

and the amounts to be expended on each, were decided upon after extensive study of conditions and administrative methods both in Canada and abroad. The program itself grows out of the Dominion Government Proposals, made at the Dominion-Provincial Conference in 1945, which envisaged the establishment of a complete national system of health insurance as well as the strengthening of the nation's health services. Because agreement was not reached between the federal government and all provinces the full proposals have never been implemented but it was decided to go forward with the health grants as a logical program which stands on its own merits.

The amount to be distributed under each grant was calculated as closely as possible to meet estimated national requirements in each health field. In those grants where it is anticipated that the provinces will be able to absorb additional sums when the program has been underway for a period of time, provision is made for a progressive increase in the amount to be made available, as in the public health, tuberculosis control, mental health and public health research grants.

The grants are, for the most part, distributed on a per capita basis, with special provision being made so that the smaller provinces will not be penalized by their lesser financial resources, and by the higher relative cost of the services they require.

Where, if distribution was made on a straight population basis, the smaller provinces would not receive sufficient funds for their needs, a fixed amount of the grant is paid to each province, with the balance being distributed on the basis of population. For example, under the Mental Health Grant, each province is first given \$25,000, with the remaining \$3.8 million being divided on a population basis; in the Venereal Disease Control, Crippled Children and Professional Training Grants each province is similarly allocated \$4,000 before the remainder is divided. For the Tuberculosis Control, Health Survey and Public Health Research Grants the distribution is somewhat different; for tuberculosis control a basic \$25,000 is paid to each province, with half the balance being allocated on the basis of population figures and half on the average number of tuberculosis deaths over the last five years; in the Health Survey Grant, Prince Edward Island is given \$15,000 and the other provinces each \$5,000, with the remaining \$570,000 divided according to population; the Public Health Research Grant is distributed on the basis of projects recommended by the Dominion Council of Health. The remaining grants are made on a straight population basis. The resulting distribution of the total grants between provinces is as shown in Table 2, which illustrates the greater per capita amounts payable to the smaller provinces under this arrangement.

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