

hewing a settlement of 800 acres in area out of a crowded forest of heavy timber, unrelieved by a single patch of open country.

It hardly requires pointing out that an undertaking such as this can give no promise of reward to either labour or capital until several years have elapsed. At the same time a State farm should not be looked at from a profit and loss point of view, but rather as an institution the establishment of which is demanded by the exigencies of our social life, and which, like other public institutions, reimburses the State by increasing the sum of general well-being.

Considering the initial difficulties above referred to, an examination of the return and balance-sheet of the Levin State farm will show that marked and increasing progress is being made. This will be seen from the following facts:—

The farm has been in existence for about four years. During the first two years of that period (1894–96) the sum of £5,033 3s. 1d. was paid in wages, while the value of produce sold during that period amounted to only £1,303 18s. 3d.—a difference of £3,729 4s. 10d. During the two years 1896–98 the wages amounted to £3,221 0s. 8d., while the sum realised from the sale of produce was £2,572 0s. 10d.—a difference of only £649; and, taking the past year by itself, the difference between the sum paid in wages and that obtained from the sale of products was only £338.

The full significance of these figures will be seen when we compare the amount of income derived from the sale of timber with that derived from the sale of agricultural products and other sources, as thus:—

|                                   | 1894–95. |    |    | 1895–96. |    |    | 1896–97. |    |    | 1897–98. |    |    | Total. |    |    |
|-----------------------------------|----------|----|----|----------|----|----|----------|----|----|----------|----|----|--------|----|----|
|                                   | £        | s. | d. | £        | s. | d. | £        | s. | d. | £        | s. | d. | £      | s. | d. |
| Timber ...                        | 396      | 2  | 8  | 312      | 17 | 6  | 476      | 15 | 11 | 65       | 7  | 9  | 1,251  | 3  | 10 |
| Agriculture and other sources ... | 86       | 2  | 4  | 508      | 15 | 9  | 1,066    | 15 | 8  | 963      | 1  | 6  | 2,624  | 15 | 3  |

It may be mentioned that the item, “Royalty on timber,” which is included in the total £1,251 3s. 10d., and which was said to have been a great aid to the farm, was only £456 10s. 7d.

The decline of income derived from timber and the concurrent increase of that derived from agriculture clearly shows that the State farm is getting its hold on the permanent sources of income, and justifies the opinion that if a further sum of £2,000 per year for a period of three years were expended on the farm, and with good management, the colony would be in the possession of a first-class State settlement.

The slight decline in the value of products sold during the past year is no doubt accounted for by the fact that, excluding fractions, the average number of labourers employed was seventeen per month, as against twenty-three for the previous year, and the vote for the year amounted to only £800. In estimating the results generally it must be borne in mind that during the whole four years the labour in the great majority of cases has been very inefficient.

The rise in land-values which has taken place in the Levin district of late years has not resulted from any recent expenditure of public money, and therefore, apart from the actual value of the improvements made, the operations on the farm must have given the land a great additional value. The Labour Department values it at £12 10s. per acre—a reduction of £3 10s. on a previous estimate. If this is nearly correct the Government holds ample security for its advance of £8,289 6s. 4d., together with interest thereon. The State as yet is no loser by the farm, and the productive line has now been reached.

Founded by the present Government, it is our first institution of the kind, and the good judgment of the founders is seen in the suitability of its position and fertility of its soil.

The papers herewith laid before the Committee are,—

- (1.) Extract from Mr. March’s report.
- (2.) Reports for 1896 and 1897 of Colonel Goldstein, Superintendent of the Victorian State Farm at Leongatha.
- (3.) Report for this year (1898) on the several Co-operative Settlements in South Australia.
- (4.) Certain detailed information as to the cost, progress, and present position of the State farm at Levin.
- (5.) The following, drawn up in the form of resolutions, but offered to the Committee as suggestions which may form the basis of a scheme for the establishment of State farms:—

*Resolutions to form the Basis of a State Industrial Settlement Scheme.*

1. That the Committee, after due consideration, are of opinion that State farms, or what might more properly be termed “industrial settlements,” may be so constituted as to give great relief to men who are temporarily out of employment.

2. That, in order that this relief should be placed within reasonable reach of the parties intended to be benefited, it would be necessary to establish one such settlement in each of the Provincial Districts of Auckland, Wellington, Canterbury, and Otago. The farm at Levin, on which little more than preparatory work, such as road-making, bushfelling, and the initial stages of orchard cultivation, has been done, should be turned to account to serve the requirements of Wellington.

3. That such settlements should be so constituted as to preclude their being viewed in any sense as benevolent institutions; and, in order to uphold their character in this respect, persons who from age or incapacity might properly claim charitable aid should not be admitted to the settlements. To lower the standard of character and physique below the average would destroy the confidence of the employer in the institution as a depot of labour, would consequently make the residents’ chances of obtaining outside employment a hopeless uncertainty, and would tend directly to pauperise the settlements.