

The hospital question next became prominent when a Charitable Institutions Act was presented to the House in 1877 by the Honourable Donald Reid, Minister of Crown Lands. It denied the principle of local-body control altogether, and was withdrawn after a spirited and lengthy debate occupying two days. Mr. Rolleston, Avon, in advocating the state and municipal system, opposed the Bill. The first hospital districts as we know them now was the result of a conference, probably the first conference on hospital matters in New Zealand. This conference took place at the instigation of Mr. Vincent Pyke, Chairman of the Vincent County Council, between that Council, the Borough Councils of Cromwell and Clyde, and the Municipal Corporation of Alexandra. As the result of it the first two hospital districts in New Zealand were formed, based respectively on the hospitals of Dunstan and Cromwell. The control of these hospitals was left in the hands of the existing committees elected from subscribers, but the finance was arranged as at present. Voluntary subscriptions with Government subsidy £1 for £1, the deficit being made up by the contributing local bodies and the Government in equal shares. This is the true beginning of our present system of finance. Mr. Ballance, the Colonial Treasurer, at that time assured Mr. Pyke that it was the Government's policy to have similar hospital districts throughout the colony, but only in a few districts in Otago and Westland would the local bodies or the committees of the hospitals accept it.

As a result, however, of this movement the question became a burning one, and there were two large conferences of municipalities and the counties respectively held in Wellington in the last days of July and the beginning of August in the same year (1878) to discuss the question. The Atkinson Government had been replaced by the Grey Government the previous year, so that the Hospitals Commission to go into the whole question that the former had promised when the Charitable Institutions Act of 1877 was withdrawn was not set up. Parliament was getting impatient at the existing unsatisfactory state of affairs, and the conference of local bodies was convened in order to give a lead in regard to the best methods to adopt. We can imagine the city and country farmers of these early days gathering here in Wellington full of indignation at the centralization proposals which would compel them to co-operate with other counties to form hospital districts at all, and the equal indignation of the different hospital committees who resented any part of the control of their institutions being vested in a district board. Colonel Whitmore, the Colonial Secretary, soon realized that this conference would not help very much, and issued a rebuke in the Legislative Council in which he said:—

“In a few days the mind of the municipal conference would be patent to the Legislative Council, and he had no reason to believe the findings of the counties' conference would differ from it. The idea seemed to be practically ‘Do anything you like, but do not ask us to pay the money’.”

In the face of this, Ballance, who was then Colonial Treasurer, decided not to bring down any Hospitals Act as the opposition was too strong, and contented himself with four clauses in the Financial Arrangements Bill (sections 5 to 8), in which he recognized two systems as a compromise—(1) those hospitals which preferred to be supported by the Government, in which the latter would control the institution and simply deduct the cost from the local-body subsidies, and (2) those where the hospital was locally controlled and the Government subsidized £1 for £1 the contributions of local bodies and voluntary subscriptions.

The latter principle, which is the one in existence at present, was thus put on the statute-book in 1878 for the first time, and not in 1885 as generally supposed; indeed, it had been optional for local bodies to work under it in virtue of an Order in Council from the beginning of the year 1878, and, as we have seen, the Central Otago local bodies had put it in force at that time.

Meantime the passage of time had brought the Hall Government into existence, and there was no one who worked more insistently than Mr. John Hall to bring about some rationalization of the hospital system. He brought down Bills in 1879 and 1880, but the opposition of local bodies was again so strong that the Government would have been in danger if the Bills had been pressed, and they were both withdrawn after the first reading.

The Bill of 1879 was the first occasion on which it was laid down that charitable aid should be associated with hospitals. Previously it depended entirely on voluntary subscriptions. The only move made to stop the hospital drift at this time when the Consolidated Fund was supporting the institutions without any effective voice in their control was the appointment, on 3rd March, 1880, of the first Inspector of Hospitals in the person of Dr. F. W. A. Skae, M.D., F.R.C.S.E., who combined this post with that of Inspector of Lunatic Asylums. The idea was that Dr. Skae should inspect and report on all hospitals to the Government; but he died shortly after taking over the position, and the matter remained where it was. Indeed, the first report on New Zealand hospitals was made in 1882, based on the records of the years 1881 to 1882. In the interregnum between the death of Dr. Skae and the appointment of his successor, Mr. Loveday, of the Colonial Secretary's Office, presented the report based on an extensive questionnaire to the secretaries of all hospitals.

Mr. Hall again introduced his Hospital and Charitable Institutions Act, in the year 1881, and this time it reached the Committee stage after prolonged debate, only there to suffer the fate of its predecessors.

In introducing the Bill Mr. Hall made the significant statement that there was extreme difficulty in convincing the different districts that the scheme was in any way suitable to them.

He advocated large districts, as this was necessary to prevent patients passing over into the neighbouring district with the resultant disputes in regard to which local body was to bear the charges for maintenance. However, opinion was too strong. The Premier could not get his districts without risking his Government, and the Bill was withdrawn.