

SESSION II.
1921.
NEW ZEALAND.

HOSPITALS COMMISSION.

REPORT OF THE COMMISSION TO INQUIRE INTO AND REPORT UPON PROPOSALS TO AMEND
THE HOSPITALS AND CHARITABLE INSTITUTIONS ACT, 1909.

Presented to both Houses of the General Assembly by Command of His Excellency.

Wellington, 30th June, 1921.

To His Excellency the Governor-General of the Dominion of New Zealand.

MAY IT PLEASE YOUR EXCELLENCY,—

I have the honour to transmit herewith the report of the Commissioners appointed by Your Excellency's Letters Patent of the 18th January, 1921, and 14th March, 1921, to inquire into certain proposals to amend the Hospitals and Charitable Institutions Act, 1909.

The minutes of evidence accompany the report, and there are also appended the minutes of proceedings, a summary of recommendations, and a classification of evidence.

The Commission desires to record its full appreciation of the services of the secretary, Mr. A. von Keisenberg, whose marked ability, knowledge of hospital administration, and unflagging attention to his work were of the greatest assistance in conducting the inquiry on which the report is based.

I have, &c.,

VERNON H. REED,
Chairman of Commission.

COMMISSION

TO INQUIRE INTO AND REPORT UPON PROPOSALS TO AMEND THE HOSPITALS AND
CHARITABLE INSTITUTIONS ACT, 1909.

JELlicoe, Governor-General.

To all whom these presents shall come, and to W. DOWNIE STEWART, Esquire, M.P., of 11 Heriot Row, Dunedin, Barrister and Solicitor; ALEX. D. McLEOD, Esquire, M.P., of Mangapari, Martinborough, Farmer; the Honourable WILLIAM HENRY TRIGGS, M.L.C., of Christchurch, Journalist; GEORGE SHIRTCLIFE, Esquire, of 40 Tinakori Road, Wellington, Merchant; and HUGH T. D. ACLAND, Esquire, C.M.G., F.R.C.S., of 381 Montreal Street, Christchurch, Medical Practitioner: Greeting.

WHEREAS it is expedient that inquiry should be made into the present methods under the Hospitals and Charitable Institutions Act, 1909, of granting subsidies to Hospital Boards throughout the Dominion, and of certain other matters in connection

with the above-mentioned Act, with the object of recommending what amendments to the Act are desirable :

Now, therefore, I, John Rushworth, Viscount Jellicoe, the Governor-General of the Dominion of New Zealand, in exercise of the powers conferred by the Commissions of Inquiry Act, 1908, and all other powers and authorities enabling me in this behalf, and acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby constitute and appoint you, the said

W. DOWNIE STEWART,
ALEX. D. MCLEOD,
WILLIAM H. TRIGGS,
GEORGE SHIRTCLIFFE, and
HUGH T. D. ACLAND,

to be a Commission to inquire into and report on the following matters :—

1. The extent to which the Government should contribute towards the capital requirements of Hospital Boards, and the basis upon which such contributions should be given :
2. (a.) The extent to which the Government should contribute towards the net maintenance requirements of Hospital Boards in the Dominion.
(b.) The basis of allocation of any such contribution amongst the individual Boards.
3. The extent to which the Government should continue to subsidize voluntary contributions.
4. The extent to which the Government should contribute towards the funds of separate institutions under the Hospitals and Charitable Institutions Act.
5. The extent to which the Government should make grants in aid of various charitable societies and institutions.
6. The fees that should be charged for maintenance and treatment in public hospitals.
7. The present method of allocation of representation of contributory local authorities and the ratepayers on Hospital Boards, having regard also to the nature of the suffrage.
8. The desirability or otherwise of providing for Government representation upon Hospital Boards by means of nominated members.
9. The constitution and area of the present hospital districts, and whether the present grouping of local authorities in the various districts is the best and fairest method of distributing the cost of the base hospitals throughout the Dominion amongst the various local authorities.
10. Generally, as to any matters in connection with hospitals or charitable aid which may be referred to it by the Hon. the Minister of Public Health.

And with the like advice and consent I do further appoint you, the said

W. DOWNIE STEWART,

to be the Chairman of the said Commission.

And for the better enabling you, the said Commission, to carry these presents into effect, you are hereby authorized and empowered to make and conduct any inquiry under these presents at such times and places in the said Dominion as you deem expedient, with power to adjourn from time to time and place to place as you think fit, and to call before you and examine, on oath or otherwise, as may be allowed by law, such person or persons as you think capable of affording you information in the premises ; and you are also hereby empowered to call for and examine all such books, papers, plans, documents, or records as you deem likely to afford you the fullest information on the subject-matter of the inquiry hereby directed to be made, and to inquire of and concerning the premises by all lawful means whatsoever.

And, using all diligence, you are required to report to me, under your hands and seals, not later than the thirtieth day of April, one thousand nine hundred and twenty-one, your opinion as to the aforesaid matters.

And it is hereby declared that these presents shall continue in full force and virtue although the inquiry is not regularly continued from time to time or from place to place by adjournment.

And lastly it is hereby declared that these presents are issued under and subject to the provisions of the Commissions of Inquiry Act, 1908.

Given under the hand of His Excellency the Right Honourable John Rushworth, Viscount Jellicoe, Admiral of the Fleet, Knight Grand Cross of the Most Honourable Order of the Bath, Member of the Order of Merit, Knight Grand Cross of the Royal Victorian Order, Governor-General and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies; and issued under the seal of the said Dominion, at the Government House at Wellington this eighteenth day of January, in the year of our Lord one thousand nine hundred and twenty-one.

C. J. PARR,
Minister of Health.

Approved in Council.

F. D. THOMSON,
Clerk of the Executive Council.

COMMISSION TO INQUIRE INTO AND REPORT UPON PROPOSALS TO AMEND THE
HOSPITALS AND CHARITABLE INSTITUTIONS ACT, 1909.

JELlicoe, Governor-General.

To all to whom these presents shall come, and to VERNON HERBERT REED, Esquire, M.P., of Kawakawa, and the Honourable ARCHIBALD F. HAWKE, M.L.C., of Invercargill: Greeting.

WHEREAS by a Warrant dated the eighteenth day of January, one thousand nine hundred and twenty-one, the Governor-General in Council, in pursuance and exercise of the powers and authorities conferred on him by the Commissions of Inquiry Act, 1908, appointed certain persons, including W. Downie Stewart, Esquire, M.P., of Dunedin, and Alex. D. McLeod, Esquire, M.P., of Mangapari, to be a Commission to inquire into and report upon certain matters for the purposes set out therein, and did further appoint the said W. Downie Stewart as Chairman of such Commission:

And whereas the said W. Downie Stewart and Alex. D. McLeod have resigned their appointments as members of the said Commission, and it is expedient to appoint other members in their place, and also to appoint another Chairman:

Now, therefore, I, John Rushworth, Viscount Jellicoe, the Governor-General of the Dominion of New Zealand, in exercise of the powers conferred by the Commissions of Inquiry Act, 1908, and all other powers and authorities enabling me in this behalf, and acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby constitute and appoint you, the said

VERNON HERBERT REED and
ARCHIBALD F. HAWKE,

to be members of the aforesaid Commission, in place of the said W. Downie Stewart and Alex. D. McLeod, resigned.

And with the like advice and consent I do further appoint you,

VERNON HERBERT REED,

to be Chairman of the said Commission.

Given under the hand of His Excellency the Governor-General of the Dominion of New Zealand; and issued under the seal of that Dominion, at the Government House at Wellington, this fourteenth day of March, one thousand nine hundred and twenty-one.

C. J. PARR,
Minister of Health.

Approved in Council.

F. D. THOMSON,
Clerk of the Executive Council.

EXTENDING PERIOD WITHIN WHICH THE COMMISSION CONSTITUTED TO INQUIRE INTO AND REPORT UPON PROPOSALS TO AMEND THE HOSPITALS AND CHARITABLE INSTITUTIONS ACT, 1909, SHALL REPORT.

JELlicoe, Governor-General.

To all whom these presents shall come, and to VERNON HERBERT REED, Esquire, M.P., of Kawakawa; HUGH T. D. ACLAND, Esquire, C.M.G., F.R.C.S., of 381 Montreal Street, Christchurch, Medical Practitioner; the Honourable ARCHIBALD F. HAWKE, M.L.C., of Invercargill; GEORGE SHIRTCLIFFE, Esquire, of 40 Tinakori Road, Wellington, Merchant; and the Honourable WILLIAM HENRY TRIGGS, M.L.C., of Christchurch, Journalist.

WHEREAS by Warrants dated the eighteenth day of January, one thousand nine hundred and twenty-one, and the fourteenth day of March, one thousand nine hundred and twenty-one, you, the said Vernon Herbert Reed, Hugh T. D. Acland, Archibald F. Hawke, George Shirlcliffe, and William Henry Triggs were appointed to be a Commission under the Commissions of Inquiry Act, 1908, for the purposes set out in the said Warrants: And whereas by the said Warrants you were required to report to me under your hands and seals your opinions as to the aforesaid matters not later than the thirtieth day of April, one thousand nine hundred and twenty-one: And whereas it is expedient that the said period should be extended as hereinafter provided:

Now, therefore, I, John Rushworth, Viscount Jellicoe, Governor-General of the Dominion of New Zealand, in exercise of the powers conferred by the said Act, and acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby extend the period within which you shall report to me as by the said Commission provided to the thirty-first day of May, one thousand nine hundred and twenty-one.

And, in further pursuance of the powers vested in me by the said Act, and with the like advice and consent, I do hereby confirm the said Commission, except as altered by these presents.

Given under the hand of His Excellency the Governor-General of the Dominion of New Zealand, and issued under the seal of that Dominion, at the Government House, at Wellington, this third day of May, one thousand nine hundred and twenty-one.

F. H. D. BELL,
For Minister of Health.

Approved in Council.

C. A. JEFFERY,
Acting Clerk of the Executive Council.

EXTENDING PERIOD WITHIN WHICH THE COMMISSION CONSTITUTED TO INQUIRE INTO AND REPORT UPON PROPOSALS TO AMEND THE HOSPITALS AND CHARITABLE INSTITUTIONS ACT, 1909, SHALL REPORT.

JELlicoe, Governor-General.

To all to whom these presents shall come, and to VERNON HERBERT REED, Esquire, M.P., of Kawakawa; HUGH T. D. ACLAND, Esquire, C.M.G., F.R.G.S., of 381 Montreal Street, Christchurch, Medical Practitioner; the Honourable ARCHIBALD F. HAWKE, M.L.C., of Invercargill; GEORGE SHIRTCLIFFE, Esquire, of 40 Tinakori Road, Wellington, Merchant; and the Honourable WILLIAM HENRY TRIGGS, M.L.C., of Christchurch, Journalist.

WHEREAS by Warrants dated the eighteenth day of January, one thousand nine hundred and twenty-one, and the fourteenth day of March, one thousand nine hundred and twenty-one, you, the said Vernon Herbert Reed, Hugh T. D. Acland, Archibald F. Hawke, George Shirtcliffe, and William Henry Triggs were appointed to be a Commission under the Commissions of Inquiry Act, 1908, for the purposes set out in the said Warrants: And whereas by the said Warrants you were required to report to me under your hands and seals your opinions as to the aforesaid matters not later than the thirtieth day of April, one thousand nine hundred and twenty-one: And whereas by Warrant dated the third day of May, one thousand nine hundred and twenty-one, the time in which you were required to report to me was extended to the thirty-first day of May, one thousand nine hundred and twenty-one: And whereas it is expedient that the said period should be further extended as hereinafter provided:

Now, therefore, I, John Rushworth, Viscount Jellicoe, Governor-General of the Dominion of New Zealand, in exercise of the powers conferred by the said Act, and acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby extend the period within which you shall report to me as by the said Commission provided to the thirtieth day of June, one thousand nine hundred and twenty-one.

And in further pursuance of the powers vested in me by the said Act, and with the like advice and consent, I do hereby confirm the said Commission, except as altered by these presents.

Given under the hand of His Excellency the Governor-General of the Dominion of New Zealand; and issued under the seal of that Dominion, at the Government House at Wellington, this seventh day of June, one thousand nine hundred and twenty-one.

F. H. D. BELL,

For Minister of Health.

Approved in Council.

C. A. JEFFERY,

Acting Clerk of the Executive Council.

Department of Health, Hospitals, and Charitable Aid,

DEAR SIR,—

Wellington, 11th February, 1921.

In exercise of the authority given me under paragraph 10 of the order of reference of your Commission, I hereby refer the following matters, in connection with hospitals, to the Commission for inquiry and report:—

1. (b.) Generally as to the best means of meeting the heavy cost of proposed capital works.
6. (b.) The establishment of paying or private wards in public hospitals.
10. To what extent economy might be effected by the adoption of stricter business methods, more especially in the purchasing of medical or surgical supplies.

Yours, &c.,

C. J. PARR,

Minister of Health.

The Chairman, Commission on Hospital Matters, Wellington.

REPORT.

To His Excellency the Right Honourable John Rushworth, Viscount Jellicoe, Admiral of the Fleet, Knight Grand Cross of the Most Honourable Order of the Bath, Member of the Order of Merit, Knight Grand Cross of the Royal Victorian Order, Governor-General and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies.

MAY IT PLEASE YOUR EXCELLENCY,—

We, your Commissioners appointed by Your Excellency's Letters Patent of the 18th January, 1921, and 14th March, 1921, which Letters Patent were extended on the 3rd May, 1921, and further extended on the 7th June, 1921, by which we were directed to inquire into the following matters, that is to say,—

1. (a.) The extent to which the Government should contribute towards the capital requirements of Hospital Boards, and the basis upon which such contributions should be given ;
(b.) Generally as to the best means of meeting the heavy cost of proposed capital works ;
2. (a.) The extent to which the Government should contribute towards the net maintenance requirements of Hospital Boards in the Dominion ;
(b.) The basis of allocation of any such contribution amongst the individual Boards ;
3. The extent to which the Government should continue to subsidize voluntary contributions ;
4. The extent to which the Government should contribute towards the funds of separate institutions under the Hospitals and Charitable Institutions Act ;
5. The extent to which the Government should make grants in aid of various charitable societies and institutions ;
6. (a.) The fees that should be charged for maintenance and treatment in public hospitals ;
(b.) The establishment of private or paying wards in public hospitals ;
The present method of allocation of representation of contributory local authorities and the ratepayers on Hospital Boards, having regard also to the nature of the suffrage ;
8. The desirability or otherwise of providing for Government representation upon Hospital Boards by means of nominated members ;
9. The constitution and area of the present hospital districts, and whether the present grouping of local authorities in various districts is the best and fairest method of distributing the cost of the base hospitals throughout the Dominion amongst the various local authorities ;
10. To what extent economy might be effected by the adoption of stricter business methods, more especially in the purchasing of medical and surgical supplies,—

have to report as follows :—

Evidence was obtained from members and officials of Hospital Boards, local bodies, and Boards of other organizations affected, departmental officials, private medical practitioners, and other persons. By advertisement in the public Press an invitation was extended to any persons desiring to give evidence. Witnesses were examined in public.

Sittings were held at Auckland, Wellington, Christchurch, and Dunedin. One hundred and twenty-two witnesses gave evidence.

Certain evidence was submitted during the course of the inquiry upon matters which were outside the scope of the Commission, and on such matters no recommendations were made.

CAPITAL REQUIREMENTS.

Para. 1. (a.) *The extent to which the Government should contribute towards the capital requirements of Hospital Boards, and the basis upon which such contributions should be given.*

GOVERNMENT CONTRIBUTION.

Little difficulty was experienced by your Commission in arriving at a conclusion as to the extent to which the Government should contribute towards the capital requirements of Hospital Boards. The Minister of Health gave it as his opinion that the Government should contribute one-half of the capital requirements, and this view was generally adopted by the representatives of the various Hospital Boards who gave evidence. In the Hospitals Act, 1885, the policy was laid down that the Government should contribute a subsidy in respect of capital expenditure of £1 for every £1 levied by a Hospital Board from contributory local authorities, and this policy was continued in the Hospitals and Charitable Institutions Act, 1909.

Your Commission therefore recommends accordingly, and further is of opinion that the Minister should freely exercise his power to refuse the payment of subsidy upon any capital expenditure which in his opinion is beyond the reasonable requirements of the district or would involve an excessive rate of levy by the Board. As an illustration, it was given in evidence that the Inangahua Hospital Board contemplated the expenditure of £20,665 on buildings, notwithstanding that the total rateable capital value of the district is only £391,142, and it now costs the district a rate of 1·343d. in the £1 for hospital and charitable aid. Seeing that the average hospital rate in the Dominion is 0·296d. in the £1 on the rateable capital value, such an expenditure as proposed by the Inangahua Hospital Board would place an undue tax upon the district and the country.

It was urged by some Hospital Boards that the Government should become wholly responsible for the cost of all hospital buildings. The South Canterbury Hospital Board passed a resolution "that capital for new buildings be provided by the Government, and the interest and sinking fund be a charge on the Consolidated Fund."

Your Commission cannot agree with such a suggestion, feeling that the removal of the existing responsibility which Boards have to their ratepayers would bring down a deluge of requests for buildings at the public expense. Even with the present check upon Boards, some, regardless of their ratepayers' criticisms, involve their district financially, and the desire for increased hospital accommodation throughout the Dominion would become greater were Boards relieved from finding money for capital expenditure. The demand upon the State would become a heavy drain on the country's finances, and it must be remembered that any large building expenditure would bring with it increased cost of maintenance.

BASIS OF CONTRIBUTION.

There seemed to be little conflict in the evidence submitted regarding the basis of such contribution, and your Commission is in accord with the majority of the views expressed, and is of opinion that the basis of such contribution should be a flat rate subsidy of £1 for £1 on capital expenditure. In this connection, therefore, your Commission recommends that there shall be no alteration in the policy now in operation.

It was urged by the representatives of some Boards that the Government contribution should be paid on a sliding scale, on a similar principle to that recommended for the payment of the Government contribution on maintenance requirements. Your Commission believes that such a principle adopted with regard to capital expenditure would grant too great a concession to poorer Boards, and might encourage them to undertake building operations beyond the needs and means of their respective districts.

INTEREST ON LOANS.

The basis of subsidizing interest on loans was more difficult of settlement, owing to the conflict of evidence submitted. It was argued that interest was, strictly

speaking, maintenance, and this view your Commission, of course, is prepared to concede. On the other hand, it was urged that if the policy of a flat-rate subsidy on capital expenditure were maintained, it would be consistent to extend that policy to the interest on loans raised for that purpose.

Viewing the matter from its various aspects, your Commission considers it would be equitable that the flat-rate subsidy of £1 for £1 should be the basis of Government contribution in respect to interest on loan-moneys expended on buildings or land.

BUILDING FUNDS.

Provision is made in section 12, Hospitals and Charitable Institutions Amendment Act, 1913, by which building funds may be established by Hospital Boards. Your Commission considers it is inadvisable that such building funds should be provided out of maintenance-moneys, and is of opinion that the word "revenue" should be deleted, and "capital receipts" inserted in lieu thereof; and, further, after the words "property of the Board" the words "or for any other capital expenditure" be inserted.

As the law now stands, Hospital Boards can create building funds out of maintenance levies that may have carried a greater subsidy than £1 for £1, which is contrary to the principle that capital expenditure should receive a flat rate of subsidy.

Para. 1. (b). *Generally as the best means of meeting the heavy cost of proposed capital works.*

COST OF UNDERTAKINGS.

A schedule of works was submitted by the Health Department showing the total capital undertakings by Hospital Boards, and this disclosed a projected expenditure of £1,237,601. This includes erection of buildings, purchase of land, installation of plant, water-supply, drainage, ambulances, lighting, and equipment. It would, of course, be unreasonable to insist that so large an amount should be raised by Boards by levy and subsidy only, and your Commission recommends that Boards be permitted to raise money on loan for capital expenditure on either buildings or land, which, having regard to each Board's financial standing and resources, would be deemed to be a large expenditure. Such capital expenditure should be limited to the erection of, addition to, and alteration of buildings, and the purchase of land, whether required for buildings, farming, or other purposes. In all other cases, including small capital expenditure on buildings and land, all expenditure on plant, equipment, water-supply, drainage, &c., the right to raise loans should be refused, and such expenditure should be met by levy and subsidy, or donations and subsidy.

Your Commission considers that moneys required by Boards for capital works which are comparatively small should not be obtained by loan, and that the cost of plant, equipment, &c., where depreciation is considerable, should be borne only by levy or donations and subsidy.

While recommending that permission be granted to Boards to raise loan-moneys for larger capital expenditure, your Commission urges that every encouragement should be given to Boards to raise as much as possible towards such expenditure by public subscriptions. Apart from the material advantage in the increased facilities for the cure and comfort of patients, such appeals are of great benefit in fostering public interest in the hospitals and evoking sympathy with those suffering from sickness. Some notable instances which came before your Commission showed what could be done by well organized appeals to the public for support for some branch of hospital usefulness.

The existing system of Government subsidy and hospital control, in effect, makes loans to Hospital Boards State-guaranteed; and your Commission, viewing it from that aspect, recommends that the Government provide for loans to Hospital Boards being obtained direct from or through a Government Department. It is considered unwise that Hospital Boards should be permitted to raise loans on the open market, as necessarily they would be unable to obtain such terms as State-guaranteed loans should command, and the Government, in directly contributing one-half of the interest payments, would be paying an excessive amount.

As to what should be the duration of such loans the evidence was conflicting, but it was recognized that, with the continual advance of scientific knowledge, and consequent changes in hospital construction, planning, and equipment, it is difficult to predict the hospital necessities of the future. That being so, it was generally admitted that the distant future should not be loaded up with the expenditure for present-day requirements. In the case of buildings constructed of wood or other non-permanent material, your Commission recommends that the loan-money should be repaid by a sinking fund within ten years; whereas the period for repayment of loans for buildings erected with permanent material, or for the purchase of land, might be extended to twenty years.

MAINTENANCE EXPENDITURE.

Para. 2. (a). *The extent to which the Government should contribute towards the net maintenance requirements of Hospital Boards in the Dominion.*

GOVERNMENT CONTRIBUTION.

Under the Hospitals Act, 1885 (consolidated 1908) the policy was that half the net requirements of the Hospital Boards for maintenance should be raised by Government subsidy, and the other half by levy. The Hospitals and Charitable Institutions Act, 1909, provided for a Government subsidy "for every pound levied by the Board from contributory local authorities . . . an amount determined in accordance with the schedule in respect of expenditure other than capital expenditure," and the average subsidy-rate for the Dominion at that time was £1 for £1, or, to be more accurate, £1 0s. 5d. for £1.

It has evidently been the intention of the Government to continue the policy of contributing by way of subsidy one-half the total Dominion cost of maintenance requirements of hospitals, and that was done for a few years after the passing of the Act, but the operation of the subsidy scale ultimately resulted in a drop in the average rate of subsidy from £1 for £1 to 15s. 3d. for £1. As the Minister of Health said, "The Government contributed in the first two or three years just about one-half of the total of the hospital requirements of the Dominion, and then the subsidy began to drop, with the result that to-day under this scheme, which was presumed to be £1 for £1, the Government is, on the average, only paying 15s. 3d. for every £1. . . . There is the fact that this scale has operated in a way that the founders of the system at the time did not anticipate."

Your Commission therefore recommends that it be definitely laid down that the policy of the Government in the future be as it has been in the past—that is to say, that the Government contribute one-half of the Dominion net maintenance requirements of Hospital Boards, and the other half be raised by levy upon the contributory local authorities.

Para. 2. (b). *The basis of allocation of any such contribution amongst the individual Boards.*

BASIS OF ALLOCATION.

A flat rate of £1 for £1 subsidy on contributory local authorities for maintenance purposes was the policy adopted in the Hospitals Act, 1885. This was found to be inequitable, and, in an endeavour to assist poorer hospital districts, a sliding scale of subsidies was introduced in the Hospitals and Charitable Institutions Act, 1909. The amount of subsidy then ranged from 24s. 3d. to 12s. 3d. for £1. As stated in the *Journal of Public Health*, "In drafting that scheme of sliding scale of subsidies it was assumed that a large rateable capital value per head of population means a wealthy district and little poverty, and that a high expenditure per head of the population on hospitals and charitable aid meant either extravagance in hospital administration or poverty in a district."

The result of that policy was that districts which desired efficiency and modern improvements and developments in the hospital service of a growing community found themselves penalized by reduced subsidies for carrying out such ideas. Almost unanimously the existing scheme for payment of subsidies was condemned by witnesses and the repeal of it was urged. The Director-General of Health said,

“ The subsidy scheme was based on the scheme referred to in the Minority Report of the Royal Commission on Local Taxation, 1902, recommended by Lord Balfour of Burleigh. The Minister approved a sliding scale of subsidies as suggested, but submitted Lord Balfour’s scheme to certain authorities for their consideration, and the present scheme of subsidies is the result. It can hardly be said that it has fulfilled expectations.”

The scheme in operation has acted in many cases with gross unfairness, by giving to wealthy districts, whose hospital requirements could be met by a small rate, a larger subsidy than to poorer districts requiring to strike a heavy rate. As an illustration : Stratford, with a rate of levy on its contributory local authorities of 0·098d. in the £1, was receiving under the scale 20s. in the £1 Government subsidy, while Westland, with a rate of levy of 1·136d. in the £1, received only 19s. 3d. in the £1 ; and Waikato, with a rate of 0·122d., received 12s. 3d. in the £1.

The evidence given was practically unanimous in urging the repeal of the existing scheme for payment of subsidies, and your Commission endorses that view.

Two schemes were placed before your Commission for consideration—viz., (1) a flat rate of subsidy, (2) an improved scheme of sliding scale of subsidies.

Your Commission gave much consideration to proposals, *inter alia*, to grade the subsidy on the average annual cost of hospital bed, and on collection of fees. After exhaustive inquiry the last-mentioned proposals were found to be impracticable, for the reasons that the results were so dependent upon the accessibility of each hospital to supplies, and the financial position of patients, and it was deemed unfair to penalize those hospitals far removed from the centre of supplies or those primarily treating the necessitous poor.

Your Commission considers that to adopt the flat-rate system for the payment of the Government’s contribution would be a retrograde step, and, when cross-questioned, the advocates of the system generally abandoned the principle by admitting that extra financial assistance should be given to the poorer districts.

Advocates of the flat rate complained that under the sliding-scale system the hospital rate or levy alone was considered, and no allowance was made when assessing the amount of subsidy for other rates (special and general) struck by the contributory local authorities. That complaint must be deemed unreasonable. In support of it it must be argued that the benefits for which the other rates were struck did not exist, and that where a district paid a heavy harbour-improvement rate, or a large roads-construction rate, the rest of the Dominion should assist it in its hospital maintenance by a greater share of Government subsidy being allotted to it.

Your Commission could not entertain the suggestion, and decided against the flat-rate principle. They hold that it would be inequitable for a district whose cost of hospital maintenance was met with a $\frac{1}{10}$ d.-in-the-£1 rate of levy to participate in the distribution of the Government subsidy equally with a district burdened with a rate of levy of considerably over 1d. in the £1 for hospital maintenance. The evidence overwhelmingly disclosed the unfairness of such equal participation.

At a conference of representatives of Hospital and Charitable Aid Boards held in Wellington in June of last year, at which thirty-three Boards out of forty-three were represented, the Health Department submitted a scheme of sliding scale of subsidies with a minimum of 12s. 6d. in the £1 and a maximum of 31s. 6d. for £1. That scheme was approved by the conference by twenty-one votes to eleven.

It was asserted by the minority, who favoured the flat-rate subsidy, that the majority comprised the Boards who would be entitled to over 20s. in the £1 subsidy under the scheme, but an analysis of the voting shows that this is not so, as among the Boards voting with the majority were seven who would have been entitled under the scheme to 20s. or less in the £1 subsidy, and with the minority one—Thames—who would have been entitled to 25s. 1d. for £1. It must therefore be taken that the vote favoured the principle upon which the scheme was based—viz., “ the heavier the burden of a Board’s requirements on the rateable capital value, the higher the subsidy.”

Your Commission endorses that principle, and recommends accordingly ; but is further of opinion that the Minister should have full power to refuse the payment of the subsidy upon maintenance-expenditure estimates which in his opinion are extravagant, unnecessary, or beyond the means of the Board contemplating such expenditure.

The scheme set out in the proposed amending Bill contained a scale of subsidy with a maximum of 30s. for £1 and a minimum of 10s. in the £1, and a margin for actuarial purposes of 2s. at both the maximum and minimum. Your Commission considers this scale too extended, and recommends that the minimum be 14s. and the maximum 26s., without a margin, in any year.

BASE HOSPITALS.

Your Commission has given much consideration to the proposed scheme of base hospitals as outlined by the Director of Hospitals, and is impressed with the importance of establishing base hospitals with properly equipped special departments. Such special departments should include—(1) Clinical laboratory, dealing with pathological, bacteriological, and bio-chemical work; (2) radiological; (3) orthopædic, including physio-therapy, plaster-room, and splint-workshop; (4) ophthalmic; (5) ear, nose, and throat; (6) genito-urinary; (7) gynæcological; (8) dietetics; (9) records. Many of these special departments are already installed at the four principal hospitals—viz., at Auckland, Wellington, Christchurch, and Dunedin—and are doing good work, treating patients from all parts of the Dominion.

The maintenance of these special departments is a costly burden on the Local Hospital Boards. As the facilities afforded are of Dominion importance, your Commission recommends a contribution from all the Dominion Hospital Boards towards the maintenance and development of these special departments at the hospitals named, by a special allocation of one-twentieth of the Government subsidy for maintenance expenditure. If this allocation is strictly applied by the Minister for the purposes indicated, great benefits will accrue to the Dominion as a whole. It is imperative that these special grants should not be used for ordinary maintenance purposes, but only for the purposes of developing and extending the work of the special departments.

In return for their contributions all Hospital Boards should have the right to send patients to their respective base hospitals for special treatment on payment of the ordinary maintenance fee.

NATIVE LANDS.

The Cook Hospital Board, and other Boards affected, urged that an allowance be made to those districts in which there are non-rate-collectable Native lands; and your Commission recommends that non-rate-producing Native lands shall be placed in the same position as Crown lands, and shall not be included in the rateable capital value of the district for the purpose of assessing the amount of Government subsidy, nor for the purpose of assessing the contribution due by any contributory local authority to a Hospital Board.

VOLUNTARY CONTRIBUTIONS.

Para. 3. *The extent to which the Government should continue to subsidize voluntary contributions.*

GOVERNMENT SUBSIDY.

It is surprising to note the small amount of donations received by Hospital Boards during the three years ending in 1920, and evidence submitted went to show that Hospital Boards had made little effort to raise revenue by hospital-fund campaign. The total receipts for the period mentioned amounted to £33,645, of which sum the Boards of Whangarei, Hawke's Bay, North Canterbury, and Otago received almost one-half, and the other thirty-six Boards the balance.

The existing Government subsidy is 24s. for £1, but your Commission cannot see any reason for continuing a subsidy greater than that paid by the Government on other contributions, and accordingly recommends that such subsidies should, in the future, be £1 for £1 on amounts given for objects approved by the Minister.

BEQUESTS.

Bequests left to Hospital Boards during the three years ending in 1920 amounted to £4,166, upon which 10s. in the £1 subsidy was paid. That subsidy

appears inadequate, and your Commission recommends that the amount of subsidy on bequests or devises be brought up to that to be granted on voluntary contributions—viz., £1 for £1—where expenditure is upon capital works or endowments approved by the Minister.

SEPARATE INSTITUTIONS.

Para 4. *The extent to which the Government should contribute towards the funds of separate institutions under the Hospitals and Charitable Institutions Act.*

It is impossible to report exhaustively upon each of the separate institutions without a personal inspection and a local inquiry, which time would not permit. Your Commission has no difficulty from evidence submitted in making its recommendations with regard to the Mercury Bay Hospital, Oamaru Hospital, Jubilee Institute for the Blind, and the Reefton Ladies' Benevolent Society.

(a.) The Mercury Bay Hospital had, by last returns available—*i.e.*, for the year ending 1920—an average of one bed occupied per diem at an annual cost of £928·1 per occupied bed. The average cost for the Dominion is approximately £150. Your Commission recommends that this hospital cease to be a separate institution, and be merged in the Coromandel Hospital District.

(b.) Evidence showed that the Oamaru Hospital has been conducted efficiently and economically under its present constitution and management, and your Commission recommends that it remain a separate institution under the Act, and receive from the Government the same scale of subsidies as Hospital Boards.

(c.) Your Commission recommends that the Jubilee Institute for the Blind at Auckland should, as an educational institution, be under the Education Department, and such financial assistance as the institution requires should be contributed to it by that Department, instead of by the Health Department as at present. This would necessitate the removal of the Institute from the list of separate institutions, and this your Commission recommends.

(d.) The Reefton Ladies' Benevolent Society is now carrying out its charitable work with the co-operation of the Inangahua Hospital Board, and your Commission considers that the work could be more effectively performed if the society were affiliated with the Board, and have representation from the Board on its council. Your Commission therefore recommends that the society be removed from the list of separate institutions.

(e.) Your Commission has no evidence before it to justify a recommendation suggesting any alteration in the status of the remaining five separate institutions, but recommends that they receive the same scale of subsidies as Hospital Boards on voluntary contribution and bequests.

CHARITABLE SOCIETIES.

Para. 5. *The extent to which the Government should make grants in aid of various charitable societies and institutions.*

There appears to be no uniform system by which financial assistance has been given by the Government in the way of grants to charitable societies and institutions. Apparently each society, on an application for assistance, has received such grant as the Minister thought fit at the moment. No scheme or definite basis seems to have been adopted. The result is that the allocating of these grants is now in a state of confusion: some societies, for no apparent reason, get larger grants than others equally deserving.

Your Commission recommends that a definite amount be voted each year, and distributed among the various societies upon the recommendation of the respective Hospital Boards, having regard to the nature of the work carried out, the number of inmates, and the amount of voluntary contributions received. Special consideration should be given where the Government takes advantage of the services rendered, as in the case of inmates being committed to the charge of institutions, or maternity institutions being used for training nurses.

The district nursing carried out by St. John Ambulance Association and similar associations should be co-ordinated with the work of the local Hospital Boards so as to prevent overlapping.

From evidence heard your Commission is of opinion that a working arrangement should exist between the Knox Incurables Home Trust Board and the Auckland Hospital Board. The work of the Knox Home is most important, but the institution apparently is becoming financially embarrassed. The Hospital Board is prepared to assist, but quite properly wants representation on the controlling Board. Your Commission favours this, and, seeing that the State contributes largely to the Trust Board, considers the Government should urge the affiliation.

The importance of the national work carried out so successfully by the Plunket Society justifies the financial assistance given by the Government. This great organization is engaged in the most important preventive work. By practical demonstrations and propaganda it has spread its beneficial influence throughout and into the most remote parts of the Dominion. The country is the gainer. Healthy children mean healthy adults, who will be less likely to become a burden on the hospitals and other such public institutions.

Your Commission considers that every encouragement should be given for the extension of the work, and that it will be to the advantage both of the Government and the society if two Government nominees are appointed to the society's council. One should be a medical practitioner, and such representative should be the founder of the society, Dr. Truby King; and the other should be an officer of the Health Department with accountancy experience.

The Commission is also very much impressed with the philanthropic work done by the Salvation Army with very little help from the State, and recommends that it continue to receive, through its headquarters, financial assistance from the Government.

It is clear from the evidence given that very valuable work is being done by most of the charitable societies by means of voluntary service as well as of voluntary contributions. In the case of female rescue work and orphanages in particular the effect of the personal influence brought to bear is very great, and results are achieved which cannot always be obtained by more official organizations. Your Commission feels strongly that, while care should be taken to avoid overlapping, nothing should be done to discourage the spirit of voluntary service in the community.

HOSPITAL FEES.

Para. 6. (a). *The fees that should be charged for maintenance and treatment in public hospitals.*

MAINTENANCE CHARGES.

As shown by the returns, the average cost per occupied hospital bed (excluding interest on capital) amounted to about £3 per week for the year 1919-20. The weekly maintenance fee charged for patients in hospitals during that period varied from £1 1s. to £3 3s. In every instance the charge was less than the cost, but as the fixed charge was the maximum maintenance fee collectable, the Boards could not demand more than that sum, even if a patient were well able to pay the full cost of his maintenance.

Your Commission considers that section 51 of the Destitute Persons Act, 1910, should be amended with a view to empowering Hospital Boards to demand the full cost of maintenance, regardless of any fixed charge, where circumstances warrant such increased demand. Recently there has been a general tendency among Boards to raise hospital fees.

Your Commission recommends a uniform fee for maintenance in all hospitals of 9s. per day, and half-rates for children, leaving to the Boards the right to reduce such charge in necessitous cases, and to contract with friendly societies for their members on a basis of half-fees guaranteed. The low fees now charged for members of friendly societies by some Boards—notably Auckland (2s. 3d. per day) and North Canterbury (1s. 7d. per day)—seem quite inadequate, and bad business for the Boards.

COLLECTION OF FEES.

As one witness pertinently put it, "The question of the fees collected has been made the subject of comparison between one hospital and another, but it has to be borne in mind that different methods prevail." Unfortunately that is correct, and the departmental returns consequently are misleading. Your Commission is strongly of opinion that there should be absolute uniformity by Boards in compiling returns.

From the evidence, your Commission holds the opinion that there is considerable laxity by Boards in the collection of fees from patients. In some cases there is little or no method employed. Your Commission considers that many patients well able to pay all or some of the fees incurred have been allowed to escape their liability. Where negligence in the collection of fees is shown your Commission urges that the Minister should deduct a portion of the Government subsidy from the Board at fault, and continue to do so until the Board shows returns in the collection of fees in keeping with the conditions of the district.

HOSPITAL RETURNS.

Your Commission finds that there is considerable neglect on the part of some Boards in forwarding statistical returns to the Health Department. As a result the Inspector-General's report for the year ending March, 1920, was not published until April, 1921. The annual report, when compiled on a correct and uniform basis, will be most important for purposes of comparison, and to be of any use to Hospital Boards it should be issued within a few weeks of the end of the financial year. Your Commission urges that the delay on the part of Board officials be stopped, and, as a means to that end, would suggest that neglect to supply within a limited time be an offence within the Act.

PRIVATE WARDS.

Para. 6. (b). *The establishment of paying or private wards in public hospitals.*

The establishment of paying or private words in public hospitals in a matter to which your Commission has given considerable attention. A good example of the system is to be found at the General Hospital at Toronto. Dr. F. R. Riley, of Dunedin, who has visited that hospital, stated in his evidence: "The private hospital is a well-built building of several stories erected on the hospital site, but separate from the main block. It has its own operating-theatre and separate nursing staff. Patients are accommodated in small wards containing a limited number of beds, which can be curtained off as desired to ensure privacy. The proximity to the main hospital block, with laboratories, X-ray and special departments, ensures that each patient shall have the benefit of the latest advances in diagnosis and treatment. The scale of fees for board and residence with the nursing attendance is in proportion to the accommodation required. The fees for professional attendances are a matter of arrangement between the patient and the attending physician and surgeon."

Dr. John Guthrie, of Christchurch, stated: "In America, in Canada, and to some extent in London and in Edinburgh, and I believe in some other parts of the United Kingdom, provision is made for paying-beds in connection with the public hospitals." Dr. Guthrie further pointed out that our hospitals are still regarded as charitable institutions, as shown by honorary staffs serving in the hospitals; and yet, on the other hand, well-to-do people in the hospitals obtain those services without payment, urging as their reason that the public institution is better served from a medical point of view than the private institution.

From the evidence, your Commission believes that it is correct that the public hospitals of to-day are better equipped and staffed than private hospitals. Dr. Guthrie also stated that private hospitals "were of such a small nature that proper and desirable plant was not obtainable, nor was a proper staff from a medical point of view obtainable." "A surgical crisis might arise at any time, and the only

sheet-anchor that the patient has to rely upon is the telephone and the ability of those who are in charge of the home—the matron and the nurses—to obtain the doctor's services at once." "It is not fair that a patient should take any risks that can be avoided by good organization," and "this danger would be completely eliminated" under the scheme proposed—viz., "that the Hospital Boards should take over the entire responsibility of the care of the sick" by establishing private paying-wards attached to public hospitals.

Your Commission considers that, with the increasing necessity for institutional treatment, and the advantages of efficient hospital organization, those who can pay for hospital services should be placed in a position where by doing so they can avail themselves of the facilities afforded in our public institutions.

In order to meet the objection made by some people on the score of differential treatment, Dr. Guthrie advocated that private wards should be kept quite separate from the general hospital, though possibly under the same roof, but should be under the one control of the Board, the medical superintendent, and the matron. To the assertion that the doctors would give more attention to the paying patients than those in the general hospital, Dr. Guthrie answers that the same position exists to-day, when doctors are attending patients both in private hospitals and the general hospital, and "no such charge has been brought against them of devoting their item to the patients in the private institutions to the detriment of those in the public institutions."

Dr. W. E. Herbert, of Wellington, in his evidence said: "I believe that this principle should have been in vogue long ere this in New Zealand in connection with our public fever hospitals, and would recommend the consideration from the Commission, in the future construction of such hospitals, extensive provision being made for private rooms. In no class of disease would there be more scope for a trial of the system. To-day, if a member of a well-to-do family at home takes an infectious disease, he must in most cases either stay at home and run the risk of infecting the rest of the household, or be admitted to the public ward. A similar patient, becoming affected whilst away from home at an hotel or boardinghouse, must be admitted to a public ward, unless he takes the illegal risk of returning to his own home. With good management such a hospital, in my opinion, would hardly fail to pay its way—the risk of the infection to the public would be diminished, whilst the benefit to the individual patient must be apparent. I am strongly of the opinion that the same arguments are applicable to the establishment of private wards at our up-to-date public hospitals."

Other witnesses expressed the opinion that the establishment of private wards, attended by private practitioners, would have the effect of adding to the efficiency of the work in the general hospitals. It was pointed out that by concentrating the practice of the consulting staff at the hospitals it would give them more time to devote to the patients in the general wards, and opportunities for comparison and criticism of methods would help to raise the general standard of efficiency.

In most of the larger hospitals preference is very properly given to the patients who are unable to go into private nursing-homes; but there arises the injustice that ratepayers who contribute to the cost of the hospitals are unable to make any use of the superior facilities which these afford, even though they are prepared to pay the full cost, not only of maintenance and nursing, but also of their treatment. Your Commission considers that the provision of private wards would remedy this grievance, and at the same time afford a source of some profit, which should be devoted to the improvement of the general hospital.

The necessity for private maternity wards being connected with public hospitals under the Boards also impressed your Commission, and it is felt that this want should receive immediate attention.

Your Commission concurs in the opinions expressed in the evidence quoted, and recommends the establishment of paying or private wards in connection with public hospitals wherever the conditions are favourable; that such wards be under the control of the Medical Superintendent, but patients to choose their own medical attendant, and to make their own arrangements as to his fees.

REPRESENTATION ON BOARDS.

Para. 7. *The present method of allocation of representation of contributory local authorities and the ratepayers on Hospital Boards, having regard also to the nature of the suffrage.*

Evidence was heard upon the proposal that election of members to Boards be superseded by nomination of members by contributory local authorities. The suggestion was generally opposed by Hospital Boards, but found favour with some contributory local authorities. Sufficient reasons were not advanced to justify your Commission recommending any alteration in the existing form of election of members to Hospital Boards, or in the existing forms of franchise, except in the following instances :—

(a.) *Allocation of Representation of Contributory Districts.*—It was pointed out that the number of representations of each contributory district is determined under the Act after taking into consideration the relative population and the relative rateable capital value in each district, and the practice has been to give equal weight to each factor in arriving at such representation. As the levy is made directly on the ratepayer, your Commission is of opinion that, in arriving at the representation, greater consideration should be given to the rateable property than to the population; and your Commission recommends that the proportion be two-thirds to one-third.

(b.) *Franchise.*—Instances were cited before your Commission of the unfairness of two or more contributory districts with different forms of franchise being joined in a combined district within a hospital district. For instance, a county, voting on a ratepayers roll, is at a disadvantage when joined with a borough, voting on the manhood suffrage, in an election for representatives for the Local Hospital Board. With the extended franchise the borough electors are able to dominate an election, the county ratepayers roll being further reduced by the Act to each elector having one vote only.

Your Commission recommends that the ratepayers' suffrage should apply throughout the combined district. The ratepayers rolls, taken from the valuation rolls, could more easily be compiled than manhood-suffrage rolls, and would have the further advantage of representing the payers of the hospital levy.

GOVERNMENT REPRESENTATION ON BOARDS.

Para. 8. *The desirability or otherwise of providing for Government representation upon Hospital Boards by means of nominated members.*

In view of the extensive powers of control possessed by the Minister, your Commission fails to see that any good purpose would be served by the nomination of Government representatives on Hospital Boards, and that opinion generally was expressed in evidence by the various Boards.

Your Commission, however, considers that section 75 (2) of the Hospitals and Charitable Institutions Act, 1909, should be amended by the insertion of the words "or an Assistant Inspector" after the words "The Inspector-General"; and that section 34 be deleted, and the following substituted: "No appointment of any medical officer, or of a master, manager, or matron of any institution, or of a secretary of a Board, shall be made unless the Minister has previously approved of such appointment."

Your Commission, however, is of opinion that there should be a Government nominee on each of the Boards controlling the base hospitals at Auckland, Wellington, Christchurch, and Dunedin. Such nominees should be selected to represent the outlying districts, in view of the special allocation of subsidy from those outlying districts to the Boards of the base hospitals for the development of special departments. Your Commission also recommends the appointment of a Government nominee to represent the Medical Faculty of the University of Otago.

HOSPITAL DISTRICTS.

Para. 9. *The constitution and area of the present hospital districts, and whether the present grouping of local authorities in the various districts is the best and fairest method of distributing the cost of the base hospitals throughout the various local authorities.*

No evidence was submitted to your Commission to justify a recommendation of any change in the existing hospital districts, except in regard to the districts of Picton, Inangahua, and Waihi, which should be merged in larger districts.

The Wairau Hospital Board ask for the amalgamation of the Picton District with the Wairau District, on the grounds that "the greater portion of the sick from the Picton Road District, at any rate from that part contiguous to the Wairau Hospital District, comprising the closely settled district and Township of Tuamarina, go to the Wairau Hospital; again, the settlers from the Pelorus Sound (Sounds County) enter the cottage hospital at Havelock." "If these portions were cut off from the Picton Hospital District it would obviously render it too small to be worked with any degree of economy; consequently it will be better to amalgamate both bodies."

Your Commission believes that to be the actual position, and deems the amalgamation to be the right course.

The Inangahua Hospital District is a small community, and, while it has only an indifferent hospital service, it has been compelled to strike the heaviest rate of levy in the Dominion. Your Commission considers it will be in the best interest of that district to amalgamate with the Grey Hospital District.

Evidence given from the Waihi Hospital Board shows that it is in financial difficulties owing to a general mining slump, and your Commission considers it will be to the advantage of the district to amalgamate with the adjoining Thames Hospital District.

Your Commission also considers that in the case of a small hospital district conterminous with a county or borough boundary the contributory local body should also have the functions of the Hospital Board for the district, thus avoiding a Board election and effecting a saving in administration expenses.

Your Commission recommends that the Public Hospitals at Auckland, Wellington, Christchurch, and Dunedin be constituted base hospitals as indicated in paragraph 2 (b).

HOSPITAL ECONOMIES.

Para. 10. *To what extent economy might be effected by the adoption of stricter business methods, more especially in the purchasing of medical and surgical supplies.*

PURCHASING OF SUPPLIES.

(a.) Your Commission gave special attention to ascertaining in what respect economy might be effected in hospital administration. It was noted that hospital maintenance expenditure has more than doubled in five years. In 1914-15 the cost was £268,694; in 1919-20, £596,568.

As far back as 1911, at a conference of Hospital Boards, a resolution was passed, "That it is desirable that the Boards should combine for the purpose of letting a contract for supply of leading lines of drugs and dressings to the hospitals of the Dominion." Since then several attempts to bring about co-operative buying have been made, but unsuccessfully, owing partly to war conditions.

The largest Boards have shown an alertness in their system of purchasing that is commendable, but it is very doubtful whether, among the smaller Boards, any proper method of obtaining supplies prevails.

It was recognized throughout that buying in bulk, if properly carried out, would bring about a large saving, even to the Boards of the principal cities. The position from the large Boards' point of view was summed up by the secretary of the North Canterbury Board, who said, "The proposal to group the Hospital Boards together for the purpose of importing on a large scale is undoubtedly worthy of every consideration, but my opinion is that Boards themselves should have some voice as to the means by which such purchases are to be made."

Your Commission is of opinion that by standardization of articles, and grouping of orders, large savings in purchasing could be effected. The annual amount of such purchases would be approximately £350,000, for general hospitals and £150,000 for mental hospitals. If the purchasing-orders of all the hospitals were combined, this large volume of business should secure the lowest possible purchasing-prices. It should further enable overseas purchases to be made direct from the manufacturers or direct from the world's principal markets.

Your Commission recommends the setting-up of a Hospital Supplies Purchase Board, to include officials from the four base hospitals, who already have had good experience of buying, and two business men with the required knowledge; and it is believed that such a Board, with representatives of the Health and Mental Hospitals Departments, would be the means of effecting considerable saving.

Evidence was given to the effect that the plan of purchasing through the High Commissioner's Office has not always proved satisfactory, and your Commission is of opinion that the Hospital Supplies Purchase Board should be at liberty to make other arrangements should these be found more advantageous.

CHECKING ACCOUNTS AND SUPPLIES: INSPECTING HOUSE STEWARD.

Your Commission approved of the newly created position of an Inspecting House Steward, and recommends that such an officer be permanently attached to the Health Department. His duties should include—

The introduction and continuance of an efficient system of recording and checking the receipt and issue of supplies;

Advice to all Hospital Boards regarding purchase of supplies;

An oversight of the buying methods, quantity consumption, and costs.

It is considered that the adoption of such a system at each hospital would result in great economy.

INSPECTING ACCOUNTANTS.

(c.) Your Commission is of opinion that it is essential, in the interests of economy, that two Inspecting Accountants be appointed without delay—

To introduce a uniform system of accounts and returns;

To check the accounts, stores, and equipment of each hospital at least once a year;

To introduce an effective system for the collection of fees by each Board;

To introduce a uniform system of costing at each hospital, and report to the Department on the cost of maintenance.

It appeared in evidence that the book-keeping methods at the various hospitals are not at present uniform, and that consequently it is impossible for the Department to compile accurate statistics; that in some cases the official audit of accounts has been as much as two years in arrears; that in many cases there is no stock-taking of stores and equipment; that there is a general lack of method in the collection of fees, resulting in a substantial loss of income; that the absence of a uniform system of costing tends to extravagance in the issue of supplies.

APPOINTMENT OF ARCHITECT.

(d.) Difficulty has arisen between Hospital Boards and the Health Department in regard to plans for hospital buildings or extensions. The procedure to-day is for Boards to employ architects, whose plans are submitted to the Department for approval. Your Commission considers that the Department, without the services of an architect, is not properly qualified to deal with such plans, and is of opinion that great economy would be effected by the appointment of an architect with special experience in hospital-construction.

The duties of the architect should be, *inter alia*, to keep himself abreast of developments in hospital architecture; to prepare plans and specifications, as far as possible, for all hospital buildings and extensions; and to arrange for ground plans providing for ultimate extensions of all hospital buildings.

As the services of the architect would be at the disposal of the Boards, those services should be a charge on the Boards obtaining them.

DIETITIANS.

(e.) A statement was given by Professor Helen Rawson, of Dunedin, on the work of dietitians and institutional housekeepers in such public institutions as involve a large expenditure on housekeeping, stressing the waste of time and material, and the lack of efficiency, especially in the kitchen department, caused by unskilled organization in the domestic departments. She said, "The amount of good food that finds its way into the refuse-bins of many public institutions is amazing. It is due in the first instance to lack of skill in supervising stores and in calculating the amount of food required, but it is also true that care is required to prepare palatable and digestible made-over dishes, and, rather than take the extra trouble, the inefficient cook will discard the food unless the waste is being carefully watched. The waste of food through wrong methods of cooking, and the dissatisfaction throughout the institution when the food is badly cooked, are a challenge to the authorities in charge." She had seen instances where the waste of foodstuffs had been shown to equal the salary of a skilled food-supervisor.

Speaking on the scientific aspect of the question, she stated that the study of dietetics had revealed the fact that for normal people the food requirements—both in proportion and kind—varied according to age, occupation, climate, and other factors, and that while the planning of dietaries was required for normal people, it was clearly essential for sick people. Under the direction of the dietitian, the diets for special diseases would be prepared in a diet kitchen, and all nurses would be trained by her to prepare such dietaries. Professor Rawson claimed that when the feeding of the patients was dealt with in that skilled way the recovery of the patients was more rapid. The dietitian should be given professional standing, and should be directly responsible to the Medical Superintendent.

Evidence showed that dietitians are now employed in Canada, United States, and Great Britain.

Your Commission recommends that a skilled dietitian from overseas be appointed at Dunedin at once, and subsequently at Auckland, Wellington, and Christchurch by the respective Hospital Boards.

The necessary training to fit students for this profession is already available at the School of Domestic Science at the University of Otago, and this should be supplemented by six months' practical work under a qualified dietitian in one of the large hospitals. Your Commission believes that the adoption of this proposal would not only bring about a great reform in our hospitals, but open up an attractive career for educated New Zealand girls, and ultimately exercise a beneficial effect on the social and domestic life of the community.

MEDICAL RECORDS.

(f.) The Director of Hospitals stressed the necessity for establishing a good system of medical records in hospitals, to enable the staffs to check results and effect improvements in treatment. It was also pointed out that these records would be of great value as an aid to medical research.

Medical Superintendents are already fully seized of the importance of records, and to assist in the development of the system your Commission recommends the appointment of Medical Registrars by the Boards of the base hospitals.

TREATMENT OF CONVALESCENT PATIENTS.

(g.) Evidence was given by Dr. Colquhoun and other witnesses to the effect that in most of the hospitals there is always a proportion of convalescent patients who do not require constant nursing and medical attention, and who would do much better if removed to a secondary or convalescent hospital in the country, where they could get the benefit of fresh air.

Your Commission suggests that, as additional accommodation for patients becomes necessary in the larger centres, the policy might well be considered of building a secondary hospital in healthy surroundings, for convalescent and chronic cases, instead of continually adding to existing buildings. Such secondary hospitals should be as simple and inexpensive in construction as possible.

HOSPITAL PATIENTS FROM OTHER DISTRICTS.

(h.) Your Commission is of opinion that Boards of hospitals taking in patients from other districts should not look to the Boards of those other districts for the patients' fees, except where the patient enters the hospital on the order of his Board. An exception, however, should be made in the case of the base hospitals at Auckland, Wellington, Christchurch, and Dunedin, so long as the special contribution of subsidy for the maintenance of special Departments continues, when the Boards of those base hospitals should be compelled to admit any *bona fide* resident of another district needing special treatment, and should be permitted to charge the Board of the patient's district the fees incurred.

Your Commission recommends that legislation be passed to give effect to the foregoing.

PREVENTIVE TREATMENT.

(i.) Your Commission received evidence upon the possibilities of preventive treatment being the means of reducing the number of hospital patients and thereby lessening hospital expenditure, and formed the opinion that it is practicable by propaganda work on the right lines materially to improve the health of the community.

"I feel confident," said Dr. Herbert, of Wellington, "in stating that one-third of the diseased conditions which force patients into public hospitals is preventable"; and he then emphasized the necessity of medical inspection and physical training of school-children.

Dr. Colquhoun, of Dunedin, was emphatic upon the necessity of "fresh-air schools" as a means of raising healthy school-children, and Hon. Dr. Collins, of Wellington, spoke on similar lines.

Your Commission is of opinion that an increased effort to prevent disease should be organized by the Health Department, and attention should be directed towards ensuring healthy conditions in our schools; the restriction of movements of infectious-disease "carriers," and those suffering from active venereal diseases; proper inspection of children's teeth; effective medical inspection of immigrants and ships' crews to detect infectious or contagious diseases; destruction of rats, flies, and other vermin carriers of disease.

Your Commission further considers that liberal encouragement should be given by the Government for medical research work, more especially in regard to diseases that are more prevalent here than in other countries.

In witness whereof we have hereunder set our hands and seals, this thirty-first day of May, in the year one thousand nine hundred and twenty-one.

VERNON H. REED, Chairman.	} Members.
H. T. D. ACLAND,	
G. SHIRTCLIFFE,	
A. F. HAWKE,	
W. H. TRIGGS,	

SUMMARY OF RECOMMENDATIONS.

1. (a.) The Government should contribute one-half of the capital requirements of the Hospital Boards. The basis of such contributions should be a flat rate subsidy of £1 for £1 on capital expenditure, and on interest on loans current in respect of capital expenditure.

(b.) The cost of minor capital works, and all plant and equipment, should be provided for otherwise than by loan. The cost of erecting buildings, or of making additions or alterations to buildings, or of purchasing land, may be raised by loans. Loans should be repayable by sinking fund within a period not exceeding twenty years for permanent buildings and land, and ten years for wooden or other non-permanent buildings. The Government should provide facilities for Hospital Boards to obtain loans on the most advantageous terms.

2. (a.) The Government should contribute one-half of the net maintenance requirements of Hospital Boards.

(b.) The basis of allocation of nineteen-twentieths of such contribution among the individual Boards should be on the principle that the heavier the burden of a Board's requirements on the rateable capital value of its district the higher the subsidy, but that the rate of subsidy, per £1 levy should not exceed 26s. nor be less than 14s. in the case of any individual Board. The remaining one-twentieth of such contribution should be specially allocated in equal proportion to the hospitals at Auckland, Wellington, Christchurch, and Dunedin, for the purpose of developing and extending the work of special departments essential to base hospitals, but be not used in any case for ordinary maintenance purposes.

In view of the special subsidy contribution, the other Hospital Boards should have the right to send patients for admission to these hospitals for special treatment, on payment of the maintenance fee.

In arriving at the burden of a Board's requirements on the rateable capital value of its district, a deduction be made from such rateable capital value of the capital value of all non-rate-producing Native lands.

3. The Government should subsidize voluntary contributions to Hospital Boards for general maintenance purposes or for specific maintenance purposes approved by the Minister at the rate of £1 for £1.

The Government should, on the recommendation of the Minister, subsidize voluntary contributions, bequests, and devises for capital purposes, or endowments, at the rate of £1 for £1.

4. (a.) The Mercury Bay Hospital should be merged in the Coromandel Hospital District.

(b.) The Oamaru Hospital should continue to be treated as a separate institution under the Hospitals and Charitable Institutions Act, and receive the same scale of subsidies as Hospital Boards.

(c.) The Jubilee Institute for the Blind, Auckland, is an educational institution, and as such should be removed from the list of separate institutions under the Act, and in future should receive financial assistance from the Education Department.

(d.) The Reefton Ladies' Benevolent Society be removed from the list of separate institutions and affiliated with the Inangahua Hospital Board.

(e.) The Wellington Convalescent Home, St. Andrew's Orphanage (Nelson), Wellington Ladies' Christian Association, Hawke's Bay Children's Home, and the Wellington Society for Relief of the Aged Needy should be continued at separate institutions, and receive the same scale of subsidies as Hospital Boards on voluntary contributions and bequests.

5. The Plunket Society and Salvation Army should continue to receive financial assistance from the Government through the headquarters of each organization.

The Government should make an annual grant to other charitable societies and institutions, and allot same on the recommendation of Hospital Boards, having regard to the amount of voluntary contributions and the number of inmates.

6. (a.) A uniform fee of £3 3s. per week for adults and £1 11s. 6d. for children under fourteen years should be charged for maintenance and treatment in public hospitals. Boards to have permission to reduce such fees in necessitous cases. Boards to have the power to contract with friendly societies for the maintenance and treatment of their members on a guaranteed payment of one-half the above fees.

(b.) In order to extend further their usefulness, there should be established in connection with public hospitals, wherever the conditions are favourable, private wards to which patients would be admitted on payment of adequate fees for maintenance and nursing attendance. Such wards to be under the control of the Medical Superintendent, but patients to choose their own medical attendant, and make their own arrangements as to his fees.

7. (a.) Section 9 (2), Hospitals and Charitable Institutions Act, 1909, should be amended so as to allocate the representatives of contributory districts in proportion to their respective rateable capital value and population, at a ratio of two-thirds on rateable capital value and one-third on population.

(b.) The existing system of representation and suffrage should continue, except where local contributory bodies having different forms of suffrage are united in one combined district; in such cases the ratepayers suffrage should apply over the whole area.

8. Considering the full power of control of expenditure already possessed by the Minister, Government representation upon Hospital Boards by means of nominated members is not recommended, except that in the case of Auckland, Wellington, North Canterbury, and Otago Hospital Boards, to whom it is proposed to give special financial consideration for base-hospital purposes, it is recommended that there be one member on each Board appointed by the Government; and, further, that in the case of the Otago Hospital Board an additional member be appointed by the Government, to be nominated by the Medical Faculty of the University of Otago.

9. The constitution and area of the hospital districts should continue as at present, except that the following hospital districts should be amalgamated: Picton with Wairau; Inangahua with Grey; and Waihi with Thames.

The public hospitals at Auckland, Wellington, Christchurch, and Dunedin should be constituted base hospitals: See also 2 (b).

Economy would be effected to a very large extent by the adoption of the following recommendations:—

(a.) A Hospital Supplies Purchase Board should be constituted under the Health Department, composed of one responsible officer of and appointed by each of the four base-hospital Boards, one from the Health Department, one from the Mental Hospitals Department, and two business men nominated by the Minister. This Board should arrange for the standardization, purchase, and distribution of equipment and supplies for all institutions under the Hospital Boards, Health Department, and Mental Hospitals Department. Hospital equipment and supplies, where possible, should be standardized with a view to economical buying by placing combined orders for Dominion requirements for delivery at centres as required.

(b.) An Inspecting House Steward should be a permanent officer of the Department. He should introduce an efficient system of recording and checking the receipt and issue of supplies at each hospital, and should report fully to the Department and the Hospital Board affected, after each inspection.

(c.) Two Inspecting Accountants should be appointed at once to introduce a uniform system of accounts and returns. They should check the accounts, stores, and equipment of each hospital at least once a year, and introduce an effective system for the collection of fees by each Hospital Board, and report to the Department from time to time on the operation of such system. They should introduce a uniform system of costing at each hospital, and examine into and report to the Department on the cost of maintenance.

(d.) With a view to assuring the most efficient design and construction of hospitals, and the standardizing of buildings, where possible, a specially qualified architect should be appointed, who would be expected to make a continuous study of the latest developments of hospital-construction. Wherever possible complete ground-plans providing for ultimate extensions should be prepared, and be conformed to in subsequent building operations.

(e.) A skilled dietitian should be appointed at once by the Otago Hospital Board, to organize at the Dunedin Hospital, in conjunction with the Home Science Department of the University of Otago, the training of pupil dietitians. As soon as possible dietitians should be appointed at the Auckland, Wellington, and Christchurch Hospitals by the respective Boards.

(f.) A uniform system of medical records should be introduced into all hospitals.

(g.) It is suggested that as additional accommodation for patients becomes necessary in the largest centres the policy be considered of building secondary hospitals for convalescent and chronic cases.

(h.) In section 72 (1), The Hospitals and Charitable Institutions Act, 1909, in line 1, after the words "When a person receives," there should be added the words "charitable aid." A clause should be inserted in an amending Bill empowering the Boards of the Auckland, Wellington, North Canterbury, and Otago Hospital Districts to recover from another Hospital Board the cost of special treatment given by any of them to any *bona fide* resident of that Board's district.

(i.) Medical research and the preventive work of the Health Department should be further developed with a view to improving the national health and thus lessening the need for hospital accommodation.

MINUTES OF PROCEEDINGS.

WELLINGTON.

TUESDAY, 12TH APRIL, 1921.

THE members of the Commission met at 10 a.m. on Tuesday, the 12th April, in the Joint Committee Room, Library Wing, Old Parliamentary Buildings, Wellington. The Secretary read the warrants dated 18th January, 1921, and 14th March, 1921, respectively, constituting the Commission. All the members of the Commission—Mr. Vernon H. Reed, M.P. (Chairman), Dr. H. T. D. Acland, C.M.G., Hon. A. F. Hawke, M.L.C., Mr. G. Shirlcliffe, and Hon. W. H. Triggs, M.L.C.—were present.

The Chairman announced that proceedings would be open to the Press.

The Chairman stated that evidence had been asked for in writing from witnesses, who would, if desired, afterwards attend before the Commission for cross-examination. This procedure was agreed to.

It was resolved that the dates and places of sitting, together with a *resume* of the order of reference, be forthwith advertised at each of the four centres, and that all persons interested be invited to give evidence.

On the motion of Mr. Reed, seconded by Mr. Shirlcliffe, it was decided that all Borough Councils and all County Councils be sent a copy of the order of reference, and be invited to give evidence on any subject-matter in which they were interested.

The Minister of Health (Hon. C. J. Parr) then addressed the Commission, expressing generally the Government's desires in regard to the Commission's inquiry.

The Chairman thanked the Minister for his address.

The Hon. Mr. Parr then withdrew from the meeting.

It was decided that the Commission leave for Auckland on Saturday, the 16th April, and commence sittings there on Monday, the 18th idem.

The Chairman then called upon Mr. E. A. S. Killick, Secretary of the Department of Health. Mr. Killick read out a statement, and afterwards submitted to cross-examination thereon.

The Commission rose at 5 p.m.

WEDNESDAY, 13TH APRIL, 1921.

The Commission met at 10 a.m. All the Commissioners were present.

The examination of Mr. E. A. S. Killick was concluded.

Dr. D. S. Wylie, Director, Division of Hospitals, Department of Health, read a statement, and was examined thereon.

The Chairman directed that the Public Service Commissioner be asked to send an officer of his Department to give evidence before the Commission in regard to clause 10 of the order of reference.

The Chairman directed that Dr. F. R. Riley, of Dunedin, be asked to submit evidence in regard to paragraph 6 (b) of the order of reference.

It was decided to call all witnesses from a distance at present in Wellington before hearing further departmental evidence.

The Commission rose at 5 p.m.)

THURSDAY, 14th April, 1921.

The Commission met at 10 a.m. All the Commissioners were present.

Mr. E. A. S. Killick, Secretary, Department of Health, was recalled for further examination.

The following witnesses were examined: Mr. Murdock Fraser, Chairman, Taranaki Hospital Board; Mr. Frederick Castle, Chairman, Wellington Hospital Board; Mr. E. G. Eton, Chairman, Wairarapa Hospital Board; Mr. Thomas Neale, Chairman, Nelson Hospital Board; Mr. T. Martin, Secretary, Municipal Associations of New Zealand; Sir J. G. Wilson, Chairman, Palmerston North Hospital Board.

The Chairman directed that the following be asked to attend before the Commission when sittings were resumed in Wellington after visiting other centres: Mr. H. M. C. Robertson, late Inspecting Accountant, Department of Health, Wellington; Dr. W. E. Herbert, of Wellington.

The Commission rose at 5 p.m.

FRIDAY, 15TH APRIL, 1921.

The Commission met at 10 a.m. All the Commissioners were present.

The following witnesses were examined: Sir J. G. Wilson, Chairman, Palmerston North Hospital Board; Mr. C. M. Haggett, Secretary, Hawera Hospital Board; Mr. R. Wild, Chairman, Westland Hospital Board; Mr. G. S. Johnson, member, Picton Hospital Board; Dr. F. Truby King, General President, Royal New Zealand Society for the Health of Women and Children; Colonel J. H. Bray, representing the Salvation Army, New Zealand Headquarters.

Letters from the following were read: The Secretary, Wairau Hospital Board (12/4/21); the Secretary, Waiapu Hospital Board (19/2/21).

No other evidence being forthcoming, the Commission rose at 4.15 p.m.

SATURDAY, 16TH APRIL, 1921.

The Commission met at 10 a.m. All the Commissioners were present.

Mr. F. J. Fenton, Inspecting House Steward, Department of Health, was examined.

The Commission adjourned at 11.15 a.m., and proceeded by the 12.45 p.m. train to Auckland.

AUCKLAND.

MONDAY, 18TH APRIL, 1921.

The Commission met in the Auckland Hospital Board room at 10 a.m. All the Commissioners were present.

The following witnesses were examined: Mr. T. Ellis, Chairman, Whangarei Hospital Board; Mr. C. E. Wallace, Chairman, Auckland Hospital Board; Dr. C. E. Maguire, Medical Superintendent, Auckland Hospital; Mr. G. B. Osmond, member of the St. Mary's Homes Board, Auckland; Mr J. V. Macky, Honorary Secretary, Door of Hope, Auckland.

The Commission rose at 5.20 p.m.

TUESDAY, 19TH APRIL, 1921.

The Commission met at 10 a.m. All the Commissioners were present with the exception of Mr. G. Shirlcliffe.

The following witnesses were examined: Mr. D. Donaldson, Mayor of Waihi and Deputy Chairman of the Waihi Hospital Board; Mr. A. S. Laird, Chairman, Taumarunui Hospital Board; Mr. W. I. Conradi, Secretary, Waikato Hospital Board; Mr. T. H. Macky, Chairman, Knox Incurables Home Trust Board; Mr. W. W. Bruce, Secretary, Knox Incurables Home Trust Board.

The Commission adjourned at 3.15 p.m. to visit the Auckland Hospital, and subsequently left for Christchurch.

CHRISTCHURCH.

THURSDAY, 21ST APRIL, 1921.

The Commission met in the North Canterbury Hospital Board room, Christchurch, at 10.30 a.m.

The following witnesses were examined: Mr. H. M. Bannehr, Secretary and Treasurer, St. Saviour's Home; Mr. C. Nevin, Secretary, Inangahua Hospital Board; Mr. J. D. Hall, Hororata; Mr. G. Bowron, Hon. Treasurer, South Island Methodist Orphanage; Dr. Guthrie, President, Canterbury Division of the British Medical Association.

The Commission rose at 5 p.m.

FRIDAY, 22ND APRIL, 1921.

The Commission met at 10 a.m. All the Commissioners were present.

The following witnesses were examined: Dr. Walter Fox, Medical Superintendent of the Christchurch Hospital; Right Rev. Dr. Brodie, Roman Catholic Bishop of Christchurch (appearing on behalf of Mount Magdala Asylum); Mr. John Burgess, Secretary, United Friendly Societies Dispensary, Christchurch; Mr. W. S. Wharton, Secretary, North Canterbury Hospital Board.

The Chairman directed that Dr. T. A. MacGibbon be invited to appear before the Commission at Christchurch.

The Secretary reported that in answer to a telephonic communication Dr. MacGibbon declined to appear before the Commission.

Mr. F. W. Watt gave evidence on behalf of the Ashburton Borough Council and Ashburton Hospital Board.

The Commission rose at 10 p.m.

SATURDAY, 23RD APRIL, 1921.

The Commission met at 10 a.m. All the Commissioners were present.

The following witnesses were examined: Mr. H. J. Otley, Chairman, North Canterbury Hospital Board; Mr. A. D. Ford, Mayor of Riccarton.

No other evidence being forthcoming, the Commission rose at 12 noon, and afterwards inspected the Christchurch Hospital.

DUNEDIN.

TUESDAY, 26TH APRIL, 1921.

The Commission met in the Otago Hospital Board room, Dunedin, at 10. p.m. All the Commissioners were present.

Mr. T. K. Sidey, M.P., addressed the Commission on behalf of the Royal New Zealand Society for the Health of Women and Children.

The following witnesses were examined : Mr. Peter Barr, Honorary Agent, Mrs. Marie Theomin, Honorary Secretary, and Mrs. J. A. Johnson, President, respectively, of the Royal New Zealand Society for the Health of Women and Children ; Mr. T. Pryde, Secretary, Southland Hospital Board ; Mr. T. McNaughton, Chairman, Wallace and Fiord Hospital Board ; Mr. J. Horrell, member, Wallace and Fiord Hospital Board ; Mr. T. L. Hart, Chairman, Waimate County Council.

The Commission rose at 4.15 p.m., and afterwards inspected the Dunedin Hospital.

WEDNESDAY, 27TH APRIL, 1921.

The Commission met at 10 a.m. All the Commissioners were present.

The Secretary read a statement submitted by Mr. E. Murney, Honorary Secretary of the Tapanui Branch, New Zealand Farmers' Union.

The following witnesses were examined : Mr. R. A. Rodger, Councillor, Tuapeka County Council ; Mr. A. Fraser, Chairman, Waitaki Hospital Board ; Mr. E. Laley, Councillor, Waikouaiti County Council ; Mr. A. North, member, South Otago Hospital Board ; Dr. A. R. Falconer, Medical Superintendent, Dunedin Hospital ; and the following members of the Otago Hospital Board : Dr. L. E. Barnett, Dr. W. Newlands, Mr. W. E. S. Knight, Mr. A. F. Quelch. Dr. D. Colquhoun, Emeritus Professor of Medicine in the University of Otago, was also examined.

The Commission rose at 5.40 p.m.

THURSDAY, 28TH APRIL, 1921.

The Commission met at 10 a.m. All the Commissioners were present.

The following witnesses were examined : Dr. H. Lindo Ferguson, Dean of the Faculty of Medicine, University of Otago ; Mr. A. S. Malcolm, M.P., member, South Otago Hospital Board ; Professor G. H. Rawson, Dean of Home Science, University of Otago ; Rev. G. B. King, Chairman, Dunedin Centre, St. John Ambulance Association ; and Mr. John Logan, Clerk and Treasurer, Taieri County Council.

Dr. F. R. Riley handed in a written statement.

The Commission rose at 5.30 p.m.

The Commission inspected the Karitane Home, Anderson's Bay, and also the Medical School of the University of Otago.

WELLINGTON.

MONDAY, 2ND MAY, 1921.

The Commission met in the Old Parliamentary Buildings, Wellington, at 10 a.m. All the Commissioners were present.

The following witnesses were examined : M. P. N. Williams, Officer in Charge Military Supplies Purchase Office ; Major G. A. Gibbs, Officer in Charge Medical Stores, Defence Department ; Mr. J. Coyle, Secretary, Wellington Hospital Board ; Mr. F. W. Flanagan, Valuer-General ; Mr. J. Grant, Grand Secretary of the Grand Lodge U.A.O.D. ; Mrs. E. C. Sprott, a Vice-President of St. Mary's Guild, Wellington ; Mr. F. Castle, Chairman, Wellington Hospital Board (recalled) ; Mr. A. H. Truebridge, Superintendent of Charitable Aid, Wellington Hospital Board ; Mr. E. A. S. Killick (recalled) ; Mr. W. Morrison, Chairman, Waitotara County Council ; Mr. C. G. Russell, Councillor, Waitotara County Council ; Mr. O. McElroy, Councillor, Oroua County Council ; Mr. A. E. Pearce, Chairman, KIWITEA County Council.

The Commission rose at 10.15 p.m.

TUESDAY, 3RD MAY, 1921.

The Commission met at 10 a.m. All the Commissioners were present.

The following witnesses were examined : Hon. Dr. W. E. Collins, M.L.C. ; Mrs. M. Gill, Wellington Ladies' Christian Association ; Mr. J. G. Petherick, Chairman of the Wellington Society for the Relief of the Aged Needy ; Mr. Fred. Castle (recalled) ; Mr. F. J. Fenton (recalled) ; Dr. W. E. Herbert, of Wellington, medical practitioner ; Dr. P. R. Woodhouse, Medical Superintendent, Wellington Hospital ; Dr. J. S. Elliot, representing the New Zealand Division of the British Medical Association ; Mr. A. T. Traversi, F.I.A., Assistant Actuary, Government Insurance Department ; Colonel R. J. Collins, Controller and Auditor-General ; Dr. T. H. A. Valintine, Director-General of Health.

WEDNESDAY, 4TH MAY, 1921.

The Commission met at 10 a.m. All the Commissioners were present.

The following witnesses were examined : Dr. T. H. A. Valintine, Director-General of Health ; Mr. H. M. C. Robertson, late Inspecting Accountant, Department of Health.

Written statements by the following were admitted as evidence : Dr. Horace L. Brittain, Director of the Citizens' Research Institute of Canada ; Dr. H. Dawson, of Pahiatua, to the Wairarapa Hospital Board ; Mr. J. S. Dickie, of Clyde, Secretary, Vincent Hospital Board (22/4/21) ; Mr. T. G. Russell, of Winton, Town Clerk of the Borough of Winton (16/4/21) ; Mr. W. J. Pallott, Secretary of the Hawke's Bay Children's Home (14/4/21) ; Mr. G. J. Shepherd, Secretary, Hokianga Hospital Board (12/4/21) ; Mr. A. Mabbott, County Clerk, Waimarino County Council (12/4/21) ; Sir J. G. Wilson, Chairman, Palmerston North Hospital Board (16/4/21) ; Mr. Arthur Clarke, Secretary, Ashburton Hospital Board (3/5/21) ; Colonel J. H. Bray, of the National Headquarters, Salvation Army (2/5/21) ; Mr. P. Skogland, Town Clerk, Stratford Borough Council (27/4/21) ; Mr. Nash, M.P. Mayor of Palmerston North (telegram, 2/5/21) ; Mr. J. L. Wilson, Secretary, Whangaroa Hospital Board (24/2/21) ; Mr. Thomas S. Houston, Chairman, Mangonui Hospital Board (8/4/21) ; Wairoa Hospital Board (telegram, 18/4/21) ; Mr. George Tonge, Secretary, Thames Hospital Board (11/3/21) ; Mr. A. L. Ellisdon, Secretary, Wairoa Hospital Board (27/3/21) ; Mr. A. L. Temple, Secretary, Waiapu Hospital Board (24/3/21) ; Mr. E. A. S. Killick, Secretary of the Department of Health (setting forth the recommendations of the Hawke's Bay Hospital Board adopted at a meeting held on the 12th April, 1921) ; Mr. Howard Kenway, Chairman, Cook Hospital Board (11/4/21) ; Mr. Cecil M. Haggitt, Secretary, Hawera Hospital Board (20/4/21) ; Mr. Courtenay D. Sole, Chairman, Stratford Hospital Board (13/4/21) ; Mr. W. H. Maitland, Secretary, Buller Hospital Board (15/4/21) ; Mr. J. W. Hanan, on behalf of the Grey Hospital Board (22/4/21) ; Mr. H. S. Russell, Secretary, South Canterbury Hospital Board (21/4/21) ; Mr. John Jacobs, Secretary, Otago Hospital Board (30/4/21) ; Mr. H. D. Atkinson, Secretary, New Zealand Counties Association (13/4/21) ; Mrs. Jessie M. Moorhouse, President, Wellington Hospital Convalescent Home (8/4/21) ; Mrs. E. S. Baird, President, Victoria Home, Invercargill (2/4/21) ; Sister Mary Menna, acting Superioress, Nazareth House, Christchurch ; Mr. J. Mainwaring, County Clerk, Ashburton County Council (16/4/21) ; Mr. F. W. Connell, County Clerk, Kairanga County Council (29/4/21) ; Mr. A. Leese, Town Clerk, Taumarunui (21/4/21) ; Mr. F. H. Denton, Town Clerk, Greymouth Borough Council (18/4/21) ; Mr. E. A. S. Killick, Secretary, Department of Health ; Mr. John Stallworthy, Chairman, Kaipara Hospital Board (2/5/21) ; Mr. F. R. Drew, County Clerk, Manawatu County Council (4/5/21) ; Mr. W. S. Wharton, Secretary, North Canterbury Hospital Board (30/4/21) ; Mrs. M. F. Johnstone, President, Central Council of the Royal New Zealand Society for the Health of Women and Children (4/5/21) ; Colonel R. J. Collins, Controller and Auditor-General (4/5/21) ; Mrs. Florence Porter, President, Women's National Reserve, Wellington District (4/5/21).

The Commission then went into Committee.

THURSDAY, 5TH MAY, 1921.

All the Commissioners deliberated in Committee from the 5th to the 7th May, inclusive. On the 7th May the Commission adjourned until 10 a.m., Tuesday, 24th May, to permit of the evidence being reviewed.

TUESDAY, 24TH MAY, 1921.

The Commission met at 10 a.m. All the Commissioners were present.

Written statements were submitted by the following : Mr. George L. Evans, Secretary, Cook Hospital Board (20/5/21) ; Mr. H. Richardson, County Clerk, Rangitikei County Council (9/5/21) ; Mr. J. W. Graham, County Clerk, Woodville County Council (9/5/21) ; Mr. B. Larson, County Clerk, Akitio County Council (10/5/21) ; Mr. F. A. Whitehead, County Clerk, Levels County Council (16/5/21) ; Mr. Herbert Symes, County Clerk, Pohangina County Council (17/5/21) ; The Diocesan Secretary, Catholic Cathedral, Christchurch (10/5/21) ; Dr. Frank Hay, Inspector-General of Mental Hospitals (23/5/21).

The Commission went into Committee on the report.

WEDNESDAY, 25TH MAY, 1921.

The Commissioners continued their deliberations on the report until the 31st May, when the report was adopted, subject to additions or reservations that might be made by the Chairman, Dr. Acland, and Hon. Mr. Hawke.

On the motion of Mr. Shirtcliffe, seconded by the Hon. Mr. Hawke, it was resolved, That the members of the Commission accord a vote of thanks to Mr. Vernon Reed, whose thorough grasp of the matters that required investigation, and valuable guidance whilst presiding over the Commission, greatly expedited its work.

The meeting then closed.

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