The whole of the requisite maintenance of the prison buildings has been effected during the year with prison labour, a good deal of the work being executed around the prison proper, whilst the upkeep of the prison officers' cottages has received adequate attention.

The prison garden continues to be a valuable asset, the whole of the institutional requirements of

vegetables, with the exception of potatoes, being supplied from our own garden area.

Under the control of Principal Warder Lauder, the bootmaking branch of the prison industrial activities has continued to furnish a very satisfactory return, and the orders placed by other Departments, as well as our own departmental requirements, have been ably and expeditiously handled throughout the year.

A party of twenty prisoners, under the supervision of two officers, has been working continuously at Rangitoto Island since November, 1925. The improvements effected up to and including the 31st

December, 1932, are as follows:-

Completed top-dressing of Islington Bay Sports-ground with clay and sand (112 ft. by 131 ft.) and laid same out for tennis-courts. 1 mile of 3-ft.-wide footpath from Islington Bay to Harbour Board Quarries formed and top-dressed. New wharf built near Harbour Board Quarries (30 ft. by 9 ft.). 15 chains of 3 ft. footpath at Rangitoto formed and top-dressed. Completed terracing of diving-platform at Rangitoto with dressed stone (48 ft. by 39 ft.). Swimming-pool (36 ft. by 99 ft.) completed and in use. New wall built with dressed stone on waterfront at Rangitoto (60 ft. by 15 ft.). Two and three-quarter miles of Eastern footpath from Rangitoto to Harbour Board Quarries widened and repaired. 30 chains of 4 ft. footpath re-dressed at Islington Bay. Commenced formation of new beach at Rangitoto, completed part of beach (300 ft. by 69 ft.) by December, 1932.

The output from the clothing-factory has been well maintained. The work increased to such an extent that it was recently found necessary to install four additional machines. In addition to our own requirements, those of other Departments have been readily met, and the returns have been well

up to the standard of previous years.

With regard to the orders placed by other Departments for footwear and clothing, it might be mentioned that exceptionally keen competition from outside sources has necessitated a periodical revision of our price-lists in the endeavour to retain this business, but, in spite of the lower rates, every effort is being made to ensure that the output of the shops gives the maximum possible remuneration to our Department. All waste clippings have been periodically sold to advantage.

The mail-bag industry is carried on in conjunction with the tailoring, and the whole of the

demands of the Post and Telegraph Department have been expeditiously handled.

With the exception of blankets, the whole of the prison laundering and the repairs to socks continues to be executed by female labour, and the small cost to the Department is a pleasing reflection upon the administration of this division. Soft laundering has also been performed as required for the Police, Public Trust, Internal Affairs, and Defence Departments during the year.

The washing and the fumigation of prison blankets, hammocks, &c., repairs to moleskins, shirts, &c., has continued to be executed with male labour, and the cost during the year has been maintained at the previous low level. With the commencement of annual military training camps we have recently received a fair quantity of laundering from the Defence Department and this work will continue to be handled for some months ahead.

As already advised you by the Quarry Manager in his monthly reports, the year under review has been the worst experienced from a business aspect since he took over the control of this major

prison industry in 1920.

Trade depression is, of course, solely responsible for the position, as there have been very few building or roading contracts of any size undertaken in recent times, and what little business has been offering has called for the keenest of competition, with the result that our proportion of supply has been reduced accordingly. In my last year's report we were rather sanguine of obtaining orders from the local bodies who had then been forming roads under the No. 5 Scheme, but owing to lack of funds the majority of these have remained unmetalled.

In addition to this, quite a number of the counties have been operating their own quarry areas under the Unemployment Scheme, and have been producing metal for their lower-grade roads.

Under ordinary circumstances, the grade of metal thus produced would not prove an economical proposition, but owing to the present low cost of production, due to the use of the unemployed labour available, the output suits immediate requirements, and consequently we have lost the business previously done to the order of these counties. However, as this poorer grade of metal is not being permitted to be utilized for the highways, when a return to normal times is experienced we can confidently expect to again obtain this business.

Another decisive factor in the falling-off of our sales is that with the present continued restricted operations of the Railways and Public Works Departments sales to their orders during the past year have been negligible. Under these circumstances, and taking into consideration the fact that any surplus labour at this institution is perforce utilized in the quarry, it can only be expected that the loss on the years operations will be a considerable one. However, every possible effort has been made to economize, and we have had only one crusher in use throughout the major portion of the year, so that the output would, as near as is possible to gauge, be consistent with the actual demand.

As a result, our present stacks of crushed products are not disproportionate with the amount of business expected to be handled in the near future.

It has been a matter for gratification that we were successful a few months ago in obtaining a contract to supply 3,050 tons of specially hand-knapped metal, thus permitting continuation of production from the faces, and the utilization of labour which otherwise would have presented a very serious problem.

In order to provide suitable employment for the large number of men, it was decided to hand-break the whole of the $3\frac{1}{2}$ in. and the greater portion of the $2\frac{1}{2}$ in. metal required by W. Lovett, Ltd., for the Auckland Harbour Board Western Roads Contract. This arrangement has provided a solution of the labour problem as well as producing a more suitable product for the Harbour Board.