was away for nine or ten months of the year leaving his mother to take care of the family. By 1908, it was discovered that Earle had contracted tuberculosis. The examining doctor recommended that he go with his father to British Columbia, in hope that an outdoor life might improve his condition. He was fourteen by then and excited by the prospect of going west with his father.

The day came when father and I went to Saint John to join the Canadian Pacific Railway en route to a very distant land. In Montreal we went to Mt. Royal to see sleds of young people dashing from hilltops. I was much impressed at the size of Lake Superior. In Winnipeg I watched the train announcer reporting outgoing and incoming trains with great gusto. The prairie seemed endless as we moved through Regina to Medicine Hat, where the gas street lights stayed on night and day because it would cost too much to relight them each evening, and came finally to the foothills of the Rockies where the snow on the tracks forced the conductor to provide a second engine at the back of the rear car to climb the mountains. Eventually, we arrived at a little town named Creston at the south end of Kooteney Lake where we spent a night. The mill was at Erickson, three miles away (MacPhee, 1978).

At the mill Earle was initially given the job of checker, loading timber from the mill onto freight cars. Up until then he had never witnessed drinking and gambling and at first he was afraid of the men in the camp. He gradually learnt that most men were friendly towards him and through the year they accepted him. He learned in this camp that he could get along with the tough guys in such lumber camps “without becoming a tough guy” (MacPhee, 1978).

Earle had planned to become a teacher once he became seventeen; young men looked upon teaching as a source of income for some further professional career in medicine, law or theology. In the autumn of 1909 his father decided he should return home and go to school, the tuberculosis having presumably been arrested. Earle returned to New Brunswick for Normal School Training and wrote the First Class Entrance Certificate in 1911. The provincial Normal School in Fredericton was the teacher training institution for all schools including third class, second class and first class, superior and grammar school licenses. This was eventually replaced by universities awarding the B.Ed. Degree. It was only here that Earle realized the poverty of his high school education. He had no knowledge of physics, biology or chemistry. He memorized geometry and calculus but found no sense in it. He knew dates in history but no

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2 For greater detail on the life of Earle MacPhee, see his autobiography, E.D. MacPhee (1978). Footsteps, Vancouver: Versatile Publishing. This section of the paper is drawn primarily from chapters 1-4.
one had discussed the social and economic conditions of these periods with him. His marks were very poor in Normal School and consequently he learned to teach by teaching.

In June 1912, Earle MacPhee was awarded the certificate of a First Class teacher in New Brunswick Schools, presumably to teach any programme from Grade one to six. He taught school and was a principal in Sackville until 1915

The War Years 1915-1918

Not having been accepted in the army in 1915 Earle MacPhee registered in the class of 1918 at Acadia University. Due to his insistence, as a matter of personal pride, he was eventually accepted into the 219th Battalion, Nova Scotia Highland Brigade. MacPhee became an acting Sergeant and in September 1916 he took a Lieutenants course in anticipation of going overseas. Upon arrival in England the Brigade continued to drill until February 1917 when they were directed to leave for France. The medical officer in France told MacPhee that he was not fit for combat and he was returned to London. After the Battle of Passchendale, there was a renewed search for recruits for the 85th Battalion. MacPhee insisted that he be allowed to go or be returned home, and so he was sent to France as a private. With his Battalion, he went to Loos, to Vimy, to Amiens and Cambrai. At Amiens he saw the Strathcona Horse cavalry in action against the machine gun fire of the retreating enemy. He recounts that “it was a bad show”. They spent that night in a trench waiting to be relieved by the 22nd Regiment and he recalls that at about 4:00 a.m. he heard the “Vingt-Deux”, with bayonets fixed, coming at us. “Perhaps only the fact that we were in Kilts saved us from the slaughter” he states (Macphee, 1978). The Canadians then moved North in preparation for the next assault. The Battalion arrived in Arras on September 2nd, 1918.

From Arras they moved to the Scarpe Line en route to Cambrai. Here they had many casualties including the Lieutenant, leaving MacPhee in charge of the platoon. With the remaining platoons stationed, MacPhee was checking on them throughout the night when he was struck in the arm and chest. He had to be sent ‘down the line’. After being operated on he returned to England to recover from his wound and from trench fever. In October 1918 he was awarded the Military Medal “for Bravery in the Field” and a recommendation that he be promoted to Lieutenant. However he remained in hospital until after the end of the war.

It was during this period of recovery and because he was surrounded by so many men who where maimed for life that he began to question why he was spared when so many where left lying in Flanders. While convalescing he read excerpts from the classics for their concepts on life and death and contemplated whether the proposals of Kant, Hegel, Calvin and Luther had meaning for a person in the 20th Century. He wondered how war could be an act of God when both the Germans and the Allies believed that God was on their side. He asked what the war meant to him? He considered the first year, the initial training, and the comradeship of men in Canada, England and France as great experiences. But he hated the rest of the war and continued to hate it for years. For decades he avoided all things related to the army nor would he discuss his part in it. He felt that WWI had produced nothing despite the heroism of millions except the loss of men and women and the inevitability of another cataclysm in 1939. These feelings led to his decision to enroll somewhere in the field of philosophy because it might clarify his thoughts but also might suggest a constructive life (MacPhee, 1978).

Academic Life

In June 1919, while still with his regiment, MacPhee went to see Captain Donald Cameron (later Director of the Banff School of Fine Arts) and Dr. Henry Marshall Tory, then on loan to the Khaki University from the University of Alberta. He found out that Khaki University was sending a group of men, waiting to return to Canada, with pay to any British university. With a leave of absence, he initially
went to Cambridge but then decided to register as an undergraduate at the University of Edinburgh. He arrived in February 1919, the university had opened all doors to returning service men and he was told to find courses he wanted and do what he could with them. He decided on a course of Logic and Metaphysics and a course on Moral Philosophy and planned to add English Literature.

In March 1919, MacPhee asked the University of Edinburgh to accept his previous courses at Acadia toward a three year Masters Degree and it was agreed to accept two courses. In June he decided to go forward and complete the Master of Arts with a major in Psychology. He felt Psychology would help him with his existential issues. He went to see the Dean, Sir Richard Lodge to tell him he would like to register for the remaining year of Arts as well as for two more years in the Bachelor of Education. This meant trying to do a three year program in one year. The Dean’s response was to inform him that “all the colonials who came to Edinburgh failed to recognize the high standing of Edinburgh University” but he agreed that MacPhee could try, providing that he made First Class marks in all his subjects (MacPhee,1978). With this issue settled he went home and was demobilized by the Army on June 30, 1919. He borrowed money and returned to Edinburgh in October. In the end, he obtained First Class in all courses, with distinction in some and was awarded a Master of Arts and a Bachelor of Education. He had made up his mind that he would continue in the world of academics. In July 1920 he decided to return to Canada to find a university that would employ him – and to marry as soon as possible. In 1921, he joined the University of Alberta as an Assistant Professor of Psychology and in 1924 became an Associate Professor of Psychology at the University of Toronto.

The World of Business

From 1929 until 1950, MacPhee left the academic world and went into business. He first joined York Knitting Mills in Toronto as Manager and then Comptroller. In 1933, he helped form and became Vice President and Managing Director of Canada’s first management consulting company, J.D. Woods & Co., later J.D. Woods Gordon Management Consultants. In 1934, with some associates he started a similar company in England. He moved to England in 1937, he served as a Managing Director and later Deputy Chairman of the Board of Directors of Dent, Allcroft & Co Ltd, the largest glove manufacturing company in the world. At the outbreak of war in 1939, he became manager for aircraft production at Short Bros and was responsible for the development of factories for production of aircraft and the manufacturing of Sutherland and Sterling bombers. MacPhee served in number of managerial and Director positions throughout the war and by 1949 he was President or Director of about a dozen companies operating in England, Europe, Canada and Australia serving as Vice President of J.D. Woods Gordon Management Consultants, a position he held from 1943 to 1967.

Earle MacPhee had been involved with Cefoil Ltd. – Alginate Industries since the Second World War when in the spring of 1949 he discovered that his wife Jean was unwell and immediately underwent a cancer operation. In September 1949 he was informed that although the doctors did the best they could for Mrs. MacPhee, with what little knowledge they had, there was a possibility that she would only have a year to live. Earle decided that they would return home to Canada. In October, 1949, he traveled to Toronto, Ottawa and Montreal to inquire about work but returned to England without a definite plan. At about this time he received a letter from Dean Sperrin Chant asking if he would come to the University of British Columbia to succeed Professor Morrow as the Head of the Department of Commerce. Earle came to the decision to give up his business career and return to academic life. They arrived by steamship in Halifax in March, 1950, and spent three months visiting relatives and touring other Schools of Commerce in Canada and the United States. At this time he continued as a Director of Alginate Industries and of Matton Investment Trust as well as Vice President and Director of Woods Associates Ltd. He was offered a position as North American Distributor for Alginates, but decided this would be a conflict with his new position at the university.
The University of British Columbia

The importance of university based business or management education in the province of British Columbia was recognized early. In 1908, a bill brought before the provincial legislature to found the University of British Columbia provided for degrees, diplomas and certificates in “science, commerce, arts, literature, law, medicine, and all other branches of knowledge – as may be of service to persons engaged or about to be engaged in manufacture, mining, engineering, agricultural pursuits – with facilities for the prosecution of original research – with fellowships, scholarships, prizes – to encourage research”, (Logan, 1958). The Act of 1908 was indeed visionary legislation recognizing the importance of the university to different commercial sectors and the vital role of research.

The University of British Columbia actually replaced McGill University campus of British Columbia in 1915, originally established by Henry Marshall Tory, by then President of the University of Alberta. Immediately, the Vancouver Board of Trade established a committee to actively support and present to the university president and senate consideration in the near future for the establishment of a Faculty or School of Commerce. The active involvement of the business community in establishing universities, schools of commerce and business, as well as independent research, is often understated in Canada and yet this often been crucial to the success of institutions of higher learning.

When Earle MacPhee was appointed as Director of the School of Commerce within the Faculty of Arts in 1950 he inherited an established tradition at UBC. He succeeded Professor Ellis Morrow, a Harvard MBA, appointed Director of the School in 1939. Professor Morrow had guided the School through war and then rapid growth created by returning veterans taking the Bachelor of Commerce degree. By 1950, the school was much larger but needed to adapt to a new era as the number of veterans in the School declined. Considering his background as a business executive, it might have been expected that MacPhee would focus on graduate education or strengthening the Harvard model at UBC. But MacPhee was a pragmatist and responded first to the immediate circumstances of the School. He moved quickly within his first year to actually deepen undergraduate education. He introduced a system of options in the BComm, meant to parallel the functional organization of industrial organizations. These included Accounting, Marketing, Finance, Operations Management and so forth. There were also options paralleling major industries in BC including forestry, agriculture, and hospital administration. BComm students were required to enroll in half their courses outside the business school especially related to their options. A BComm student in forestry or agriculture would be expected to study science. Dean Noel Hall, in 1976, described MacPhee’s system a pioneering effort in business education in Canada (Hall, 1976).

MacPhee also moved to develop stronger continuing education programs for business and the development of professional associations that would also parallel the option system. He worked to develop programs in cooperation with the Certified General Accountants (CGA), Registered Industrial Accountants (now CMA), the Junior Chamber of Commerce, the Sales Executive Club of the Board of Trade that would lead to professional certification. MacPhee’s commitment to executive education is an important hallmark of this tenure at UBC. In 1976, sixteen years after his retirement as dean, an extension to the Henry Angus building at UBC was named in his honour, the ED MacPhee Executive Conference Centre.

In 1955, the faculty was divided over the direction for graduate education for the School. One view was that graduate education ought to be an extension of the BComm program, that is, students should study a further year or two, deepening their knowledge and understanding of their undergraduate option. Alternatively, some faculty proposed the introduction of a Harvard or Western Ontario style MBA degree. This would be a general management program designed for students with undergraduate
degrees from disciplines other than Commerce who sought leadership, managerial or executive positions. The program would focus on the integration of skills needed for executive leadership and limit the opportunity for specialization. Dean MacPhee, the ‘father’ of the options program in the BComm at UBC but ever tuned to the needs of managers and executives, opted for the MBA.

With the Bachelor of Commerce completely redesigned, the introduction of several continuing education and professional development programs, the establishment of an MBA program, and with a PhD program under discussion, it was time to recreate the Department of Commerce as a University Faculty. The following motion was proposed on April 18, 1956,

Whereas the School of Commerce has become a highly complex organization, serving an increasing number and variety of professional fields, and

Whereas this pattern and intent diverge from those of Faculty of Arts and Science to a degree that this Faculty cannot be expected to maintain interest and direction over the extent and complex functions to which the School is now committed.

Therefore, it is resolved that the Council requests the Senate and the Board of Governors of the University of British Columbia to change the status from that of School of Commerce within the Faculty of Arts and Science to that of Faculty of Commerce (MacPhee, 1976).

This motion was carried unanimously and was subsequently approved by the Senate and the Board of Governors. The newly named Faculty of Commerce and Business Administration came into existence on June 1, 1956.

In his history of the Faculty of Commerce, MacPhee states that he had a simple philosophy for the Bachelor of Commerce program, that is, to develop students to become executives. This is indeed a high expectation for every student but this is wonderfully captured in a story related by Dean Noel Hall writing in 1976 about MacPhee’s standard of personal dress. MacPhee was known throughout his career for always wearing a tuxedo-like dark blue suit with high wing collar and black bow tie. He dressed the same way every day and wherever he went. He explained that he did this so as to be suitably dressed for all occasions. Various theories were proposed including that he had learned as a young man that this was a way to stand out from the crowd. It was speculated that he adopted this practice while managing a near bankrupt shirt manufacturing company in the UK so as to ‘wear out the inventory’. As an undergraduate student, Dean Hall had taken his senior Business Policy course with MacPhee and for the last class prior to graduation all the students wore rented wing collars and black bow ties. Hall reports MacPhee went through the entire class without appearing to notice but then at the end of class as he was about to leave, he turned and said, “Well, if I’ve taught you nothing else, at least I’ve taught you how to dress properly!” (Hall, 1976)

The Banff School of Advanced Management

Dr. Henry Marshall Tory was once described as a man driven to establish institutions of higher education. As an Associate Professor of Physics at McGill University, he first went to western Canada in 1905 to establish a McGill campus in British Columbia, subsequently reconstituted as the University of British Columbia. Tory was then hired as founding President of the University of Alberta, a position he held during the critical formative years of 1908 to 1928. While on leave from the University of Alberta

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3 For greater detail on the early history on the Banff School of Advanced Management, see Ashis Gupta and Vernon Jones (2001), From the Arts to Executive Education. This section is excerpted from this paper.
As President of the University of Alberta, Dr. Tory had an extraordinary commitment to extension education. The Extension Department sought to educate through the arts, especially the dramatic arts, by running film and slide shows known as ‘magic lantern’ shows and assisting amateur theatre productions. From 1933 until 1935, various summer schools were established in Banff under the direction of the Department of Extension. In 1936 these schools became collectively known as the Banff School of Fine Arts.

Donald Cameron, who as Captain D.E. Cameron, had originally accompanied Dr. Tory to the Khaki University during World War I, became the Director of Extension in 1936 and thereby acquired the position of Director of the Banff School of Fine Arts. He developed into an adept organizer and fundraiser. He set his goal for creating a set of facilities or campus for the Banff School, though this was inevitably interrupted by World War II.

In 1945, he met Eric Harvie, a prominent lawyer in Calgary who represented Mrs. J. H. Woods, widow of Colonel J.H. Woods, the publisher of the Calgary Herald. Harvie was looking for an area of interest for the Woods estate (Macdonald, 1958). Cameron described his first meeting with Harvie at the McDonald Hotel in Edmonton:

We had exchanged the usual pleasantries and finally he said, “Now tell me about this Banff School of yours”. I didn’t know how much he knew but I was determined to give him the best story I could. I told him that I felt the University of Alberta had a great opportunity in Banff. To me it was one of the finest natural settings in the world for a school of Fine Arts. I said Canadians everywhere loved Banff; it belonged to all of the people of Canada. We had no need to sell it to the Canadian and American people; the C.P.R. had already done that. Every student and every staff member who came there went away an enthusiastic supporter. “But I’ve got to have money; this can be the biggest thing in Banff and I want a million dollars”. Eric Harvie was standing up looking out over the river valley, but as I said, “I want a million dollars,” he swung around, snapped his fingers and said, “That’s the kind of thing that interests me. What would you do with a million dollars if you had it?” (Cameron, 1956).

Eric Harvie promised financial support while the University of Alberta architects designed residential and classroom facilities for 150. National Parks of Canada provided the St. Julien site above the town of Banff which had originally been set aside for a veterans’ hospital. Cameron was faced with a new challenge, that was, to operate the Banff School on a year round basis in order to make more effective use of his campus and facilities. At this time he was introduced to Eric Harvie’s son, Donald Harvie, who recently had completed an MBA degree at the Harvard Business School. While the elder Harvie’s role with the Banff School had been oriented towards the Arts, Don Harvie suggested the idea of developing management or executive education along the lines of Harvard’s short programs for managers, anywhere from two to twelve weeks. Harvie had been particularly impressed with the case method of instruction at Harvard.

Always Get the Best – Earle Douglas MacPhee

As Director of the School of Fine Arts, Cameron developed a principle for making appointments to his various summer programs, “namely, no matter how illustrious the artist and no matter how unlikely the chance of getting him, we would certainly never get him unless we asked”. He also insisted where possible to interview the appointee “so as to judge his character, attitudes and personality…” (Cameron, 1956).

Cameron cites numerous examples of his extensive efforts to attract accomplished individuals to lead and teach on the summer arts programs, beginning with Elizabeth Haynes for the drama school and A.C. Leighton for the painting school. By 1944, the Banff School of Fine Arts offered summer programs in Art, Theatre, Applied Arts, Music, Oral French, Playwriting and Short Story Writing as well as an Alberta Folklore and History project. In the Art division, as an example, his faculty included A.Y. Jackson, H.G. Glyde, Walter Phillips and James Dichmont. The same determination was applied to the new management school. After not being able to attract a leader from Harvard or Western, Cameron focused on Earle MacPhee, the Director of the Commerce School at the University of British Columbia. The collaboration of Cameron and MacPhee was a critical event in the formation of the School and for executive education in Canada.

On January 21, 1952, Earle MacPhee wrote to Donald Cameron that he and UBC President MacKenzie had carefully considered Donald Cameron’s request and wanted to support him as far as possible in establishing an advanced management program in the West:

There can be no doubt that a demand exists for such a service to industry. The facilities at Banff seem ideal for the purpose.

Your plans for the first course now seem to be complete and Dr. MacKenzie and I both feel that it would be presumptuous for us to claim any credit for this work. We would be glad, however, to do two things. I will talk to our local Board of Trade, and see if they can canvass any prospective registrants. A few men have gone from here to Harvard and the idea is well and favourably known.

In the second place, we would be happy to discuss with you plans for the next course, and I hope I could do this during the visit to Banff. By that time I would know better the attitude of Vancouver men to a spring vs. a winter vs. a summer course. Meanwhile, I will make no plans for a UBC Advanced Management course here until we have explored together the idea of joint sponsorship. You may know that I was at Alberta 1921-24 and have a keen appreciation of the work of your University.

A Short Course in Business Administration

The first group of participants in what was called a Short Course in Business Administration numbered twenty-four. Courses included “Administrative Practices and Human Relations”, “Problems in Labour Relations”, “Business and the Canadian Economic Scene”; and “Business Policy”. Classes were held from 9:00 am to 12:15 pm and from 1:30 pm to 2:30 pm, Monday through Saturday noon, providing one hundred fifty hours of instruction time. In the words of the brochure describing the first course, the program was “based on the Advanced Management program given in the 12 ½ week session in the

5 The 6th BSAM session in 1957 commissioned a painting by A.Y. Jackson. The painting, entitled “Georgian Bay, October” is currently held in the Banff Centre collection (Jull, 1995).
6 Letter from E. MacPhee to D. Cameron, January 21, 1952.
Harvard School of Business Administration, and on the experience of the Universities of Toronto and Washington.  

At a meeting in Banff on March 29, 1952, Earle MacPhee and Donald Cameron agreed to establish a school of management on a more permanent basis. Subject to confirmation by the Governors of the University of British Columbia, Earle MacPhee gave his University’s commitment to join the University of Alberta as a sponsor. The school was to hold its classes at the Banff School of Fine Arts as soon after January 15, 1953 as possible, and annually thereafter. Earle MacPhee made the point that the Boards of Trade in Vancouver and elsewhere were constantly sponsoring special programs and conferences of one day to one week for selected groups of executives. He did not want Banff to be considered in the same category, and felt that some individual character could be better established around a name. The name Earle MacPhee suggested was “Banff School of Business Administration”. The strong association between the Universities of Alberta and British Columbia quickly reinforced the informal relationship between Donald Cameron and Earle MacPhee. The name, The Banff School of Advanced Management, was agreed upon on July 20, 1953.

The avowed purpose of BSAM was to provide a course in Advanced Management designed to meet the needs of business firms who wished to train executives for roles of greater responsibility. The methodology favoured was one offering intensive and practical courses based on the combined experience and methods of well-established and successful schools. It was proposed that the student body be comprised of young or mature executives nominated and sent by a sponsoring company, private individuals managing their own enterprises, and representatives from the armed forces. The ideal age range would be twenty-eight to fifty.

From the very beginning, the academic experience that BSAM offered its students was a mix of cases and lectures. There was a conscious effort to ensure that the cases presented a Canadian story as far as possible. Earl MacPhee was also insistent in his demand that students at BSAM work hard. Students were expected to work all morning, and after lunch. At 3:30 pm, they were free to go downtown, shop, or ski. They were back to work at 7:30 pm and worked in small study groups for the next two hours. The schedule was rigidly adhered to, and the students did not seem to mind. Another underlying belief in the program was that students learn as much outside the classroom as they did within. The interaction among students tended to continue well beyond the confines of the classroom. Whether in the classroom or study groups, each student was expected to give his experience on matters raised. Many of the pedagogical advantages came from an exchange of policies and practices reported by other students.

MacPhee served as an instructor at BSAM from 1953 until 1965, as Academic Dean of the School from 1955 until 1965 and on the Board of Directors from 1953 to 1975. In 1965, the Board of Directors at BSAM named an Annual Lecture in his honour. The Banff School of Advanced Management evolved rapidly from its first session in 1952. The Banff Centre became well known across Canada and around the world for residential management education in Canada. By the sixth session of BSAM in 1957, there were actually ninety-two participants and a decision was made to offer sessions in both fall and winter in 1958.

The Conscience of Business

Throughout his career, MacPhee emphasized his concern for developing a more professional, ethical and socially conscious approach to business management. In 1957, he wrote an article entitled, “The Conscience of Business” where he explains his personal philosophy and the importance of executive

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7 Interview with D. Cameron, 1981, see Gupta and Jones (2001).
leaders as trustees (MacPhee, 1957). He reviewed three competing sources for the conscience of business in society: the church, the system of capitalism and the state.

First, there was the role of the church. Although, he attributed great importance to Christian values and the Protestant work ethic to the emergence of capitalism, he also argued that the major concern of the church is not with the affairs of business. Its emphasis has been and should be personal salvation and other-worldliness and not the day to day business of commerce. Personal honesty, thrift and industry are virtues one owes to the community and to oneself as they are the means to salvation. In these virtues he saw the foundation of individual capitalism. However, he argued the church is ill-equipped to define the ethics of business and has no capability or readiness to apply sanctions or secure enforcement.

Second, he reviewed the capitalist system itself as providing for the conscience of business. The virtues of capitalism are that it is an open system which anyone can enter as an owner, manager or employee. It allows for maximum individual initiative and maximum individual responsibility. It was essentially designed for the owner manager and evolved into the corporation as an ‘individual’ accountable to shareholders. Capitalism, in the logic of Adam Smith, postulates that the psychological motive for industrious toil is the desire for profit and that capitalism is the best possible regulator of prices and profits. But MacPhee considered free enterprise on its own to be not only free but unrestrained. He considered capitalism itself as devoid of an ethical code.

On the matter of the state, MacPhee contended that, in Canada at least, the state and the legislative process have been effective in such areas as contract law, workplace regulation including exploitation of children, limitation of work hours, rights to collective bargaining as well as in marketing practices such as food and drug labeling. However, he argued also, possibly due to his experience in two world wars, that the state is vulnerable to nationalism or, alternatively, state socialism. He expressed concern also that the growing power of corporations might soon exceed the ability of individual states to effectively regulate at all.

MacPhee concluded that executives and managers themselves must be the conscience of business whether to provide better quality of management, better human relations in the workplace, better value in merchandise, even regularity of employment. Good employers must earn their reputation for honesty, keeping of contracts, supporting the arts and cultural activities. He argued for the least possible state control but a sense of trusteeship among business leaders.

“If business wants more self control, it must train economic statesmen. This seems to me to be issue, and it is on the performance of such leaders that society will decide which group will continue to be the “conscience of business” (MacPhee, 1957)

In the years after 1957, Macphee was well recognized for his contribution to business education at UBC, the University of Alberta and the Banff School of Advanced Management and elsewhere (see table 1 for a list of some of the honours accorded him). But perhaps no honour was so great as that given to him at the commencement exercise at the University of Alberta,

“Eminent Chancellor, it is my honour to present you, for the degree Doctor of Laws, Honoris Causa, Earle Douglas MacPhee who among other titles, has earned the title of the conscience of Canadian business” (Cameron, 1957).
Conclusions

There cannot be any doubt that Earle MacPhee is from a distant and even unknown or foreign country by the standard of today’s business school. His United Empire Loyalist roots, his rural upbringing in New Brunswick and a BC lumber camp, his vocation as a teacher in the Normal School tradition, his experience of war and survival through the catastrophic inhumanity in the battlefields of 1917 and 1918, even his identity as a Scot or as British as much as Canadian are remote today. His love for teaching undergraduates and his sense of personal conscience as the responsibility of executive leadership even seems remote. He was aware of the Carnegie Report in 1959 at least and considered the movement to more rigorous scientifically based business education as a response to the Cold War challenge of the Soviet Union, specifically the launch of Sputnik. He was witness to and he documented the emergent graduate programs at UBC and the elevation of the research intensive business school both of which he appears to accept with equanimity. But he is not of this revolution. He might be interpreted today as a patriarch, the centre of an old boy Gaelic network of a disappearing colonial Canada. And certainly he would not be seen at the leading edge of the emergent research based graduate school of business envisioned by the Ford Foundation.

The past is indeed a foreign country and things were done differently there. Nevertheless, aside from his many accomplishments as an educator and institutional builder, it is Earle MacPhee’s message of the conscience of business and the responsibility of leadership which resonates as strongly in 2009 as it did for his contemporaries.

Note on Sources: This paper relies extensively on secondary sources. These include: MacPhee’s autobiography, “Footsteps”, published in 1978; “History of the Faculty of Commerce and Business Administration at the University of British Columbia”, published in 1976; MacPhee’s article “The Conscience of Business”, published in 1957. The section on the Banff School of Advanced Management is excerpted from my own previous work with Professor Ashis Gupta, “From the Arts to Executive Education: The Founding of the Banff School of Advanced Management”, 2001.
Table 1

<table>
<thead>
<tr>
<th>Earle Douglas MacPhee Honours&lt;sup&gt;8&lt;/sup&gt;</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Medal (85&lt;sup&gt;th&lt;/sup&gt; Battalion, Canadian Expeditionary Force)</td>
<td>1918</td>
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<tr>
<td>LLD, University of Alberta</td>
<td>1957</td>
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<tr>
<td>Honorary Life President, Certified General Accountants, British Columbia</td>
<td>1957</td>
</tr>
<tr>
<td>Sole Commissioner, Royal Commission in BC Fruit Tree Industry</td>
<td>1957/1958</td>
</tr>
<tr>
<td>Chartered Accountants (Hon), BC Institute of Chartered Accountants</td>
<td>1958</td>
</tr>
<tr>
<td>LLD, University of British Columbia</td>
<td>1961</td>
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<tr>
<td>Emeritus Dean, Commerce and Business Administration, UBC</td>
<td>1963</td>
</tr>
<tr>
<td>Earle Douglas MacPhee Annual Lecture, Banff School of Advanced Management</td>
<td>1965</td>
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<tr>
<td>Member (Honorary) Real Estate Industry of BC</td>
<td>1967</td>
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<tr>
<td>Member (Honorary) Canadian Pharmaceutical Association</td>
<td>1967</td>
</tr>
<tr>
<td>Member (Honorary) Banff School of Advanced Management, Board of Directors</td>
<td>1969</td>
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<td>Doctor of the University of Calgary</td>
<td>1969</td>
</tr>
<tr>
<td>Doctor of Civil Law, Acadia University</td>
<td>1971</td>
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<tr>
<td>LLD, York University</td>
<td>1972</td>
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<tr>
<td>Esquire (ESQ) Coat of Arms, Lord Lyon of Scotland</td>
<td>1974</td>
</tr>
<tr>
<td>Dedication of Executive Conference Centre, UBC to carry the name of E.D. MacPhee</td>
<td>1976</td>
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<tr>
<td>Fellow of Society of Antiquaries of Scotland</td>
<td>1977</td>
</tr>
</tbody>
</table>

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<sup>8</sup> The list of honours is summarized from MacPhee, 1978.
References


Cameron, Donald (1956). Campus in the Clouds, Toronto: McClelland & Stewart.


Hall, Noel, Introduction (1976). In E.D. MacPhee, A History of the Faculty of Commerce and Business Administration at the University of British Columbia (pp. iii-vii).


