29. *Handling of Applications.*—It is recognized that if the system is to be of the fullest value to farmers applications for loans must be handled and a decision given with promptitude. It was inevitable that during the initial stages of the Board's operations, when directors of associations, members of the district boards, and the local representatives of the Board, were not fully familiar with the Board's requirements, a final decision could not always be arrived at as quickly as could be desired, it being frequently necessary to defer a decision until additional information was forthcoming. The measures taken during the past year to render all persons handling loan matters conversant with the practical requirements of the Board and its policy in regard to its lending business, and to provide them with publications containing an outline of the procedure to be followed and of the policy adopted by the Board, may be expected to result in a more uniform handling of the applications and reduce to a minimum the necessity of holding over a decision until requisite information is submitted.

Upon the Board's part all necessary steps are taken in the central office and local offices of the Board to dispose of applications promptly. Standard forms of application, valuation, and statement of financial position have been printed which, if adhered to, furnish the full information required for the consideration of the applications. Meetings of district boards are held as frequently as the volume of business renders it practicable to do so, and in the intervals between the meetings the views of the individual members are ascertained by circulating copies of board papers summarizing all the relevant information, so that the decision of the district boards may be given with despatch. Certain powers of approving loans have been given to the district boards which, in cases covered by this delegation, render a reference to the central Board unnecessary, and the powers so conferred on the district boards were extended during the past year.

In the central office the Local Committee of the Board, which now deals with all loan applications and with other matters affecting the lending business, meets weekly or more frequently if necessary, to dispose of such of these matters as require the approval of the central Board. By the use of a special form of reference upon which the decisions of the Local Committee are endorsed in a concise form, it is possible to advise local officers of the Board promptly of the decisions reached.

Measures have also been approved by the Board to meet the case of borrowers who change their flocks and herds according to seasonal requirements and desire the re-advances of sums received by the Board representing the proceeds of the partial realization of their stock in order to purchase further stock to replace the stock sold. In such cases applications for re-advances will be dealt with promptly by the District Intermediate Credit Supervisors, acting in conjunction with the district boards.

During July the Board met with the criticism on the part of a director of a co-operative rural intermediate credit association that undue delays had occurred on the part of the central office of the Board in dealing with applications referred by the association for the Board's approval, and this criticism was given prominence by press reports which appeared. An examination of the records of the Board relative to loan applications received from this association showed, however, that the majority of the applications submitted by it had been granted by the Local Committee within one, two, or three days after their arrival at the Head Office of the Board, and that as regards five-sixths of the applications received from the association the average time taken in reaching a decision was four days. The remaining applications presented features which, in the opinion of the Committee, rendered it necessary that further information should be placed before it. These applications were therefore referred back to the directors of the association to enable the doubtful points to be investigated. As a result two of the applications were withdrawn by the applicants and the remainder were granted by the Local Committee in the light of additional satisfactory information supplied by the association. In two of these cases the Local Committee's decision was given on the day on which the papers arrived at the Head Office, and the decisions in the other cases were given within three days.

These circumstances were fully traversed in a statement issued by the Commissioner to the press which also received wide publicity. In the statement