

(c) that, as a general rule, grants for treatment services and other undertakings of a continuing nature were conditional upon an equal contribution being made by the provinces, whereas grants in respect of new construction, purchase of equipment and other undertakings of a non-continuing nature did not require any matching provincial contribution; and,

(d) that this was the same general principle that applied to other existing grants, such as the tuberculosis grant, and was necessary to provide the public with certain desirable facilities which would not otherwise be made available.

12. The Cabinet approved the general health grants regulations for 1953-54, as submitted by the Minister of National Health and Welfare, subject to revision of Part X (hospital construction grant) to conform with the basis on which the grant had been made available in 1952-53; an Order in Council to be passed accordingly.

Butter; price support 1953-54

13. The Minister of Agriculture recommended that the price support programme for butter be extended at 58 cents per pound until April 30th, 1955.

The support programme for the past two years had been satisfactory and had not resulted in any losses. The Canadian Federation of Agriculture had urged that the floor be raised to 63 cents but it was not desired to increase production and there appeared to be no adequate reason for such a rise in price.

An explanatory memorandum had been circulated.

(Minister's memorandum, March 19, 1953 - Cab. Doc. 82-53).

14. In the course of discussion it was suggested, on the one hand, that extension for one year rather than two would be safer and would permit more flexibility if food prices declined; on the other hand:

(a) that a change from two years to one year for the programme would not provide as much certainty for producers and might affect production;

(b) that a one-year provision might be interpreted as an indication that the government was expecting a decline in prices; and,

(c) that, while a one-year programme might provide an opportunity to reduce the floor price at the end of the year, it would also be open to pressure to have the price increased.

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