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