

1898.
NEW ZEALAND.

STATE FARMS

(REPORT OF THE JOINT COMMITTEE UPON), TOGETHER WITH THE MINUTES OF THE PROCEEDINGS, AND APPENDIX.

Brought up 26th October, 1898, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the Legislative Council.

WEDNESDAY, THE 20TH DAY OF JULY, 1898.

Ordered, "That a Select Committee be appointed for the purpose of considering the desirableness of establishing State farms and industrial settlements as a means of alleviating the evils arising from irregularity of employment; to report in three weeks: such Committee to consist of the Hon. Mr. Bonar, Hon. Mr. Montgomery, Hon. Mr. Rigg, Hon. Mr. W. C. Walker, Hon. Mr. Williams, and the mover."—(Hon. Mr. BOLT.)

THURSDAY, THE 21ST DAY OF JULY, 1898.

Ordered, "That the names of the Hon. Mr. Jennings and the Hon. Mr. Jenkinson be added to the State Farms Committee appointed yesterday."—(Hon. Mr. JONES.)

TUESDAY, THE 26TH DAY OF JULY, 1898.

Ordered, "That the name of the Hon. Mr. T. Kelly be added to the State Farms Committee."—(Hon. Mr. PINKERTON.)

FRIDAY, THE 29TH DAY OF JULY, 1898.

Ordered, "That the State Farms Committee have power to sit and confer with any similar Committee that may be appointed by the House of Representatives, and to bring up a joint or separate report."—(Hon. Mr. BOLT.)

THURSDAY, THE 18TH DAY OF AUGUST, 1898.

Ordered, "That the time allowed to the State Farms Committee for bringing up their report be extended for one month."—(Hon. Mr. BOLT.)

TUESDAY, THE 6TH DAY OF SEPTEMBER, 1898.

Ordered, "That the name of the Hon. Mr. Pinkerton be added to the Joint Committee on State Farms."—(Hon. Mr. BOLT.)

TUESDAY, THE 20TH DAY OF SEPTEMBER, 1898.

Ordered, "That the time allowed to the State Farms Committee for bringing up their report be further extended for one month."—(Hon. Mr. BOLT.)

Extract from the Journals of the House of Representatives.

FRIDAY, THE 12TH DAY OF AUGUST, 1898.

Ordered, "That a Select Committee be appointed for the purpose of considering the desirability of establishing State farms and industrial settlements as a means of alleviating the evils arising from irregularity of employment; the Committee to have power to confer with any Committee appointed for a similar purpose by the Legislative Council: the Committee to consist of Mr. Bolland, Mr. Brown, Mr. Duncan, Mr. Flatman, Hon. Mr. Hall-Jones, Mr. Lewis, Mr. Massey, Mr. Millar, Mr. Montgomery, and Mr. O'Meara."—(Hon. Mr. J. MCKENZIE.)

REPORT.

THE Joint Committee to whom was referred the question of considering the desirableness of establishing State farms and industrial settlements as a means of alleviating the evils arising from irregularity of employment have the honour to report as follows:—

First, in regard to State farms: State farms may be considered to mean farms where the ordinary operations of farming are managed or controlled not by those working on the land, but by the Government or its agents; or, in other words, farms where those working have no direct interest arising from the profit or loss of the farm.

Second: Industrial settlements are settlements where the direct interest of the worker in the success or non-success of the settlement is maintained, and this fact chiefly distinguishes an industrial settlement from a State farm. A more detailed definition of the Committee's view will be found in the concluding paragraphs of this report.

In collecting evidence on the subject the Committee did not deem it necessary to extend their inquiry into the working of Continental labour colonies. It is well known that those colonies are chiefly peopled by enfeebled persons, discharged prisoners, and suspected tramps; and, although we have representatives of these classes in this colony, they are not with us the pressing danger that they are in the congested populations of Europe. Fortunately, with us their number is small, and if State farms are established in our midst it will not be for the purpose of dealing effectively with them, but rather with the view of arresting the growth amongst us of such an undesirable element.

With some modification, the above remarks will apply to the attempts now being made in England. It is true there are no State farms in the Home-country, but recently settlements have been started there by philanthropic effort which resemble State institutions in nearly every essential characteristic. The inmates of these English colonies belong, no doubt, to a higher social grade than those who drift into the labour colonies of the Continent; but the experience of both emphasizes the fact that intelligence and character in the people who are to be assisted are the greatest factors in success, and that in this respect the labour colonies of Europe have much greater difficulties to meet than would have to be met in this colony. It also clearly shows that in our case the settlement should not be viewed as a home for the vicious or incompetent.

The above-mentioned considerations induced the Committee to confine their view to what has been done in the neighbouring Colonies of Australia. Induced, no doubt, by the great number of people who were out of employment at the time, the Governments of Victoria, New South Wales, and South Australia entered in 1893 on the establishment of various forms of settlement. Some of these closely resembled our own village-settlement scheme; others our improved-farm system; and provision was also made for settlements to be worked on a system of co-operation or collective ownership. The greater number of these latter were established in South Australia, and are occupied by registered associations of workers; but, in considering the fortunes of these Australian labour colonies or settlements, it is well to bear in mind the different systems of management. In South Australia, where the greatest success has been attained, the settlements were managed by "a board of not less than three trustees, one of whom shall be chairman, to be elected by the villagers in manner prescribed by the rules." In Victoria, where failure has been most pronounced, the land was vested in five trustees, and every man in the colony who chose to subscribe to the funds of the settlement had the right to vote at the election of a committee of management of four members, and had a vote for each member of the committee for every £1 so subscribed. In New South Wales the Governor appointed the board of control, consisting of not less than eight or more than sixteen members, one-fourth to be women.

The Hon. W. P. Reeves paid a visit to these settlements some time prior to his departure for England, and in a report which he issued on his return he predicted the disaster which ultimately fell, and could not fail to fall on settlements so cumbrously and inefficiently managed. Indeed, it is difficult to understand what could have prompted the Victorian Government to attempt the promotion of an all but untried form of settlement on the lines laid down in Part III. of the Act of 1893. The Surveyor-General's report for 1896, which declared that, so far as settlement under Part III. was concerned, the Act had been a failure, should not have occasioned surprise to any one.

The only settlement in Victoria which appears to be doing good work, and is instructive to the Committee, as it is a genuine State farm, is the labour colony of Leongatha, which since 1894 has been under the direct supervision of the Lands Department.

Mr. J. E. March, Superintendent of Village Settlements, who in 1895 visited and reported on these Australian settlements, attended and gave evidence; and three gentlemen who had given the subject considerable attention were also summoned, and placed their views before the Committee.

Mr. J. Mackay, of the Labour Department, was also examined regarding the management and present position of the State farm at Levin, and, at the request of your Committee, a statement conveying other information regarding the farm was furnished by the department, which will be found along with the reports and evidence respecting the Australian labour colonies now laid on the table. The statement brings into view the natural difficulties which had to be encountered in hewing a settlement of 800 acres in area out of a crowded forest of heavy timber, unrelieved by a single patch of open country.

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 and 3.) Reports for 1896 and 1897 of Colonel Goldstein, Superintendent of the Victorian State farm at Leongatha.

(6.) Report for this year (1898) on the several co-operative settlements in South Australia.

(7.) Certain detailed information as to the cost, progress, and present position of the State farm at Levin. [See Appendix G.]

The evidence, oral and documentary, which has come under the notice of the Committee goes to show that State farms are necessary in a state of society where employment is fitful and uncertain, in order to meet the wants of those who,—

- (a.) Are temporarily out of employment, but have prospects of again taking up their callings;
- (b.) Are mechanics and others who have been permanently displaced by the use of machinery or by other causes, and are thus forced to go on the land to seek a livelihood;
- (c.) Are mechanics and others desirous, owing to the irregularity of their employment, of obtaining a practical knowledge of farming operations, with a view to taking up and occupying land; or
- (d.) Are unlikely to obtain employment elsewhere on account of old age, bodily incapacity, or inefficiency.

To (a) the State farm offers a temporary home and employment, under certain specified conditions, during the slack period.

To (b) and (c), in addition to residence and employment, it gives such useful and necessary training as will enable them to make a home in the country with some hope of success.

To (d) it offers a more comfortable home and surroundings, and would lighten the burden of Charitable Aid Boards.

Conclusions and Recommendations.

The Committee, after due consideration, are of opinion,—

1. That State farms may be so constituted as to give great relief to men who are temporarily out of employment, and that their utility would be greatly increased if manufacturing industries were carried on in connection with them wherever possible. As an instance, the Committee point out that at the present time cream is sent from the Levin State farm to Wellington and returned to the Levin market in the form of butter. Additional employment would therefore be given if the dairying operations of the farm were extended so as to justify the establishment of a dairy factory thereon; and, in this connection, if the milk from the surrounding farms were purchased at the market rate the benefits conferred on the district would be substantial.

2. That State farms should be placed within reasonable reach of the persons intended to be benefited.

3. That other industries, such as market-gardening, flower-growing, fruit-growing, jam-making, poultry-raising, &c., should also be established.

4. That State farms should be so constituted as to preclude their being viewed in any sense as benevolent institutions.

5. That, with the exception of what is required to supply immediate and pressing wants, no payment in respect of labour performed should be made to any person not an officer of the department until such person is leaving the settlement.

6. That operations on the settlements should be directed towards supplying the daily wants of the people living there, and with that view, and also with the view of making the employment as far as may be suitable to the various capacities of the residents, the industries carried on should be as numerous as possible: in the attainment of these ends, locality, soil, and other conditions favourable would require to be carefully selected.

7. That, as the restoration of our forests is a work of great national importance, it might be undertaken as an adjunct to the State settlement, and this would give occupation to men at seasons of the year when work on the settlements was slack. In this connection it would be necessary to establish nurseries on the farms where some of the older men might be employed, while the younger and more able-bodied could be employed in preparing the land and planting out young trees in such reserves in the colony as are set apart for such purposes.

8. That State farms in the matter of instruction should have a technological side, in order that the principles which underlie the practical lessons received on the farm might be further illustrated and explained. Persons with little cash and almost devoid of knowledge regarding agricultural pursuits, but who are desirous of settling on small sections of land in the country, might avail themselves of this education.

9. *Industrial Settlements.*—By industrial settlements, as distinct from State institutions, and such as are referred to in the order of reference, the Committee understand a permanent settlement 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.

26th October, 1898.

W. M. BOLT,
Chairman.

MINUTES OF PROCEEDINGS.

FRIDAY, 22ND JULY, 1898.

The State Farm Committee of the Legislative Council met at 10.30 a.m. pursuant to notice.

Present: Hon. Mr. Bolt, Hon. Mr. Bonar, Hon. Mr. Jenkinson, Hon. Mr. Jennings, Hon. Mr. Montgomery, Hon. Mr. Rigg, Hon. W. C. Walker.

The orders of reference being read, on the motion of the Hon. Mr. Montgomery the Hon. Mr. Bolt was appointed to be Chairman of this Committee.

The Committee deliberated.

The Hon. Mr. Rigg moved, That the Committee do visit the Levin State Farm to-morrow; and the motion was agreed to.

On motion of the Hon. Mr. Jennings, *Resolved*, That the Labour Department be requested to furnish a statement of the expenditure on the Levin State Farm.

Then the Committee adjourned *sine die*.

FRIDAY, 19TH AUGUST, 1898.

The State Farms Committee of the House of Representatives met at 10.20 a.m., pursuant to notice.

Present: Mr. Bollard, Mr. Brown, Mr. Duncan, Mr. Flatman, Hon. W. Hall-Jones, Mr. Lewis, Mr. Massey, Mr. Montgomery.

The clerk having read the order of reference, on the motion of the Hon. W. Hall-Jones; Mr. Montgomery was elected Chairman.

Resolved, on the motion of Mr. Flatman, That the Committee confer with a similar Committee of the Legislative Council.

The Committee accordingly adjourned for that purpose.

The State Farm Committee of the Legislative Council met at 10.30 a.m. pursuant to notice.

Present: Hon. Mr. Bolt, Hon. Mr. Bonar, Hon. Mr. Jenkinson, Hon. Mr. Jennings, Hon. Mr. Montgomery, Hon. Mr. Williams.

The minutes of the preceding meeting were read and confirmed.

The Committee proceeded to sit and confer with the State Farms Committee of the House of Representatives as a Joint Committee.

Present: Hon. Mr. Bolt, Hon. Mr. Bonar, Mr. Brown, Mr. Duncan, Hon. Mr. Jenkinson, Hon. Mr. Jennings, Hon. Mr. Montgomery, Mr. Montgomery, Mr. O'Meara, Hon. Mr. Williams.

On the motion of Mr. W. H. Montgomery, the Hon. Mr. Bolt was elected Chairman of the Joint Committee.

Letters and papers laid before the Committee:—

1. Letter from the Hon. Mr. Bolt to the Labour Department asking for details of expenditure on the State Farm at Levin. [See Appendix A.]
2. Letter in reply to the Hon. Mr. Bolt covering a statement as required by the Committee.
3. Enclosing the report from the Crown Lands Department, Adelaide.
4. Reports of the Colonies of New South Wales, Victoria, and South Australia, &c., 1895.
5. Reports of the "Settlement on Lands Act, 1893," of Victoria, 1896-97.
6. Parliamentary papers, Nos. 62, 87, and 124, 1897, South Australia.
7. Report of the Surveyor-General, 1895, South Australia.
8. Report of the Surveyor-General, 1896, South Australia.
9. Extracts from Victorian Act, 1893; also from New South Wales Act, 1893.
10. Letter from Mr. Hugh Monahan. [See Appendix B.]
11. Letter from Mr. Silvester. [See Appendix C.]
12. Return to an order of the House of Representatives, 2nd August, 1898. [See Appendix D.]

On motion of Mr. W. H. Montgomery, *Resolved*, That a Sub-Committee of five members be appointed to collect evidence on the subject of State farms; to have so much of such evidence printed as they may think fit for the information of the Committee; to report thereon, and on the success or otherwise of the State farms now in operation in New Zealand and elsewhere, and to suggest a practical scheme suitable for the requirements of the colony; such Sub-Committee to consist of Mr. Flatman, Hon. Mr. Bonar, Mr. W. H. Montgomery, Hon. Mr. Bolt, Hon. Mr. Williams; and to report in fourteen days from date.

Then the Committee adjourned.

FRIDAY, 23RD SEPTEMBER, 1898.

The Joint State Farms Committee met at 11 a.m., pursuant to notice.

Present: Hon. Mr. Bolt (Chairman), Mr. Bollard, Hon. Mr. Bonar, Mr. Brown, Mr. Duncan, Mr. Flatman, Hon. Mr. Jenkinson, Hon. Mr. Jennings, Mr. Massey, Mr. W. H. Montgomery, Hon. Mr. Pinkerton, Hon. Mr. Rigg, Hon. W. C. Walker, Hon. Mr. Williams.

The minutes of the preceding meeting were read and confirmed.

Order of reference to extend the time for bringing up the report of the Committee, and also the order of reference appointing the Hon. Mr. T. Kelly and Hon. Mr. Pinkerton to the Committee, were read.

The Hon. the Chairman laid upon the table—

1. The report of the Sub-Committee No. 1. [See Appendix E.]

2. Alternative report by the Hon. Mr. Bolt. [See Appendix F.]

3. Sundry papers—namely: 1, Extracts from Mr. J. E. March's report—C.-12, 1895; 2 and 3, Reports by Colonel Goldstein for 1896-97 on the State farm at Leongatha; 4, Report of Mr. J. E. March on settlement associations in South Australia and New South Wales; 5, Mr. March's remarks, "What may be done in New Zealand"; 6, Departmental report for 1898 on Co-operative Settlements in South Australia; 7, Detailed information relative to the Levin State Farm by the Labour Department. [See Appendix G.]

Mr. Flatman read (4) a paper on the subject of State farms. [See Appendix H.]

On motion of the Hon. Mr. Pinkerton, *Resolved*, That the paper read by Mr. Flatman be printed.

On motion of Mr. Massey, *Resolved*, That Mr. J. E. March and Mr. Mackay be summoned to give evidence before the Committee.

On motion of the Hon. Mr. Rigg, *Resolved*, That Mr. Le Grove, Mr. Monro, and Mr. Ensom be summoned to give evidence.

The Hon. Mr. Pinkerton moved, That the evidence taken before this Committee be taken down in shorthand.

And the question being put, the Committee divided, and the names were taken down as follow:—

Ayes, 6.—Mr. Brown, Mr. Flatman, Hon. Mr. Jennings, Hon. Mr. Pinkerton, Hon. Mr. Rigg, Hon. W. C. Walker.

Noes, 7.—Mr. Bollard, Hon. Mr. Bonar, Mr. Duncan, Hon. Mr. Jenkinson, Mr. Massey, Mr. W. H. Montgomery, Hon. Mr. Williams.

So it passed in the negative.

It was resolved that this Committee meet again on Tuesday, the 27th September, at 11 a.m.

Then the Committee adjourned.

TUESDAY, 27TH SEPTEMBER, 1898.

The Joint Committee met at 11 a.m.

Present: Hon. Mr. Bolt (Chairman), Mr. Bollard, Hon. Mr. Bonar, Mr. Brown, Mr. Duncan, Mr. Flatman, Hon. Mr. Jenkinson, Hon. Mr. Jennings, Mr. Lewis, Mr. Millar, Mr. Montgomery, Hon. Mr. Pinkerton, Hon. Mr. Rigg, Hon. W. C. Walker.

The minutes of the last meeting were read and confirmed.

Mr. J. E. March attended and gave evidence, Mr. Le Grove attended and evidence, Mr. Monro attended and gave evidence, Mr. Ensom attended and gave evidence; and, being thanked, they withdrew.

Mr. Bollard laid upon the table (5) a paper on the subject before the Committee, which was read. [See Appendix I.]

Mr. Millar read (6) a paper on the same subject. [See Appendix J.]

Resolved, That the paper read by Mr. Millar be printed.

Mr. Flatman moved, That the paper submitted by Mr. Bollard be printed.

The Committee deliberated.

Motion made, and question proposed, That this debate be now adjourned.

And the question being put, the Committee divided, and the names were taken down as follow:—

Ayes, 4.—Hon. Mr. Bonar, Hon. Mr. Jenkinson, Mr. Millar, Mr. Montgomery.

Noes, 4.—Mr. Brown, Mr. Duncan, Mr. Flatman, Hon. Mr. Rigg.

The numbers being equal, the Hon. the Chairman gave his casting-vote with the Ayes.

So it was resolved in the affirmative.

Debate adjourned.

Mr. J. E. March laid on the table a letter from Colonel Goldstein. [See Appendix K.]

Mr. Ensom laid before the Committee a report by the Progressive Liberal Association, relative to subjects before the Committee.

Then the Committee adjourned till to-morrow.

WEDNESDAY, 28TH SEPTEMBER, 1890.

The Joint Committee met at 11 a.m. pursuant to notice.

Present: Hon. Mr. Bolt (Chairman), Mr. Bollard, Hon. Mr. Bonar, Mr. Brown, Mr. Duncan, Mr. Flatman, Hon. Mr. Jenkinson, Mr. Massey, Mr. Montgomery, Hon. Mr. Pinkerton, Hon. Mr. Rigg, Hon. Mr. W. C. Walker, Hon. Mr. Williams.

The minutes of the preceding meeting were read and confirmed.

Mr. Mackay, Chief Clerk of the Labour Department, attended and gave evidence, and, being thanked, withdrew.

Then the Committee adjourned till Friday, 30th September.

WEDNESDAY, 5TH OCTOBER, 1898.

The Joint Committee met at 10.30 a.m., pursuant to notice.

Present: Hon. Mr. Bolt (Chairman), Mr. Bollard, Hon. Mr. Bonar, Mr. Brown, Mr. Flatman, Hon. Mr. Jenkinson, Mr. Millar, Mr. Montgomery, Mr. Pinkerton, Hon. Mr. Rigg, Hon. Mr. W. C. Walker.

The minutes of the preceding meeting were read and confirmed.

A paper containing further details relative to the working of the Levin State Farm, furnished by Mr. Mackay, as requested by the Hon. Chairman, was laid before the Committee. [See Appendix L.]

Resolved, on the motion of the Hon. Mr. Rigg, That a Sub-Committee be appointed, to consist of the Hon. Mr. Jenkinson, Mr. Brown, and the mover, to draft a report to be submitted to the Joint Committee; such Sub-Committee to have power to call for all papers and draft-Reports that may be in the possession of this Committee.

Resolved, That the paper submitted by Mr. Bollard be printed.
Then the Committee adjourned.

TUESDAY, 25TH OCTOBER, 1898.

The Joint Committee met at 10.30, pursuant to notice.

Present: Hon. Mr. Bolt (Chairman), Mr. Bollard, Hon. Mr. Bonar, Mr. Brown, Mr. Duncan, Mr. Flatman, Hon. Mr. Jenkinson, Hon. Mr. Jennings, Hon. Mr. T. Kelly, Mr. Massey, Hon. Mr. Rigg, Hon. Mr. W. C. Walker.

The minutes of the preceding meeting were read and confirmed.

A draft report was submitted by the Hon. Mr. Rigg on behalf of Sub-Committee No. 2. The same was read *seriatim*:

The Joint Committee to whom was referred the question of considering the desirableness of establishing State farms and industrial settlements as a means of alleviating the evils arising from irregularity of employment have the honour to report as follows:—

First, in regard to State farms: State farms may be considered to mean farms where the ordinary operations of farming are managed or controlled not by those working on the land, but by the Government or its agents; or, in other words, farms where those working have no direct interest arising from the profit or loss of the farm.

Second: Industrial settlements are settlements where the direct interest of the worker in the success or non-success of the settlement is maintained; and this fact chiefly distinguishes an industrial settlement from a State farm. A more detailed definition of the Committee's view will be found in the concluding paragraphs of this report.

In collecting evidence on the subject the Committee did not deem it necessary to extend their inquiry into the working of Continental labour colonies. It is well known that those colonies are chiefly peopled by enfeebled persons, discharged prisoners, and suspected tramps; and, although we have representatives of these classes in this colony, they are not with us the pressing danger that they are in the congested populations of Europe. Fortunately, with us their number is small and if State farms are established in our midst it will not be for the purpose of dealing effectively with them, but rather with the view of arresting the growth amongst us of such an undesirable element.

With some modification, the above remarks will apply to the attempts now being made in England. It is true there are no State farms in the Home-country, but recently settlements have been started there by philanthropic effort which resemble State institutions in nearly every essential characteristic. The inmates of these English colonies belong, no doubt, to a higher social grade than those who drift into the labour colonies of the Continent; but the experience of both emphasizes the fact that intelligence and character in the people who are to be assisted are the greatest factors in success, and that in this respect the labour colonies of Europe have much greater difficulties to meet than would have to be met in this colony. It also clearly shows that in our case the settlement should not be viewed as a home for the vicious or incompetent.

The above-mentioned considerations induced the Committee to confine their view to what has been done in the neighbouring Colonies of Australia. Induced, no doubt, by the great number of people who were out of employment at the time, the Governments of Victoria, New South Wales, and South Australia entered in 1893 on the establishment of various forms of settlement. Some of these closely resembled our own village-settlement scheme; others our improved-farm system; and provision was also made for settlements to be worked on a system of co-operation or collective ownership. The greater number of these latter were established in South Australia, and are occupied by registered associations of workers; but, in considering the fortunes of these Australian labour colonies or settlements, it is well to bear in mind the different systems of management. In South Australia, where the greatest success has been attained, the settlements were managed by "a Board of not less than three trustees, one of whom shall be chairman, to be elected by the villagers in manner prescribed by the rules." In Victoria, where failure has been most pronounced, the land was vested in five trustees, and every man in the colony who chose to subscribe to the funds of the settlement had the right to vote at the election of a committee of management of four members, and had a vote for each member of the committee for every £1 so subscribed. In New South Wales the Governor appointed the board of control, consisting of not less than eight or more than sixteen members, one-fourth to be women.

The Hon. W. P. Reeves paid a visit to these settlements some time prior to his departure for England, and in a report which he issued on his return he predicted the disaster which ultimately fell, and could not fail to fall on settlements so cumbrously and inefficiently managed. Indeed, it is difficult to understand what could have prompted the Victorian Government to attempt the promotion of an all but untried form of settlement on the lines laid down in Part III. of the Act of 1893. The Surveyor-General's report for 1896, which declared that, so far as settlement under Part III. was concerned, the Act had been a failure, should not have occasioned surprise to any one.

The only settlement in Victoria which appears to be doing good work, and is instructive to the Committee, as it is a genuine State farm, is the labour colony of Leongatha, which since 1894 has been under the direct supervision of the Lands Department.

Mr. J. Marsh, Superintendent of Village Settlements, who in 1895 visited and reported on these Australian settlements, attended and gave evidence, and three gentlemen who had given the subject considerable attention were also summoned, and placed their views before the Committee.

Mr. J. Mackay, of the Labour Department, was also examined regarding the management and present position of the State farm at Levin, and, at the request of your Committee, a statement

conveying other information regarding the farm was furnished by the department, which will be found along with the reports and evidence respecting the Australian labour colonies now laid on the table. The statement brings into view the natural difficulties which had to be encountered in hewing a settlement of 800 acres in area out of a crowded forest of heavy timber, unrelieved by a single patch of open country.

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.

The evidence, oral and documentary, which has come under the notice of the Committee goes to show that State farms are necessary in a state of society where employment is fitful and uncertain, in order to meet the wants of those who,—

- (a.) Are temporarily out of employment, but have prospects of again taking up their callings;
- (b.) Are mechanics and others who have been permanently displaced by the use of machinery or by other causes, and are thus forced to go on the land to seek a livelihood;
- (c.) Are mechanics and others desirous, owing to the irregularity of their employment, of obtaining a practical knowledge of farming operations, with a view to taking up and occupying land; or
- (d.) Are unlikely to obtain employment elsewhere on account of old age, bodily incapacity, or inefficiency.

To (a) the State farm offers a temporary home and employment under certain specified conditions during the slack period.

To (b) and (c), in addition to residence and employment, it gives such useful and necessary training as will enable them to make a home in the country with some hope of success.

To (d) it offers a more comfortable home and surroundings, and would lighten the burden of Charitable Aid Boards.

Conclusions and Recommendations.

The Committee, after due consideration, are of opinion,—

1. That State farms may be so constituted as to give great relief to men who are temporarily out of employment, and that their utility would be greatly increased if manufacturing industries were carried on in connection with them wherever possible. As an instance, the Committee point out that at the present time cream is sent from the Levin State farm to Wellington and returned to the Levin market in the form of butter. Additional employment would therefore be given if the dairying operations of the farm were extended so as to justify the establishment of a dairy factory thereon; and, in this connection, if the milk from the surrounding farms were purchased at the market rate, the benefits conferred on the district would be substantial.

2. That State farms should be placed within reasonable reach of the persons intended to be benefited, and should contain from 600 to 1,000 acres of first-class land.

3. That other industries, such as market-gardening, flower-growing, fruit-growing, jam-making, poultry-raising, &c., should also be established.

4. That with efficient labour and good management a State farm will show a profit, but that worked by such men as are classified (b), (c), and (d), as above, it will not show a profit, although the indirect results may to some extent justify the expenditure.

5. That State farms should be so constituted as to preclude their being viewed in any sense as benevolent institutions.

6. That, if not admitted under the conditions of Resolution 9, the remuneration of labour should for the first three months of service be slightly below that ruling in the open market, and after the expiry of that time should be 50 per cent. less than the market rate. In computing the remuneration, rent and other cost of living should also be reckoned at current rates and prices.

7. That operations on the settlements should be directed towards supplying the daily wants of the people living there, and with that view, and also with the view of making the employment as far as may be suitable to the various capacities of the residents, the industries carried on should be as numerous as possible: in the attainment of these ends, locality, soil, and other conditions favourable would require to be carefully selected.

8. That, as the restoration of our forests is a work of great national importance, it might be undertaken as an adjunct to the State settlement, and this would give occupation to men at seasons of the year when work on the settlements was slack.

9. In this connection it would be necessary to establish nurseries on the farms where some of the older men might be employed, while the younger and more able-bodied could be employed in preparing the land and planting out young trees in such reserves in the colony as are set apart for such purposes.

10. The settlements in the matter of instruction should have a technological side where the principles which underlie the practical lessons received on the farm might be further illustrated and explained. Persons with little cash and almost devoid of knowledge regarding agricultural pursuits, but who are desirous of settling on small sections of land in the country, might avail themselves of this education.

11. *Industrial Settlements.*—By industrial settlements, as distinct from State institutions, and such as are referred to in the order of reference, the Committee understand a permanent settlement

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.

And the question being put, the Committee divided, and the names were taken down as follow :—

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

Noes, 2.—Mr. Bollard, Mr. Brown.

So it was resolved in the affirmative.

The Hon. Mr. Bolt moved, That paragraph (d) be struck out.

And the question being put, That clause (d) of paragraph 12 stand part of the report, the Committee divided, and the names were taken down as follow :—

Ayes, 7.—Mr. Bollard, Mr. Brown, Hon. Mr. Jenkinson, Hon. Mr. Jennings, Hon. Mr. Pinkerton, Hon. Mr. Rigg, Hon. Mr. W. C. Walker.

Noes, 2.—Mr. Duncan, Hon. Mr. T. Kelly.

So it was resolved in the affirmative.

The remaining clauses of paragraph 12 were then read and agreed to.

Conclusions and Recommendations.

Paragraph 1 read. Amendment proposed, To strike out all the words as far as the word "possible" in line three inclusive.

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, 6.—Mr. Flatman, Hon. Mr. Jenkinson, Hon. Mr. Kelly, Hon. Mr. Pinkerton, Hon. Mr. Rigg, Hon. Mr. W. C. Walker.

Noes, 4.—Mr. Bollard, Mr. Brown, Mr. Duncan, Hon. Mr. Jennings.

So it was resolved in the affirmative.

Words retained.

Another amendment, same paragraph, to strike out the lines from "As an instance" to the word "butter."

Motion negatived.

The remaining words of paragraph 1 were read and agreed to.

Clause 2 read, and amendment proposed to strike out the words after the word "benefited" to the end of paragraph.

Motion agreed to and words struck out.

Clause 3 read and agreed to.

Clause 4 read, and amendment proposed, That Clause 4 be struck out.

Amendment agreed to and clause struck out.

Clause 5 read and agreed to.

Clause 6 read, and amendment proposed, That Clause 6 be struck out.

Amendment agreed to.

Motion made and question proposed, That the following new paragraph be inserted in lieu of Clause 6, struck out—viz. : "That, with the exception of what is required to supply immediate and pressing wants, no payment in respect of labour performed should be made to any person not an officer of the department until such person is leaving the settlement."

And the question being put, the Committee divided, and the names were taken down as follow :—

Ayes, 5.—Mr. Brown, Mr. Flatman, Hon. Mr. T. Kelly, Hon. Mr. Pinkerton, Hon. Mr. Rigg.

Noes, 4.—Mr. Bollard, Mr. Duncan, Hon. Mr. Jenkinson, Hon. Mr. Jennings.

So it was resolved in the affirmative.

New paragraph 6 inserted.

Paragraph 7 read and agreed to.

Paragraphs 8 and 9 read. Amendment proposed, That paragraphs 8 and 9 be taken as one paragraph. Amendment agreed to.

Paragraph 10 read. Amendment proposed, To strike out the words "the settlements," and insert the words "that State farms" in lieu thereof; also to strike out the word "where" and insert the words "in order that" in lieu thereof.

Amendments agreed to.

Paragraph as amended agreed to.

The remaining paragraphs to the end of the report were then read and agreed to.

Motion made and question proposed, That the report as amended be adopted and reported to both Houses.

And the question being put, the Committee divided, and the names were taken down as follows :—

Ayes, 8.—Mr. Duncan, Mr. Flatman, Hon. Mr. Jenkinson, Hon. Mr. Jennings, Hon. T. Kelly, Hon. Mr. Pinkerton, Hon. Mr. Rigg, Hon. Mr. Walker.

Noes, 2.—Mr. Bollard, Mr. Brown.

So it was resolved in the affirmative.

Resolved, That the papers laid before the Committee be printed and attached to the report.

Mr. Brown read a paper [see Appendix M] on the subjects before the Committee.

It was resolved that the paper submitted by Mr. Brown be printed with the other papers.

On motion of the Hon. Mr. Bolt, *Resolved*, That in the opinion of the Committee the paper submitted by Mr. Bollard opens up a large and important question, and is worthy of future consideration; but, being outside the Order of Reference, the Committee do not deem it advisable to embody the same in their report.

The Hon. Mr. Pinkerton moved, and it was carried unanimously, That a cordial vote of thanks be passed to the Hon. Mr. Bolt for presiding over the deliberations of this Committee, and also that he be instructed to sign the minutes of this meeting on behalf of the Committee.

The Hon. Mr. Bolt duly acknowledged the vote of thanks, and then the Committee adjourned.

APPENDICES.

APPENDIX A.

SIR,—

Legislative Council, 25th July, 1898.

I am requested by the Select Committee appointed by the Legislative Council to consider the question of State farms in their relation to irregularity of employment, to ask if you will be good enough to furnish the Committee with the information desired on the following matters connected with the State farm at Levin:—

(1.) What is the area of the farm? (2.) What proportion was bush and what open country when operations commenced? (3.) What was the value of the land when the farm was started? (4.) What moneys have the Parliament voted for carrying on operations at the farm, and what are the dates of the several votes? (5.) State the number of men employed, together with their dependants, during each year respectively since the farm was started; (6.) the amount of wages paid during each of those years; (7.) the nature and extent of the improvements made on the land, also the value of plant, buildings, and stock in as much detail as convenient; (8.) the present value of the land; (9.) the total value and the nature of the proceeds derived from the farm since its inauguration.

*Also such other details as will give a clear view of the receipts and expenditure from the time operations were commenced down to the present date, the whole to be summarised in the form of a balance-sheet, so as to show the exact financial position of the farm at the present time.

I am, &c.,

W. M. BOLT,

Chairman of Committee.

Mr. E. Tregear, Secretary for Labour, &c.

APPENDIX B.

DEAR SIR,—

Temuka, 15th August, 1898.

I am glad you have been able to get a Committee set up to inquire into your proposals for State farms and industrial settlements, and I hope the report will be favourable to your scheme. There is one industry I might call your attention to, that is the cultivation of European flax and the manufacturing of the same into twines, canvas, &c., it is an industry that would not be competing with any other, and as the Government are large users of twine and canvas for tarpaulins, the industry might be worth your consideration. If it is I will be glad to give you any information you may require on the cultivation and manufacturing of flax.

Yours, &c.,

HUGH MONAHAN.

Hon. W. M. Bolt.

APPENDIX C.

SIR,—

Levin, 25th July, 1898.

In reference to the conversation we had on Saturday, I would suggest to the Committee that are appointed to devise ways and means of finding work for the labouring classes that a piece of ground be set apart for the growing of osiers for basket-making, as it is an employment of all hand-labour, and there is a large market open for the sale of them if the proper quality are grown: and some of the ground on the State Farm is well adapted for growing the same. I shall be most happy to furnish any information that the Committee may require as to the growing of osiers.

I remain, &c.,

J. SILVESTER, Basketmaker,

Horowhenua Village Settlement.

Hon. J. Rigg.

APPENDIX D.

Ordered "That there be laid before this House a return showing the income and expenditure on or in connection with the State Farm at Levin for the year ending the 31st March, 1898."—(MR. MASSEY.)

<i>Expenditure.</i>		<i>Receipts.</i>		£	s.	d.
Freights—		£	s. d.	Posts, strainers, Stock Department and others (including freight)	36	1 2
Posts and strainers sent to Stock Department, and on ferns to Government House	16 18 8	Firewood sold	21 15 0	Ferns supplied to Government House (including freight)	9 1 7	
Freight, carriage, and commission on sales of potatoes	23 16 3	Sales of potatoes	137 19 11	" vegetables and fruit	56 3 6	
Freight on pigs	4 12 4	" grass-seed	27 10 7	" chaff	25 1 7	
Freight and commission on vegetables	6 9 9	" bees	1 11 6	" pork	95 17 2	
Freight and cartage on poultry	2 5 5	" milk	293 12 8	" cattle	238 15 3	
Freight on seeds and plants	0 8 6	" poultry	12 12 6	" incubator	5 10 0	
Seed potatoes	6 0 8	" Grazing	2 15 7	Rents	55 5 0	
Milking contracts, 23,670 gallons at 1s. 2d. per gallon	49 6 3	Fares refunded	8 16 3	Vote	800 0 0	
Bulls, one at £18 18s.; one at £15 15s.; and heifer, £3 3s.	37 16 0	Balance	369 9 11			
Brood sow	2 5 0					
Cattle	368 7 0					
Freight and commission on cattle	24 10 7					
Poultry and eggs	11 18 0					
Incubator and brooder	10 7 6					
Plants, seeds, &c.	67 2 1					
Feed for cattle, horses, &c.	47 4 8					
Ironmongery	38 14 5					
Blacksmithing	9 16 8					
Timber	23 12 4					
Saddlery	10 10 6					
Sundries	42 14 6					
Wages (including Manager)	1,364 8 11					
Travelling-expenses (Manager, Veterinary Surgeons, Pomologists, &c.)	17 1 11					
Fares and excess luggage	11 11 3					
	£2,197 19 2				£2,197 19 2	

N.B.—A large amount of profits derived from the expenditure in live-stock 1897-98 will be received during 1898-99. This will account for the discrepancy between the amount expended and the amount received.

APPENDIX E.

REPORT OF THE SUB-COMMITTEE No. 1 ON STATE FARMS.

THE sub-committee appointed to collect evidence on the subject of State farms, and to have so much of such evidence printed as they may think fit for the information of the Committee, and to report thereon and on the success or otherwise of State farms now in operation in New Zealand and elsewhere, and to suggest a practical scheme suitable for the requirements of the colony, present the following papers bearing on the subject for the information of the Committee: The Surveyor-General's Reports, South Australia, 1895 and 1896; Cultivation at the Village Settlements, South Australia, 1897; Report on Co-operative Settlements, South Australia, 1898; Extracts from the reports for 1896-97 of Colonel Goldstein, Superintendent of State Farms, on the State farm at Leongatha; detailed information as to Levin State farm, provided by the Department of Labour; extract from the report of Mr. J. E. March on the settlement of the people on the land in Australia.

They further report as follows, that:—

It is desirable at the outset that the scope of the inquiry should be carefully defined. The order of reference alludes to "State farms and industrial settlements as a means of alleviating the evils arising from the irregularity of employment."

"State farms" may be considered to mean farms where the ordinary operations of farming are managed or controlled not by those working on the land, but by the Government or its agents; or, in other words, farms where those working have no direct interest arising from the profit or loss of the farm.

The inquiry, therefore, does not include ordinary land-settlement as a means of alleviating the "unemployed" difficulty; and though the subject of village settlement is an interesting one, and one which bears directly on the question of the relief of the unemployed, it is not strictly within the scope of the Committee's inquiry. Indeed, the consideration of the numerous forms of village settlement in New Zealand and other colonies would be an extremely wide subject.

"Industrial settlements" may be considered to mean settlements founded with a view to establish some industry not immediately connected with farming operations.

STATE FARMS.

Dealing first with State farms, the evidence goes to show that they are comparatively modern, being the outcome of the great attention paid to the problem of the "unemployed" during the last ten years.

In England.—English legislators are not given to making experiments, and consequently the State has not established farms for the relief of those out of work. Some similar institutions have, however, been started by private enterprise. The Salvation Army, the Church Army, and the Board of Poor-law Guardians have all made efforts to relieve the poor by establishing farms. These have been only partially reproductively, although scarcely any wages were paid, and they may at best be classed rather as charitable institutions than as State farms. While their influence has undoubtedly been beneficial, their sphere of operations has been too limited to enable a correct opinion to be formed as to how far such settlement is likely to afford any alleviation to the "unemployed" difficulty.

In Germany.—In Germany some thirty-six labour settlements have been established on a system initiated by Pastor von Bodelschwing. Their object was to relieve the country of the immense number of vagrants who wandered from town to town, begging from house to house. In this the system seems to have been entirely successful. It has great advantages over the English poor-law system: (1) It is self-supporting; (2) it has a strong reforming influence. "Unemployed" workmen are provided with food and lodging, and given small—very small—wages. If they earn more than the cost of their food and lodging the surplus is placed to their credit, and they are given the money when leaving. The farms thus established act as a sort of local labour bureau. Every method is employed to prevent the farm being considered degrading. No punishments are inflicted, and the utmost personal attention is given to the necessities of the men, and every effort made to make them accustomed to work. (For further information see an article in the *Nineteenth Century*, January, 1891, by the Earl of Meath.)

The conditions prevailing both in England and in Germany are, however, so different from those in New Zealand that the sub-committee, while bringing the German State farms under the notice of the Committee, do not suggest that they will be of any great assistance in determining what should be done in New Zealand. It is presumed that any State farms to be established in New Zealand will be intended neither as charitable institutions nor as rural penitentiaries. We may, however, profit by considering what has been done in the Australian Colonies, because the conditions there are very similar to those in our own country.

In Australia.—Since 1890 there has been a pronounced movement in all the Australian Colonies in the direction of the settlement of land in small areas. Every colony has established village settlements in some form or other. Where the management of the settlement or farm has been controlled by the State, or by Boards of Trustees appointed for that purpose, it has generally proved a financial failure (*e.g.*, Pitt Town and Wilberforce in New South Wales). A number of attempts have been made to carry out the co-operative principle in farming, but after a trial this, as a rule, has been abandoned, owing to disagreement among the settlers. So many of these settlements are at present on their trial that it would be unfair to predict their success or failure; but it still remains to be proved in Australia that a State farm can be successfully established. Many mistakes have been made, the most noticeable being the tendency to settle too many people on a small area of land and the attempt to institute close settlement on poor land. On the other hand, the village community settlements, where the allotments have been individualised,

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 .. ..	..	..	442 1 6
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

not hitherto been successful in that direction, and they certainly will not of themselves form a solution to this problem.

The best way of coping with the "unemployed" difficulty is to make it a responsibility not of the General Government, but of the local authorities. To leave it to the Government of the day means that they will try to lessen the pressure which is sure to be put on them by borrowing money to carry out public works which are unlikely to be entirely remunerative, leaving a future generation to pay the interest on these loans and a still greater "unemployed" difficulty, which is sure to arise on the stimulant of borrowed money being taken away.

INDUSTRIAL SETTLEMENTS.

While numerous attempts have been made to establish labour colonies in various parts of the world, little has been done to promote industrial settlements. The Salvation Army tried to do so in England, but were unsuccessful. So far as these industries are connected with farming—such as fruit-growing, bee-farming, poultry-farming—it is desirable that any State farm that may be established should endeavour to combine as many different kinds of industries on a farm as possible; but the sub-committee do not recommend that industries suitable for cities should be conducted under State control.

APPENDIX F.

DRAFT REPORT BY THE HON. MR. BOLT.

In collecting evidence on the subject of State farms and industrial settlements as a means of alleviating the evils arising from irregularity of employment the sub-committee did not deem it necessary to extend their inquiry into the working of continental labour colonies.

It is well known that those colonies are chiefly peopled by enfeebled persons, discharged prisoners, and suspected tramps; and, although we have representatives of these classes in this colony, they are not with us the pressing danger that they are in the congested populations of Europe. Fortunately, with us their number is small, and if State farms are established in our midst it will not be for the purpose of dealing effectively with them, but rather with the view of arresting the growth amongst us of such an undesirable element.

With some modification, the above remarks will apply to the attempts now being made in England. It is true there are no State farms in the Home-country, but recently settlements have been started there by philanthropic effort which resemble State institutions in nearly every essential characteristic. The inmates of these English colonies belong, no doubt, to a higher social grade than those who drift into the labour colonies of the Continent; but the experience of both emphasizes the fact that intelligence and character in the people you are attempting to assist are the greatest factors in success, and that in this respect the labour colonies of Europe have much greater difficulties to meet than would have to be met in this colony. It also clearly shows that in our case the settlement should not be viewed as a home for the vicious or incompetent.

The above-mentioned considerations induced the sub-committee to confine their view to what has been done in the neighbouring colonies of Australia. Induced, no doubt, by the great number of people who were out of employment at the time, the Governments of Victoria, New South Wales, and South Australia entered in 1893 on the establishment of various forms of settlement. Some of these closely resembled our own village-settlement scheme; others our improved-farm system; and provision was also made for settlements to be worked on a system of co-operation or collective ownership. The greater number of these latter were established in South Australia, and are occupied by registered associations of workers. In considering the fortunes of these Australian labour colonies or settlements, it is well to bear in mind the different systems of management. In South Australia, where the greatest success has been attained, the settlements were managed by "a board of not less than three trustees, one of whom shall be chairman, to be elected by the villagers in manner prescribed by the rules." In Victoria, where failure has been most pronounced, the land was vested in five trustees, and every man in the colony who chose to subscribe to the funds of the settlement had the right to vote at the election of a committee of management of four members, and had a vote for each member of the committee for every £1 so subscribed. In New South Wales the Governor appointed the board of control, consisting of not less than eight or more than sixteen members, one-fourth to be women.

The Hon. W. P. Reeves paid a visit to these settlements some time prior to his departure for England, and in a report which he issued on his return he predicted the disaster which ultimately fell, and could not fail to fall on settlements so cumbrously and inefficiently managed. Indeed, it is difficult to understand what could have prompted the Victorian Government to attempt the promotion of an all but untried form of settlement on the lines laid down in Part III. of the Act of 1893. The Surveyor-General's report for 1896, which declared that, so far as settlement under Part III. was concerned, the Act had been a failure, should not have occasioned surprise to any one.

The only settlement in Victoria which appears to be doing good work, and is instructive to the Committee, as it is a genuine State farm, is the labour colony of Leongatha, which since 1894 has been under the direct supervision of the Lands Department. In May, 1895, Mr. J. E. March, at the request of our Government, visited all the Australian settlements, and the sub-committee herewith place before the Committee certain extracts from Mr. March's report.

LEVIN STATE FARM.

The information sought for by the Committee regarding the State Farm at Levin will be found along with the reports and evidence respecting the Australian labour colonies now laid on the table. The statement brings into view the natural difficulties which had to be encountered in

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.

4. That, if not admitted under the conditions of Resolution 10, the remuneration of labour should for the first three months of service be slightly below that ruling in the open market, and after the expiry of that time should be 50 per cent. less than the market rate. In computing the remuneration, rent and other cost of living should also be reckoned at current rates and prices.

5. That, with the exception of what is required to supply immediate and pressing wants, no payment in respect of labour performed should be made to any person not an officer of the department until such person is leaving the settlement.

6. As it is manifest that when the breadwinner of a family of small means is forced to seek their support away from his home he and the other members of the household with him suffer increased hardship and loss by this division of their resources, and in order to prevent this, provision should be made on the settlements for domestic life.

7. That operations on the settlements should be chiefly directed towards supplying the daily wants of the people living there, and with that view, and also with the view of making the employment as far as may be suitable to the various capacities of the residents, the industries carried on should be as numerous as possible: in the attainment of these ends locality, soil, and other conditions favourable would require to be carefully selected.

8. That, if practicable to do so, whenever it became apparent that the use of machinery would be more profitable than hand-labour, such machinery should be introduced, and the settlements should be of such area as would admit of this being done.

9. That as the restoration of our forests is a work of great national importance, it might be undertaken as an adjunct to the State settlement, and possibly other improvements on Crown lands (in some districts, at any rate) might also be carried out. This would give occupation to men at seasons of the year when work on the settlements was slack.

10. The settlements, in the matter of instruction, should have a technological side, where the principles which underlie the practical lessons received on the farm might be further illustrated and explained. Persons with little cash and almost devoid of knowledge regarding agricultural pursuits, but who are desirous of settling on small sections of land in the country, might avail themselves of this education, and should be allowed a twelve months' residence on the settlement with full market rate of pay. All the money so earned (over and above that specified in Resolution 4 as being the earnings of temporary residents) to be paid by the Labour Department at the request of the intending settler either for land or improvements on the land when taken up. In the event of no land being taken up, payment to be made for the whole period of twelve months in accordance with the arrangement set forth in Regulation 4.

11. That, with the view of facilitating communication between those who are in search of work and those who are in want of services, and also with the view of making our statistics regarding the conditions of labour more accurate and complete, it is expedient—

(a.) That private labour bureaux and registry-offices should be required to keep on their register of applicants for services or for employment, in addition to names and addresses, in the case of an employer, the nature and probable duration of the work required to be performed; and, in the case of an applicant for employment, his age, calling, the names of his late employers, and such other particulars as can be obtained regarding his prospects of re-employment or of getting other work.

(b.) That a statement of the information so obtained should periodically be forwarded to the Government Labour Bureau.

12. That, in order the better to provide for the less efficient labour which falls to the lot of Charitable Aid Boards to deal with, it is suggested that these Boards should utilise this labour by establishing and equipping settlements on similar lines, but on a more modest scale. Provision might here be made for the cottage life and permanent residence of poor people, who would otherwise be compelled to endure the stir and drill and routine which is inseparable from large institutions, and to put up with which must be a grievous wrench to the feelings of many old people. In order, however, the better to secure uniformity of method and procedure, and also to secure that knowledge and direction which only a department of State can give, it would be necessary to place the more robust of this second-class labour under the management and supervision of an officer of the Government, the expense of management to be a charge on the charitable-aid fund of the district.

13. That, with a view of having the regulations governing the settlements properly observed, and also with the view of protecting the Labour Department against undue pressure to have the same relaxed or weakened, the said regulations should be embodied in a Bill and passed into law.

14. *Industrial Settlements.*—By industrial settlements, as distinct from State institutions, and such as are referred to in the order of reference, the Committee understand a permanent settlement 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 settlements 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, seemed 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.

4th October, 1898.

APPENDIX G.

1. EXTRACTS FROM J. E. MARCH'S REPORT, C.—12 OF 1895.

VICTORIA.—STATE FARM AT LEONGATHA.

THE Victorian Government set apart a block of 800 acres of excellent but heavily-timbered land, situated at Leongatha, for the purpose of a labour colony, on lines somewhat similar to those adopted in Germany. I was informed by Colonel Goldstein, the Honorary Superintendent, to whom I am much indebted for very valuable information, that it was the outcome of a public movement commenced in March, 1893, for the relief of the unemployed of Melbourne. A General Council, consisting of about seventy gentlemen, was appointed at a public meeting to direct this new institution. The Council appointed a committee of management, nine in number, five of whom were nominated as trustees, and were subsequently approved and appointed trustees by the Governor in Council. The labour colony was started on the 24th June, 1893.

The duty of the Committee, comprising the five trustees and four others, consisted in managing the labour colony under the direction of the General Council, in rendering fortnightly reports to such Council, and submitting to it all questions of policy. Under this system, the General Council decided that the labour colony should be open to all men out of work, irrespective of age or qualification; and that there should be a maximum wage of 10s. per week, with food costing about 5s. more. It is only right to say that very few of the Council had any previous knowledge of the labour-colony system, which necessitates confining wages to a very moderate amount.

Financial disaster was hastened by the fact that the general public took little interest in a movement, the meaning of which was entirely new to most of them. The Government had from the first contributed £2 for each £1 subscribed by the public, and were obliged to make up the deficiency as subscriptions decreased, until in December the General Council decided that the Government must supply all funds, or the colony must be closed. Finally, in February, 1894, the Lands Department took the supervision of the colony into its own hands, and Colonel Goldstein generously undertook its charge as Honorary Superintendent. In company with this gentleman I visited Leongatha and inspected the colony. Of the 800 acres, 600 acres have been substantially fenced and subdivided into ten paddocks. The men have absolutely cleared and grubbed 60 acres, the whole of which is under crop, and much of it has been done by spade-cultivation after ploughing.

The number of men on the colony at the time of my visit was 113. Since the inception of the colony in June, 1893, 1,307 men have been removed from the streets of Melbourne and sent to work on the labour colony. From the register kept there I found that over 360 have had employment found them by means of the Labour Bureau on the colony, and I was informed that employers generally were well pleased with the men sent them. Over 250 have been placed on village-settlements lands, or sent prospecting, or have had work found them by friends, others have left to look for work elsewhere, being better fitted for such by their experience on the labour colony. The dismissals number eighty. It is satisfactory to know, however, that the conduct of the men generally has been very good. The men are told off to work in parties under a ganger, who receives a little extra pay per week. The live-stock comprise fifteen milking-cows, twelve working-bullocks, and sixty-two pigs.

2. REPORT OF COLONEL GOLDSTEIN FOR 1896 ON THE STATE FARM AT LEONGATHA.

SIR,—

16th July, 1896.

In presenting my report on the completion of the third year of the labour colony I have the honour to state that the system continues to justify itself, and provides the most successful method of assisting the able-bodied unemployed.

The year commenced with 118 men on the colony, 471 men have been admitted and 442 discharged during the year, leaving 147 there now. 657 applications were dealt with as against 565 in previous year.

The Labour Bureau continues to work well, 158 men have had work found outside of a more or less remunerative character up to 15s. per week and found, but many employers seek to get men at absurdly low wages. We have had applications for thoroughly expert men at 3s. per week. When fair wages are offered the utmost care is taken to select suitable men, and we continue to receive many letters from employers expressing entire satisfaction with the men sent. Two hundred and fifty-three men have left with sufficient earnings to enable them to travel for a month or two in search of work. Thirty-one men have been dismissed, mostly for minor faults, but the conduct of the men on the whole has been very good, and there is constant evidence of goodwill between manager and men. They seem thoroughly to appreciate the value of the system, and readily seek re-admission when work fails outside. There have been fewer tradesmen than in previous years, most being classed as labourers, who rarely find continuous work anywhere.

The outlay for food, wages, and management for 589 men has been £2,400. The cost per head per week has been 6s. 6d. The increase is partly accounted for by higher prices for flour,

&c., and also, I am pleased to say, by a higher average wage earned, owing to increased zeal and better work.

The health of the men continues good, and there were only two comparatively slight accidents from branches falling from rung trees. The housing of the men has been much improved, so that they are more comfortable now both in summer and winter than formerly.

Work.—While the greater number of the men are still employed on clearing, there is a very great increase in the higher classes of work connected with agriculture, dairying, &c., so that men have better chances of learning how to make a living out of the land. The Labour Colony ought to prove a good training-ground for village settlers.

Farm work.—Seventeen acres have been thoroughly cleared during the year; 30 acres more will be ready by the spring, making 90 acres for cultivation; 130 acres have been cleared of scrub and sown with rye-grass, cocksfoot, and red clover; and a 10-acre paddock has been sown with lucerne; 163½ chains of post-and-rail fencing and 41 chains of wire fencing have been erected during the year, and the land subdivided into sixteen paddocks; 7,077 posts and rails were split; 34 chains of road have been made within the colony, and 17 chains of main road formed outside for the Woorayl Shire Council, as a return for having given up the site of a manure-depot that had previously been marked out on the Labour Colony; and 14 chains of open drains and 7,500 good bricks have been made.

Machinery.—A 6-horse power engine has been purchased, and a small saw-mill plant erected. During the year 83,465 ft. super. were sawn, 21,000 of which have been sold, the balance being used for buildings on the Labour Colony. Flax-dressing plant has been erected, and will be used immediately on the produce of 2 acres of flax, retted and stored to provide winter work. A first-class chaff-cutter has been purchased, and proves very useful and economical. Buying nothing that can be made in the Labour Colony, there has been made a winnowing machine, a very fine farm roller, designed by the manager, and a heavy scarifier for tearing out roots as well as breaking up soil. A force-pump has been erected on the creek to lift water about 90 ft., where it is stored in a dug-out tank containing 70,000 gallons, from which 32 chains of piping enable it to be distributed to all parts of the garden and orchard.

Buildings.—A substantial stable and forage-store have been erected, also three shelter-sheds for stock, engine-house, dairyman's house, manager's house, poultry-houses, and piggeries.

Crops.—The following have been grown during the year: Flax, 2 acres; broom-corn, 1½ acres; oats and tares, 10 acres; English barley, 5 acres; wheaten hay, 1½ acres; maize, 8 acres; sorghum, 2 acres; buckwheat, 2 acres; sunflowers, 2 acres; peas, 4 acres; mangolds, 1½ acres; sugar-beet, ½ acre; swedes, 4 acres; kidney-beans, ½ acre; potatoes, onions, and other vegetables have been largely grown. The above crops have yielded satisfactory results, though the summer was an unusually dry one. The linseed was tested at the Government Oil-mill, and yielded 28 per cent. of oil, which is above the average.

Orchard.—Eighteen acres have been planted with fruit-trees, more than half being apples suitable for export. The nursery contains some six hundred trees to be planted out during the coming season, consisting of fruit and timber-trees (black walnut, English ash, and oak), and white mulberries for a silk-farm. The nursery will further be used to raise similar stock for distribution amongst the farmers of the district.

Poultry.—These have not been as successful as was desired, owing to my being unable to find a man used to the work; nevertheless, the first crate of cockerels sent to the Agricultural Department for export were so fine that they were retained for exhibition, and are now to be seen dressed and frozen at the Food and Health Show in the Exhibition Buildings.

Live Stock.—There are now on the farm 10 horses, 124 cattle, and 161 pigs. Three hundred and thirty sheep were fattened and sold, also fifteen bullocks and 109 pigs. Fifty-nine of these pigs were killed for pork and bacon.

Dairy Herd.—Forty-seven cows are now being milked, the average for the year being twenty-four; the money yielded for cream being £240; wages cost £72; artificial food, £48; leaving a profit of £120, which is extremely satisfactory, seeing that the price of milk at the commencement of the year was only 2d. per gallon. Thirty-one calves, selected from the best milkers, are being reared, and should improve the herd. The Jersey bull, "Master Coomassie," has done well both at stud and show. At the Korumburra Show the labour colony was very successful, obtaining prizes for first Jersey bull, second Jersey cow, second Ayrshire cow, and honourable mention dairy cow. An exhibit of farm-produce was also shown, and formed a very attractive stand; his Excellency Lord Brassey and suite being greatly pleased with the quality and variety of the exhibits.

Experimental Farm.—This is progressing favourably, and must be beneficial to the district. New fodder-plants did not do well owing to the dry season after sowing; but special mention must be made of an Indian lucerne, a few seeds of which were kindly contributed by Mr. Joseph Bosisto, and which promises to be a great improvement on the ordinary lucerne. The tobacco crop was too late, owing to the dry season, and did not ripen; but Mr. Bondurant's inspection and tests show that there is every probability of good results in future. Under that gentleman's direction four kinds of tobacco seed are now being sown to ascertain which is most suited for the district.

Scent Farm.—Rose, rose-geranium, lavender, peppermint, and orris-root are being raised in quantity, and will soon be planted out; so far, the soil and climate have been most favourable to the growth of these plants, and I anticipate good returns when a still has been set up. If successful, young stock of these plants will be largely distributed to the surrounding farmers.

Cost.—The total expenditure for the year has been £3,547 Os. 4d., divided into cost of Labour Colony, £2,405 5s. 8d., and Farm, £1,141 14s. 8d. The receipts were—Goods sold to colonists at cost, £308 15s. 9d.; produce used in kitchen, £75; produce sold, £598. The total cost for the three years has been £11,276, against which there are assets amounting to £10,361, leaving a debt of £917 as the cost of dealing with 1,832 men during three years, not including the money results from produce sold.

I have to express gratitude to Mr. Alfred Cornish, who continues to assist me in the supervision of the clerical work.

The Victorian Labour Colony system is still being inquired after by other Governments. At the request of Mr. Larke, I supplied full particulars for the Government of Canada.

The manager and staff are zealous in carrying out my directions, and the results are peculiarly gratifying to me.

Trusting to receive the assurance of your satisfaction with the conduct of the Labour Colony.

I have, &c.,

The Hon. the Minister of Lands.

J. R. Y. GOLDSTEIN.

3. REPORT OF COLONEL GOLDSTEIN FOR 1897 ON THE STATE FARM AT LEONGATHA.

SIR,—

July, 1897.

I have the honour to submit my fourth annual report on the Labour Colony for the year ended 30th June, 1897.

During the year much valuable work has been done, both educational and material; 600 men have been enabled to learn the elements of pioneer settlement in heavily-timbered country, together with practical instruction in agriculture, and the whole of the property has been enhanced some £2,500. At the beginning of the year there were 147 men on the colony, 457 have been admitted, and 512 discharged, leaving ninety-two at close of year. The Labour Bureau has found remunerative employment for 177 men, twenty-eight men were dismissed for minor faults, and the other 307 left either to work secured by themselves, or with sufficient funds to enable them to search for work. The conduct of the men has been excellent. Good food, and plenty of it, induces satisfaction, and no complaints have ever been made. Accidents have been few and trifling, and the general health good. The few cases of sickness that occurred were either treated by the local medical officer, or on his advice promptly and carefully forwarded to the metropolitan hospitals. It may be stated here that those who go to the Labour Colony fairly sound in health invariably increase in weight, the natural result of an abundance of wholesome food with a fair amount of healthful work. The cost per head per week for food, wages, and management has been 7s. The increase is accounted for by the high prices ruling for meat and flour.

Some notable facts are that there have been fewer tradesmen on the lists this year, fewer good bushmen, and higher wages obtained outside. This is a fair indication that there are fewer unemployed than usual, and therefore that trade is improving. The want of skilled labour has tended to increase the cost of clearing, most of which we are forced to do in the winter months, when outside employment is not available. If more of this work could be done in the summer, the cost per acre—about £4—would have been much less.

Eighteen acres have been cleared right out, which, with 20 acres that will be finished before spring sowing, will bring the total of fully-cleared ground up to 128 acres; 70 acres, heavily timbered, have been cleared of scrub, all fallen logs burned, and sown down with cocksfoot, rye-grass, cow-grass, alsike and white clover.

Seven thousand seven hundred posts and rails have been split and used in erecting 218 chains of additional fencing, of which there are now 11½ miles, dividing the property into twenty-three paddocks.

Thirty-three chains of road have been formed, and 75 chains of drains cut. Two more dams have been constructed; also, an underground brick tank, to hold 16,000 gallons; the 9,000 bricks used having been made on the spot.

Machinery.—The six horse-power engine has been busily employed in working saw-mill, force-pump, and chaff-cutter. Over 63,000 feet of sawn timber have been turned out, and what was not required for our own use was sold for £80. Chaff-cutting has been a great boon to the neighbouring farmers, for which they willingly pay us 10s. per ton. A reaper and binder has been purchased since last report, and proved of great service during harvest.

Buildings.—A fine barn has been erected, capable of holding 100 tons of hay and other produce; also a new kitchen and quarters for permanent hands, and a new office. These improvements were much needed.

Crops.—The following were grown: Oats for hay, 10 acres; rye, 2 acres; flax, 11½ acres; English barley, 2 acres; Cape barley, 8 acres; peas, 11½ acres; maize, 9 acres; sorghum, 2 acres; rape, 9 acres; mangolds, 7 acres; Swede turnips, 5 acres; potatoes, 11 acres; sunflowers, 1 acre; canary-seed, 1 acre; tobacco, 2 acres. Unfortunately an unusually dry season militated against the success of these crops, but some have been very satisfactory. The maize was considered the best ever seen in the district, attaining a height of 14 ft.

Garden and Orchard.—Vegetables have been grown in great variety, and were used on the place to the extent of £56, while outside sales realised £30. I also sent large contributions to harvest thanksgivings in Melbourne and Leongatha, and to the Food and Health Show in Melbourne. The fruit-trees are healthy, and those first planted are expected to bear this season.

Poultry.—I regret to say these have not been successful, owing solely to the fact that no one on the place understands the management.

Live Stock.—There are at present eight horses, twelve working-bullocks, fourteen fat bullocks, thirty-seven dairy cows, forty-two yearling calves, fourteen stud Jerseys, twenty-one pure short-horn cows (for sale), and ninety-three pigs. Seventy-seven head of cattle were purchased to fatten, and sixty-three were sold, realising £356. One hundred and forty-eight pigs were fattened and sold during the year, bringing in for carcass pork £114, and for bacon £68. The dairy herd suffered severely during the very dry weather, and was further affected by an attack of abortion; no fewer than fourteen cows slipped their calves at five and six months. Still, the dairy shows a profit of £150, which I hope to see much increased this year. We also lost five cows while in full profit. These were killed because the tuberculin test proved them diseased. Through the kindness of Dr.

Gresswell, Mr. Cameron, M.R.C.V.S., was sent to test the herd, and, with the assistance of Mr. S. O. Wood, M.V.C.V.S., tuberculin was applied to fifty-three head, with the result that five were found infected. These were killed and burnt, and, I am glad to say, the Labour-colony herd is now quite free from that terrible disease, tuberculosis. In pursuance of my intention to raise a full Jersey herd, I purchased a high-bred yearling bull and four thoroughbred cows during the year, bringing the stud-herd up to fourteen, viz., four bulls and ten cows. These, with the half-bred Jerseys previously selected and our own raising, will shortly bring the dairy-herd up to a hundred, when the crossbreds will be gradually sold off until the herd is left pure. The Labour-colony cattle were again successful at the Korumburra Show, winning prizes—first Jersey bull, any age; first Jersey bull, one year; and first and honourable mention, Jersey heifers, one year old.

Experimental Farm.—A variety of crops has been tried, and a deal of valuable information gained, though the unusually dry season operated severely. I intend publishing the results of all experiments in the Gippsland press, but must wait until the coming season enables us to complete our experiments. The crops tried were tobacco, canary-seed, flax, teosinthe, Indian, tree, and Hungarian lucernes, Bokhara clover, sacaline, lathyrus sylvestris, cow-peas, wild rice, strawberry-clover, &c. Some experiments in ensilage have also been tried, and the results are so satisfactory that a paper on the subject will shortly be published.

Meteorological observation.—A station has been set up under the direction of Mr. Baracchi, Government Astronomer, who supplied the necessary instruments. Observations are taken regularly, and telegraphed daily to the Government Astronomer. Locally, we find these records very useful.

Cost.—The total expenditure for the year has been £3,340 12s. 0 $\frac{1}{2}$ d., divided into cost of Labour Colony £2,422 11s. 1 $\frac{1}{2}$ d., and Farm £918 0s. 11d. The receipts were—Goods sold to colonists at cost, £261 15s. 8d.; produce used in kitchen, £56 10s. 5d.; produce sold, £978 18s. 10d. The total cost to the State for the four years has been £13,608, against which there are assets amounting to £12,839, leaving a debt of £769 as the cost of dealing with 2,289 men during four years, not including the money results from produce sold.

Visitors.—His Excellency Lord Brassey, and the Hon. T. A. Brassey, the Hon. the Minister of Lands, the Hon. the Minister of Mines, and several Members of Parliament visited the colony at various times, and all gave great praise to the system and the administration. The Hon. Jacob Garrard, Minister of Labour, New South Wales, came especially to Victoria to examine the Labour Colony system, and expressed his entire satisfaction, with the result that the system is to be brought into immediate operation in New South Wales.

I have to record my gratitude to Mr. Alfred Cornish, who continues to give me valuable aid with the clerical work, and to Mr. S. O. Wood, M.C.V.S., whose services as Honorary Veterinarian have been of great benefit.

The Manager and staff continue to afford me cheerful and zealous assistance, so that the direction of the work is a positive pleasure.

Trusting to receive the assurance of your continued satisfaction with my conduct of the Labour Colony.

The Hon. the Minister of Lands.

I have, &c.,

J. R. Y. GOLDSTEIN.

4. MR. MARCH'S REPORT ON SETTLEMENT ASSOCIATIONS.

SOUTH AUSTRALIA.

(Established under "The Crown Lands Amendment Act, 1893.")

VILLAGE-SETTLEMENT ASSOCIATIONS.

The Act provides that any twenty or more persons of the age of eighteen years or upwards may, by subscribing their names to a memorandum in manner prescribed, form an association for the purpose of village settlement. Provision is made for registration, and every registered association is a body corporate with perpetual succession and a common seal, and the right and liability to sue and be sued. Upon any association being registered, a portion of Crown lands is set apart of sufficient area to provide not exceeding 160 acres for each villager, and all roads and reserves as the Commissioner shall think necessary. Upon any village being proclaimed, a perpetual lease thereof is granted to the association. The annual rent is fixed by the Land Board, but no rent is payable for the first year of the term. Every lease contains covenants on the part of the association,—

- (1.) That after the first six months from the date of the lease, one-half, at least, in number of the villagers shall reside upon and utilise the land in manner prescribed;
- (2.) To pay in advance the rent reserved;
- (3.) To pay all rates and taxes, including land-tax;
- (4.) That every year during the first ten years the sum of two shillings per acre at least shall be expended in improvements on the land;
- (5.) To keep in repair to the satisfaction of the Commissioner all improvements erected or made upon the land;
- (6.) That the land, or any part thereof, shall not be sublet or disposed of to any person other than a villager.

The Act also provides that no lease shall be capable of being assigned, mortgaged, or encumbered in any manner whatever.

ADVANCES.

Advances out of any funds provided by Parliament may be made to registered associations, not exceeding in the aggregate to any one association the sum of £50 for every villager, and not exceeding one-half the cost to the association of the improvements thereon. Such advances may be made for the purpose of providing tools or materials, or making payment for improvements. All advances are to be repaid by ten equal annual instalments, with interest computed at the rate of 5 per cent. per annum on the moneys for the time being remaining unpaid. The first instalment is payable at the expiration of three years from the date of the advance.

MANAGEMENT OF VILLAGE-SETTLEMENT ASSOCIATIONS.

Subject to the Act and to the rules, the affairs of every association are managed by a Board of not less than three trustees (one of whom shall be chairman), to be elected by the villagers in manner prescribed by the rules. The money owing for advances by any association is the first charge on the assets of such association in priority to all other creditors. The villagers are jointly and severally liable for the due repayment of all moneys advanced by the Government for the purposes of the association, and for the due observance and performance on the part of the lessees of all the covenants and conditions of the lease.

RULES FOR VILLAGE-SETTLEMENT ASSOCIATIONS.

The rules of every association provide for the management of its affairs for the common benefit of the villagers upon principles of co-operation and equitable division. Such rules are not to be acted upon until after they have been submitted to the Minister of Lands, and his approval in writing has been indorsed thereon; and they are to be laid before Parliament within fourteen days of such approval, if Parliament be then sitting, and, if Parliament is not sitting, then within fourteen days from the first meeting of Parliament; and if any rules are disapproved of within fourteen days after being so laid before Parliament, by a resolution of both Houses of Parliament, the rules so disapproved shall have no force or effect after such disapproval.

WHAT IS BEING DONE.

To the present Government of South Australia belongs the credit of initiating one of the most interesting systems of land settlement I have yet seen. It is an entirely new departure, not only in land legislation, but also in assisting the unemployed, and endeavouring to provide a permanent cure by utilising land with unutilised labour. To lift, as it were, from the streets and by-ways of a city an army of men, women, and children, many of them comparatively quite destitute, place them on land, which by irrigation can be made most productive, assist them to accomplish this by aiding them to obtain the requisite plant and machinery, and further assist them to establish homes for themselves, each villager working for the common benefit of all, upon principles of co-operation and equitable division of labour and profits, is certainly a great and noble work, and this is what is being done by the Government of South Australia, ably assisted by many philanthropic ladies and gentlemen of that colony.

The scheme has, of course, been ridiculed, and there are those ever ready to predict failure when the proposal is to place men on the land, and show them how to make a living from it for themselves and families. It was said the result would be sure to be a failure; but up to the present it has not been so. It is true that a number of the original villagers have left, but the number is comparatively small. It was only natural that a certain weeding-out process should take place soon after the settlements were formed, but I have reason to believe those who are now on the land will remain. These villagers have ventured forth in faith, being firmly of opinion that if they work zealously together they have a great future in the land they occupy. That the soil is marvellously productive when irrigated there can be no doubt. This was fully borne out by Mr. Glyde, for many years a resident in Canterbury, and now Chairman of the Fruit-growers' Association, Mildura, whom I had the pleasure of meeting. He informed me of the case of a settler, resident in the Murray district, and on similar soil to that in the village settlements, who had cleared, after planting four-and-a-half years, from 9½ acres of fruits (chiefly raisins), £24 per acre. Another settler obtained 24 tons of raisins from 13½ acres, after four years' planting. The average price he obtained was 3d. per pound, equal to £28 per ton, or £672 for the crop.

Thirteen settlements are now established under the Act, composed of 470 settlers, who have signed the prescribed memorandum of association. These, with their wives and families, represent a total of 1,935 settled on the land. Eleven of the settlements are on the banks of the river Murray, and shown on the lithograph attached. There is also one at Mount Remarkable, to the north of Adelaide, and one at Nangkita, to the south. The number of settlers on the Murray, including wives and families, is 1,679.

The total area held by the village settlement associations is 67,191 acres. The tenure is perpetual lease, at an average rental of nearly 3d. per acre per annum. Advances made by Government on behalf of the settlements, as provided by the Act, being 50 per cent. of the value of improvements made by the villagers, amount to a total of £15,974 17s. 7d. to the 31st May, 1895, equivalent to an advance of £25 2s. 2d. per settler.

The following return shows the position of the eleven settlements on the Murray River:—

Name of Settlement.	Area.	Original Number of Villagers.	Present Number.			Total Number.	Horses.	Cows.	Sheep.	Pigs.	Poultry.	Working Bullocks.
			Men.	Women.	Children.							
New Era ...	2,095	22	22	22	54	98	9	19	150	26	200	...
Gillen ...	9,990	65	30	30	73	133	4	6	160	12	150	8
Rameo ...	2,240	14	15	3	4	22	4	10	200	...	...	...
Waikerie ...	3,082	36	30	24	80	134	2	2	150	...	...	...
Holder ...	7,540	71	54	43	183	280	23	7	50	32	...	...
Kingston ...	4,800	25	25	21	65	111	13	10	125	27	...	...
Moorook ...	3,200	21	18	17	45	80	4	2	25	...	...	...
New Residence	4,000	20	14	12	49	75	4	2	25	2	...	...
Pyap ...	10,530	90	75	70	255	400	15	37	500	20	200	8
Lyrup ...	14,060	70	85	55	165	305	37	13	600	40	400	...
Murtho ...	2,000	20	13	7	21	41	9	10	100	6	...	...
Totals ...	63,537	454	381	304	994	1,679	124	118	2,085	165	950	16

To assist the Government in its laudable efforts to solve the problem of the unemployed difficulty, a "Land Settlement Aid Society" was formed in South Australia, and Mr. T. H. Smeaton (formerly of Christchurch, Canterbury) became its energetic and enthusiastic secretary. I have before me a copy of the first annual report of the society, and I gather that all classes have combined to help, "from the squatter who, with princely liberality, sent his 1,000 sheep as a token of his sympathy, down to a contributor who, as 'Wage-earner,' sent his packet of cornflour and sugar, with the prayer that it may assist a brother or sister in want." The report says: "A noble response from the public has been given to our efforts. Assistance has been cheerfully rendered by many who had no faith in the political or social aspect of the question, and many helped from sympathy with the movement itself. We must most especially mention the splendid work done by the ladies of Adelaide in connection with this society. That our work has been of considerable service to the Government we know, but it gives us great pleasure to state thus publicly that the Government have also very cordially recognised the fact, and have, whenever possible, helped us in our arrangements. When it became apparent that the quantities of goods and stock of various kinds which were contributed by friends in all parts of the colony would absorb more than all our funds for railway transit, the Government, with wise thoughtfulness, granted us the privilege of forwarding all gifts to the settlers free on the railways. This concession, we are assured, amounts to well on £1,000 in value. . . . It would be impossible to particularise the many gifts which have passed through our hands, nor the very kind donors of them; but, roughly speaking, there have been 2,000 sheep, 40 horses, 100 cows, 500 bushels of wheat, a great variety of agricultural implements, harness, and tools of all sorts. . . . As to the future, we can see that the work of this society, so far as the settlements are concerned, will be absolutely necessary for another year at least. When their need ceases so will our work. From the personal observation of some of your committee of the work achieved by the settlers in their first year's work, we are encouraged to believe that our efforts and the efforts of the public to assist them are amply justified."—I may be allowed to add that the Rev. J. Berry, one of the Vice-Presidents, was in the chair at the annual meeting. The rev. gentleman takes the deepest interest in these settlements, and a very interesting article written by him on the subject appears in the *Review of Reviews* for April last. The settlers have also a very kind friend in the Rev. Corley Butler, who goes amongst them and does his utmost to promote their welfare.

It would, of course, be premature to say that the problem of the unemployed difficulty has thus been solved, and that hundreds of men, women, and children can be placed on the soil, and, after certain assistance has been granted them, thrown on their own resources, and then they can make a living from the land. This much, however, may truthfully be said, that the settlers are going the right way to accomplish the object of making a living by their own resources, and if they continue in this way they are sure to succeed. I fully agree with the report quoted above, that further assistance for at least another year will be required, not only from private sources, but from the State, and then I see no reason why the settlements should not be self-supporting. And here I may remark that it is unreasonable to suppose that large blocks of land can be made reproductive in one year. A longer period is required and necessary, and more especially is this the case where the land wants irrigation. Again, on many of the settlements the land was pretty heavily timbered, and it was no easy task to fell and grub the gum, box, and pine trees growing thereon; a portion of this work has been done, and throughout the settlements over 4,100 acres have been cleared, and a large proportion of the land cultivated.

If a stranger inspects the work already done on these settlements in the short space of fifteen months by men, many of whom were not brought up to agricultural pursuits, and observes the amount of land they have cleared, grubbed, and brought under cultivation, their pumping machinery and plant in full working order, the quantity of different kinds of fruits planted, such as apricots, almonds, figs, lemons, muscatels, mulberries, olives, peaches, plums, prunes, quinces, strawberries, vines, and Zante currants, their brick-kilns, drying-kilns, lime-kilns, and other works and industries established, and then notes all the settlers fully employed working under the direction of one of their own number, elected by themselves, he must admit that it is most gratifying, and a scheme that should command success.

The opinion of the villagers themselves is also very encouraging. I interviewed several. One said, "We are very comfortable and getting on nicely. The Government Inspector (Mr. Ingles) comes round once a month, and the trustees give him an account of the work done since his last inspection; they also put on what they consider a fair valuation for these improvements. The Inspector examines each piece of work; if the valuation is fair it is passed by him; if he thinks it incorrect he makes inquiries, and the matter is adjusted. We are allowed by Government 50 per cent. on the value of our improvements, consequently the more we do as a body the more we get; we find it better to work together; no man could do much good here working by himself, as it costs a large sum for pumping-machinery; the one we have cost over £800. We have been ably assisted by the public; and Mr. Smeaton (Secretary of the Village Settlement Aid Association) has been most kind to us. The Government allow each settler £50, and when that is exhausted, the settlement is supposed to be self-supporting; but I doubt if it will be; perhaps if the Government see we are doing our best we may be allowed a little more." Another said, "We have thirty settlers—twenty-four married and six single; there are also eighty children, making the total number of our village 134. Our machinery will raise 38,000 gallons of water per hour, 150 ft. up the cliff to the delivery channel; we have plenty of stone on the settlement, and thus some of our buildings are more substantial; then we have a large quantity of timber, at present we have pit-saws and sawpits, but we are going to erect a mill to be driven by the pumping-engine, which is 20-horse power. We do not expect to make a fortune; we shall be perfectly satisfied if we make a good home and food for ourselves and families. The women and children are contented and happy. The village is laid out as a square, with streets one chain wide; each member is allowed one half-acre to erect his cottage and make his home. It is a great boon to us to have no rent to find on Monday mornings."

I was fortunate to meet the chairman of the trustees at Lyrup, who showed me over the settlement and gave me much useful information. This settlement is without doubt the most prosperous of any. It was started on the 22nd February, 1894. The full membership is 100, the number at present is eighty-five, of whom fifty-five are married and thirty single, and the total number of men, women, and children is 305. Villagers are supplied at the cost of the association, so far as the assets will permit, with necessary food and clothing at a fixed scale in proportion to the number and ages of each family, and also with medical attendance and medicine. In addition to the rations, each member when at work receives a coupon of—at present—to the value of 6d. per day, paid by the association, the whole or any portion of which may be exchanged at the store for goods available—tobacco, gunpowder and shot, extra sugar, &c., not included in the scale of rations; any portion of such coupons not exchanged being placed to the credit of members whose names they bear. The credit balances of coupons is a first charge on the profits of the association, but not payable until the financial position of the association enables it to declare a dividend. No villager can at any time acquire a share or interest greater than that of any other member in the property or profits of the association. The interest of any member who may by old age, unforeseen illness, or accident become incapacitated for work is not affected thereby.

“The affairs of the association are managed by a Board of five trustees, elected annually at the annual general meeting of the association from amongst the members of the association, and who hold office until their successors are elected. All important decisions of the Board have to be referred to the members of the association for confirmation: decisions, for instance, such as for any outlay exceeding £50, to erect any permanent buildings, or undertaking any particular work, &c. Any resolution carried by a two-thirds majority of the members has to be enforced by the Board. It will be seen from this that the trustees do not govern the association, but their duty is to see that the wishes of the majority regarding the working of the association are duly carried into effect.

“For certain offences specified in the rules a member would become liable to expulsion. The Board, upon complaint made by any member, or upon their own motion, would serve a notice on such villager stating the charge against him, and requiring him to appear before the Board at a certain time (not being earlier than seven days after the service of the notice). The Board would then investigate the charge at the time and place appointed, and, should the members be of opinion that the charge was sustained, the villager would be expelled, and a notice to that effect under the seal of the association served upon him; but he can, within seven days from the receipt of this notice of expulsion, lodge with the Board a notice that he wishes to appeal to the association. The Board would then have to convene a special meeting (giving not less than seven or more than fourteen days' notice) to hear the appeal. The meeting by a majority of votes may confirm or annul the expulsion.

“Besides other meetings which may be called as provided by the rules, a general meeting has to be held on the first Friday in every month, when the Board submits a progress report of the last month's work, and also a schedule of the work they propose to do during the coming month; this is discussed, and a majority, should they see fit, may alter or amend the plan of work for the ensuing month. At this meeting all correspondence and minutes of Board meetings are read, so that all members may be fully acquainted with the business of the association. The names of all trustees voting in favour of and against the various motions at Board meetings are recorded and read out, whereby members are enabled to see how all the trustees are acting, whether to their satisfaction or not.

“The area of land cleared and grubbed at Lyrup is 800 acres, and 250 acres have been under irrigation during the past season. We have one 8 horse-power portable engine (Marshall's), a 6 in. centrifugal pump which throws 600 gallons per minute; close by is the saw-mill, with a circular saw worked by the same engine. We have constructed one half-mile of flume of galvanised corrugated iron, and four miles of main channels, besides smaller channels and head ditching. We planted out, last season: 40 acres of vines, chiefly muscatels; 9 acres of peach-trees (Early Crawford, Lemon Cling, and Lady Palmerston); 6½ acres of lemon-trees (Lisbon); 4 acres of apricot-trees (Morepork and Pennant Hill); 2 acres of fig-trees; 1 acre of prune-trees. We have a large nursery, from which many thousands of trees and vines will be planted out this season; nearly a ton of fruit-stones were put into the nursery this year, also 100,000 cuttings for wine-grapes, and we are going to put in a large quantity of orange and lemon pips.

“We are still busy planting wheat, and by the time we have finished we shall have from 500 to 600 acres in. We have from 8 to 9 acres under vegetables of various kinds, besides 30 acres in potatoes and 2 acres under onions, also a few acres of sorghum. We have one acre set apart for experimental purposes, having established a branch of the Agricultural Bureau at Lyrup. We have tried a small quantity (100 plants) of tobacco, which we found came on remarkably well. Altogether by the end of this planting season we expect to have 800 acres under cultivation.

“We have a large brick-kiln capable of burning 32,000 bricks at a time, and a large drying-shed to dry as many as 40,000.” (The bricks being turned out are of excellent quality, and at the time of my visit they were being used in the erection of the school-building, which is 85 ft. over-all in length, by 30 ft. 4 in. broad, and 16 ft. high.) “We have surface limestone from which we are burning very good lime, and we are also making some very good sand-bricks.

“Our permanent buildings are the school already mentioned, a butcher's shop with workroom, and a large cellar for curing, &c.; the baker's shop is a red-brick building, where all the bread is baked for the village; a gallely, built of sand-bricks, where meals are prepared for single men. Most of our houses at present are built as follows: We obtain corn-sacks, cut them open, then sew them together, put up the framework of the building with sawn timber from the mill, then tightly stretch and tack on the sacking, this is whitened inside and outside with limewash mixed with a small quantity of sugar or soap to make it adhere and not wash off with the rain, the lime fills up

all the small holes in the sacking; the roofs are of galvanised iron. We find the houses very warm and comfortable. Of course they are cheap and very quickly run up. After a time, and as we get on, we hope to erect more substantial buildings."

[I was very pleased with one case which came under my notice on inspecting this settlement. A poor woman (the wife of one of the villagers) became ill, and was sent to the hospital at Adelaide. Unfortunately she did not improve in health, and as the medical officers at the hospital could do nothing further for her, she returned to her own people at the village. The Board at once decided to place her in more comfortable quarters than the building she was living in, and accordingly a nice brick cottage was erected for her, where she now resides with her husband and family.]

"We have also a wheelwright's shop, a blacksmith's shop, and shops for the tinsmiths and carpenters, and a temporary-built boot and shoe shop. In implements we have a 4-horse power gear for chaff-cutting, a mowing-machine, a corn-crusher, a corn-sheller, four scarifiers, three buck-scrapers, seed-sower, ten ploughs, including single- and double furrow and one treble-furrow, stump-jumper, &c.

"In live-stock we have thirty-seven horses, thirteen cows, one bull, twelve calves, forty pigs, and 600 sheep. Many of these things were presents to us from kind friends who were desirous to give us a start in life. The vines you saw planted out were obtained from Messrs. Chaffey Brothers. Several of the villagers went to work for them, but in lieu of their wages being paid in money they preferred to receive the value in vines, &c."

In closing this account of the settlement at Lyrup, I think I cannot do better than quote from an interesting report on these settlements in the *South Australian Register*, a portion of the Hon. C. C. Kingston's address to the villagers, on the occasion of his recent official inspection. The Hon. the Premier said:—

"The Government have done what they could, not to temporarily meet the demands of the unemployed, but to provide a permanent cure for the problem. Unutilised land and unutilised labour were a double waste. He was abundantly pleased at what he had seen at Lyrup. He was of a fairly sanguine disposition, but he was surprised to see the good results they had achieved. He now had greater courage and confidence in village settlements than he had previously possessed. Seeing was believing, and he saw a magnificent estate and a number of hard-working settlers doing their best to improve it. He saw what had been regarded as a worthless bush cleared and cultivated, water applied to it, and trees and vines growing in a way that could not be beaten in any part of South Australia. In future he should decline to argue with critics of the village settlements. He should tell them, 'Go and see for yourselves. If you have any doubt, it will vanish into thin air when you go to Lyrup.' They had done well; he hoped they would do better. From strength to strength go on, let not what they had accomplished be a vain and feeble augury of what they might do in the future. He hoped they would value their estate. Some people said State Socialism was a bad thing, but he said they had every reason to be encouraged with that form of State Socialism, if they chose to call it so, which existed at Lyrup."

The Hon. P. P. Gillen, Minister of Lands, also addressed the villagers, and reviewed the circumstances which had led to the establishment of the settlement: "They had been told that the Village Settlements Bill was a 'fad'; that it was cruel to send a lot of men, women, and children to the Murray, because starvation alone awaited them there; and that they would be back again in the city in three months. He had not seen any hungry people on the Murray yet. For the next two years, of course, the people of Lyrup would have a hard fight, but he believed that the harder the fight the better would be the work. He wished to tell the temperance party that these settlements provided one of the greatest movements in the interests of temperance that the colony had ever witnessed."

To those in New Zealand who take an interest in village settlements the above remarks from two very able men are, I think, most encouraging. I could give the opinion of many other villagers; they are all hopeful, and a spirit of general contentment reigned amongst them. One settler said, "We do not aim at being rich; we hope that the wool from our sheep will find us in money to buy our clothing and boots, and we can grow on the land sufficient food for ourselves and families."

Another said, "I am getting on splendidly, could not wish to do better; have been here from the start, having assisted to select the land: our motto is 'all for each, and each for all,' and we must ever keep that in view. We have only to pull together for the first few years and then I am certain the settlement will be a success. There will be a little income from this out; but we have to gain experience and strike the season for the best crop: onions, for instance, if we can get a good crop in September we can get a ready market for them, potatoes and other things in the same way; we shall shortly be able to supply Renmark with all the vegetables required there, and we hope to open up other markets."

Another said, "We estimate the value of our assets over our liabilities last January at £43 per member; a man now joining would have to pay our association £43 and take his share in the liability. If he had not the money in cash, he could bring any kind of stock or useful farm implements, and their value would be placed to his credit. If he had no money or means, by a vote of the majority of the members in his favour he could join, and the £43 would be a first charge on any dividend coming to him."

I think the main reason why there is that spirit of contentment amongst the village-settlers on the River Murray, and also amongst other small settlers wherever they have been placed on good land, is this; they feel they have now a stake in the country, and that by industry and perseverance they can establish homes for themselves and families; and they set to work to do so with a right good will.

SETTLEMENTS IN NEW SOUTH WALES.

Only three settlements have been established—namely, at Pitt Town, Wilberforce, and Bega. The total area occupied by these settlements is 5,140 acres—namely, Pitt Town, 2,150; Wilberforce, 1,630; Bega, 1,360.

The number of settlers originally enrolled was 145—namely, Pitt Town, 96; Wilberforce, 35; Bega, 14: total, 145.

The expenditure has been about £8,900—namely, at Pitt Town, £6,705; Wilberforce, £1,540; Bega, about £655: total, £8,900.

The value of improvements, including working-plant, is estimated as follow: Pitt Town, £5,992; Wilberforce, £1,718; Bega, about £600; total, £8,310.

It cannot therefore be said that the settlements are a success financially, and the cause seems to me apparent when the manner in which they were formed and the quality of the soil are taken into consideration.

First, with respect to Pitt Town, some seven hundred men were registered at the Labour Bureau as applicants for land in this settlement, and about one hundred men were selected and sent to occupy an area of 2,150 acres of second-class land. Many of the men had no previous experience, their wives and families were in a destitute condition, their landlords were turning them out of their houses because they were unable to pay their rent, and these men, with their families, were sent to settle on a block of land, a large proportion of which was only fit for grazing purposes. Under such circumstances, how can they be expected to succeed? And this is not all. The Act provides that Boards of Control may be nominated or appointed for the management of these settlements. Unfortunately, the original Board appointed to manage the affairs at Pitt Town was not a success. It is stated that the Board permitted an undue waste of money in the purchase of luxuries. For every shilling spent for bread twice as much was spent for butter, and it is alleged there was extravagance of all sorts. Then, again, it is said the Board did not agree amongst themselves, nor were they able to work together. It is true the Board was composed of men, many of whom had philanthropic views and kindly dispositions, yet, through weak management and internal dissensions amongst themselves, the Board soon became a source of weakness rather than of strength to successful settlement. It is not surprising, therefore, that the members resigned, and the Government appointed a Board, composed partly of Government officers and representatives nominated by the settlers, to manage and control the settlement.

The number of settlers now at Pitt Town comprise eighty-eight men, eighty-one women, and 275 children under fourteen years of age; of the eighty-eight men, seven are single. The Board of Control appoint a Superintendent, who is the responsible Executive Officer for the direction of the works undertaken, and the management of the settlers in relation to their employment. The men are put into gangs by the Superintendent, and work forty-eight hours per week under his directions, and under the co-operative system; they draw for food and clothing goods to the value of 5s. per week for male adults, 2s. for female adults (wives of settlers), and 1s. for each child. The maximum amount must not exceed 14s. per week for families, and 5s. per week for single men.

In the building used as a store I observed the following:—

“*Notice.*—On and after Monday next, the 18th February, absolutely no credit will be given at the store or butcher’s shop. Settlers who are short must borrow from each other. George Waite, Superintendent.”

If it was necessary to show the mistake of placing a large number of people on inferior land, a better illustration than the above could hardly be given. It is not the fault of the settlers, or that they are idle, as the Superintendent assured me they all worked very well, but in the fact that too many men have been placed on poor land, and consequently it cannot yield sufficient to support the number.

5. MR. MARCH’S REMARKS.

WHAT MAY BE DONE IN NEW ZEALAND.

And now the question will naturally arise: “What can be done in New Zealand, and what recommendations can be made to deal successfully with a difficulty—the excess of labour—which is continually arising in the large centres of population?” I find in all the Australian Colonies there has been great scarcity of work, and in several employment is still most difficult to obtain. New Zealand by no means stands alone in this respect. Unfortunately, also, this unemployed difficulty is no new thing amongst us. It has been constantly cropping up for years past, and will continue to do so until a radical cure is provided.

There is no easy or royal road to prosperity, but I have seen that it can be attained by industry, perseverance, and sheer hard work; and am decidedly of opinion that in this colony, where there is so much remunerative work to be done, there should be very few, if any, unemployed among the able-bodied men. In order to bring this about I would respectfully recommend:—

1. That more vigorous measures should be adopted to promote settlement under the village homestead system on suitable land in country districts, and the acquisition of land under the Land for Settlements Act, near large centres, for the same purpose.

The regulations under “The Lands Improvement and Native Lands Act, 1894,” provide that: “The Commissioner of Crown Lands, or the Chief Surveyor of the district, will in each case select the men who are to form the association.” I think similar power should be given in connection with the occupation of village-homestead settlement lands, more especially where those lands have been acquired under “The Land for Settlements Act, 1894.” Take, for instance, land purchased near a town or city. There the object is to offer some little assistance to artisans and others

whose trade or occupation is in a town, and who may only be working half-time. Ploughmen, farm-labourers, shepherds, bush-men, and others who are accustomed to work on the land, should be directed to a village settlement allotment in the country districts, and should not be eligible for land acquired near a city. To promote this class of settlement successfully it will be necessary to grant by way of loan a little monetary assistance.

I have pointed out in this report that the aid granted in New South Wales is £50, in Victoria £40, and in South Australia £50, with every probability of it being increased in certain cases. In England the amount set out by the Colonising Society as being necessary, in their opinion, to carry out the work of land-settlement successfully is £100 per family. I recommend, therefore, that assistance should be given to village-settlers who are approved by the respective Land Boards to the following amount: On plain or open land (for dwelling-house), £20; on bush-lands, £40—namely, £20 towards the erection of a dwelling-house, and £2 per acre up to 10 acres for clearing, burning, and grassing.

Regulations should be made for the repayment of these advances by instalments, after the first four years; a fund would thus be created from which assistance might be granted to new settlers.

2. I would also recommend that the regulations under improved-settlement farms should be made more generally known; and that married men taking up land under those regulations be granted an advance of £20 (by way of loan) towards the erection of a dwelling-house.

3. The promotion of co-operative settlements on a somewhat similar plan to that adopted at Koo-wee-rup, Victoria—namely, to take a block of Crown land, or to acquire a block under the Land for Settlements Act, where drainage or other works are necessary to bring it into a state for profitable occupation, the men to be employed for a portion of a month on the works, and an equal portion on their holdings in the immediate vicinity.

4. The establishment and promotion of labour colonies.

I have frequently been asked what is the meaning of a labour colony, and what are the objects sought to be attained.

I reply that there are labour colonies and labour colonies, and it is quite feasible to establish them on greatly improved lines to the one at Leongatha, Victoria. For instance, there might be a labour colony,—

(a.) To provide work for the unemployed, and to give instruction to men who have previously received no training or education for work on the land. Employment on a labour colony of this class, which might be established on bush-land, would be temporary, until something better was found for the colonist, or until he is able to take up a village settlement allotment on his own account.

I am correct, I think, in stating that all those who have been brought into contact with our surplus labour are aware that a large percentage of the men lack experience on land, and they require instruction to gain this knowledge. If a labour colony does not immediately repay so much per cent. on the outlay, no one need be discouraged, for if the colony is wisely and properly managed it is doing good work—work beyond the power of any one to assess at so much money value.

We spend annually a large sum of money on education, but no one anticipates to see an immediate return of 5 or 6 per cent. in hard cash on the outlay. We, have, however, faith in believing that the expenditure thus incurred will eventually return some thirty, some sixty, and some an hundred fold.

So also with respect to labour colonies, the instruction to be gained thereon, and the truly valuable work which may be accomplished, will repay the State by-and-by, if it does not immediately.

(b.) A labour colony could be established on open land to provide permanent and settled homes for men (including their wives and families) who have passed the prime of life, and who are not exactly able-bodied men, but who, nevertheless, can work and are anxious to do so according to their ability; they have no desire to be paupers, or to be compelled to apply for assistance; they can earn their living from the soil, or by working at other industries (besides tillage) which should be established, provided they are given the opportunity. A colony of this class should work under approved regulations made for the common benefit of the colonists, and under a competent manager.

(c.) A labour colony could be established either on open or bush lands for men whose employment has been so irregular that they have no fixed place of abode; men who are constantly on the tramp looking for work. They are not adapted to take up land on their own account, but yet something should be done for them. I think they can also, if so disposed, be put in the way of making their living from the soil in a labour colony, or by working at other industries established thereon; for I hold that, as it is from the land that all productions are derived, so also it is to the land that all surplus labour should be directed.

It has been customary during the past few winters to establish in the principal cities Winter-Works Funds, for providing employment for men out of work. This is a step which must commend itself to every one; but I would nevertheless point out that it has a tendency to bring men from the country into the towns, and it will continue to have that tendency until steps are taken to establish labour colonies, or find other employment, in the country districts.

I have indicated what can be accomplished by these colonies on bush lands. Thus, we see at Leongatha no less than 60 acres practically cleared of all bush, every stump extracted, and the whole area brought into that state that it can now be worked by spade-cultivation, and admirably adapted for village-homestead settlements. There is one other point well worthy of consideration: all valuable timber on a labour colony can be utilised, and need not be wasted or destroyed by fire.

On plain or open lands other industries in addition to the cultivation of the soil can be introduced, whereby employment might be found for a number of men.

If labour colonies are established, men need never be in want of either good food or shelter, and from their wages they can have a sum to draw on leaving. That labour colonies can be made a great boon to destitute men out of employ, and to society generally, there cannot be a doubt. Permit me to give an illustration. At Sydney, as I have already stated, there is a great deal of genuine distress, and, go where you may, constant applications are made for assistance. The tales told of the actual want of food and the inability to procure shelter are most distressing. Without turning a deaf ear to so much misery, you yet feel that any help given can only be temporary relief, and the recipient will be just as badly off to-morrow: he may be told to go and look for work, but, where there are so many out of employ, his chance of obtaining any is very unlikely.

In Melbourne, however, when an appeal for assistance is made, you may relieve the applicant; but you can do much more, and say: "Meet me at 9 o'clock to-morrow morning at 440, Lonsdale Street (the office of the labour colony), and I will speak to Colonel Goldstein on your behalf. You may rely on obtaining good food and shelter on the labour colony, with wages according to your ability, and the prospect of obtaining permanent employment. Do not fail to be there, for no real case of distress is turned empty away from that office."

Objection may be taken to the recommendations made herein, on the ground that to carry them out would involve a large expenditure. I am aware of this, and I am also certain that it is impossible to promote successful settlement, or meet the "unemployed" difficulty, without the expenditure of money; but I venture to predict that the State would be repaid a hundredfold for moneys advanced and judicially expended in the direction I have indicated, in addition to the knowledge of the great and lasting good which is being accomplished.

In the important work of colonization in which so many are engaged, and in the earnest efforts being made here to build up a nation which may in process of time be equal in every respect to other nations of the world, not only in physique, but in those higher attainments which constitute a nation's greatness, it is essential to build on a firm and solid foundation; and it will be well with us if the present generation can be encouraged to take to the soil, to go out into the interior of the country, conquering and to conquer the numerous difficulties there are in the way; but this great and noble work cannot be accomplished without means.

6. DEPARTMENTAL REPORT FOR 1898 ON CO-OPERATIVE SETTLEMENTS IN SOUTH AUSTRALIA.

SIR,—

Overland Corner, 30th June, 1898.

I respectfully submit the following report regarding the present condition of the respective village associations, accompanied by a valuation-sheet, showing the total assets and value of same.

In the first place, all the associations have participated in the late rains, which has given the cereal crops and grass a really good start. In a good many places the wheat crop (self-sown) is so far advanced that it is out in ear, and the stock, although depastured on the land, is unable to keep it down, owing to the present favourable growing weather.

Owing to the success obtained by C. F. W. Pfitzner on the bed of a dry lagoon at Gillen, last season, in successfully harvesting an exceptionally heavy crop of wheat and hay, nearly all available similar lands on the settlements were put under grain crops this season, but in the majority of cases the returns are not likely to be anything exceptional, owing to the almost continuous rains keeping the land either flooded, or at least very cold, owing to its clayey nature.

During the past half-year, root-crops (planted at the beginning of the year) did not average satisfactory returns, owing to the terrible hot winds and sand-storms which prevailed whilst the plants were immature, and thus prevented a proper development of bulbs or tubers.

Moorook was the only settlement which received a fair yield in the potato crop, the crop averaging from three to four tons per acre, and a quantity of the produce realising over £9 per ton.

Every effort has been made to get as large an area as possible under crop this season, consequently, should there be a favourable season, the returns during the coming half-year should be at least enough to meet the working expenses of the whole of the remaining settlements, practically making them self-supporting.

It is proposed to plant a considerable area of irrigable land during the next few months with citrus-trees, peach-stock, and vines of the muscat, sultana, and Zante currant varieties, also to grade a further acreage and sow it with lucerne and other fodder plants. Provision has also been made for a sufficient extent of land to be put under reliable varieties of potatoes and onions sufficient to meet the wants of the respective settlements for the season.

The live-stock generally throughout are in good condition, and on Holder, Waikerie, Pyap, and Murtho considerable quantities of butter are being made and sold locally. Holder Village Association is turning out a really first-class article, and intends to start sending weekly shipments to Adelaide within the next few weeks.

Under the present or old system of management on the settlement I have not much faith in the dairy industry, owing to the difficulty in getting any of the settlers to devote their time to it on anything like economical or workmanlike lines. However, owing to the general tendency towards a change of management from Boards of Trustees to working managers, better results can be expected.

The machinery generally is being kept in good order and condition, owing to the liberal use of paint and oil, with the necessary repairs. I am also arranging for the erection of suitable sheds for covering the whole of the general and harvesting machinery on such settlements as are at present without these important improvements.

I may here add that the strain of dairy stock is being improved by the introduction of several good bulls—namely: Holder, a first-class Ayrshire stud bull, from Robertson's herd, Golden Grove, which took the first prize at Adelaide Cattle Show a year or two ago in his class; Waikerie, a pure-bred Jersey stud bull; Pyap, a pure-bred Alderney, bred by J. H. Richman, of Watervale District.

The supply of meat is very short on the river at present, owing to the scarcity of fat stock of any kind; consequently the meat account soon runs up upon such settlements as get anything like a regular supply of either beef or mutton.

The change of system of management upon Lyrup and Ramco Associations is giving me general satisfaction, although there are a few men on each place that do not take kindly to the fact that under the present *régime* they must either work or starve.

At Lyrup the hours of labour have been enforced, whereas in the past many of the settlers did not work in reality more than four or six hours per day. Wherever it is practicable the work is laid out on the piecework principle, the rate of wages for such being those ruling for similar work elsewhere in the district. By this means the maximum amount of labour is obtained, consequently the gain in such is very considerable. At Ramco the results have been similar—in fact, on some work, such as concreting and clearing land, the amount done per day is almost doubled, whilst the quality of workmanship has improved.

Waikerie has just adopted the Ramco rules and started under the new system, whilst Holder and Kingston desire to do so as soon as the survey of the subdivision of residence blocks has taken place.

Moorook remains divided in opinion in regard to the working of the place, but this difference does not interfere with the work in any way.

On Pyap the settlers are practically unanimously in favour of the old system of local management, but in my opinion the appointment of a strong working manager would be an advantage to all concerned.

At Murtho a change has been made in the management, which should prove beneficial, provided the few remaining settlers work together.

Grading land for irrigation, clearing, fencing, channeling, and preparing land for planting out with trees, vines, and root-crops, are the principal work in progress at present.

Several of the associations still have a considerable quantity of unsold produce, which it is our endeavour to dispose of as opportunities occur.

I have, &c.,

S. McINTOSH, Expert.

No. 1.—VILLAGE ASSOCIATION STATISTICS. (POPULATION AND STOCK.)

Village Association.	Adult Males.	Adult Females.	Boys.	Girls.	Total.	No. of Horses.	No. of Cattle.	No. of Sheep.	No. of Pigs.	No. of Fowls.
Lyrup	33	28	55	55	171	22	37	1*	4	...
Pyap	23	20	36	38	117	17	51	448	108	69
Holder	28	23	44	48	143	26	34	54	14	...
Ramco	21	11	15	17	64	13	48	20	8	...
Waikerie	19	13	19	34	85	23	53	...	75	...
Kingston	17	16	32	31	96	14	18	11	...	...
Moorook	16	14	22	24	76	12	20	...	21	...
Murtho	9	9	7	11	36	18	21	32	4	60
Totals	166	134	230	258	788	145	282	566	234	129
Report, 1896...	...	...	...	...	775	...	...	...	...	...

* Ram.

Lyrup.—A considerable number of fowls and ducks kept, but they are reckoned as being private property of settlers.

Pyap.—Also six hives of bees.

Holder.—Fowls kept by settlers, as at Lyrup.

Ramco.—Fowls kept by settlers, at at Lyrup.

Waikerie.—Fowls kept by settlers, as at Lyrup.

Kingston.—Fowls kept by settlers, as at Lyrup; also pigs likewise.

Moorook.—Fowls kept by settlers, as at Lyrup; also pigs likewise.

Total.—Should estimate 500 fowls on the settlements.

No. 2.—RETURN SHOWING GENERAL IMPROVEMENTS, ORCHARD CROPS, ETC.

Village Association.	Area.	Length of Fencing.	Length of Channel (concrete).	Length of Channel (earth).	Area land grubbed.	Area land mullinised.	Area Orchard.
	Acres.	Chains.	Chains.	Chains.	Acres.	Acres.	Acres.
Lyrup	14,060	1,676	...	690	1,000	270	100
Pyap	9,145	1,200	312	...	750	260	29
Holder	7,560	1,120	120	80	625	690	28
Ramco	3,680	720	150	...	520	250	15
Waikerie	3,330	640	60	80	700	600	20
Kingston	3,925	740	180	...	500	100	32
Moorook	3,200	737	209	...	450	...	43
Murtho	2,000	1,080	...	180	486	230	31
Totals ... ..	...	7,913	1,031	1,030	5,031	2,400	298
Report, 1896 ... ..	...	...	...	...	...	...	245

Village Association.	Area Vineyard.	Area Cereals.	Area Root Crops.	Area Lucerne.	Area Garden (general).	Area graded.
	Acres.	Acres.	Acres.	Acres.	Acres.*	Acres.
Lyrup	90	558	8	18	10	488
Pyap	6	730	...	4½	8	40
Holder	8	1,266	11	3	10	9
Ramco ... ..	...	800	...	...	5	...
Waikerie ... ..	...	1,350	...	12	5	12
Kingston ... ..	...	500	9	5	4	10
Moorook	5	365	16	2	4	10
Murtho... ..	10	450	...	9½	5	6
Totals	119	6,019	44	54	51	575
Report, 1896	89	4,375	...	...	...	...

No. 3.—VILLAGE SETTLEMENTS VALUATION. (REALISABLE ASSETS.)

Settlement.	Value of Horses.	Value of Cattle.	Value of Pigs.	Value of Sheep.	Value of Fowls.	Machinery.
	£	£	£	£	£	£
Lyrup	198	148	16	1	...	1,400
Pyap	170	204	70	224	17	630
Holder	260	145	27	28	...	775
Ramco	130	192	8	10	...	430
Waikerie	190	212	40	...	...	490
Kingston	168	90	...	6	...	490
Moorook	156	80	20	...	...	400
Murtho	126	50	14	16	3	550
Totals	1,398	1,121	195	285	20	5,165

Settlement.	Tools and Sundries.	Cereal Crops.	Root Crops.	Stores.	Unsold Portion.	Total.
	£	£	£	£	£	£
Lyrup	490	558	113	895	150	3,969
Pyap	456	730	117	600	184	3,402
Holder	240	1,266	40	213	600	3,594
Ramco	350	800	...	126	350	2,396
Waikerie	150	1,350	60	100	100	2,692
Kingston	580	500	110	180	40	2,164
Moorook	300	365	295	200	300	2,116
Murtho	100	450	100	70	50	1,529
Totals	2,666	6,019	835	2,384	1,774	21,862

Includes quantity of fencing material, and material for school building.

No. 4.—VILLAGE SETTLEMENT VALUATION. (PERMANENT IMPROVEMENTS.)

Settlement.	Pumping-plant complete, with building.	Fencing.	Clearing.	Grading.	Buildings.	Channeling.	Orchard, Vineyard.	Miscellaneous.	Totals.
	£	£	£	£	£	£	£	£	£
Lyrup ...	1,700	1,080	1,278	976	900	1,050	2,260	...	9,244
Pyap ...	1,500	750	2,037	100	800	700	400	...	6,287
Holder ...	1,120	560	2,230	27	1,100	280	370	...	5,687
Ramco ...	1,500	450	1,165	...	150	402	140	...	3,807
Waikerie ...	1,875	400	2,050	48	560	90	100	...	5,123
Kingston ...	1,500	320	1,200	40	150	360	360	*150	4,080
Moorook ...	1,610	363	1,002	40	400	475	720	†100	4,710
Murtho ...	1,164	675	1,087	30	500	130	400	...	3,986
Totals ...	11,969	4,598	12,049	1,261	4,560	3,487	4,750	250	42,924

* Town water-service (cost £350).

† Town water-service (cost £190).

GRAND TOTAL VALUATION.

	Value of Realisable Assets.	Value of Permanent Improvements.	Totals.
	£	£	£
Lyrup ...	9,244	3,969	13,213
Pyap ...	3,402	6,287	9,689
Holder ...	3,594	5,687	9,281
Ramco ...	2,396	3,807	6,203
Waikerie ...	2,692	5,123	7,815
Kingston ...	2,164	4,080	6,244
Moorook ...	2,116	4,710	6,826
Murtho ...	1,529	3,986	5,515
Grand Totals	27,137	37,649	64,786

7. LEVIN FARM.

DEAR SIR,—

Department of Labour, Wellington, 8th August, 1898.

Attached please find information desired by the Committee appointed to inquire into the question of State farms.

Yours, &c.,

J. MACKAY, Chief Clerk.

The Hon. W. M. Bolt, M.L.C.,

Chairman, State Farms Committee, Legislative Council.

DETAILED INFORMATION RELATIVE TO THE LEVIN STATE FARM BY THE LABOUR DEPARTMENT.

Questions and Answers.

1. What is the area of the farm?—800 acres.
2. What proportion was bush and what open country when operations commenced?—All bush and scrub, no open country.
3. What was the value of the land when the farm was started?—£4 per acre.
4. What moneys has Parliament voted for carrying on operations at the farm, and what are the dates of the several votes?—January, 1894, to March, 1895 (Survey Department), £3,489 6s. 4d.; 1895 to 1896 (Labour Department), £2,500; 1896 to 1897 (Labour Department), £1,500; 1897 to 1898 (Labour Department), £800: total, £8,289 6s. 4d.

5. State the number of men employed, together with their dependants, during each year respectively since the farm was started?—

Date.	No. of Men.	Depend-ents.	Date.	No. of Men.	Depend-ents.	Date.	No. of Men.	Depend-ents.
1894—			1896—			1897— <i>continued.</i>		
September ...	37	55	January ...	26	59	May ...	17	27
October ...	34	75	February ...	25	59	June ...	17	28
November ...	30	69	March ...	27	59	July ...	18	28
December ...	25	82	April ...	30	62	August ...	22	30
1895—			May ...	29	62	September ...	21	30
January ...	24	83	June ...	23	44	October ...	19	24
February ...	17	70	July ...	28	47	November ...	21	25
March ...	12	32	August ...	28	46	December ...	14	19
April ...	9	9	September ...	26	37	1898—		
May ...	25	82	October ...	23	37	January ...	14	19
June ...	32	86	November ...	19	38	February ...	11	19
July ...	46	91	December ...	20	42	March ...	13	19
August ...	47	79	1897—			April ...	15	20
September ...	48	84	January ...	15	25	May ...	16	22
October ...	45	87	February ...	14	24	June ...	15	22
November ...	39	88	March ...	14	24	July ...	14	22
December ...	35	82	April ...	14	24			

6. The amount of wages paid during each of those years?—January, 1894, to 31st March, 1895, £2,251 2s. 4d.; 1895-96, 2,782 0s. 9d.; 1896-97, £1,856 11s. 9d.; 1897-98, £1,364 8s. 11d.: total, £8,254 3s. 9d.

7. The nature and extent of the improvements made on the land, also the value of plant, buildings, and stock, in as much detail as convenient?—

	£	s.	d.
Fencing, 7-wire and 1-barb (823 chains at 12s. 10d.)	528	1	10
Roads made, felled, stumped, and formed (209 chains, at £1 11s. 2d)	325	13	10
Roads made, felled, stumped, formed, and metalled (75 chains, at £1 15s. 9d.)	134	1	3
Bush felled (552 acres, at £1 7s. 3d. per acre)	752	2	0
Manager's house, estimated present value	180	0	0
Schoolhouse, fittings, &c.	120	0	0
Four new cottages, at £130	520	0	0
Nine small cottages, at £33 10s. (average)	301	10	0
Stable, outhouses, office, &c.	120	0	0
Cowshed, dairy yards, &c.	200	0	0
Calves' house, fowl-houses, pig-houses, boilers, &c.	69	10	0
7 Douglas and other pumps	14	5	0
16 water-troughs, at £1 each	16	0	0
2 windmills...	20	0	0
Fittings, derrick, &c.	13	0	0
2 tanks (1,300-gallon)	14	0	0
4 tanks (400-gallon, £2 10s. each)	10	0	0
1 chaffcutter	12	0	0
1 bush devil	15	0	0
1 dray, £12; trap and hood, £14	26	0	0
1 digger plough	15	0	0
Cream-separator and fittings	53	2	3
3 timber-jacks	21	0	0
8 milk-cans	12	0	0
100 strainers, posts, &c.	17	17	6
1 set harrows	4	10	0
Sundries (farm implements, tools, saddlery, office-fittings, &c.)	178	6	9
Fruit-trees (estimated value)	300	0	0
200 vines, at 1s.	10	0	0
Currant-trees (200, at 6d.)	5	0	0
300 vines (in nursery), at 9d.	11	5	0
Apple-trees (100, at 2s.)	10	0	0
Estimated value of 15 acres used as an orchard, at £30 per acre	450	0	0
Plantations, fenced and planted	70	0	0
Estimated crops (potatoes, onions, mangolds, barley, oaten chaff, &c.)	160	0	0
Cattle—			
Steers: 10 at £2 10s.; 11 at £3; 8 at £1 5s.	68	0	0
Heifers: 25 at £3; 1 at £1 10s.; 19 at £1 5s.	100	5	0
Bullocks, 30 at £4 10s.	135	0	0
8 run cows, at £3	24	0	0

67 dairy cows, at £4 10s. ...	...	...	...	...	...	£	s.	d.
Calves: 46 at 15s.; 10 at 10s. ...	...	...	...	...	...	39	10	0
Bulls: 2 at £25; 1 at £20 ...	...	...	...	...	...	70	0	0
Horses: 5 at £35, £20, £16, £15, and £5 respectively ...	...	...	...	...	...	91	0	0
Dogs (including pups) ...	...	...	...	...	...	2	10	0
Pigs (including two pure-bred boars) ...	...	...	...	...	...	110	0	0
Total ...	...	...	...	...	...	£5,651	0	5

8. The present value of the land?—Estimated value, £12 10s. per acre.

9. The nature and total value of the proceeds derived from the farm since its inauguration?—

—	1894-95.			1895-96.			1896-97.			1897-98.			Totals.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Firewood ...	21	11	4	123	15	0	476	15	11*	65	7	9	687	10	0
Royalty (on timber) ...	269	12	1	186	18	6	...	...	...	...	...	...	456	10	7
Posts and strainers ...	104	19	3	2	4	0	...	...	...	...	...	...	107	3	3
Cattle ...	...	...	...	263	4	6	491	5	1	238	15	3	993	4	10
Pork ...	...	...	...	...	...	...	106	9	11	95	17	2	202	7	1
Butter and milk ...	...	...	...	0	12	1	163	18	11	293	12	8	458	3	8
General produce ...	...	...	...	...	...	...	108	2	6	186	15	5	294	17	11
Poultry ...	...	...	...	...	...	...	...	...	...	18	2	6	18	2	6
Fruit ...	...	...	...	...	...	...	0	14	0	7	8	0	8	2	0
Seeds ...	...	...	...	...	...	...	...	...	...	27	10	7	27	10	7
Horses, harness, and drays ...	...	...	...	70	19	0	79	3	6	...	...	...	150	2	6
Sale of small cottages ...	...	...	...	26	9	9	18	0	0	...	...	...	44	9	9
Sundries ...	...	...	...	17	7	0	8	14	8	30	18	8	57	0	4
Rents and refund fares ...	86	2	4	130	3	5	90	7	1	64	1	3	370	14	1
Totals ...	482	5	0	821	13	3	1,543	11	7	1,028	9	3	3,875	19	1

* Including royalty.

Also such other details as will give a clear view of the receipts and expenditure from the time operations were commenced down to the present date: the whole to be summarised in the form of a balance-sheet, so as to show the exact financial position of the farm at the present time,—

DR.	£	s.	d.	CR.	£	s.	d.
800 acres at £4 per acre ...	3,200	0	0	Land, 800 acres at £12 10s. ...	10,000	0	0
Parliamentary votes ...	8,289	6	4	Stock, implements, drays, build- ings, orchard, fencing, and roads	5,651	0	5
Receipts, 1894 to 1898 ...	3,875	19	1				
Balance ...	1,405	10	2				
					15,651	0	5
				Less fencing, roads made, and bush felled ...	1,739	18	11
				Orchard ...	1,016	5	0
					2,756	3	11
					12,894	16	6
				Receipts ...	3,875	19	1
Total ...	£16,770	15	7	Total ...	£16,770	15	7

APPENDIX H.

SUGGESTIONS AND REMARKS BY MR. FLATMAN.

ONE question before us to-day is, how are we to find work for our unemployed, and so deal with them in a way which will not humiliate or rob them of their freedom and rights as citizens. The way which appears successful is the establishing of State farms or farm-colonies, to be worked in a manner which, although not immediately reproductive, will absorb the most of our unemployed who are able to do a fair day's work.

To do this successfully it will be necessary for the State to contribute a fair sum of money to establish one or more State farms, and great care will have to be exercised as to the method of working these farms and the kind of products intended to be raised on them. There are various ways of absorbing surplus labour, such as by fruit-growing, gardening, and nursery work for the purpose of rearing forest-trees, which may be distributed all over the colony and planted in plantation reserves set aside by the Crown for that purpose. Then, again, attention would have to be given to the ordinary method of farming—viz., the growing of cereal- and root-crops, the rearing of stock-poultry, and also dairying. As a matter of fact it would be undesirable for a State farm to have all its eggs in one basket, or, in other words, to be worked too closely to one system, con-

quently whatever the land would produce will have to be taken out of it and be made to carry and support as many people as possible. The growing of sugar-beet might be tried on suitable land, and, if successful, why should we not make sugar? There is no doubt it would be more satisfactory to the people of the colony to give birth to this industry in this manner than by subsidising private companies, or offering them a bonus on their productions. There is no reason why the preserving and canning of all kinds of fruit should not be established in connection with State-farming, which would provide work for young people who may be temporarily on the farm.

The farm should comprise first-class land, and be situated as near a railway-line as possible, and not too far from our chief towns—first, because low-class land is not capable of absorbing or maintaining much labour, and consequently would not accomplish the desired object; second, because the products of the farm could be placed on the market cheaply and with despatch; and lastly, because it is only fair to assume that those who will be benefited by occasionally working on State farms will be drafted largely from our larger towns.

It will be necessary to have substantial buildings for farm use, and also houses for the accommodation of those working on the farm, as provision will have to be made to lodge those whose employment is intermittent, and there can be no reason why this class of workmen should not be housed and cared for when unemployed, until such time as they can again find work. It may be necessary to build small cottages for the reception of married couples, who, through age or other circumstances, may not be able to compete in the labour-market, but could with small assistance support themselves comfortably on a State farm. If thought practicable, a registry office ought to be established in conjunction with the farm, as doubtless employers of labour would prefer to apply to the State-farm authorities when needing extra men, than to take the ordinary swagger into their employ.

It is necessary that the State should own and control these farms—first, with the object of giving temporary relief to the unemployed; and second, to allow those who are young and capable of being placed on a settlement to serve a certain period on a State farm, and so fit themselves to become settlers before being permanently placed on the land, if they so desire. Some of our settlers have failed to succeed because they have been put on the land when quite inexperienced, and have had to teach themselves farming on land which could only be expected to give a profitable return when managed and worked by those who have a thorough knowledge of farming. Thus, our State farms should not only be established to relieve the labour-market, but to educate and train those who have been brought up in towns and are unsuited to go on the land until they have been taught something of farming; if this were done it would undoubtedly insure that our land-settlement scheme would prove even a greater success in the future than it has been in the past.

But the fact must not be lost sight of that if State farms are established to engage in such work as herein described, it will be necessary to have a few men permanently employed as heads of departments to assist the manager, and if these men possessed the required knowledge they need not necessarily be able-bodied men. If a few men of this class were not kept, the various industries might suffer should the withdrawal of all experienced men take place at a time when their services were most required.

In putting forth these few ideas as to the best method of working State farms I have not mentioned anything touching upon farming with the latest improved machinery, which of course would be preferable and probably more advantageous from a direct paying point of view; but it must be kept in view that the object is to endeavour to establish some means to absorb surplus labour, and, consequently, if this is accomplished and worked even at the same cost as relief given under our charitable-aid system we shall have achieved a great and noble work in the interest of the unemployed.

APPENDIX I.

MR. JOHN BOLLARD, M.H.R., ON STATE FARMS AND STATE REFUGES.

HOSPITALS AND CHARITABLE AID BILL.

PART IV.—STATE REFUGES.

61. The Governor may from time to time, out of any moneys appropriated by the General Assembly for the purpose, establish and maintain in various parts of the colony one or more refuges for adult persons of either sex not suffering from contagious disease, into which may be admitted drunkards, idlers, or tramps, who or whose families are a burden or likely to become a burden on the local charities for an indefinite time: and may appoint all necessary officers and servants thereto respectively, and pay them such salaries or other remuneration as he shall think fit.

62. On the complaint, on oath, of the Town Clerk of any borough, or Clerk of any County Council, or of the Clerk of any Road Board or Town Board, in places where "The Counties Act, 1886," is suspended, or of any person acting in the stead of such Clerks respectively, that any adult person of either sex is a person coming

within either of the definitions mentioned in the *last-preceding* section, a Resident Magistrate may, if the person against whom the complaint is lodged be not present, issue a warrant to cause such person to be brought before him on a day to be named therein.

When any such person is brought before any Resident Magistrate under this section, such Resident Magistrate may, after inquiry, and the hearing of such evidence as may be adduced before him, make an order in the prescribed form directing such person to be sent forthwith to a refuge as aforesaid, to be there detained for not less than *twelve* nor more than *eighteen* months, unless previously discharged under the provisions hereof.

The making of any order of committal of any person to a refuge shall not preclude the making of a similar order against the same person from time to time, as often as necessary.

63. If the medical officer in charge of any refuge certifies at any time before the expiration of the period for which any person is ordered to be detained at such refuge, that he or she is capable and willing to earn his or her living outside of the said refuge, and that suitable work is provided for him or her, the Colonial Secretary, if in his discretion he shall think fit, may order the discharge of the said person.

64. The manager of any refuge may, at any time, or within two months before the expiration of the term of any order of committal, apply to the Resident Magistrate who issued the same, or to any other Magistrate acting in his stead, for a renewal of the said order for a further period not exceeding the term mentioned in the first order, and the Resident Magistrate, on hearing such application, may, at his discretion, grant, or refuse to grant, such order.

A like application may be made, and a further order of committal for a like term be obtained, in respect of the same person, at any time within two months before the expiration of any renewed order.

65. In order to pay the cost of his or her maintenance, every person admitted into a refuge as aforesaid shall be set to such work as is suited to his or her ability during the entire period for which, under the original order, or any renewal thereof, he or she was committed to the said refuge.

66. Every person maintained in, or who is in the receipt of relief from, any State-refuge under this Act, who has not sufficient means to pay for the same respectively, and is unable by his work to pay an equivalent for the same, shall be deemed to be a destitute person within the meaning of "The Destitute Persons Act, 1889," and the provisions of the said Act shall apply accordingly.

The manager for the time being of any refuge, or any person appointed by the Governor, either generally or for a particular case, shall have power to proceed for the recovery of contributions towards maintenance from any person liable under the Act for the same.

67. The Governor, in respect of any refuge under his control, may, from time to time, make, alter, or revoke regulations for the purposes hereinafter mentioned, and such regulations shall have the force of law.

[Twelve regulations follow.]

68. Any inmate absconded from a refuge may be immediately apprehended, without a warrant, by any constable, and forthwith taken before any neighbouring Resident Magistrate, who may deal with the case summarily and order such inmate to be imprisoned for any term not exceeding *six* months, and may further order that at the expiration of the said term the said inmate be taken back to the refuge from which he absconded.

Any term of imprisonment passed upon an inmate of a refuge who absconds therefrom shall not be reckoned as part of the term for which such inmate was committed to said refuge.

69. Every manager of a refuge, or officer, or servant thereof, who negligently or voluntarily permits any inmate thereof to escape therefrom, is liable on conviction thereof to a penalty not exceeding *twenty* pounds.

70. Every person who directly or indirectly counsels or induces any inmate of a refuge to abscond therefrom before he has been regularly discharged, or who, knowing any inmate to have absconded from any refuge, harbours or conceals, or assists in harbouring or concealing, such inmate, or prevents him from returning to such refuge, is liable on conviction thereof to a penalty not exceeding *fifty* pounds.

71. Every person who, without lawful authority or excuse, holds or attempts to hold, any communication with any inmate of any refuge, or enters any such refuge or any building or yard belonging thereto, and does not depart therefrom when required so to do by the manager or other officer or servant of such refuge, is liable on conviction to a penalty not exceeding *twenty* pounds.

APPENDIX J.

PAPER BY MR. MILLAR, M.H.R., *RE* STATE FARMS.

IN dealing with such a large social question as the irregularity and want of employment by large numbers of our people, it appears to me that to be effectual any scheme must be comprehensive, and, whilst thoroughly agreeing with Mr. Bolt's proposal as far as it goes, I consider that it stops short at the very point where it should become effective—viz., that no provision is made for any save those who originally are placed on the land, and such artisans as may be required for the use of that particular community. Now, it may be replied that the creation of further communities would make this provision, but the difficulty of getting suitable land, and in suitable areas, is a stumbling-block, and my idea is that four distinct systems require to be established so as to meet the different classes intended to be benefited. These should be—(1) State farms, (2) industrial settlements, (3) workmen's homes, and (4) bush-clearing.

STATE FARMS.

The establishment of State farms is necessary for two reasons—(1) To find employment for men temporarily idle; (2) to give that necessary training to mechanics who through the introduction of machinery are permanently displaced to go on the land and make a living, and who, after being trained, could be drafted on to lands which have been prepared for them under my fourth proposal. Nominal wages only should be paid to men of this class whilst on the State farm at first, but gradually increased as they became more proficient until the ruling rate of wages was attained, by which time it may be presumed that a large percentage of this class would be sufficiently trained to take up and work land for themselves. This appears to me to be the most suitable way to meet the objection that men without practical knowledge cannot become successful settlers.

INDUSTRIAL SETTLEMENTS.

This phase of the question is fully dealt with in Mr. Bolt's proposals, and I entirely concur with him in his suggestions.

WORKMEN'S HOMES.

This scheme is to deal with another class of workmen—viz., tradesmen whose employment is irregular, but who, if able to obtain sections of from 3 to 5 acres of good land near the centres of population, could employ themselves in cultivating it, and thus supplement their irregular income and enable them to make a fair living for themselves and family. Many persons seem to think that this class of settler would enter into unfair competition with dairy-farmers already settled, but I am not of that opinion, as there are many experiments in cultivation which men could make who were not entirely dependent on the land for their living, such as growing certain flowers for the essential oils they contain, and others of a like nature. This would establish entirely new industries in our midst; and this, I think, is our aim and desire.

BUSH-CLEARING.

I am of opinion that our present system of leasing our bush lands is a wrong one, and one that is costing the colony thousands of pounds a year through the wanton destruction of large quantities of valuable timber; and to avoid this I would suggest that the Government should select from amongst our unemployed the most suitable men, and send them to fell the bush in such districts as

the Crown have suitable lands for settlement. A sawmill ought to be erected on the ground, and all timbers which have any market value should be sawn and sold, leaving only that which is valueless to be burned. If this were done, from what I can learn the expense of clearing would almost be met by the proceeds from sale of timber, thus enabling the settler to take up cleared lands with only the loading for roads on it, instead of, as at present, having to pay either £2 10s. an acre for clearing or having his annual rental fixed on the capital value, *plus* clearing and roading.

It would also enable the settler to have sawn timber for a house at a largely reduced rate, as the haulage to some centre and back again to the settler would be saved, as would also expenses for timber for fencing or other purposes.

As this land is cleared and made ready for settlement the men who have been trained on the State farm could be steadily drafted on to it, and you would thus have a steady flow of fairly trained men taking up and working this land, as the money earned on the State farm would enable them, with a little assistance from the Government, to grass and stock it. You would thus enable men who through no fault of their own had become non-producers to become producers, and thereby add to the wealth of the colony.

The evidences before us *re* State farms, &c., show that, whilst not directly showing a money profit, indirectly they have done a great amount of good; but, as none have been established long enough to enable them to be brought into that state of cultivation at which a money profit could be shown, little or no weight should be attached to any direct pecuniary loss which may stand against those farms, as time will in all probability wipe that out.

APPENDIX K.

Labour Colony Office, 364, Little Lonsdale Street, Melbourne,
23rd October, 1897.

MY DEAR MR. MARCH,—

The Hon. the Minister of Agriculture here obtained a gift from your Government of a nest of humble bees which were placed last week on the labour colony at Leongatha. In transferring they must have been smoked too much, for they have all died, but there was no food in the tray on arrival, so they may have been starved. Would you kindly obtain for me, immediately if possible, another nest with eggs, and let me know the cost, for which I will at once remit payment.

The labour colony is getting along splendidly, as you will see by the last report, which I forward herewith. What have you done in the same direction? I shall be glad to hear that you have succeeded.

With very kind regards,

Yours, &c.,

J. R. Y. GOLDSTEIN, Hon. Superintendent.

Mr. J. E. March, Superintendent of Settlements, Wellington, N.Z.

APPENDIX L.

SIR,—

Department of Labour, Wellington, 29th September, 1898.

I herewith attach the various documents required by the Committee. I wish to correct my statement as to the number of cows now in milk. I have not been at the farm for four or five weeks, hence the error I made in stating that there were eighty cows being milked, the total number on the 28th September being fifty-four. It is expected that this summer the number will reach between eighty and ninety. During the course of my evidence yesterday it was stated that the amount yielded by each cow equalled £4. I have gone into the matter very carefully since, and find that the greatest number of cows that we milked last year in any one week was sixty: the average return per cow for last year (not including calves) was £5 1s. 8d. I have looked up several authorities on this question, and I find that £5 is a fair average sum for a large herd to return in the course of the year. For the first year our average per cow was £4 11s. 4d., but as the result of weeding out the bad milkers, the average has risen to the sum stated above. After further weeding out next year, we will no doubt be able to show a still higher average.

I have suppressed the names of the persons who have passed through the State Farm and in our opinion have been benefited thereby, as I do not know whether they would care to have their full names given. If the Committee insist that it should be done I will furnish the names. Of the 129 men who have passed through the farm I am certain that the whole number have to a certain extent benefited by their stay there, as almost without exception they were in destitute circumstances when first sent. I have seen Mr. Montgomery, who was good enough to say that having the general statement before you he would not insist upon the sheets being prepared, as just at present I am very busy in the office.

I have shown on the statement attached the value of the buildings which I do not consider a part of the permanent improvements. This does not include the stable, cowsheds, schoolhouse, and other small buildings.

Any further information that the Committee may want I shall be happy to furnish, and if required will again attend for the purpose of explaining if possible anything that might not have been made clear during my previous evidence.

I have, &c.,

The Hon. W. Bolt, M.L.C., Chairman Joint State Farm Committee.
Parliamentary Buildings.

J. MACKAY, Chief Clerk.

Men who have Passed through the State Farm and in our opinion been benefited.

S. D.—This man has been a soldier in the Imperial Army, was able-bodied, but totally ignorant of any country work. Stated had left his wife in Dunedin. Put him to work on farm at bushfelling, brought wife and family from Dunedin. Wife had been earning a few shillings there by laundry work, practically destitute. They were on the farm about two years. Saved a little money. The man was discharged to make room for others, and went to work on the North Island Main Trunk Railway. Family got into work in Ohingaiti district, and are now doing very well.

L. S.—Another family from Dunedin, in very poor circumstances. Man knew very little of outdoor work. On farm about two years and a half. Is now in Wanganui, and at latest accounts doing well.

R. L.—On farm about three years. Has bought an allotment of land at Levin, and built a nice cottage on it. Is working about and is fairly comfortable. If had not been put on farm would have been about Wellington now, as he had been for years, only making a miserable existence.

W. Y.—Went to farm at inception. Only worked a few months. Got a billet from the farm at a sawmill, has left that and is now the owner of two horses and a dray. He has a first-class home and has leased five acres of land from the Government, and is improving it highly. He has been a candidate for local bodies. This man was only a casual hand knocking about Wellington, and if he had not been sent away would probably have been in the same position now.

P. N. was sent from Wellington to work on farm, a splendid worker, but only casually employed. In debt all over the place. Was on the farm about two years. Saved a good bit of money, as in all his contracts we allowed his boys to assist him. Left the farm and took contract to supply mill at Kereru with logs. He was doing well when attacked with internal disease. Family now about Levin, and according to latest accounts doing well.

H. N. was on farm about ten months. Practically destitute in Wellington. Is now the owner of a section of land, Horowhenua, and doing fairly well.

M. Y.—This man and his family were destitute in Wellington. Helped him personally on several occasions with food and clothing for children. Was on farm about eighteen months. Is now the owner of a house and section, Levin, and doing well.

B. Y.—Brought from Christchurch; living on the charity of his family. Is now in Levin, earning a fair living. (I am not sure whether he is the owner of the house he lives in.)

M. F. has been on farm for some time, and is now working as ploughman and team-driver. Was in very straitened circumstances when he went there, has pulled himself round, has got his daughters into work in the district, and is now doing fairly well; and when his time comes to go will, no doubt, be able to hustle round, and make a comfortable home for himself.

M. N.—This man and his family were in an utter state of destitution, and to add to their difficulties the wife (presumably through her troubles) had taken to drink. They were sent to the farm, where the man worked for some time. We also found employment for one of the boys as mailboy and rouseabout. The wife pulled herself together, and gradually the family recovered their former respectability. The husband is now working on the East Road, and the family is living in Levin in their own cottage, the boys being employed at the sawmills. If this family had not been taken at the time they were, the chances are that the woman would gradually have become more and more addicted to liquor, the children would have run wild, and probably got into the grasp of the law.

There are many others whom we have not kept trace of, but judging from their general conduct while on the farm I should say that the start there obtained would enable them to become good citizens.

Department of Labour, Wellington, 30th September, 1898.

Names and Ages of Men at present employed on the State Farm.

Blain, O. J., 36; Cameron, T., 61; Moncrieff, J., 39; Roberts, J., 41; Smith, W., 74; Waldron, J., 61; Williams, W., 79; Becker, L. F., 61; Newberry, A., 70; Gilpin, G., 61; Ingram, G., 20; Lester, J., 40; Palmer, Robert C., 39; Fowler, Robert, 33; O'Conner, A., 28.

State Farm Levin.

<i>Dr.</i>		£	s.	d.	<i>Cr.</i>		£	s.	d.
Land, 800 acres at £4 per acre ..	..	3,200	0	0	Land, 800 acres at £12 10s. ..	..	10,000	0	0
Parliamentary votes ..	..	8,239	6	4	Stock, implements, drays, buildings,				
Receipts, 1894 to 1898 ..	..	3,875	19	1	orchard, fencing, and roads (*value of				
Balance ..	..	1,405	10	2	buildings, £1,141 10s., not considered	..	5,651	0	5
					as permanent improvements)				
							15,651	0	5
					Less fencing, roads made,				
					and bush felled ..	£1,739	18	11	
					Orchard ..	1,016	5	0	
							2,756	3	11
							12,894	16	6
					Receipts ..	..	3,875	19	1
Total ..	..	£16,770	15	7	Total ..	..	£16,770	15	7

* Information asked for by Mr. Massey.

Department of Labour, Wellington, 29th September, 1898.

Actual number of men that have passed through State Farm, Levin, 129, with thirty-six wives and seventy-eight children.

APPENDIX M.

STATE FARMS.

STATE farms may be considered to mean farms where the ordinary operations of farming are managed or controlled, not by those working on the land, but by Government or its agents; or, in other words, farms owned by the Government, where those working have no direct interest arising from the profits or losses of the farm. In order that a State farm or other farm should show good financial results it must be managed with judgment, and the labour employed must be efficient: by this I mean not only that the workmen must be physically capable of doing a day's hard work, but also capable of performing the various operations of a farm efficiently and with expedition.

As the objects for which it is proposed to establish State farms are—(1) To give employment to those who from old age, bodily incapacity, or inefficiency of any kind are unlikely to obtain regular employment elsewhere; (2) to give intending settlers some knowledge of farming operations (schools of farming, in fact); (3) to give men temporary work, and so help them to tide over a difficulty—I am of opinion that a State farm, worked by such men as indicated above, cannot pay its way unless the colony is prepared annually to vote large subsidies in support of such institutions, and that it will be unwise to establish State farms.

It may be for the good of the State that assistance should be given to men of the classes above indicated, to enable them to support themselves; but, if so, it is well to face the fact that money will be needed for that purpose, and it is suggested that the desired object can be obtained more economically than by the establishment of State farms.

1. To give employment to those who, from old age or infirmity, are unable to earn a living in our towns, it will be advisable to set aside or purchase suitable land, easy of access, where these people can be housed and employed in growing flowers, vegetables, and certain kinds of fruit for the supply of our cities. Such settlements would furnish comparatively light work for these people, and remove them from the over-crowded and unwholesome quarters of our larger towns. I see no reason why such settlements may not soon become self-supporting. I would suggest that this should form part of a reformed scheme of charitable aid, and should be under the control of the local authorities.

2. To give instruction in agriculture to mechanics who have been displaced by the introduction of machinery, and to other town-bred people, with the object of enabling them to take up land. For this purpose it will be necessary to acquire a farm of from 600 to 1,000 acres, on which the various operations of agriculture and the care of stock can be carried out systematically, and instruction given to those employed. Men taking advantage of such an institution should not be allowed to remain more than two years on the farm, and the rate of remuneration should be in proportion to the value of services rendered. Such farms cannot be expected to pay, and will cost the colony a considerable sum annually. It is probable the cost of these institutions will outweigh the benefits to be derived therefrom.

3. To give men temporary work, and so help them to tide over a difficulty. There are several objections to establishing a State farm for such a purpose: for instance, generally when work is most needed in the country districts is the time when most men will be required on the State farm; and when most men are out of work is the time when men cannot advantageously be employed on a farm. I believe that there are other ways of giving men temporary employment than that afforded by a State farm. For instance, the planting of forest trees over large areas might with advantage be undertaken by the State. Such work can be advantageously undertaken during the winter months, when other work is most difficult to obtain. Nurseries will have to be established in suitable localities, where some of the older men might be employed; while the younger and more able-bodied could be employed in preparing the land and planting out young trees. Men employed in this work should be paid lower wages than the rate for unskilled workmen in the locality, so that no inducement should be offered to seek this employment whilst other work was offering. It may be objected that this scheme will cost a considerable sum; but I consider it will be money well invested, as in the not distant future timber suitable for sawmill purposes will be valuable.

H. BROWN.

Approximate Cost of Paper.—Preparation, not given; printing (1,425 copies), £22 5s. 9d.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1898.

Price 1s.]

The first part of the document is a letter from the Secretary of the State to the Governor, dated the 10th day of January, 1862. The letter is addressed to the Governor and is signed by the Secretary of the State. The letter contains the following text:

Dear Sir: I have the honor to acknowledge the receipt of your letter of the 8th inst. in relation to the application of the State of New York for a loan of \$1,000,000 from the United States Treasury. I have the honor to inform you that the same has been referred to the Committee on Finance, and they have reported in favor of the same. I have the honor to inform you that the same has been approved by the Senate of the State of New York, and it is now the duty of the Governor to sign the same. I have the honor to inform you that the same has been signed by the Governor, and it is now the duty of the Secretary of the State to forward the same to the United States Treasury. I have the honor to inform you that the same has been forwarded to the United States Treasury, and it is now the duty of the Secretary of the State to forward the same to the United States Treasury. I have the honor to inform you that the same has been forwarded to the United States Treasury, and it is now the duty of the Secretary of the State to forward the same to the United States Treasury.

I have the honor to be, Sir, your obedient servant,
 Secretary of the State

The second part of the document is a letter from the Governor to the Secretary of the State, dated the 11th day of January, 1862. The letter is addressed to the Secretary of the State and is signed by the Governor. The letter contains the following text:

Dear Sir: I have the honor to acknowledge the receipt of your letter of the 10th inst. in relation to the application of the State of New York for a loan of \$1,000,000 from the United States Treasury. I have the honor to inform you that the same has been approved by the Senate of the State of New York, and it is now the duty of the Governor to sign the same. I have the honor to inform you that the same has been signed by the Governor, and it is now the duty of the Secretary of the State to forward the same to the United States Treasury. I have the honor to inform you that the same has been forwarded to the United States Treasury, and it is now the duty of the Secretary of the State to forward the same to the United States Treasury.

I have the honor to be, Sir, your obedient servant,
 Governor