

have been a marked success where good land has been chosen and the settlers carefully selected. Those, however, are not properly State farms. An attempt to imitate the German system has been made in Victoria in the labour colony of Leongatha, founded in 1893. Financially it has not been a success, but it has been the means of finding employment for a large number of men, and seems now to be in a fairly prosperous condition. It is, however, too soon to say whether it will prove an experiment which should be imitated in New Zealand.

In New Zealand (Levin State Farm).—The only example of a State farm in New Zealand is that of Levin. It was an experiment designed with a view to relieving the “unemployed” difficulty. The results of its working have not been encouraging. Financially it would have entailed considerable loss had it not been for the rise in the value of land which appears to have taken place in that district. The balance-sheet supplied by the Department of Labour and printed for the information of the Committee shows a profit of £1,405 10s. 2d. This result, however, has been arrived at by not charging any interest on the value of the land or the money spent on its improvement, and by placing the present value of the land at a sum far exceeding the unimproved value, *plus* the cost of the improvements.

In order to show the results of the experiment the sub-committee have drawn up the following balance-sheet, in which 4 per cent. interest has been charged on the value of the land and the money voted at various times :—

LEVIN STATE FARM BALANCE-SHEET, 1898.

Dr.	£	s.	d.	Cr.	£	s.	d.
Unimproved value of land	3,200	0	0	Unimproved value of land	3,200	0	0
Interest on £3,200, 4 years at 4 per cent. ..	512	0	0	Improvements—			
Advances made by Government—				Fencing, roads, bush-			
1894	£3,489	6	4	felling	£1,739	18	11
1895	2,500	0	0	Buildings	1,511	0	0
1896	1,500	0	0				
1897	800	0	0*				
	8,289	6	4	Farm implements		3,250	18 11
Interest on £3,489 for 4 years at 4 per cent. ..	558	4	9	Value of fruit-trees, crops, &c.		1,016	5 0
“ £2,500 for 3	300	0	0	Live-stock		941	15 0
“ £1,500 for 2	120	0	0	Balance, loss		4,160	10 8
“ £800 for 1	32	0	0				
	£13,011	11	1			£13,011	11 1

NOTES.—The periods for which interest has been charged are approximate. The sum of £3,875 19s. 1d. has been received from produce and spent on maintenance and improvements. It could not, however, have been shown on the balance-sheet except as a cross-entry.

The land is at the present time worth more than the unimproved value *plus* the improvements, but the Committee have taken this basis as showing the ordinary working of a State farm irrespective of any unearned increment.

*The amount voted was £800. The amount expended according to the estimates was £1,998, but in the return to the order of the House of Representatives the receipts from parliamentary vote are only stated at £800. Pending an explanation from witnesses the sub-committee have adhered to the exact amount voted.

The loss thus appears as £4,160 10s. 8d up to the 31st March, 1898.

The evidence therefore goes to show that State farms, whether in the form of co-operative settlements or as State-managed farms, have not been a success. The reasons for this are not far to seek: (1.) State management of a farm always has a tendency to be expensive, and there is too much tendency to make State farms a dumping-ground for incapable men seeking employment. (2.) The labourers have been (a) too many, (b) of inferior capabilities.

It may at once be laid down, therefore, that any State farms which may be established are not likely to be reproductive. The question then arises: Assuming that such farms will entail a financial loss, is there sufficient reason for their establishment in spite of this?

In deciding this, consideration must be taken of what good ends such farms may accomplish. These objects may be summed up as follows :—

- (1.) They may (since they employ more labour than other farms) slightly relieve the labour-market.
- (2.) They may be used to give men temporary work, and thus enable them to tide over a difficulty.
- (3.) They may be used to give employment to those who, from old age, bodily incapacity, or inefficiency of any kind, are unlikely to obtain regular employment elsewhere.
- (4.) They may be used to give intending settlers some knowledge of farming operations—as schools of farming, in fact.

With regard to No. 1, the relief would be so slight that it would not be advisable to establish State farms for this purpose alone.

No. 2 is of more practical importance, and if not too expensive and not abused, would be a desirable object. State farms, if used for this purpose, should pay very little wages beyond the keep of a man and his family, and no one should be allowed to stay beyond three months.

No. 3, while a laudable object, would be better carried out by charitable institutions or by local bodies; and, as it practically means relief-works, is undesirable, except in very urgent circumstances.

No. 4, while a desirable arrangement on any farm, should not be the object of a State farm, as there are already plenty of farmers' sons who know how to work a farm and cannot secure a piece of land for themselves.

As a means of settling the people on the land, State farms are unnecessary and likely to fail. The way to settle people on the land is to give them land of their own to live on, and, if necessary, some assistance in working it. Men will work better for themselves than for the State, and it has not hitherto been found that men display great energy on a State farm. As an assistance in solving the great and world-wide “unemployed” problem, State farms may do some little good, but they have