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BRITISH MEDICAL ASSOCIATION,
New Zealand Branch

THE MANAGEMENT OF PUBLIC HOSPITALS IN NEW ZEALAND.

Presidential Address,

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By ERNEST ROBERTON, M.D.

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IN NEW ZEALAND.

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Presidential Address delivered before the New Zealand Branch of the British Medical Association, at the Annual Meeting held in Auckland, Feb, 28, 1905.

LADIES AND GENTLEMEN,—

I have, as my first duty, to express my hearty thanks to the members of the Branch for the honour they have done me in electing me President. As my position is due to the fact that our present meeting is being held in Auckland, and that I am in a sense more especially the representative of the Auckland Division, I take advantage of this opportunity to welcome those members of the Association who have journeyed from other parts of the colony. In a year or two—in view of past disappointments I ought, perhaps, to say in a few years—when railway communication with the outside world is a reality, we hope that the greater facility in reaching our city may increase the number of those whom the combined attractions of meeting their colleagues, and of the beauties of our locality, will bring to future annual meetings. To those who have faced the difficulties and discomforts of present-day travelling to be here to-day, I may say, on behalf of my Auckland fellow-members, that their presence is indeed a great pleasure to us, and we trust that when they return home they will carry with them pleasant memories of Auckland and of this annual meeting.

I have ventured to choose as the subject of my address "The Management of Public Hospitals in New Zealand." Recent events in the North of New Zealand have led our Division to take an unusually active interest in the question of hospital management; and the recent Royal Commission of Enquiry into the affairs of the Auckland Hospital has been the means of raising many questions in that connection which can be settled only in such a way as will affect also the hospitals of other districts. The interests of our profession are so intimately connected with those of the hospitals and the status of the profession and the interests of its individual members may be so readily affected by the action of the State in its methods and aims in maintaining public hospitals, that the subject is one of the greatest

importance to us. Our Local Division, on behalf of the profession in this district, has for long urged the necessity of some alteration in the law under which the managers of hospitals are appointed, from a conviction that the Hospital Boards, as at present constituted, lack elements which are necessary to real efficiency, and which, if present, would lessen the oft-recurring disputes and scandals which have arisen from one end of the colony to the other.

If we consider the causes of these troubles—the extravagant expenditure, the erection of unsuitable buildings, the appointment of an unworkable or unsuitable staff, the interference with medical or nursing arrangements, unnecessary and inconsistent changes in methods of management, the catering in the special interests of one section of the community, the pandering to those who have political influence—we find that behind all these lies the unsuitability of the Boards through want of expert knowledge or of other special qualifications for the work which they have to perform. The best proof that such special qualifications are wanting is to be found in the fact that where, as in the smaller hospitals, the work of management is comparatively simple, troubles have been few. No special demands are made either on the intelligence or knowledge of the committees, and the Boards are thus equal to their work. When, however, as in the larger towns, the hospitals are institutions of a decidedly complex nature, similar Boards are found wanting, and the attempts to manage through them have led to frequent trouble. It was not realised by those who arranged the constitution of the present Boards that in the larger hospitals, where, for proper administration, it is necessary to have a large staff of paid and honorary officials and servants, the managers should be able to rely on special technical knowledge possessed by some of their members, and should, moreover, have some special aptitude for controlling conflicting interests. In some instances those in whose hands the law has placed the management have, with experience, shown themselves able to acknowledge this defect in their constitution, and, when necessary, have

acted consistently in wise dependence on well-chosen, expert advice. Unfortunately, the members of local bodies have a tendency to act on their own self-sufficiency, and the majority of members of the Hospital Boards are representatives of small local bodies elected by their fellows. Hitherto the choice of men has been too limited, and some classification of hospitals is needed, so that, as the organisation of any institution becomes more complex—as it grows with the population of its neighbourhood—the difficulties of management may be met by a Board proportionately better equipped in knowledge and experience for the special work required of it.

The public hospitals in New Zealand are State institutions, supported by compulsory rating and taxation, and, to some extent, by endowment, voluntary contributions, and fees paid by patients. In a colony like ours, which prides itself on being well to the front in all questions affecting the welfare of its people, we might naturally expect to find in connection with the management of public institutions devoted to the care of the sick, sufficient legislation enacted with the aim of promoting efficiency of management. Whatever there is of the kind is rudimentary, viz.: the appointment of inspectors who may report to the Government, but who have no power of controlling the Boards or their employees.

The hospitals are managed under "The Hospitals and Charitable Institutions Act, 1885," and its Amendment of the following year, 1886. These Acts were measures designed almost entirely to provide funds for the maintenance of hospitals. In reading the debates on these Bills, as reported in Hansard, one fails to find any reference which implies that the question of efficiency of management, apart from economy, was considered by those who promoted them. Reference was made in debate to the absence of any provision of the kind, and alterations in that direction suggested, but not adopted.

The causes and intentions of the Acts I have mentioned in great measure explain the present condition

of hospital management. Originally, the hospitals in New Zealand were local institutions, and in the days of Provincial Government, ended in 1875, they were maintained in various ways, some by endowment, others by voluntary contributions, with or without aid from the Provincial Councils. The managing bodies were local Boards, either elected by subscribers, or nominated by the public bodies through whom assistance was given by the ratepayers. There was no uniformity in the methods of maintenance or management. When the Provincial Councils were abolished, the General Government found itself the last appeal of all impecunious and embarrassed bodies concerned in the management of charitable institutions. Demands were made for financial aid, such as could not in many instances be well refused, but which were still a constant source of irritation to those in charge of the Treasury. The demands naturally increased as grants made in any one direction impressed other committees with the comparative ease of an appeal to Government in contradistinction to the difficulty of procuring funds through local voluntary subscriptions. So many local interests were involved that the task of legislating to provide adequately, and yet economically, for hospital maintenance was not easy. A Bill brought forward in 1879 was not persevered with, and not until 1885 was any other attempt made to deal with the question. In that year a Bill was introduced by Sir Julius Vogel as a member of the Stout-Vogel Ministry. This Bill is the foundation of the present method of dealing with the hospitals of the colony. There are certain points in connection with it which are of special interest at the present juncture. 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 essential 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 localised, "although it would be impossible to localise all the expenditure by saying that only the district in which an institution was situated should be at the sole cost of maintaining the institution, because there are numerous cases in which institutions may be situated in one district, and yet serve the purposes of several adjoining or even remote districts;" (*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.

At the time of these proposals the Government was paying out for Hospital and Charitable Aid some £80,000 per annum, while the public contributed otherwise only £20,000. 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 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 £ was to be the contribution of the General Government. In this way the cost to the General Government was to be reduced from £88,000 to £36,000. 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 what were to be known as "separate institutions." It was considered an encouragement to voluntary contributors that when £100 was voluntarily subscribed by 100 people in sums of not less than 5s., these subscribers should be entitled to be incorporated as a "separate institution" and have control of the management. Before the Act passed, however, the local bodies were given fractional representation on the committees of these separate institutions, and the amending Act of 1886 reversed the posi-

tion by giving the local bodies the right of electing the majority of members, and voluntary subscribers a smaller number according to the amount of their contributions. In speaking in support of the Bill of 1885, Sir Julius Vogel said: "The object we desire to compass by the Bill is, as far as I can see, identical with the idea which has been set before us by nearly every speaker. That idea is to avoid as far as possible the having to deal with these institutions by means of local rates, and to encourage as much as possible voluntary contributions. The Government believe that nearly all institutions which it is desirable to continue to maintain will, within a reasonable period, be incorporated into separate institutions, and the bulk of those which are not incorporated by the local residents into separate institutions will be more or less institutions which it is not desirable to keep in existence. We therefore consider that within a reasonable period, say, a year or two, or more, all those institutions which it is desirable should survive will be in the hands of Boards of Trustees as separate institutions."

In 1886, to still further encourage voluntary contributions, the Amendments provided that 24s. should be given for each pound subscribed. At the same time a subsidy was provided for to equal the amount provided by local rates. After a lapse of twenty years we are able to look back and see how absolutely the idea of supporting the hospitals by voluntary contribution has not been realised. The year previous to the Act (1884) the amount of voluntary contributions was about one-quarter the amount contributed from public funds. In 1903-04 they were about one-fourteenth. Those who might gladly contribute to the relief of the sick poor in a true spirit of charity are naturally deterred from giving to the hospitals for which they are already compulsorily rated when they realise that what they give, unless marked for some special purpose, does not actually increase the advantages of the sick poor, but merely relieves the liability of the taxpayer by the amount of the donation.

To us, however, for the moment, the chief interest in the measures taken with the view of attracting volun-

tary contributions lies:—first, in the definite recognition of the hospitals as charitable institutions for the sick poor, and, secondly, in the expectation that the hospitals would rank as separate institutions, and therefore be under the control of managers distinct from those administering the other departments of charitable aid. The Acts of 1885-86 were not party measures. Both sides of the House seemed to have wished for a solution of the then pressing financial difficulty in connection with the hospitals by an apportionment of the expenses of management fair to all parts of the colony. In this, it seems to me, the Acts have been a success. Moreover, some check on the expenditure was secured by making the local rates responsible, and by giving representatives of the local bodies full control of all except incorporated institutions. The idea that committees of management should be amenable to public opinion by being elective was, unfortunately, lost sight of, for they have been elective only in so indirect a way that it is hard to see what influence public opinion has had in the elections.

The Acts of 1885-86 were tentative measures, and those introducing them acknowledged this freely, anticipating that experience would in a year or two or more lead to rearrangement. The wonder is that, after nineteen years, during which the deficiencies of the Acts have been so apparent, we have not something more satisfactory. Recent events have clearly shown the possibilities for mismanagement which are in uncontrolled Boards elected under the Acts. Since the Acts have fulfilled the main purpose of providing for the financial support of the hospitals, it may well be urged that further steps should now be taken to provide for more efficient management, and thus supply a desideratum of national importance.

A report is yearly presented to Parliament by the Inspector-General of Hospitals. In these reports the necessity for compelling better management has been frequently pointed out, and the generally satisfactory opinion expressed regarding the hospitals as a whole has been much modified by the oft-recurring mention of circumstances which under the present law militate against

a better condition of affairs. It is remarkable that one individual is regarded as the official head of both the asylums and the hospitals, and that we find the asylum service in its discipline and methods holding the entire confidence of our profession, and one of which any country might be proud, while the management of the hospitals affords to the Inspector-General himself, to the medical profession, and to the public, a constant source of complaint in one form or another. The reason of this anomaly is easily found in the different powers assigned in the two cases to the central authority—in the case of the asylums the power of organisation and control, and of consistent management—in the case of the hospitals merely the responsibility of inspection, and the privilege of reporting, while local Boards, practically uncontrolled, may or may not take the advice given, and are at liberty to pursue any kind of makeshift policy which their frequently-changing personnel may encourage.

The hospitals of the colony present one feature which is in itself a strong argument for some central authority (individual or committee) with a measure of actual control. The steady and rapid increase of population implies a corresponding increase in the number of hospitals, and at the same time a corresponding development of those already in existence. The cottage hospital of to-day, with its six or seven inmates, will, in ten or twenty years, develop into a hospital with twenty or forty beds; that which now makes provision for fifty patients must ere long provide for one hundred. The increasing numbers mean larger buildings, larger and more complex staffs, different classification of patients, a necessity for training nurses, and for working with an honorary staff. If the management of hospitals thus developing is left entirely in the hands of local Boards, each of these Boards must of necessity buy its experience, and do this at the expense of the pockets of the taxpayer, and of increased discomfort and suffering to the sick. To give an instance of waste in only one direction, I quote from the last report of the Inspector-General:—"Ratepayers would be astonished if they realised the amount of money simply thrown away

in defective material and workmanship, as well as the faults of construction that necessitate alteration when the building is supposed to be completed in order to comply with laws of sanitation." There are few of us who could not tell of squandered money and wasted energy for which well-meaning, but self-sufficient, local Boards are responsible, through failing to realise that they are much less likely to solve the problems presented by an expanding hospital by means of petty and often noisy experimentation, than by quietly following where the experience of others has shown the better way. To be quite fair, should one not add that, to a less extent, members of honorary staffs have at times shown similar weakness, necessitating the same central control? It is remarkable that ere this some means has not been found to avoid the recurring difficulty. Considering that the hospitals are all practically State-supported institutions, that their objects are the same, and the general surroundings the same, we might have expected that the combined experience of their managers might have evolved some uniform satisfactory system of management. Entirely local government, as applied to our hospitals, has not been a success in this respect.

I submit that a central authority should, within limits, control the erection of buildings, and lay down systems of internal management according to a classification of hospitals based on size and other circumstances. The conditions surrounding hospitals of similar size in New Zealand are much the same, except in Dunedin, where there is a Medical School, and uniform methods of administration would obviate much of the trouble and friction which is so liable to occur. It would make possible the training and promotion of efficient officials. It would enable the choice of persons of tried efficiency to fill posts requiring special qualifications. The hospital service would thus attract a better class of individual, the personnel would be stronger all round, and the sick, the ratepayer, and the medical profession would reap a very material advantage. Above all, it would prevent the proposal and carrying out of changes merely to satisfy the whim of the faddist, or the personal advantage of the self-seeker, whether lay or medical.

A central control of the nature above indicated would not remove the necessity or desirability for local Boards of management: it would certainly limit their power, and would lessen the time occupied by their work. At present the time required to be devoted to the business of some combined Hospital and Charitable Aid Boards is preposterous. A Chairman and an ex-Chairman of the Auckland Board, at the recent inquiry by Royal Commission, stated that the Chairman was occupied three days a week in the work of the Board, and each of the members at least one whole day per week. Such a demand on the time of members must deter many otherwise desirable men from offering their services, and reduces still further the already small list of eligible persons which the election by local bodies affords. It is to be hoped, however, that any fresh legislation may provide for the separation of the management of the hospitals from that of charitable aid in its other forms, as intended by the promoters of the Act of 1885, and thus provide also for the reconstruction of the Hospital Boards.

Apart from the excessive demands upon the time of members of combined Boards, there are cogent reasons for this reconstruction. The work of managing a hospital is essentially different from that of arranging for the relief of the poor apart from sickness. Different men are attracted by the two kinds of work, and different qualifications are required. Successful hospital management must be dominated by the necessities of medical and surgical treatment, and thus by the opinions and practices of those members of our profession throughout the world engaged in hospital work, and part of the Boards should therefore be men who are able to understand and sympathise, even if not entirely agreeing, with the aspirations and ideals of the members of the medical profession. As at present constituted, the Hospital Boards are not in sympathy with the medical staffs of the larger hospitals, nor the medical staffs with the Board. There is a tendency to mutual distrust, which is a ready cause of actual friction. I do not suggest that local bodies should not have large representation on hospital committees. They supply

nearly half the cost, and it is only just that they should have a voice in the disposal of the funds they provide, and apparently the presence of their representatives is a check on an increase of local rates by a too lavish expenditure. The public, however, through the General Government, supply rather more than half the funds, and are, with equal justice, entitled to representation and control, and I believe that members of Hospital Boards representing the general public, whether elected directly by the people or nominated by the Government, would work more in harmony with the medical staffs, because they would be selected either for the special interest they show in the hospital, or for some special qualification for their work. They would number among them a far greater proportion of members of the other liberal professions, and more of those whose public interests are not confined to parochial politics.

Another element still wanting in our New Zealand Boards, although now recognised as essential to good hospital management in other parts of the world, is representation of the medical profession. This is an entirely different thing from medical members elected by the laity, who, as likely as not, might be selected for reasons altogether apart from technical qualifications. We have in the medical profession a body of men whose professional training and whose life-work fits them as a whole more specially than any other section of the community for understanding the necessities and details of hospital work, and for appreciating the capability of any of their fellows for work either on the management or on the staff. In any district also, none know better than the medical men the needs and difficulties of those seeking hospital relief. On such grounds as these it is that the Government have already been approached in regard to the Auckland Hospital to provide for representation on the Board of the registered medical practitioner of the district.

A special claim to representation on the Boards is that of the members of the honorary staffs. The local bodies are, and the General Government should be, represented on account of their

contributions to the funds. The members of honorary staffs are likewise entitled to representation, as giving support of a very large if indefinite value in the skill which is the essential thing sought at any hospital, and without which hospitals cannot exist. Apart from this claim on the score of justice, it is now an almost universally recognised axiom that hospital work is best "when the medical and lay authorities freely interchange their views and strive to work in harmony towards a common end." To obtain this condition, the direct representation of the honorary staffs on managing Boards is essential. Any intermediary between Staff and Board leads to the creation of unnecessary difficulties, and often to misrepresentation and misunderstanding.

The question has of late years been freely debated in Britain, and appears to have been finally settled, with regard, at any rate, to its general aspects, since the dispute between Staff and Board of the National Hospital for the Paralysed in Queen's Square, London, was so freely ventilated in the medical and lay press. The interest raised was such, and the principle at stake was considered so important, that a letter appeared in the *Times* signed by some sixty of the senior physicians and surgeons of the London Hospitals, at whose head was Lord Lister. This letter affirmed that "from long experience of hospital administration, they desired to record their firm conviction that the demand of the Staff for representation on the Board of the Hospital was a perfectly reasonable one, and one which in other hospitals has conduced to harmonious working and efficient administration." Later, a Committee of Investigation was with great care appointed jointly by the Board and Staff of the Hospital referred to. It consisted of eminent professional and business men, and the verdict given was that the granting of direct representation to the Staff on the Board was necessary to bring the hospital into line with the majority of similar institutions, and that such representation would, beyond all other methods, secure the best and most satisfactory mode of intercommunication between Medical Staff and Board of Management, and would be to the great and permanent benefit of the hospital. Opposition to the rep-

resentation of the Honorary Staffs on the Boards has always been largely founded on prejudice or jealousy, and in this now historic struggle at the Queen's Square Hospital the argument was actually put forward that two representatives of the Honorary Staff would have so much more knowledge of affairs than the other dozen of members, that all power of management was bound to fall into their hands. Could a stronger argument than that of special knowledge have been used on the other side? The Staff representatives give to the Board a better grasp of the actual conditions and necessities of the hospitals, and provide guidance and advice from those who know best, towards efficiency in the care and treatment of the patients. Whether a hospital may be maintained by voluntary contributions or by the State, the desirability of such guidance and advice remains the same.

At the recent hospital inquiry in Auckland the suggestion was made that our large hospitals should be managed without honorary staffs—that all the medical officers should be paid employees. The idea underlying this suggestion was that the surgeons and physicians would thus be subservient to the Board. Since such a change has been proposed, it may be well to consider what the existence of an honorary staff implies. To have an honorary staff attached to the hospital of any town is a privilege to the community as well as to the members of the honorary staff themselves. Indeed, to the members of the honorary staff it is an advantage only indirectly, and to the extent that they value the opportunity of rendering themselves the more capable of serving the community. The saving in salaries which the work of an honorary staff allows is but a small item compared to the saving in life and suffering which the increased skill and experience obtained in the wards of a properly-equipped and well-managed hospital insures not only to the hospital itself, but in the private work of those with such experience. To abolish the honorary staff in any town would be to deprive the people of the best means of maintaining a capable medical profession in their midst, and the loss would be to those who, rich

or poor, might require skilled medical or surgical assistance.

There remains one other point in connection with the Boards of Management which I wish to mention, namely, the length of time that a member holds office. Under the present Act the election of members is annual. In practice, many members hold office for only one year, others are re-elected during long periods—there is no security of office. The tendency of this annual election is toward frequent changes of policy, and, moreover, it must tend to lessen the interest of members in their hospital work. With a frequently-altering Board it is difficult to maintain a consistent policy, and it is not unusual to find Boards either declining to make changes which they acknowledge are essential, or, on the other hand, hurrying through some doubtfully necessary measures on the ground that in a month or two they will be replaced by a new Board. In connection with other public bodies, it has been found a distinct advantage for members to hold office for three years, a third of the members retiring each year, and being eligible for re-election. In this way a continuous Board and a consistent policy is secured.

A further question I desire to notice—one that is yearly becoming of more importance to our profession—is the test of eligibility for admission to treatment. In most countries public hospitals are regarded as purely charitable institutions, and they are open to those only whose means are insufficient to enable them to secure proper care and treatment elsewhere. This principle was clearly recognised by the framers of the Acts of 1885-86, for, besides classing the hospitals with other charitable institutions, it was the definite intention to encourage their maintenance through voluntary contribution, and, failing this, to throw the main burden of expense on local rates. Funds, apart from voluntary contributions, were to be obtained from the same sources as those distributed in outdoor relief, and where separate institutions did not exist the same Boards were to manage both hospitals and other charitable aid. In all new countries, however, conditions are found, and must be acknowledged, which do not exist in older lands.

The population is often small and scattered, and facilities for relief in serious sickness or injury would not exist but that the State has established hospitals and allowed the privilege of admission to all, irrespective of their means, provided that their medical necessities are sufficient. The State pays for the maintenance of the hospitals, and for the medical services rendered, and recovers from the patients such amounts as may be determined by law. This system obtains more or less in all colonies, and certainly in New Zealand has, in outlying districts, proved a great boon to settlers, and must continue where the population is small and scattered. The fault is, that well-to-do patients have not paid a fair proportion of the expenses incurred, and have received treatment at the cost of the taxpayer. With the advent of larger population and greater facilities for medical treatment, the necessity for State aid, except for the poor, is removed. It is, however, difficult to break the custom of looking to the hospitals for almost gratuitous assistance. This custom has led a large proportion of settlers in some districts to regard State assistance in serious sickness as their right. The only argument one hears in support of this contention is that as all members of the community pay taxes for the support of the hospitals, so all should be entitled to their benefits. Is this assumption correct? Are taxes paid merely for the support of the hospitals, or for the support of the sick poor, who are obliged to seek assistance there? If it is claimed that the taxes are to support the hospitals, and not specially the sick poor, then why not apply the same line of reasoning to outdoor relief, and to the refuges for the aged, and admit that every taxpayer has a right to receive out-patient treatment or rations independent of his means, or to divest himself of the responsibility of caring for his aged parents by dumping them down at the doors of the Costley Home or other such institutions. Local influence is difficult for local Boards to resist, especially where the resulting expense is in part borne by the General Government. The consequence is, that in some districts, the hospital, with the help of its Government subsidy, works in declared opposition to the outside local practitioners, and

very often their already difficult struggle to earn a competence is materially intensified. In one hospital district in the North of Auckland there is a hospital with an average of about six in-patients, which is made the centre of a scheme to provide cheap advice and treatment for the people of a large district. The Medical Superintendent is asked to work on terms which bear no proportion to the amount of work done, and under conditions which are not only such that any self-respecting man must resent, but such as, in Britain at any rate, would render any medical practitioner accepting them liable to have his name erased from the Medical Register on account of infamous conduct in a professional respect. If the custom of giving medical assistance indiscriminately to all is permitted to Hospital Boards without fair payment according to means, the principle is established that the taxpayer is liable for the relief of all suffering from injury or disease. It follows as a corollary that the taxpayer should therefore be responsible for the fair remuneration of those employed to give this medical assistance. Until our profession is thus made a State department, it is obviously unfair both to the taxpayer and to the members of the profession, that any of the public hospitals should afford treatment to the well-to-do where facilities exist for obtaining it otherwise, and where these facilities do not exist treatment should not be given them without further payment than what is little more than the actual cost of their board and lodging. Where, in the large centres of population, the hospital authorities take advantage of the gratuitous services of an honorary staff, the injustice to the profession in not restricting right of admission to the sick poor is all the greater, and the effect of aiding in the pauperisation of the community is none the less deplorable. We cannot deny that there are some who seek hospital treatment in the sincere belief that the State should undertake all medical relief. We may reasonably ask such whether, until the State itself adopts this principle, they are justified in putting an extra burden on their fellow-citizens or in accepting gratuitous services, which are given by medical men on the understanding that they are for those who are finan-

cially unable to assist themselves. As for the other, the larger class of well-to-do who take advantage of public hospitals merely to save their pocket, its members belong more or less also to the class of the "mean" man—the man who has no idea of honour sufficient to ensure fair dealing with others. For such the only remedy is legal compulsion to enforce adequate payment, and to attain this end there seems nothing more needed than to enforce Clause 71 of the Act of 1885, by which each patient in the receipt of relief shall be liable to contribute "a reasonable sum according to his means." The custom of Hospital Boards hitherto to make the average cost of each patient per week the maximum sum charged to any patient for the same period independent of special services rendered, and of special expenses incurred by extra nursing or material, and with no charge for the services of the honorary physician or surgeon, has been a direct attraction to the well-to-do patient. If the opinion of Judge Ward is correct, that in doing this the Boards have not followed the Act, and if the words, "a reasonable sum according to his means," are to be interpreted in their ordinary sense, nothing could better serve the purpose than their strict enforcement.

The objection is raised that such a proceeding would render necessary an invidious inquiry into the private affairs of patients. The State already insists on such inquiry in connection with the Income Tax, in regard to the applicants for Old Age Pensions, and even regarding the means of parents of children who have the honour of winning National Scholarships. Certainly the principle already applies to applicants for outdoor relief, so that no innovation would be involved by its adoption. Poverty is neither a disgrace nor a crime, and the State is justified in protecting itself and others against the selfish meanness of well-to-do patients in the public hospitals. It is also the duty of those occupying positions on the honorary staffs to see that their services, given freely to the poor, are not abused to the disadvantage of their less fortunate fellow practitioners, and to the pauperisation of those whom they permit to wrongfully avail themselves of their gratuitous help.

I believe, ladies and gentlemen, that what I have said regarding present deficiencies in the management of our hospitals represents the opinion of our profession throughout the colony. My suggestions for reform are made in the hope that greater efficiency will be attained by action on such lines, or in some better way. I have refrained from going into any detail of internal management. To enter into that would be to open too wide a field for discussion here. In view of the fact that it is customary to honour the President by not discussing his address, I do not feel justified in entering on such debateable ground.

In asking that the opinion of the medical profession on hospital management shall be considered, we must remember that others also must have a voice in the matter. As I have already said, the essential purpose of hospitals is the provision of medical and surgical skill, and hospital administration must be dominated by considerations on which only trained physicians and surgeons are capable of offering a trustworthy opinion. There are, however, other considerations, especially those of a financial nature, which have a modifying influence. It is the duty of each member of our profession in New Zealand to strive for what he knows to be to the advantage of our country, and in doing so to resist whatever is contrary to the honour and welfare of his profession. We must remember, too, that self-sacrifice in regard to individual and local interests must be called for in some cases, whatever reform is effected. If we, as a profession, are sincere, and united in demanding efficiency in hospital management, the good sense of the people of the colony, and the Government which represents them, will assuredly enable its attainment.

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