H.—7.

The farm has had another successful year. I regret to state that the farm-buildings are in a very unsatisfactory state, and very soon will have to be entirely renewed.

The question of housing the married attendants should receive urgent attention. A large proportion of the staff have of necessity to live at a distance—many at Dunedin and Waikouaiti. This

state of affairs is not satisfactory to the institution or to the individuals concerned.

The Deputy Inspector, Mr. Gallaway, takes a keen interest in the institution and its inmates, as do the Official Visitors, Miss Monson and Mr. Slater; and I desire to record my appreciation of their visits, which were a pleasure alike to the patients and staff. Mr. Cumming continues to do excellent work as the Patients' Friend. I have to thank the clergymen of all denominations for their regularity in conducting Divine services, and for the interest they have taken in the patients in general.

Early in the year Dr. Buchanan was appointed Superintendent at Hokitika, and Dr. Lee, Sunnyside, succeeded him here. To Drs. Lee, Roberts, and Caselberg (Waitati) I tender my thanks for their loyal co-operation. I have to thank Mr. Hughes and the office staff for their unfailing assistance, and to the Matron, head attendant, and nursing staff I desire to convey my appreciation of their devotion to the patients and loyalty to the service of the institution.