Portions of Featherston and Trentham are being fitted up and equipped as military hospitals for sick and wounded. The hospital accommodation is being increased at Auckland, Rotorua, and Dunedin.

Complete orthopædic hospitals have been established at Auckland, Wellington (Trentham), Christ-church, and Dunedin.

A hospital has been established at Rotorua especially for physio-therapeutic work and for cases for whose treatment the natural advantages of Rotorua are particularly suitable.

A special hospital for jaw and facial injuries has been established at Dunedin, and a special hospital for cases of shell-shock, neurasthenia, and other functional nervous disorders at Hanner.

Military wards have been added to the public hospitals at Napier, Masterton, and Palmerston

Convalescent homes exist at Auckland, Wanganui, Wellington, Timaru, Dunedin, and Invercargill. In the establishing of these convalescent homes invaluable assistance has been rendered by the New Zealand Branch of the British Red Cross Society.

Sanatoria are in process of construction at Pukeora (Waipukurau) and Cashmere Hills. The latter will be occupied in a few days.

Medical Stores.

The supplies of drugs and equipment, &c., for use in the various hospitals have been maintained throughout the year with little difficulty, taking into consideration the shipping difficulties.

The operations of the store continue to be most satisfactory, as shown hereunder:-

				£	8.	d.	£	s.	d.
Stock on hand							2,500	0	0
Purchase of drugs, &c., during period		••					10,184	11	3
Drugs and equipment issued			, .	7,576	3	0			
Stock on hand at end of period	• •	• •		5,108	8	3			
			•	£12.684	11	3	£12,684	11	3
				C12,00 1	11		212,004	11	
Working-expenses for p	eriod (pa	ay, clothi	ng, &c	.), £1,500).				
Working-expenses for poperiod 1918–19—	eriod (pa	ay, clothi	ng, &c	.), £1,500 £		d.	£	8.	d.
	eriod (pa	ay, clothi	ng, &c			d.	£ 5,108	s. 8	
Period 1918–19— Stock on hand	• •			£		d.		8	3
Period 1918-19—	• •	••	••	£	s.	d .	5,108	8	3

Working-expenses for period (pay, clothing, &c.), £1,750.

4 11

£17.289

By comparing the figures for the periods under review it will be seen that the expenditure has been increased by £1,996 5s. 5d. This increase is due to the purchase of electrical equipment and increasing of stocks; but, taking the value of our stock on hand at the end of the period, it will be seen that there is a saving of £8,364 16s. 8d. This saving is due to obtaining our supplies through the Imperial Army Contracts. Against this saving, working-expenses have been increased £275, such increase being caused through additional staff. In addition, a saving of £81 2s. has been effected by the manufacture of ointments, &c., as shown in the attached schedule.

During the period under review 9,314 prescriptions were dispensed, with an approximate saving of £1,397 2s. The garrison dispensaries at Auckland, Christchurch, and Dunedin have proved most satisfactory, not only in the dispensing of prescriptions, but in the treatment of out-patients with dressings, swabbing and painting of throats, and urine-testing. The saving in prescriptions is estimated as follows:

Auckland prescriptions dispensed	 			.12,428
Saving (approximate)	 			£1,864 4s.
Christchurch prescriptions dispensed	 			1,538
Saving (approximate)	 		. ,	£230 4s.
Dunedin prescriptions dispensed	 	• •		1,357
Saving (approximate)	 			£203 11s.

The dispensaries at Christchurch and Dunedin were opened on the 22nd June, 1918. A garrison dispensary has since been opened at Hastings.

At present there is sufficient stock on hand to meet our requirements until the end of the year 1919-20, and no requisitions have been forwarded for next year's supplies. It is hoped by then that the cost of present prices will fall.

During the recent epidemic the medical stores and garrison dispensaries were of the greatest assistance to the civil population in supplying drugs and materials to the cost of about £2,000. This was charged against the Public Health Department. To give some idea of the use the medical stores were during the epidemic, there were railed or shipped to the different parts of the Dominion 434 packages. In addition there were made in the store 618 gallons of soda-salicylate mixture, 348 gallons cough mixture, and 161 gallons tonic mixture.