В H.—14.

serving in the Permanent Militia, and so far the arrangement appears to work well. The slowness of promotion in the prison service is, I know, a source of disappointment to many; but it must be recollected that stagnation in promotion means that good conduct and contentment prevail in the department, which accounts for so few vacancies, and therefore so little advancement. Owing to retrenchment, twelve officers had to be dispensed with at the end of the financial year, and it was a matter of considerable difficulty to select those that could be best spared. I hope shortly to be able to recommend further retrenchments in some of the larger prisons.

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20. The prisoners at Auckland, Wellington, Lyttelton, and Dunedin have been principally employed at working at the fortifications, and have done excellent work, as is shown by the Defence Engineer's report. At each of the above-named places temporary prisons have been established in the buildings designed for the barracks, and good accommodation has been obtained at a very small outlay. It need hardly be pointed out that it would be difficult to find more suitable work for prisoners, or labour more beneficial to the taxpayer. Good progress has been made with the new prison at Auckland, but, owing to the labour troubles, and the increased cost of fuel, brickmaking had to be stopped in Wellington, which has delayed the building work. When a temporary kitchen is completed this building will be fit for occupation. While the temporary prisons above referred to have prevented crowding, and so obviated the necessity of pushing forward so hastily the new prison-works, no conclusion has yet been arrived at as regards a new prison for Dunedin, and, though the decrease of prisoners and the opening of a temporary prison at Taiaroa Heads, has, to a great extent, relieved the necessity for crowding the old building, still, looking to future requirements, it is now high time some conclusion was arrived at regarding a new prison for

Otago.

21. For some years past in England and some of the other colonies a system has been on trial for placing the better-conducted long-sentenced prisoners on some Government works in an isolated place, to minimise the risk of contamination, and at the same time to enable the prisoners to fit themselves for ordinary labour on completing their sentences. It has been found that severe labour on public works is most beneficial in teaching criminals habits of industry, and training them to such employments as digging, road-making, quarrying, stone-dressing, building, and brickmaking—work of a kind that cannot be carried on in separate confinement. It is found that employment of this nature is most easily obtained by prisoners on their release, since men are taken on for rough work without the strict inquiries as to previous character which are usually made in other cases. With these objects in view I recommended a party of prisoners being sent to Milford Sound for the purpose of opening up a road to Central Otago, and establishing the means of through communication to Dunedin. Accordingly a party of forty-five prisoners and six officers left Wellington for Milford Sound on the 11th December, 1890, arriving there three days later, and have been at work there since. They are accommodated in huts made in Wellington, and erected on the banks of the Arthur River. Soon after arrival two of the party escaped, but were very shortly after captured at Lake Te Anau, and none have attempted to escape since. From reports received, a good amount of work has been done, considering the almost continuous wet weather which has prevailed there since January last. In order to give the experiment a fair trial, all semblance of prison buildings was carefully avoided when planning the huts, though they are certainly more elaborate than I should have been disposed to recommend had I been consulted prior to their being made. The officers do not wear uniform nor carry arms, but work with the prisoners, and this arrangement answers well. In selecting so large a number as forty-five prisoners from the different gaols it was found that some unsuitable characters had been sent, who at first gave considerable trouble and retarded work, but these have been replaced by others and brought back, and the work now promises to go ahead, provided there is a fair share of fine weather. The work was considerably delayed at first, not only by the weather, but also by the want of tools and materials, the supply forwarded by the Public Works Department being totally inadequate to the requirements, while many were old and almost unserviceable.

22. It has been stated that by sending these prisoners to Milford Sound an injustice has been done to the unemployed; but when I made the recommendation that this experiment should be tried with prisoners I was under the impression that the Government had not the slightest intention of making this road either with the unemployed or by contract, for, however desirous T may be to initiate measures which in my opinion may tend to reform and make honest citizens of any of the inmates of our gaols, I should be the last to recommend any such experiments at the expense of or to the detriment of any honest men who are not tainted with crime, and who are seeking work. Owing to the climate, the difficulty of obtaining supplies, and the small chances of getting away in any reasonable time, the work is unsuited to the unemployed, while to carry it out by contract would be very expensive; and I hold the opinion that executing public works by means of prison-labour, which in all probability would not be undertaken under any other circumstances, must have a greater moral effect, and therefore be more likely to make the prisoners fall into habits of useful industry, than if they were always employed at work within the prison-walls. by this the State reaps the benefit derived from a judicious centralisation of the work of men who have to be maintained at the public expense, whether usefully or uselessly employed. It is hoped the experiment will be given a fair trial, and I feel confident the prisoners will render a good account of themselves. The falsehoods published from time to time about the prisoners wandering about the bush miles away from their camp, unattended by warders, are evidently the work of interested individuals, who perhaps cannot now black-mail tourists to the extent they could before the establishment of the prison-camp there. The health of the prisoners at Milford has been excellent, notwithstanding the great amount of rain that has fallen since their arrival there—the record shows over 38in. in one month, and over 7in. in one day.