The following table shows the distribution of patients and the position in regard to overcrowding at the different institutions at the end of the year:

Mental Hospital.	Accommodation provided.	Number actually resident.	Deficiency of Accommodation.	Surplus of Accommodation.
Auckland	1,145	1,338	193	..
Tokanui	497	553	56	..
Porirua	1,270	1,446	176	..
Nelson (and Stoke)	525	423	..	102
Hokitika	267	278	11	..
Christchurch	859	1,017	158	..
Seacliff (and Waitati)	952	1,208	256	..
Total	5,515	6,263	850	102

Three new villas at Stoke for which contracts were let in October, 1928, were completed and occupied in November, 1930, and this, with the occupancy of three villas at Tokanui last year, has rendered less acute the congestion at Porirua; but the planning, the arranging of contracts, and the erection of such buildings involves much time, and if the evils of overcrowding are to be avoided it is necessary to lay down, and adhere to, a programme well in advance of immediate needs.

It is a generally accepted view that the efficiency of an institution becomes increasingly impaired as its patient population increases beyond one thousand, and for this and other reasons I consider that it would be a bad policy to add to the existing larger institutions.

In addition to the inherent disadvantages of a large institution population, a factor which must be considered is that at Porirua, Auckland, and Christchurch all the land not already occupied by buildings is required for farm and garden production in order to lessen the cost of maintenance, and also that so far as Seacliff is concerned the considerable movement of the ground makes it increasingly difficult to find safe sites for building.

In order to avoid immediate capital expenditure for land, the policy has been adopted for some time of erecting villas at our smaller institutions, such as Hokitika and Waitati, and transferring patients to them from the larger and overcrowded hospitals. This policy is a sound one from an economic as well as an administrative point of view, but it is limited by the small amount of land available at the lesser places, as well as by the number of patients whose relatives are agreeable to such transfers.

The overcrowding at Auckland should be gradually overcome by the completion of villas at Kingseat, our new hospital near Papakura, and I would strongly urge that a similar policy be carried out in connection with Porirua. As I have pointed out, a great amount of preliminary work has to be done before any estate purchased can be put into effective occupation by patients, and, so far as cost is concerned, the present time would be a very opportune one to purchase.

So far as the South Island is concerned, both Seacliff and Christchurch are taxed for room, and an estate for the erection of a new institution should be acquired about half-way between the main cities.

While the table given above sets forth the number of patients in excess of actual room-space, it does not convey in any adequate way the ill results of overcrowding in the institutions.

The provision during recent years of admission cottages, neuropathic units, and detached villas, and the modernization generally of our mental hospitals, have gained for us the confidence and co-operation of the public of New Zealand, and, in my opinion, there is not a better system anywhere in the world; but the progressively increasing handicap imposed upon us by lack of accommodation is tending to prevent full advantage being taken of our resources, and unless the rate of building is accelerated our classification system is likely to be thrown out of gear at no distant date.

Alterations, Improvements, and Additions.

Our capital expenditure on alterations, improvements, and additions during the year was £134,140, and the following summary shows the principal items, as well as new works completed or in progress:—

Auckland, including Kingseat (£19,502).

The first two residential villas at Kingseat are approaching completion, and should be ready for occupation by next August.

Tenders are being called for another two similar villas, the specifications in the meantime having been revised in view of the need for earthquake-proof structures.

At Avondale verandas have been added to Oakleigh Hall and one of the female wards, and these have proved of value in the nursing of senile and infirm patients.

A new residence has been built for the Medical Superintendent.

Tokanui (£27,787).

The new Nurses' Home is approaching completion. There is accommodation for sixty nurses and domestic workers.

Porirua (£3,129).

No additions of any consequence have been made to this institution, but extensive renovations and redecoration have been carried out during the year.

The electrical installation requires rewiring, and this will be done immediately.