

OHA STATEMENT ON MINISTRY OF HEALTH BUDGET LETTER

Hospitals across the province are today figuring how much money they will have to operate with in 1974. One thing is certain. They will not be getting the 7.9% increase quoted by the Ontario Government earlier as the 1974 ceiling for both hospital and education spending.

A letter from Deputy Health Minister, S.W. Martin to hospital board chairmen and administrators states that hospitals will not be able to count their full 1973 budget as the basis on which to calculate the next year's increase. Instead, it will be reduced by 60% of the amount allowed this year for depreciation of equipment. The Federal Government's unexpected increase in Unemployment Insurance premiums will also hit hospitals hard.

The impact of this reduction will be felt more heavily by some hospitals than others, depending on the extent to which they have been forced to rely on depreciation allowances to stretch their budget for operating services.

The Ontario Hospital Association estimates that the Ministry's action will have the effect of reducing the budget increase from 7.9% to an average of approximately 6.9%.

"On a total bill of some \$1.2 billion, that 1% represents about \$12 million worth of hospital services," said Mr. R. Alan Hay, O.H.A. Executive Director. "While we appreciate that the Ministry of Health has been put under great pressure by the Cabinet to contain costs the government and the public also must realize the severe strain of trying to maintain efficient hospital services in the quantity needed by the public with limited funds."

"Hospitals must pay higher costs for food, energy supplies, and so on, like everybody else. Employees' wages are rising steadily.

The public demand for hospital service increases every year. When you consider that the cost of just standing still has been rising at a rate of 8% a year, it's quite clear that hospitals face a very difficult task in maintaining the needed level of service with an increase of less than 7% in their funds."

Mr. Hay said that if hospitals also have to absorb the extra cost which Ottawa has just added to Unemployment Insurance charges, the O.H.A. calculates their budget increase will be whittled down still further to about 6.4%.

"Our Association has already urged the Ministry of Health to prevent that further threat to hospital services," said Mr. Hay, "by offsetting what is really a federal tax by providing additional funds for the Unemployment Insurance surcharge, outside the Global Budget."

SPORTS SLANTS

- By Ray Shank

Guess it's time to look at those National Hockey League standings and compare them with my predictions of about a month ago. Of course, the season is far from over - it's a little better than one-quarter completed - but what the heck, it's better than talking about the Grey Cup final.

Let's see now. Things aren't exactly going the way I figured. Montreal Canadiens, the team I picked to repeat as Prince of Wales Trophy winners, have been disappointing. As of last Tuesday they had already lost six games, just four short of their total losses last year. And isn't it interesting that of those six losses, four have come right in their own rink, the Forum. To go with those six defeats the Canadiens had two ties. Both of those also came at home.

Of their 12 triumphs, 10 had come on the road.

And Boston Bruins, the team I hate most.

continued page 6



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