

watchfulness than hitherto, the staff of officers remains unaugmented. One case of absconding occurred through a man leaving a boat and its crew, of which he was in charge, alongside a wharf in Sydney, when one of the boys, a half-witted youth, nearly eighteen, compelled his fellows to make off with the boat. The lads, with one exception, were recaptured, and stated that they really had no reason to abscond. Three have since left the ship as apprentices, and are all doing very well.

7. Probably in part from the extreme rarity of desertions from the "Vernon," the absconding caused a considerable amount of comment, and the occasion was seized by some persons to make statements gravely reflecting upon the system of training. So far as the desertion was concerned, no excuse can be offered for the official in charge of the boat, who was dismissed. I might, however, point out that abscondings are always likely to occur unless the boys are absolutely prisoners. It is better to run this risk than to make the place a gaol.

8. The assertions made generally as to the effect on the after-lives of boys undergoing the "Vernon" system seemed to me to require attention, and the Comptroller-General of Prisons was therefore invited to cause a report to be furnished showing the number of persons in gaol on the 30th June last who had at any time been "Vernon" boys since the establishment of the institution; and also the number of ex-"Vernon" boys who had been sentenced for any offence during the twelve months ended on the date before named. At the same time the Inspector-General of Police was asked to cause every apprentice from the ship to be visited, and to report upon the boys' conduct. It was considered that these inquiries, made by impartial officers not connected in any way with the vessel, would afford the most conclusive proofs of the merits or demerits of the system.

9. The "Vernon" has been established twenty-one years. During that time 2,040 boys have been sent on board, of which number 210 remain. Eighteen hundred and thirty have consequently passed through the ship since establishment, and this number should be borne in mind when considering the figures adduced by the Comptroller-General, who reports that twenty-one prisoners were in the various gaols on the 30th June last who had been "Vernon" boys, and that twenty-eight (three unknown to me, of whom I cannot find any proof beyond their own statement that they were here) ex-"Vernon" boys had been sentenced during the year ended the 30th June last. The following shows the percentages:—

Total number of boys leaving the ship since May, 1867 ...	1,830	
Ex-"Vernon" boys in gaol on the 30th June last ...	21 = 1 per cent.	
Ex-"Vernon" boys sentenced during the twelve months which ended the 30th June last ...	28 = 1·5 "	
Number of male prisoners in the various gaols (see last Prisons Report) ...	2,054	
Percentage "Vernon" boys ...	1·1	

In 1887 over 13,000 persons were committed to gaol.

10. The Inspector-General has furnished me with a detailed report upon the character of every apprentice now at service. Some of these lads have been nearly six years away from the ship. The results are—

Total number of apprentices at service ...	420	
Favourably reported upon ...	392 = 93 per cent.	
Absconded, and unfavourably reported upon ...	28 = 7 "	

11. The foregoing numbers include, amongst the twenty-one in gaol on the 30th June, eleven who were not here under my superintendence. They further include eight who did not undergo the full training of the ship, but who were discharged to their friends. Amongst the twenty-eight convicted during the twelve months are included eight who were discharged; thirteen were not here during my superintendence.

12. Amongst the tables appended will be found a statement showing the educational attainments of the boys. Only twenty-six of those admitted, or 12 per cent., were found to be able to read and write well. Mr. District-Inspector McCredie, upon the occasion of his last inspection, reported as follows:—"Discipline: The pupils are regular in their attendance of about three hours daily; they are clean and tidy, and quiet and steady. The government is firm and effective. The order is good and the general discipline is effective. Instruction: The classification is suitable; the instruction is almost confined to reading, writing, dictation, and arithmetic. It is regulated by a time-table and by fairly suitable programmes, and the teaching is industrious, but owing to the short time the majority of the boys are on the ship the proficiency is not high."

13. Considerable reduction has taken place in the cost per head. The average daily number under control was 638, and the cost per head £8 13s. 11d. per annum. This low rate is principally due to the apprenticing-out of boys, when it has been considered safe to do so, after they have been twelve months on board, for the balance remaining of the period for which they are sent to the vessel. This system greatly relieves the State of expense, and is extremely beneficial to the boys, who acquire a good knowledge of practical farming, a taste for country life, and who find themselves at the age of eighteen in the possession of accumulated wages ranging as high as £54, and in a position to gain their own livelihood. During the year 120 boys were apprenticed to earn in money £3,988, which will be given to them at the expiration of their term of service. Including board, lodging, clothing, and all other necessities, worth, say, 8s. weekly, the total earnings of these 120 will amount to £13,108, while the saving to the State by their rescue from evil is incalculable.

14. Religious instruction has been conducted by the Rev. A. Turnbull (C. of E.), the Rev. F. Callaghan (R.C.), Mrs. Ford (C. of E.), and the Sisters of St. Joseph. The greatest benefit has resulted from the kind and benevolent exertions of these ladies and gentlemen, who are deserving of