Under the engineer, the work of changing the Smead Dowd System, in the main building, to steam heating, has been continued, and considerable work has been accomplished. Not only is the steam heating a great saving in fuel but it is found to be much more cleanly. It is the intention of your Board to continue this work until the whole of the Smead Dowd System in the main building has been replaced by steam.

The farm has been improved very much by road making, ditching and fencing. The employment of the patients in such ways Dr. Burgess considers very beneficial to them.

The front grounds and road are showing the work done by the Ground and Embellishment Committee for the past year, having been made very attractive and beautiful in appearance. The thanks of the Committee and your Board, are tendered to Mr. Roy, of the Mount Royal Cemetery Co., for valuable assistance and advice in this work.

The Board regrets having to report the burning of the stables on the morning of the 25th December, with contents, including 11 horses; fortunately the loss was covered by insurance. The fire occurred very early in the morning, and was not discovered until it had got considerable headway. For their arduous and efficient services in confining the fire to the building in which it originated, your Board thanked Dr. Burgess and staff; and in recognition of the service of the City Brigade, called to the scene, donated \$100 to the Firemen's Benevolent Association.

This fire clearly demonstrated the need of a much larger water supply, and your Board at once set to work to have an additional underground tank made to contain about 70,000 gallons. This, in addition to what the present tank holds will make our total supply of water about 100,000 gallons. The work on this tank is now progressing.

Dr. Burgess' Report for the past year is as usual, a complete, and very comprehensive one, and touches upon every detail in connection with the working of the Hospital.

We are pleased to report that the official staff has remained unchanged since last year; a fact, which makes the work of the Board of Management and sub-committees comparatively easy and pleasant. It is our hope that this state of affairs may long continue.