

large proportion of Government works and large private contracts are situated in the North Island.

The general work of the office immediately under my control has increased to a very large extent during the year, owing to a great increase in the number of factories registered under the Act, and, consequently, a much larger number of people employed, thus necessitating the appointment of more Inspectors. We have now 139 Inspectors of Factories. Of these, four are paid officers, they being stationed in the four principal centres. The others are officers of police; and in the matter of inspection, registration, and making their monthly returns they are very punctual indeed. We have also something like two hundred agents who act for us in the matter of procuring and sending men to employment; they furnish a monthly return, which enables us to at once see the condition of labour all over the colony.

State Farm, Levin.—The farm is situated in the Horowhenua Block, and comprises about 800 acres of bush. The land is of good quality, and will grow almost anything. A very large amount of work has been done, as follows: 400 acres have been felled and laid down in best English grasses. 286½ chains fencing have been completed; 52 chains of this is pig-proof, while 30 chains is a wove paling fence. 209 chains of roads have been felled and cleared 1 chain wide, stumped and formed 18ft. 10 acres are also being stumped and ploughed for an orchard, to which the 2,500 fruit-trees, which are now in the nursery, will be removed this season. There has been a large amount of general work done, such as building stables, cottages, manager's house, schoolhouse, &c. These are all expenses which will not be recurrent. By the road-making, fencing, and bushfelling the value of the property has been considerably enhanced, so that even if it were determined to abandon the experiment the Government has an asset which will more than repay the cost of outlay. The royalty from timber is a valuable source of income; whilst the sale of firewood, posts, strainers, &c., has not only been the means of keeping a large number of men employed, but is also a small source of monetary profit, in addition to the great gain of getting the ground cleared without having, as a great many people have to do who have no market, to burn their timber.

There are twenty-one cottages of various sizes on the farm, seven of which have been taken over by the Government, and a small rent is now paid by the occupiers. There are twenty-two married men with wives, sixty-one children, and five single men. They are divided as follows: Twenty-four labourers and three artisans. There is an average attendance at school of forty-five children. The school is presided over by a duly-qualified teacher, and the Inspector, in a recent surprise visit, expressed himself as being highly pleased with the progress of the scholars. Amongst a mixed community, such as the State farm is composed of, there have been difficulties crop up, but the men have been clearly shown what their position is, and everything has, in consequence, gone along fairly well. Men before being sent there are told that day-wages and contract prices are both fixed slightly lower than the outside current rates, as the class of men who are sent there are men who are not able to to compete in the ordinary labour market—men who are getting up in years, who, perhaps, have given the best of their time to contractors, but now, by reason of age, &c., are not able to do enough to satisfy the outside employer; these are offered work at a lower rate. Then there is another class of men who have not been accustomed to hard work, and who have been used to clerical or other light work; still, being physically strong, by giving them a chance on the farm, they get used to the out-door work, and in a few months have sufficient knowledge to go out and compete in the open market, thus making room for others of the same sort. In my opinion the experiment is a good one, and one likely to be for the benefit of the people as well as for the Government.

As is to be expected, the initial expenses may seem heavy, but that is inseparable from bush-land, and the cash revenue is equal to 6½ per cent. on the outlay. The grass is coming along splendidly, and it is proposed to put stock on in September. There are many things which can be done on the farm which will give employment to the class for whom the place is intended, such as pig- and poultry-raising, bee-keeping, fruit-growing, vine-culture; all of these things, if properly managed, will yield a good return on capital invested. This sort of work will be eminently suitable for men who are past the prime of life.

The question has been asked, Is it advisable to continue the experiment? My opinion is decidedly in favour of continuing, not only at Levin, but of starting others in different parts of the colony. It has been said that there are no stringent rules for working the place; but any one who is acquainted with the work on a bush farm will know that no hard-and-fast rule can be laid down for the conduct of such a place—each day, as it were, suggesting work for the next. After the land is thoroughly cleared and in crop, then we will be able to frame definite rules for the working, either co-operatively or individually.* The Hon. Mr. Reeves has submitted to the people on the farm a scheme whereby 300 acres will be given over to a number of the settlers who will agree to work together as a co-operative community. If they do, and pull together, they have a splendid chance before them—a good climate, soil good, easy of access, and within one mile of the railway-station, and only sixty miles from Wellington, where a market can be had for all their produce: everything is in their favour. Levin is noted for its mild climate.

I have shown in tabulated form the accounts of the farm for the past twelve months. The expense for the next year will, of a surety, be considerably less, while the receipts, I trust, will be very much increased.

I have to thank the Manager (Mr. Winterburn) for the very able services he has rendered during the past year; and I feel confident that if given time the State farm will become a very valuable property, and one which will not only give employment to a large number of people, but will be a profitable concern to the Government.

I have, &c.,

E. Tregear, Secretary, Labour Department.

J. MACKAY, Chief Clerk.

* Rules have been framed since the above was written.