

Serial Number 125/1937.



**THE BOARD OF TRADE (WHEAT AND FLOUR) REGULATIONS,
1937.**

Enacting authority : His Excellency the Governor-General in Council.

Date on which the regulations were made : 18th day of February, 1937.

Date of notification in *Gazette* : 18th day of February, 1937.

PURSUANT to the provisions of section 26 of the Board of Trade Act, 1919, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, and on the recommendation of the Minister of Industries and Commerce, and deeming the provisions hereinafter contained to be necessary in the public interest for divers of the purposes set out in the said section, doth hereby make the following regulations for the purposes of the said Act.

REGULATIONS.

PART I.—GENERAL.

REGULATION 1.—PRELIMINARY.

(1) These regulations may be cited as the Board of Trade (Wheat and Flour) Regulations, 1937.

(2) These regulations shall come into force on the day following notification in the *Gazette* of the making thereof.

(3) In these regulations, if not inconsistent with the context,—

(a) *General Definitions.*

“ Minister ” means the Minister of Industries and Commerce :

“ Committee ” means the “ Wheat Committee ” hereinafter constituted :

“ Previous Committee ” means the Committee established by the Board of Trade (Wheat) Regulations, 1935-36* :

“ Month ” means a secular calendar month :

“ To notify ” on the part of the Committee means to notify by means of a notice under the hand of the Chairman or Deputy Chairman of the Committee or any authorized officer purporting to act on behalf of the Committee published in the *Gazette* and in such other newspaper (if any) as the Committee may in any case direct : and “ notification ” has a corresponding meaning.

* *Gazette*, 13th December, 1935. Vol. III, page 3931.

(b) Definitions relating to Wheat.

“Wheat” means wheat of any kind or quality grown in New Zealand or elsewhere during the season 1936-37 or in any season previous to the season 1936-37 :

“Free wheat” means :—

(a) Any wheat which has been purchased by the Committee or previous Committee and resold for gristing into wheat-products for human consumption only :

(b) Any wheat which has been purchased by the Committee or previous Committee and resold to an intending grower or an authorized broker or a seed-merchant approved by such Committee or previous Committee, such resale being for seed purposes only :

(c) Any wheat which has been offered to the Committee or previous Committee for purchase and has been rejected as being not f.a.q. milling-wheat.

“F.a.q. milling-wheat” means wheat in good, dry condition, sound and sweet, free from smut, reasonably free from broken, shrivelled, and sprouted grains and from weed seeds and other extraneous matter, free from decay and free from damage by insect pests injurious to baking quality, free from all blemish not hereinbefore particularized, and weighing not less than 61 lb. per imperial bushel measure :

“Authorized broker” means a broker appointed pursuant to Regulation 7 hereof :

“Authorized grader” means a grader nominated by the Wheat Committee for the purposes of Regulation 11.

(c) Definitions relating to Flour.

“Flour” means flour and wheatmeal, and includes bran and pollard and any other produce of the milling of wheat, but does not include bran or pollard imported from overseas :

“White flour” means flour strictly so called :

“Mill” means a flour-mill, and includes any premises used for the milling of wheat-products for human consumption :

“Miller” means the occupier under whatever tenure of any premises used as a mill.

(4) The provisions of Part I of these regulations shall be read together with the provisions of Part II and Part III, as the case may require.

REGULATION 2.—THE WHEAT COMMITTEE.

(1) There is hereby established a Committee, to be known as the Wheat Committee.

(2) The Committee shall consist of such members as the Minister may appoint.

(3) Every member shall hold office during the pleasure of the Minister.

(4) The Minister shall be the Chairman of the Committee.

(5) In the event of the absence of the Chairman from any meeting of the Committee his deputy shall be the Chairman of that meeting.

(6) The powers hereinafter conferred on the Committee shall be exercisable as soon as the members have been appointed and shall not thereafter be affected by any vacancy in the membership thereof.

(7) The Committee shall be a body corporate with perpetual succession and a common seal, and power to hold real and personal property and to do and suffer all that bodies corporate may do and suffer.

(8) The Committee shall establish and maintain in the City of Christchurch a public office, on the outside of which the name of the Committee shall be conspicuously displayed.

(9) Service at the public office during ordinary business hours on any person appearing to have the control thereof of any writ, notice, proceeding, or other document shall be good service thereof on the Committee.

(10) The Committee shall hold its first meeting at a place and time to be fixed by the Chairman notice of which is given by him to the other members.

(11) At all meetings of the Committee the Chairman or his deputy shall be entitled to exercise a casting-vote as well as his deliberative vote.

(12) In all matters not hereby provided for the Committee may, by resolution or by-law, regulate its procedure.

(13) The Committee may engage such officers as it deems necessary for the efficient carrying-out of its functions under these regulations.

(14) The Committee may from time to time employ upon such terms as it thinks fit such persons or firms as it considers necessary for the purpose of grading wheat.

(15) The Committee may from time to time appoint agents or establish branches at any places it thinks fit and from time to time determine such appointments and close such branches.

(16) The members of the Committee shall not be personally liable for any act or default of the Committee done or omitted to be done in good faith in the course of the operations of the Committee.

(17) The position of a member of the Committee shall not be affected by the fact that he is directly or indirectly concerned either as vendor or purchaser or agent of a vendor or purchaser in any contract made by the Committee, nor shall such contract be liable to be avoided so long as such member does not vote or take part in the deliberations of the Committee upon any particular contract in which he is so concerned.

(18) Any contract which if made between individuals must be by deed shall, if made by the Committee, be in writing under the seal of the Committee.

(19) Any contract which if made between individuals must be in writing signed by the parties to be charged therewith shall, if made by the Committee, be either under the seal of the Committee or be signed by two members of the Committee on behalf of and by direction of the Committee.

(20) Any contract which if made between individuals may be made without writing may be similarly made by or on behalf of the Committee by any two members acting by direction of the Committee, or by any officer of the Committee acting on behalf of and under the authority of the Committee, but no such contract shall be made involving a sum exceeding £20.

(21) The Committee shall have power to sue for, recover, enforce, and receive all debts, damages, claims, contracts, and moneys due, owing, or claimable from any person for or on account of any goods sold by, through, or at the direction of the Committee, or in respect of any contract entered into by the Committee, or arising out of the exercise by the Committee of any of the powers conferred on the Committee by these regulations.

(22) The Committee may, with the written approval of the Minister, establish a fund to be vested either in the Committee or in trustees for the purpose of affording for its officers or any of them or any class of officers any such benefits as pensions, superannuation allowances, sick-pay, accident compensation, and similar benefits, and may make arrangements with the National Provident Fund or the Government Insurance Commissioner for the provision of any such benefits, and may for the purposes aforesaid establish schemes, enter into contracts, make by-laws, and make payments into a fund or to trustees, or to the National Provident Fund, or the Government Insurance Commissioner, as the case may require.

(23) The Committee may exercise any of its powers within New Zealand or elsewhere.

REGULATION 3.—FINANCIAL PROVISIONS.

(1) The Committee may from time to time establish at any branch of a bank in New Zealand accounts to facilitate the general exercise of the powers conferred by these regulations, including separate accounts to facilitate payments in respect of the sale and purchase of flour.

(2) Any account for the time being established under the last preceding clause of this regulation shall be operated on as the Committee may direct, but so that every cheque or other negotiable instrument drawn upon such account or accepted or endorsed for the Committee and passed through such account shall be signed on behalf of the Committee by at least two persons each of whom is a member or officer or regularly appointed agent of the Committee.

(3) Nevertheless the Committee may confer upon any one person, being a member, employee, or regularly appointed agent of the Committee, power to endorse for collection to any bank selected by the Committee for the credit of the account of the Committee at such bank, but not otherwise, any cheque, bill of exchange, or other negotiable or transferable instrument.

(4) The financial accounts of the Committee shall be kept in such form as the Committee, with the approval of the Controller and Auditor-General, may decide.

(5) The said accounts shall be subject to audit by the Audit Office as if the Committee were a local authority within the meaning of section 124 of the Public Revenues Act, 1926, and Part XIV of that Act shall accordingly apply, subject to the express provisions of this regulation.

(6) The expenses of such audit shall from time to time be determined by the Controller and Auditor-General, and when so determined shall be recoverable as a debt due to the Crown and be a first charge on the funds of the Committee.

(7) A summary of the accounts of the Committee, duly audited, shall be published at such time and in such manner as the Minister may from time to time direct.

(8) The Committee may from time to time at its discretion raise or borrow any sum or sums of money for the better carrying-out of any of the purposes of the Committee (but so that no lender or other person dealing with the Committee shall be concerned as to the application or be affected by the misapplication of any sums so raised or borrowed), and to give for the repayment of any such moneys and the payment of interest thereon such security over wheat or flour belonging to the Committee or over any other property of the Committee as the Committee may think fit, and from time to time to redeem, pay off, or replace any such securities.

REGULATION 4.—1935-36 REGULATIONS.

(1) Save as hereinafter provided, the Board of Trade (Wheat) Regulations, 1935-36,* and the Board of Trade (Flour) Regulations, 1936† (hereinafter collectively referred to as "the 1935-36 Regulations"), are revoked as from the date of the coming into force of these regulations.

(2) The Wheat Committee incorporated under these regulations shall continue the administration and winding-up of the wheat-marketing scheme and flour-marketing scheme established by the 1935-36 Regulations, and shall for such purpose have all the powers and duties imposed upon the Committee established under the 1935-36 Regulations (hereinafter referred to as "the previous Committee") in addition to the powers conferred and duties imposed by these regulations.

(3) The Committee shall complete the winding-up of the said respective schemes as expeditiously as circumstances will permit, and shall apportion equitably between the respective 1935-36 schemes and the 1936-37 scheme all expenses of and incidental to each.

(4) The Committee may, in its discretion, use the funds of the respective 1935-36 schemes temporarily for the carrying-on of the 1936-37 scheme, including the purposes set out in clause (6) of this regulation, but subject to proper adjustment and repayment as circumstances shall permit.

(5) The Committee's decision on any matter of and incidental to adjustment between the respective 1935-36 schemes and the 1936-37 scheme, whether as to expenses and use of funds as aforesaid or otherwise, shall be final.

(6) In order to complete the administration and winding-up of the 1935-36 wheat-marketing scheme, the Committee shall have power, in its discretion, to take over on behalf of the 1936-37 scheme any surplus 1935-36 wheat remaining on the hands of the previous Committee. Such taking-over shall be at a valuation to be fixed by the

* *Gazette*, 13th December, 1935, Vol. III, page 3931.

† *Gazette*, 2nd April, 1936, Vol. I, page 669.

Committee after taking into account all relevant circumstances, including cost of storage. Any money in the Committee's hands under the 1936-37 scheme shall be available for the payment of the price of the wheat taken over, and the wheat so taken over shall become part of the stocks of the 1936-37 wheat-marketing scheme.

(7) Notwithstanding the revocation of the 1935-36 Regulations, all rights existing or arising thereunder and all liabilities and duties imposed thereby shall continue until the schemes established thereunder shall be fully wound up and all rights duly satisfied, and all liabilities and duties duly discharged and performed. All offences heretofore committed against the 1935-36 Regulations shall continue to be punishable as therein provided, and shall be unaffected by the revocation thereof.

(8) All actions, proceedings, contracts, notices, and other matters commenced by or against, or entered into or done by or with, the previous Committee shall enure against or for the benefit of the Committee constituted under these regulations as if commenced, entered into, or done by or against, or with the Committee constituted under these regulations, and all the assets, rights, and liabilities of the previous Committee shall devolve upon the Committee constituted under these regulations, subject to apportionment by the Committee pursuant to clause (3) of this regulation.

(9) All wheat-purchase warrants, and all conditions and restrictions therein, and all consents and appointments, and generally all acts of authority of the Committee constituted under the 1935-36 Regulations shall enure as if they had originated as acts of authority of the Committee constituted under these regulations, and shall, so far as they are henceforth capable of taking effect, continue in force as if they had so originated, and shall continue to be binding accordingly.

REGULATION 5.—OFFENCES.

(1) Every person shall be guilty of an offence against these regulations, and shall be liable accordingly, who does, or attempts, or conspires to do any act declared by these regulations to be unlawful.

(2) Every authorized broker and every agent of the Committee shall be guilty of an offence against these regulations, and shall be liable accordingly, who commits any wilful breach of his contract with the Committee under these regulations.

(3) Every seller of wheat to the Committee or purchaser of wheat or flour from the Committee under these regulations who commits a wilful breach of his contract with the Committee shall be guilty of an offence against these regulations, and shall be liable accordingly.

(4) Every person who, being a servant or agent of any authorized broker as agent of the Committee or of any such seller or purchaser of wheat or flour, wilfully does any act whereby or in consequence of which such authorized broker, agent, seller, or purchaser breaks his contract with the Committee shall be guilty of an offence against these regulations, and shall be liable accordingly.

(5) Every person who deceives or attempts to deceive an authorized broker or agent or the Committee in the exercise of its functions under these regulations shall be guilty of an offence against these regulations, and shall be liable accordingly.

(6) Every person who incites, aids, abets, counsels, or procures any other person, or conspires with any other person, to commit an offence against these regulations shall be guilty of an offence against these regulations, and shall be liable accordingly.

(7) Every person who fails to make in accordance with these regulations any return required thereby or in pursuance thereof, or who makes any such return which is false or misleading in any particular, shall be guilty of an offence against these regulations, and shall be liable accordingly.

PART II.—WHEAT.

REGULATION 6.—RESTRICTIONS ON DEALINGS IN WHEAT.

(1) Save in accordance with these regulations, no person shall (whether as principal, agent, or otherwise) purchase or agree or offer to purchase any wheat other than free wheat, or be concerned in the making of any such purchase, agreement, or offer by any other person (whether in New Zealand or elsewhere), or be concerned in the fulfilment or performance of any agreement for the purchase of any wheat other than free wheat (whether such agreement has been made in New Zealand or elsewhere, and whether it has been made before or after the making of these regulations).

(2) Save in accordance with these regulations, no person shall (whether as principal, agent, or otherwise) sell or agree or offer to sell any wheat other than free wheat, or be concerned in the making of any such sale, agreement, or offer by any other person (whether in New Zealand or elsewhere), or be concerned in the fulfilment or performance of any agreement for the purchase of any wheat other than free wheat (whether such agreement has been made in New Zealand or elsewhere, and whether it has been made before or after the making of these regulations).

(3) For the purposes of this regulation the terms "purchase" and "sale" include any mode of acquisition or disposition by agreement other than acquisition or disposition by way only of security.

(4) For the purposes of this regulation an option or right of purchase or sale shall be deemed to be an agreement to purchase or to sell, as the case may be.

(5) In any proceedings for a breach of this regulation the onus shall lie on the person charged of proving that any transaction was in accordance with these regulations and of proving that any wheat the subject of such transaction was free wheat.

(6) Notwithstanding anything contained in these regulations, it shall be lawful—

(a) For a wheatgrower to sell wheat actually grown by such wheatgrower but so that the aggregate sales by any wheatgrower to one or more purchasers do not (except with the previous written consent of the Committee) exceed 100 bushels in any one secular year:

(b) For any person to buy from wheatgrowers wheat actually grown by such wheatgrowers but so that the aggregate purchases by any person, whether from one or more wheatgrowers, do not (except with the previous written consent of the Committee) exceed 100 bushels in any one secular year.

(7) The Committee may by resolution exclude from the operation of these regulations—

(a) Wheat grown in any area specified in such resolution in any one or more seasons so specified :

(b) Wheat grown from seed of recognized merit and defined in such resolution subject to such terms and conditions as to price or otherwise as the Committee may by such resolution impose :

(c) Wheat grown in any season prior to the season 1936-37 :

Provided that any such resolution shall be publicly notified as the Committee may direct :

Provided also that such exclusions may, in the discretion of the Committee, either be unconditional or be subject to such conditions or restrictions upon any seller or purchaser as the Committee may by such resolution as aforesaid think fit to impose.

REGULATION 7.—AUTHORIZED BROKERS.

(1) Subject to the exception appearing in clause (2) hereof, all purchases and sales of wheat by the Committee shall be effected through the agency of brokers appointed by the Committee.

(2) The Committee may sell wheat for export with or without the assistance of a broker as it thinks fit, and shall have power in its discretion to pay to any broker, in addition to or in lieu of the commission provided for in this regulation, reasonable remuneration for services rendered in connection with wheat exported by the Committee.

(3) Every broker shall hold office at the will of the Committee.

(4) Every broker shall before his appointment becomes effective give to the Committee such security as the Committee may require for the due performance of his duties and for compliance with these regulations.

(5) Every broker shall be appointed for a particular district to be defined by the Committee in appointing such broker, and no broker shall purchase for the Committee any wheat grown elsewhere than in the district for which he has been appointed; but this restriction shall not apply to a sale on behalf of the Committee of any wheat purchased by the Committee.

(6) In respect of every contract for the purchase of wheat by an authorized broker on account of the Committee the broker shall be entitled to receive from the Committee a commission of $\frac{1}{2}$ d. for every bushel delivered in pursuance of and in conformity with that contract.

(7) In respect of every contract for the sale of wheat by an authorized broker on account of the Committee the broker shall be entitled to receive from the Committee a commission of $\frac{1}{2}$ d. for every bushel delivered in pursuance of and in conformity with that contract.

(8) It shall not be lawful for an authorized broker to receive, directly or indirectly, any additional commission or remuneration from any party other than the Committee in respect of the making of any such contract of purchase or sale; but nothing herein contained shall prevent the broker from receiving from any such party remuneration for services rendered in respect of storage or otherwise howsoever in addition to the services of making the contract of purchase or sale.

(9) It shall not be lawful for any authorized broker to give, offer, or promise to any person any rebate, refund, commission, allowance, gratuity, or other valuable consideration as an inducement to that person to sell or purchase wheat to or from the Committee through that broker or for the reason that he has so sold or purchased wheat.

(10) It shall not be lawful for any person to give, offer, or promise to an authorized broker any allowance, gratuity, or other valuable consideration as an inducement to that broker to sell or purchase on behalf of the Committee wheat to or from that person or any other person or for the reason that such broker has so sold or purchased wheat.

(11) In all matters within the scope of their employment and not specifically provided for by these regulations the authorized brokers shall act in accordance with directions from time to time received from the Committee.

(12) Authorized brokers shall from time to time make to the Committee such returns relative to the business done by them as the Committee may require.

(13) Every appointment of an authorized broker shall be deemed to incorporate, as a contract between the broker and the Committee, the provisions of these regulations so far as they relate to the rights, powers, duties, and liabilities of such brokers.

(14) The Committee may prescribe forms of contract-note to be used respectively in purchases and sales of wheat by the Committee, and may prescribe different forms of contract-note for different cases; and every authorized broker shall use such prescribed form (if any) as the case may require.

(15) It shall not be lawful for any person to give, offer, or promise, either directly or indirectly, to any grower any allowance, gratuity, or other valuable consideration which shall in any way arise out of or be connected with the sale of such grower's wheat to the Committee.

(16) It shall not be lawful for any grower to receive or offer to receive, either directly or indirectly, from any person any allowance, gratuity, or other valuable consideration which shall in any way arise out of or be connected with the sale of such grower's wheat to the Committee.

REGULATION 8.—PURCHASE OF WHEAT BY THE COMMITTEE.

(1) The Committee shall (subject always to the provisions of clause (5) of this regulation) purchase all wheat offered to the Committee for sale, whether by the wheatgrower or any other person, except—

- (a) Wheat that has already been purchased and resold by the Committee :
- (b) Wheat that is not f.a.q. milling-wheat :
- (c) Wheat that has been purchased by any person as free wheat, whether or not the same has subsequently been dressed or conditioned or mixed or treated in any way so that the resultant grain is, or is equal in quality to, f.a.q. milling-wheat :
- (d) Wheat exempted from these regulations by resolution under clause (7) of Regulation 6 hereof :

Provided always, first, that nothing contained in this clause shall authorize any person to sell wheat of any quality (not exempted by resolution under clause (7) of Regulation 6 hereof) otherwise than to the Committee, unless and until it has been offered to an authorized broker for sale to the Committee in pursuance of these regulations and has been rejected as being not f.a.q. milling-wheat; secondly, that the Committee may in its discretion in special cases purchase wheat of a kind hereinbefore excluded from the provisions of this clause.

(2) The prices, terms, and conditions on which wheat is purchased by the Committee shall be such as the Committee shall from time to time in its discretion fix and publicly notify, and the Committee may fix varying prices for different qualities and kinds of wheat or for delivery at different times or otherwise.

(3) When wheat is sold to an authorized broker without express agreement as to time of delivery it shall be deemed to be sold for delivery in the month in which the contract is made.

(4) When wheat is sold to an authorized broker for delivery by instalments at different times or on different terms or conditions the sale of each instalment or of each parcel to which separate terms or conditions apply shall be deemed to be a separate contract.

(5) Save in special cases at the express direction of the Committee, and on such terms as may be approved by it, wheat will be purchased by an authorized broker only when a purchaser from the Committee is available and on the terms that the seller will deliver the same to such purchaser as directed by the broker whether free on board, free on rail, direct to the purchaser's store, or otherwise; and the name of the purchaser and the place of delivery by the seller shall be stated in the contract made by the seller with the broker.

(6) Save in special cases at the express direction of the Committee, and on such terms as may be approved by it, no authorized broker shall accept delivery on behalf of the Committee or act as a warehouseman for the Committee:

Provided that an authorized broker may act as warehouseman either for the seller to the Committee or for the buyer from the Committee on such terms as may be agreed upon between warehouseman and customer.

(7) All wheat purchased by the Committee shall on delivery thereof in accordance with the terms of the contract, and if the wheat is in conformity with the contract, become as between the seller and the Committee the property of the Committee without prejudice to any rights of property therein as between the Committee and a purchaser from the Committee.

(8) Payment for wheat purchased by the Committee shall be made as follows:—

- (i) On delivery by the seller, the authorized broker, on being satisfied that the wheat so delivered is in accordance with the contract, will forward to the Committee a voucher in duplicate in such form as the Committee may require, signed by the authorized broker, and authorizing payment of the contract price.
- (ii) The sum so authorized will be remitted by post by the Committee to the seller or to any other person (including an authorized broker) authorized by the seller as his agent in that behalf by a written authority transmitted through the broker to the Committee.

(iii) No part of the contract price payable by the Committee to a seller shall be assignable or charged otherwise than by operation of law.

(iv) Payment will be remitted within twenty-one days of the receipt of the voucher by the Committee, save that if the last day for remitting is a Saturday or holiday payment will be remitted on the next following business day.

(9) Every contract made by an authorized broker for the purchase of wheat on behalf of the Committee shall be made in accordance with, and shall be deemed to incorporate, the provisions of these regulations so far as applicable to contracts of purchase, and the rights and obligations of the parties shall be determined accordingly.

REGULATION 9.—WHEAT-PURCHASE WARRANTS.

(1) Any person desiring to purchase wheat from the Committee shall apply to the Committee for a warrant authorizing the person named therein to purchase wheat (hereinafter referred to as "a wheat-purchase warrant"), and the Committee may in its discretion issue or refuse to issue any warrant.

(2) (a) Every wheat-purchase warrant relating to wheat intended to be used for the manufacture of wheat-products for human consumption shall state the name and locality of the mill or factory where such wheat is intended to be so used.

(b) Every person commits an offence who, without the previous written consent of the Committee, uses for the manufacture of wheat-products for human consumption any wheat referred to in a wheat-purchase warrant relating to wheat intended to be so used if such manufacture is carried out elsewhere than in the mill or factory the name and locality of which is stated in the said wheat-purchase warrant.

(3) Every wheat-purchase warrant shall state the amount of wheat which the person named therein is thereby authorized to purchase, and shall contain such conditions and restrictions as the Committee thinks fit, either generally or for any particular case.

(4) No wheat-purchase warrant shall be transferred or be assignable or charged otherwise than by operation of law.

(5) The Committee may, for any reason which the Committee in its absolute discretion thinks sufficient, and without the necessity of giving any preliminary notice of its intention so to do, revoke any warrant, and may give notice of such revocation to authorized brokers and to the person named in the warrant.

(6) Immediately notice of revocation is received by any person such warrant shall cease to be in force, so far as the person receiving notice is concerned, as an authority for sale of wheat on account of the Committee or for a purchase of wheat by the person named in the warrant.

(7) Immediately notice of revocation of a warrant is given to the person named therein such person shall deliver the warrant to the Committee for cancellation, unless he furnishes the Committee with evidence to the satisfaction of the Committee of the loss or destruction of the warrant.

(8) No authorized broker shall sell wheat on account of the Committee to any person other than the holder of a wheat-purchase warrant for the time being in force.

(9) No authorized broker shall sell wheat on account of the Committee to the holder of a wheat-purchase warrant otherwise than to the extent and subject to the conditions and restrictions appearing in the warrant.

(10) No person shall purchase wheat other than free wheat otherwise than in accordance with the terms of a wheat-purchase warrant issued to that person and for the time being in force.

(11) Every holder of a wheat-purchase warrant, if he be a manufacturer of wheat-products for human consumption, shall, as soon as practicable, purchase and take delivery of the full quantity of each variety of wheat the purchase of which is authorized under such warrant.

(12) If in the opinion of the Committee any holder of a wheat-purchase warrant has failed to comply with the last preceding clause of this regulation the Committee may withhold the issue of further warrants to such person or may revoke any warrant theretofore issued to such person.

(13) In the case of persons carrying on business in partnership a warrant issued to them jointly in their own names or in the name of the partnership firm shall authorize a joint purchase or purchases by them to the extent and subject to the conditions and restrictions appearing in the warrant.

(14) Any person aggrieved by any decision of the Committee in respect of any matter dealt with under this regulation may appeal to the Minister, whose decision shall be final, and the Committee and all parties shall comply with such decision.

REGULATION 10.—SALES OF WHEAT BY THE COMMITTEE.

(1) The prices, terms, and conditions on which wheat is sold by the Committee shall be such as the Committee shall from time to time in its discretion fix, and the Committee may fix varying prices for different qualities and kinds of wheat or for delivery at different times or places or otherwise.

(2) On effecting a sale of wheat on account of the Committee the authorized broker shall at once endorse on the purchaser's wheat-purchase warrant such particulars of the transaction as the Committee may prescribe.

(3) Payment for wheat sold by the Committee shall be made by the buyer to the authorized broker on account of the Committee, and the terms of payment shall be such as may be agreed upon between the buyer and the broker, being either cash on delivery, cash against shipping documents, or cash within seven days after delivery.

(4) All purchase-money in arrear and unpaid shall bear interest at the rate of 8 per centum per annum, payable on demand.

(5) When wheat is sold for delivery by instalments each instalment shall be treated as the subject of a separate contract, and payment shall be made accordingly.

(6) All moneys received by an authorized broker shall be paid by him to the Committee immediately on the receipt thereof, and all moneys not so paid shall bear interest payable to the Committee by the broker at the rate of 8 per centum per annum until so paid.

(7) Every authorized broker is deemed to guarantee to the Committee the due payment by the buyer of the purchase-money for all wheat sold to him by that broker, and on default made by the buyer the purchase-money, with all accrued interest thereon, shall be recoverable by the Committee from the broker.

(8) After delivery to the buyer the wheat shall be in all respects at the buyer's risk, but the property in the wheat shall not pass to the buyer until the purchase-money has been received by the authorized broker; and on default made by the buyer, the broker or the Committee may take and retain possession of the wheat on behalf of the Committee as a security for the purchase-money.

(9) Every contract made by an authorized broker for the sale of wheat on account of the Committee shall be made in accordance with, and shall be deemed to incorporate the provisions of, these regulations so far as applicable to contracts of sale; and the rights and obligations of the parties shall be determined accordingly.

(10) No person shall in the manufacture of wheat-products for human consumption, save in accordance with the terms of a consent in writing given by the Committee, use wheat other than that sold by the Committee to that person for that purpose.

(11) Any consent given by the Committee under the last preceding clause hereof may be given subject to such conditions as the Committee may think fit, including a condition for payment to the Committee of a sum not exceeding 3s. per bushel, and the Committee may require the sum aforesaid to be paid to the Committee before its consent is issued.

REGULATION 11.—DISPUTES.

(1) If any dispute arises as to whether any wheat offered to an authorized broker for sale to the Committee is f.a.q. milling-wheat, or if any dispute arises as to whether any wheat delivered in fulfilment of any contract of purchase or sale entered into by authorized brokers on account of the Committee is in accordance with the contract in respect of kind, quality, or condition, the dispute shall be determined by an authorized grader, and his decision shall be final.

(2) An authorized grader may enter upon the determination of any dispute on a reference thereof to him by the Committee, with or without the concurrence of the other party concerned, and may decide the matter referred to him upon his own knowledge and judgment or personal examination of parcels and samples, as the case may require, without the necessity of calling evidence or hearing argument on behalf of the parties.

(3) If any other dispute arises between the parties to any contract entered into by an authorized broker on account of the Committee, or between an authorized broker and the Committee, or between an authorized broker and any seller or purchaser of wheat to or from the Committee, touching the meaning or operation of these regulations, or of any contract so entered into, the dispute shall be determined by reference to a single arbitrator if the parties in difference can agree upon one, otherwise by reference to two arbitrators, one to be appointed by each party in difference, and their umpire in accordance with the provisions of the Arbitration Act, 1908.

(4) Nothing in the last three preceding clauses shall apply to any prosecution for an offence against these regulations.

(5) (a) Subject to the foregoing provisions as to the settlement of disputes, the following weights shall be accepted by all parties as the basis of settlement in all contracts for the purchase or sale of wheat by or to the Committee :—

- (i) For wheat delivered direct to a mill : Flour-miller's weights :
- (ii) For wheat delivered free on board : Customary free-on-board weights ;
- (iii) For wheat delivered ex store either to mills or free on board : Ex-store weights ;
- (iv) For wheat delivered into store : Into-store weights ;
- (v) In all other cases such weights as may be determined by the Committee from time to time.

(b) The only deductions from such weights shall be 3 lb. tare per sack.

REGULATION 12.—RETURNS.

(1) The Committee may at any time give public notice requiring every grower of wheat to make to the Committee a return showing as at a date to be stated in such notice—

- (a) The number of bushels of each variety of wheat grown by him during the season 1936-37.
- (b) The number of bushels of each variety of wheat so grown by him but not yet sold and delivered.

(2) Every grower of wheat shall duly comply with the requirements of any such notice.

(3) On or before the 1st day of March, 1937, every manufacturer of wheat-products for human consumption carrying on business in New Zealand shall make to the Committee a return showing—

- (a) His probable requirements of wheat for milling for the period between the 1st day of March, 1937, and the 28th day of February, 1938 :
- (b) His carry-over of stocks of wheat, flour, bran, and pollard as at the 31st day of January, 1937.

(4) Every manufacturer of wheat-products for human consumption carrying on business in New Zealand shall, on or before the 7th day of each calendar month, commencing with the month of February, 1937, make to the Committee a return showing full particulars of all wheat delivered to him during the last preceding calendar month in pursuance of purchases made by him.

(5) The Committee, or its duly authorized representative, may require any person to give to it any information in such person's possession, and to produce any books or documents in his possession or under his control, relating to the sale, purchase, or storage of any wheat, whether grown in New Zealand or not, and of whatever season's crop, and whether such person is a party to such sale or purchase or not. Any person withholding any such information or failing to produce such books or documents shall be guilty of an offence against these regulations.

(6) In making all such returns as aforesaid the person by whom the return is to be made shall use such forms as the Committee may from time to time by public notice or by express notice to such person require to be used.

(7) If any person who has been a grower of wheat during the season 1936-37 dies before the date as at which particulars of wheat grown by him are required by the Committee to be stated, or before he has made any return required of him under these regulations, or if any person who is on the 31st day of January, 1937, a manufacturer of wheat-products for human consumption dies before the date on which he is required to make any return under these regulations, or before he has made any such return, then and in every such case the legal personal representative of such person shall make on behalf of such person the respective return aforesaid.

REGULATION 13.—SEED WHEAT.

(1) Notwithstanding anything to the contrary in these regulations, an authorized broker purchasing wheat on account of the Committee may, with the permission of the Committee, himself purchase from the Committee that wheat or any part thereof as seed wheat at a price equivalent to the price for sales effected on account of the Committee determined in accordance with clause (1) of Regulation 10 hereof.

(2) No commission shall be payable to the broker in respect of either the purchase or the resale of any wheat so dealt with.

(3) The authorized broker shall pay to the Committee the purchase-money for all seed wheat so purchased by him in cash on the delivery of the wheat to the broker in pursuance of the contract.

(4) In all other respects these regulations shall apply to any such resale by the Committee to an authorized broker in the same manner as if the authorized broker were an independent third person purchasing the wheat from the Committee through that broker.

(5) Save with the permission of the Committee, it shall not be lawful for a broker who has so purchased seed wheat to dispose of it in any manner otherwise than by sale thereof as seed wheat to farmers.

REGULATION 14.—EXPORT WHEAT.

(1) The Committee may sell wheat for export subject—

(a) To the conditions that no wheat disposed of under these regulations shall be resold or offered for resale within New Zealand :

(b) To such further conditions as the Committee may think fit to impose, including a condition that the wheat shall be exported within a prescribed time.

(2) Any person having purchased from the Committee wheat for export who sells such wheat or offers the same for sale, or permits the same to be sold in New Zealand, or who fails to export such wheat or to cause the same to be exported from New Zealand within the time (if any) prescribed by the Committee, or who fails to comply with any other conditions imposed by the Committee, commits an offence against these regulations.

REGULATION 15.—APPLICATION OF PROCEEDS.

(1) All moneys received by the Committee from the sale of wheat or any other source of revenue arising under this Part of these regulations, together with any balance in the hands of the Committee of moneys received under Part III of these regulations and after providing if and so far as the Committee may think fit for the establishment or augmentation of any fund referred to in Regulation 16 hereof shall be applied by the Committee in the first place in payment of the expenses incurred by the Committee in carrying out the provisions of these regulations, including clerical expenses, commission to authorized brokers, and remuneration to brokers and other persons for services rendered to the Committee, fees to graders, and a reasonable remuneration to the members of the Committee, including the payment of all expenses of such members of and incidental to attending meetings of the Committee, or allowances in respect of such expenses, and in the next place in payment for wheat purchased by the Committee.

(2) The balance of the funds of the Committee shall, as soon as may be after the close of the 1936-37 season, be divided amongst the sellers of wheat to the Committee to the nearest workable fraction in proportion to the quantities of wheat sold by them to the Committee.

(3) The Committee may at any time make an interim division of any part of its funds on account of the division directed to be made by the last preceding clause hereof.

(4) Any moneys payable by the Committee to a seller of wheat pursuant to this regulation may, in the Committee's discretion, be paid on his behalf to any authorized broker through whom any wheat of such seller has been purchased by the Committee, and the receipt of such broker shall be a good and sufficient discharge to the Committee for all moneys so paid.

(5) Any balance in the hands of the Committee which—

(a) Has arisen from undistributed fractions; or

(b) Is held for the credit of sellers whom the Committee is unable to trace within such time as the Committee may in its discretion fix,—

shall be paid to such institution assisting to further the interests of agriculture in general and of wheatgrowing in particular, as the Committee may select, or may be divided in the Committee's discretion amongst any two or more of such institutions in such sums or shares as the Committee may decide.

PART III.—FLOUR.

REGULATION 16.—POWERS OF THE COMMITTEE TO DEAL IN FLOUR.

(1) The Committee shall have power to buy, sell, deal in, and act as agent for the sale and purchase of flour as herein defined.

(2) The Committee may out of the moneys coming into its hands in exercise of the powers conferred by this Part of these regulations establish a fund or funds for the equalization of returns to millers, and may from time to time make thereout payments to millers under any scheme of apportionment that may to the Committee appear fair and equitable.

(3) The Committee may out of the moneys coming into its hands in exercise of the powers conferred by this Part of these regulations establish a fund for the purchase of freehold and leasehold lands and machinery and other assets comprising mills which in its opinion are not required for the best conduct of the flour-milling industry in New Zealand, and may from time to time accordingly purchase and acquire on such terms as it thinks fit any such lands, machinery, or other assets as aforesaid, and may hold and maintain and at any time sell and dispose of any property so acquired.

(4) The Committee may invest the moneys of any fund established for the respective purposes aforesaid but not immediately required for any such respective purpose, and the accumulation of any such moneys in any investment permitted to trustees by the law for the time being in force.

REGULATION 17.—MILLOWNERS TO DEAL THROUGH THE COMMITTEE.

(1) Except through the agency of the Committee, no miller shall (whether as principal, agent, or otherwise, and whether in New Zealand or elsewhere) sell, or offer or agree to sell, or purchase or offer or agree to purchase, any flour, or be concerned in the making or fulfilment or completion of any sale or purchase of flour, or of any offering or agreement for the sale or purchase of flour, whether such fulfilment or completion relates to an offer or agreement made before or after the enactment of these regulations.

(2) Every miller shall employ the Committee as his agent to sell and dispose of all flour which he has available for sale for delivery in New Zealand and elsewhere, and the Committee shall act as his agent for that purpose upon the terms comprised in these regulations and such additional terms not inconsistent therewith as the Committee may from time to time think fit to impose.

(3) Nevertheless, any miller may grist wheat and effect retail sales for cash at the mill-door up to a total quantity of five tons of flour in any secular month :

Provided that—

- (i) Every miller so gristing wheat or selling flour in any week shall not later than the Tuesday of the next week supply to the Committee particulars of all such gristings and sales :
- (ii) In computing sales of flour for purposes of the monthly quota hereinafter provided for such gristings and sales shall be taken into account as if they had been sales of flour effected by the Committee as part of such monthly quota but so that gristings and sales effected during a week that falls into two calendar months shall, if the first day of the second month is a Thursday or later day of the week, be assigned to the first of such months, otherwise to the second month.

(4) Nevertheless, also, any miller whose annual output does not exceed fifty tons of flour may with the consent of the Committee grist wheat and sell flour up to the annual output aforesaid otherwise than through the agency of the Committee, and the Committee may under

special circumstances extend the benefit of this clause to any other miller to such extent (including extent of annual output exceeding fifty tons) upon such terms and conditions as the Committee may impose :

Provided that—

- (i) Every miller so gristing wheat or selling flour shall not later than the third day of every month supply to the Committee particulars of all wheat so gristed and all sales of flour so made during the preceding month :
 - (ii) In computing sales of flour for purposes of the monthly quota hereinafter provided for such gristings and sales shall be taken into account as if they had been sales of flour effected by the Committee as part of such monthly quota :
 - (iii) Any consent of the Committee or extension as aforesaid may at any time be revoked by notice to the miller concerned.
- (5) Every miller desiring to purchase any flour whether in New Zealand or elsewhere shall, if the Committee thinks fit so to require, employ the Committee as his agent to effect such purchase, and the Committee shall act as his agent for that purpose upon the terms comprised in these regulations and such additional terms not inconsistent therewith as the Committee may from time to time think fit to impose.

REGULATION 18.—PRICES AND QUOTAS.

(1) The Committee shall from time to time fix and notify current sale prices for flour of fair average quality, and may, if it thinks fit, fix and notify varying current sale prices according to nature of product, or by-product character of wheat gristed, locality of milling, or any other factor which in the opinion of the Committee affects the value of the flour or product.

(2) Such prices may be fixed in respect of any future period or until further notice, and may in respect of any period or portion of a period not at the time of any notification yet elapsed be from time to time revoked and replaced by other prices so fixed and notified.

(3) The Committee shall in respect of every month fix in respect of every mill a monthly quota of flour.

(4) The Committee may in fixing any monthly quota of flour fix separately the amounts of white flour, wheatmeal, bran, pollard, and any other product of the milling of wheat.

(5) The Committee shall as far as possible fix each monthly quota so as to bear the same proportion to the aggregate of monthly quotas as the usual output of the mill as estimated by the Committee for any determined period bears to the total usual output of all mills in New Zealand as so estimated for that period.

REGULATION 19.—SALES OF FLOUR.

(1) The Committee shall in every month endeavour to sell on behalf of every miller at the appropriate current sale price the monthly quota of flour fixed as aforesaid for that month in respect of each mill belonging to such miller.

(2) The sales effected on behalf of every miller shall be apportioned as far as possible according to the ratio that the monthly quota for mills belonging to such miller bears to the aggregate of monthly quotas, and in respect of quantities undersold or oversold in any month on behalf of any miller the Committee shall make an adjustment as far as may be in the sales of a subsequent month.

(3) The Committee may, at its discretion and in order to afford immediate relief to millers with excess stocks, sell from time to time on behalf of a miller flour additional to the flour comprised in the monthly quotas for mills belonging to such miller :

Provided always, first, that flour so sold shall not be included in a quota for the purposes of this regulation ; secondly, that the power conferred by this clause shall be exercisable only in the event of an export of flour taking place for the purpose of clearing surplus stocks.

(4) All flour disposed of by the Committee shall be disposed of upon such terms of payment, including the giving of credit with or without security and such other terms and conditions as to place of delivery and otherwise, as the Committee may from time to time decide upon.

(5) Every miller shall on receiving notice from the Committee deliver all flour sold by the Committee at such places of delivery to such persons at such times in such quantities and generally in such manner in every respect as the Committee shall reasonably require.

(6) The following provisions shall be deemed to be incorporated in every contract, whether oral or written, for the sale of flour when effected by or through the agency of the Committee :—

- (a) It shall be the duty of the purchaser to inspect such flour immediately upon receipt of the same in the storehouse or bakery of the purchaser, and if any complaint or dissatisfaction arises in connection with such sale the purchaser shall place such complaint on record with the Committee by telegram or telephone within a period of forty-eight hours of such receipt. The Committee shall immediately give notice by telegram or telephone to the miller whose flour has given rise to such complaint.
- (b) The Committee and such miller shall thereupon each have the right to nominate an expert who may jointly or separately conduct an investigation concerning the same, and for that purpose may inspect such flour and the place where it is stored. The purchaser shall in every way facilitate such investigation by giving immediate inspection of the flour, the place where it is stored, and the premises in which the purchaser conducts his business, and all reasonable requests put forward by such experts shall be complied with by the purchaser.
- (c) Upon such complaint being made, the flour shall not be used by the purchaser without the further consent of the Committee and the miller whose flour is in question.
- (d) Any claim which the purchaser may consider he is entitled to make shall be made in writing to the Committee within seven days of receipt as aforesaid, and if no such claim is made within such time no claim of any kind shall

lie at the suit of the purchaser in respect of such flour and he shall be forthwith liable as on the passing of the property in the goods for the price of the flour in accordance with the terms of the contract of sale. The amount of such claim need not be specified within the said seven days, but may be stated later immediately the same is reasonably ascertainable. The amount of such claim may be amended at a later date if further facts affecting the same subsequently come to the notice of the purchaser.

- (e) Compliance with the terms of paragraphs (a), (b), (c), and (d) hereof shall be conditions precedent to any effective claim by the purchaser, and non-performance of or non-compliance with the same shall be a defence to any claim by the purchaser for alleged breach of any express or implied terms, conditions, or warranties attaching to the contract of sale.

REGULATION 20.—LIABILITIES ARISING ON SALE OF FLOUR.

(1) The Committee shall subject to clause (2) of this regulation be liable for sales actually effected in each month.

(2) Nevertheless the Committee shall not be liable for failure to effect a sale if such failure is due to inferior quality of the flour or the sacks in which it is contained or failure by the miller to comply with any provision contained in a contract of sale.

(3) The Committee shall indemnify the miller against loss incurred on any sale effected through the agency of the Committee and arising from default in payment on the part of the purchaser or from any breach, non-observance, or non-performance on the part of the purchaser of any contract in respect of the sale of flour entered into by the Committee.

(4) Any legal proceedings taken by the Committee under the powers conferred by clause (21) of Regulation 2 hereof upon any contract made by the Committee may be taken in the name of the miller on whose behalf the contract was made.

(5) If the Committee is made defendant in any legal proceedings arising out of or in any way connected with a contract for the sale of flour, or if in any legal proceedings instituted by the Committee a counterclaim is raised, then the Committee may, in its discretion, join in the proceedings as co-defendant, third party, or otherwise the miller on whose behalf the contract was made.

(6) The Committee may in any case elect not to institute or defend legal proceedings arising out of any contract, and in such case the miller on whose behalf the contract was made shall be entitled to institute or defend such proceedings but on his own behalf and at his own expense and subject if the Committee is made a party thereto to his giving the Committee a satisfactory indemnity against all costs and expenses to which the Committee may be liable in the proceedings.

(7) In any legal proceedings instituted or defended by the Committee if no issue arises as to quantity or quality of flour or otherwise relating to the flour which is the subject of the contract and if no breach of contract on the part of or affecting the miller is alleged, then the miller shall be entitled to be indemnified by the Committee against all costs and expenses arising out of the proceedings.

(8) When any legal proceedings are instituted or defended by the Committee or when any claim is made against the Committee arising out of or in any way connected with a contract for the sale of flour then in either case if an issue arises as to quantity or quality of flour or otherwise relating to the flour which is the subject of the contract or if any breach of contract on the part of or affecting the miller is alleged, then all expenses incurred by the Committee including legal costs as between solicitor and client and including payments to agents of the Committee and all expenses incurred by the Committee in investigating such claim (whether the claim be substantiated or not or be allowed or compromised or not and whether or not any legal proceedings be instituted relating thereto) shall forthwith upon demand in writing be paid to the Committee by the miller on whose behalf the contract was made.

(9) If any miller fails after a sale has been effected by the Committee to make delivery as required under clause (5) of Regulation 20 hereof of any flour comprised in his monthly quota, then, and in any such case—

- (a) The Committee may substitute flour of any other miller, and may by agreement with the purchaser vary as it thinks fit in respect of place of delivery or in any other respect the contract of sale pursuant to which such delivery was required.
- (b) The miller in default shall be liable to pay to the Committee all claims, losses, and expenses arising out of such default or the variation of such contract of sale.
- (c) Any substituted flour shall be deemed to be monthly quota flour of any miller on whose account such substituted flour is sold.
- (d) If and so far as the flour in delivery of which default is made is part of the monthly quota of the miller in default, the Committee shall reduce his monthly quotas for the remainder of the secular year then current by equal amounts that shall aggregate the quantity of quota flour in delivery of which the default was made.

REGULATION 21.—ACCOUNTS AND PAYMENTS.

(1) Not later in every month than a day to be fixed from time to time by the Committee, the Committee shall despatch to every miller an account of all sales of flour and other transactions effected by the Committee as the agent of such miller and of all moneys received by the Committee on behalf of such miller and of all sums chargeable against such miller under the authority of this Part of these regulations, together with all particulars and statements reasonably necessary to enable the miller to check the correctness of such accounts.

(2) Not later in every month than a day or days to be fixed from time to time by the Committee, the Committee shall pay to every miller the sum appearing to be due to him according to such accounts as aforesaid.

(3) Any error in any such account or payment may be subsequently adjusted according to the custom of merchants, and any charge which the Committee may be entitled to make against a miller but which has not been made in any account may be made at any subsequent time, and deductions may be made accordingly from any subsequent payment, and any balance of moneys due and payable to the Committee upon such accounts may be sued for and recovered from the miller by the Committee in any Court of competent jurisdiction.

(4) The Committee shall be entitled to charge against any miller such sums as the Committee may from time to time determine to cover the costs of the administration by the Committee of this Part of these regulations and the expenses incurred in exercising the powers hereby conferred on the Committee (including such sums as the Committee may think equitable, representing an apportionment of overhead charges incurred in the administration both of Part II and this Part of these regulations and in exercising the powers thereby and hereby conferred), and to provide for the establishment of the funds authorized by clauses (2) and (3) of Regulation 16 hereof, and to contribute towards any fund authorized by clause (22) of Regulation 2 hereof.

(5) The sums to be so deducted shall for the sake of equitable imposition be so determined as to be proportionate to the quantity of the flour sold by each miller, including any flour sold under the powers conferred by clause (3) of Regulation 20 hereof.

REGULATION 22.—BOOKS AND RECORDS.

(1) Every miller shall keep at the mill or at some other convenient place to be notified by him to the Committee such books of account, invoices, and other documents and records of his flourmilling business as the Committee may notify or may in any case by notice to the miller require.

(2) Such books and records shall at all reasonable times be open to the inspection of any officer of the Committee appointed by the Committee to make inspection thereof.

(3) Every miller shall whenever requested supply to the Committee such information as it may require in relation to wheat purchases and flour manufactured and flour delivered by the miller with all relevant particulars of dates, quantities, and other details.

REGULATION 23.—MILLING OF IMPORTED AND SURPLUS WHEAT.

(1) The Committee may arrange with any miller to manufacture flour from imported wheat upon such terms as the Committee thinks fit.

(2) Flour manufactured from imported wheat shall be taken into account in monthly quotas and for all other purposes of these regulations.

(3) If at any time the Committee has at its disposal under the principal regulations any wheat which is in the opinion of the Committee in excess of present and prospective New Zealand requirements the Committee may arrange with any miller to manufacture flour from such wheat upon such terms as the Committee thinks fit, and the flour so manufactured shall be carried over or exported by the Committee as it may from time to time think fit.

REGULATION 24.—QUALITY OF FLOUR.

(1) Every miller shall permit the officers of the Committee and any expert appointed under this regulation at all reasonable times to take samples of flour whether in mill or in store, and whether before or after delivery has been given by the miller, and whether or not the Committee has cause to believe that the flour produced at any mill is either generally or in respect of any specific parcel of flour below fair average quality.

(2) If the Committee has cause to believe that the flour produced at any mill is generally below fair average quality in accordance with the standard determined from time to time by the Committee, the Committee may, after notifying the miller of its intention, appoint an independent expert to report on the quality of such flour. A copy of the expert's report shall be supplied to the miller.

(3) If according to such report the flour so produced is below fair average quality the Committee may cancel the monthly quota fixed in respect of the mill or part thereof until such time as the Committee is satisfied by the report of an independent expert that the flour being produced in such mill is of fair average quality and may increase proportionately the monthly quotas fixed in respect of all other mills.

(4) If the Committee has cause to believe that any specific parcel of flour is below fair average quality the Committee may, after notifying the miller of its intention, appoint an independent expert to report on the quality of such flour. A copy of the expert's report shall be supplied to the miller.

(5) If according to such report the flour in question is below fair average quality, then—

- (a) The Committee may reject the flour ; or
- (b) The Committee may sell the flour at a price lower than the current sale price ; or
- (c) If the flour has already been sold, the Committee may agree with the purchaser for such abatement of the purchase price as in the Committee's discretion seems just :

Provided that—

(i) The powers conferred by this clause may be exercised by any officer of the Committee authorized by the Committee in that behalf :

(ii) That the powers conferred by this clause shall not be exercised unless notice of objection to quality and (if the flour has been sold) of the name of the buyer raising the objection has been given to the miller within fourteen days after delivery of the flour has been given to the buyer.

(6) No flour rejected by the Committee under this regulation shall be offered by the miller or by any other person for sale for human consumption unless by permission of the Committee such flour is reconditioned by the miller and the Committee is satisfied that it is then of fair average quality.

(7) Every independent expert to be appointed for the purposes of this regulation shall, where conveniently possible, be a person engaged under the direction of the Wheat Research Institute and nominated by that Institute on the application of the Committee and otherwise shall be a person appointed by the Committee.

(8) The fees of the expert shall be borne by the Committee, but if he reports that any flour is below fair average quality such fees shall be repaid to the Committee by the miller.

REGULATION 25.—INTERRUPTION OF SUPPLY.

(1) If the manufacture of flour in any mill is seriously interfered with owing to the destruction or damage of the mill by fire, earthquake, tempest, flood, or physical cause (not attributable to want of care on the part of the miller or non-compliance by the miller with the laws or requirements of any authority), or owing to any labour strike, lock-out, civil commotion, or act of superior force or the King's enemies, then and in any such case the miller shall immediately give notice thereof to the Committee.

(2) Thenceforth and for so long as such serious interference continues but no longer the miller shall be excused from compliance with the provisions of clause (5) of Regulation 19 hereof and the consequential provisions of clause (9) of Regulation 20 hereof, and it shall not be necessary for the Committee during such period to fix a monthly quota in respect of such mill, and the Committee may arrange for such monthly quota to be supplied by any other mill or may increase proportionately the monthly quotas fixed in respect of all other mills.

REGULATION 26.—NOTICES.

(1) Any notice to be given by the Committee to a miller shall be in writing and shall be sufficient if sent by a letter or telegram addressed to the miller at his usual place of business and signed (or, in the case of a telegram, purporting to be signed) by the Chairman or Deputy Chairman of the Committee by any authorized officer purporting to act on behalf of the Committee.

(2) Any notice to be given to the Committee shall be in writing and may be delivered at the office of the Committee in Christchurch or sent by post or telegram addressed to the Committee at its office in Christchurch and signed (or, in the case of a telegram, purporting to be signed) by the person by whom the notice is given.

(3) Any notice sent by post or telegraph shall be deemed to be given at the time when it would be delivered at its address in the ordinary course of post or of telegraphic delivery as the case may be.

REGULATION 27.—MISCELLANEOUS PROVISIONS.

(1) It shall not be lawful for any miller to part with the possession or control of his mill without the approval of the Committee, and any sale or other disposition of a mill by a miller shall be subject to such terms and conditions as the Committee may reasonably impose.

(2) The Committee shall not fix any monthly quota in respect of a mill unless that mill was erected and operating as a flour-mill before the 1st day of February, 1936, or unless the Committee is satisfied that there is to be adopted at such mill some new and revolutionary process which will increase the efficiency of the flour-milling industry in New Zealand and which has not been and is not proposed to be adopted at any existing mill.

(3) It shall be lawful for the Committee to purchase any assets required in connection with the carrying-out of all or any of the functions authorized under these regulations either at a price to be agreed upon by the Committee or at a price to be fixed by arbitration or valuation in manner agreed upon by the Committee and subject to such terms of payment, delivery, and other terms as the Committee may think fit, and the Committee may make provision for payment of such price under the provisions of clause (4) of Regulation 21 hereof.

(4) Except so far as the Committee may from time to time otherwise permit, every miller shall at all times continue to use in the same manner and to the same extent as heretofore the brand or respective brands in use at the coming into force of these regulations in connection with flour manufactured by him.

(5) In respect of all flour as hereinbefore defined which is sold by or through the agency of the Committee with the exceptions set out in the next succeeding clause hereof there shall be payable to the Committee by the purchaser thereof a levy at such rate as may from time to time be fixed by the Committee.

Provided always, first, that the rate so fixed shall not be more than 1s. on every ton of flour so sold; secondly, that the aggregate rate of the levy so fixed and of any levy for the time being imposed on the sale of flour (however defined) to bakers and pastry-cooks pursuant to any regulations for the time being in force made under the Scientific and Industrial Research Act, 1926, and section 27 of the Finance Act, 1927 (No. 2), shall not together exceed 1s. on every ton of flour so sold.

(6) There shall be exempted from the levy imposed by the last preceding clause hereof:—

- (i) Bran and pollard:
- (ii) Flour sold otherwise than in 200 lb. sacks:
- (iii) Flour sold to biscuit manufacturers for the manufacture of biscuits:
- (iv) Flour sold to any department of His Majesty's Government:
- (v) Any flour that the Committee from time to time thinks fit to exempt.

(7) All moneys received by the Committee in respect of the levy imposed by clause (5) of this regulation shall at such times as the Committee may think convenient be paid by the Committee to the New Zealand Master Bakers' and Pastrycooks' Association, Incorporated, for the purposes of the said association.

Issued under the authority of the Regulations Act, 1936.

These regulations are administered by the Department of Industries and Commerce, Tourist and Publicity.