of hospital personnel include increases in hospital plant and beds and the volume of patients under care, a progressive reduction of the hospital work-week, and technological changes that have increased the quantity of service rendered to each patient per patient day. Professional and technical personnel to operate the various special services such as clinical laboratories, radiology, electrocardiography, physiotherapy, and so on, have become increasingly significant and essential; even in the nursing group the average number of graduate nurses per hundred patients under care daily rose from 28 to 38 in the period between 1948 and 1958.

Cost of Hospital Care

Both the volume of service rendered (as measured by days of care) and the physical plant (as measured by beds) of general and allied special hospitals have increased by slightly more than 50 p.c. between the years 1948 and 1958. By contrast, annual net operating and capital expenditures have risen by more than 200 p.c. since 1948.

Operating Expenditures.—In 1958, non-federal general and allied special hospitals (exclusive of private hospitals) expended approximately $450,000,000 on current operations, a ten-year increase of 246 p.c. Over this period, the national average cost per patient day for adults and children increased from $7.62 to $17.24, and the national average per capita cost from $10.19 to $26.51.

The rise in total operating costs since 1948 may be viewed as the composite result of a number of factors which can be summed up in four groups: economic inflation, total population increase, increased utilization of hospitals per unit of population, and increased quality and quantity of service per patient day. The relative influence of each factor may be gauged by recalculating the 1958 estimated expenditures as if the value of the dollar, total population, and the rate of hospital utilization by that population had remained unchanged throughout the period of comparison. On this basis it has been estimated that general price inflation was responsible for more than two-fifths of the aggregate increase, population growth for about one-quarter, 'internal' factors intrinsic to hospital operation for one-quarter, and increasing utilization rates (days of care per thousand population) for about one-fifteenth.

With regard to 'internal' factors in hospital operation, the greatly increased number of hospital personnel required has tended to make salary levels rise more rapidly than average industrial wages and salaries, thus reducing a long-standing lag. The payroll component of operating expenditures in general and allied special hospitals rose from 48 p.c. of total payrolls in 1948 to 61 p.c. in 1958.

Capital Costs and Construction Grants.—Hospitals represent a major investment in land, buildings and equipment and form an important segment of Canada's 'social' capital; total valuation is broadly estimated as in excess of $1,500,000,000. Annual construction expenditures reached an estimated $125,000,000 in the year 1958. For active treatment beds, the estimated average cost per active treatment bed under construction or completed during the year ended Mar. 31, 1959 was $19,600, approximately double the average cost of construction per bed ten years earlier. Inflation, of course, has been a major factor in the higher costs of construction but the changing nature of the facilities being constructed has also been significant. Whereas ten years ago emphasis was placed on development of small hospitals (relatively low in cost) in rural areas, efforts in recent years have been focussed on the enlargement of existing institutions in urban areas and the development of highly specialized facilities as well as on increasing the number of patient beds.

For capital funds, voluntary hospitals have in the past depended primarily on the benevolence of private groups and individuals, municipal hospitals have been dependent on local taxes, while provincial and federal funds were allocated originally in large part to construction of certain special hospitals operated by these governments. The growing necessity of stimulating and controlling construction of facilities in accordance with social needs led several provinces to introduce capital grants, beginning with Saskatchewan in