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Taumarunui and Waitakaruru, which were commenced in the previous year; the reconstruction of the upper storys of the Eketahuna and Woodville post-office buildings; and additions to the post-office buildings at Pokeno and Ruawai.

Areas of lands no longer required at Glen Oroua and Woodgrove, the old postoffice building and site at Tophouse, and the temporary post-office building at Port Ahuriri erected after the Hawke's Bay earthquake in 1931 were disposed of during the year.

Areas of land were acquired as follows: Kaitaia (for drainage purposes), St. Heliers (for automatic-exchange building), Te Puke (for garage, &c.), Waimate (for improved access to post-office site), Wanganui (for store, garage, and workshops). Fire destroyed the Toko post-office building in March, 1935.

MENTAL HOSPITALS.

The capital expenditure for the year on mental-hospital buildings was £98,630, being £25,609 more than that of the previous year. It is proposed to appropriate £90,000 for expenditure on capital works for the current year.

Auckland: At Avondale a new residence and garage were erected for the Medical Officer.

Puhitahi: At Puhitahi, four new villas were completed during the year; additional roading, water-supply, sewage works, and electric reticulation were carried

Tokanui: At Tokanui a new villa for farm labourers was completed. Watermains were extended and renewed, and a complete remodelling of the sewagesystem was undertaken.

Nelson: At Ngawhatu two additional villas, laundry, and boilerhouse were completed, and the installation of necessary machinery is well in hand. The watersupply system, including a new reservoir, was completed. A rearrangement of the electrical reticulation is in hand.

Hokitika: A new villa was erected during the year, and was fully furnished. Christchurch: A new villa for women was erected at Sunnyside, and two additional villas were erected at Templeton. Good progress has been made with the water-supply scheme at Templeton.

Seacliff: A new nurses' home was erected, and new machinery was installed in the boiler-house.

HEALTH AND HOSPITAL INSTITUTIONS.

The net expenditure under this vote for the year was £656, and was mainly expended on additions to the St. Helens Hospital, Wellington.

Expenditure approximating £40,000 is contemplated at Queen Mary Hospital, Hanmer Springs, in providing a new hospital for male patients, administration block, bulk store, and male staff quarters. Improvements to the water-supply for the hospital and township are also being undertaken.

Provision is made for the payment of an initial instalment on account of the Government grant of £20,000 towards the cost of the new Obstetric Hospital at Dunedin.

Minor alterations and additions to St. Helens Hospitals, Auckland and Wellington, are also being undertaken.

EDUCATION.

A further effort was made during the year to keep as low as possible the expenditure of capital funds on the erection of school-buildings, additions, and teachers' residences, and the purchase of sites, the net expenditure for the year being £57,160. Included in this figure is the sum of £5,871 which was provided out of the Consolidated Fund to cover the cost of works under £200.