

of working-class families who have combined their capital and registered themselves as a body corporate for the purpose of carrying on industrial operations on a principle of collective ownership, which may or may not mean equality of reward. The advantages claimed for this form of settlement as compared with those connected with individual holdings are,—

- (1.) Special knowledge governing and directing operations.
- (2.) The ability to procure and use to a moderate extent modern agricultural implements and other machinery.
- (3.) The establishment of divers industries subsidiary to agriculture, which means—
 - (a.) Variety of employment suitable to sex, age, and capacity; and
 - (b.) Making the settlement as far as may be self-supporting.
- (4.) Absorption of the young labour growing up in the settlement, by increase or extension of industries, thus cutting off overflow into the labour-market, and giving permanence and security to family life.

The labour colonies in South Australia, the departmental report on which for this year is herewith furnished, seem to be established on similar lines to the above, and the Committee are of opinion that some encouragement should be given to an interesting experiment such as is suggested. People and soil would require to be carefully selected, and advances and other concessions granted under conditions similar to those in force in South Australia under "The Crown Lands Amendment Act, 1893," of that colony.

On motion of the Hon. Mr. Bolt, *Resolved*, That paragraphs 1 to 9 of the report, down to the words "open country," be adopted.

The Hon. Mr. Bolt moved to insert the following:—

"It is hardly necessary to point 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."

And the question being put, it passed in the negative.

Mr. Bollard moved, That paragraph 10, being all the words from "founded" to "soil" inclusive, be struck out.

And the question being put, it passed in the negative.

The Hon. Mr. Jenkinson moved to strike out all words after "kind" in line 1 of the same paragraph.

And the question being put, That the words proposed to be omitted stand part of the report, the Committee divided, and the names were taken down as follow:—

Ayes, 7.—Mr. Brown, Mr. Duncan, Mr. Flatman, Hon. Mr. Kelly, Hon. Mr. Pinkerton, Hon. Mr. Rigg, Hon. Mr. W. C. Walker.

Noes, 2.—Mr. Bollard, Hon. Mr. Jenkinson.

So it was resolved in the affirmative.

The Hon. Mr. Bolt moved, That paragraph 11 and part of 12, as far as the words "occupying land" in line 11 inclusive, stand part of the report.