The new boiler-house workshop block is practically completed, and this paves the way for radical alterations near the entrance to the building, including the provision of adequate office space and visitors' rooms. The old workshop will serve admirably as an occupation centre.

Nelson.—Three new male closed villas are in course of erection; these will house the patients presently in the main building, and their completion will enable us to proceed with the erection of villas for senile cases and administrative offices.

Hokitika.—It is hoped to erect a Nurses' Home during the year and to utilize space now occupied by staff for increase of the store.

The butcher's shop and bakery will be commenced, and also two additional villas.

Christchurch.—The workshops which were burnt down during the year are being re-erected. In the meantime the artisans are using the occupational block, which will soon become available for its proper purpose.

Seachiff.—The old boiler-house is in process of alteration to provide an occupation centre and hair-dressing saloon.

Attention will be given to modernization of the telephone and fire-alarm systems.

ABOLITION OF MAINTENANCE CHARGES.

Under section 94 of the Social Security Act, 1938, maintenance in mental hospitals is to become free of all cost to the patients and their relatives, and, consequently, the Receiver's Branch of this Department will disappear.

Prior to 1910, when the office of Receiver was established and the collection of maintenance became a function of the Head Office, this work was carried out by the Chief Clerks at the several institutions.

In his annual report for 1904 Dr. MacGregor, the Inspector-General, made the following comment:—

"On account of payment for patients, £6 2s. $3\frac{3}{4}$ d. was received per head. This amount speaks well for the painstaking work done by the Chief Clerks, who act as receivers. The difficulty they have in collecting the payments is incredible. The statements made by persons liable to support an insane relative under the Destitute Persons Act frequently bear the imprint of evasion."

Last year the total amount collected for maintenance was £162,135, or an average per patient of £21 0s. 8d., and I must say that our experience of the way in which relatives have met their obligations has been much happier than that described above by Dr. MacGregor.

For almost twenty-five years the office of Receiver was held by Mr. A. T. Wells, and it was almost entirely due to that officer's well-balanced judgment, sound common-sense, and sympathetic contacts with relatives that the average payments per head rose from £9 10s. 2d. in 1911 when he assumed office, to £18 6s. 2d. in 1935 when he retired, and to £21 0s. 8d. in 1938 when maintenance-collection ceased.

During the twenty-nine years in which the collection of maintenance has been a function of Head Office no less than £2,719,113 has been collected, and that with a remarkable freedom from friction or complaint. A great deal of credit in this connection is due to the Head and District Officers of the Public Trust Department, who have always been most co-operative and understanding.

During recent years payments have been made in respect of approximately 40 per cent. of the patients resident.

INCREASE IN MEDICAL STAFF.

During recent years we have had the greatest difficulty in obtaining the services of suitable medical men who desired to find a permanent career in mental hospital work. From time to time we have kept vacancies filled by recent graduates without experience or by more mature practitioners who were temporarily available, but we have felt gravely handicapped by the inability to build up an adequate trained medical staff.

I am happy to report that, following upon improvements in the salaries allotted to Medical Superintendents and Assistant Medical Officers, the position has altered, and we are better off in this respect than we have been for many years. Twelve additional medical officers joined the service at the end of the year, and there is every indication that the Department has been very fortunate in its selection. We are now fully staffed and the Medical Superintendents will be free to give their attention to certain improvements which we have had in contemplation for some time but have been unable to inaugurate.

Honour.

During the year Miss Martin, Matron at Christchurch, received the decoration of M.B.E., an award which was regarded by all the officers of the Department with great satisfaction and pleasure, in view of Miss Martin's long and faithful service to the Department.

Appreciation.

I deeply regretted that Mr. Gavin Menzies found it necessary to relinquish the position of Receiver on account of ill health. The Department has lost a valuable officer, and the Head Office staff a much respected colleague, and we extend to Mr. Menzies our wishes for a speedy recovery.

I desire to thank Dr. John Russell, the Deputy Director-General, and all the Medical Superintendents for their loyal support at all times. I am grateful to Mr. Sinclair, Chief Clerk, and the officers at Head Office for their excellent work during the year.

1 have, &c., Theo. G. Gray.