The contractors for prison supplies have carried out their contracts in a most satisfactory manner, notwithstanding the increased price of potatoes and other articles of food. Complaints as to rations are practically non-existent.

The conduct and efficiency of the officers on the whole have been such as to marit very high praise: there have been no reports against any of the staff. The various duties are carried out cheerfully and with alacrity. I need not point out how essential it is for prison discipline that the officers should work in unison and with absolute impartiality, and I am happy to be able to say that this state of things prevails to a large extent here.

A very large amount of work has been done during the year under review : the central wing has been completed (so far as the cell-accommodation is concerned) and occupied. This is a splendid structure—light, thoroughly ventilated, and fitted with all modern sanitary arrangements. The front portion of this wing, containing chapel, offices, visiting-rooms, &c., is well advanced, and ought to be completed before the end of this year—1906. The cash receipts and work for other Departments amount to £5,610 8s. 5d., being an increase of nearly £600 on the previous year's work. There still remains a vast amount of work to be done, the more urgent items being a stone stable for the prison horses, van, carts, &c., a hospital, a padded cell, and the south wing to complete the original plan, and to provide accommodation for all the prisoners and enable all the old wooden buildings to be done away with.

The gross cost per head was 7s less than in 1904, while the net cost was £1 3s 10d. higher; but both gross and net cost is very low. The issue of tobacco to prisoners has added over 10s. per head to the cost of every man and woman in the prison, without, in my opinion, any commensurate improvement in the conduct or industry; while the time spent in smoking makes an appreciable difference in the amount of work done.

I regret to have to report the death of John Savage, Esq., one of the Visiting Justices. The deceased gentleman took a lively interest in the prison library, and was a regular contributor to it. The Visiting Justices have devoted much valuable time to their duties, with very beneficial results.

Clergymen and lay readers of the various denominations pay regular visits to the prison and conduct several services on each Sunday throughout the year.

The great increase in the amount of crime, as shown by the return attached, is a circumstance which cannot be lightly ignored. The causes of this deplorable state of things are many, but the chief of them are very clear, so plain, indeed, that "he who runs may read." A few years since the undoubted cause of most crime was drink, but now I am inclined to attribute at least an equal percentage to gambling, more especially as it affects the youth of New Zealand. Gambling has become a mania with thousands of young men. Newspapers publish the fact that so many thousands of people attended such-and-such a race-meeting, and that between £80,000 and £100,000 was invested on the totalisator, as if it were something to be proud of. Few people who attend races do so from a desire to witness honest sport, but with the intention of making money—money for which they have not worked or earned in any proper sense of the word. If these young men cannot earn money enough to enable them to attend all the race-meetings on week-days and to play "two-up" on Sundays, then they rob their employers ; and if their offence is discovered, not one in twenty is prosecuted, and a still smaller percentage punished ; and so the evil grows. There are too many young men in the towns a great number of whom dislike steady work , they have too much time on their hands ; they want to dress above their means : and if they cannot get money honestly they steal it and gamble with the proceeds of their thefts. Some years ago I drew attention to this rapidly-spreading blight of gambling, and I do so once more, because no one knows the various causes of crime so well as prison officers, to whom almost every prisoner's previous course of life is known. My duty is done when I point out the great cause of crime, leaving it to others to devise a remedy.

First Offenders' Probation Act.

The number of persons who were placed on probation during the year was 16 males and 3 females, 2 males were transferred here from other districts; and as there were 22 males and 5 females on probation at the commencement of the year, this makes the total number dealt with under this Act during the year to have been 40 males and 8 females. Of these 12 males and 5 females completed their terms in a most satisfactory manner, 2 males absconded, 1 was sentenced for not complying with the conditions of his release, and 2 were transferred to other districts, leaving 23 males and 3 females still on probation at close of the year. The costs ordered to be paid by the 19 persons who were admitted to probation amounted to £74 16s. 6d., of which £39 18s. has been paid. It is most satisfactory to find that the Courts in this district exercise great discretion in the administration of this Act. I must once again thank Inspector Cullen and all his officers for their invaluable assistance in helping me to carry out the provisions of the Act.

FRAS. EGERTON SEVERNE, Gaoler and Probation Officer.

DUNEDIN PRISON.

H.M. Prison, Dunedin, 15th January, 1906.

I HAVE the honour to report that during the year 1905 the conduct and industry of the prisoners have been good, with a few exceptions. Seven prisoners were punished for eight minor offences; the punishments show an increase of four prisoners and two offences on last year.

There was one escape during the year, but the escapee was speedily recaptured.

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The health of the prisoners has been very good. There was practically no sickness, except that one prisoner received on the 16th September was in a bad state of health when admitted, and is still on the sick-list. One hard-labour prisoner was removed to the mental hospital; he showed signs of mental affliction on reception; his sentence expired while he was detained in that institution.