

by type of hospital. By bringing about a more satisfactory distribution of hospital facilities it is hoped that the program will contribute to a better distribution of doctors and health personnel.

In the 1945 Proposals low cost loans only were put forward as an aid to hospital construction, but the demand for accommodation, which had been rising through the depression and war years, has now become so acute that it was not felt that it could be met adequately by any system of loans. Normal population growth, increased hospitalization of obstetrical cases, advances in coverage of hospital insurance plans and a greater all round use of hospitals arising from the financial ability of a larger sector of the population to pay for services, have all added to the problem. Hospital construction, which had been slowed down during the depression, was practically stopped in the early years of the war, through shortage of materials and skilled labor. These shortages, plus tremendously high postwar construction costs, have been effective in preventing any large scale resumption of hospital building. The shortage of beds is particularly acute in rural areas, and one of the purposes of the program is to ensure that adequate new construction will be provided for all parts of the country.

The grant is also designed to relieve the present use of acute hospital beds by chronic and convalescent patients. There is no doubt that much hospital congestion today is due to the occupation of acute disease beds by large numbers of these patients, who require relatively long periods of care and who, if it were available, could be equally well cared for in accommodation which is less costly to build and maintain. The program therefore gives priority to the building of chronic and convalescent beds, by larger grants to this type of accommodation.

The federal grants for hospital construction are conditional upon the provinces at least matching the federal contribution. The grants will amount to \$1,000 per bed for each active treatment bed or bed equivalent, and \$1,500 per bed for each chronic or convalescent bed, with mental and tuberculosis hospital beds considered as chronic beds for purposes of the grant. The federal contribution will not in any case exceed one-third of the total cost per bed or bed equivalent in any construction project. Thus, under the program, local hospital authorities will be assured of a subsidy from the federal and provincial governments of at least \$2,000 for each acute hospital bed and \$3,000 for each chronic or convalescent bed. For purposes of the grant, three bassinets are considered equivalent to one bed.

Certain communities are unable to support hospitals of a size and character consistent with efficient and economic operation but require facilities where ambulatory care and treatment can be given, together with a limited emergency hospital care. A grant on the basis of beds would not in many instances meet financial need for the construction of such facilities. Accordingly the program provides that each 500 square feet of interior floor space, exclusive of staff living quarters, in an outpost hospital, nursing station, or similar establishment which does not contain more than eight beds, may be considered as the equivalent of one active treatment bed.

The assistance to hospital construction through this grant is conceived as a ten year program. As it is anticipated that the major financial obstacles will be encountered in its first five years the program will be reviewed at the end of that time and, if it is found that the full subsidy is no longer required, the grant will be reduced accordingly.

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