

The work is done under different systems, lease contract, piece price, and public account for these goods to be sold to the public. It is often found that the firm holding the contract or leasing the men is a subsidiary part of some big well-known corporation.

To what extent prison-made goods are sold to the public it is impossible to say without a careful inquiry, which will take some time and must be done very quietly.

Under the public account system, as carried on now in Illinois instead of the contract system, it is very difficult for the general public to get any idea of what shoe-shops, for instance, sell prison-made goods. In former times, under the contract system, one shoemaking firm who for years held the contracts made a fortune, as they had a cheap shoe that they could sell lower than what it cost to produce a low-grade shoe by free labour, and then used it as a club to force the retail shops to buy their whole line or none. To what extent this form still controls the output of the Illinois convict prisons I have not investigated.

Last year, while in St. Louis, I inquired into the manufacture of shoes in the convict prisons there, but did not investigate as to who the firms holding the contracts really represented, as I did not know people sufficiently well to run the chance of asking some banker who might be identified with the interest affected; but there is no doubt that an investigation would reveal some startling facts as to this.

I have, &c.,

THOMAS ERSKINE.

The Secretary and Inspector, Department of Trade and Customs, Wellington, N.Z.

No. 18.

New Zealand, No. 90.

MY LORD,—

Downing Street, 4th May, 1909.

I have the honour to transmit to you, for the information of your Ministers, the papers noted below on the subject of the prospect of oil-deposits in New Zealand.

I have, &c.,

CREWE.

The Officer administering the Government of New Zealand.

Date.	Description.
1909.	
April 29	From the Admiralty.

Enclosure.

C.P. 13960.

SIR,—

Admiralty, 29th April, 1909.

I am commanded by my Lords Commissioners of the Admiralty to acknowledge the receipt of your letter of the 20th April, No. 12491, transmitting copies of a letter and enclosures received from the Governor of New Zealand upon the prospects of oil being obtained in the Dominion.

My Lords request that you will thank the Earl of Crewe for causing the report to be furnished to them, and desire me to say that they would be glad to receive copies of any reports made by the Director of Geological Surveys of New Zealand, especially of any comprehensive and detailed investigation which it may be decided to carry out in the North Island, and of any records that may have been kept of the boring operations.

I am, &c.,

The Under-Secretary of State, Colonial Office.

GEO. H. HOSTE, *pro* Secretary.

No. 19.

New Zealand, No. 91.

MY LORD,—

Downing Street, 4th May, 1909.

I have the honour to request that you will inform your Ministers that an application has been received from the French Chargé d'Affaires at this Court on the subject of the appointment of Mr. James Mackintosh as Consular Agent of France at Wellington.

A copy of the application is enclosed.