

(1) that it cover, as a minimum, "all the services provided by physicians, both general practitioners and specialists", except for services available under other legislation and certain limited types of services, such as cosmetic surgery, that are not medically necessary; (2) that it cover all residents, or at least "be aimed at universal coverage", without exclusion because of age, economic circumstances or pre-existing conditions; (3) that it be "publicly administered, either directly by the provincial government or by a provincial government agency"; and (4) that benefits be fully transferable from one province to another. The federal contribution would be half the per capita cost of all insured services in all participating provinces multiplied by the number of insured persons in each participating province. The Medical Care Act embodying these principles was given first reading in the House of Commons on July 12, 1966 and was slated to come before the House again in October.

**Health Resources Fund.**—Supplementing the medicare program, the Prime Minister also proposed at the July 1965 conference the setting up of a Health Resources Fund "to support the construction and equipment of facilities for health research and training" He later announced that the proposed Fund would amount to \$500,000,000 to be expended over a 15-year period commencing in 1966; that, through the Fund, federal capital grants would be available for the construction, renovation and basic equipment of research establishments, teaching hospitals, medical schools and training facilities for other health personnel but that grants would not be available to meet the operating costs of such establishments; and that payments from the Fund would meet 50 p.c. of the cost of construction and basic equipment for the assisted projects.

The operation of the proposed Fund was discussed at the Federal-Provincial Conference of Health Ministers held Jan. 31 and Feb. 1, 1966, when the principle was accepted that, of the \$500,000,000, \$25,000,000 would be provided to the four Atlantic Provinces as special assistance over and above the normal 50-p.c. share, and that a major portion be allocated on a per capita basis; the allocation of the remainder was left for further study. An advisory committee consisting of representatives of federal and provincial Ministers of Health would, it was intended, review over-all provincial submissions concerning individual projects, advise on disbursements from the Fund, and consult with professional bodies for technical advice. Two technical conferences were held (Oct. 21-22, 1965 and Mar. 31-Apr. 1, 1966) to make preliminary and tentative arrangements for the implementation of the program. On July 11, 1966, the Health Resources Fund Act (SC 1966, c. 42) received Royal Assent.

### Subsection 2.—National Health Grant Program

The National Health Grant Program, inaugurated in 1948, makes federal grants available to the provinces for the developing and strengthening of public health and hospital services. Changes were made over the years to provide additional funds, increase flexibility and meet changing circumstances. Some of the headings under which grants had been made were merged or discontinued and new headings were added (see Table 1).

Up to Mar. 31, 1966, aid for hospital construction had been approved for 122,176 beds and 15,359 bassinets for patients, 23,355 beds for nurses, and 917 beds for interns. Approximately 42,000 health workers had been trained or were undergoing special training, and more than 7,000 health workers were employed, with Health Grant assistance. The amount expended in 1965-66 totalled \$45,477,968 or 75.3 p.c. of the total available; over the entire 18 years of the program, 79 p.c. of the available money had been actually spent. If for 1965-66 the \$9,500,000 in fiscal compensation received by Quebec is deducted from the total available, that total is reduced to \$50,880,280 and the expenditure in the remainder of Canada appears as 89.4 p.c. of the available amount.