

sum of revenue as a direct cash set-off against the cost of prison upkeep the policy of supplying practically the whole of the Department's domestic requirements in meat and vegetables has resulted in a pronounced lowering in the cost of rations. Out of a total cost of 7-8d. per day *per capita* for rations, approximately 40 per cent. is produced from the Department's farms and gardens.

In addition to the vote savings and the revenue from the sale of farm produce, there is a capital asset being built up through the work at the pumice development farms at Hautu and Rangipo. This work continues satisfactorily, and a total of 5,859 acres of what was hitherto regarded as waste land has now been cleared and put down in pastures for ultimate settlement.

Reclamation work has continued at Invercargill, and clearing and draining of swamp areas have been effected at Wi Tako and Waikeria. For the purpose of effecting a vote economy and saving the amounts spent annually in the purchase of tobacco for prisoners, it was decided during the year to grow tobacco at Waikeria for our own purposes. The leaf has been manufactured into tobacco at Mount Eden for issue to the various institutions. This enterprise has provided a fresh outlet for the employment of a number of inmates, and has also meant a substantial saving to the Department.

The whole of the Department's bread requirements are now made in the institutions. This also results in an appreciable economy and at the same time provides a useful occupational outlet for a number of men. Tailoring, bootmaking, mailbag-making and repairing are still carried on at Mount Eden, and provide useful intra-mural work especially suited to the type of inmate necessarily detained at that institution.

Good work has been done in the National Park area on roadmaking, the major activity during the year being the Otukou deviation, which has resulted in the straightening of the road, and the shortening of the distance between Tokaanu and National Park. This road is now becoming a very popular highway for tourists and fishermen, and will be much safer and shorter than the old narrow circuitous road.

REVENUE AND EXPENDITURE.

For a number of years, since the inception of a progressive policy of actively engaging inmates on productive work to provide them with a useful and healthy employment, the net maintenance costs have to a great extent followed the fluctuations in trade conditions. Until immediately before the existing depression the actual market and values for the output of prison industries provided a very substantial item in reduction of maintenance costs. Since 1929, however, it has been a formidable task for the Department to reduce the Consolidated Fund costs to offset the rapidly declining revenue. In 1930-31 the sudden collapse of prices resulted in a revenue drop of approximately £13,000 with a relatively insignificant reduction in cash expenditure, staff salary reductions, and other economies being largely offset by the extra cost of an increased prison population. The following year, 1931-32, brought an additional revenue decline of £15,000, but expenditure in the period had been successfully reduced by £19,000 notwithstanding a further increase in prison population. For the financial year 1932-33 now under review, it is again satisfactory to see that, although there was a still further decline of £3,000 in revenue, expenditure was reduced by nearly £10,000. The total revenue reductions of £31,000 over the three years have been met by expenditure reductions of £30,000.

The actual net cash expenditure per head in 1932-33 of £53 12s. was lower than in any year since 1914, when it amounted to £53 8s. per head. On an actual comparative basis, however, the year just passed shows up more favourably than these two figures indicate. The Department is now meeting payments for prisoners' earnings and allowances to dependants £10 per head greater than in 1914, besides paying maintenance of prisoners in public hospitals which in 1914 was free. On a proper comparative basis the cash cost per head in 1932-33 was actually 20 per cent. below 1914.

Summary of Cash Payments and Receipts of Prison Vote 1914 and 1924 to 1932.

Year.	Daily Average Number of Inmates.	Gross Expenditure.		Credits.		Net Expenditure.	
		Total.	Per Head.	Total.	Per Head.	Total.	Per Head.
		£	£	£	£	£	£
1914 ..	980	61,940	63·2	9,586	9·8	52,354	53·40
1924-25 ..	1,227·81	144,484	117·67	68,118	55·56	76,366	62·11
1925-26 ..	1,340·13	152,794	114·00	79,099	59·02	73,695	54·98
1926-27 ..	1,397·25	148,766	106·47	70,915	50·76	77,851	55·71
1927-28 ..	1,489·62	161,199	108·21	66,979	44·95	94,220	63·26
1928-29 ..	1,501·82	163,451	108·83	73,994	49·27	89,457	59·56
1929-30 ..	1,425·54	172,248	120·83	83,806	58·87	88,442	62·04
1930-31 ..	1,525·32	171,382	112·36	70,669	46·33	100,713	66·03
1931-32 ..	1,641·51	152,581	92·93	55,867	34·03	96,714	58·90
1932-33 ..	1,661·29	142,940	85·44	52,912	31·84	90,028	53·60

In Table B in the appendix are shown abridged Income and Expenditure Account and Balance sheet, which include in addition to cash expenditure all nominal charges for interest, depreciation, rents, and values of foods produced for prison consumption. Including all such charges, the net cost per head has continued to show a steady decline over the last four years—viz., 1929-30, £85 11s. 7d. per head; 1930-31, £88 11s. 4d.; 1931-32, £86 9s. 7d.; 1932-33, £82 16s.