

At Hautu exceedingly good progress has been made in developing the pumice land. During the year arrangements were completed for the acquisition of further Crown and Native lands, thereby increasing our holding from just under 1,000 acres at Hautu to 10,000 acres.

At Rangipo the area has been extended from 800-odd acres to slightly under 5,000 acres. Both of these blocks of country have responded beyond expectations to the system of cultivation applied, and during the past year an extensive programme of clearing and bringing into cultivation has been pursued with success. The area is proving to be one of the best clover-growing lands in the Dominion. It is easy country, well watered, and with a mild climate.

An initial consignment of bullocks and lambs was recently sent to the Westfield market. The former averaged 950 lb., and the top prices realized were £16 7s. 6d. per head, the average being £14 2s. 6d., while the lambs, which were Southdown-Romney cross, constituted a record for Westfield. The weights averaged 65 lb., and the prices realized the exceptional figure of £2 4s. per head. Neither of these lines of stock were specially bred. Their excellent condition was entirely due to the splendid pasturing and the climatic conditions at Hautu.

At Trentham a larger area has been taken over from the Defence Department, and now practically the whole of the flat swamp, comprising approximately 100 acres, has been drained and brought into cultivation. Arrangements are in hand for the establishment of a large vegetable-garden to enable the Department to supply other institutions under the control of State Departments with their requirements in vegetables.

At Paparua, despite the fact that the farm is mainly a river-bed flat, good results have been attained. Almost sufficient potatoes to meet the Department's full needs were produced at this institution. Sheep-farming, pig husbandry, poultry-keeping, and the growing of vegetables are also profitable sources of revenue. The returns from the sheep were particularly satisfactory this past season. Arrangements were made to have early lambs available for a special seasonal market, when prices up to £2 0s. 6d. were realized. At the Christchurch Royal Show the Department was successful in securing a number of prizes for stock exhibited. The cup presented to the winner of the highest aggregate number of points in the sheep classes was also won by the Department. In the freezing class for fat lambs, which are judged in London, the Department secured second prize, while in the Dominion Meat Board's special class it secured first and second prizes. It is found that these achievements stimulate the interest of the prisoners in their work, as they take personal pride in the results. Considerable stress is laid by modern penologists on the psychological factor known as "suggestive therapy," and there is no doubt that these splendid results demonstrate in a practical manner the benefits to be derived from organized purposeful efforts, and have a stimulating effect for good on all concerned.

At Invercargill many improvements have been effected in connection with the housing of the dairy herd, which is being steadily culled with the object of bringing the herd up to a higher standard of production.

At Mount Eden extensive alterations have been made to the quarrying plant, enabling the Department to produce metal in conformity with current roading requirements. The equipping of the quarry workshop was completed during the year, and this, in addition to providing a further avenue for skilled employment for prisoners, also enables repairs to be effected on the spot with a minimum of delay. Other industries carried on primarily from a vocational point of view, to enable inmates to be taught trades; but, secondarily, to keep down the cost of prison-administration, are bootmaking and repairing, tailoring, and mail-bag and satchel repairs.

Activities in the Waimarino district have been concentrated mainly on roadworks, and splendid results are to be seen in the formation of a section of the main highway between Ohakune and Taumarunui. The Department also undertakes the maintenance of the road between Waimarino and Tokaanu.

Good progress has been made towards the completion of the new prison at Wellington, and simultaneously the demolition of the Terrace Prison has been proceeded with. When finished, this prison will be the most up-to-date trial and remand prison in the Dominion. The site at the Terrace is being levelled, and it is hoped that next year will see it available for the commencement of a new school.

Several minor industries, including lead-headed-nail making, soap-making, and the manufacture of floor-polish, are carried on at Wellington. The output is confined to Government requirements, being issued to our own institutions and other Departments.

At Napier the prison has been completely renovated and the quarry reconstructed. A considerable area of land that hitherto had been lying waste and overrun with weeds and rubbish has been converted into a vegetable-garden, enabling the prison to supply a considerable portion of its own needs in vegetables.

The attention that has been devoted to the economic side of the Department's work has given rise to the suggestion in some quarters that the Department is commercializing prison labour, but an intelligent review of the position makes it fairly obvious that the social and the economic activities are interdependent. Both are essential in any reasonably balanced scheme of reformatory treatment. The useful and productive employment of prisoners is beneficial in many ways. It aids the prisoner's ultimate fitness to resume his place in the community, while at the same time it keeps down the burden on the taxpayer; but in no case is the welfare of the prisoner subordinated entirely to economic considerations.

EXPENDITURE AND REVENUE.

This year, through the Department's accounts being placed on a proper accountancy basis, it is possible to present with this report for the first time complete revenue accounts and balance-sheet of the Department summarizing the results of the various industries. These accounts have been carefully checked, but are still subject to completion of audit. These audited accounts will appear in