

(c.) Government subsidies: There is no doubt that the large Government subsidies given tend to abuse and extravagance on the part of Boards, and this is especially noticeable in the administration of poor-law relief. Of especially evil influence is the 24s. subsidy given on voluntary contributions. To obtain this extra 4s. from the Government there are some who exercise ingenuity that amounts to dishonesty. For example, a Board requires a new set of instruments, which for the sake of argument we will say would amount, at catalogue prices, to £100. The firm supplying the instruments charges the Board the full price, but the former returns £20 as a "donation." The Board thereupon claims 24s. subsidy on this donation. Thus the Board gets its instruments for £56. Transactions of this nature are going on every day, but unfortunately are very difficult to detect. Again, the 24s. subsidy often leads a Board into undertakings that it has not seriously contemplated. A body of well-intentioned persons decide that certain hospital extensions are necessary. A meeting is held; subscriptions pour in; the 24s. subsidy is claimed; but the subscribers attach such unreasonable stipulations to the handling of their subscriptions that the Boards are often embarrassed by their generosity. The sanatorium or ward, as the case may be, must be in a position that the subscribers consider proper; the question of efficient and economical administration is not their duty. In fact, speaking generally, Boards would at times be very much better off if they had erected the institutions out of their own funds—the rates and pound-for-pound subsidy allowed by the Government on capital expenditure. This abuse can now largely be checked by the Department withholding its approval of such expenditure.

It will be interesting to see what ingenuity will be displayed by those claiming subsidy under the graduated schedule. Of course, these claims are carefully checked by the Department, but they will have to be very closely watched, otherwise local officers will soon find a way of increasing these Government subsidies.

A careful audit is not only necessary with regard to matters of expenditure, but also as regards the data and statistics supplied by hospital authorities. The cost per bed is estimated by dividing the total expenditure by the average number of patients under daily treatment. Some Secretaries recognize that the larger the number of patients under daily treatment the lower the cost per bed. This tends to the "stuffing" of the patients register and to the increased stay (in days) of the patient.

The returns and statistics of a hospital need almost as careful supervision as its accounts, for many of these returns are so made as to be absolutely misleading to the ratepayers and the public generally.

INSTITUTIONS IN THE NORTH ISLAND UNDER CONTROL OF BOARDS.

	Beds.		Beds.
1. Auckland Hospital District—		10. Cook County Hospital District—	
Base Hospital (Auckland)	.. 301	Base Hospital (Gisborne), (isolation, 8)	68
Infectious Diseases Hospital	.. 256	Old People's Home	26
Plague or Smallpox Hospital	.. 40	11. Waipawa Hospital District—	
Old People's Home	.. 256	Waipawa Hospital	.. 52
Chronic Ward	.. 40	Dannevirke Hospital	.. 40
2. Wellington Hospital District—		12. Wairarapa Hospital District—	
Base Hospital (Wellington)	.. 348	Base Hospital (Masterton), (isolation, 16)	.. 60
Infectious Diseases Hospital	.. 34	Secondary hospitals—	
Chronic Ward	.. 18	South Wairarapa (isolation, 6)	.. 22
Consumptive Sanatorium (Otaki)	.. 147	Pahiatua (isolation, 4)	.. 19
Otaki Hospital (secondary)	.. 147	Renal Solway Home	.. 15
Old People's Home	.. 147	Chronic Ward	.. 16
3. Hawke's Bay Hospital District—		13. Hawera Hospital District—	
Base Hospital (Napier), (isolation, 14)	124	Hawera Hospital (isolation, 6)	.. 39
Old People's Home	.. 108	14. Patea Hospital District—	
4. Waikato Hospital District—		Patea Hospital (isolation, 6)	.. 28
Base Hospital (Hamilton), (isolation, 13)	.. 120	15. Coromandel Hospital District—	
Cottage Hospital (Taumarunui)	.. 14	Coromandel Hospital (isolation, 4)	.. 24
Old People's Home	.. 21	Mercury Bay	.. 10
5. Wanganui Hospital District—		16. Marsden-Kaipara Hospital District—	
Base Hospital (Wanganui), (isolation, 12)	.. 84	Whangarei Hospital (isolation, 4)	.. 20
Cottage Hospital (Taihape)	.. 12	Old People's Home	.. 31
Old People's Home	.. 38	Northern Wairoa Hospital (secondary)	17
6. Taranaki Hospital District—		17. Stratford Hospital District—	
Base Hospital (New Plymouth), (isolation, 23)	.. 76	Stratford Hospital	.. 16
Old People's Home	.. 57	18. Wairoa Hospital District—	
7. Thames Hospital District—		Wairoa Hospital	.. 23
Base Hospital (Thames), (isolation, 6)	64	19. Bay of Islands Hospital District—	
Old People's Home	.. 38	Rawene Hospital	.. 11
8. Palmerston North Hospital District—		Mangonui Hospital	.. 14
Base Hospital (isolation, 17)	.. 70	20. Waipapu Hospital District—	
9. Waihi Hospital District—		Waipapu Hospital	.. 8
Base Hospital (Waihi), (isolation, 6)	59	Camp Hospital (Tuparoa)	.. 2
		Cottage Hospital (Te Araroa)	.. 2
		21. Bay of Plenty Hospital District	.. Nil.