"Inspector-General's Office, Wellington, New Zealand, 8th May, 1891.

"Having carefully considered the plans for extending the Dunedin Hospital, forwarded by you to this office, I have the honour to lay before you formally what I have already done my utmost to impress on members of your Board—namely, that there are very grave reasons why the present opportunity should be seized for getting a new hospital for Dunedin, on a better site than

"1. That for an indefinite period—that is, until the whole of the Dunedin flats are no longer drained into the harbour—it is not prudent to spend any large sum of money on the present Hospital

site.

"2. That if not actually built over an old flax-swamp, some of the buildings are, at any rate, close up to the edge of it, so that the cost of subsoil drainage, and the arches on which all the

blocks must be raised, will be very great, and no expense can make them satisfactory.

"3. That the area included within the semicircular corridor is so large that the cost of administration of the more distant blocks will more than counterbalance any fancied saving secured by retaining the central block for administrative purposes. It would be cheaper in the long run to pull down the whole existing building than spoil, for so long a time, such an important hospital merely for the sake of an old building, three-fourths of which would be useless, besides being a cause of permanent expense.

"4. The proposed extension involves so many enclosed and sunless spaces, in which the air must be cold and stagnant, that on this ground alone the design ought to be condemned. Except for its convenient and central position, both for patients, students, and doctors, I do not believe that a less healthy and suitable site could be found in the whole of Dunedin, and I am persuaded that at no distant date the public will have just cause to blame all those who either actively or passively let slip such an opportunity as cannot occur again in our time of securing a suitable hospital on a healthy site for the city and Medical School of Dunedin.

"The Chairman, Dunedin Hospital Trustees."

"I have, &c.,
"D. Macgregor.

Subsequent consultations between the trustees and the Government have resulted in an agreement to modify the plans prepared by Mr. Wales so far as to make the existing building no longer a permanent part of the proposed hospital. I regret very much that the Dunedin people have not seen fit to insist on a new hospital on a new site, for I am firmly of opinion that by unanimous pertinacity they would succeed. I have done all I could to secure for this important question full time for its consideration by the responsible authorities. There only remains for me now the duty of doing the best I can to make the best of a bad job.

DUNSTAN HOSPITAL.

Number of p Admitted du				•••	$\begin{array}{c} 2 \\ 42 \end{array}$			
Discharged	Total u	nder trea	tment		•••		33	44
Died	•••	•••	•••	• • •	•••		7	
Remaining o	n 31st M	Iarch, 18	91	•••		. • • •		4

Sex.—39 males, 5 females.

Localities from which Patients came.—Alexandra and neighbourhood, 9; Earnscleugh and Baldhill Flat, 9; Clyde and neighbourhood, 8; Ida Valley, 5; Matakanui, Tinker's, and Drybread, 5; Galloway Station, 3; Ophir, 2; Morven Hills, 2; Roxburgh, 1.

Country.—England, 8; Scotland, 9; Ireland, 9; Wales, 1; New Zealand, 7; Victoria, 2; United States of America, 1; China, 7.

Religion.—Church of England, 13; Presbyterian, 13; Roman Catholic, 8; Confucian, 7; Partiet 2: Independent 1

Baptist, 2; Independent, 1.

Total collective days' stay in hospital, 1,451; individual average days' stay, 33. Daily average cost per head, 11s. 8d.; less patients' payments, 10s. 10d.

PHYENIE AND EXPENDENTED

		K	EVENU	\mathbf{E} A	$_{ m LND}$	EXPENDITURE.				
Revenue.		*	£	s.	đ.	Expenditure	·	£	s.	d.
From Government			371	5	11	Rations		155	7	10
Local bodies			171	. 7	11	Wines, spirits, ale, &c		9	8	0
Subscriptions and donations			122	6	2	Surgery and dispensary		34	15	9
Patients' payments			59	11	11	Fuel and light		34	19	8
Balance from last year			162	17	3	Bedding and clothing		15	16	3
·						Furniture and earthenware		67	18	8
						Salaries and wages		406	15	0
						Water-supply		23	4	2
						Funerals		12	0	0
						Repairs		43	12	5
						Printing, advertising, postage	e, and			
	4					stationery		20	5	3
						Interest and exchange		0	4	6
						Insurance		12	19	6
						Fencing and grounds		4	10	8
						Other expenses	••••	5	0	0
Total			£887	9	2	Total		£846	17	8