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HOSPITAL CARE IN CANADA

In an address to the 62nd Annual Meeting of the American Hospital Association at San Francisco on August 31, Canada's Minister of National Health and Welfare, Mr. J. Waldo Monteith, said that, when he referred to a "Canadian approach to hospital care", it was "fair to assume that I am implying that there is something unique about what we have done in this field." The speaker proceeded to elaborate this statement as follows:

DECENTRALIZATION

"...For example, Canada has always maintained the principle of decentralization of hospital services. Like yours, our hospitals have been owned and controlled by municipalities, voluntary groups, and religious orders. The main burden of financing construction and other capital items has been carried at the community level. Where financial aid has been provided by the senior levels of government, every effort has been made to guard against centralized control.

"Our aim has been to preserve the independence of hospitals and to see that responsibility for their well-being remains as far as possible in the hands of those they serve directly. I believe this principle is of fundamental importance and would point out that it has been followed in implementing what is without doubt the most far-reaching development in the hospital field in our history. I refer to the recently introduced programme of public insurance covering basic hospital care and diagnostic services.

"I intend to discuss this programme in some detail but before doing so I would like to give you some of the background factors which led up to this great social experiment.

RISING COSTS

"Probably the most important single impetus behind Canada's adoption of a public system of hospital insurance and diagnostic services was the continuing climb in hospital costs. This was due to the convergence of a number of related factors. There was, of course, the matter of inflation which affected Canada as it has other countries of the Western World in the postwar period. In fact, it has been estimated that in Canada inflation accounted for fully 40 per cent of the increase in hospital operating costs between 1948 and 1958. These costs, incidentally, more than tripled in that decade -- rising from \$208 million to nearly \$620 million annually.

"A further 25 per cent of the overall increase was due to population growth and an additional similar percentage to internal changes in the quality, organization and amount of hospital services rendered. The latter sprang, of course, largely from medical progress, which has multiplied the number of services necessary for skilled diagnosis and treatment while at the same time increasing the dependence of the physician and the patient on hospitals to provide these services.

"Less than 10 per cent of the rise in operating costs between 1948-58 was associated with increases in the rate at which people use

(Over)