

The withdrawal of the 1881 Bill disheartened the Government, and Sir Harry Atkinson, who had returned to power, was so averse to anything approaching the English Poor Law or throwing charitable aid on to the rates that he contented himself with promising the introduction of a hospital system based on universal mutual compulsory assurance, but no measure was brought down.

Meantime, on the 7th November, 1882, there was appointed to fill the vacant position of Inspector of Hospitals a gentleman who had had twenty-five years experience in hospital administration in England, in the person of Dr. G. W. Grabham, M.D., M.R.C.P., Lond. It was to Dr. Grabham's initiative and energy that we owe to a large extent the improvement in the control of hospitals. One of his first task was to bring down a full and detailed report of the hospitals in existence, and it seemed evident that in the face of this illuminating but damaging report something would have to be done.

It was not, however, till the Stout Government came into power towards the end of 1884 that Dr. Grabham presented a report to the House as a prelude to the legislation of 1885. He had cast his net widely to find an existing system suitable for New Zealand, and his approval of the Ontario system as put into force by the Charities Act of 1874 was the basis of his recommendations. He also took suggestions from the management of the Chelsea Hospital for Women and the Bolingbroke Pay Hospital.

He recommended that thirteen of the thirty-eight existing hospitals be closed, that the Government subsidy consist of a fixed amount per case per day, and in the case of any hospital keeping a patient for more than six weeks the rate on which this should be based was the cost of maintenance in a chronic institution and not in an active hospital. He advocated that power be in the hands of the Government to veto suggested buildings, appointments to staffs, and to deal with all irregularities.

He added the chief difficulty in any reform would be to map out the colony into acceptable districts. Again sentiment was too strong, and not a single one of the hospitals recommended was closed as the result of the Act of 1885, as is noted with regret in the next report.

In 1885 a further attempt was made to deal with the question of hospital control, when Sir Julius Vogel introduced the Hospital and Charitable Institutions Bill. In moving its second reading, Sir Julius Vogel gave as his reasons for introducing it:—

“The necessity of settling difficulties and incongruities due to varying systems of dealing with the ‘question of hospital and charitable aid, and to different usages in provincial institutions, and the consequent excessive demands on the Government, without any of those checks which existed in provincial days.’”

He laid down as three essentials conditions to be fulfilled in the preparation of any measure dealing with the question:—

- (a) That the committees of management should be essentially local and amenable to public opinion by being made elective.
- (b) That the expense should be somewhat localized.
- (c) That the Government, out of consolidated revenue, should meet a reasonable proportion of the cost of the institutions, but should not be the last resort of each committee in financial difficulty.

On 14th September, 1885, the first Hospital and Charitable Institutions Act was passed and came into operation on the 5th October, 1885. The primary object of the Government was to cast on the local bodies responsibility for the major part of the amount which the hospitals and charitable aid cost, and thus reduce what came out of the consolidated revenue. Two-thirds of the whole was to be provided locally by voluntary contribution, or by rates, according to the necessities of each district, and a subsidy of 10s. to the pound was to be the contribution of the general Government. Local taxation was thus materially increased, the only chance of lessening it being by an increase of voluntary contributions. As a set-off to this the local bodies were to elect the district boards of management, and so control the expenditure, the exception being in the cases of “separate institutions.”

The new Act placed the administration of New Zealand hospitals and charitable aid upon an entirely new basis, that on which they have rested ever since. The colony was divided into districts, each comprising a number of countries and boroughs, town districts, and road districts, situated within their boundaries. For each of such districts a Hospital and Charitable Aid Board was constituted.

With the passing of this Act the Hospital Committees vacated office to give place to representatives of local bodies of the district, upon whom the financial responsibility for the maintenance of the hospital and the arrangements for its management was then thrown. These members were to be appointed annually to the Board.

In the Act of 1885, however, the system of local-body control was established, under which, in many instances there was the anomaly of several Boards dealing with hospital and charitable matters in the same district—*e.g.*, in Wellington we found the Wellington Hospital Board, whose province was to find the money by way of levy on contributory local authorities for the Wellington Hospital. There was also the Wellington Hospital Trustees, a separate institution controlling the hospital, who, however, had the power to requisition upon the Hospital Board for grants. Then there was the Wellington-Wairarapa United Charitable Aid Board, which in turn drew upon the contributory local authorities for charitable-aid purposes in the Wellington and Wairarapa Districts; and they in turn were requisitioned upon by the Wellington Benevolent Institution, who had the administration of the Ohiro Home and of outdoor relief in Wellington. Under this Act all money raised by levy by the district Boards, whether for capital or for maintenance purposes, carried a Government subsidy of