

9. The Cabinet,

(a) approved the recommendation of the Ad Hoc Cabinet Committee on Labrador Indians and Eskimos and agreed that an offer be made to the government of Newfoundland by which, in return for discontinuing current Federal relief and health payments for Indians and Eskimos in Northern Labrador, the Federal government would assume all or a major share of agreed non-recurring capital expenditures for Indians and Eskimos in Labrador and, in addition, bear the full costs of an intensive anti-tuberculosis programme over a ten-year period, on the understanding that all other financial and all administrative responsibilities would henceforward be assumed by the provincial government; and,

(b) authorized the Minister of Citizenship and Immigration to work out such an arrangement with the provincial authorities in accordance with the formula submitted by the Cabinet Committee.

Health grants; 1953-54 programme

10. The Minister of National Health and Welfare, referring to discussion at the meeting of February 6th, reported that, as was done each year, he had submitted to Treasury Board on March 24th regulations to govern health grants for the coming fiscal year. As agreed by Cabinet, the regulations had been revised in order that the amount saved from hospital construction grants during 1953-54 might be reallocated on the basis of \$500,000 for maternal and child health, \$4.3 million for laboratory and radiological services and \$500,000 for medical rehabilitation. In addition to these three new grants, the basis on which the hospital construction grants were made had been widened to cover improvements to existing facilities and, in the case of new construction, facilities other than hospital beds, as it was felt that this would likely produce more beneficial results and could be done within the limits of the total authorized grant of \$6.8 million.

11. In the course of discussion, it was pointed out:

(a) that it would be inadvisable at this time to alter the basis on which hospital construction grants were made;

(b) that although the Canadian Medical Association and certain individual radiologists had been consulted regarding the proposed three additional grants, the Association of Radiologists as such had not, and it was understood certain members of this latter body were fearful that the proposed new grant for laboratory and radiological services might result eventually in a general lowering of standards;

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