

- (f) An annual grant of \$225,000 was in existence prior to commencement of the program so that this figure represents an additional grant of \$275,000.
- (g) Increased by \$100,000 annually, until the grant reaches \$500,000 per annum.
- (h) To be reviewed at the end of 5 years, with possible reduction by half at that time.

Perhaps the significance of these figures may be most easily assessed when they are considered in relation to previous federal expenditures on health, and to annual amounts spent by provincial governments in the past. Under the new program additional annual federal expenditure on health and hospital services will be almost as great as the total expenditure of the Health Branch of the Department during the previous twenty-eight years of its existence, and more than twice the total of all government health expenditure of twenty years ago. Provincial expenditures on health and hospital services which, in 1926, totalled \$10.6 million or \$1.12 per capita, had climbed to \$40 million or \$3.31 per capita by 1945, the last year for which official figures are available, and to an estimated \$63.4 million or \$5.05 per capita by 1947.⁽¹⁾ This steady rise in provincial expenditure indicates why some kind of federal financial support has become essential if the level of services provided by the provinces is to be maintained and developed. Since the grants must be expended on new services, or matched by provincial funds, a guarantee is provided that this new program will mean an over-all increase in total health services.

Comparison between the new program and the well-established American grant system is perhaps inevitable. Both represent the extension of federal financial resources to provincial and state governments as a means of strengthening and developing widely diversified public health services. Both have as a basic consideration the necessity for retaining local autonomy and are directed against the same problems, though the older and more diversified American system includes grants not made in Canada, and an over-all view of expenditures by the two federal governments would have to take into account the greater variety of methods used in the United States for the support of measures provided for in Canada by straight grants to the provinces.

The Canadian appropriations may, at first sight, appear to be relatively small when compared to the corresponding annual federal expenditure in the United States of close to \$120 million. However, when the populations of the two countries are compared, it is apparent that the Canadian program has been generously and boldly conceived. While, on a per capita basis, the individual Canadian grants for venereal disease control, crippled children and public health research are slightly less than their American counterparts, the remaining grants all provide for substantially higher amounts.

The many similarities between the two programs are evidence of the attention that has been paid in Canada to American pioneering in the use of the grant-in-aid as a general health measure. The different health fields in which the grants are paid,

(1) Based on Statistical Summary, Bank of Canada, August-September, 1947.