

provide grants to the provinces to assist in the operation of provincial programs. For example, in 1961-62 federal contributions toward provincial hospital insurance amounted to \$283,700,000 and grants under the National Health Grant Program reached \$49,000,000.

It is of interest to note that while federal-provincial cost-sharing programs with respect to both social assistance payments and health and welfare services involve considerable sums, this type of expenditure represents less than 20 p.c. of total federal expenditures in the field of social welfare.

Provincial Expenditures.—In 1874, provincial social welfare expenditures amounted to \$657,000. Up to the outbreak of World War I, provincial government outlays for this purpose were still very modest, although the amount had increased to \$4,300,000 by 1913, and expenditures were principally for institutional care with a meagre contribution being made for health and welfare services and relief. In the largely rural economy of the first few decades after Confederation, most of the health and welfare needs which went beyond the resources of the individual were met through the family, relatives, friends and private charity. In discussing socio-economic development in the period 1874-96, the report of the Royal Commission on Dominion-Provincial Relations suggested that "... this restraint on provincial outlay during a long period of depression was made tolerable by the nature of the economy at the time. The relative self-sufficiency of the family and local communities enabled individuals to weather the depression somehow without reliance on governments. Those who were unable to make adjustments in this way were forced into the stream of migration to the south where they were absorbed by the rapid industrial developments and the expanding frontier of the United States."

During World War I there was considerable industrial growth in Canada and it was at this time that modern workmen's compensation schemes were adopted by several of the provinces. It was in this period also that the first mothers' allowances programs were introduced. During the 1920's these new income maintenance programs began to have an important impact on social welfare expenditures at the provincial level, which by 1926-27 had reached \$28,600,000. Nevertheless, the largest item of provincial expenditure continued to be hospital care.

Relief expenditures were the dominant factor during the 1930's. Prior to that decade the provinces had accepted relatively little responsibility in the matter of unemployment relief. Amounts paid out under the mothers' allowances programs during the 1930's were also well above those of the 1920's and hospital care expenditures continued to rise. New expenditures arising out of the matching feature in the federal grant-in-aid scheme for old age pensions introduced in 1927 became an increasingly important expenditure for the provinces and the addition of the federal-provincial program of pensions for the blind in 1937 opened up a new avenue of expenditure although the amounts involved were relatively small. By 1939-40, provincial social welfare expenditures had climbed to \$114,300,000. Provincial expenditures dropped somewhat during World War II but in the postwar period rose tremendously. A part of this rise was a by-product of the inflationary situation of the time but a considerable amount was also attributable to the extension of services and the introduction of more generous income maintenance payments. Hospital care expenditures increased much more than any other single item, in part the result of an increase in the amount of hospital care provided and of higher costs for such care. It also was the outcome of the establishment of hospital insurance programs in the various provinces throughout Canada, which brought a large share of expenditures for hospital care within the public sector. The entry of Newfoundland as the tenth province in Confederation in 1949 brought about an addition to provincial expenditures in Canada. Compensation payments and expenditures on related rehabilitation services under the workmen's compensation programs, and outlays on old age and blind pensions, mothers' allowances, and general assistance all rose steadily and new programs of allowances for the permanently and totally disabled were introduced. Finally, public health and welfare services were strengthened and extended during this period. From an expenditure of \$109,800,000 in 1944-45, provincial expenditures rose to an estimated \$1,000,900,000 in 1961-62.