



REPORT--OF THE PROCEEDINGS

OF THE

CONFERENCE

ON

INDIAN WHEAT IMPURITIES,

HELD AT THE

India Office on the 8th May 1889.

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APPENDIX A.

No. 20.—EAST INDIA SHIPMENT AND DELIVERY CONTRACT.

The Liverpool Corn Trade Association, Limited.

Liverpool, 25th May 1889.

We have this day sold to *A. B.** on the terms of the Printed Rules of The Liverpool Corn Trade Association, Limited, and the Clearing House Regulations relating to Margins,* *about one hundred tons Number One Bombay wheat, London standard, at 6s. 6d. per 100 lbs., say six shillings and sixpence.*

To be of fair average quality at the time and place of shipment.

June^{and} or July shipment from *Bombay via Canal* to Liverpool, per steamer or steamers.

To be delivered, ex quay^{and} or store, at Seller's option, in fair merchantable condition; a slight dry warmth and slight weevilling not to be objected to. Importer's bags for Seller's account.

Particulars of shipment shall be declared by the first Seller to his Buyer before the vessel named has appeared in the Bill of Entry, unless the vessel brings its own advices, in which case an extra day shall be allowed. All declarations shall be made for shipments by steamers within thirty-five days, and for shipments by sailing vessels within fifty days after the date or month of shipment named in the Contract, or if more than one month is named, then after the actual month of shipment. If the Seller shall make default of declaring within the period above named, the Buyer shall have the right of closing the Contract by invoicing the grain back to the Seller, at its market value, such market value to be settled by arbitration, and it shall also be in the discretion of the Arbitrators to award damages, if any, not exceeding 5 per cent. of such value, according to the special circumstances of the case. There shall not be more than two separate declarations on each 2,500 centals of grain. In case of re-sales, a copy of first declaration shall be accepted by Buyers if passed on in due course.

Ship damaged or sea-water damaged grain may be rejected, and the Contract, so far as regards the quantity rejected, shall be at an end.

In the event of the grain declared, or any part thereof, being prevented from arriving by perils of the seas, the Contract, so far as regards such grain, shall be at an end.

In case of prohibition of export, blockade, or hostilities preventing shipment, this Contract, or any unfulfilled part thereof, shall be at an end.

Seller to pay *our* brokerage of *half* per cent., Contract cancelled or not cancelled.

Bill of Lading to be considered proof of date of shipment in the absence of evidence to the contrary.

Any separate parcel declared in partial execution of this Contract shall be considered as if shipped under a separate Contract.

If the grain tendered, or any part thereof, is not in accordance with the Contract as regards quality^{and} condition, the Arbitrators shall award that the grain be taken with an allowance, or be invoiced back to the Seller at the market price of the grain contracted for on the day of arbitration, in either case with or without a penalty, not exceeding 5 per cent. on such price, according to the special circumstances of the case.

If at the time of tender the standard for the month's shipment has not been made up, the Arbitrators may decide on the last previous available standard, or on such other evidence as they may think fit, whether or not the

* The portion of the above form filled up in writing is shown in *italics*.

grain is to be invoiced back to the Seller, but the price at which it is to be invoiced back shall stand over until the standard for the month in which the grain was shipped has been made up, and shall then be decided by arbitration, according to the price of the day of the former arbitration. Any claim of the Buyer to an allowance from the Contract price shall also stand over, and be decided by arbitration in like manner.

Payment, as per Rule 8, allowing interest equal to three months from date of being ready for delivery.

This Contract is made between yourselves and ourselves and not by or with any person, whether disclosed or not, on whose instructions or for whose benefit the same may have been entered into.

(Signed) C. D.

No. 20.—EAST INDIA SHIPMENT AND DELIVERY CONTRACT.

The Liverpool Corn Trade Association, Limited.

Liverpool, 25th May 1889.

We have this day bought from C. D., on the terms of the Printed Rules of The Liverpool Corn Trade Association, Limited, and the Clearing House Regulations relating to Margins, about one hundred tons Number One Bombay wheat, London standard, at 6s. 6d. per 100 lbs., say six shillings and sixpence.

To be of fair average quality at the time and place of shipment.

June ^{and} or July shipment from Bombay, *via* Canal to Liverpool, per steamer or steamers.

To be delivered, ex quay ^{and} or store, at Seller's option, in fair merchantable condition; a slight dry warmth and slight weevilling not to be objected to. Importer's bags for Seller's account.

Particulars of shipment shall be declared by the first Seller to his Buyer before the vessel named has appeared in the Bill of Entry, unless the vessel brings its own advices, in which case an extra day shall be allowed. All declarations shall be made for shipments by steamers within thirty five days, and for shipments by sailing vessels within fifty days after the date or month of shipment named in the Contract, or if more than one month is named, then after the actual month of shipment. If the Seller shall make default of declaring within the period above named, the Buyer shall have the right of closing the Contract by invoicing the grain back to the Seller, at its market value, such market value to be settled by arbitration, and it shall also be in the discretion of the Arbitrators to award damages, if any, not exceeding 5 per cent. of such value, according to the special circumstances of the case. There shall not be more than two separate declarations on each 2,500 centals of grain. In case of re-sales, a copy of first declaration shall be accepted by Buyers if passed on in due course.

Ship damaged or sea-water damaged grain may be rejected, and the Contract, so far as regards the quantity rejected, shall be at an end.

In the event of the grain declared, or any part thereof, being prevented from arriving by perils of the seas, the Contract, so far as regards such grain, shall be at an end.

In case of prohibition of export, blockade, or hostilities preventing shipment, this Contract, or any unfulfilled part thereof, shall be at an end.

Seller to pay C. D.'s brokerage of half per cent., Contract cancelled or not cancelled.

Bill of Lading to be considered proof of date of shipment in the absence of evidence to the contrary.

Any separate parcel declared in partial execution of this Contract shall be considered as if shipped under a separate Contract.

If the grain tendered, or any part thereof, is not in accordance with the Contract as regards quality ^{and} or condition, the Arbitrators shall award that the

grain be taken with an allowance, or be invoiced back to the Seller at the market price of the grain contracted for on the day of arbitration, in either case with or without a penalty, not exceeding 5 per cent. on such price, according to the special circumstances of the case.

If at the time of tender the standard for the month's shipment has not been made up, the Arbitrators may decide on the last previous available standard, or on such other evidence as they may think fit, whether or not the grain is to be invoiced back to the Seller, but the price at which it is to be invoiced back shall stand over until the standard for the month in which the grain was shipped has been made up, and shall then be decided by arbitration, according to the price of the day of the former arbitration. Any claim of the Buyer to an allowance from the Contract price shall also stand over, and be decided by arbitration in like manner.

Payment, as per Rule 8, allowing interest equal to three months from date of being ready for delivery.

This Contract is made between yourselves and ourselves and not by or with any person, whether disclosed or not, on whose instructions or for whose benefit the same may have been entered into.

(Signed) A. B.

Adopted 7th December 1887

Entered at Stationers' Hall, and sold only at the
Clearing House of the Association.

No. 21.—EAST INDIA SHIPMENT AND DELIVERY CONTRACT.

LIVERPOOL STANDARD. MUTUAL ALLOWANCES.

The Liverpool Corn Trade Association, Limited.

Liverpool, _____ 188 .

We have this day sold to _____, on the terms of the Printed Rules of the Liverpool Corn Trade Association, Limited, and the Clearing House Regulations relating to Margins, _____

at _____ per 100 lbs. _____

To be equal to the Official Standard _____ adopted by, and in force with, the Liverpool Corn Trade Association, Limited, at this date.

_____ shipment from _____
via _____ to Liverpool, per steamer or steamers _____

To be delivered, ex quay ^{and} or store, at seller's option, in fair merchantable condition; a slight dry warmth and slight weevilling not to be objected to. Importers's bags for Seller's account.

Particulars of shipment shall be declared by the first Seller to his Buyer before the vessel named has appeared in the Bill of Entry, unless the vessel brings its own advices, in which case an extra day shall be allowed. All declarations shall be made for shipments by steamers within thirty-five days, and for shipments by sailing vessels within fifty days after the date or month of shipment named in the Contract, or if more than one month is named, then after the actual month of shipment. If the Seller shall make default of declaring within the period above named the Buyer shall have the right of closing the Contract by invoicing the grain back to the Seller, at its market value, such market value to be settled by arbitration, and it shall also be in the discretion of the Arbitrators to award damages, if any, not exceeding 5 per cent. of such value, according to the special circumstances of the case. There shall not be more than two separate declarations on each 2,500 centals

of Grain. In case of re-sales, a copy of first declaration shall be accepted by buyers if passed on in due course.

Ship damaged or sea-water damaged Grain may be rejected, and the Contract, so far as regards the quantity rejected, shall be at an end.

In the event of the Grain declared, or any part thereof, being prevented from arriving by perils of the seas, the Contract, so far as regards such Grain, shall be at an end.

In case of prohibition of export, blockade, or hostilities preventing shipment, this Contract, or any unfulfilled part thereof, shall be at an end.

Seller to pay _____ Brokerage of _____ per cent., Contract cancelled or not cancelled.

Bill of Lading to be considered proof of date of shipment in the absence of evidence to the contrary.

Any separate parcel declared in partial execution of this Contract shall be considered as if shipped under a separate Contract.

If the Grain tendered, or any part thereof is, as regards quality ^{and} _{or} condition ^{and} _{or} admixture of dirt, inferior to the Standard, the Arbitrators shall award either that the Grain be taken with an allowance or be invoiced back to the Seller at the market price of the Grain contracted for, on the day of arbitration, in either case with or without a penalty not exceeding 5 per cent. on such price, according to the special circumstances.

A difference in value of one penny per cental, or less, shall not entitle Buyer or Seller to any allowance, but this stipulation shall not be taken into account should the difference in value exceed one penny per cental. Should the quality of the Grain tendered be superior to the Standard by more than one penny per cental, the Seller shall be entitled to an increase of the price, such increase not in any case to exceed twopence per cental.

Payment, as per Rule 8, allowing interest equal to three months from date of being ready for delivery.

This Contract is made between yourselves and ourselves and not by or with any person, whether disclosed or not, on whose instructions or for whose benefit the same may have been entered into.

No. 21.—EAST INDIA SHIPMENT AND DELIVERY CONTRACT.

LIVERPOOL STANDARD. MUTUAL ALLOWANCES.

The Liverpool Corn Trade Association, Limited.

Liverpool, _____ 188 .

We have this day bought from _____, on the terms of the Printed Rules of the Liverpool Corn Trade Association, Limited, and the Clearing House Regulations relating to Margins, _____

at _____ per 100 lbs.

To be equal to the Official Standard _____ adopted by, and in force with, the Liverpool Corn Trade Association, Limited, at this date.

_____ shipment from _____
via _____ to Liverpool, per steamer or steamers _____

To be delivered, ex quay ^{and} _{or} store, at Seller's option, in fair merchantable condition; a slight dry warmth and slight weevilling not to be objected to. Importer's bags for Seller's account.

Particulars of shipment shall be declared by the first Seller to his Buyer before the vessel named has appeared in the Bill of Entry, unless the vessel brings its own advices, in which case an extra day shall be allowed. All declarations shall be made for shipments by steamers within thirty-five days,

and for shipments by sailing vessels within fifty days, after the date or month of shipment named in the Contract, or if more than one month is named, then after the actual month of shipment. If the Seller shall make default of declaring within the period above named the Buyer shall have the right of closing the Contract by invoicing the grain back to the Seller, at its market value, such market value to be settled by arbitration, and it shall also be in the discretion of the Arbitrators to award damages, if any, not exceeding 5 per cent. of such value, according to the special circumstances of the case. There shall not be more than two separate declarations on each 2,500 centals of Grain. In case of re-sales, a copy of first declaration shall be accepted by Buyers if passed on in due course.

Ship damaged or sea-water damaged Grain may be rejected, and the Contract, so far as regards the quantity rejected, shall be at an end.

In the event of the Grain declared, or any part thereof, being prevented from arriving by perils of the seas, the Contract, so far as regards such Grain, shall be at an end.

In case of prohibition of export, blockade, or hostilities preventing shipment, this Contract, or any unfulfilled part thereof, shall be at an end.

Seller to pay _____ Brokerage of _____ per cent., Contract cancelled or not cancelled.

Bill of Lading to be considered proof of date of shipment in the absence of evidence to the contrary.

Any separate parcel declared in partial execution of this Contract shall be considered as if shipped under a separate Contract.

If the Grain tendered, or any part thereof, is, as regards quality ^{and} condition ^{or} admixture of dirt, inferior to the Standard, the Arbitrators shall award either that the Grain be taken with an allowance, or be invoiced back to the Seller at the market price of the Grain contracted for on the day of arbitration, in either case with or without a penalty not exceeding 5 per cent on such price according to the special circumstances.

A difference in value of one penny per cental, or less, shall not entitle Buyer or Seller to any allowance, but this stipulation shall not be taken into account should the difference in value exceed one penny per cental. Should the quality of the Grain tendered be superior to the Standard by more than one penny per cental, the Seller shall be entitled to an increase of the price, such increase not in any case to exceed twopence per cental.

Payment, as per Rule 8, allowing interest equal to three months from date of being ready for delivery.

This Contract is made between yourselves and ourselves and not by or with any person, whether disclosed or not, on whose instructions or for whose benefit the same may have been entered into.

Adopted 7th December 1887.

Entered at Stationers' Hall, and sold only at the
Clearing House of the Association.

Byelaws (including Rules) of the Liverpool Corn Trade Association,
Limited, in force on and after 9th May 1887.

SECTION B.

Rules relating to Contracts.

1. Buyers of all Grain, Flour, Meal, and other articles must examine the bulk as early as possible after the purchase is effected, or in cases where the goods are sold for future delivery, as soon as possible after they are ready for delivery, and tender in writing made to the Buyer. The Buyer shall be deemed to have accepted the bulk, unless he shall have delivered notice, in writing, to the Seller before 6 p.m. (Saturdays, 3.30 p.m.) of the day of sale, or day of tender, as the case may be, rejecting the bulk or stating reasons

Examination
Acceptance
and Rejection
of Bulk.

why it cannot be examined within that time. In no case, however, shall the time for examination or rejection of the bulk be extended beyond 11 a.m. of the business day next following the day of sale or tender, but this Rule shall be subject to the provision in Rule No. 14 as to heated, sour, or damaged flour.

In the case of tenders made through the Clearing House, all notices shall be handed to the Clearing House Secretary within the hours provided by the Clearing House regulations.

Tenders.

2. Tenders of goods sold for future delivery shall be made before 11 a.m., and if made later shall be deemed to have been made on the business day next following, but any goods tendered before 11 a.m. may be re-tendered, in whole or in part, to successive buyers at any time before three o'clock of the same day, provided such re-tender is made within fifteen minutes from the time when the person making such re-tender has received the Tender for such Goods. Any person failing to re-tender within fifteen minutes of the time aforesaid, and before three o'clock, shall be deemed to be the last Buyer. Each buyer shall mark on the Tender the time at which he received it, and, in case of re-tender, shall communicate the time to the succeeding Buyer. Tenders shall state the Contract date, and shall be accompanied by a Sampling Order, identifying the goods tendered, and shall be made to the Buyer whose name appears on the Contract, at his office; but if the Buyer has no office within a radius of 500 yards of the Corn Exchange, then the Tender may be made to the Broker at his office, or in case no Broker has been employed, then at an office in Liverpool, to be named previously by the Buyer, and to be situated within such radius.

But as regards registered Contracts, and as regards the last day of the currency of any delivery Contract, or of each month, this Rule shall be subject to the Regulations of the Clearing House for the time being in force.

When goods are sold for delivery within any given period, it shall be a sufficient compliance with the Contract if they are ready for delivery, and notice thereof be given within that period.

Holidays.

3. When the last day on which a Tender or Declaration should be made is a Holiday, that is to say, a Sunday, New Year's Day, Good Friday, the Saturday before Easter Day, the Saturday before Whit Monday, the Saturday before the Bank Holiday in August, Christmas Day, Bank Holiday, or Holiday appointed in accordance with the Byelaws, the tender or declaration shall be considered as due on the business day next preceding. Any Tender or Declaration made on any such Holiday shall be deemed to have been made on the business day next following.

Separate Declaration or Tender.

4. There shall not be more than four separate Declarations or Tenders for each 5,000 centals of Grain, or 2,500 centals of Flour or Meal; or more than two Declarations or Tenders for each 2,500 centals of Grain, or 1,250 centals of Flour or Meal, or any less quantity. If goods ex different ships or different warehouses be tendered on one form the tender ex each ship or warehouse shall, for the purpose of this rule, be considered a separate Tender.

Meaning of "about."

5. The word "about," when used in contracts with reference to quantity, shall mean within 5 per cent. over or under the quantity stated.

Default in Tendering.

6. In case a Seller for future delivery shall make default in tendering in accordance with these Rules, the Contract shall be closed on the last business day of the period specified in the Contract for Tenders, and the Seller shall pay to the Buyer the difference between the Contract price and the price of such last business day, together with such penalty, not exceeding 5 per cent. on such price, as may be decided by Arbitration.

Clearing House Regulations.

7. Contracts for Future Delivery, and for Shipment and Delivery, shall be subject to the General Clearing House Regulations, and to the Regulations relating to Margins in force at date of each Call or Release respectively, and to the Regulations relating to Declarations in force at the date of each Declaration, and to the Regulations relating to Tenders in force at date of each Tender.

8. All payments for Goods sold for future delivery shall be made within **Payment.** three business days from the date of the Tender, by cash or by deposit made in accordance with the Clearing House Regulations, in exchange for a delivery order.

9. If, before the maturity of any Contract, either party shall suspend **Insolvency of Seller or Buyer.** payment, or become bankrupt or insolvent, or be declared a defaulter by the Clearing House Committee, the Contract shall forthwith be closed either at the market price then current for similar Goods for delivery at the time named in the Contract, or, at the option of the other party, at a price to be ascertained by re-purchase or re-sale before the expiration of the following business day, and the difference between the contract price and the closing price shall be the measure of damages payable under such Contract. This rule is subject to any exceptions made by the Clearing House Regulations relating to Periodical Settlements.

10. The Seller's responsibility shall cease on delivery into carts or other **Delivery.** conveyances from the ship, quay, or warehouse. When goods are sold "ex ship," or "ex quay," the Buyer shall take delivery at the ship or quay in carts or other conveyances provided by him; and in case he shall fail to do so within twenty-four hours after notice of the Seller's readiness to deliver, the Buyers shall bear all fines, demurrage, watching, or other expenses which may be incurred, and after a further period of forty-eight hours the Seller shall be at liberty to land, weigh over on the quay, or warehouse the Goods at the Buyer's expense. The Buyer shall not be required to take delivery of more than 2,000 centals of Grain, Flour, or Meal per day. In case of sales "ex ship," any goods landed in excess of the above-named quantities shall be deemed to have been discharged at the Seller's risk and expense, and the Buyer may require the excess to be weighed and delivered in the same manner as if the sale had been made "ex quay." If required, the Buyer shall provide and send to the place of delivery the requisite number of sacks. All Grain imported in bags shall be skipped at Seller's expense into bulk, either in ship's hold or on the quay, before delivery into Buyer's sacks. The Buyer may require each sack to be weighed singly.

In case goods sold for future delivery shall be tendered in warehouse, the Buyer shall take delivery within twenty-four hours after the tender is made, and in case he shall fail to do so the Seller shall be at liberty, after a further period of forty-eight hours, to weigh over the goods, and, in case of Flour, at the expense of the Buyer, to stow back; and the Buyer shall be responsible for all rent, fire insurance, and other charges and expenses which may thereafter be incurred.

11. Except as provided in Rule 10, rent on all Grain, Flour, and Meal in **Rent.** warehouse or other store shall be borne by the Seller for fourteen clear days from the day of sale, unless the delivery shall in the meantime have taken place, and after the expiration of that time the Seller shall be at liberty to weigh over the Goods, and, until delivery, to charge the Buyer with rent.

12. Risk of fire shall be upon the Seller on such part of the goods sold as **Risk of Fire.** shall remain undelivered, whether paid for or not.

Goods shall, for the purpose of this Rule only, be considered as delivered, and at the Buyer's risk as regards fire:—

- (a) When they shall have been transferred in the books of a warehouse keeper under a transfer order directing the warehouse keeper to transfer them into the name of the Buyer.
- (b) At 12 o'clock noon of the day next following that on which such a transfer order shall have been handed to the Buyer.

A delivery order directing the warehouse keeper to deliver the goods to the Buyer shall not, for the purposes of this Rule, be considered a transfer order.

The mere act of weighing over shall not constitute a delivery, nor shall a delivery of part be considered a delivery of the whole. The Seller may, after the expiration of fourteen clear days from the day of sale, charge the Buyer with cost of fire insurance until delivery be made.

Risk of
Condition.

13. Risk of condition of Grain in warehouse shall be upon the Buyer, but so long as the goods shall be under control of the Seller the Buyer may, as often as he may think proper, require the Seller to have the Grain turned at the Buyer's expense; and for all rent, fire insurance, portorage, and other expenses and charges which the Seller shall be entitled to, under this or any of the preceding Rules, he shall be entitled to a lien on the goods.

Rejection
and
Weighing
of Flour

14. Seven running days from day of sale shall be allowed to Buyers of Flour, during which period they may reject Heated, Sour, and Damaged Flour; on and after the eighth day until delivery, or until the goods are weighed over, whichever event shall first happen, but no longer, externally Damaged Flour only may be rejected.

Each barrel of Flour from Canada and all American ports shall be considered to weigh 1 cwt. 3 qrs. 20 lbs. gross, and allowance shall be made for any deficiency from this weight. Sack Flour shall be weighed gross, and be invoiced accordingly.

Time for
Claims.

15. When Buyers of Californian, Oregon, Chilian, Australian, and New Zealand cargoes or parcels of Grain, Flour, or Meal require arbitration, they shall make their claim and nominate their Arbitrators within seven clear days after final discharge of the cargoes or parcels.

When Buyers of East Indian Grain on London Standards have claimed Arbitration, they shall, within 21 days after the making up of the relative Standards has been advertised, nominate their Arbitrator, and notify the Sellers that they intend to proceed with the Arbitration, otherwise their claim for Arbitration shall be deemed to have been withdrawn.

Default on
Contract.

16. In default of fulfilment of Contract, either party shall, except in cases provided for by Rule 6, have the right of re-sale or re-purchase, as the case may be, either publicly or privately, and the defaulter shall make good the loss, if any, by such re-purchase or re-sale on demand.

Arbitration

17. All disputes arising out of transactions connected with the Trade shall be referred to two Arbitrators, one to be chosen by each party in difference, the said Arbitrators having power to call in a third, in case they shall deem it necessary. In the event, however, of one of the parties appointing an Arbitrator, and the other refusing, or for three days after notice in writing of the appointment neglecting to do so (such notice to be delivered personally, or left at the usual place of business of such other party), or in case the Arbitrators appointed by the parties shall not within seven days after their appointment agree to an award, or appoint a third Arbitrator, or, after the appointment of such third Arbitrator, in case of the death, refusal to act, or incapacity of any one or more of such three Arbitrators, then, upon application of either of the disputing parties, the question in dispute shall stand referred to two Arbitrators to be nominated by the President for the time being of the Association, or by the Vice-President in case of the absence of the President, his illness, or interest in the matter in dispute; and in case of the absence of the Vice-President, his illness, or interest in the matter in dispute, then the Directors, on the application of either of the disputing parties, shall appoint two Arbitrators; and in case the two Arbitrators appointed, whether by the President, the Vice-President, or the Directors, shall not within seven days after their appointment agree to an award, or choose a third Arbitrator, then the Directors shall appoint a third Arbitrator, and shall, in the case of the death, refusal to act, or incapacity of any such three Arbitrators, from time to time substitute a new Arbitrator or Arbitrators in the place of the Arbitrator or Arbitrators so dying, refusing, or incapacitated.

The Arbitrators appointed shall in all cases be members of the Association, and no person having any interest in the matter in dispute shall be competent to act as an Arbitrator.

The award of any two Arbitrators in writing signed by them (subject only to the right of appeal herein-after mentioned) shall be conclusive and binding upon all disputing parties, both with respect to the matter in dispute, and all expenses of the reference and award. Every award shall be written on a form to be settled by the Directors and supplied by the Secretary of the Association at a charge (to be fixed by the Directors) not exceeding 10s., which charge shall be paid by such one of the parties to the reference as the

Arbitrators may determine, and the sums received by the Secretary for such forms shall be applied in payment of the expenses of the Association.

No Arbitrator shall be entitled to demand a higher fee than 3*l.* 3*s.*, nor shall such fee be less than 1*l.* 1*s.* for every requisite sitting.

In case either party shall be dissatisfied with the award, a right of appeal shall lie to the Directors, provided it be claimed not later than Twelve o'clock on the second day after that on which the objecting party shall have notice of the award (Sundays and Holidays, as defined in Rule III., not to be counted), and provided also the Appellant (if a Member of the Association) do pay to the Association as a fee for the investigation the sums following, viz. :—If the parcel or parcels in respect of which the appeal is brought shall exceed 5,000 centals, the sum of 10*l.*; if the parcel or parcels in respect of which the appeal is brought shall not exceed 5,000 centals, the sum of 5*l.*; or provided also the Appellant (if not a Member of the Association) do pay to the Association as a fee for the investigation the sums following, viz. :—If the parcel or parcels in respect of which the appeal is brought shall exceed 5,000 centals, the sum of 15*l.*; if the parcel or parcels in respect of which the appeal is brought shall not exceed 5,000 centals, the sum of 7*l.* 10*s.* The Directors shall have power to award by whom the fee for investigation shall be borne. An award, signed by the Chairman of the meeting which shall hear such appeal, and countersigned by the Secretary or his substitute, shall be deemed to be the award of the Directors, and shall in all cases be final.

No Director having any interest in the matter in dispute shall vote on the question of the appointment of arbitrators, or in case of an appeal, sit or vote on the hearing of such appeal; nor shall the arbitrators, whose decision is appealed against, vote on the hearing of the appeal.

Neither party shall bring any action against the other of them in respect of any such dispute except for the amount so settled by arbitration, and it is expressly agreed that the award shall be a condition precedent to the right of either party to sue the other in respect of the matter in dispute.

For the purpose of enforcing any award, by attachment or otherwise, this rule and any contract referring thereto, may be made a rule of any Divisions of Her Majesty's High Court of Justice in England or in Ireland, or an order of the Court of Session in Scotland.

(Amended Clause, adopted 23rd May 1888.)

The Liverpool Corn Trade Association, Limited, Clearing House
Regulations, in force on and after 1st October 1888.

SECTION A.

General Regulations.

1. The Clearing House Committee, herein-after called "the Committee," shall consist of the President, Vice-President, and seven other Members of the Association, to be elected annually by the Directors. Directors shall be eligible. Casual vacancies shall be filled up by the Directors as they occur. The Committee shall elect their own Chairman, and two Members shall form a quorum. Constitution
of Clearing
House
Committee.
2. The duties of the Committee shall be to make all necessary arrangements and regulations for periodical settlements, declarations, tenders, clearances, payments, deposits, and interest or discount to be paid or allowed thereupon, &c., in connection with the future delivery business. Duties and
Powers.
3. All disputes arising out of the settling or clearing of Contracts, or out of any matter connected with the business of the Clearing House, shall be settled by the Committee, and their decision signed by the Chairman or Settlement
of Disputes.

acting Chairman, shall be binding on all parties, subject to the right of appeal to the Directors in manner provided by the printed Rules of the Association.*

When the Committee consider it advisable, a fee shall be charged by them for deciding cases of dispute brought before them.

- Special Cases.** 4. The Committee shall have power to deal with and regulate all cases not provided for by the existing regulations, and arising out of any clearance or settlement, but any party dissatisfied with the mode in which the Committee have dealt, or propose to deal with any such case, may appeal to the Directors, who shall then deal with and regulate the case.
- Imposition of Fines.** 5. The Committee shall have power to impose fines for breach of regulations, neglect of attention to notices, or carelessness in the making up of cash statements or other documents, when delay, loss, or inconvenience has, in their opinion, been thereby occasioned. A charge may be also made for each time a messenger is sent to obtain corrections of statements, &c., or for sending out corrections of same.
- Secretary.** 6. The Secretary of the Association shall be *ex officio* the Secretary of the Clearing House.
- Secretary to act for parties to Contracts.** 7. The Secretary shall have power to act for, and shall be deemed the agent of each party to a Contract in receiving and passing on declarations, tenders, notices, money, and delivery orders, but this shall not affect the liability of the parties to each other on their Contracts.
- Official receipts binding.** 8. An official receipt shall be a valid discharge for payments made through the Clearing House, and shall be accepted as such by the parties to the Contract.
- Bank.** 9. All moneys which are to be retained by the Clearing House shall be paid into a Bank to be nominated by the Directors.
- Indemnity.** 10. The Committee shall not be responsible for the acts, receipts, neglects, or defaults of any officer of the Clearing House, or of the Association, or of any Banker, or of any person with whom or into whose hands any moneys may, in connection with the clearance or adjustment, be deposited, or come, nor for any other loss whatsoever which may happen to any person in connection with any clearance or settlement.
- Forms.** 11. Only the form of Calls, Declarations, Tenders, Notices, &c., sanctioned by the Committee shall be used, and all parties shall carry out the instructions printed thereon.
- Office for notices.** 12. Any party to a Contract, Declaration, or Tender having no office within a radius of 500 yards of the Corn Exchange, and having no Broker or Agent authorized to represent him whose office is within such radius,† shall name to the Secretary, as soon as possible, an office within such radius for the reception of all notices and statements (Default Notices excepted) relating to such Contract, Declaration, or Tender.
13. Every party to a Contract, Declaration, or Tender shall furnish the Secretary with such information in regard thereto as may be required for the proper conduct of the business of the Clearing House.
- Hours of business.** 14. The Clearing House, to which all necessary communications can be sent, shall be open on all business days from ten until five o'clock, except on Saturdays, when it shall close at one o'clock, or so soon thereafter as all Tenders shall have ceased to circulate.
- Meaning of word Secretary.** 15. In all places in these Regulations where the word Secretary occurs, it shall be read as Secretary or Acting Secretary, and all Sellers and Buyers may be represented by their Agents.
- Power to vary and add to Regulations.** 16. The Committee shall have power from time to time to rescind, alter, or add to the Clearing House Regulations, whether general or relating to Margins, Declarations, or Tenders, or to any of the matters mentioned in

* See Rule 17.

† See Rule 2.

Clause 2, but no such rescission, alteration, or addition shall have any force or effect until confirmed by a majority of a meeting of the Directors specially summoned to consider the same.

SECTION B.

Regulations relating to Margins.

PART I.—GENERAL.

1. Each party to a Contract shall have the right to call an original margin at a rate not exceeding 50% on each 5,000 centals of Wheat, or 25% on each 5,000 centals of Corn, upon the deposit by the Caller of an amount equal to that called, provided such call be made before 11 o'clock on the next business day after sale; and a further margin may be called from time to time to the extent of any difference between the Contract price and the market value. Original Margins.
2. When no original margin has been deposited, calls for margins may be made from time to time, to the extent of one penny per cental more than the difference between the Contract price and the market value at the time the call is made. No original Margin.
3. For the purpose of calling margins, the quotations of the Committee shall be conclusive as to the market value until 4 p.m. on the next business day, or until any earlier meeting of the Committee at which any quotations shall be fixed. Market Value.
4. All margins shall be deposited to the credit of the Clearing House with such Bank or Banks as may be determined by the Directors and the Deposit Receipt shall be registered at the Clearing House during the business day following that on which the call is made. Calls made after 5 p.m., or on Saturday after 1 p.m., shall be deemed to have been made on the following business day. Time allowed.
5. Should either party to a Contract fail to deposit in accordance with this Section, the other party shall have the right to close the Contract forthwith, either at the market price then current for similar goods, or at a price to be ascertained by re-purchase or re-sale before the expiration of the following business day, and the difference between the Contract price and the closing price shall be the measure of damages payable under the Contract. Failure to Deposit
6. No party shall be entitled to interest on any deposit made under this Section. Interest.
7. Unless otherwise stipulated, either party to a Contract shall have the right, at any time during its currency, to register it at the Clearing House. Registration.

Unregistered Contracts.

PART II.—APPLICABLE ONLY UNTIL REGISTRATION OF THE CONTRACT.

8. Deposits shall be applicable as security for all Contracts made subject to the Regulations of this Section between the same parties, and current while the Deposit remains. Security.
 9. Deposits shall be returned by the Clearing House, as instructed by both parties to the Contract. Return of Deposits.
- In case of dispute as to the amount due to each, the matter shall be referred to arbitration as provided by the Rules of the Association,* and the

* See Rule 17.

Clearing House shall return the deposits in accordance with the award of the Arbitrators or the Directors as the case may be.

If either party shall suspend payment, or become bankrupt or insolvent, or be declared a defaulter by the Committee, the Committee shall have discretionary power to pay to the other party so much of the deposits as in their opinion he is entitled to.

The Association or the Committee shall under no circumstances be liable for any over payment made under this Clause, and the remedy in respect of any such over payment shall be solely against the party to whom such payment has been made.

Notification. 10. The Secretary shall, as soon as conveniently may be after the Deposit Receipt is handed to him, notify the party for whose security the deposit is made.

Fees. 11. Each party to the deposits shall, as the deposits are withdrawn or transferred, pay to the Clearing House such fees as may from time to time be fixed by the Directors.

Registered Contracts.

PART III.—APPLICABLE TO REGISTERED CONTRACTS ONLY.

Method of Calculation. 12. For the purposes of registration and the calculation of Margins:—

(a) Each 5,000 centals of grain, or 2,500 centals of Flour or Meal, shall be considered as a separate contract.

(b) Margins shall be calculated on quantities of 1,120, 2,240, 3,360, and 4 480 centals, at the rate of 18l. per 4,480 centals for every penny of difference in the price, and farthings in proportion, and on other quantities at the rate of 2l. per 500 centals for every penny of difference in the price, and farthings in proportion. Margins on quantities which are not multiples of 500 centals, other than those named above, shall be calculated on the basis of the multiple of 500 centals next above such quantity.

(c) In the calculation of margins, no deduction from the price, or allowance of any kind, and no fraction of one penny which is not a farthing or a multiple of a farthing, shall be taken into account, but the exact price shall be stated in registering the Contract.

Differences. First Sellers and Last Buyers. 13. The difference between the contract price and the calling price shall, subject to Clause 14, be the amount to be deposited in the Clearing House on account of the Contract.

Differences. Intermediate Parties. 14. Every party who has bought and sold the same goods, being a Member of the Association, or being a firm or incorporated Company entitled to the services of the Association under Clause 2 of Section A of the Byelaws, may instruct the Secretary to arrange the Contracts in a String, and such party shall appear as an intermediate, and the difference between the buying and the selling prices shall be the amount to be paid by such party to the Clearing House, or to be retained by the Clearing House on account of his Contracts, as the case may be, and no further action need be taken at future adjustments in regard to such Contracts unless the String shall be broken by such party in the manner provided for in Clause 20, or his Seller or Buyer should fail to deposit.

Non-Members. Any other party may be registered on a String, either as intermediate or otherwise, on such conditions as the Committee may from time to time prescribe.

Exception to Rule 9. 15. Notwithstanding the provisions of the printed Rules of the Association,* the suspension of payment, bankruptcy, or insolvency of an intermediate party on a String, or his being declared a defaulter by the Committee, shall

* See Rule 9.

not enable his Buyer or Seller to close the Contract, provided such intermediate party has paid any difference payable by him on such Contract, but if the Committee are satisfied that the Seller to or Buyer from such party has suffered loss by the Contract not being closed, any difference due to such party shall be applied in or towards satisfaction of such loss, the amount of which shall be fixed, for the purposes of this Clause only, by the Committee.

16. Original margins deposited by intermediate parties shall be released on the deposit of a similar margin by a previous Seller or subsequent Buyer, as the case may be. Release of Original Margins

17. Intermediate parties, as well as first Sellers and last Buyers, may call for an adjustment. Intermediate may call.

18. Each party to a Contract shall pay, in Clearing House stamps, such fees as may from time to time be fixed by the Directors. Fees.

19. The Secretary shall communicate to all parties the registered number of their Contracts, and all Contracts in a String shall have a String number in common. These numbers must be marked on all communications relating to the Contracts, and, when the Declaration or Tender is made, must be marked by the first Seller on his Docket. Registered Numbers.

20. The Committee shall have power to allow an intermediate party to break or alter the course of a String on his making deposits on the basis of the adjustment immediately preceding, or on the basis of the quotations of the Committee for the time being in force, in accordance with Clause 13 or Clause 14, as the case may be. Breaking the String.

21. In the event of a Tender being made in part fulfilment of a Contract, the Deposits shall be apportioned in an approximate ratio of the fulfilled and the unfulfilled portions of the Contract. Tenders in part.

22. Should any party to a Contract fail to deposit any amount due by him under these Regulations, the Secretary shall report the matter to the Committee, and shall notify such party in writing that he has failed to make such payment, and if the payment be not made within twenty-four hours after such notice (Sundays and holidays as defined in the printed Rules of the Association* not to be counted), the Committee shall have power to declare him a Defaulter, and to post his name as such in the Clearing House and in the Room. Default.

In case of non-payment by a Seller, the Secretary shall notify the following Seller, who shall thereupon be considered the first Seller, and shall make his deposit, if any, accordingly.

In case of non-payment by a Buyer, the Secretary shall notify the preceding Buyer, who shall thereupon be considered the last Buyer, and shall make his deposit, if any, accordingly.

23. Where the terms of Contracts are identical, except as to price, all arbitrations shall be held in accordance with the printed Rules of the Association† as between first Seller and last Buyer, or between any intermediate party calling for adjustment and the first Seller or last Buyer, as the case may be, as though they were contracting parties, and the award made in pursuance thereof, subject to the right of appeal as provided by the printed Rules of the Association,† shall be binding on all intermediate parties. Should the terms of Contract not be identical, such arbitration shall in like manner be held as between the first Seller and last Buyer whose Contracts are identical. Arbitration between first Seller and last Buyer.

24. Calls, Notices, Deposits, Payments, Releases, and Adjustments made between the first Seller and the last Buyer shall operate as Calls, Notices, Deposits, Payments, and Releases between all intermediate parties.

25. All amounts deposited under Part III. of this Section shall (subject to Clause 13) be retained by the Clearing House as security for the relative Contracts, or, in case of a String, for all the Contracts on that String, until Deposits.

* See Rule 3.

† See Rule 17.

such Contracts have been fulfilled or closed, and the amounts shall then be paid over or credited to the parties entitled to receive the same.

SECTION C.

Regulations relating to Declarations and Tenders.

- Declarations and Tenders.** 1. No Declaration or Tender shall be for a greater quantity than 5,000 centals of Grain, or 2,500 centals of Flour or Meal. Should any Seller desire to declare or tender at one time more than the above-named quantities he must do so on separate Forms or Dockets. If the separate Tenders remain with separate last Buyers, the Tenders in the hands of each last Buyer shall be considered as made under a separate Contract, so far as regards the quantity deliverable per day under the printed Rules of the Association.*
- Declarations.** 2. Declarations against registered Contracts shall be handed by the first Seller on the String to the Secretary to be registered and signed over to the last Buyer, and shall be delivered to the last Buyer within half an hour after being signed over, and on being so delivered the Declaration shall, subject to withdrawal as herein-after provided, be binding on all intermediate parties. The Committee shall have power to allow any party to the Declaration to withdraw it at any time before the expiration of the period allowed by the Contract for Declarations, on his breaking the String and making necessary deposits, in accordance with Clause 20 of Section B.
Declarations against unregistered Contracts may be made through the Clearing House by the first Seller registering the Declaration before delivering it to his Buyer. Such Declarations may be passed on to successive Buyers in accordance with the Contract. The last Buyer shall deposit the Declaration Form or Docket at the Clearing House on the expiration of the period allowed by the Contract for Declarations.
- Formal Tenders.** 3. Formal Tenders, made with the consent of all the parties concerned, may pass through the Clearing House without a Sampling Order attached.
- Procedure.** 4. The party originating a Tender shall register it at the Clearing House before delivering it to his Buyer. After being registered it shall be passed on in accordance with the provisions of the printed Rules of the Association,† but if the Contract or Declaration against which it is made be registered, the Seller‡ shall hand the Tender to the Secretary, to be signed over to the last Buyer on the String or Declaration, and shall deliver it to such last Buyer within half an hour after it has been signed over, and on being so delivered the Tender shall be binding on all intermediate parties. The Secretary shall, as soon as conveniently may be, notify the intermediate parties that the Tender has been made, specifying all necessary particulars.
- Office for Notices.** 5. If a Buyer neglect to name an office for the receipt of Declarations, or of Tenders, as required by the printed Rules of the Association† or of notices under Clause 11 of this Section, the Seller, when he makes a Tender, shall be entitled to sign the Docket on behalf of the Buyer. After signing the Docket, the Seller shall deposit it at the Clearing House, and shall be deemed the Agent of the Buyer for the receipt of notices and statements issued by the Clearing House (Default Notices excepted), until the Buyer shall have named an office for the receipt of such notices under Clause 12 of Section A, and notices under Clause 11 of this Section shall be considered as delivered if deposited at the Clearing House.
- Divided Tenders.** 6. If the receiver of a Tender wishes to divide it into two or more parts,‡ he must fill up a Sub-Tender Form for each part passed on, and register the Dockets at a Clearing House within fifteen minutes after receiving the Original Tender, and must deliver them to his Buyer or Buyers immediately after registration.

* See Rule 10.

† See Rule 2.

‡ This applies to every first Seller on a String, or registered Declaration, whether he be first Seller on the Tender or not.

The Original Tender and the Divisions shall in all respects be dealt with as separate and distinct Dockets, except that when the Sub-Tenders are cleared at the same time as the Original Tender it shall not be necessary for the Divider to pay the amounts for which his Buyers are liable, and that in all cases of Divided Tenders it shall be incumbent on the first Seller on the Original Docket to give a separate delivery order for each division or subdivision of his Tender; but the Divider shall procure the necessary certificates of quantities delivered and other customary statements.

7. When the last Buyer on a Docket wishes to re-tender the same goods in whole or in part under a new Docket before the Original Docket is cleared, he shall use the Continued Tender Form, and if the Original Docket and the Continuation Docket be cleared at the same time it shall not be necessary for him to pay the amount for which his Buyer is liable; but he shall procure the necessary certificates of quantities delivered and other customary statements. In other respects the Continuation Docket shall be treated as an Original Docket. Continued
Tenders.

8. On the last day of each month the only place for the delivery of Tenders against Delivery, or Shipment and Delivery Contracts shall be the Clearing House, and it shall be obligatory on all parties interested in such Contracts to be there represented from 11 a.m. until all their Contracts have been fulfilled, or until all Tenders have ceased to circulate. Original Tenders, having been previously registered, must be delivered to the first Buyer, or to the Secretary,* as the case may be, at or before 11 a.m., and no Tender shall be retained by any Buyer for more than five minutes. At the end of the Clearing, if any intermediate Buyers shall satisfy the Secretary that they have failed to fulfil their Contracts owing to the default of their Sellers, on application being made not later than fifteen minutes after all Tenders have ceased to circulate, the applicants shall be supplied with special forms of Tender, which they shall pass on to their Buyers, by delivery at the office of the Buyers or their Brokers, or by delivery to the Secretary, as the case may be, not later than half an hour after the circulation of all duly originated Tenders has ceased, and such Special Tenders may then be passed on to successive Buyers, by delivery at the office of the Buyers or their Brokers, or by delivery to the Secretary, as the case may be, until 3 o'clock, or such later time as the Secretary may, in case of need, fix, no Buyer being allowed to retain the same for more than fifteen minutes. In case of a Ring, Formal Tenders shall pass. Procedure
on last day
of Contracts.

This clause applies also to the last day of the currency of any Delivery Contract.

9. All parties to a Tender shall pay, in Clearing House stamps, such fees as may from time to time be fixed by the Directors. Registration
Fees

10. If the goods tendered be rejected, the first Seller shall pay to the Clearing House the equivalent of one Tender Fee for each Party to the Tender, not exceeding in all the equivalent of five Fees, and all Parties who have paid their Tender Fees by Clearing House Stamps affixed to the Docket shall have the Fees returned to them provided they apply for the same during the hours fixed by the Committee, and within one week after receipt of notice of rejection, and all Parties whose Tender Fees are included in a Registration or Declaration Fee shall be entitled to pass a re-Tender without Fee. Return of
Fees.

11. All notices of rejection of goods tendered, and all notices by the last Buyer claiming arbitration on goods tendered, shall be handed, before 11 a.m. on the business day next following the day of tender, to the Secretary for the purpose of being signed over by him. The first Seller shall be deemed to have accepted the rejection unless he shall, before 3 p.m. on the business day next following the day of tender (or, if such business day be a Saturday, then before 1 p.m.), have handed to the Secretary, for the purpose of being signed over by him, a notice claiming arbitration and naming his Arbitrator; and should the last Buyer fail to hand to the Secretary, for the purpose of Rejections
and Arbitrations.

* See Clause 4 hereof.

being signed over by him, a notice naming his Arbitrator before 11 a.m. on the second business day following the day of tender, the matter shall stand referred, upon application by either party, to Arbitrators to be forthwith appointed in the manner provided by the printed Rules of the Association* in case of failure by a party to appoint an Arbitrator.

All notices given under this clause must, within half an hour after being signed over by the Secretary, be delivered to the proper party, and on so being delivered shall be binding on all intermediate parties.

Arbitration
between
first Seller
and last
Buyer.

12. Where the terms of Contracts are identical, except as to price, all arbitrations shall be held in accordance with the printed Rules of the Association* as between first Seller and last Buyer, as though they were contracting parties, and the award made in pursuance thereof, subject to the right of appeal, as provided by the printed Rules of the Association,* shall be binding on all intermediate parties. Should the terms of Contract not be identical, such arbitration shall, in like manner, be held as between the first Seller and last Buyer whose Contracts are identical.

13. All payments by the first Seller to the last Buyer, or out of moneys retained by the Secretary under Clause 23, made in respect of allowances under any award in pursuance of Clause 12, shall operate as payments and settlements between all intermediate parties.

Tenders
rejected after
expiration
of time.

14. Where the terms of Contracts are identical, except as to price, and a Tender has been made in due time, but such Tender has been decided by arbitration to be not in accordance with the Contract, and the period specified in the Contract for Tenders has expired, the goods shall be invoiced back by the last Buyer to the first Seller at the price of the last business day of the said period, together with such penalty (if any), not exceeding 5 per cent. on such price, as may be decided by arbitration, and all intermediate parties shall settle their differences as if a valid Tender had been made.

First
clearing.

15. The Secretary shall fix a time for the first clearing immediately on receiving notice from the last Buyer that he is prepared to make payment and take up his delivery order. Two hours' notice of such clearing shall be given to all parties interested, but the date shall not be later than that provided by the printed Rules of the Association.†

16. The first Seller shall in all cases hand to the Secretary a delivery order for the goods at or before the first clearing.

At the time fixed, the last Buyer shall present his deposit receipt for the amount of his invoice, and all intermediate parties who have differences to pay shall pay the same, or present their deposit receipts for the amounts payable, any deposits made under Section B being allowed for. The Secretary shall then hand the first Seller's delivery order to the last Buyer, who shall give in exchange his delivery order to be retained in the Clearing House.

17. When goods are tendered with the word "about" preceding quantity, payments shall be based provisionally on the quantity named.

Default (see
Association
Rule IX).

18. Should any party to a Contract, being an intermediate party, fail to pay his difference, or being last Buyer fail to pay his invoice amount, the Secretary shall report the matter to the Committee, and shall also notify such party, in writing, that he has failed to make such payment; and if the payment be not made within twenty-four hours after such notice (Sundays and Holidays, as defined in the printed Rules of the Association‡ not to be counted), the Committee shall have power to declare him a defaulter, and to post his name as such in the Clearing House and in the Room.

In case of non-payment by an intermediate party the Secretary shall notify the Seller to and the Buyer from the intermediate party, and the Seller and Buyer shall each deposit the whole difference unpaid at the time specified in the notice. Such deposits shall be adjusted by the Committee in the proportion due from the Seller and the Buyer respectively.

In case of non-payment by a last Buyer the Secretary shall notify the preceding Buyer, who shall pay his own invoice amount at the time specified in the notice.

* See Rule 17.

† See Rule 8.

‡ See Rule 3.

19. The amount due to the first Seller shall be retained by the Clearing House until delivery of the goods, but he shall, subject to the provisions of Clause 23, be entitled to receive payment on account as delivery proceeds, such payment being calculated on the quantity delivered during the preceding day, as certified by himself and the last Buyer. Payments to
First Seller.

The amount due to intermediate parties shall, unless good reason to the contrary be shown, be paid to them not later than six business days after the first clearing, and if the statement of actual weight delivered be not then in the hands of the Secretary, settlement for any difference between the quantity named on the Tender and the quantity finally delivered shall be made between first Seller and last Buyer on the basis of the market value of the goods on the third business day after the Tender, and each Tender so settled shall be considered as made under a separate Contract. Inter-
mediates'
Clearing.

20. The first Seller shall not be entitled to interest on cash deposited until the expiration of three business days from date of such deposit, but after that time the last Buyer shall pay interest to the first Seller at the rate of 5 per cent. per annum until the money is paid over, unless, in the option of the Committee, the Seller has been in default. Interest on
Deposits.

21. Intermediate parties shall not be entitled to interest on differences due to them, unless final settlement be delayed beyond the tenth business day after the day of Tender. If the final settlement be so delayed the first Seller and last Buyer shall be jointly and severally liable to intermediate parties for interest, to be reckoned as per Clause 20, on the differences which such intermediate parties are entitled to receive, together with such other damages as the intermediate parties may prove to the satisfaction of the Committee. The amount of such interest and damages shall be deposited in full by both first Seller and last Buyer, together with such fee as the Committee may charge for the investigation, and the deposits shall be adjusted, in the proportion due from first Seller and last Buyer respectively, by the Committee.

22. A statement showing actual weight delivered, and signed on behalf of last Buyer and first Seller, shall be handed to the Clearing House within three days of completion of delivery, when a final clearing shall be called by the Secretary. Final
Clearing.

23. When the last Buyer has claimed arbitration, but such arbitration cannot immediately take place owing to the proper standards not being made up, or other sufficient cause, the last Buyer shall direct the Secretary to retain out of the amount due to the first Seller a reasonable sum (to be fixed, in case of need, by the Committee) to be held as security for any allowance which may be awarded, but all intermediate parties shall receive payment of their differences in full. Delay of
Arbitration.

24. When the goods tendered are awarded to be invoiced back to the first Seller, but the price at which they are to be so invoiced stands over, a provisional settlement shall be made, in accordance with the printed Rules of the Association,* at a price to be agreed upon, or, in case of need, to be fixed by the Committee, and the first Seller and the last Buyer shall each, on the application of any party to the Tender, deposit a reasonable sum (to be fixed, in case of need, by the Committee) to be held as security for any difference between the provisional settling price and the price at which the goods are invoiced back; but all intermediate parties shall receive payment of their differences in full. Provisional
Settlement.

* See Rule 8.

THE LIVERPOOL CORN TRADE ASSOCIATION, LIMITED.

Resolution adopted 21st March 1888, as amended 4th July 1888:—

“That the words ‘Liverpool Standard’ as applied to Bombay wheat shall mean,—

“(a) In the case of Choice White Bombay, not less than 93 per cent. of soft white club wheat, not more than 5 per cent. of soft red and hard wheat, and not more than 2 per cent. of dirt, seeds, and grain other than wheat;

“and—

“(b) In the case of No. 1 White Bombay, not less than 85 per cent. of soft white club wheat, not more than 13 per cent. of soft red and hard wheat, and not more than 2 per cent. of dirt, seeds, and grain other than wheat.”

APPENDIX B.

Memorandum by Mr. CHARLES WHITEHEAD, Agricultural Adviser to the Privy Council, as to the introduction of Insects injurious to Corn and Corn Crops in Wheat imported from India.

It is well known that the wheat that is imported from foreign countries is frequently brought to Great Britain in a very dirty state, and containing other seeds, dirt, and much heterogeneous rubbish.

In some cargoes arriving from Australia, Russia, and India, the condition of the wheat in these respects has been particularly bad.

The presence of other seeds, dirt, bits of chaff straw and rubbish is in many cases due to carelessness in screening the wheat, or from the want of any screening at all, when it is taken direct to the ports from the "godowns" or granaries, or from the village pits where the wheat is shot and covered over with earth.

There appears to be no Government inspection of wheat in India. In the United States officers are appointed in every State to inspect and "grade" wheat, according to its quality and cleanness.

But, besides that which may be termed a more or less natural dirty state from insufficient screening, or from no screening at all, there is a practice prevalent in India of deliberately mixing dirt, rubbish, damaged seeds, as linseed and rice, with clean wheat, to add to its bulk.

This causes much loss to wheat importers and merchants, and millers, necessitating the employment by these last of costly machinery.

Not only this, but the foreign matter mixed with wheat imported from India into this country serves as a medium for the wholesale transportation of insects injurious to crops.

From the cleanings of Indian wheat several categories are formed at the flour mills.

One consists of short pieces of straw of from 1 inch to 2½ inches long, with pieces of wheat ears. This is sold for litter, and is distributed among various farms in the neighbourhood of the mills. In this straw the most dangerous corn insects might be introduced, insects of the type of the Hessian fly, which was without doubt brought into this country in this way; and of the type of the *Isosoma hordei*, the "joint worm," whose appearance in Great Britain is feared by agricultural entomologists.

Another comprises light and misshapen grains of corn with weed seeds, known in this country as "screenings," and which ought to have been taken out of the bulk by the Indian producers. This is purchased for pigs and for chickens' food, being therefore scattered over the face of the land.

In this corn, weevils especially, and other insects may easily be conveyed. It is well known that weevils are most destructive to wheat and other grain in India. It is also equally well known that they are brought over to British ports and granaries in abundant quantities with Indian wheat.

One species of weevil, the *Calandra oryzæ*, the rice weevil, does enormous harm to wheat in Indian granaries and to wheat while it is being transported in vessels to this country.

The admixture of dirt, seeds, and rubbish causes the wheat to heat, which of course is detrimental to its quality, and at the same time causes the weevils to propagate unusually and to materially damage it. Sometimes the cargoes of wheat that have heated are nearly alive with weevils, entailing enormous waste and heavy losses upon importers.

This loss continues when the bulk is taken to granaries or warehouses, while the heat is still evolved, and the weevils revel in it.

According to estimates furnished by Messrs. Ralli, the well known Indian wheat shippers, the amount of loss occasioned by weevils is put at an

average of $2\frac{1}{2}$ per cent. Taking the value of wheat exported at 6,000,000l., the amount of loss due to this insect in exported wheat alone equals 150,000l.

Another weevil, the *Calandra granaria*, closely allied to *Calandra oryzae*, is also brought over with Indian wheat. This weevil is known in British and other European granaries, but it is presumed that the heat and surrounding circumstances of cargoes of Indian wheat favour its development and stimulate its powers of destruction. As it breeds freely in this country the danger of its distribution is very great.

Besides the actual money loss occasioned by these weevils, it is stated that the flour made from wheat much infested by them is injurious to health. Mr. E. C. Cotes,* the First Assistant to the Superintendent of the Indian Museum at Calcutta, asserts this, maintaining that "the weevils contain certain vesicant properties which are known to be powerful irritants to certain organs of the body, even in extremely minute doses." And in the "American Entomologist" it is recorded that *Calandra granaria* has been successfully used as a substitute for cantharis in blisters.

With regard to the dirt in Indian wheat, which is described as small, hard lumps of dirt and clay, it is sometimes absolutely necessary to wash and soak the bulk of wheat to soften the lumps. Little flies are often noticed coming from the wheat thus treated. These flies may or may not belong to injurious species, but it is clear that flies are introduced in this manner, and insects of this description are among the most formidable enemies of many kinds of crops.

Most serious danger may arise to the crops of this country, and must be apprehended, from the insects that can so easily be brought into it with imported grain from India as well as from other countries.

The ravages of insects upon crops of all sorts in all climes increase year by year. New insects are continually observed by the perplexed cultivators in every part of the globe. The facilities of international intercommunication have widely disseminated species of insects. In this country economic entomologists are always expecting some fresh arrival, some new insect scare, and they join always most heartily in any practical representation that may be made to the Government to take steps to prevent the introduction of new pests. Realizing completely the danger to be feared from the present system of importing wheat, especially from India, they must hold that it is essentially important that the "dirt, rubbish, seeds, and short straw," perfect vehicles for destructive insects, should be left in India. •

* See "Notes on Economic Entomology," No 1. A preliminary account of the Wheat and Rice Weevil in India, by E. C. Cotes, Calcutta 1888.

APPENDIX C.

Sir.

Sheffield,
2nd May 1889.*Impurities in Indian Wheats.*

In submitting the result of personal experience and observation in India, with regard to the dirty condition in which Indian wheats are exported, to be intelligible, it is necessary to begin at the beginning, and to traverse the whole subject, though no doubt much that follows is merely a repetition of facts already in your possession.

There are two kinds of impurities found among Indian wheat, viz. :—

1. Different varieties of grain, and smaller seeds, such as barley, gram, rape, linseed, &c.
2. Dust, small pellets of earth, or clay, and small stones.

The “ryot” or cultivator is entirely responsible for the presence of the first of these, and generally to some extent for at least a portion of the second.

In order to ensure a crop of some description, he deliberately sows a mixture of wheat, gram, and perhaps several other kinds of seeds, in the hope and belief that if the season should turn out unfavourable to wheat growing, it may be favourable to some one or other of the mixture of seeds sown.

The mixed seeds grow up, ripen, and are gathered in and threshed together. As the “ryot” has no mechanical appliances for winnowing and cleaning, the primitive method of letting the grain and chaff fall from a sieve in the wind fails to separate and remove the gram and other foreign seeds from the wheat.

A portion of the earth and small stones present is due to the mode of threshing in use in India from time immemorial.

A flat space is chosen for a “threshing floor” in the vicinity of the gathered and stacked grain, this selected area is plastered over with mud, which is trodden, beaten, and dried by the sun, to a tolerably hard even surface.

A stake is driven into the ground in the centre of the prepared floor. Round the stake on a circular area, varying in diameter with the number of bullocks employed, the wheat as taken from the fields is spread to a depth of about two feet, three, four, or more bullocks connected to each other are driven abreast in a circle over the wheat so spread, the inner bullock being usually attached by a rope to a ring or noose, which revolves on the stake.

In this way the grain is released from the ear, without being damaged, and the straw is crushed, or bruised and broken, into what is called “bhusa” or into what the “ryot” believes to be the only condition in which it is fit to be given to his bullocks to eat.

The prepared floor gets broken up, more or less, during the threshing process, and in taking up the grain, dust, small pellets of earth or clay, and small stones, get taken up along with it. Winnowing in the wind, however carefully done, though it may remove the dust, cannot entirely eliminate the small stones, and small pellets of earth or clay thus taken up.

A further source of admixture of dirt is found in the storing of wheat in pits, resorted to in India. When prices are low the “zemindars” who can afford to wait for a probable “rise” in the market may decide to store their wheat for a time. This is done in the following way :—

A hole eight or ten feet deep, and about five or six feet in diameter, is dug in a carefully selected suitable place, this is lined with chaff or “bhusa,” and the wheat put into it, and covered up, first with chaff or “bhusa” and then with earth; the manner of storing is in fact almost precisely similar to the way in which potatoes are stored in this country, only the pits are deeper.

It is, of course, impossible to remove the grain from a pit of this description without some earthy impurities being added to it, and it is chiefly while stored in the manner described that Indian wheats get damaged by insects and become “weevilled.”

The smaller cultivators are, however, much too poor to wait for a rise in prices, indeed in many cases their wheat crop is mortgaged to the local "bunniah" before it is gathered in from the field.

So far the introduction of a variable proportion of the foreign matter found among Indian wheat is a natural and innocent consequence of the "ryot's" endeavour to ensure a return for his labour, together with possible carelessness as to the condition of his land, and the result of his primitive threshing, winnowing, and storing arrangements.

Any further addition of dirt, whether such addition be made by the "ryot" or by the "bepari" or middleman, is due to the premium placed on dirty wheat by the system or basis of purchase which buyers for the European market have adopted.

It is assumed by the export houses in India that all Indian wheats contain a minimum of 5 per cent. of foreign matter, or, as it is called, "refracts" 5 per cent. *However paradoxical it may appear, it cannot be disputed that, in consequence of this fixed minimum "refraction," the "ryot" is a loser if he sells clean wheat, and must also lose by selling dirty wheat.*

The exporting buyers and the "bepari" or middleman, by means of this 5 per cent. "refraction," play a "heads I win, tails you lose," kind of game with the Native cultivators.

In effect, they are mulcted in a penalty increasing up to 5 per cent. the nearer their wheat approaches to a clean condition.

That is, other things being equal, the cultivator who sells wheat with a less percentage of dirt mixed with it than the fixed minimum loses the difference between 5 per cent. and the actual percentage of dirt present, or, in other words, if there is only $1\frac{1}{2}$ per cent. of dirt in the parcel of wheat which he sells, he loses $3\frac{1}{2}$ per cent.

Practically, the custom of buying subject to a fixed minimum "refraction" has established a standard of impurity, which there is neither fraud nor rascality in adulterating to, as, should an analysis of samples show the "refraction" to exceed 5 per cent., a deduction is made *pro rata* from the amount to be paid to the seller.

It would be placing the "ryot" much lower in the scale of intelligence than he actually is, to suppose him incapable of comprehending that it is he who pays the cost of carrying 5 per cent. of foreign matter mixed with his wheat by rail and steamer from India, and up to the point of delivery into the hands of the miller, and also for the separation and removal of such foreign matter by washing and screening. But while it continues customary to buy on a fixed percentage of "refraction," it is clearly to his interest to supply 5 per cent. of dirt.

As excess "refraction" is deducted from whatever price may have been agreed on between buyer and seller in India, there does not appear to be any good reason for having a fixed standard of impurity.

If the deduction for impurity was made variable with the percentage found, the direct inducement to adulterate would be done away with.

A great reduction on the quantity of foreign matter now found in Indian wheats could undoubtedly be made by the "ryots" sowing clean seed wheat and exercising greater care in threshing and winnowing it, but so long as the present modes of threshing and storing continue, absolutely clean wheat cannot be produced.

Supposing it possible to remove all particles of dust and dirt, there would still remain the question of its being necessary to wash Indian wheats, because of possible defilement from the urine and droppings of the cattle employed in threshing, or, more correctly, treading it out.

The mixing of white and red varieties of wheat together is not an unimportant matter as regards the value and general suitability of Indian wheats for both stone and roller mills. But whether admixture is solely due to the sowing of mixed seed wheat, or to this coupled with carelessness on the part of the "bepari" or middleman, its tendency is to lessen values, and as there is no compensating advantage, such as payment for dirt affords, it may be regarded as a minor evil calculated to work its own cure.

The continuance of an objectionable tax on the Indian wheat export trade is necessarily a hindrance to the further development of India's vast

resources as a wheat producing country, as yet only to a small extent utilized.

The tax is discreditable to both parties most directly concerned, that is, to shippers and cultivators, but in a greater degree to the former than to the latter, since they are clearly chargeable with having introduced and fostered it for their own possible advantage.

It has been shown that it is impossible for the "ryot" to benefit by it. That being so, it cannot be fair dealing, or the loss would not thus inevitably be all on one side.

If the "shipper" incurred a risk of loss from shipping dirty wheat, it is reasonable to suppose that his influence would be exerted to remove such risk.

The writer's experience, when engaged in an endeavour to introduce steam threshing machinery into the Bombay Presidency and Central India in the early part of 1885, showed that "shipping houses" could not be induced to take any active part, or make any effort whatever, to promote the export of clean wheat from India.

Collectively, and as an abstract thing, merchants expressed warm approval of the principle of exporting clean wheat.

The Bombay Chamber of Commerce passed resolutions eulogizing and approving samples of clean wheat threshed by the steam threshing machine, and submitted to them by the Director of Agriculture (Mr. Ozanne), and condemned the shipping of dirty wheat to Europe. But, when it came to taking a step out of the customary groove, when one of the largest "exporting houses" was asked to buy a parcel of absolutely clean wheat, threshed by the steam threshing machine in the Nasik district, the reply was a courteous refusal to purchase, on what was probably the most convenient and plausible pretext at hand, that "they never bought grain except where they had an "agent established."

One member of an important "shipping house," in conversation with the writer, said frankly, "Why should we trouble ourselves on this matter? We do not come here to do business for the benefit of the 'ryot,' but for our own benefit, and, if we can do business to our own satisfaction and profit as things are, it is no concern of ours that the 'ryot' does not secure a fair price for his grain."

The custom of "selling forward," that is, selling a shipment of wheat in England before it is bought in India, and the method of adjusting prices on averages of samples adopted in this country, are both difficulties in the way of the exportation of clean wheat from India, but they could probably be more easily surmounted than the self-interest, apathy, and indifference of Indian wheat exporting firms.

The reforms necessary before any reduction can be effected in the quantity of dirt shipped with Indian wheats are,—

1. Reform of trade customs.
2. The "ryot" must sow clean wheat in clean land.
3. The "ryot" must adopt some method of threshing and cleaning his wheat which will not necessitate its being brought into contact with the earth.
4. An improvement must be made in the mode of, or in the arrangements for, storing.

A reform of trade customs should be the first step to be taken, and this should begin by the repeal of the fixed minimum "refraction."

Wheat is purchased in India by measure, and sold in England by weight, and as earth and stones are, bulk for bulk, much heavier than wheat, the shipper obtains a slight advantage here also from "dirt."

In this connection it may be mentioned that the adoption of one standard of weights and measures throughout India would simplify and facilitate business. At present there are three or more.

There can be no doubt that, given an inducement to supply clean wheat by the offer of a higher price, that is, by the purchase of wheat on its merits—the only fair basis of purchase—clean wheat would be forthcoming.

Though the "ryot" may truthfully be described as foolishly conservative in many things, adhering to the manners and customs of his forefathers, with

a pertinacity and determination which might often be more usefully directed, he will adopt an improvement readily enough when he sees clearly that it is to his interest to do so.

One of the principal reasons for his continuing to tread out the wheat on a threshing floor by means of bullocks is that, as already stated, he believes there is no other way in which the straw can be made into "bhusa" or fodder. He might, however, be shown that the straw could, if necessary, be trod into "bhusa," after the removal of the grain, by some such means as are now in use for threshing rice.

Winnowing and cleaning machinery would, undoubtedly, enable the "ryot" to produce a better sample of grain, but such machinery is not indispensable to the obtaining of clean wheat from India. Provided that clean seed wheat is sown in clean land, and that the resulting product is not afterwards brought into contact with the earth during threshing or cleaning, or stored in pits of the description at present in use, it is quite possible for the "ryot" to produce clean wheat with but a small and comparatively inexpensive addition to his present primitive appliances.

If the wheat was kept from contact with the earth by a sheet or sheets, made from the material used for "gunny bags," during the threshing and cleaning processes, one of the foregoing conditions would be complied with at a very small cost to the "ryot."

The general introduction and use of steam threshing machinery in the wheat growing districts of India is put forward as a solution of that part of the problem in hand connected with threshing and cleaning.

While there is much to be said in favour of the employment of steam threshing machinery in India, its introduction must necessarily be gradual, and to wait for its effect would be to postpone the desired improvement to an indefinite period.

The opinions and prejudices of the "ryot" are probably the least obstructive of the many difficulties in the way of a general introduction of steam threshing machinery into India.

Objections raised by the "ryots" to the working and to the result of the working of a steam threshing machine in 1885 were such as could be readily overcome.

The fact that the threshing machine did not bruise the straw and make it all into "bhusa" or fodder was the main objection raised against it. A good deal of importance was attached to this alleged shortcoming, and it was urged that the cattle could not eat the straw and chaff as produced by the threshing machine.

Believing the "bhusa" or fodder obtained in the ordinary way to be more or less tainted and defiled by preparation, the writer determined to submit the question to the bullocks themselves, as being the best judges of the qualities of "bhusa." Some broken straw and chaff produced by the threshing machine was therefore laid side by side with about an equal quantity of "bhusa" trodden and bruised by bullocks in the usual manner. Several bullocks were driven near the heaps and allowed to choose for themselves. In every instance, without exception, the bullocks, after sniffing at both the "bhusa" and the straw and chaff produced by the threshing machine, showed their preference for clean food by feeding greedily on the latter, and rejecting the native "bhusa." The "ryots" who witnessed this appeal to the discrimination of the bullocks were manifestly surprised and disappointed that their opinions were thus contradicted, and had but few remarks to make on this point thereafter.

It must, however, be acknowledged that, in consequence of the hard brittle nature of the most of the wheat straw grown in India, crushing and bruising renders it more suitable for fodder,—less liable to cause injury to the animal's mouth and throat.

Wheat straw is not always used as fodder in all the wheat growing districts of India, but it is resorted to when other more desirable fodder is wanting.

When necessary, the attachment of a straw crushing and bruising apparatus to the threshing machine removes all possible objection as to the unsuitability of the straw produced by it for fodder.

The only other sensible objection against the working of the steam threshing machine was that a small proportion of the grain was chipped.

Owing to the extremely dry, hard, brittle nature of the wheat straw, already alluded to, and the dry hard condition of the wheat, this defect will be found very difficult to entirely eliminate.

Superstitious ideas respecting the introduction of any, to the Natives, new-fangled inventions would be outweighed by a clear proof of pecuniary advantage to be reaped from their use, and the same may be said with regard to the objection that the "ryot" would have no employment for himself, his family, and his bullocks during the period of the year now occupied in threshing and cleaning his wheat.

Supposing the "ryot's" personal objections to be entirely met and overcome, however, the only way in which the vast majority of Native cultivators could obtain the use of a set of steam threshing machinery is by hiring, or by some form of combination to purchase, which has yet to be taught them, as the first cost is far beyond the resources of the individual "ryot."

Roads which would permit a set of steam threshing machinery to be drawn by bullocks across the country, have in many parts yet to be made, and any attempt to take a steam threshing plant, of the smallest size and capacity at present made, down a grade of moderate inclination would probably be attended with disaster, if bullocks were employed.

Facilities for loading or unloading heavy unwieldy articles, such as portable steam engines and steam threshing machines, are conspicuously absent from Indian railway stations.

There would undoubtedly be great difficulty and delay attending the execution of repairs to, or renewals of, parts accidentally damaged or destroyed, and the, to the Natives, somewhat complicated mechanism of a threshing machine, makes European management and supervision indispensably necessary for successful working.

These, in the opinion of the writer, are much more serious obstacles in the way of a general adoption of steam threshing machinery in India than the personal objections of the "ryot."

The question whether they are too difficult for British enterprise to surmount may be left with those who consider it to their interest to test the matter.

With regard to the storage of Indian wheat, it is probable that those who can afford to hold their wheat for a "rise" in prices could also afford the comparatively small expense of making their storage pits clean and vermin proof, by lining them with concrete, bricks, or stone.

Wheat is sometimes damaged in course of transit by exposure to wet, in consequence of no provision having been made at railway stations for temporary storage. This is a matter for the Railway Companies to remedy. If sufficient facilities are given for the examination of consignments at the railway termini, and the Railway Companies mulcted in penalties for failure to deliver in good condition as received, the needful covered, and in every way efficient, accommodation will soon be provided.

Turning to the attitude now assumed by the Indian wheat exporting houses respecting the exportation of clean wheat, they practically say,—“We have tied our own hands and those of the 'ryots' in this matter, and we cannot untie them without extraneous aid, or the assistance of the Government.” But, while the influence, and, if necessary, the power of the Government of India may be wisely and usefully exerted at a later stage, it does not appear that Government interference is required for the initiatory proceedings of the desired reform, unless it should be needful to compel the abolition of the premium on impurity.

If a consideration of the question in all its bearings by the Indian Council, and by representatives of the various Corn Trade Associations, should result in prompt, decisive, and efficient reforms in the mode of appraising values, and the form of purchase of Indian wheat in this country, export houses in India could no longer make the excuse they now appear to rely on as a sufficient reason for continuing the 5 per cent. minimum refraction, viz., “that it is necessary owing to the action of merchants in this country.”

A trade custom which gives a manifest advantage to the most influential party may, however, be expected to die hard, and it is very questionable whether a free, spontaneous, and immediate reform in the required direction

by shippers of Indian wheats may be anticipated, as a result of the expression of desires and opinions of millers and others in this country, however unanimous they may be.

In the event of it being found impossible to induce export houses to forego the advantage which a 5 per cent. minimum "refraction" gives them, the formation of a Syndicate to purchase and export clean wheat from India is the only way in which the question can be practically dealt with.

Such a Syndicate, if supported loyally by the millers in this country, and backed up by the influence and assistance of the Indian Government, to the extent of giving the "ryot" facilities for obtaining clean seed, and kindly counsel through their officials, could not fail in effecting the desired improvement.

As the adulteration of wheat cannot be held to be fraudulent, being practically legalized by the trade custom, it is difficult to see how any legislative enactment could be framed of a positive or prohibitory character to deal with it.

It might be found possible, however, to support a Syndicate for the purchase and exportation of clean wheat by passing an Act of a negative character, which would make trading in dirty wheat illegal, and, therefore, contracts made in respect of such wheat not binding nor recognized in a court of law.

In any case, no pressure should be put on the "ryot" to produce clean wheat until he can get a fair price for it. Then, in all probability, the necessity for coercion in any form will have passed away.

I am, Sir,
Your obedient Servant,
W. GALLON,
Assoc. M. Inst. C.E.

Sir George Birdwood.

APPENDIX D.

INDIAN WHEAT AND ITS IMPURITIES.

To the Editor, "Beerbohm's Evening Corn Trade List."

Sir,

10th May 1889.

I cannot think the National Association of British and Irish Millers will submit to have the conditions under which wheat is to be shipped from India (except to the port of Liverpool) dictated to them by the London Corn Trade Association. The Hon. J. Forbes Adam says, "The fault lies not at the door of Bombay exporters, but with millers, buyers, and Corn Trade Associations in England," and he adds, that "the Bombay Chamber of Commerce resolved to request the London and Liverpool Corn Trade Associations to fix the refraction on all wheat sale contracts at not over 2 per cent." Liverpool agreed—London declined; and the latter followed this up with a report at the India Office meeting, which I felt bound to denounce as a most uncompromising document, and which is really the most obstructive and no surrender manifesto which, I should say, was ever issued from a public commercial body called upon to assist in the improvement of a great national commercial interest. I did not think before that an association could be found in England whose patriotism was so entirely confined to their pockets. I mentioned at the meeting that some of the largest firms in Ireland and England used very little Indian wheat, and several millers noted that a vast number of small millers *cannot* use it. The Government reports from millers prove this incontestably, but, notwithstanding this, I have failed to find one single sentence in the London Association's circular which admits willingness to co-operate in assisting the millers. It is suggested in the Government report that Indian wheat was probably sent to Mediterranean ports in better condition than to England, but I doubt this. In Marseilles I know that, the climate being dry and hot, washing is one of the ordinary operations of the wheat cleaning system on all wheats, and therefore all mills have the necessary washing and cleaning plants; but the manufacture of pure semolina is a large trade there, and some sorts of Indian wheat are found very suitable, but in the very best samples of semolina I found traces of dirt and stone. This illustrates a fact well known to millers, that, after the "break flour," the next to be damaged is the highest qualities. Though I went to Lord Cross's meeting as a member of the London Chamber of Commerce, I had not intended to speak, but, whilst sitting as a listener, a gentleman whom I do not know came and asked me to reply for the London contingent, as the other side had had it nearly all their own way. I did my best (though badly) to reply to them, and I wish I could have more forcibly assisted the northern corn traders and the millers. My knowledge of the milling trade enables me to say, without any chance of being contradicted, that almost unanimously the millers object to the dirt in Indian wheat, and the same, I believe, applies to the milling engineers. I believe they would thoroughly approve contracts being based on only 2 per cent. refraction. It is stated in the Government report that what Messrs. Ralli call the 5 per cent. *stuff* (how clearly they know the name to give it) is partly made up of dirt and stones *purchased by the Native traders, and mixed into the wheat sold as "fair average quality."*

The practice probably was suggested from the fact that the threshing floors are made of dried mud, in which there are also stones. As it will take years to generally introduce the threshing machine, I suggest that an effort should be made to introduce cement threshing floors.

Yours truly,
J. HARRISON CARTER.

APPENDIX E.

Victoria Corn Mills, Sheffield,
1st June 1889.

Dear Sir,

Your report on the impurities of Indian wheat fully confirms the desire of English millers to purchase it cleaned.

But it will be in vain to ask either grower or dealer to furnish it clean unless it is to his advantage to do so.

English millers' objections to buy Indian wheat on terms of "f. a. q." with dirt clause of 5 per cent. and average sample prepared in London, are manifold:—

1. That the grower does not deliver the wheat in marketable condition.
2. That on its passage to England the wheat is being consumed and deteriorated by that abominable pest the weevil.
3. That "average sample" which is to test the quality of delivery is a monthly preparation by the London Corn Trade Association over which the miller has no say.
4. That the "average sample" varies considerably, and affords no criterion to the millers what to expect in succeeding months. Buying this is very much like "pricking in the belt."
5. It is impossible to estimate the loss the English miller suffers by having to extract the weevil from the wheat in his mill, and so get the nuisance on his premises, instead of being extracted by the grower. In some cases this extends to 5s. per quarter, and on tedious voyages in the hot season the wheat is rendered unfit for making flour.
6. That in cases of arbitration the members of the London Corn Trade Association are the sole arbitrators. Without in any way doubting the integrity of those gentlemen, it is easy to see the miller is placed at a disadvantage; that reciprocity is all on one side.
A miller, who best understands the interest of millers, should form part of the arbitration to protect the buyer's interest.
7. In case of arbitration the miller, however far distant he may reside, is put to the trouble and expense of attending at the port where he bought the wheat, as there alone the arbitration must be held.
8. Indian wheat shipped with 5 per cent. of dirt in it can only be used by those English millers who have adopted costly cleaning machinery to treat it (who do not number one in twenty), thus sadly limiting the demand for Indian wheat. Were the wheat exported clean, its quality being well adapted to the English market, all millers would gladly use it, and thus aid the development of our Indian Colony.
9. The practice of adding dirt to the wheat is the most execrable of all. Of this admixture of dirt there is no possible method of ascertaining exactly the "5 per cent." The man who has the hardihood to mix 5 per cent. (or any less quantity), his elastic conscience will not scruple to mix 6 per cent. or more, which frequently proves the case to the miller, who has no remedy. In England there is a law to punish the miller if he adulterates flour; in India there should be a law to punish the man who adulterates wheat.

With its present rude mode of agriculture, India labours under many and serious disadvantages compared with those wheat growing countries who use the best appliances and facilities to lessen the cost of production. The latter could not easily be induced to return to the practice of those primitive times when it was commanded,—"Thou shalt not muzzle the ox that treadeth out the corn."

It is evident that, before India can take her stand on equal terms with other countries to produce wheat for the world's market, much labour and

wise forethought will have to be exercised, and abounding difficulties overcome. Amongst those things that will greatly conduce to this end :—

1. Let Government provide good railway and road accommodation, and as far as possible all other helps for cheap and expeditious transit; also public elevators or warehouses at convenient stations where the farmer can store his grain cleaned, to be properly graded by a Government Inspector, so that he can either sell or keep it. after the practice universally adopted in America. In this way, arbitration (so objectionable to all parties) will be avoided. The wheat having a fixed character will be sold on its merits, on terms alike to seller and buyer.

I have seen in Dalrymple's farm, near Fargo, U. S. A., a wheat field of 12,500 acres cultivated by the plough and mules. The proprietor told me he should reap the whole in 14 days by mowing machines, and thresh and winnow the whole in 28 days, and place it in trucks on the railway to be sent to an elevator at New York properly prepared for sale.

2. Let the farmer be encouraged and helped, if possible, to procure and use the best threshing and cleaning machinery, to enable him to send his grain properly cleaned to market. To prove how cleaned wheat will benefit him, take as an example 100 quarters wheat, sold with dirt in to extent of 5 per cent., reduced by better cleaning by the grower to 2 per cent.

	Qrs.
The English miller, or last buyer, receives of cleaned wheat	- - 97
of dirt, for which he has to pay the price of wheat	- - 3
	<u>100</u>
On this 3 qrs. dirt he has to pay carriage from the sender to the shipping port on an average, say of 2s. per quarter	£ s. d. - - 0 6 0
Freight from Calcutta to English port (20s. per ton) on 3 qrs.	- 0 13 4
From English port to mills in the interior, average (6s. 8d. per ton) on 3 qrs.	- - 0 4 5
And for the dirt itself at, say 25s. per quarter, on 3 qrs.	- - 3 15 0
	<u>£4 18 9</u>

Practically, on the 97 qrs., he receives 1s. per quarter, which more than compensates for the 10 $\frac{1}{2}$ per cent. reported to be lost by selling clean wheat instead of dirty.

If the wheat was sold at 30s. per quarter instead of 25s. the amount would be

£ s. d.
- - 5 13 9

If the wheat was sold at 35s. per quarter instead of 25s. the amount would be

- - 6 8 9

Further, from machine threshing compared with bullock threshing the former will secure more and cleaner wheat from the straw (I think by 5 per cent.), and by good winnowing he will provide wheat clean and sweet instead of dirty, and often stale, from the bullock's presence, when the bran or rind of the wheat berry from its spongy nature is liable to absorb offensive moisture, causing the wheat to heat in transit.

If I have correctly estimated the advantage of steam threshing at 5 per cent.,—

	£ s. d.
5 qrs. at 25s. will yield	- - 6 15 0
5 „ 30s. „	- - 7 10 0
5 „ 35s. „	- - 8 15 0

This (or whatever is the correct proportion) will be profit to the farmer, as the time and labour saved will recoup him for the cost of improved means of working.

The difficulties, vexation, and loss inflicted on the English miller by the present tortuous methods of selling Indian wheat would all be obviated by

the grower preparing his wheat in a marketable condition, and would more than double the demand for it.

I am well aware that the needed improvements for India must necessarily be of slow and progressive growth. A knowledge of their defects, and how to improve them, must be their first steps to advancement.

I am, dear Sir,
Yours truly,
SAML. SMITH.

APPENDIX F.

Extract Foreign Office Diplomatic and Consular Reports on Trade and Finance.

Report for the year 1888 on the Trade of the Consular District of Odessa (Russia).

The question of elevators, one of which has been successfully erected at Eletz, in the Government of Orel, at the junction of the Uslovaia-Eletz and the Orel-Verkhovié-Eletz-Griasi Railways, is now being seriously discussed by the Zemstvos, or Provincial Councils, in my district. It is felt that, if steps are taken for the proper storage, conditioning, and sorting of grain at important centres, so that it should be forwarded, as means of transport are available, to the ports for shipment abroad, South Russia will be in a better position to compete with America and India than she is at present. How South Russia is pushing forward in the race of production is proved by the enormous development of the export trade from this port, and even at the end of 1888 only half the year's crop had been exported. The stock then in warehouse was estimated at 3,100,000 tchetverts (2,232,000 quarters), against 1,800,000 tchetverts (1,296,000 quarters) at the end of 1887.

Annex B gives the quantities and values f. o. b. of the several kinds of grain exported during the years 1887 and 1888, showing a very large increase in wheat, barley, rye, and oats, but a falling off in maize.

The average prices f. o. b. during the year were as follows :—

Winter wheat (Azima)		s.	d.
Fine quality	- - - -	28	6
Inferior quality	- - - -	25	0
		to	
		27	0
Spring wheat (Ghirka),—			
Fine quality	- - - -	27	6
Inferior quality	- - - -	24	0
		to	
		26	0
Rye	- - - -	16	0
Maize	- - - -	18	6

The above prices are per Imperial quarter of 480 lbs.

Barley	- - - -	13s. per 400 lbs.
Oats	- - - -	10s. 6d. per 320 lbs.

**Annex B.—RETURN of Principal Articles of Export from Odessa during
the Years 1888 and 1887.**

Articles.	1888.		1887.	
	Quantity.	Value.	Quantity	Value.
	Tons.	£	Tons.	£
Wheat - - - - -	1,031,758	6,878,960	605,387	4,090,527
Barley - - - - -	356,660	1,543,020	263,451	893,139
Rye - - - - -	216,251	741,437	175,113	708,087
Maize - - - - -	179,280	982,810	325,969	1,300,383
Oats - - - - -	60,539	293,040	23,855	83,565
Sugar - - - - -	42,405	1,156,808	43,703	1,083,840
Flour - - - - -	18,733	197,145	30,876	396,960
Wool - - - - -	3,208	223,730	6,185	661,658
Sundry goods - - - - -	161,628	1,491,920	271,803	2,639,145
Total - - - - -	2,070,462	13,514,170	1,746,342	11,857,304

APPENDIX G:

National Association of British and Irish Millers.

Memorandum of the Council in reference to the Conference on the Impurities in Indian Wheat, held by invitation of Viscount Cross, G.C.B., Her Majesty's Principal Secretary of State for India, at the India Office, 8th May 1889.

The Council is of opinion that it would greatly tend to the increased consumption of Indian wheat if it came in a cleaner state to this country, and that no good reason exists why it should not do so.

Indian wheat is at present manufactured into flour by a comparatively few millers, who have large mills and sufficient plant of elaborate cleaning and washing machinery to prepare it for use. If it came cleaner it would be purchased by the smaller millers, who cannot now use it on account of its filthy condition.

It appears to this Council quite absurd to defend on any grounds the useless waste of labour and money in bringing thousands of miles a considerable proportion of dirt and other impurities, which must be eliminated before the wheat can be ground, and which could be as readily and effectually done at the port of shipment or principal centres of collection in the interior of India.

The amount of dirt in the wheat has, however, another bearing on the question. The impurities largely consist of pieces of earth from the threshing floor, impregnated with offensive animal matter, and this, being packed with the wheat in bags, during the long voyage in close confinement imparts to the grain a taste and smell which is very objectionable, and which cannot be removed altogether by the most elaborate and costly cleaning and washing. There appears to be no good reason why the wheats of India should not be delivered into England of nearly as good flavour and sweetness as from other distant countries.

The Council have considered the statements put before Lord Cross by the London Corn Trade Association, and wish to state that they are not at all in accord with them in this matter, nor do they agree that the views of millers are accurately given in the document in question, which is presumably written in the interest of shippers and not of the public. There can be doubt that the replies from the 510 millers in answer to the questions submitted to them by the India Office fairly represent the opinions, not only

of themselves, but of the great bulk of the 8,000 corn millers of the United Kingdom.

It has been argued that millers need not buy on the form of contract issued by the Corn Trade Association, but can purchase on sample on arrival; but, as a rule, millers purchase Indian wheat for forward shipment in order to cover the sales of flour made for forward delivery, and are compelled to use the form of contract or not buy in this way at all. The Indian wheat coming by the Cape is very much purchased for its convenience as "cover," and if the millers so buying are not able to clean it they have to sell on arrival. It is, therefore, of great importance that the contract form should be altered, and the proportion of dirt allowed very much reduced.

The Council hopes that the Indian Government will not allow the question to rest until some improvements have been effected, and insist on the wheat being shipped in a cleaner state from the ports of that country, and further trusts that any persons who purposely adulterate wheat with impurities may be dealt with by the criminal law, as the practice tends to injure the quality and flavour of the grain, and to bring into disrepute the produce of a portion of the British Empire, whereby the trade of the Empire is injured, and the grain of foreign countries obtains an advantage in English markets from causes which are largely preventable.

On behalf of the Council,

R. HARVEY DAW, President.
J. H. CHATTERTON, Secretary.

61, Mark Lane, London,
15th June 1889.
