

name of the miller on whose behalf the contract was made, but in such case shall be taken at the risk and the expense in all things of the Committee, and the miller shall be entitled to be indemnified by the Committee against all costs and expenses arising out of the proceedings.

(5) If in any case the Committee elects not to institute or defend legal proceedings arising out of any contract, 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.

(6) If any miller fails after a sale has been effected by the Committee to make delivery as required under clause (4) of Regulation 5 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 7.—ACCOUNTS AND PAYMENTS.

(1) Not later in every month than a day to be fixed and notified 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 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 and notified 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 and notify to cover the costs of the administration by the Committee 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 the principal regulations and 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 2 hereof, and to contribute towards any fund authorized by clause (9) 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.

REGULATION 8.—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 9.—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:

Provided that all expenses incurred and any profits derived by the Committee in exercising the powers conferred by this clause shall be borne by and deemed to belong to the Committee in exercise of its functions under the principal regulations, and shall be included in the accounts referred to in Regulation 15 of the principal regulations and shall not be included in the accounts referred to in Regulation 13 hereof.

REGULATION 10.—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.