HOSPITAL FINANCE PROBE DEMANDED; 'SICKNESS' IN BCHIS MUST BE CURED

Hospital Employees’ Union Local 180 today declared that the acute general hospital system in B.C. is suffering from a dangerous sickness.

The Union demanded a Royal Commission to investigate the operation and financing of hospitals and find a remedy before it is too late.

Officers and employees of the Union have penetrated a smoke screen of propaganda and untruths surrounding the operation of B.C. Hospital Insurance Service, the agency which is charged with providing hospital care.

They found indisputable proof that over the past four years at least $27 million gladly provided by the people of B.C. for hospitals has been diverted to other government projects.

This amount has been kept from the hospitals by a prolonged system of installment plan starvation. The result — complicated by other unhealthy factors — is a growing fever chart of symptoms. Among them:

- One hospital has failed to meet its payroll; others are merely squeezing by, thanks to the indulgence of their banks and suppliers.
- Long hidden conflicts in BCHIS operating procedure are coming to light.
- The provincial minister of health, Mr. Martin, has issued a long public statement which is either cynical or the result of poor advice. It does not jibe with the facts.
- It is an open secret among administrative and medical authorities that due to the above factors, the standard of care given patients in B.C. hospitals must soon suffer — if indeed the deterioration has not already started.

It would be unfortunate if these events took place anywhere in Canada.

In B.C., it is tragic, because it is a matter of record that the B.C. Hospital Insurance Scheme is second to none, and the hospitals of B.C. are among the most efficient and the most economical in America.

Consider these accomplishments, in which hospital employees have been proud to play a part:

- The ratio of hospital expense per patient day in B.C. is strikingly below that of comparable hospitals in the U.S. (See chart page 1).
- The number of full time employees per 100 patients in B.C. hospitals is well below the Canadian average, far below that of neighboring hospitals in the U.S. (See chart page 2).
- The increase in hospital personnel per patient day — an unavoidable trend due to a revolution in treatment techniques — is nevertheless lower in B.C. than in other comparable hospitals. (See chart page 3).

These facts are true and are well known within the industry, if not by the general public. In addition, the taxpayers of B.C., through both federal and provincial governments, make enough money available to operate hospitals for all with efficiency and dignity.

Why then do we see an atmosphere of crisis and wild-eyed penny pinching (Continued on Page 2)
PROBE DEMANDED

From Page One

that can do nothing but impair efficiency and detract from public confidence?

The answer lies primarily in the financial operation of the provincial government and its agent, BCHIS.

There is this fact which no amount of press releases can deny: Hospitals are not getting the money that an enlightened public is making available. In the past four years, the difference between the yield of the two per cent sales tax in B.C. and the amount expended on general hospitals amounts to $27 million. (For details drawn from the Public Accounts of B.C. see table upper right).

It is conveniently forgotten today that before the advent of the two per cent sales tax, many people escaped paying premiums altogether. The provincial government picked up the tab, amounting to many millions. But since the advent of the sales tax, BCHIS has been a source of revenue, not expense, to the financial wizards of Victoria.

This is especially true when you consider the further contribution of the Federal Government.

And despite the remarks of Premier Bennett and Health Minister Martin in recent days that the two per cent sales tax was not hitched directly to hospital costs, the fact remains that the tax was "sold" on that basis, and people have paid it all these years under the impression that at least they were financing a sound hospital scheme.

The financial policy of BCHIS in its dealings with hospitals has always been a deliberate one. "Too little and too late" seems to have been the motto.

The following table of figures, computed from the financial reports of the provincial government, show clearly that more than $27 million which the public believes is earmarked for hospitals has in fact been diverted to other projects.

(Not: The provincial government now says that two per cent of the provincial sales tax was never directly tied to hospitals. However, a policy statement in the August, 1962, issue of the official B.C. Government News states: "On April 1, 1954, the collection of premiums was discontinued and the social services tax was increased from 3 to 5 per cent to provide the funds formerly raised by premium collections for the Hospital Insurance Service.")

<table>
<thead>
<tr>
<th>Year</th>
<th>Payments for Services and Grants in Aid</th>
<th>Federal Contribution (IN MILLIONS)</th>
<th>Provincial Portion</th>
<th>2/3 Sales Tax and Amusement Tax</th>
<th>Amount of Sales and Amusement Tax Unspent</th>
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<tbody>
<tr>
<td>1959</td>
<td>$43,814</td>
<td>$12,784</td>
<td>$31,030</td>
<td>$35,617</td>
<td>$4,597</td>
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<tr>
<td>1960</td>
<td>$48,330</td>
<td>20,406</td>
<td>27,924</td>
<td>37,688</td>
<td>9,944</td>
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<tr>
<td>1961</td>
<td>$53,018</td>
<td>22,590</td>
<td>30,428</td>
<td>36,846</td>
<td>6,118</td>
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<tr>
<td>1962</td>
<td>$58,018</td>
<td>25,697</td>
<td>32,321</td>
<td>30,013</td>
<td>8,062</td>
</tr>
<tr>
<td>Total</td>
<td>$227,341</td>
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The result came to public attention on the morning of Sept. 8 of this year, at which time the impossible happened, and Jubilee Hospital at Vernon failed to meet its payroll.

The immediate reason has been well documented elsewhere. In brief, BCHIS payments were so small and so late that the hospital exhausted its bank credit. It could happen to other hospitals.

But behind this bizarre event there are more general questions which must be answered:

What is the basis of an accounting procedure in which no hospital can tell for sure whether it is solvent from one day to another?

What are the ground rules in this strange contest between Victoria and the hospitals? And why does one party insist on changing whatever rules there are without notice?

Why is there a chronic lack of communication between the hospital boards and BCHIS? Why is there no sensible formula for settling disputes that are bound to arise in a project of this magnitude?

Hospital administration is one of the most complex operations on earth. Members of this Union do not pretend to have all the answers. But the answers must be found, and we submit this can best be done by a Royal Commission with full power to unravel mysteries wherever they may occur.

The alternative is continuation of something approaching anarchy.

Hospital staffs, already overworked, may be expected to shrink further.

When that happens, the quality and quantity of care afforded patients will suffer. People will lose confidence in hospitals and their hospital insurance scheme. In these peculiar days, it is not too difficult to foresee a further tightening of government funds, or a general tightening of the whole economy.

Such a combination of circumstances could mean the lowering of the ideals and purposes of BCHIS, and this would be a public disaster.

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Comparison Showing Full Time Employees per Patient

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<tbody>
<tr>
<td>Canada</td>
<td>1.77</td>
<td></td>
<td>1.51</td>
<td>1.60</td>
<td>1.78</td>
<td>1.69</td>
<td>1.77</td>
<td>1.78</td>
<td>1.69</td>
<td>1.76</td>
<td>2.57</td>
<td>2.33</td>
<td>2.44</td>
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<tr>
<td>U.S.A.</td>
<td></td>
<td>2.35</td>
<td></td>
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<tr>
<td>B.C.</td>
<td>2.35</td>
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**IN THE SPOTLIGHT**

**Health Minister's Statement Comes Under Union Attack**

On Sept. 18, 1962, there appeared in newspaper offices across the province an "Open Letter To the Editors of the Newspapers of B.C." It was signed by Eric Martin, minister of Health Services and Hospital Insurance.

This document contains information which the Hospital Employees' Union can and must challenge here and now:

Mr. Martin claims there is no foundation in reports that cuts have been made in hospital budgets.

We wish he hadn’t said that. For one thing, it’s a well known fact that the budget of almost every hospital in B.C. has been cut for one reason or another, sometimes legitimately. It would be strange indeed from a taxpayer’s point of view if BCHIS, the paid agent of the public, were to accept holus-bolus every budget submitted by every hospital board in B.C. Mr. Martin must mean something else. The question is, what?

Mr. Martin states: "In the fiscal year 1958-59, the actual payments made by BCHIS to hospitals for hospital care amounted to $37,683,000. In the current fiscal year, the funds voted by the legislature to cover these payments total $37,740,000, an increase of $19,557,000, or about 50 per cent." Mr. Martin should know full well that the federal government contribution—which he chooses to ignore—was $12,784,000 in 1958-59, and increased to $25,697,000 in the current year. The contribution by Mr. Martin’s government was $31,029,542 in 1958-59, which remained relatively static in the current year at $32,320,603. And during that time, Mr. Martin’s government showed a surplus of over $27 million on its hospital operations.

Mr. Martin states that although his government does not hitch hospital service to the sales tax yield, "anyone who studies the official estimates for 1962-63 would see that 40 per cent of the sales tax revenue is approximately a quarter of a million dollars below estimated payments to hospitals. Would it be suggested that hospitals cut their budgets this year to provide for this? Of course not."

The clear inference here is that the provincial government is going to dig into some special fund to bail the hospitals out. Is that a fact? Of course not! This bit of free-wheeling falls once again to take into consideration the contribution of the federal government, which last year amounted to $25 million.

The open letter winds up with a back-hand blow to all those hospitals which are having financial troubles at the moment. It says: "Since 1958-59 increases of 50 per cent in payments to hospitals have been provided, and there is no reason at all for a hospital to be short of funds if prudent management had insisted that developments take place only within the financial means of the hospitals."

The inference to any casual reader is that hospital management must have been imprudent.

We commend to Mr. Martin the wealth of statistical material in this publication which shows that hospital management is prudent indeed—often to a point where it hurts.

### Increase in Ratio of Personnel to Daily Average Number of Patients

<table>
<thead>
<tr>
<th>Percentage Increase</th>
<th>PERIOD 1948 - 1958</th>
<th>(Newfoundland not available)</th>
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</thead>
<tbody>
<tr>
<td>B.C.</td>
<td>63.3%</td>
<td></td>
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<tr>
<td>Alta.</td>
<td>42.1%</td>
<td></td>
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<tr>
<td>P.E.I.</td>
<td>76.0%</td>
<td></td>
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<tr>
<td>Sask.</td>
<td>47.0%</td>
<td></td>
</tr>
<tr>
<td>N.S.</td>
<td>64.5%</td>
<td></td>
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<tr>
<td>Ont.</td>
<td>69.7%</td>
<td></td>
</tr>
<tr>
<td>N.B.</td>
<td>42.9%</td>
<td></td>
</tr>
<tr>
<td>Man.</td>
<td>21.9%</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>38.4%</td>
<td></td>
</tr>
</tbody>
</table>

Across the Business Manager's Desk

In the Guardian of December, 1961, we wrote an article entitled "Fair Warning — Hospitals Must Obey Contracts."

In some areas there has been little or no improvement.

Contracts are still being violated and workers are still being intimidated. These violations have been catalogued and when we reach the bargaining table we will have something to say about these situations.

It may be that the hospital trustees are not informed. They may be unaware of the internal operation of their labour relations policies.

In other articles in this Guardian, we have demonstrated the ratio of employees to patients. We know that staffing is tight. We appreciate that the majority of departmental heads are fair, but as usual, there is an ignorant minority which condemns the majority.

Ignorant Minority

It is this minority, which we refer to as the "little corporals", or the "little Hitlers" if you like, who lay the wood on the workers. They take out all their own personal frustrations, expose their own weaknesses by statements like this: "If you don't like working here, you know what you can do."

The creation of an atmosphere of fear within the hospital institution is a poor substitute for good, sound labour relations policies.

In some areas we hear a great deal about social justice. In fact, lectures are given on the topic. Our concern is not at the top management level where we can negotiate reasonably and fairly with the various members of hospital boards and trustees. Our problem is with the "little corporals," who do not appear at the bargaining table.

Suit Own Whims

Apparently they have adopted the principle of divine right. They have set themselves up to interpret the various contract provisions to suit their own whims.

In other sections of this publication we have pinpointed a basic weakness in the B.C. Hospital Insurance Service — the lack of communication. The same weakness is perpetuated by many of our hospitals in the province of B.C.

At the conclusion of contract negotiations we have yet to hear of an administration that has called together the various administrative teams and explained the ramifications of the agreement and its interpretation.

We have attempted to develop Supervisors' Manuals — a standard interpretation of our Agreement, and the various labour policies of the hospital institution. But apparently we have failed to get that off the ground.

Contract Violations

There have been contract violations and statute violations, right, left and centre. We intend to see that there is fair administration of our agreements and some social justice injected into labour administrative techniques.

If this is not so, then hospital workers will "work to rule"; the provisions contained in our Agreements and in the various labour statutes will be strictly enforced and adhered to.

Let this be fair warning.

Hospital Care Has Weak Link

The public need for uninterrupted, skillful, and efficient care of the sick, created hospitals.

In British Columbia, orderly and efficient hospital planning, expansion, and extension of services has been made possible through public support and financing of the British Columbia Hospital Insurance Service.

As British Columbians we take pride in the advances we have made in the matter of hospitalization, but, just as we are able to pride ourselves on our accomplishments, we recognize also our shortcomings.

It is the shortcomings of our B.C. Hospitalization scheme, coupled with reports of accelerated construction of 50 and 75 bed, profit making private hospitals that are now causing us deep concern.

There is no doubt that the chronically ill patient, the aged patient, and the convalescent patient all present problems to our public acute care hospitals. But these people have two things in common with those patients who are free to use the complete facilities of the publicly sponsored hospitals. They are sick, and they finance the hospital scheme on an equal basis.

Our hospitalization system was devised to take care of the sick and injured. Not just the acutely sick, not just one or another type of easy to handle sick or injured person, as may suit the desire of the institution; but to provide the necessary needed care for all of our citizens.

Many in the medical profession are so absorbed in the pressing problems of purely physical disease, and in the maintenance of their public image or status in the community that they appear to have little sympathy for the rehabilitative and convalescent need of their flesh and blood patients.

Also, the Provincial Government, through B.C.H.I.S., by consciously or unconsciously sidestepping the need for total public hospital care, because it happens to present unusual and perhaps a (Continued on Page 7)
Local 180 Invests In Education

Four young people have begun their university careers with the assistance of the scholarship program of Hospital Employees’ Union Local 180.

Winners of the 1962 scholarships, each valued at $250, are:

SYBIL SMITH-GANDER, 16, whose mother works at Burnaby General Hospital;

ELIZABETH DEMCHUCK, 18, whose mother is a nurse aide at St. Joseph’s Hospital, Victoria;

CAROL JOLING, 17, whose mother is a hospital aide at Nicola Valley Hospital, Merritt.

DON HOWARD, 16, whose mother is a nurse aide at Royal Columbian Hospital, New Westminster.

The scholarship program was established at the union’s 1960 convention. Last year two scholarships were awarded, and this year the Vancouver General unit established two additional scholarships.

All are awarded students entering UBC or Victoria College for the first time. Candidates must write government examinations and achieve 70 per cent or over. They must also be sons or daughters of active members of the Hospital Employees Union.

SYBIL SMITH-GANDER, whose home is at 4584 Gilpin St., Burnaby, is at UBC working towards a BA. She may follow this up with a master’s degree in social work — or perhaps a career in journalism. Sybil’s favorite subject is English; she is also studying world history, zoology, psychology and Chinese, a subject which she believes would be an asset to a social worker in Vancouver. She makes her own clothes, attends the theatre whenever possible, and with four others has written and produced a play.

ELIZABETH DEMCHUCK, now a student at Victoria College, hopes to attend UBC next year and work towards a degree in Home Economics. She is interested in the food section of the course, and may find employment on the experimental staff of a food firm. In high school she was president of the Home Economics Club and co-ordinator of the annual school fashion show. Her hobbies are reading, cooking and sewing.

CAROL JOLING is now in residence at Anne Westbrook Hall, UBC, and is working towards a BA, specializing in French and German. Eventually she may become an interpreter, or a secondary teacher here or abroad. She is a sports enthusiast, and like the other two girls, scholarship winners, finds it “handy and usually much cheaper” to sew her own clothes.

DON HOWARD, the only male scholarship winner this year, lives in North Surrey, is enrolled in Arts and Science and will probably follow a career in science. His chief hobby is sports and he plays baseball in the Connie Mack League.

The Sales Tax Argument

The provincial government is well aware that a significant amount of the money paid by taxpayers in the hospital portion of the sales tax has not been spent in the hospital field. That is why government spokesmen are now saying that the sales tax increase was never tied to hospital finance.

But even if we were to accept Health Minister Martin’s version of this dispute, the fact remains that no reserve fund has been set up with the excess money. Common sense would indicate that this should have been done, because should sales tax revenues be decreased by recession or depression, it is obvious that other sources of revenue would also dry up.
CONVENTION AT PENTICTON

A SUCCESSFUL CONVENTION has one vital ingredient — people who are interested, active and responsible. Local 180 had scores of these at the Penticton convention, some of whom are shown here. No. 1 shows (from left) acting mayor of Penticton, Perley McPherson, guest speaker Harry Slade of B.C. Hospitals' Association, and business manager Bill Black; No. 2 a group of delegates as they go about convention business; No. 3 shows the newly-elected provincial executive and regional representatives; No. 4, constitution committee chairman Wally Fedak (at right) and members of his committee report to convention.

DELEGATES CHART FUTURE POLICY

PENTICTON — More than 100 delegates from all parts of B.C. met this summer as Hospital Employees Union Local 180 held its third biennial convention at Prince Charles Motor Hotel here.

For a week, delegates met to review union activities for the past two years and to formulate new policies and procedures for the next two years.

Delegates approved a resolution calling for removal of discriminatory clauses in the Municipal Superannuation Act.

They also asked that free medical coverage for unemployed workers and their families be extended until such time as the worker is re-employed.

Delegates unanimously condemned the practice followed by some public bodies of “contracting out” jobs held by union members. This, delegates found resulted in deterioration of service to the community and generally resulted in higher costs.

A resolution calling for the union to provide an annual grant of $500 to assist in technical and vocational education was referred to the incoming provincial executive to make a study of factors involved in its implementation.

A number of constitutional amendments were given convention approval, including a proposal setting forth qualifications for table officers in established units of 250 members or more.

To ensure experienced “trusteeship” at the unit level, the constitution is to be amended to provide that one trustee will be elected at annual elections for a two year term, and the other two trustees will be elected to serve one year terms.

IN THE SPOTLIGHT

(Continued from Page 3)

ative resident with preceptor Leon Hickernell at Vancouver General Hospital.

In the summer of 1958, Mr. Manning bounced and clattered 6,000 miles through Europe on a small overloaded motorcycle, his wife wedged between himself and a tall pile of camping gear tied onto the machine at the rear.

While serving as assistant director of the 300-bed McLaren Hospital in Flint, Mich., his family expanded in the form of two redheads, Gavin and Fiona. While in Flint, the family had a memorable camping trip to the Windward Islands, where he visited two hospitals and also climbed a remote trail to visit the few remaining Carib Indians.

Mr. Manning took up his duties as administrator at Surrey Memorial in March, 1962.

Death Takes Phil Forsha and Wife

A motor accident this summer took the life of Brother Philip Forsha, one of the pioneer builders of the Hospital Employees' Union, and his wife, Ernie.

Brother Forsha came to Vancouver General in 1940 from the Marpole Infirmary and worked at VGH for four years. He took employment elsewhere for a time, then in June, 1947, returned to Vancouver General and immediately became most active in union affairs.

He served on the provincial executive from 1953 to 1959. In 1956 he was elected first vice-president by acclamation. For the remainder of his term as an executive member, he was a trustee.

During the whole period he helped make the decisions which led to the building of this union as a strong provincial organization.

In his own local unit he served for nine years as secretary, and during that whole time missed only one meeting. That was due to serious illness.

In his final year he was chairman of the Vancouver General Unit sick committee.

Brother Forsha will be missed throughout the province, both as friend and as a worker in Local 180.
BUSINESS MANAGER'S REPORT:

Events of Two Big Years Come Alive

How do you compress the events — big and small — of two momentous years in the life of a big province-wide organization into the space of a few hours?

Normally, it can’t be done. But delegates to the Penticton convention of Local 180 agreed that business-manager Bill Black had apparently accomplished the impossible.

Brother Black’s report occupied 53 manuscript pages. But in the hours he was on his feet before the convention he managed to transform a vast mountain of facts into a living documentation of 24 months — a never-ending series of decisions and battles involving every member of the union.

The report, too long to be summarized here, encompassed every field of union activity, and should be required reading for those individuals who balk at paying dues to the union which fights their battles.

Brother Black made these major points:
- The strength of Local 180 lies in the fact it is the unified voice of hospital workers. Divisions or splinter groups could cause trouble.
- The concept of regional bargaining is developing well, although there are pockets of resistance to the idea and a great deal of groundwork remains to be done.
- Local 180 is the inspiration — and often the envy — of hospital workers across Canada.
- Nurses, experiencing long and frustrating negotiating sessions this year, may have to take a new look at their bargaining position.
- The Local will require additional high calibre headquarters staff if the present rate of growth is to be maintained.

At the end, it was moved by Brother Sevin of VGH and seconded by Brother Weisgerber of St. Paul’s that the report be accepted with the greatest appreciation for the work of Brother Bill Black.

Hospital Care Has Weak Link

(Continued from Page 4)

difficult variety of social as well as medical problems, plays into the hands of groups in our midst who believe that profit can, and should be extracted from those individuals who are unfortunate enough to become ill, from those who are bedridden, and from those patients who require periods of convalescence.

That we should allow profit seeking groups to enter the hospitalization field is morally indefensible, especially so when you consider that we have the necessary finances, and have demonstrated that publicly supported and financed hospitalization has brought the finest low cost acute hospital care in North America to the citizens of British Columbia.

We now urge the provincial government to implement a custodial nursing care program in conjunction with the existing acute and rehabilitative hospital care scheme.
AT CONVENTION

John Fleming
Re-elected
Unanimously

PENTICTON — John Fleming of the Royal Columbian Hospital unit was again chosen as the top officer of Local 130 when delegates of the Hospital Employees Union met in convention here.

Brother Fleming's efforts and abilities were recognized and rewarded by hospital workers when he was unanimously chosen as Provincial President.

Brother Alex Paterson, provincial financial secretary, was also given unanimous approval by delegates.

The following officers were elected to serve during the 1962-64 period:

J. Darby of New Westminster was elected first vice-president; L. Woodthorpe, of Port Alberni, second vice-president; Mrs. C. E. Molinnes, Kamloops, third vice-president; W. D. Black, New Westminster, H. Duff, Vancouver, and P. Sevin, Vancouver, were elected trustees. W. Fedak of Vancouver is alternate executive member.

Regional area representatives were elected as follows:

Fraser Valley: L. Moore of Langley.
Lower Mainland: J. Weisgerber, St. Paul's, Vancouver.
Okanagan: A. Tetz, of Vernon.
Kootenays: R. Cole, of Nelson.
Vancouver Island: W. Power, of the Victoria Solarium.

Closed Session
Sets Precedent

The Penticton convention included one unprecedented feature — an eight-hour closed session in which delegates let their hair down for the good of the union.

The object: to formulate major organization and negotiating policy.

Bargaining procedures and structures were changed, streamlined and strengthened. Selection of regional bargaining teams was reviewed, and the basis of representation improved.

Delegates also tightened up bargaining techniques.

The St. Louis Post-Dispatch said: "The FCC is going to look into deep necklines on TV. It isn't often government investigators get an assignment like that."