The general health of the patients and staff has been excellent, there being little serious sickness. The patients' deaths occurred among mostly the elderly patients.

During December, 1936, the erection of the new laundry, Engineer's block, fuel-store, butchery, and bakery was commenced, and has now been completed. The installation of the necessary machinery is in progress, but the non-arrival of the boilers and other equipment will prevent until late in 1938 the full benefit being obtained from this modern and up-to-date equipment. The new laundry will be greatly appreciated as the amount of laundry-work required with the growing hospital has outgrown the capacity of the old one.

Early in September, 1937, the erection of the admission and hospital block was commenced, and good progress has been made up to the end of the year. This villa is situated on a slight rise overlooking the recreation-ground, with a sunny and bright outlook. The completion and equipment of this building will allow of the hospital functioning as a complete unit, enabling the direct admission of patients. The amenities of the new unit, coupled with the advantages of the modern villa system with its homelike atmosphere, and the freedom from irksome restraint should do much towards the successful treatment of our nervous and mental sick.

The opening of the new unit and the increasing number of patients, will necessitate the appointment of an Assistant Medical Officer.

The villa system type of mental hospital has been commented upon favourably from The Victorian Government, Australia, which is remodelling its mental-hospitals overseas. system, sent two representatives, the Hon. Mr. Bailey, Minister in Charge of Mental Hospitals of Victoria, and Dr. Catarinich, Director of Mental Hospitals for Victoria, to inspect and investigate the villa system as carried out at Kingseat, and they were impressed with the possibilities, remarking on the absence of the so-called "mental hospitals" atmosphere.

The Hon. P. Fraser, Minister in Charge of Mental Hospitals, visited the hospital in July,

and the two Public Service Commissioners visited in June with regard to staffing problems.

A contract has been let for the erection of a residence for the Engineer, and it is anticipated that this work will be commenced early in the New Year.

A temporary internal telephone system was installed early in the year, but, with the completion of the new unit and the building of further new villas, an automatic system is required. The authority for this has been granted, but the necessary equipment has not come to hand as yet.

The canteen and library, which has been reorganized and centralized, is proving a popular and much appreciated amenity by both patients and staff.

During the year clubs for tennis, cricket, rugby football, and basketball have been established, and all members of the hospital are eligible to play in these teams. Numerous enjoyable and friendly games have been played with visiting teams. All sports fixtures are arranged by invitation, thus fostering the spirit of the game rather than the result. The bowling-green, which is in the course of construction, will provide another avenue of recreation

One of our most urgent needs is a recreation hall with cinema facilities, as the weekly dances require three rooms of a villa, causing much inconvenience and congestion, at the same time limiting the number who can attend.

The erection of the Nurses' Home will give extra attendant-staff accommodation, by releasing the staff quarters in the male villas; but extra accommodation will be required for artisans engaged at the engine-room, &c.

With the growth of the hospital and the increasing amount of maintenance-work required, the erection of workshops and the appointment of the necessary artisan staff is becoming increasingly urgent.

During the year, painting of the downstairs rooms in Villas 1, 2, 3, and 4 has been completed, also the painting of farm buildings and the metal fire-escapes has been carried out.

A weekly handicraft class conducted by Mrs. Waugh, under the auspices of the Auckland Women's Auxiliary, Mental Hospitals Branch, has been instituted, and affords a welcome change from hospital routine.

The appointment of an extra matron and head attendant, both Class "C," and a tutor sister should do much to help and ecnourage our nursing staff, at the same time making the work more instructive and interesting.

The patients on the whole are happy and contented, and appreciative of the extra privileges, to which they are reacting satisfactorily. They are fully occupied with constructive work on the farm, in the grounds, gardening, laundry, and sewing, and their amusements have

A weekly clinic is conducted at the Auckland Public Hospital, where 78 new cases were treated, while there were 380 attendances. The new cases were referred by Pensions, 55; hospital, 3; Prisons, 1: and medical practitioners, 19.

I am most grateful to those who have helped to provide entertainment, and for the gifts of reading-material; to the several local branches of the Returned Soldiers' Association for looking after the ex-soldier patients; the Pukekohe Returned Soldiers and their assistants for concerts and entertainments; the Women's Division of the Farmers' Union and the women's institutes for their interest in the activities of the hospital: the Auckland Women's Auxiliary for regular donations for the benefit of the patients; and the members of the clergy who have conducted church services throughout the year.

Finally, I wish to thank Mr. Tibble and his staff, matron, head attendant, and all members of the staff for their very helpful and encouraging services for the benefit of the patients and in forwarding the interests of the hospital.