Residence is supposed to commence at once, but, for various reasons, selectors get out of it for some time. It is true that the Land Boards should see that the residence conditions are carried out; but it is not always done, and should be enforced.

Land Boards should have full power to reject any applications which they think, or can obtain evidence to show, are only taken up on speculation. In all settlements in this district I find that there are a few favourite sections for which we have a number of applications from local people to the possible exclusion of the *bonâ fide* settler. We have applications for these favourite sections from bank-managers, land agents, clerks, &c., and their wives, which, it is certain, are only put in for speculative purposes, and they swamp out the *bonâ fide* applications. The power of Land Boards should be extended so that they could throw out these speculative applications.

Other considerations in the way of reform might be in amending the 3rd clause of the declaration—viz., "That I am acquiring such lease solely for my own use and benefit, and not directly or indirectly for the use or benefit of any other person or persons whomsoever." The word "benefit" should be taken out, and it should read, "for my own use and for *bonâ fide* occupation." At present people take up land, hold it for a few years, and sell at a good profit, stating that they only took it as a speculation and that their declaration was correct, for if they make a few hundreds on it, it is for their benefit, as stated in the declaration. The word "benefit" is too general, and should not be in the declaration.

Another disadvantage to the *bonâ fide* applicant is what may be called family dummyism. In the Land for Settlements applications amount of capital has to be stated. We find a husband applies and states his capital; he then puts in his wife and family—all on the same capital. Three brothers apply for a section all on the same capital. An instance in Argyll: Three brothers applied for a section, each giving his capital at about £1,500. When asked if they each had £1,500, as stated in their declaration, they said "No," but that they had £1,500 between them. If they are allowed to put these applications in they have three chances as against one from a *bonâ fide* settler with a capital of £1,500. The form should be amended so that applicants should show their individual capital, and this family dummyism should be stopped. People who own too much land to apply themselves put in their daughters, who have no capital, but they put down, say, £1,000. They might put any amount, it not being the daughter's capital, she only being a dummy for her father. An amendment is necessary so that the capital shown on application must be the actual capital of the applicant. A common thing to put on these applications from a married woman is, "Husband will assist." This should not be accepted if she has no capital of her own. She should not be allowed to apply, it not being fair to *bonâ fide* applicants with capital.

I consider that the present system of grouping sections is not to the advantage of the *bonâ fide* selector, and I do not think that it prevents speculation. It is rather more favourable to the speculator, for he does not much care which section he obtains; but the *bonâ fide* settler would rather be certain of obtaining a section he considered within his means, and therefore does not apply, fearing that he may get a section which does not suit him. If grouping is continued, applicants should be allowed to apply in more than one group, up to the maximum area allowed by the Act, otherwise, where you have a number of groups with only a few sections in each and a number of applicants for the group, the chance of obtaining a section on only one application is small. Generally, applicants object to the new system of grouping, the principal cause of dissatisfaction being Regulations Nos. 8 (subclause 4) and 10 (subclause 1). Under these clauses an applicant may have to take any section in a group in which he makes an application, and on account of this numbers who would make good settlers do not apply. It is true that clause 8 gives power to the Board to use its discretion in the matter, and we have done so, or there would have been more general dissatisfaction; but this regulation provides that there shall not be any right to withdraw any application or right to claim a refund of any deposit; but what applicants ask is what the Board would consider *bonâ fide* grounds for withdrawal. As there is nothing in the Act to define it, applicants have to depend on the judgment of the Board.

Generally, people like to have a fair chance of obtaining sections they may fancy, and not be liable to have sections forced upon them which they do not consider suitable. I know from experience that the system of grouping keeps those who would make good settlers out, and I would recommend that it be amended and that sections should be put up under Land for Settlements in the usual way, so that applicants could apply for any sections up to the limitation of the Act, but only hold one section, and, if more than one application is received, that a ballot be taken in which all the applications for the section would be included. This, I think, would give general satisfaction, and would be an advantage to the *bonâ fide* settler.

To summarise the above suggestions for preventing speculation and assisting *bonâ fide* applicants for land under the Land for Settlements Act, we have—

1. Amendment as to transfers.
2. Amendment as to *bonâ fide* residence.
3. Extended power to Land Boards to reject speculative applications.
4. Amendment of the 3rd clause of the declaration.
5. Provision to avoid family dummyism.
6. Grouping to be abandoned and sections put up under ordinary conditions.

Lands taken up under the optional and other systems of the Land Act come under different conditions than those under the Land for Settlements Act, no deposit being made with applications, and the residence conditions being different, &c.; but some of the amendments suggested will apply to all Acts—viz., amendments as to transfers, *bonâ fide* residence, extended power of Land Boards to reject speculative applications, and amendment of the 3rd clause of declaration.

The residence conditions are that, except on land purchased for cash, residence shall commence on bush lands or on swamp lands within four years and in open or partly open land within