ROYAL COMMISSION ON HEALTH

RIGHT HONOURABLE LORD BRAIN

VOLUME 2

JULY, 1966
To His Excellency

The Lieutenant-Governor in Council.

May it please your Excellency.

I, the Commissioner appointed by an Order in Council dated 8th February 1965 to make a survey of the medical services and hospital facilities throughout Newfoundland and Labrador; and to enquire into and report upon any circumstances in connection therewith which, in my opinion, should be brought to the notice of the Lieutenant Governor in Council, beg to submit Volume II of my report.
p. 83 Recommendation 11: Line 2. For 'Government Body' read 'Governing Body'.

p. 97 Lines 14-15. For 'The infant mortality rate in Newfoundland is the highest in Canada, and three times the United Kingdom rate', read 'Tables on pages 150-151 of the Report of the Hall Royal Commission show the infant mortality rate in Newfoundland as the highest in Canada except in the Northwest Territories and nearly twice the United Kingdom rate'. In 1964 the Newfoundland rate at 31.1 was lower than the Yukon and Northwest Territories.

Summary of Recommendations. Recommendation 13: Line 2. For 'Regional Hospital Boards' read 'Regional Health Boards'.
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The Royal Commission sat in London on June 16th, 1966, when Dr. Ian Rusted, Acting Director of Postgraduate and Continuing Medical Education in the Memorial University, presented the University's Brief of Evidence, which includes as appendices the report provided by Dr. Wendell MacLeod and Dr. C. B. Stewart, and the report of the Committee formed by Dr. J. A. MacFarlane, Dr. R. V. Christie, Dr. George Wolf and Professor Bernard Blishen, of which Dr. MacFarlane was Chairman.

When I wrote the first volume of my report, I had not received the evidence of the Memorial University on the question of a Medical School in St. John's. Nevertheless, on the evidence then available to me, I recommended "that steps should be taken as soon as possible to establish a Medical School in Newfoundland." I am very glad, therefore, that, the Report of the MacFarlane Committee having been submitted to the Senate and the Board of Regents of the University, "both bodies have approved in principle the establishment of a Health Sciences Centre on the Campus." The term Health Sciences Centre perhaps requires explanation. The following
quotation from the Report of the MacFarlane Committee makes its meaning clear:

"An important recent development in medical education is the Health Sciences Centre. Two such centres are in the United States, one at Gainesville, Florida, and the other at Lexington, Kentucky, "have evolved from a common idea. Several workers in the health fields, notably doctors, dentists, pharmacists and nurses, although they have been brought up in separate disciplines at universities, realize that more and more they must work together for a common objective, and that to do their work effectively they must have a sufficient number of skilled paramedical personnel. Moreover, in every instance the undergraduate education, both of the professional personnel and the auxiliaries, can be carried out effectively only in an environment where basic medical sciences are taught, where research is constantly encouraged, and where patients can be seen and studied by students in other disciplines."

"Whether one speaks of the need for a medical school or a health sciences centre, however, the factors to which reference was made above must be considered. These have been clearly stated by MacFarlane et al.\(^1\) Besides producing the needed health personnel they include the following: "to ensure adequate continuing educational opportunities for both professional and auxiliary personnel; to establish models of health care of high standard for its constituent region; and to conduct research of appropriate substance and diversity, not only for advanced

\(^1\) MacFarlane, J.A. et al. Medical Education in Canada. Royal Commission on Health Services, Ottawa 1964, p.221, 222.
knowledge in the fields of science essential to medicine, but also to evaluate (a) its own educational operations, (b) the health needs of the community, and (c) the quality of the care being rendered."

A Medical School in the narrower sense of a centre for undergraduate and postgraduate education for doctors is an integral part of a health sciences centre, and it should be clear from the references in the first volume of my report to dentists, nurses, pharmacists, members of professions supplementary to medicine, the need for health education and the like, that I envisaged and recommended the establishment in St. John's of a Health Science Centre as defined in the report of the MacFarlane Committee.
Several questions involving hospital beds arise in connection with the planning of the new Medical School. How many beds are needed for the teaching of the number of medical students for whom the School is designed, and where are these beds to be situated? We have also to take into account the local need for hospital beds in the Avalon Peninsula, since not only will the Medical School be drawing its clinical material to a substantial extent from the Avalon Peninsula, but it will also be contributing to the medical services of that region, and its work must therefore be seen in relation to the local need for medical services. In addition, since it is to act as a referral centre for the whole Province, it is necessary to form some estimate of the number of additional beds which this important part of its work will require. Finally, we have to look at the existing situation in respect of hospital beds in Newfoundland as a whole, since if it is found that there are not enough hospital beds for the present requirements of the population, hospital planning for the immediate and more remote future will need to take this into account.
The Existing Situation

The existing situation is described in general terms in Volume I of the Report of the Hall Royal Commission on Health Services, p. 298 et seq. Table 8 - 2 (p. 301) says that on December 31st 1960, Newfoundland had by far the lowest ratio of acute treatment hospital beds in Canada, 3.9 per thousand population, compared with 5.1 per thousand population for Canada as a whole, and Table 8 - 3 (p. 304) gives a figure of 0.2 per thousand, chronic and convalescent hospital beds in Newfoundland compared with a national figure of 0.7 per thousand. Table 8 - 6 (p. 310) gives the figures for total bed capacity in mental institutions, and in this field, also, Newfoundland has the smallest ratio in any Canadian Province - 187 per hundred thousand, compared with an overall figure for Canada of 370. These figures are aggregated in Table 8 - 1 (p. 299) which shows that in 1960 with 3,425 hospital beds Newfoundland again had the lowest proportion of any Canadian Province - 7.6 per thousand population, compared with an overall figure for Canada of 10.8 per thousand. Table 8 - 4 (p. 306) shows that, as the report of the MacFarlane Committee points out, Newfoundland has a lower rate of hospital admissions and of days of care per thousand population, but a longer average length of stay in hospital
than any other Province. The average length of stay, 11.1 days, is just over 10% higher than the Canadian average, 10.0 days.

The foregoing figures enable us to estimate how many hospital beds are needed in Newfoundland to bring the total up to the average for Canada as a whole. The present population is 500,000. If therefore Newfoundland had hospital beds in the same ratio to the population as the average for Canada as a whole, it would have 5,400 beds instead of the existing 3,400.

**Estimated Need for Hospital Beds**

The above are general figures, and the estimate of the number of beds required for a Health Sciences Centre in St. John's must be based upon a consideration of detailed requirements. Such a survey has been made by the St. John's General Hospital Medical Staff Planning Committee (1964) which, in considering the bed requirements of a teaching hospital, says:

"The frequently used index of 5 general hospital beds per 1000 population is made up as follows:
1 bed/1000 for base hospital use (for all of Newfoundland, in this province)
1.5 beds/1000 for regional hospital use
1.5 beds/1000 for district hospital use
1 bed/1000 for bed-nursing units."
"However, as stated by Dean C. B. Stewart of Dalhousie University, in a letter to the Committee, "There is considerable doubt about the figure of 5 general hospital beds per 1000 population ... It does not include long-term active treatment units, psychiatric beds, rehabilitation units and others of similar type ... I think 7 beds per 1000 population is a closer estimate and this is based largely on the experience of areas such as Saskatchewan where hospital insurance has been in effect for some time. We use the figure of 7.2 beds per thousand in Nova Scotia ..."

"It should be noted that experience in Saskatchewan has led to an increase in their index to 8 beds per 1000 population. This is in line with further comments by Dean Stewart. "I suggest that you should consider approximately 7 beds per thousand for the population of the immediate area around St. John's but add to it a sufficient number of beds to take care of the referred patients (from outside the immediate St. John's area), taking into account the longer stay which is usually necessary for that type of patient. Some additional beds should then be provided for psychiatric cases not included in the 7 beds per thousand.""

The General Hospital Medical Staff Planning Committee based its estimate on a population of 106,000 for the five electoral districts of St. John's and 100,000 for the Avalon Peninsula excluding the St. John's area - 206,000 in all. It is probable that this figure is already too low, and the population projections published
in the first volume of my report show that it may be expected to rise steadily. However, since the General Hospital Planning Committee has worked on this basis it will be convenient to do so, introducing any necessary corrections arising from the expected increase in the population later. Using the index of 8 general beds per thousand of the population, the committee notes that the requirement for the St. John's area is 848 beds, to which must be added 500 beds to meet the needs of referrals from the rest of the Avalon Peninsula, i.e. 1348 beds in all. Referrals from the rest of the Province are estimated to require an additional 300 beds which brings up the total to 1648. In summary, they conclude, St. John's should have a total of 1650 or 1700 general hospital beds at the present time in order to serve adequately the various needs of the City, the district, the outlying regions and the Province as a whole. The number of general beds available in St. John's, either now or when extensions currently contemplated have been completed, is, according to the Committee, 868. The Committee concludes that if there are to be 1700 beds in the city "the General Hospital (or a new University Hospital) would need to contain at least 830 beds or, since the figures for Grace and Pepperell Hospitals are
not final, in the vicinity of 800 to 900 beds." It may be noted that this modest increase, even with the addition of a hundred more beds for the Avalon Peninsula also recommended by the Planning Committee, would leave the ratio of beds to population in Newfoundland still far below the national average.

In accepting this estimate I have assumed that the recommendations made in the previous volume of my report as to the need for better accommodation for the mentally ill, the mentally subnormal, the elderly sick, and the permanently incapacitated will also be implemented. I do not think, however, that such necessary measures will substantially affect the need for more general hospital beds. The figure of 8 general beds per thousand includes a certain number of acute psychiatric beds. The establishment of better hospital accommodation for the mentally ill and the mentally subnormal is not in my view likely to diminish in any way the need for general hospital beds. Better social services and community facilities will I hope enable a proportion of the less severely affected mentally subnormal patients to live in the community, but it seems likely that improved inpatient facilities for the more severely subnormal will lead to more of them being transferred from their homes to hospitals, so that the demand on hospital beds in that
field will not be diminished. The same I believe to be true of the provision of better hospital and residential facilities for the elderly and the chronic sick. While it is hoped that better rehabilitation facilities will enable some to return to the community, their places are likely to be taken by the many for whom no such facilities at present exist. I have no evidence that a substantial proportion of general hospital beds are now blocked by the chronic sick.

As pointed out earlier, there is in Newfoundland a longer average length of stay in hospital than in any other Province. The MacFarlane Committee suggested that this might be because patients often cannot return home because of lack of transportation or lack of adequate facilities for their recovery at home, but they also mentioned what I think may be an equally important factor, namely, that in Newfoundland patients are hospitalised only for the more serious illnesses. The figures quoted by the Hall Report covering all hospitalisations must include brief admissions to cottage hospitals as well as longer stays in the hospitals of St. John's. The St. John's General Hospital Medical Staff Planning Committee states (Table C, p. 86) that the average duration of stay in days for all patients in 1963 was 25.1, a figure which showed a steady
annual fall since 1960. Nevertheless I am told there is a long waiting list in many fields of "cold" surgery, and women who go into hospital for the delivery of their babies have to leave earlier than would be the case if there were more beds. Apart from statistical considerations, therefore, there is ample evidence for the present inadequacy of hospital beds in St. John's and I note that this is accepted by the Memorial University (page 5 of their Brief).

1 MacFarlane Report VI. 6.
THE NEED FOR A UNIVERSITY HOSPITAL

The University brief contains two plans for the development of the Medical School, Plan A and Plan B. Before I deal with those, however, I think it important to set out certain basic considerations, which in my view must be fulfilled if a successful medical school is to be established in St. John's. I need not elaborate the particular needs of Newfoundland, which it must be designed to supply, since I dealt with those fully in the previous volume of my report. It is equally important to bear in mind that a new Medical School, if it is to be viable, must show that its buildings and equipment and facilities for the pre-clinical and clinical sciences, and for research, can compete successfully with those of any other medical school in Canada. Indeed it should be possible for a new medical school, if it can give its designers and architects a free hand, to start with a substantial advantage over older schools, which are tied to older buildings, which lack some modern facilities. Unless a new medical school is in this sense fully competitive it will not attract the most highly qualified staff, nor the best residents or interns. A corollary of this, of course, is that the standards it achieves will determine its accreditation status.
and this, in turn, its attractiveness to able young medical graduates seeking higher qualifications.

The MacFarlane Committee summarises these views as follows: "We must emphasise that if Newfoundland is to have a medical school it must provide the facilities which will permit standards to be as high as in other Canadian medical schools. If these standards are not maintained in the clinical departments, recruitment of adequate staff may be impossible, the best students may go elsewhere, and graduates may find it difficult to obtain training appointments in other medical schools."

Furthermore, a vitally important ingredient in the success of a medical school is the relationship between the school and the university science departments. There are several reasons for this. Perhaps the most important is the recent enormous technological development of medicine, which now relies, as never before, in diagnosis and treatment on techniques which depend from day to day upon the work of pure scientists. This also is true of much active medical research, so that whereas in the past it was generally agreed to be academically important that, for example, biochemists, physiologists, and practising doctors should understand each other's work, now they, and physicists too, actually co-operate in the care of patients. It follows
that, whereas in the not very remote past it did not much matter if the scientific and medical departments of a university were separated from one another by considerable distances, the mere logistics of modern medicine demand that they should be as closely related geographically as they are nowadays in theory and practice.

This point is strongly emphasised in the evidence submitted to me. Thus Dr. James E.C. Walker, one of the consultant advisers to the MacFarlane Committee writes:

"I share the opinion of most medical educators in the U.S.A. that the success of a medical or health sciences centre is greatly enhanced by locating it contiguous with its university. I also feel it most important that the medical facilities of a health centre be physically as well as philosophically integrated with, and controlled by, its university. Every effort should be made to bring the proposed Health Sciences Centre on to the Memorial University Campus, where the hospital should also be located and operated by the University." And Dean C.B. Stewart, another consultant adviser to the MacFarlane Committee, writes: "I would strongly emphasise the importance of having university and hospital facilities in geographic proximity to each other and preferably interconnected."
For all these reasons, I most strongly endorse the recommendation of the MacFarlane Committee "that a University Teaching Hospital, containing approximately 400 beds, be built on the Memorial University Campus in as close proximity as possible to the pre-clinical medical departments". Without such a University Hospital I do not believe that a medical school in Newfoundland can effectively compete with existing medical schools in Canada, and it must therefore suffer from the disadvantages enumerated above. This view does not mean that a medical school cannot be launched without such a university teaching hospital, but it means that the establishment of such a hospital within a reasonably short time must be accepted in principle, both by the University and by the Government. This in itself would be the best possible incentive to all concerned. It also means that any temporary arrangements for medical education which may have to be undertaken in the meanwhile will be regarded as secondary to the main objective. It follows that they will not be of such a nature as to delay its achievement, and I would strongly endorse the warning expressed by the University in its brief "of the inherent dangers of renovating or extending existing hospitals that were not originally designed to be teaching hospitals, because of the resulting inefficiencies and
increased operating costs that would be perpetuated. To quote Lord Llewelyn Davies "most hospital plans tell a story of temporary extensions which have become permanent, and permanent buildings which are inconvenient." And again, they say "in addition to the warnings expressed by Lord Davies regarding extension to older hospitals and, following upon this, the inevitable increases in operating costs that must ensue, the University is greatly concerned lest the expenditure of several million dollars on existing hospitals might result in a lapse of many years before a University Hospital could then be built adjacent to the Basic Sciences and research facilities on the University Campus." An economic factor which should not be overlooked in this context is that a modern hospital building with modern equipment in every sphere can be run more economically at every level, from the laboratories to the wards and the kitchens, than an older hospital.
THE PLANNING OF THE TEACHING HOSPITAL

Those who have to plan the new Teaching Hospital will have a complex and difficult task. It is impossible at this stage usefully to consider its planning in detail. In the first volume of my report, I discussed the pre-requisites of planning of the medical services of the Province as a whole. It may perhaps be helpful if I now try to do the same for the Teaching Hospital.

How large should it be? The MacFarlane Committee recommended a Teaching Hospital of 400 beds to deal with an annual entry of 40 students. The University brief in its Plan A considers the possibility of reducing this to 280 or 300 beds. In considering how many beds are desirable for the Teaching Hospital it is rational to begin by asking what educational use is to be made of them; in other words, what should the undergraduate medical student be learning?

This has by now been much discussed and it is fairly generally agreed that in the first stage he should be learning certain basic principles and skills, how the body behaves in health and disease, how body and mind react to their environment, both physical and social (community medicine), how to deal with patients, where to go for necessary information, how to learn, and the need for
continuous learning throughout professional life. This, as I said in the first volume of my report, is the stage of university education. These things can be best learnt in a university atmosphere, and where no sharp geographical or administrative divisions are drawn between the pre-clinical and clinical sciences. At the undergraduate stage of medical education, therefore, the emphasis is on education in this fundamental sense and only to a limited extent on knowledge of specialised techniques, which ought to be learnt after qualification.

It is true that all the fundamental elements of medical education can be taught by specialists in the course of dealing with their specialised clinical material. Nevertheless, experience shows that in the specialties general principles may easily be overshadowed by the complex refinements of a special subject so that undergraduate medical education should be based primarily upon departments with a wide and general range, such as internal medicine, general surgery, and obstetrics and gynaecology (the applied anatomy, physiology and psychology of reproduction). I believe psychiatry also to be an essential part of undergraduate medical education. There is of course an important part to be played by the narrower specialties, to which I shall return.
If this principle be accepted, it follows that a teaching hospital can be based upon the broad and fundamental departments I have just mentioned, closely linked with the pre-clinical sciences. 400 beds has been calculated as a suitable size for an intake of 40 students, and there are definite advantages in not having too small a medical school. If it is too small neither its staff nor its research facilities will be large enough to call for a stimulating variety of personalities and interests.

It is obvious, however, that a hospital of 400 beds cannot accommodate all existing specialties and here it is at a disadvantage compared with a hospital of double the size. The MacFarlane Committee Report allocates 105 beds to surgery. Surgery now includes general surgery, orthopaedic surgery, neurosurgery, thoracic surgery including cardiac surgery, paediatric surgery, otolaryngology, ophthalmic surgery and plastic surgery. The planners would have to decide which, if any, of these is to be included in the teaching hospital. This is not a simple issue. Consider neurosurgery. Neurosurgery requires certain diagnostic services, particularly electroencephalography and various radiodiagnostic techniques. It is closely related to traumatic surgery. A neurosurgical service for the whole Province would require far more beds than could be allocated to it in the Teaching
Hospital. It would seem inevitable, therefore, that the neurosurgical department must be located outside the teaching hospital. But there is a close relationship between neurosurgery and neurology, and to a less extent, psychiatry. Ideally the neurological and neurosurgical departments should be under the same roof, but neurology is also an important part of medicine, and some neurological service would seem to be necessary at the teaching hospital also. Similar problems arise in other fields, e.g. thoracic surgery.

It seems clear that the teaching hospital will have to be planned with basic undergraduate teaching as its sole object, and its clinical material selected accordingly. It follows that it will be able to play only a limited part in the medical services of the community, which would still have to rely upon general and special beds elsewhere. Moreover, such general beds and special departments, either now existing or which will come into existence, will have an important part to play even in undergraduate teaching outside the medical school, and an essential part in stages 2 and 3 - general and special vocational training.

It is sometimes said that a teaching hospital should act as a district hospital, admitting all patients who come requiring admission, on the ground that the student should be exposed to clinical material which represents an ordinary sample of the problems with which he is going to be called
upon to deal when he is qualified. This, however, is surely to mistake the nature of education. Obviously the student needs to learn about the clinical problems with which he will have to contend when he is qualified, but this should not be a haphazard process: it should be carefully planned. And teaching cannot be properly planned in the hospital in which the admissions are entirely unselected. A small teaching hospital, in particular, may easily become disorganized by the admission of cases unsuitable for teaching or too many of one kind, or if long-stay patients cannot be transferred elsewhere. There should be ample opportunity even at the undergraduate stage for students, by visiting other hospitals, to form a general picture of the incidence of disease, and this of course forms an essential part of their postgraduate training.

It follows from what has been said that the planning of a teaching hospital should proceed in the closest possible collaboration with those who are responsible for providing the other medical services for the whole Province. Joint decisions will need to be taken as to the share of those medical services which the teaching hospital will accept. It will be for those responsible for the rest of the medical services to decide how they shall be allocated as between acute general medical and surgical beds, obstetrical beds, paediatric beds, beds for other specialties, rehabilitation
units, beds for the chronic sick, geriatric beds, psychiatric beds, etc. These needs having been assessed, it will be necessary to draw up a ten-year plan to cover the period of transition during which the university hospital will be built and come into full activity. The object of this plan will be to ensure that at the end of that period the medical services for which the university hospital will not be responsible, that is to say, those which will still have to be carried out by voluntary agencies or the Department of Health, will be so organised that they will exist in the right proportions determined by needs and available financial resources, that they will be sited in the most convenient places, in buildings as far as possible brought up to date or, where necessary, newly provided, and that due regard is had to the availability of all these non-university hospitals for the purposes of medical education.

Outside St. John's, an equally close liaison will be necessary between the University Health Sciences Centre and the Regional Health Boards, so that the best possible use may be made of hospitals in the regions for postgraduate and continuing medical education. In suitable places throughout the Province, centres of postgraduate medical education should be established in relationship with the larger hospitals, as is now being widely done in Great Britain.
To end this section let me make clear the differences and the relationships between the University Hospital, the Medical School and the Health Sciences Centre. The University Hospital will be the building placed on the campus at which the basic undergraduate medical education will be carried out. The Medical School, embracing all pre-clinical and clinical sciences and the whole range of undergraduate and post-graduate medical education will consist of teachers and departments outside as well as inside the University Hospital. I envisage professorial departments established in other hospitals, and recognized teachers teaching in other hospitals, including cottage hospitals, and these parts of the Medical School may well come into being before the University Hospital. The Health Sciences Centre when established will comprehend the activities of the Medical School and the Dental School, together with the educational establishments for nursing and all the professions supplementary to medicine.
The brief of the Memorial University puts forward two plans for the establishment of a medical school, Plan A and Plan B, and itself favours Plan B. I strongly recommend the adoption of Plan B. I note that amongst other things, Plan A mentions the possibility of a university hospital of 280-300 beds. Apart from the fact that this would exclude from the university hospital paediatrics and obstetrics, I have already given my reasons for thinking that at least 400 beds are desirable. Dr. Stewart in his memorandum to the MacFarlane Committee recommends planning for an intake of 64, which would mean a hospital of over 600 beds. While this may not be either desirable or feasible at the moment, I am sure that the Health Services Centre should be so planned that the number of beds at the University Hospital can be increased later if necessary.

The reasons why I favour Plan B are the following. As the University brief states, it would make it possible for early Faculty appointments to concentrate their teaching efforts at first on postgraduate and continuing medical education, utilising existing hospital facilities with certain essential improvements, until a university hospital became available. This in my view has several advantages. Within a short time it would begin to fulfil the need for continuing
and postgraduate medical education in Newfoundland, and thereby it should make the medical services there more attractive. Equally important, it would establish a cadre of doctors concerned with medical education, whose experience would be a great help in planning and establishing the medical school, and who would be ready and prepared to work in it as teachers. It would, as Plan B shows, facilitate the appointment of heads of clinical departments at an early stage, and so accelerate the planning of the medical school. Equally important in my view is the fact that, as I have already shown, the ten-year plan for the integration of the medical school and the remaining medical services in the Province is bound to be complex and difficult. The sooner, therefore, it is begun, the better; and if Plan B is adopted it can be begun at once.

I note also that as stated in Appendix 2a, it may be possible to construct two floors above the 'government wing' of the existing science building to provide space for the offices of a Dean and a Director of postgraduate and continuing medical education amongst other things, and that this will make it unnecessary to plan and construct a building between the Grace Hospital and the St. Clare's Mercy Hospital. Finally the availability of additional space in the new medical sciences building at Dalhousie University should make it possible, if a satisfactory arrangement can be come to
between the Memorial University and the Dalhousie University, to use this space for medical students from Newfoundland, which would make it possible, if suitable arrangements for clinical teaching can by that time be made in St. John's, for the instruction for the third and fourth year clinical students to begin there in 1969 or 1970.
The Memorial University's brief contains estimates of the capital and running costs of the Medical School. I am not in a position to comment on these in detail. I will therefore make only some general observations.

The capital outlay must inevitably be heavy. I hope that this may be generously supported from Federal sources, not only because a new Medical School in Newfoundland would be fulfilling the recommendation of the Hall Royal Commission that more medical schools should be established, but also because of the direct benefits to medicine and public health which I am convinced a medical school at St. John's would confer on the Province. I can imagine no more rewarding investment in public welfare and happiness. For this reason I hope too that the project may be generously supported by charitable foundations and individuals.

My second point is that the relationship between the Medical School and the hospital services generally will be so intimate that the finances of both will be closely interlocked. In the first volume of my report I recommended (Recommendation 11) that the "new University Hospital should be managed by a governing body appointed by the Minister after consultation with the appropriate authorities and bodies, and that the financing of the hospital should be the
responsibility of the Minister." The MacFarlane Committee recommends that "the University Hospital be under the direct control of the University which should be responsible for all matters of policy and expenditure." The brief of the Memorial University does not deal directly with this point, but various statements in it seem to imply that the University accepts this recommendation of the MacFarlane Committee. When I made my own recommendation I had not read the report of the MacFarlane Committee, so I think I should consider this point again. I will deal first with the points in favour of the view I expressed in the first volume of my report, and then with the points which favour the view of the MacFarlane Committee. On general grounds, it seemed to me that as the University Hospital will be playing a most important part in the medical services of Newfoundland, the more closely it can be integrated with them the better, and as the bulk of these services are still provided by the Department of Health, this integration would seem to be best accomplished by making the Department of Health responsible for the financing of the hospital, always provided that this is not a direct responsibility, but is mediated by a governing body in much the same way as will be the case with regional hospitals if my proposals with regard to them are adopted. Moreover it seems clear that much of the capital needed to build the
University Hospital will have to be provided by the Government of Newfoundland or the Federal Government. There is something to be said, therefore, for making the Government, through the Department of Health, wholly responsible for the maintenance of the hospital when it is established. Moreover, the teaching hospital will be rendering services to the community for which, at least in part, it will presumably be paid under the Medicare Plan, and again, there is something to be said for putting the University Hospital on a par with other hospitals in the Government service as far as the financing of medical care is concerned, though the University should be responsible for the financing of the educational side.

On the other hand, if it is the general practice in Canada for the Universities to be financially responsible for university hospitals, this might be an argument against adopting a different arrangement in Newfoundland, though it does not follow that financial arrangements which were appropriate in the past when other university hospitals were established are necessarily the most appropriate today, when the economic basis of medical care is changing so rapidly. Another argument in favour of the University being financially responsible for the University Hospital is perhaps that unlike Great Britain, where there are now very few privately-owned hospitals, Newfoundland still substantially depends upon
such hospitals, and therefore the establishment of a new hospital which is not maintained by the Government would not be an exception to the existing pattern. This issue must be one for local decision. If the University does own the hospital, it will also need to come to terms with the Government with regard to capital depreciation and maintenance, as indeed will other hospitals not owned by the Government. I shall deal with this point in the last volume of my report. If the Medical School is to use other hospitals for teaching purposes it will have to pay those hospital authorities including the Department of Health for the facilities, but in so far as the University staff are treating patients in those hospitals they will receive remuneration for those services from the Government under Medicare. I deal with the remuneration of medical staff also in the last volume of my report.

Recommendation 35:

I recommend the adoption of the Memorial University Plan B for the development of the Medical School and that a University Hospital should be built on the campus as soon as possible.

Recommendation 36:

I recommend the immediate establishment of a Planning Committee to develop the ten-year plan outlined in the previous volume of my report. This Committee should
obtain the necessary information to estimate the needs for all medical services during the next ten years. Assuming that a Medical School and University Hospital will come into existence it should, in consultation with representatives of the University, consider how these services should be divided between the University and other hospitals when the University Hospital is established, and what are the best interim arrangements, having regard to both the needs of medical education, the provision of medical services to the community, and the financial resources available. This Committee will need to include representatives of all the hospitals and other interests concerned. It should therefore be set up jointly by the Department of Health and the Provincial Health Council.
All of which I respectfully submit for your Excellency's consideration.

[Signature]
Commissioner

[Signature]
Secretary