In most of our mental hospitals there were occasions during the year when the actual nursing staff was at least 50 per cent. below establishment. The Dental Division finds itself faced with the problems arising from a marked increase in the school population due to the high birth-rate in recent years, and as a temporary measure it has been necessary to arrange for the older children to be transferred from school dental clinics to the care of private practitioners. The work of caring for the sick must go on, irrespective of staffing difficulties, and no praise can be too great for those who carry the burden of the work in our general hospitals and mental hospitals with a loyalty and a devotion to duty that are characteristic of the nursing profession in New Zealand.

The report of the Division of Tuberculosis shows a further increase in the known cases of tuberculosis in New Zealand, but this is considered to be due to continued efforts in case-finding rather than to any actual increase in the incidence of the disease. The crude death-rate from all forms of tuberculosis shows a further decrease from 4.04 in the previous year to 3.74 per 10,000 of mean population. Reference is also made to the extension of the B.C.G. vaccination programme.

The report of the Division of Child Hygiene records a further improvement in the nutrition of primary-school children, and comments in some detail on the gratifying improvement in the position with regard to goitre. A disturbing feature of the report is, however, the increase recorded in postural defects of slighter degree; the figure was 27 per cent. in 1945, and is 41 per cent. in 1949.

The report of the Division of Hospitals discusses with some care the trends over the past ten years. The latest year for which figures are available in detail is the year ended 31st March, 1949. A comparison with similar figures for the year ended 31st March, 1940, shows that the number of occupied beds had increased by approximately one-half, that the total staff receiving payment had nearly doubled, and that the number of outpatient attendances had more than doubled. Costs, however, rose to a greater degree than the numbers of patients and staff. The total maintenance expenditure for 1948–49 was approximately three and a half times what it had been in 1939–40, and when the whole of this maintenance expenditure is expressed in terms of occupied beds it is found that the result gives a cost per occupied bed for 1948–49 which is 2.3 times the cost per occupied bed for 1939–40.

No one with an interest in our hospital system can fail to view with concern the steady mounting of hospital costs. The increased demand for hospital beds and other services provided by Hospital Boards is due to a variety of causes, not the least of which consists in changing trends in medical and surgical practice. In the two financial years referred to above, approximately half the total maintenance expenditure consisted of salaries and wages, an item which to-day is determined almost entirely either by awards or by statutory regulations, and which thus is beyond the control of Hospital Boards. Something of the changes that have taken place in our hospitals can be realized from the fact that, when I first became a Hospital Superintendent over twenty years ago, nurses in training had one day off duty a month and the commencing salary of a ward sister was £10 per annum lower than the present salary of a first-year pupil nurse.

The increase in hospital costs is not a new problem. The total maintenance expenditure in the year 1926–27 was approximately two and a half times what it had been in the year 1916–17, and was the subject of a careful analysis in the Appendix to the Director-General's report for the year ended 31st March, 1927. The conclusion was then reached that the large increase which had taken place in the past decade was due to a series of causes, the first three of which are stated as follows : "Decrease in the purchasingpower of the £1 note ; increased number of hospital beds ; increase in staff required owing to the more complicated methods of hospital treatment, including the employment of a greater proportion of trained nurses."