

SPECIAL CONSULAR REPORTS.

STORED GOODS AS COLLATERAL FOR LOANS.

VOL. XXV.

REPORTS FROM CONSULS OF THE UNITED STATES IN ANSWER TO
INSTRUCTIONS FROM THE DEPARTMENT OF STATE.

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PUBLICATIONS OF THE BUREAU OF FOREIGN COMMERCE.*

The publications of the Bureau of Foreign Commerce, Department of State, are:

I.—COMMERCIAL RELATIONS, being the annual reports of consular officers on the commerce, industries, navigation, etc., of their districts.

II.—REVIEW OF WORLD'S COMMERCE, being a summary of the annual reports contained in Commercial Relations.

III.—CONSULAR REPORTS, issued monthly, and containing miscellaneous reports from diplomatic and consular officers.

IV.—ADVANCE SHEETS, CONSULAR REPORTS, issued daily, except Sundays and legal holidays, for the convenience of the newspaper press, commercial and manufacturing organizations, etc.

V.—EXPORTS DECLARED FOR THE UNITED STATES, issued quarterly, and containing the declared values of exports from the various consular districts to the United States for the preceding three months. There is also issued an annual edition of Declared Exports, embracing the returns for the fiscal year.

VI.—SPECIAL CONSULAR REPORTS, containing series of reports from consular officers on particular subjects, made in pursuance to instructions from the Department.

Following are the special publications issued by the Bureau prior to 1890:

Labor in Europe, 1878, one volume; Labor in Foreign Countries, 1884, three volumes; Commerce of the World and the Share of the United States Therein, 1879; Commerce of the World and the Share of the United States Therein, 1880-81; Declared Exports for the United States, First and Second Quarters, 1883; Declared Exports for the United States, Third and Fourth Quarters, 1883; Cholera in Europe in 1884, 1885; Trade Guilds of Europe, 1885; The Licorice Plant, 1885; Forestry in Europe, 1887; Emigration and Immigration, 1885-86 (a portion of this work was published as CONSULAR REPORTS No. 76, for the month of April, 1887); Rice Pounding in Europe, 1887; Sugar of Milk, 1887; Wool Scouring in Belgium, 1887; Cattle and Dairy Farming in Foreign Countries, 1888 (issued first in one volume, afterwards in two volumes); Technical Education in Europe, 1888; Tariffs of Central America and the British West Indies, 1890.

The editions of all these publications except Tariffs in Central America, etc., are exhausted and the Department is, therefore, unable to supply copies.

In 1890, the Department decided to publish reports on special subjects in separate form, to be entitled SPECIAL CONSULAR REPORTS. There are now the following SPECIAL CONSULAR REPORTS:

Vol. 1 (1890).—Cotton Textiles in Foreign Countries, Flies in Spanish America, Carpet Manufacture in Foreign Countries, Malt and Beer in Spanish America, and Fruit Culture in Foreign Countries.

Vol. 2 (1890 and 1891).—Refrigerators and Food Preservation in Foreign Countries, European Emigration, Olive Culture in the Alpes Maritimes, and Beet-Sugar Industry and Flax Cultivation in Foreign Countries.

Vol. 3 (1891).—Streets and Highways in Foreign Countries. (New edition, 1897.)

Vol. 4 (1891).—Port Regulations in Foreign Countries.

Vol. 5 (1891).—Canals and Irrigation in Foreign Countries. (New edition, 1898.)

Vol. 6 (1891 and 1892).—Coal and Coal Consumption in Spanish America, Gas in Foreign Countries, and India Rubber.

Vol. 7 (1892).—The Slave Trade in Foreign Countries and Tariffs of Foreign Countries.

Vol. 8 (1892).—Fire and Building Regulations in Foreign Countries.

* Formerly Bureau of Statistics. Name changed to Bureau of Foreign Commerce by order of the Secretary of State, July 1, 1897.

VI PUBLICATIONS OF THE BUREAU OF FOREIGN COMMERCE.

Vol. 9 (1892 and 1893).—Australian Sheep and Wool and Vagrancy and Public Charities in Foreign Countries.

Vol. 10 (1894).—Lead and Zinc Mining in Foreign Countries and Extension of Markets for American Flour. (New edition, 1897.)

Vol. 11 (1894).—American Lumber in Foreign Markets. (New edition, 1897.)

Vol. 12 (1895).—Highways of Commerce. (New edition, 1899.)

Vol. 13 (1896 and 1897).—Money and Prices in Foreign Countries.

Vol. 14 (1898).—The Drug Trade in Foreign Countries.

Vol. 15 (1898).—Part I. Soap Trade in Foreign Countries; Screws, Nuts, and Bolts in Foreign Countries; Argols in Europe, Rabbits and Rabbit Furs in Europe, and Cultivation of Ramie in Foreign Countries. Part II. Sericulture and Silk Reeling and Cultivation of the English Walnut.

Vol. 16 (1899).—Tariffs of Foreign Countries. Part I. Europe. Part II. America. Part III. Asia, Africa, Australasia, and Polynesia. Supplement (1900). Tariffs of Chile and Nicaragua.

Vol. 17 (1899).—Disposal of Sewage and Garbage in Foreign Countries; Foreign Trade in Coal Tar and By-Products.

Vol. 18 (1900).—Merchant Marine of Foreign Countries.

Vol. 19 (1900).—Paper in Foreign Countries; Uses of Wood Pulp.

Vol. 20 (1900).—Part I. Book Cloth in Foreign Countries, Market for Ready-Made Clothing in Latin America, Foreign Imports of American Tobacco, and Cigar and Cigarette Industry in Latin America. Part II. School Gardens in Europe. Part III. The Stave Trade in Foreign Countries.

Vol. 21 (1900).—Part I. Foreign Markets for American Coal. Part II. Vehicle Industry in Europe. Part III. Trusts and Trade Combinations in Europe.

Vol. 22 (1900 and 1901).—Part I. Acetic Acid in Foreign Countries. Part II. Mineral-Water Industry. Part III. Foreign Trade in Heating and Cooking Stoves.

Vol. 23 (1901).—Part I. Gas and Oil Engines in Foreign Countries. Part II. Silver and Plated Ware in Foreign Countries.

Vol. 24 (1902).—Creameries in Foreign Countries.

Vol. 25 (1902).—Stored Goods as Collateral for Loans.

Of these SPECIAL CONSULAR REPORTS, Australian Sheep and Wool, Cotton Textiles in Foreign Countries, Files in Spanish America, Fire and Building Regulations, Fruit Culture, Gas in Foreign Countries, India Rubber, Lead and Zinc Mining, Malt and Beer in Spanish America, Port Regulations, Refrigerators and Food Preservation; Sericulture, etc.; Vagrancy, etc., are exhausted, and no copies can be supplied by the Department.

There was also published, in 1899, Proclamations and Decrees during the War with Spain, comprising neutrality circulars issued by foreign countries, proclamations by the President, orders of the War and Navy Departments, and war decrees of Spain.

Of the monthly CONSULAR REPORTS, many numbers are exhausted or so reduced that the Department is unable to accede to requests for copies. Of the publications of the Bureau available for distribution, copies are mailed to applicants without charge. In view of the scarcity of certain numbers, the Bureau will be grateful for the return of any copies of the monthly or special reports which recipients do not care to retain. Upon notification of willingness to return such copies, the Department will forward franking labels to be used in lieu of postage in the United States, Canada, the Hawaiian Islands, Porto Rico, and Mexico.

Persons receiving CONSULAR REPORTS regularly, who change their addresses, should give the old as well as the new address in notifying the Bureau of the fact.

In order to prevent confusion with other Department bureaus, all communications relating to consular reports should be carefully addressed, "Chief, Bureau of Foreign Commerce, Department of State, Washington, U. S. A."

VALUES OF FOREIGN COINS AND CURRENCIES.

The following statements show the valuation of foreign coins, as given by the Director of the United States Mint and published by the Secretary of the Treasury, in compliance with the first section of the act of March 3, 1873, viz: "That the value of foreign coins, as expressed in the money of account of the United States, shall be that of the pure metal of such coin of standard value," and that "the value of the standard coins in circulation of the various nations of the world shall be estimated annually by the Director of the Mint, and be proclaimed on the 1st day of January by the Secretary of the Treasury."

In compliance with the foregoing provisions of law, annual statements were issued by the Treasury Department, beginning with that issued on January 1, 1874, and ending with that issued on January 1, 1890. Since that date, in compliance with the act of October 1, 1890, these valuation statements have been issued quarterly, beginning with the statement issued on January 1, 1891.

The fact that the market exchange value of foreign coins differs in many instances from that given by the United States Treasury has been repeatedly called to the attention of the Bureau of Foreign Commerce. An explanation of the basis of the quarterly valuations was asked from the United States Director of the Mint, and under date of February 7, 1898, Mr. R. E. Preston made the following statement:

"When a country has the single gold standard, the value of its standard coins is estimated to be that of the number of grains fine of gold in them, 480 grains being reckoned equivalent to \$20.67 in United States gold, and a smaller number of grains in proportion. When a country has the double standard, but keeps its full legal-tender silver coins at par with gold, the coins of both gold and silver are calculated on the basis of the gold value.

"The value of the standard coins of countries with the single silver standard is calculated to be that of the average market value of the pure metal they contained during the three months preceding the date of the proclamation of their value in United States gold by the Secretary of the Treasury. The value of the gold coins of silver-standard countries is calculated at that of the pure gold they contain, just as if they had the single gold standard.

"These valuations are used in estimating the values of all foreign merchandise exported to the United States."

The following statements, running from January 1, 1874, to October 1, 1902, have been prepared to assist in computing the values in American money of the trade, prices, values, wages, etc., of and in foreign countries, as given in consular and other reports. The series of years are given so that computations may be made for each year in the proper money values of such year. In hurried computations, the reductions of foreign currencies into American currency, no matter for how many years, are too often made on the bases of latest valuations. All computations of values, trade, wages, prices, etc., of and in the "fluctuating-currency countries" should be made in the values of their currencies in each year up to and including 1898, and in the quarterly valuations thereafter.

VIII VALUES OF FOREIGN COINS AND CURRENCIES.

To meet typographical requirements, the quotations for the years 1875-1877, 1879-1882, 1884-1887, 1895, and 1897 are omitted, these years being selected as showing the least fluctuations when compared with years immediately preceding and following.

To save unnecessary repetition, the estimates of valuations are divided into three classes, viz: (A) countries with fixed currencies, (B) countries with fluctuating currencies, and (C) quarterly valuations of fluctuating currencies.

VALUES OF FOREIGN COINS AND CURRENCIES.

IX

A.—Countries with fixed currencies.

The following official (United States Treasury) valuations of foreign coins do not include "rates of exchange."

Countries.	Standard.	Monetary unit.	Value in U.S. gold.	Coins.
Argentine Republic.	Gold and silver..	Peso.....	\$0.96,5	Gold—argentine (\$4.82,4) and ½ argentine; silver—peso and divisions.
Austria-Hungary*...	Gold	Crown.....	.20,3	Gold—20 crowns (\$4.05,2) and 10 crowns.
Belgium.....	Gold and silver..	Franc .....	.19,3	Gold—10 and 20 franc pieces; silver—5 francs.
Brazil	Gold	Milreis .....	.54,6	Gold—5, 10, and 20 milreis; silver—½, 1, and 2 milreis.
British North America (except Newfoundland).	.....do	Dollar.....	1.00	
British Honduras.....	.....do .....	.....do	1.00	
Chile .....	.....do	Peso.....	.36,5	Gold—escudo (\$1.25), doubloon (\$3.65), and condor (\$7.30); silver—peso and divisions.
Costa Rica.....	.....do	Colon.....	.46,5	Gold—2, 5, 10, and 20 colons; silver—5, 10, 25, and 50 centimos.
Cuba	Gold and silver..	Peso.....	.92,6	Gold—doubloon (\$5.01,7); silver—peso (60 cents).
Denmark	Gold	Crown.....	.26,8	Gold—10 and 20 crowns.
Ecuador† .....	.....do	Sucres.....	.48,7	Gold—10 sucres (\$4.8665); silver—sucres and divisions.
Egypt.....	.....do	Pound (100 piasters).	4.94,3	Gold—10, 20, 50, and 100 piasters; silver—1, 2, 10, and 20 piasters.
Finland .....	.....do	Mark.....	.19,3	Gold—10 and 20 marks (\$1.93 and \$3.85,9).
France	Gold and silver..	Franc .....	.19,3	Gold—5, 10, 20, 50, and 100 francs; silver—5 francs.
Germany	Gold	Mark.....	.23,8	Gold—5, 10, and 20 marks.
Great Britain.....	.....do	Pound sterling.	4.86,6½	Gold—sovereign (\$7.18) and half sovereign.
Greece	Gold and silver..	Drachma .....	.19,3	Gold—5, 10, 20, 50, and 100 drachmas; silver—5 drachmas.
Haiti .....	.....do	Gourde.....	.96,5	Silver—gourde.
India‡.....	Gold	Rupee.....	.32,4	Gold—sovereign (\$4.8665); silver—rupee and divisions.
Italy	Gold and silver..	Lira .....	.19,3	Gold—5, 10, 20, 50, and 100 lire; silver—5 lire.
Japan §.....	Gold	Yen .....	.49,8	Gold—1, 2, 5, 10, and 20 yen.
Liberia .....	.....do	Dollar.....	1.00	
Netherlands.....	Gold and silver..	Florin.....	.49,2	Gold—10 florins; silver—½, 1, and 2½ florins.
Newfoundland	Gold	Dollar.....	1.01,4	Gold—\$2 (\$2.02,7).
Peru||.....	.....do	Sol .....	.48,7	Gold—libra (\$4.8665); silver—sol and divisions.
Portugal .....	.....do	Milreis	1.08	Gold—1, 2, 5, and 10 milreis.
Russia ¶.....	.....do	Ruble .....	.51,5	Gold—imperial (\$7.18) and ½ imperial (\$3.80); silver—¼, ½, and 1 ruble.
Spain.....	Gold and silver..	Peseta.....	.19,3	Gold—25 pesetas; silver—5 pesetas.
Sweden and Norway.	Gold	Crown.....	.26,8	Gold—10 and 20 crowns.
Switzerland	Gold and silver..	Franc .....	.19,3	Gold—5, 10, 20, 50, and 100 francs; silver—5 francs.
Turkey	Gold	Piaster .....	.04,4	Gold—25, 50, 100, 200, and 500 piasters.
Uruguay .....	.....do	Peso.....	1.03,4	Gold—peso; silver—peso and divisions.
Venezuela.....	Gold and silver..	Bolivar.....	.19,3	Gold—5, 10, 20, 50, and 100 bolivars; silver—5 bolivars.

* The gold standard went into effect January 1, 1900 (see Commercial Relations, 1899, Vol. II, p. 7). Values are still sometimes expressed in the florin, which is worth 2 crowns.

† Gold standard adopted in November, 1900. (See CONSULAR REPORTS No. 225, June, 1899.)

‡ For an account of the adoption of the gold standard, see CONSULAR REPORTS No. 238, p. 359.

§ Gold standard adopted October 1, 1897. (See CONSULAR REPORTS No. 201, p. 259.)

|| Gold standard adopted October 13, 1900.

¶ For an account of the adoption of the gold standard, see Review of the World's Commerce,

B.—Countries with fluctuating currencies, 1874-1898.

Countries.	Standard.	Monetary unit.	Value in terms of the United States gold dollar on January 1—					
			1874.	1878.	1883.	1888.	1889.	1890.
Austria-Hungary*.	Silver	Florin.....	\$0.47,6	\$0.45,3	\$0.40,1	\$0.34,5	\$0.33,6	\$0.42
Bolivia .....	.....do	Dollar until 1880; boliviano thereafter.	.96,5	.96,5	.81,2	.69,9	.68	.85
Central America.....	.....do	Peso .....	.96,5	.91,8	.....	.69,9	.68	.85
China .....	.....do	Haikwan tael..	1.61	.....	.....	.....	.....	.....
Colombia .....	.....do	Peso .....	.96,5	.96,5	.81,2	.69,9	.68	.85
Ecuador .....	.....do .....	.....do .....	.96,5	.91,8	.81,2	.69,9	.68	.85
Egypt†.....	Gold	Pound (100 piasters).	.....	4.97,4	4.90	4.94,3	.....	.....
India	Silver	Rupee.....	.45,8	.43,6	.38,6	.32,2	.32,3	.40,4
Japan	Gold.....	Yen.....	.99,7	.99,7	.....	.99,7	.99,7	.99,7
	Silver .....		.....	.....	.87,6	.75,3	.73,4	.91,7
Mexico .....	.....do	Dollar	1.04,75	.99,8	.88,2	.75,9	.73,9	.92,3
Netherlands‡.....	Gold and Silver.	Florin.....	.40,5	.38,5	.....	.....	.....	.....
Peru.....	Silver	Sol.....	.92,5	.91,8	.81,2	.69,9	.68	.85
Russia.....	.....do	Ruble.....	.77,17	.73,4	.65	.55,9	.54,4	.68
Tripoli .....	.....do	Mahbub of 20 piasters.	.87,09	.82,9	.73,3	.63	.61,4	.76,7

Countries.	Standard.	Monetary unit.	Value in terms of the United States gold dollar on January 1—					
			1891.	1892.	1893.	1894.	1896.	1898.
Austria-Hungary*.	Silver	Florin.....	\$0.38,1	\$0.34,1	.....	.....	.....	.....
Bolivia .....	.....do	Boliviano .....	.77,1	.69,1	\$0.61,3	\$0.51,6	\$0.49,1	\$0.42,4
Central America.....	.....do	Peso .....	.77,1	.69,1	.61,3	.51,6	.49,1	.41,4
Colombia .....	.....do .....	.....do .....	.77,1	.69,1	.61,3	.51,6	.49,1	.42,4
Ecuador.....	.....do .....	.....do .....	.77,1	.69,1	.61,3	.51,6	.49,1	.42,4
India .....	.....do	Rupee.....	.36,6	.32,8	.29,2	.24,5	.23,3	.20,1
Japan§ .....	.....do	Yen.....	.83,1	.74,5	.66,1	.55,6	.52,9	.....
Mexico .....	.....do	Dollar .....	.83,7	.75	.66,6	.56	.53,3	.46
Peru.....	.....do	Sol.....	.77,1	.69,1	.61,3	.51,6	.49,1	.42,4
Russia§.....	.....do	Ruble.....	.61,7	.55,3	.49,1	.41,3	.39,3	.....
Tripoli .....	.....do	Mahbub of 20 piasters.	.60,5	.62,3	.55,3	.46,5	.44,3	.....

* The silver standard prevailed in Austria-Hungary up to 1892. The law of August 2 of that year (see CONSULAR REPORTS No. 147, p. 623) established the gold standard.

† The Egyptian pound became fixed in value at \$4.94,3 in 1887.

‡ The Netherlands florin fluctuated up to the year 1880, when it became fixed at 40.2 cents.

§ See footnote, table of fixed currencies.

C.—Quarterly valuations of fluctuating currencies.

Countries.	Monetary unit.	1899.				1900.			
		Jan. 1.	April 1.	July 1.	Oct. 1.	Jan. 1.	April 1.	July 1.	Oct. 1.
Bolivia	Silver boliviano.	\$0.43,9	\$0.43,4	\$0.44,3	\$0.43,6	\$0.42,7	\$0.43,6	\$0.43,8	\$0.45,1
Central America.	Silver peso.....	.43,9	.43,4	.44,3	.43,6	.42,7	.43,6	.43,8	.45,1
China.....	Amoy tael.....	.71	.70,2	.71,6	.70,5	.69,1	.70,5	.70,9	.72,9
	Canton tael.....	.70,8	.70	.71,4	.70,3	.68,9	.70,3	.70,7	.72,7
	Chefoo tael.....	.67,9	.67,2	.68,4	.67,4	.66,1	.67,4	.67,8	.69,7
	Chinkiang tael..	.69,3	.68,6	.69,9	.68,9	.67,5	.68,8	.69,3	.71,2
	Fuchau tael.....	.65,6	.65	.66,2	.65,2	.64	.65,2	.65,6	.67,4
	Haikwan tael....	.72,2	.71,4	.72,8	.71,8	.70,3	.71,7	.72,1	.74,2
	Hankau tael.....	.66,4	.65,7	.67	.66	.64,7	.65,9	.66,3	.68,2
	Hongkong tael..	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
	Ningpo tael.....	.68,2	.67,5	.68,8	.67,8	.66,5	.67,7	.68,2	.70,1
	Niuchwang tael.	.66,5	.65,9	.67,1	.66,1	.64,8	.66,1	.66,5	.68,4
	Shanghai tael....	.64,8	.64,1	.65,4	.64,4	.63,1	.64,4	.64,8	.66,6
	Swatow tael.....	.65,5	.64,9	.66,1	.65,1	.63,9	.65,1	.65,5	.67,4
Colombia.....	Takao tael.....	.71,4	.70,7	.72	.71	.69,6	.70,9	.71,4	.73,4
	Tientsin tael....	.68,8	.68	.69,4	.68,3	.67	.68,3	.68,7	.70,7
Ecuador†	Silver peso.....	.43,9	.43,4	.44,3	.43,6	.42,7	.43,6	.43,8	.45,1
India	do.....	.43,9	.43,4	.44,3	.43,6	.....	.....	.....	.....
Mexico	Silver rupee‡....	.20,8	.20,6	.21	.20,7	.20,3	.20,7	.20,8	.....
Persia	Silver dollar.....	.47,7	.47,2	.48,1	.47,4	.46,4	.47,3	.47,6	.49
Persia	Silver kran.....	.08,1	.08	.08,2	.08	.07,9	.08	.08,1	.08,3
Peru†	Silver sol.....	.43,9	.43,4	.44,3	.43,6	.42,7	.43,6	.43,8	.48,7

Countries.	Monetary unit.	1901.				1902.			
		Jan. 1.	April 1.	July 1.	Oct. 1.	Jan. 1.	April 1.	July 1.	Oct. 1.
Bolivia	Silver boliviano.	\$0.46,8	\$0.45,1	\$0.43,6	\$0.42,8	\$0.41,3	\$0.40,3	\$0.38,2	\$0.38,4
Central America.	Silver peso.....	.46,5	.45,1	.43,6	.42,8	.41,3	.40,3	.38,2	.38,4
China.....	Amoy tael.....	.75,7	.72,9	.70,5	.69,1	.66,9	.65,1	.61,8	.62
	Canton tael.....	.75,5	.72,7	.70,3	.68,9	.66,7	.64,9	.61,7	.61,9
	Chefoo tael.....	.72,4	.69,7	.67,4	.66,1	.63,9	.62,3	.59,1	.59,3
	Chinkiang tael..	.74	.71,2	.68,8	.67,5	.65,3	.63,6	.60,4	.60,6
	Fuchau tael.....	.70,1	.67,5	.65,2	.64	.61,8	.60,2	.57,2	.57,4
	Haikwan tael....	.77,1	.74,2	.71,7	.70,4	.68	.66,3	.62,9	.63,1
	Hankau tael.....	.70,9	.68,2	.65,9	.64,7	.62,6	.60,9	.57,9	.58
	Hongkong tael..	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
	Ningpo tael.....	.72,8	.70,1	.67,8	.66,5	.64,3	.62,6	.59,5	.59,6
	Niuchwang tael.	.71	.68,4	.66,1	.64,8	.62,7	.61,1	.58	.58,2
	Shanghai tael....	.69,2	.66,6	.64,4	.63,2	.61,1	.59,5	.56,5	.56,7
	Swatow tael.....	.70	.67,4	.65,1	.63,9	.61,8	.60,2	.57,1	.57,3
Colombia.....	Takao tael.....	.76,2	.73,4	.70,9	.69,6	.67,3	.65,5	.62,2	.62,4
	Tientsin tael....	.73,4	.70,7	.68,3	.67	.64,8	.63,1	.59,9	.60,1
Mexico	Silver peso.....	.46,8	.45,1	.43,6	.42,8	.41,3	.40,3	.38,2	.38,4
Persia	Silver dollar.....	.50,9	.49	.49	.46,4	.44,9	.43,7	.41,5	.41,7
Persia	Silver kran.....	.08,6	.08,3	.08,3	.07,9	.07,6	.07,4	.07	.07,1

* The ' British dollar ' has the same legal value as the Mexican dollar in Hongkong, the Straits Settlements, and Labuan.

† See footnote, table of fixed currencies.

‡ The sovereign is the standard coin of India, but the rupee is the money of account. See also table of fixed currencies.

FOREIGN WEIGHTS AND MEASURES.

The following table embraces only such weights and measures as are given from time to time in CONSULAR REPORTS and in Commercial Relations:

Foreign weights and measures, with American equivalents.

Denominations.	Where used.	American equivalents.
Almude	Portugal.....	4.422 gallons.
Ardeb.....	Egypt.....	7.6907 bushels.
Are.....	Metric.....	0.02471 acre.
Arobe.....	Paraguay.....	25 pounds.
Arratel or libra.....	Portugal.....	1.011 pounds.
Arroba (dry).....	Argentine Republic.....	25.3175 pounds.
Do.....	Brazil.....	32.38 pounds.
Do.....	Cuba.....	25.3664 pounds.
Do.....	Portugal.....	32.38 pounds.
Do.....	Spain.....	25.36 pounds.
Do.....	Venezuela.....	25.4024 pounds.
Arroba (liquid).....	Cuba, Spain, and Venezuela.....	4.263 gallons.
Arshine.....	Russia.....	28 inches.
Arshine (square).....	do.....	5.44 square feet.
Artel.....	Morocco.....	1.12 pounds.
Baril.....	Argentine Republic and Mexico.....	20.0787 gallons.
Barrel.....	Malta (customs).....	11.4 gallons.
Do.....	Spain (raisins).....	100 pounds.
Berkovets.....	Russia.....	361.12 pounds.
Bongkal.....	India.....	832 grains.
Bouw.....	Sumatra.....	7,096.5 square meters
Bu.....	Japan.....	0.1 inch.
Butt (wine).....	Spain.....	140 gallons.
Cafiso.....	Malta.....	5.4 gallons.
Candy.....	India (Bombay).....	520 pounds.
Do.....	India (Madras).....	500 pounds.
Cantar.....	Morocco.....	113 pounds.
Do.....	Syria (Damascus).....	575 pounds.
Do.....	Turkey.....	124.7036 pounds.
Cantaro (cantar).....	Malta.....	175 pounds.
Carga.....	Mexico and Salvador.....	300 pounds.
Catty.....	China.....	1.333 $\frac{1}{3}$ (1 $\frac{1}{4}$) pounds.
Do*.....	Japan.....	1.31 pounds.
Do.....	Java, Siam, and Malacca.....	1.35 pounds.
Do.....	Sumatra.....	2.12 pounds.
Centaro.....	Central America.....	4.2631 gallons.
Centner.....	Bremen and Brunswick.....	117.5 pounds.
Do.....	Darmstadt.....	110.24 pounds.
Do.....	Denmark and Norway.....	110.11 pounds.
Do.....	Nuremberg.....	112.43 pounds.
Do.....	Prussia.....	113.44 pounds.
Do.....	Sweden.....	93.7 pounds.
Do.....	Vienna.....	123.5 pounds.
Do.....	Zollverein.....	110.24 pounds.
Do.....	Double or metric.....	220.46 pounds.
Chetvert.....	Russia.....	5.7748 bushels.
Chih.....	China.....	14 inches.

* More frequently called "kin." Among merchants in the treaty ports it equals 1.33 $\frac{1}{3}$ pounds avoirdupois.

Foreign weights and measures, with American equivalents—Continued.

Denominations.	Where used.	American equivalents.
Coyan.....	Sarawak	3,098 pounds.
Do	Siam (Koyan).....	2,667 pounds.
Cuadra.....	Argentine Republic.....	4.2 acres.
Do	Paraguay	78.9 yards.
Do	Paraguay (square).....	8.077 square feet.
Do	Uruguay ..	Nearly 2 acres.
Cubic meter.....	Metric.....	35.3 cubic feet.
Cwt. (hundredweight).....	British.....	112 pounds.
Dessiatine.....	Russia.....	2.6997 acres.
Do	Spain.....	1.599 bushels.
Drachme.....	Greece.....	Half ounce.
Egyptian weights and measures.....	(See CONSULAR REPORTS NO. 144.)	
Fanega (dry).....	Central America.....	1.5745 bushels.
Do	Chile	2.575 bushels.
Do	Cuba	1.599 bushels.
Do	Mexico	1.54728 bushels.
Do	Morocco	Strike fanega, 70 lbs.; full fanega, 118 lbs.
Do	Uruguay (double).....	7.776 bushels.
Do	Uruguay (single).....	3.888 bushels.
Do	Venezuela.....	1.599 bushels.
Fanega (liquid).....	Spain.....	16 gallons.
Feddan.....	Egypt	1.03 acres.
Frail (raisins).....	Spain.....	50 pounds.
Frasco	Argentine Republic.....	2.5066 quarts.
Do	Mexico	2.5 quarts.
Frasila.....	Zanzibar	35 pounds.
Fuder	Luxemburg.....	264.17 gallons.
Funt	Russia	0.9028 pound.
Garnice	Russian Poland.....	0.88 gallon.
Gram.....	Metric.....	15.432 grains.
Hectare .....	.....do	2.471 acres.
Hectoliter:		
Dry .....	.....do	2.838 bushels.
Liquid .....	.....do	26.417 gallons.
Joch.....	Austria-Hungary.....	1.422 acres.
Ken	Japan	6 feet.
Kilogram (kilo).....	Metric.....	2.2046 pounds.
Kilometer.....	.....do	0.621376 mile.
Klafter	Russia.....	216 cubic feet.
Koku	Japan	4.9629 bushels.
Korree.....	Russia.....	3.5 bushels.
Kwan.....	Japan	8.28 pounds.
Last.....	Belgium and Holland.....	85.134 bushels.
Do	England (dry malt).....	82.52 bushels.
Do	Germany.....	2 metric tons (4,480 pounds).
Do	Prussia	112.29 bushels.
Do	Russian Poland.....	113½ bushels.
Do	Spain (salt).....	4,760 pounds
League (land).....	Paraguay	4,633 acres.
Li	China.....	2,115 feet.
Libra (pound).....	Argentine Republic.....	1.0127 pounds
Do	Central America.....	1.043 pounds.
Do	Chile	1.014 pounds.
Do	Cuba	1.0161 pounds.
Do	Mexico	1.01465 pounds.
Do	Peru.....	1.0143 pounds.
Do	Portugal	1.011 pounds.
Do	Spain.....	1.0144 pounds.
Do	Uruguay.....	1.0143 pounds.
Do	Venezuela.....	1.0161 pounds.

Foreign weights and measures, with American equivalents—Continued.

Denominations.	Where used.	American equivalents.
Liter.....	Metric.....	1.0567 quarts.
Livre (pound).....	Greece.....	1.1 pounds.
Do.....	Guiana.....	1.0791 pounds.
Load.....	England (timber).....	Square, 50 cubic feet; unhewn, 40 cubic feet; inch planks, 600 super- ficial feet.
Manzana.....	Costa Rica.....	1½ acres.
Do.....	Nicaragua and Salvador.....	1.727 acres.
Marc.....	Bolivia.....	0.507 pound.
Maund.....	India.....	82½ pounds.
Meter.....	Metric.....	39.37 inches.
Mil.....	Denmark.....	4.68 miles.
Do.....	Denmark (geographical).....	4.61 miles.
Milla.....	Nicaragua and Honduras.....	1.1493 miles.
Morgen.....	Prussia.....	0.63 acre.
Oke.....	Egypt.....	2.7225 pounds.
Do.....	Greece.....	2.84 pounds.
Do.....	Hungary.....	3.0817 pounds.
Do.....	Turkey.....	2.82838 pounds.
Do.....	Hungary and Wallachia.....	2.5 pints.
Pic.....	Egypt.....	21¼ inches.
Picul.....	Borneo and Celebes.....	135.64 pounds.
Do.....	China, Japan, and Sumatra.....	133½ pounds.
Do.....	Java.....	135.1 pounds.
Do.....	Philippine Islands.....	137.9 pounds.
Pie.....	Argentine Republic.....	0.9478 foot.
Do.....	Spain.....	0.91407 foot.
Pik.....	Turkey.....	27.9 inches.
Pood.....	Russia.....	36.112 pounds.
Pund (pound).....	Denmark and Sweden.....	1.102 pounds.
Quarter.....	Great Britain.....	8.252 bushels.
Do.....	London (coal).....	36 bushels.
Quintal.....	Argentine Republic.....	101.42 pounds.
Do.....	Brazil.....	130.06 pounds.
Do.....	Castile,* Chile, Mexico, and Peru.....	101.41 pounds.
Do.....	Greece.....	123.2 pounds.
Do.....	Newfoundland (fish).....	112 pounds.
Do.....	Paraguay.....	100 pounds.
Do.....	Syria.....	125 pounds.
Do.....	Metric.....	220.46 pounds.
Rot 'e.....	Palestine.....	6 pounds.
Do.....	Syria.....	5¾ pounds.
Sagene.....	Russia.....	7 feet.
Salm.....	Malta.....	490 pounds.
Se.....	Japan.....	0.02451 acres.
Seer.....	India.....	1 pound 13 ounces.
Shaku.....	Japan.....	11.9305 inches.
Sho.....	do.....	1.6 quarts.
Standard (St. Petersburg).....	Lumber measure.....	165 cubic feet.
Stone.....	British.....	14 pounds.
Suerte.....	Uruguay.....	2,700 cuadras (see cua- dra).
Sun.....	Japan.....	1.193 inches.
Tael.....	Cochin China.....	590.75 grains (troy).
Tan.....	Japan.....	0.25 acre.
To.....	do.....	2 pecks.
Ton.....	Space measure.....	40 cubic feet.
Tonde (cereals).....	Denmark.....	3.94783 bushels.
Tondeland.....	do.....	1.36 acres.

*Although the metric weights are used officially in Spain, the Castile quintal is employed in commerce in the Peninsula and colonies, save in Catalonia; the Catalan quintal equals 91.71 pounds.

Foreign weights and measures, with American equivalents—Continued.

Denominations.	Where used.	American equivalents.
Tsubo.....	Japan	6 feet square.
Tsun.....	China.....	1.41 inches.
Tunna.....	Sweden.....	4.5 bushels.
Tunnland	Sweden	1.22 acres.
Vara.....	Argentine Republic.....	34.1208 inches.
Do	Central America.....	32.87 inches.
Do	Chile and Peru.....	33.367 inches.
Do	Cuba.....	33.384 inches.
Do	Curaçao	33.375 inches.
Do	Mexico	33 inches.
Do	Paraguay	34 inches.
Do	Spain	0.914117 yard.
Do	Venezuela.....	33.384 inches.
Vedro	Russia.....	2.707 gallons.
Vergees.....	Isle of Jersey.....	71.1 square rods.
Verst.....	Russia.....	0.663 mile.
Vlocka.....	Russian Poland.....	41.93 acres.

METRIC WEIGHTS AND MEASURES.

Metric weights.

Milligram ($\frac{1}{1000}$ gram) equals 0.0154 grain.
 Centigram ($\frac{1}{100}$ gram) equals 0.1543 grain.
 Decigram ($\frac{1}{10}$ gram) equals 1.5432 grains.
 Gram equals 15.432 grains.
 Decagram (10 grams) equals 0.3527 ounce.
 Hectogram (100 grams) equals 3.5274 ounces.
 Kilogram (1,000 grams) equals 2.2046 pounds.
 Myriagram (10,000 grams) equals 22.046 pounds.
 Quintal (100,000 grams) equals 220.46 pounds.
 Millier or tonnea—ton (1,000,000 grams) equals 2,204.6 pounds.

Metric dry measures.

Milliliter ($\frac{1}{1000}$ liter) equals 0.061 cubic inch.
 Centiliter ($\frac{1}{100}$ liter) equals 0.6102 cubic inch.
 Deciliter ($\frac{1}{10}$ liter) equals 6.1022 cubic inches.
 Liter equals 0.908 quart.
 Decaliter (10 liters) equals 9.08 quarts.
 Hectoliter (100 liters) equals 2.838 bushels.
 Kiloliter (1,000 liters) equals 1.308 cubic yards.

Metric liquid measures.

Milliliter ($\frac{1}{1000}$ liter) equals 0.0388 fluid ounce.
 Centiliter ($\frac{1}{100}$ liter) equals 0.338 fluid ounce.
 Deciliter ($\frac{1}{10}$ liter) equals 0.845 gill.
 Liter equals 1.0567 quarts.
 Decaliter (10 liters) equals 2.6418 gallons.
 Hectoliter (100 liters) equals 26.417 gallons.
 Kiloliter (1,000 liters) equals 264.18 gallons.

Metric measures of length.

Millimeter ($\frac{1}{1000}$ meter) equals 0.0394 inch.
 Centimeter ($\frac{1}{100}$ meter) equals 0.3937 inch.
 Decimeter ($\frac{1}{10}$ meter) equals 3.937 inches.

Meter equals 39.37 inches.

Decameter (10 meters) equals 393.7 inches.

Hectometer (100 meters) equals 328 feet 1 inch.

Kilometer (1,000 meters) equals 0.62137 mile (3,280 feet 10 inches).

Myriameter (10,000 meters) equals 6.2137 miles.

Metric surface measures.

Centare (1 square meter) equals 1,550 square inches.

Are (100 square meters) equals 119.6 square yards.

Hectare (10,000 square meters) equals 2.471 acres.

INSTRUCTION TO CONSULAR OFFICERS.

In compliance with a request by the American Warehousemen's Association, a circular instruction was sent on May 27, 1902, to consular officers in certain foreign countries, requesting information as to the methods adopted in making loans on goods in warehouses. The association states that in the recent extraordinary growth of the storage business in this country there has developed an urgent need of some safe method by which the values in goods stored can be used as collateral for loans. Attempts to accomplish this through the issue of negotiable warehouse receipts have failed—except in cases dependent upon the faith of the banker in the individual warehouseman signing the receipt—on account of the fact that there is no supervision of warehouses (corporate, State, or national) on which bankers can depend for the existence of the collateral. A knowledge of foreign methods, it is added, will aid in the solution of this important question in the United States, as the principal commercial cities of Europe have systems, perfected by long experience, through which they are enabled to convert this class of goods into safe and valuable assets for banking purposes.

The answers follow.

STORED GOODS AS COLLATERAL FOR LOANS.

AUSTRIA-HUNGARY.

GENERAL REPORT.

The method adopted in Austria for making goods stored in warehouses available as collateral for loans is through the issue of negotiable warehouse certificates or receipts called "Lagerscheine," which may be made out to the depositor or to order. The supervision of warehouses by the Government and the strict regulations in reference thereto are sufficient surety to the banking house making the loan on the warehouse certificate, as to the actual existence of the goods for which the certificate is issued. This certificate, or receipt, must contain the name, business or position, and residence of the depositor of the goods, date of deposit, an exact description of special marks, brand, quality, quantity, and kind of the goods stored, with the further statement as to any insurance taken thereon, as also amount and duration thereof. The warehouse must keep a record of each certificate, and also of what is subsequently done with the stored goods, whether repacked, divided, transferred, mortgaged, taken partly or wholly out of storage, and other pertinent particulars.

FORM OF MORTGAGE.

On the certificate made out to order, a mortgage or loan may be negotiated by surrender of the warehouse receipt, indorsed like a check or note. It may be specially stated on the indorsement that the certificate has not been surrendered as a transfer of property, but solely as a lien on the same. When the indorsement shows also the amount and time for payment of the loan, the name, business, and residence of the creditor, and when, further, this statement is signed by the mortgagor, the holder of the certificate is entitled to satisfy his claim from the mortgaged goods without need of any other written agreement. The legal owner of the certificate, inasmuch as he does not appear from the indorsement solely as mortgagee, may ask that the stored goods be divided into any desired number of smaller lots, and in such case as many new receipts shall be executed as may correspond with the division of the goods. The

stored goods are to be delivered by the warehouse upon return of the certificate, and only to the person who is shown by the contents of the certificate to have the right to dispose of the goods in question. When the time of payment designated in the indorsement on the mortgage certificate lapses, the warehouse is obliged to allow the immediate sale of the stored goods and, moreover, to facilitate the sale in every way. To the purchaser of the stored goods at a sale by the mortgagee, the warehouse delivers the goods solely upon presentation of the bill of sale and after payment—as far as the proceeds go—of duty, fees, storage, and other costs, and also of the mortgage claims shown in the certificate to attach to the goods. If a certificate is lost, the warehouse must make out a new one for the party in whose favor the same was effected.

Loans upon negotiable warehouse receipts or certificates are usually given on not more than 60 to 70 per cent of the total value of the stored goods; in rare cases, on as much as 80 per cent of said value. The commodities on which the loans are made are chiefly grain, sugar, oil, coffee, flour, cotton, and wool. Bankers generally have among their employees expert appraisers of goods on which loans are taken. The amount of this kind of banking business in Austria-Hungary averages, as I am informed by one of the principal banking houses in Vienna, about 200,000,000 crowns, or some \$40,000,000, annually. This amount is likely to increase in the future, as it is intended to establish new public warehouses in several leading Austrian cities. The first large cold-storage warehouse has just been opened in Vienna, and the undertaking promises every success.

WAREHOUSES.

Permission to put up a warehouse is granted by the Ministry of Commerce, and may be obtained by individuals or corporations. Licensed public warehouses are of two kinds—warehouses where incoming dutiable goods are stored until duty is paid thereon or they are sent out of the country again, and warehouses where such goods as are not dutiable, or on which the duty has already been paid, are stored. As a rule, bonded warehouses may be erected only in the towns where there is a custom-house. General public warehouses may be erected anywhere, but are not usually placed in frontier districts. Applicants for license to erect public warehouses must show the requisite amount of capital for the contemplated enterprise, and the manner of procuring the necessary funds. In the application for license it must be stated, besides, whether business is to extend to dutiable goods, for which additional permission is required; and, further, the kind of security to cover possible claims by the customs authorities must be specified.

For purposes of supervision by customs authorities, the following regulations must be observed in the erection and management of bonded warehouses, licenses for which are granted upon consent of the Ministry of Finance. Only such buildings and rooms may be used as are recognized by the customs authorities to be suitable, and where the proper precautions are taken against smuggling. Where new buildings are projected, the plans should be submitted to the customs authorities and the requisite guards against smuggling be agreed upon in common. The storerooms for dutiable goods should be apart from those where other classes of goods are kept.

TARIFF AND OTHER CHARGES.

The general tariff for storage in the municipal warehouse of the city of Vienna is arranged according to the following classes:*

Class I, paying 3 kreutzers (1.2 cents) a week for each 100 kilograms (220 pounds), comprises albumen, amber, brooms, brushes, canned goods (packed), chemicals (inexplosive and incombustible), enamel ware in chests, feathers, glassware (unpacked), hardware in chests not otherwise specified, liquor packed in chests not otherwise specified, machinery (for which unloading and loading are charged according to the time and labor), meerschaum, mother-of-pearl, shellac, and varnish.

Class II, paying 2 kreutzers (0.8 cent) a week for each 100 kilograms, includes aniseed, cheese, cinnamon, clover seed, coffee, cut dyewood, dried blood, dried fruits (with the exception of prunes), drugs not otherwise specified, empty sacks, earthenware, fruits not otherwise specified, glass goods in chests, groceries and spices not otherwise specified, hides (raw, dried), hops, iron goods in chests not otherwise specified, leather, matting, metal ware in chests not otherwise specified, packed candles, poppy reed, paper, paprika, porcelain in chests, raisins, rubber, and seeds not otherwise specified.

Class III, paying 1 kreutzer (0.4 cent) a week for each 100 kilograms, embraces asphalt, axles, bacon, baled hay, baled straw, boiler iron, car wheels, cast-iron pipes, cements, chalk, common coloring earth, common woods, cotton, dried beets, dyewood in blocks, flax, glue, hemp, herrings, honey, lard, manure, metals (in bars, blocks, or sheets), mineral wax, oil in barrels, oil cake, paraffin, pasteboard, plaster of paris, potash, prunes, rice, salt, saltpeter, scythes, soda, starch, steel, steel rails, sugar (in forms, sacks, or barrels), sumac, sirups, talc, tanned hides, tanning materials not otherwise specified, trucks, vitriol, white lead, wool, and woven sea grass.

*The prices are still quoted in the old Austrian currency of gulden (or florin) and kreutzer, and not in crown and heller, which are one-half, respectively, of a gulden or kreutzer, now almost generally introduced in the Monarchy.

Class IV, paying 0.5 kreutzer (0.2 cent) a week for each 100 kilograms, covers goods which may be stored out of doors on the warehouse grounds. The warehouse does not hold itself responsible for any damage to goods stored in the open air; and the unloading and reloading of such goods is allowed to be done by outside labor, at the wish of the depositor.

In the Vienna warehouse, the following articles may not be stored: Artificially greased wool from wool refuse, benzine, dynamite and all explosive chemicals, gunpowder, gun cotton, inflammable acids, naphtha, nitroglycerin, petroleum, petroleum ether, rosin, sulphur, tar, turpentine oils, and all spirits, without exception.

Among the various incidental charges may be mentioned the insurance fee for each 100 florins (\$40) of the insured value, 4.5 kreutzers (1.8 cents) a month; the fee for unloading or loading of packed goods, 3 kreutzers (1.2 cents) for each 100 kilograms; for unloading or loading unpacked goods, 5 kreutzers (2 cents) for each 100 kilograms. Custom-house brokerage is reckoned at 25 kreutzers (10 cents) up to 100 kilograms, 45 kreutzers (18 cents) for quantities from 100 to 600 kilograms (220 to 1,320 pounds), and above 600 kilograms, 6 kreutzers (2.4 cents) for each 100 kilograms. For whole carloads of the same kind of goods, 4 florins (\$1.60) is charged for each carload; for packing, in addition to the packing materials, for each small package, 20 kreutzers (8 cents); for larger packages, 25 cents. For additional labor in connection with loading or unloading, 25 kreutzers (10 cents) an hour is reckoned for each man—1 florin (40 cents) for half a day and 1.60 florins (64 cents) for a whole day. Thirty kreutzers (12 cents) is required for a certificate of deposit. For any payments for freight, or other cash disbursements, 5 per cent interest per annum must be paid. For receiving payments for goods or for business transactions in connection with goods stored, one-eighth of 1 per cent will be collected.

The warehouse management, when required, furnishes, without assuming any responsibility, as exact samples as possible of certain classes of goods, and charges, inclusive of delivery daily at noon at the fruit and grain exchange, 20 kreutzers (8 cents) for each letter sample or 30 kreutzers (12 cents) for samples in small packages, bottles, or tins. There is a special tariff for grain of all kinds. In sacks, the storage is reckoned at 0.6 kreutzer (0.25 cent) a week for each 100 kilograms; loose in bulk, 0.8 kreutzer (0.3 cent) for each 100 kilograms. The special rates for sugar of any sort in quantities of at least 5,000 kilograms (5 long tons) is scheduled at 1 kreutzer (0.4 cent) for each 100 kilograms. There are also special rates for spirits stored in iron reservoirs and reckoned according to the time of year in which the goods are entered for storage. The rate on

wine in casks is calculated at 2 kreutzers (0.8 cent) for each 100 kilograms for the first two weeks, and for each following week at the rate of 1 kreutzer (0.4 cent).

NOTES.

Goods stored in bonded warehouses may be unpacked, repacked, divided, and marked over, weighed, inspected, and, if fluid, refilled or mixed—in short, manipulated in any manner needful for their preservation or preparation for sale, and not endangering customs claims. No goods may leave a bonded warehouse without a prescribed official permit.

The owners of bonded warehouses are responsible to the Government for the correct fulfillment of all regulations, and also of all imposed pecuniary obligations, not only to the limit of the security given, but with their entire property. The transgression of any of the regulations entails the prescribed legal penalty and may result in loss of license. Every public warehouse must publish a complete price list, with the maximum rates charged for storage and for attendant costs and fees, which must be affixed in the business rooms of the establishment. The owners of public warehouses are prohibited, on penalty of losing their license, from speculating in any manner upon the goods stored in their charge.

CARL BAILEY HURST,
Consul-General.

VIENNA, *July 3, 1902.*

REPORT FROM TRIESTE.

WAREHOUSE LEGISLATION.

The first Austrian law, or rather ministerial decree, authorizing the erection and regulating the administration of public warehouses appeared in 1866. Its object was "to secure to commerce every possible facility contemplated by the general tariff law, to aid the free circulation of merchandise, and to develop commercial credit." This decree was, with various amendments, in force until April 28, 1889, when it was repealed by the passage of a parliamentary act which brought the management of such warehouses under stricter governmental control, and at the same time provided for the issuance of negotiable warehouse receipts.

PURPOSES FOR WHICH WAREHOUSES MAY BE ESTABLISHED.

Under the last-mentioned act, public warehouses may be established for the following purposes:

1. To keep in custody in the "free zone territory" (Punto Franco) foreign merchandise subject to duty, but not yet entered, until such merchandise is entered, transported under bond to another customs district, or reexported.

2. To keep in custody in the free-zone territory goods of home production "under preservation of their nationality" until they are exported or returned to the customs territory.

3. To keep in custody merchandise subject to an octroi or city tax until such tax is paid or the goods are shipped out of the city.

4. To keep in custody in the interior of the country goods subject to customs duty or other imposts until such duty or impost is paid or the goods are reexported.

GOVERNMENT LICENSE.

No public warehouses can be opened without a license from the Minister of Commerce. Before such a license can be obtained, the statutes and regulations of the proposed establishment must be submitted to the Ministries of Commerce and Finance for examination and approval. Concessions may be granted to commercial corporations and municipalities, as well as to private individuals. The latter alone are required by law to file a bond with the Government.

THE STATUTES.

The statutes must contain the general terms and conditions upon which goods will be received for storage. They must further contain explicit information as to (*a*) the storage charges, changes, and publication thereof; (*b*) the guaranty given to the depositor; (*c*) the issuance of certificates of deposit; (*d*) the legal claim or lien which the warehouse has on the goods stored; (*e*) its right of sale; (*f*) the settlement of controversies by arbitration.

SPECIAL STATUTORY RESTRICTIONS.

Public warehouses are not permitted to engage, either on their own account or for others, in commercial transactions involving goods in their custody, or to make loans on such goods. In fact, their business is limited strictly to storing and allied transactions.

CLAIMS.

Claims for loss or damage which a superficial inspection at the time of delivery did not reveal are not valid, unless they are made as soon as such loss or damage is discovered and it can be shown that it occurred during the time of storage.

The law furthermore permits warehouses to insert in their regulations a notice to the public that they will not be responsible for any loss or damage for which a claim has not been presented within a certain period after the withdrawal of the stored goods. This period, however, must not be less than four weeks.

INSURANCE.

It is the duty of every warehouse to insure all goods in its keeping against loss by fire, and the insurance must cover the full value of the goods. If goods on which a certificate of deposit has been

issued are destroyed by fire, the insurance money must be paid to the warehouse, which in turn is responsible to the legal owner of the goods.

RECEIPTS.

Parties depositing merchandise are entitled to a receipt or certificate of deposit. This receipt consists of two separable parts, viz:

1. A certificate of ownership.
2. A pawn certificate (here commonly called warrant). This receipt, as well as either part of it, is negotiable. Each part must contain (*a*) the date of issue and the name and location of the warehouse; (*b*) the signature of its manager or responsible agent; (*c*) the number of the deposit book; (*d*) the name and address of the depositor; (*e*) a full description of the goods deposited; (*f*) the amount for which these goods are or will be insured and the name of the insuring company; (*g*) the period of deposit, if already determined; (*h*) a statement as to whether the goods are subject to customs duty, excise, or octroi tax.

LOANS AND ASSIGNMENTS.

Loans may be taken on the whole receipt, or certificate, or on either one of its parts. The custom in Trieste is to take loans on the whole receipt, the warrant being seldom, if ever, assigned separately.

When both parts of the receipt are assigned together, the indorsement of the certificate of ownership is efficacious for the whole receipt.

When money loaned on the whole receipt is not returned the day it falls due, the lender must give formal notice thereof to the owner of the goods, and if payment is then not made within thirty days, the former may take possession of the goods.

The holder of both parts of a receipt, proving himself to be the legal owner, may demand a new receipt in his name, and may then dispose of the goods as he chooses.

When a loan is taken on the warrant, apart from the certificate of ownership, the indorsement of the warrant must contain (*a*) the name and domicile of the indorsee; (*b*) the amount loaned and the rate of interest; (*c*) the date on which the loan falls due.

These data must also be entered on the deposit book, which the warehouse is by law required to keep. A defective first indorsement makes the loan null and void.

The above formalities need, however, not be observed on future indorsements; but such indorsements must be recorded in the warehouse deposit book, if indorsee desire it.

If the loan on the warrant is not paid the day it falls due, it must be protested in the same manner in which notes of exchange are

protested, and if payment is then not made in due time, the holder of the warrant may have the goods sold, but the right of recourse is lost if they are not sold within thirty days after the warrant has been protested.

The assignment of the certificate of ownership to the holder of the warrant is the same as a legal transfer of the goods.

If the certificate of ownership is assigned without the warrant, the assignee's title becomes the same as was that of the assignor, and the rights of the warrant holder are in nowise affected by the transaction.

INSPECTION OF DEPOSITS.

The warehouse is obliged to permit the inspection of goods and to allow samples to be taken at any time by parties holding either part of the certificate.

WITHDRAWAL OF DEPOSITS.

Whenever the owner presents the entire certificate of deposit or its two parts and pays all storage dues and expenses, the goods must be delivered to him.

They must also be delivered to him, even though the warrant is not in his hands, if he deposits with the warehouse a sum sufficient to cover the amount of the loan and the interest up to the time the loan falls due. This may be done at any time before the period of deposit or that of loan has expired.

WAREHOUSE LIEN.

The warehouse has a lien on all goods in its custody for storage dues, as well as for all expenses incurred thereon, such as custom duties, insurance, transportation charges, etc.; and it may even borrow money on, and mortgage, the goods to the full amount of its claim thereon.

RIGHT OF SALE.

The warehouse has a right to sell the goods in its keeping whenever the stipulated term of deposit has expired; or, after one year, if they are deposited for an indefinite period; or at any time when the goods are in danger of perishing.

DISPOSAL OF PROCEEDS.

The proceeds of such sales must be applied to the payment of claims in the following order: (1) Custom and excise duty; (2) expenses of sale; (3) warehouse dues and expenses; (4) claim of the warrant holder.

Any balance left must be paid to the owner.

RIGHT OF RECOURSE.

If the warrant is paid in full, it must be surrendered; but if it is paid only in part, the amount paid must be noted thereon and the warrant returned. In such a case, the warrant holder has recourse and may protest against all parties liable for the full amount of his loss.

ATTACHMENTS.

Goods for which a receipt has been issued can not be attached or taken for security, but the negotiable receipt, if still in the hands of the debtor, may be attached instead. The warrant of a receipt so attached is no longer negotiable.

RECEIPTS ANNULLED.

When a receipt or an essential part thereof is lost, it becomes the duty of the warehouse, upon request of the loser, to give public notice of such loss and to declare the certificate canceled.

PUBLIC WAREHOUSES IN TRIESTE.

The first public warehouses in Trieste were erected in 1887, and were for several years managed jointly by the chamber of commerce and the city. Although the business of the new institution was carefully and economically conducted, it resulted year after year in a considerable deficit, and in 1894 the Government was prevailed upon to purchase the warehouses and to manage them on its own account. Many improvements have since been made. The warehouse finances are, however, not yet satisfactory. The annual balance sheets still show large deficits, which must be met by governmental appropriations.

FREDK. W. HOSSFELD,

TRIESTE, *September 19, 1902.*

Consul.

BOHEMIA.

The business of advancing cash, or loaning money on marketable merchandise, deposited in warehouses in Bohemia, is very extensive and is steadily increasing. The warehouses are authorized, according to the act of April 28, 1889, to issue warrants, or receipts, representing about two-thirds of the market value of merchandise deposited, but do not themselves advance cash upon the same, and before they are accepted by banks as collateral on loans these warrants are required to be indorsed by two individuals or firms of good financial standing, and the loans are made for a period not exceeding three months.

PUBLIC WAREHOUSES.

Public warehouses, in addition to paying a license tax, are compelled by the Government to deposit a bond, representing available Austro-Hungarian securities, as a guaranty for the faithful performance of their business under the laws of the country governing the same.

These warrants are only issued upon the deposit of certain specified articles, such as sugar, grain, wool, cotton, iron, alcohol, glass, beet root, wine, linseed, etc. Explosives or perishable goods are not accepted under any consideration.

Holders of warrants have the right to inspect the merchandise hypothecated and deposited, but there is no governmental supervision over the same.

PRIVATE WAREHOUSES.

There are also in this country many private warehouses, which are usually controlled by banks or financial institutions and are more liberal in their transactions, making loans and advancing cash on deposits of merchandise of the same character as that in public warehouses. Although their charges are higher for storing and moving than those of public warehouses, they are more popular and their business is increasing much more rapidly, as they require no security for the advance of cash other than the deposit of merchandise; they protect themselves in the usual way, however, against loss upon the deposit of merchandise liable to heavy fluctuations in value.

ETHELBERT WATTS,

PRAGUE, *August 9, 1902.*

Consul.

HUNGARY.

PUBLIC WAREHOUSES.

In Hungary, a public storage warehouse is understood to mean a concern engaged in the storage of wares, upon which it may legally issue warehouse receipts (warrants). The character of the public warehouse and the conditions of issuing the receipts are regulated by title 6 of the second part of the commercial law (Law XXXVII of 1875), according to which a public storage warehouse must prove an actual capital of at least 1,000,000 crowns (say, \$200,000). Such concern may grant loans equal to two-thirds of the value of the wares received for storage and preservation. The law prescribes exactly how the receipt, which consists of two parts (goods label and pawn receipt), may be used for the grant of loans; but there are only a few such public warehouses in Hungary. Banks have had no trouble so far in the negotiation of these public-warehouse

receipts, being well protected by the above-cited section of the commercial law.

PRIVATE WAREHOUSES.

There are, however, in Hungary some thirty private storehouses, with various amounts of capital behind them, a considerable number having been founded by the banks themselves. The receipts of these storehouses have not the legal value of notes, as have the receipts of public warehouses; but this does not prevent their using the receipts as collateral for loans, and the storing concerns or the banks connected with them grant loans up to 70 or 80 per cent of the value of the wares stored. As no abuses in this line have occurred hitherto, it is claimed, and no receipts have been presented to banks which were issued by warehouses without really representing stored goods—the value of which the banks were always able to determine—there has not yet been need for State or other Government supervision of private storehouses.

GRAIN ASSOCIATIONS.

A new feature in the public-warehouse institution in Hungary is that grain-selling associations have been formed, which take from the members, store, and finally sell the grain received, meanwhile granting loans on the stored grain. But inasmuch as these associations, like the private storehouses, can not issue negotiable receipts for the value of notes, and as the associations themselves grant the loans, no supervision of the same has yet been instituted.

All Hungarian storehouses are organized under constitutions with by-laws, copies of which can be had by applying to the companies themselves.

FRANK DYER CHESTER,
Consul.

BUDAPEST, *August 16, 1902.*

BELGIUM.

GENERAL REPORT.

Negotiable warehouse certificates, as known in the United States, do not exist here as collateral for loans. Banks, however, advance money on all classes of marketable merchandise, of which they take possession, the place of storage being a matter of agreement between the parties. The bankers insist on the goods being stored in their names, and also upon the insurance policies being taken in their names, as the law of this country gives no special lien on goods as

collateral when stored in the name of the debtor, the first creditor to sue having the privilege of seizure. The amount advanced varies from 60 to 80 per cent, according to the liability to fluctuation in price of the merchandise in question. When banks loan on goods to be delivered, the money is advanced on the bills of lading being duly indorsed to them.

Freight agents or shipping houses which enjoy the confidence of the financial market and have their own warehouses give their customers what is known as a warranty or certificate of storage, with which they may obtain an advance from the bank in whose name the goods are stored; and on presentation of the same, when duly indorsed by the firm issuing the warranty, they may withdraw all or a part of the goods.

The following is a translation of a warranty bond issued by one of the largest shipping houses of Antwerp:

The undersigned ship brokers and forwarding agents hereby declare that they hold at the disposal of the bank of ———, or its order, the following goods stored in their warehouse ——— at Antwerp, situated ———, to wit:

X Y Z, 150 bales raw American cotton, weighing ——— kilos. Imported from ———, per steamship ———. The insurance has been effected by ———. The storage charges are due from ———.

Given at Antwerp this ——— day of ———, 19—.

Besides the private warehouses of well-known and reputable houses above referred to, the bonds of the "Entrepôts General" and the "Entrepôt St. Felix" (corporate companies) are accepted without hesitation by bankers.

GEO. F. LINCOLN,
Consul-General.

ANTWERP, *July 2, 1902.*

REPORT FROM BRUSSELS.

Belgian bankers readily make advances upon negotiable warehouse receipts issued for such goods as wool, sugar, grain, etc., varying from 70 to 80 per cent on the value of the goods stored. Said receipts are made out in the name of the banker or bankers advancing the loan, and are used to assist in drawing up warrants itemizing the goods, upon the back of which the owner of the goods writes a promise to pay in full the amount advanced at the expiration of a date agreed upon. These warrants are discountable at the National Bank the same as ordinary commercial drafts. A list of goods on which it discounts warrants, as well as the margin which must exist between the sum advanced and the value of the goods, is

issued by the National Bank. The bank fixes at 75 per cent (provisionally) advances to be made on warrants covering the following goods:

Building wood.	Hair, raw.	Stearin.
Coffee.	Hemp.	Steel bars.
Cotton, raw.	Indian corn.	Sugar.
Copper.	Indigo.	Tallow (grease).
Cast iron.	Iron (raw and bars).	Tea.
Dyes.	Ivory.	Tin.
Flax.	Jute.	Tobacco leaves.
Flour.	Lead.	Tow.
Gum.	Nitrate of soda.	Wool, raw.
Grains.	Rice.	Zinc.

The discounts on warrants covering other merchandise must be made by special request.

BRUSSELS, *July 31, 1902.*

GEO. W. ROOSEVELT,
Consul.

REPORT FROM GHENT.

Goods, wares, and merchandise are received at six ports in this consular district for the payment of customs dues, but no system of supervision is maintained, either by the Government or private companies, for the storing of goods as collateral for loans. Merchandise deposited in the warehouses of both the General Government and those of the municipality is hypothecated as security for loans made by local banks, but this is by contract and arrangement between the bank and the party holding the warehouse receipt.

As appears from the translation of the receipt here following, the Government assumes no obligation or responsibility as to the value, damage, or loss of the merchandise:

RECEIPT.

CITY OF GHENT.

No. —. Outer port.

Received from Mr. —, the sum of —, for right to deposit goods under shed No. — of —, from — until —.

GHENT, —, 1902.

Receiver.

The security of the merchandise deposited remains exclusively at the risk of the depositor. The city assumes no obligation therefor and declines all responsibility for theft, damage, or loss of merchandise.

CITY OF GHENT,
Communal Warehouse.

No. — of the register of the certificates of deposits.

The receiver of the communal warehouse of the city of Ghent, undersigned, declares to have received in the said warehouse from Mr. —, the merchandise here below described, which he declares to have imported the — by —, Captain —, from —, in the name and for the account of —,

which shall be returned against the remittance of the present receipt duly signed for discharge and against payment of all warehouse charges or others which shall be due from the date of the receipt.

The bearer of the present certificate will be permitted on its production to take all measures authorized by the rules for sampling, safeguarding, inspection, and conservation of goods. On his part the receiver may take such measures as he may judge necessary in the interest of the preservation of the building or of the goods, or buildings in the neighborhood, the whole at the expense of the depositor, without any notice and without criticism under any pretext whatsoever.

The city of Ghent is not responsible for the preservation of the goods, which is at the risk of the depositor, either in case of fire or by force majeure.

The present document is delivered in single copy. It will be considered null and void if not renewed after one year. This time past, the city of Ghent may, if the state of the merchandise necessitates (this to be ascertained by an expert appointed by the president of the tribunal of commerce), sell at public auction the said merchandise to cover the expenses, and guard the surplus at the disposition of the party having right to same, without interest.

No.	Nature of the merchandise.	Marks.	No.	Weight declared by the warehouse keeper.

GHENT, ———, 1902.

The Receiver of Warehouses.

When the loan is agreed upon, these receipts are made out in the name of the bank making the loan and are delivered into the possession of the bank. Thereupon, the bank enters into a contract with the holder of the original warehouse receipts to loan him from 25 to 75 per cent of the declared value of the merchandise, at a certain per cent for interest plus a certain per cent for commission. To protect itself, the bank usually has the merchandise examined as to value, or a sworn statement issued as to its weight, besides having it insured against fire to its full declared value. If conditions under the contract are broken, the bank sells the merchandise, as in the case of a foreclosure of a mortgage, to reimburse itself for principal, interest, and expenses.

In other parts of Belgium, private companies have been organized to guarantee the existence and value of merchandise used as collateral for loans. Early in July, an effort is to be made to effect such an organization in Ghent.

FRANK R. MOWRER,

GHENT, *June 28, 1902.*

Consul.

DENMARK.

Only the warehouse receipts issued by the Copenhagen Free Harbor Company, Limited, or by officials of other approved warehouses in Copenhagen are accepted as security for loans. The certificates given to the bank by the warehousemen must stand in the name of the bank. Fire insurance on the goods must either be covered by the warehouse company or on a separate policy, which is deposited with the bank.

Rent and other expenses on the goods stored are to be paid by the borrower monthly, on demand by the warehouse company. If not paid, the loan is to be considered forfeited without notice. The bank has the right at any time to examine in order to find if the stored goods are sufficient for the amount of the loan.

In case of diminution in value of the goods, on account of falling prices or for any other reason, the bank has a right to demand payment of the loan or to demand additional security; and in case such demand is not met, to realize the value of the goods at the borrower's expense and according to the following rules, namely: If the loan is not paid after eight days' notice, given according to the letter of hypothecation, the bank is free to satisfy the claim by sale of the goods at public auction or through an authorized broker, on cash payment or on credit, as the bank may elect; and the borrower is pledged to pay to the bank that part of the loan which was not satisfied by the sale of the goods, after the deduction of the warehouse charges, insurance, etc.

The demand on the debtor shall be made by registered mail. Such demand shall be accepted as valid if the receipt book belonging to the bank shows that the registered letter was delivered on the said date to the post official for transmission to the said debtor or his attorney. If the debtor maintains that the registered letter did not contain the demand or notice of sale, the burden of proof is on the debtor.

It will be observed that the documents necessary to secure a loan are:

1. A note by the borrower to the bank for the amount loaned.
2. A letter of hypothecation of the goods as collateral security.
3. A certificate of the warehouseman that the goods described are in store and subject to the order of the bank.
4. A certificate of an appraiser (a merchant broker) that the goods exceed the value of the loan.
5. A policy of fire insurance.

There is no Government regulation of warehouses with reference to loans in this country, any more than there is of banks. There is a national bank—the only one which issues currency. All the other 200 banks are private enterprises, not subject to Government inspection or control. The directors publish the rules, which they themselves adopt. In the various financial crises of the last thirty years, only two of the more than 200 banks in Denmark have suspended payment, and that only for a short period. Confidence of the depositor in the bank and faith of the banker in the integrity of the borrower are the principles upon which business relies.

J. C. FREEMAN,
Consul.

COPENHAGEN, *July 31, 1902.*

FRANCE.

FRENCH LAW GOVERNING WAREHOUSES.

The following extracts from the laws of May 28, 1858, August 31, 1870, and decree of March 12, 1859, by which the present warehouse system was established, and by which it is regulated, have been received from Consul-General Gowdy, of Paris, and Consul Thackara, of Havre:

LAW OF MAY 28, 1858.

ARTICLE I. Warehouses (*magasins généraux*) created by virtue of the decree of March 21, 1848, and those which shall be established in the future, shall receive raw materials, merchandise; and manufactured products which merchants and manufacturers shall desire to store in them.

Warehouses are established upon being authorized by the Government, by and with the advice and consent of the chambers of commerce and the *chambres consultatives des arts et manufactures*, and are under Government surveillance.*

Receipts (*récépissés*) issued to owners of goods stored in warehouses must indicate the name, profession, and residence of said owners; also the nature of the merchandise, and all information necessary to establish the identity and value of the said merchandise.

ART. II. To each receipt is annexed a security certificate called a "warrant," which should contain the same data as the receipt.

ART. III Receipts and warrants can be transferred by indorsement, either separately or together.

ART. IV. The indorsement of a warrant separated from a receipt is a security to the lender to the extent of the merchandise covered by the warrant.

The indorsement of a receipt conveys to the grantee the right to dispose of the merchandise, provided that when the warrant is not transferred with the receipt, he will pay the amount guaranteed by the warrant, or will permit it to be paid out of the proceeds of the sale of the merchandise.

ART. V. The indorsement of a receipt and of a warrant transferred together or separately should be dated.

* This paragraph has been abrogated by the law of August 31, 1870, a translation of which is given in another part of this report.

The indorsement of a warrant separated from a receipt should also indicate the total amount, capital and interest, of the loan guaranteed, the date of its expiration, and the name, profession, and residence of the creditor.

The first grantee of the warrant should have the indorsement, with all its declarations, registered immediately on the books of the warehouse company. The registration of the indorsement must be noted on the warrant.

ART. VI. The holder of a receipt separated from a warrant can pay the amount loaned on the warrant before maturity.

If the holder is not known, or, being known, is not in agreement with the debtor as to the conditions of payment before maturity, the total amount, including interest for the whole term of credit, may be paid to the warehouse authorities, who become responsible for the payment of the loan, and the merchandise can be liberated.

ART. VII. In default of payment at maturity, the holder of a warrant separated from a receipt eight days after protest, without any legal formality, can sell at public sale the merchandise involved in the manner and by the offices prescribed by the law of May 28, 1858.

In case the first indorser has satisfied the warrant, he can sell the merchandise involved eight days after maturity of the warrant without giving formal legal notice to the holder of the receipt.

ART. VIII. The creditor is paid from the proceeds of the sale directly, without legal formality, by privilege and in preference to all other creditors, without deduction, except of—

1. Internal-revenue taxes, octroi, and customs duties.

2. Expenses of sale, of storage, and those incurred for the preservation of the merchandise. If the holder of the receipt does not appear after the sale, the excess, after the holder of the warrant is paid, is turned over to the warehouse authorities, as in Article VI.

ART. IX. A holder of a warrant has no recourse against the borrower or the indorsers of the same, except after he has exercised his rights in the merchandise covered by the warrant, and then only when the proceeds of the sale are not sufficient to liquidate the amount of loan.

The time fixed by article 165 and following articles of the "code de commerce," in which the holder of a warrant can have recourse against the indorsers of the same, commences from the day when the sale of the merchandise is effected.

A holder of a warrant in all cases loses his right of recourse against the indorsers if he does not sell the merchandise in the month which follows the date of the protest.

ART. X. Holders of receipts and warrants, in case of damage by fire, etc., have the same rights and privileges in regard to the insurance indemnities as to the merchandise insured.

ART. XI. Public credit establishments can receive warrants as commercial paper with the dispensation of one of the signatures required by their statutes.

ART. XII. In case of loss of a warrant or of a receipt, the owner, after proving his right to the property and giving a bond, can demand and obtain, by order of a judge, a duplicate, in case of a receipt, and the payment of the loan guaranteed in case of a warrant.

DECREE OF MARCH 12, 1859, RELATIVE TO THE EXECUTION OF THE LAW OF MAY 28, 1858.

Articles relating to warehouses and to receipts and warrants.

ART. XIII. Receipts for merchandise, and the warrants attached thereto, when issued, are taken from a stub register.

ART. XV. At the request of a holder of a receipt and warrant, not separated,

the merchandise stored may be divided into as many lots as the holder may desire, and the original receipt and warrant shall be replaced by as many receipts and warrants as there are lots.

ART. XVI. A grantee of a receipt and warrant can demand that the indorsement in his favor and his residence be transcribed on the stub register of the warehouse company from which the receipt and warrant were taken.

ART. XVII. At any time the warehouse authorities, upon the demand of a holder of a receipt or of a warrant, must liquidate the charges and expenses enumerated in Article VIII of the law of May 28, 1858, which take priority over the credit guaranteed by the warrant. The certificate of liquidation delivered by the warehouse authorities must indicate the numbers of the receipt and of the warrant to which it refers.

ART. XVIII. Upon the presentation of a protested warrant, the warehouse authorities must give to the broker designated by the holder of the warrant to sell the merchandise every facility for making such sale.

They will deliver the merchandise to the buyer of the same only after having examined the legal certificate of the sale, and (1) after having satisfied themselves that all duties, privileged expenses, and the total amount guaranteed by the warrant have been paid, and (2) that the excess due to the holder of the warrant in the case provided for in the last paragraph of Article VIII has also been paid.

ART. XIX. Besides the usual commercial books and the stub register for receipts and warrants, the warehouse authorities must also keep a stub book, in which are entered all the payments made by virtue of Articles VI and VIII of the law.

All of these books are numbered, and the first and last pages certified by the proper officers of the court, as prescribed by Article XI of the code de commerce.

LAW OF AUGUST 31, 1870.

ARTICLE I. Warehouses authorized by the law of May 28, 1858, and the decree of March 12, 1859, can be established by any person or by any commercial, manufacturing, or banking company when authorized in a prefectoral decree which is issued by and with the advice of a chamber of commerce; in default of which, by and with the advice of the *chambre consultative*; and in default of one or the other, by and with the advice of the *tribunal de commerce*. The sanction should be given within eight days after the request is made.

ART. II. The proprietor of a warehouse, by the terms of the prefectoral decree, shall enter a bond ranging from 20,000 francs (\$3,860) to 100,000 francs (\$19,300).

The whole bond, or a part, may be either in money, in Government bonds, in bonds listed on the bourse, or in a first mortgage on the buildings for double the amount of the bond. The value of the buildings will be estimated by the recorder of deeds (*directeur de l'enregistrement et des domaines*) upon the basis established for the collection of inheritance taxes.

ART. III. Proprietors of warehouses can loan money upon the security of merchandise stored in their warehouses, or can negotiate the warrants which the merchandise represents.

ART. IV. Warehouses already existing may enjoy the benefits of the present law in conforming, if they have not already done so, to the prescription of the law.

ART. V. Are abrogated the second paragraphs of Article I of the law of May 28, 1858, and all other provisions of former laws and decrees which are contrary to the present law.

REPORT FROM BORDEAUX.

The public-warehouse system of France consists of two classes of entrepôts, or warehouses, to wit:

1. Entrepôts, or warehouses, operated and controlled solely by public officials and employees in the pay of the Government. These are of several kinds; some under control of the officers of customs (douanes), others under direction of the officers of the excise or internal revenue (regie). The law in regard to the pledge of goods as collateral by the owner is substantially the same in all of them.

2. Entrepôts, or bonded warehouses, kept, controlled, and operated by private persons under license from the Government and under inspection and control of Government officials.

Goods stored in entrepôts of either class may be used by the owner as collateral for loans, subject only to the following limitations:

1. No owner or part owner of the entrepôt is allowed to lend money on goods in any warehouse in which he is interested.

2. A part owner of goods in an entrepôt can not pledge his interest as collateral unless the joint owner also engages in the pledge.

3. The consignee of imported goods not wholly paid for can not pledge them as collateral without the written consent of the consignor.

METHOD OF OBTAINING LOANS.

The process of pledging goods in bond as collateral in France and their release from such obligations is very simple.

To obtain a loan on merchandise in a public or private warehouse, where it is held as security for a public tax of any sort, the owner must execute what is termed a "nantissement," or declaration of all the facts of actual ownership and the further facts attending the proposed loan, which instrument must be served on the manager, if it is a warehouse operated by private parties, or on the "directeur," if it is in control of Government officials, by a "huissier," who prepares a procès verbal attesting the service of the declaration on the manager or director of the warehouse. A copy of this procès verbal must be filed and recorded at the public registry in the city or arrondissement where the transaction takes place.

The manager or official director of the warehouse can only deliver the goods, or any part of them, after service of the nantissement on a written order of the lender, which must also be served by a huissier and must also be registered at the public registry. This order is called a "main levée," being the release of a legal right. Such order can be refused only when the storage fees or the tax for which the goods are held are unpaid. The main levée may be for the whole or a part of the goods covered by the declaration. When

the sum of the main levées equals the amount of the declaration, the filing of the last one by a huissier in the public registry acts, without further proceedings, as a release of the declaration or pledge. As the main levée can not be registered until it has been served on the warehouseman, all parties—the borrower, the lender, and the warehouseman—have due notice and no fraud is possible.

FRENCH VS. OTHER SYSTEMS.

The simple and beneficent operation of this system in France is, in my opinion, due to two things:

1. Because there is not, and never can be, any conflict between two systems. There is no equivalent of our State and national jurisdictions. Everything is under one system of government. There is but one source of power. The Departments are simply parts of the whole, and there can, in no case, be any "conflict of authority."

2. Because there is no judicial tribunal which has jurisdiction to review the action of an executive officer. There is, in all cases, an appeal to the head of the Department to which an official belongs, but no court can pass upon the questions involved or impugn the correctness of his action.

The difficulties that lie in the way of the adoption of any method of using imported goods as a security for loans in connection with our warehouse system seems to lie in the limitations imposed on Executive authority by the Constitution and the lack of federal jurisdiction of property rights in the several States. It seems clear that no such system could be established by Executive order, and it is very doubtful if Congress has the power to do so under any clause of the Constitution. Besides this, it should not be forgotten that many States have adopted in substance the English factor's act, which establishes an irrebuttable presumption of ownership in favor of any purchaser from a person having goods in possession or to whom they are shipped, whether as agent or purchaser. Conflict with such State laws would be inevitable in case of any attempt to establish a national system for the use of goods in bonded warehouses as security for loans in any other manner than by the assignment of warehouse receipts.

There is no nation which has as much need of such a system as the United States; yet it must be evident to any legal mind that the authority to establish one in which the warehouseman is an essential figure in the security and collection of loans on deposit in warehouses in different States is a matter of very doubtful power—as doubtful perhaps as would be the attempt to establish pawnshops in the different States by Congressional action.

ALBION W. TOURGÉE,

BORDEAUX, *August 7, 1902.*

Consul.

REPORT FROM CALAIS.

In France, bonded warehouses are authorized and regulated by law. Public chambers of commerce and private proprietors of bonded warehouses are governed by the same regulations, except, however, that chambers of commerce do not give to the French Government the guaranty required of private bonded warehousemen, amounting to from \$4,000 to \$20,000. The French Government, however, has no other supervision than requiring the above obligation and giving the authorization. Both, upon the deposit of the merchandise, give to the owner a receipt and a warrant, and surrender the merchandise only upon the return of the receipt and warrant, or the payment of the amount of the sum borrowed. Chambers of commerce do not make loans, but hold the goods in trust as a guaranty for money borrowed on the warrant issued, which is in every sense negotiable. When negotiating the warrant, its first proprietor has to notify the chamber of commerce of this first negotiation, stating the quantity of goods engaged and the sum of money borrowed upon it. Private bonded warehouses loan on the warrant issued by them such sum as the depositor desires, specifying in the warrant the lots of merchandise held by them as security. Should the merchant desire an additional loan, another warrant may be issued on another specified lot of the merchandise deposited. The warrants issued by bonded warehousemen are negotiable, as are those issued by the chambers of commerce.

All warrants are issued for a time stated. In default of payment at maturity, the holder has the right to seize the goods and sell them and thus realize the amount due.

For the above information I am indebted to Mr. Néel, secretary of the Chamber of Commerce of Calais.

In this city, there are no bonded warehouses, the only depots for the storage of merchandise being those of the chamber of commerce. The following is a copy of its regulations:

The chamber of commerce shall deliver to every depositor, on demand, a receipt and a warrant, both transferable by way of indorsement, in the form and under the conditions specified in the law of the 28th of May, 1858, and decree of the 12th of March, 1859.

Each lot, being the object of a receipt or warrant, shall comprise only packages deposited together at the same place. But such lot shall be divided into as many lots as the depositor may desire, and, in such case, separate receipts and warrants shall be delivered according to the quantity of distinct lots.

J. B. MILNER,
Consul.

CALAIS, *July 3, 1902.*

REPORT FROM HAVRE.

The methods in use in the city of Havre by which merchants and others can negotiate documents representing the value of goods stored, issued by the various warehouse companies, are simple and effective.

I have been informed that not a single case of fraud in the negotiation of warehouse receipts and warrants has been known in Havre since the warehouse system was established, some fifty years ago.

To a merchant wishing merely to store his merchandise in a warehouse without using it as collateral for a loan, there is issued an entry certificate (*certificat d'entrée*), which indicates the number and date of entry of the merchandise, the name of the owner, if imported, the name of the vessel in which the goods were brought to Havre, the marks, the number and kind of packages, the nature of the merchandise, the recognized weight, and the place where the merchandise is stored in the warehouse.

Whether the entry certificate is surrendered or not, the merchandise can not be taken from the warehouse without a discharge certificate (*bulletin de décharge*) issued by the warehouse company.

If, however, the owner of the merchandise desires to borrow money on his goods, he makes a written request of the president of the warehouse company for a receipt warrant (*récépissé warrant*).

RECEIPT WARRANTS.

There is no special form required for the request; but in order that the owner may not omit any of the information required to be inserted in the request, the warehouse companies have adopted a printed form which is supplied gratuitously. A translation of the form in general use is as follows:

REQUEST FOR RECEIPT WARRANT.

Number of the company's entry register.

Merchandise: Foreign, domestic.

Merchandise upon which duties have been paid.

No. — customs.

No. — receipt warrant.

——, (name) the undersigned merchant, living at Havre (give address), requests, conformably to the law of May 28, 1858, and to the decree of March 12, 1859, a receipt warrant for the merchandise of which the marks, numbers, and description follow, which, being imported into Havre by the ship (name of vessel), the (give date of arrival of vessel), captain (name of captain), coming from (name of country), were stored in the warehouse (give date), under the number (give number of

warehouse-entry certificate), in the warehouse No. — of the (name of warehouse company) as follows:

(Give description of merchandise.)

These goods were estimated by Mr. (give name), broker, as worth (give estimated value), deduction having been made for customs duties, internal-revenue taxes, octroi, storage charges, discounts, and the charges approved by the Chamber of Commerce of Havre (bonifications d'usage).

HAVRE, —, 190—.

(Signature of merchant.)

The warrant is issued joined to the receipt, the two bearing the same number, and are taken from a stub register, numbered and certified according to law. If the owner of the merchandise wishes to divide it into several lots, and to have receipt warrants for each lot, he should, in his request, specify the lots into which he wishes his merchandise divided. For instance, if he has 1,000 bags of coffee, and wishes three receipt warrants, he should enter in his request:

	Pounds.
500 bags of coffee, weighing gross.....	6, 000
250 bags of coffee, weighing gross.....	3, 000
250 bags of coffee, weighing gross	3, 000
Total.....	12, 000

If, after a receipt warrant has been issued for merchandise, the owner wishes to have several receipt warrants for the same merchandise, his course of procedure would be as above, and after having surrendered the original receipt warrant, the president of the warehouse company would issue new receipt warrants covering the lots into which the merchandise was divided.

If the owner of the goods stored wishes to borrow money on them, he presents the receipt warrants to any of the banks of Havre, accompanied by a certificate of value of the goods, called invoice of receipt warrant, signed either by two sworn brokers or two responsible merchants, who are acceptable to the bank. These values are determined by the experts either from samples of the merchandise or from actual view of the merchandise itself. A translation of the invoice is as follows:

INVOICE OF RECEIPT AND WARRANT.

No. — entry.

No. — customs.

No. — receipt warrant.

Marks and quantity of merchandise.

The undersigned having been asked to estimate the value of the merchandise designated in the margin, and which has been declared to them as being stored in (give name of warehouse) of Havre by (give name of owner of merchandise) under the entry No. —, certify that after an examination of (state whether samples or

the merchandise itself) they estimate the said merchandise to be worth this day the price of (give value) per (number of kilograms).

(The brokers should state whether the price is for the merchandise duty paid, or in the bonded warehouse, or if the merchandise is exempt from duty.)

HAVRE (give date).

(Signature) ——— ———.

Number and marks of packages.	Gross weight.	Tare.	Net weight.	Estimated price.	Value, gross.	Discount.	Value, net.	Amount advanced by bank.

After having come to an agreement with the bank as to the rate of interest, the time for which the money is borrowed, and the amount to be advanced on the merchandise, the borrower indorses the warrant to the order of the bank, indicating in the indorsement the amount borrowed, the date when due, the name, profession, and residence of the creditor. The warrant and receipt should be sent to the warehouse company, to have the indorsement registered on its books.

The president of the warehouse company, after having registered the indorsement of the warrant and noted the registration on the warrant itself, should also note on the receipt the necessary information to indicate that money has been borrowed on the warrant, so that in case of the sale of the merchandise the buyer should know that the goods have been used as collateral for a loan.

The warrant, indorsed and attested as above, in the hands of the lender is a complete security for the amount loaned. The only claims having precedence are those for the customs duties, internal-revenue taxes, octroi, and warehouse charges.

In almost every case, money is loaned on warrants for three months, at the prevailing rate of interest of the Bank of France. Since May 26, 1900, this rate has been 3 per cent. If the money loaned on the warrant is paid before the time of the loan has expired, a discount for the remaining days is allowed.

On coffee and cotton, the borrower has no trouble in securing 80 per cent of the value of his property, except when, owing to an abnormal condition of the markets, the prices are unusually high. On pepper, wool, and indigo, the advances are usually 75 per cent. As to other merchandise, not usually sold on the bourse, the advances are seldom less than 50 per cent.

If, at the expiration of the period for which the money was borrowed, the debtor wishes to renew the loan, he makes a request of the president of the warehouse company, on the printed forms supplied by the company, in the same manner as in asking for the original receipt warrant, giving the number of the latter. The

As mentioned before, loans are made on warrants for three months, but there is generally very little difficulty in having them renewed for periods of three months. If, at the expiration of the time for which the money was borrowed, it is not paid, the holder of the warrant should protest the latter on the day of the expiration, or the next day if the former should be Sunday or a holiday. Eight days after the protest, the holder of the warrant can proceed to sell the merchandise at public sale, according to the provisions of the law on public sales, without any further legal formalities.

Entry No. ——. Where stored ——. No. ——. (Name of warehouse company.) Sanctioned by the Government.

There has been stored, under the entry number above noted, by Mr. ———, living at No. ——— street, the merchandise mentioned below, coming from ———, subject to customs duties, octroi, warehouse charges, and expenses, enumerated in article 8 of the law of May 28, 1858. The storage commenced since (give date).

Marks and number of packages.	Number of packages, and nature and weight of merchandise (all in letters).

Signed by President of the Warehouse Company.

Receipt No. —. The warrant corresponding to this receipt has been transferred to Mr. —, living at (place of residence), as guaranty for the sum of —, payable the (date).

Entry No. —. Where stored —. No. —.

(Name of warehouse company). Sanctioned by the Government.

There has been stored under the entry number above noted, by Mr. ———, living at No. ——— street, the merchandise mentioned below, coming from ———, subject to customs duties, octroi, warehouse charges, and expenses, enumerated in article 8 of the law of May 28, 1858. The storage commenced since (give date).

Marks and number of packages.	Number of packages, and nature and weight of merchandise (all in letters).

HAVRE, the (date).

Signed by President of the Warehouse Company.

Warrant No. ——. Warrant negotiated for (give amount). Exportation (give date).

[First indorsement of warrant.]

Good for the transfer of the present warrant to the order of Mr. (name), (profession), living at (place of residence), to guarantee the sum of (give amount), payable (give date), at his residence (give place of residence).

[STAMP.]

Signature of the Borrower.

HAVRE, the (date).

The above indorsement has been transcribed upon the warehouse register, stub (give number), volume (give number), the (give date).

Signed by President of the Warehouse Company.

The Bank of France, the State bank of the French Republic, requires two signatures on all warrants presented for negotiation; but other banks, if the borrower is considered responsible by them, demand only one signature—that of the debtor.

REGULATIONS FOR LOANS.

All banks, before loaning money on warehouse warrants, require a certificate to be filed, stating the amount of insurance on the merchandise for which the warrants were issued, which, in all cases, must fully cover the value of the goods.

The owner of merchandise for which a receipt warrant has been issued, and upon which he has borrowed money, can sell his merchandise. A purchaser being found for the goods, the receipt will serve as an instrument of sale, and an indorsement on it conferring on the purchaser the right to dispose of the merchandise transfers to the latter the ownership of the goods. Money having been borrowed on the merchandise, delivery can not be made until the amount borrowed has been paid to the holder of the warrant, or security has been entered with the warehouse authorities covering the amount of the loan. The warehouse authorities are then responsible for the payment of the loan at maturity.

If the warehouse authorities permit the sale of warranted merchandise in their keeping, at the request of the holder of the receipt issued for the same, without having the warrant duly satisfied and returned to them, or without receiving security from the holder of the receipt that the money loaned on the warrant will be paid at maturity, they are liable to the holder of the warrant for the difference in case the proceeds of the sale of the merchandise do not cover

the amount loaned. The indorsement of the receipt warrant to the order of the same person confers on the latter the absolute right of possession of the merchandise. He can take delivery of the goods at his pleasure, provided he pays all warehouse charges, customs duties (if the goods are dutiable), octroi, etc.

When a receipt warrant has been issued by a warehouse company, the French courts have decided that the merchandise involved can be levied upon by the general creditors of the holder of the receipt warrant, even if the latter be a third party to whom the receipt warrant was transferred by indorsement, when the indorsement is not registered on the books of the warehouse company. If, however, the warrant has been indorsed in favor of a third party, and the indorsement has been duly transcribed on the register of the warehouse company, the goods can not be levied upon by the general creditors of the original holder of the receipt warrant, and they can only be withdrawn from the warehouse or sold by the consent of the third party interested.

A warehouse company is responsible for the number of packages, the weight, and the condition of the goods consigned to its care, except ordinary wastes and losses, from unforeseen causes beyond its control (*force majeure*).

The holders of receipt warrants can, at any time, assure themselves of the existence of the merchandise which is their property, or which the warehouse company is holding to guarantee their rights.

WAREHOUSES IN HAVRE.

In general terms, the above is the system of warehousing goods which is in operation in Havre. The principal warehouses are the *Compagnie des Docks-Entrepôts*, *Compagnie Havraise de Magasins Publics et de Magasins Généraux*, *Docks du Pont Rouge*, *Compagnie des Entrepôts et Magasins Généraux de Paris*, *Docks du Canal de Tancarville*, and *Magasins Briquet*.

In France, there are two kinds of warehouses which are under the surveillance of the customs authorities:

(1) Private warehouses (*entrepôts fictifs*), belonging to merchants or manufacturers, in which may be stored French colonial products, the duties on which have been lowered by act of Parliament, and certain merchandise specially mentioned in the customs laws. The owners of the warehouses are under bond to produce the merchandise upon the demand of the customs authorities, to reexport it in the time fixed by the law (one year) or to pay the duties if the merchandise enters into consumption before the time has expired. The owners of such warehouses are not allowed to do a general warehouse business, but merchandise permitted by law to be stored in

a private bonded warehouse (*entrepôt fictif*) may be received in the warehouses of the regular companies.

(2) Bonded Government warehouses (*entrepôt réels*) in which is stored foreign merchandise destined either to be reexported without payment of duty or to be delivered to consumption in the future. The *Compagnie des Docks-Entrepôts*, which is the largest warehouse company in Havre, is the lessee of the Havre bonded Government warehouses. The latter are under the double surveillance of the customs authorities (who hold the merchandise as a guaranty that the customs duties will be paid if it enters into consumption, or that the goods will be reexported within the time allowed by law) and of the warehouse company.

In the following table are shown the stocks on hand in the different Havre warehouses on June 30, 1902:

Stocks on hand in Havre warehouses, June 30, 1902.

Merchandise.	Docks-Entrepôts.		Cie Havraise de Magasins Publics.	Magasins Généraux de Paris.	Pont Rouge.	Magasins Briquet.	Docks du Canal de Tancarville.	Total.
	Bonded warehouse.	Free warehouse.						
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
Coffee.....	183,531	1						183,532
Pepper.....	3,896							3,896
Cocoa.....	9,874							9,874
Cotton.....		141	19,577	189	3,405	538	5,003	28,853
Indigo.....		2	282		126			410
Sugar.....	7,083		8					7,091
Wool.....		148	1,270		6,385			7,803
Copper.....	4		1,226	1,187				2,417
Rubber.....					180			180
Flour.....	1	51		2,526			1,550	4,128
Cereals and oil seeds.....	11	7	47	9,481	115		6,114	15,775
Rum.....	4,214							4,214
Various.....	4,039	(*)	(*)	(*)	(*)	(*)	(*)	4,039
Total.....	212,653							272,212

* 29,406 tons of various merchandise stored in other than bonded warehouses.

The warehouse system of Havre has been fertile in its results. There may be defects in it, but it is the general consensus of opinion among the bankers, merchants, and brokers that the system is a good one and has been instrumental in making Havre one of the most important commercial ports of Europe.

A. M. THACKARA,

HAVRE, August 12, 1902.

Consul.

REPORT FROM LYONS.

The business of warehousing goods and loaning money on goods stored as collateral security has been conducted in this city by one or more concerns during the last forty years, and has been found very useful as an accommodation to business men in providing a safe place to store goods temporarily, as well as a means of keeping the money value of their goods in circulation in business.

SILK WAREHOUSE.

Warehouses in France are called *magasins généraux*. One of them in this city occupies itself solely with the silk business, which is the most important interest in Lyons. It loans money on raw and manufactured silk and upon *dechets de soie*. It has a branch in Marseilles, and it also has a place which answers all the purposes of a custom-house. In the latter establishment, French dealers in raw silk store their merchandise as it arrives in the country until they determine whether to sell it in France or to export it to some other market. This warehouse is therefore a sort of a free port, in which goods can remain temporarily without payment of duty and at the same time serve as collateral security for a loan, which may be contracted in any bank in Lyons. The company never loans more than 80 per cent of the estimated value of the collateral security, the valuation being made by a sworn expert.

The company receives 4 and 5 per cent interest and the money loaned is paid at once to the borrower, or he can draw upon the warehouse company at three months or receive a warrant upon which he can always borrow money at a bank, perhaps at lower interest than is asked by the warehouse company. Money was loaned upon the following number of bales for the years mentioned:

	Bales.
1898.....	18, 550
1899.....	30, 450
1900.....	23, 500
1901.....	31, 000

The price for storing depends upon the quantity of silk. It is never less than 10 centimes (2 cents) per bale for two weeks.

For 1,000 francs' (\$193) worth of silk, the storage fee for two weeks is one-fortieth of 1 per cent; for 2,500 francs' (\$482) worth of silk, the storage fee for two weeks is calculated to be 10 cents.

The business of the three storage houses in Lyons amounts to a large sum, and the stock in each of them is considered gilt edged. The banks readily discount the warrants of all the warehouse companies.

VAISE WAREHOUSES.

Les Magasins Généraux de Vaise are situated on the shores of the Saône, near the city.

All the railroads entering Lyons have tracks running near the warehouses, and a large basin permits all the steamers that ply on the rivers Saône and Rhone to moor near the docks within a few feet of the warehouses. This company was established under an ordinance of King Charles X, in the year 1828. The grant at that time accorded the right to the petitioners to build a toll bridge over the Saône, and to dig and wall in a basin where boats could land. In 1860, Napoleon III, in consideration of the request made by the company and the indorsements attached to it from the senator from the Rhone, the Chamber of Commerce of Lyons, the Tribunal of Commerce of Lyons, and the petitions of a number of other dignitaries, permitted the company to build its present large warehouses and to receive and sell at auction all kinds of goods except silk.

Since 1860, the business of this concern has constantly increased. It has several thousand feet of warehouse room, which is always filled, and the tracks and basin near by are always a scene of activity in unloading and loading of cars and boats. In the year 1901, this company issued 201 warrants, upon which was borrowed 2,229,385 francs (\$430,000, in round numbers). In the warehouses of the company are apartments for grain, flour, coal, wool, all kinds of fruits, vegetables, and open sheds for such commodities as are not of a perishable character or easily damaged by bad weather.

During the last thirty-three years of its work, it has received 257,800 tons of different kinds of merchandise, upon which it has given warrants, most of which have been used as collateral security for loans in the banks of Lyons. The company offers to take charge of all merchandise destined to Lyons, to pay the duty upon it, and to reexport it and collect the duty that may have been paid on its temporary admission. A merchant or manufacturer in any part of the world can send his goods direct to the Magasins Généraux de Vaise, Lyons, France, and they will be held there or exhibited to possible purchasers or sent on to any other destination desired. Dutiable goods are received in the warehouse without payment of duty until their final destination is known, and then no duty is paid in case the goods are exported to another country. While thus stored, the goods may always be security for a warrant, upon which money may be borrowed at any bank in Lyons. Among the advantages derived from the operations of this company, it may be observed that a merchant or manufacturer can store his goods while prices are low and wait for a rise before selling them; or he can take advantage of a fall in the price of raw material and lay in a

large stock, which he will have no trouble in storing and which he can pay for in part with money borrowed upon a warehouse warrant. The company can handle goods more cheaply than any private business concern, and the purchaser, as a rule, has no care or anxiety about their arrival.

The practical effect of these warehouses in regard to goods which are received on temporary admission, to be exported to some other country, is to make Lyons a free port, as well as to furnish the most useful facilities for the merchants and manufacturers of this city. Practically all the stock of the company which stores silk is owned by manufacturers of and dealers in that article. The stock in the great Vaise warehouse is all owned by the business men of Lyons. The government, local or national, is concerned in these enterprises only in having granted permission to build the docks and warehouses, dredge the basin, and carry on the business.

LYON-GUILLOTIÈRE WAREHOUSE.

The Magasins Généraux de Lyon-Guillotièrè cover 15 acres and are principally devoted to the storing of grain and vegetables. They have been in operation since 1891 and have a capital of 750,000 francs (\$145,000). Their buildings are situated on the line of the great Paris, Lyons, and Mediterranean Railroad, the tracks of the same running into their yards. I notice among their regulations that all merchandise received is numbered and none of it ever bears the name of an owner; that the company charges for the storing according to the weight when received, and allows no rebate for the difference that may exist at the time the goods are withdrawn; that the prices are so much per 1,000 francs' (\$193) value, or for 100 kilograms (220 pounds) without fraction, for one month of thirty days. The goods are insured by the mere entry into the warehouse by a "floating policy," and each customer is expected to state the value of his goods when they are received. If he fails to do this, they will be valued according to the ruling prices and so calculated in the insurance policy. To cover the insurance, a sum of 6 cents per value of 1,000 francs (\$193) is assessed upon the receipt of the goods. The company is responsible for any damages that may accrue to the merchandise stored in its warehouse, except in cases of some great accident or unpreventable occurrence and for damages caused by rats, or by a decline in value by natural shrinkage or something inseparable from the character of the article stored. Upon each warrant receipt, the depositor pays a sum of 30 cents, and the warrant is at once negotiable at any bank in Lyons. The business last year was very poor in all the warehouses, and the Magasins Généraux de Lyon-Guillotièrè issued only thirty-five warrants, upon which were

borrowed a total of 361,400 francs (about \$69,700). The outlook for the present year is much better.

The rates for storage are, per 100 kilograms (220 pounds), 2, 3, and 4 cents per month, according to the bulk or value of the article.

REGULATIONS.

No goods will be received from a cart unless they are accompanied by a statement signed by their owner, giving his address in full, the value and character of the goods, their weight, the number of parcels, bags, boxes, or barrels. The company receives no carload of less than 5,000 kilograms (11,000 pounds). Deposits weighing less than that must be brought to the warehouses in carts, which the company does for 4 cents per 100 kilograms (220 pounds). The company advances payment for carting, but if such advances are not promptly paid the company charges interest at the rate of 6 per cent per annum. The company declines all responsibility for any losses or damages of which the railroad company has not been notified and which it has not accepted as just.

As the company is only an intermediary agent between the railroad and the final assignee of the goods, the company insists that the bill of lading, containing a complete statement of all the goods, shall be made out in the presence of its agent, an officer of the railroad, and the owner or assignee, and its correctness certified to.

The rent paid for the railroad cars of the Paris, Lyons, and Mediterranean Railroad Company is 3.2 cents for six hours. At the expiration of that time, if the cars remain longer, the rent is 2.4 cents per ton for six hours or a fraction thereof.

LOANS ON FARM PRODUCTS.

There is another establishment in this part of France which loans money to farmers on their products, but it has no warehouse. It is called the Bank of the Agricultural Syndicate, or the Farmers' Alliance. The Government advanced 40,000,000 francs (\$8,000,000, in round numbers) as a nest egg for this bank. The money was idle in the Bank of France, having been placed there by the Government. It consisted of sums that the Government had received from various sources, a part of it being unclaimed bank deposits, bequests which had never been claimed by heirs, or gifts which had never reached the parties or were never employed for the purposes for which they were destined, and which escheated to the Government. As there was no fund to which this money could properly be credited, the Government deposited it in the Bank of France and finally placed 40,000,000 francs of it to the credit of the agricultural societies of

France, as a fund for the organization of farmers' banks. The condition upon which this money can be used for the capital of a bank is that the farmers will first raise 50 per cent of the proposed capitalization. These banks now exist in nearly every agricultural region in France, and new ones are frequently being started. During the last year, the sums loaned to farmers on their products aggregated \$971,533.50, at 3½ per cent interest.

The farmer is permitted to borrow 60 per cent of the value of the wine he may have in his cellar or the grain in his barn, as seen and certified to by an officer of the bank. He is permitted to hold the goods as long as he can pay the interest. This is a very important matter in the case of some kinds of wine, which improve with time. Instances are cited where a farmer borrowed money on his Beaujolais wine, which was worth only 30 francs (\$5.79) per barrel, but which he sold a year later for 60 francs (\$11.58), receiving just double what he would have been compelled to accept when his wine was made. The operation of these farmers' banks has caused considerable dismay among the large wine merchants, who were in the habit of buying large quantities of new wine and holding it for the improvement that time generally works upon certain brands. But there is only a limited number of producers who can benefit by this operation, as there are but a few brands of wine which improve with time. The farmer who attempts to hold his corn or wheat or wool on borrowed money must take the same chances that the man takes who buys on margins, and will often come out of the transaction in worse condition than if he had sold at ruling prices when his product was ready for market.

JOHN C. COVERT,
Consul.

LYONS, *July 3, 1902.*

REPORT FROM MARSEILLES.

Provision is made in French law for the creation by private capital of "general warehouses," the receipts of which are issued against deposited merchandise and accepted in financial circles as conclusive evidence of the material facts set forth. The documents thus issued are denominated by law as "commercial effects" along with checks, drafts, and notes, and are transferable by indorsement like ordinary business paper. The good faith of the receiving warehouse is vouched for by the local chamber of commerce, without whose approval the general warehouse can not exist, and as the chamber of commerce is an elective body, chosen by the whole commercial community, the pledge is guaranteed, in a moral sense, by the public at large. This democracy in business affairs and theoretical freedom from restraints imposed by private organizations operating

under the name of "boards of trade," or similar titles, is an interesting feature of French methods which I shall take up later on.

WAREHOUSE BONDS AND REGULATIONS.

Before engaging in business, the general warehouse must "secure its circulation," as we should say of a national bank, by depositing with the State bonds or other representatives of capital, taken from the list of officially recognized securities, equal to from \$4,000 to \$20,000. The amount is fixed by the departmental prefect, acting under advice from the chamber of commerce, which must also "authorize" the creation of the new institution. These formalities accomplished, the warehouse may loan money upon the merchandise deposited, although, as a rule, financial operations are left to the regular money lenders. To the depositor is given safe storage facilities upon easy terms and without expenditure of capital, and either a simple nontransferable receipt or, as is more usual, a warrant and receipt annexed thereto. These documents may be indorsed separately or together. The indorsement of the warrant alone guarantees that the merchandise will remain undisturbed until the consideration is satisfied, and the warehouse itself is responsible to the holder of the warrant for the presence of the goods. The indorsement of the receipt alone transfers all title in the property, subject to the satisfaction of any claim established in the outstanding warrant. If the merchandise is not used as collateral, the seller delivers both warrant and receipt to the buyer.

The holder of a warrant by indorsement should cause the fact to be registered at the warehouse, as no binding reindorsement can take place unless the fact of registration appears upon the instrument itself. If the holder of the receipt does not know the holder of the warrant, he needs but to pay into the general warehouse the sum due to the owner of the warrant, whereupon he may take delivery. In default of payment of a debt guaranteed by a warrant, the holder of the same may cause the sale of the merchandise at public sale, eight days after protest, and he becomes a preferred creditor, after deduction for expenses of sale, storage, and local or State taxes. The excess, should there be any, is then paid to the holder of the receipt.

To the depositor of merchandise who wishes storage facilities only is given a receipt, with a number of coupons attached, which, being filled out, authorizes the holder to take delivery of so much of the goods as may be mentioned. The warehouse insures upon request, or the goods may be covered by a floating policy.

Many banks which make loans upon merchandise refuse to do so upon delivery of an ordinary warrant; they insist upon having a

nantissement, which by its terms transfers to them an absolute title in the property. The same protection is offered by a properly indorsed warrant, but more bookkeeping is involved than in the case of a nantissement. The borrower upon a nantissement must have confidence in his banker, of course, as the latter has power to do as he pleases with the goods.

EXAMINATION OF GOODS.

The assumption of the Department's correspondents that receipts and similar documents pass current as collateral without investigation of the goods covered is not correct, in Marseilles at least. The statement of the general warehouse that a given quantity of merchandise has been deposited is never questioned, but before making a loan the banker sends the papers to his broker, who reports on the actual value of the property, either from his knowledge of the marks submitted or after a personal visit. If the report is satisfactory, an advance of 75 per cent is made to the borrower, who pays therefor the current rate of interest, which at the present moment is 3 per cent per annum. The borrower also pays a stamp tax amounting to 50 centimes (9.65 cents) per 1,000 francs (\$193), and a further charge of one-fourth of 1 per cent every three months by way of banker's compensation for making out and renewing papers, and a fixed charge of 8 francs (\$1.54), which goes to the banker's broker for his expert services. The amount of these various charges brings the present cost of a loan up to $3\frac{3}{4}$ per cent per annum.

THE MARSEILLES BOURSE.

The system seems to be efficient, inexpensive, and seldom abused. Confidence in the documents issued exists in France, as in the United States it exists in the national banks, not only because of the guaranties established by law, but because final supreme power to regulate these matters vests in all the members of the world of commerce. This commercial world is sheltered by the bourse—not a limited-liability company, membership in which becomes a purchasable commodity, but a national institution existing for the convenience of all those who have paid taxes in exchange for the right to transact business.

The bourse is a true democracy, with its legislative, executive, and judicial departments. The legislative branch is called the chamber of commerce, and the one in Marseilles is the oldest in France, having had a continuous history since 1599. The local chamber consists of twenty-one members, who not only control the policy of the bourse, but correspond directly with the National Government, offering advice on every conceivable subject. The chamber is the

mouthpiece of the business community. The president has an executive staff, who keep the bourse machinery in motion. The commercial judiciary is known as the tribunal of commerce. The members are chosen at what are called "consular elections" by all patented merchants, and are themselves actually engaged in trade or manufacturing. This tribunal has final judgment in cases involving less than 1,500 francs (\$289), and in insignificant cases, or cases involving commercial rule and practice, is more a board of arbitration than a tribunal. The fees are trifling and the judgments of the court are highly respected. In addition to determining causes, the tribunal names experts and facilitates in countless ways the settlement of vexed matters.

ROBERT P. SKINNER,
Consul-General.

MARSEILLES, *June 19, 1902.*

REPORT FROM NICE.

There exists in Nice an incorporated company having for its object the storing of goods and advancing of loans upon such goods as collateral. The capital of the company is 1,250,000 francs (\$241,250) and from the date of its incorporation, some fifteen years ago, its dividends to shareholders have varied between one-half of 1 per cent and 1 per cent per annum. This company, known as the Société Générale des Docks et Entrepôts de Nice, does a general storage business; it owns the only bonded warehouse in the town, having obtained an exclusive concession therefor from the custom-house authorities, and has tank accommodation for about 1,000,000 kilograms (2,204,600 pounds) of olive oil; it furnishes barrels and hogsheads for the storage of wines and spirits, and has spacious wine cellars; it possesses facilities for the storage of furniture, trunks, valises, jewelry, bonds, and general merchandise, and is prepared to guarantee the delivery of such goods stored, in perfect condition and good order. It is prepared, further, to undertake the care and storage of merchandise of a more or less perishable nature.

WAREHOUSE RECEIPTS.

The company issues two series of receipts for goods stored in and out of bond. One series refers to simple storage of goods which are not intended to be negotiated or sold, and the other, known as warrants, are for goods which may be negotiated and may serve as collateral for loans. The company has been authorized to operate by virtue of a decree of the Government, and has a surety bond of \$5,000. Notwithstanding this, there is no governmental, prefectural, or any other supervision over the operations of the

company, or upon the values of goods represented by the warrants. Although banks and bankers are prepared to advance from 50 to 70 per cent of the value of goods represented by the warrants, they recognize that there is no specific guaranty as to their integrity; and when they are offered as collateral, banks and bankers proceed to investigate the matter thoroughly and always demand an estimate of the value of the goods by an expert before accepting the warrants.

It may be said, therefore, that as far as this city is concerned the existing system does no more in practice than guarantee the existence of certain merchandise. I may add that banks and bankers also take into careful consideration the character and reputation of persons offering the warrants.

HAROLD S. VAN BUREN,

NICE, *July 25, 1902.*

Consul.

REPORT FROM ROUBAIX.

The law of 1858 provided for the creation of a greater number of storehouses and authorized them to receive goods and issue negotiable receipts under the following conditions: The prefect grants the permission after consultation with the chamber of commerce or the consulting chamber of arts and manufactures or the tribunal of commerce. Before receiving permission to open a warehouse, the applicant must give bond not exceeding 100,000 francs (\$19,300).

At Dunkirk, in addition to the Compagnie des Entrepôts Magasins Généraux de Paris, the chamber of commerce and MM. C. Bourdon et Cie. have been authorized to open warehouses. The three companies have a capacity of from 150,000 to 200,000 tons.

During the past year, 1,000 warrants were delivered by the chamber of commerce against deposits of sugar valued at 17,000,000 francs (\$3,300,000). Eleven million francs (\$2,120,000) were advanced by bankers.

In Lille and in Roubaix-Tourcoing, there is a large warehouse under Paris management. There are also special storehouses for the deposit of wool and cotton. There is constant speculation on the deposits of wool and cotton in these warehouses.

W. P. ATWELL,

ROUBAIX, *June 27, 1902.*

Consul.

REPORT FROM ST. ETIENNE.

Some banking houses—the Credit Lyonnais in particular—grant advances of money on raw silk to merchants who ask for it. The merchandise is stored by the banks in their cellars at 5 per cent per annum for the storage. The merchants have also to pay for the insurance of the goods, and a small commission every three months.

When the silk is low in price, as at present, the banks lend from 75 to 80 per cent of its value, and when it goes up they lend much less.

No money is lent on any other kind of goods in St. Etienne.

As a general rule, the banks like to accommodate only solvent houses, not caring to encourage those of doubtful reputation.

Of course, the banks do not deliver the merchandise until the loan, with the expenses, is refunded.

HILARY S. BRUNOT,

ST. ETIENNE, *July 9, 1902.*

Consul.

GERMANY.

GENERAL REPORT.

There is no national law governing this subject throughout the whole of Germany. The free and independent Hanseatic cities of Hamburg, Bremen, and Lübeck, notwithstanding their inclusion in the new German Empire, still retain to a very large degree their original legal sovereignty. As regards the rest of Germany, legislation on this subject has been expressly left to the individual States. The German commercial code only lays down general principles concerning the warehousing business, and practically leaves that phase of it which is here in question untouched.

In respect to their form and scope, the warehouse receipts in use are of three classes, viz: The first is the "Rektalagerschein," a simple nonnegotiable warehouse receipt; the second is the "Orderlagerschein," a warehouse receipt to A. B., or order, and transferable by simple indorsement; the third, and the one which concerns us most, is the "Lagerpfandschein," or warehouse-pledge receipt. Experience has shown that the establishment of a successful system depends upon the observance of the following essential principles: First, a sharp distinction between warehouse receipts which serve to transfer the legal title to the property described therein and "pledgable warehouse receipts," or warrants, which are somewhat in the nature of chattel mortgages; second, set "forms" or "blanks" and an authoritative statement of their essentials, analogous to the statement of essentials and the forms prescribed for notes and bills of exchange by the bills of exchange act; third, an authoritative statement of the legal relations between the possessor of the "Lagerschein," or warehouse receipt, and the holder of the Lagerpfandschein, or pledgable warehouse receipt, both before and after the loan becomes due and payable, as shown by the due date of the

Lagerpfandschein. To understand the above it must be remembered that where it is desired to effect a loan, either the Lagerpfandschein may be used or both—the one to transfer the legal title, the other to create a lien on the goods for a loan or otherwise.

Up to the present, there would appear to be only two localities in Germany where the subject is regulated in a proper way by statute, namely, in the Hanseatic seaport of Bremen and in the annexed territory of Alsace-Lorraine, where the system was doubtless introduced while that part of Germany was still a French province.

The first condition necessary to the establishment of a successful system of negotiable warehouse receipts or dock warrants, capable of being pledged with facility as collateral, is a system of warehouses licensed or controlled by the state and authorized to issue negotiable paper of the kind in question, for it is obvious that such collateral can only be of value to the extent to which the goods described therein are actually in existence and stored in the warehouse under the custody of the warehouseman. Unless some guaranty other than the personal honesty and integrity of the warehouseman is afforded in the shape of state control or supervision, the value of the collateral will never be higher than the financial reputation of the warehouseman, and facility in effecting loans will always be hindered by the necessity of the lender first satisfying himself of the responsibility of the custodian in question and assuming the risk of his continued honesty and integrity.

The basis for a successful system can be laid on the lines of the Dutch, French, Belgian, or Austrian statutes, in all of which countries this subject has for a long time been systematically dealt with, both in statutes and in the decisions of commercial courts. The system practiced in Bremen is the only one that conforms to modern commercial requirements, and, as already stated, that conforms closely to the methods established by the laws of France and Holland. The Austrian law is frequently cited as eminently enlightened, practical, and satisfactory in its workings. The enactment of an imperial statute on this subject for the whole German Empire has been advocated during the past ten years, and such a measure has even been drawn and considered by the associated bankers and merchants of Berlin, but thus far no legislative action has been taken to replace the present obsolete and imperfect system by a comprehensive law based on the conditions and requirements of modern commercial practice.

FRANK H. MASON,
Consul-General.

BERLIN, *July 23, 1902.*

REPORT FROM BAMBERG.

In one of the most important ports of Germany, it happens frequently that loans are made on merchandise stored in warehouses, and there exist for these transactions very strict legal regulations. The largest of these associations for storage (Bonded Warehouse Company) is under the direct control of the Government, and therefore its warrants are accepted by most of the banks on simple indorsement, whereas the warrants of private warehouses are subject to stricter supervision. The amount of the loan is agreed upon on the basis of values on the exchange (Börse) or according to the market value of the samples produced. The conditions for rate of interest, insurance, and other matters are agreed on separately between the parties to the contract. One of the principal banks of the port issues the following conditions, under which it agrees to make advances on merchandise in storage:

This bank agrees to advance money on warrants indorsed by the Bonded Warehouse Company. Other advances are made on merchandise held by private warehouses on the condition that the respective owners are acceptable to the bank, and that they use for warrants the formulas prescribed by this bank.

The taxation of the merchandise is made at the expense of the borrower, by experts appointed by this bank for such purpose.

The bank is not responsible for leakage, nor for shrinkage or spoiling of the merchandise; nor is it liable for loss or damage caused by force majeure, or by the natural condition of the goods or by neglect in packing the same. All such losses or damages shall be borne by the owners without any claim whatsoever against this bank. In case a claim for borrowed money, after such claim is due or partly due, can not be paid back promptly by the borrower, this bank shall be entitled, without previous warning, to sell the loan (pawn) in order to pay itself for all its just demands against the borrower for capital, interest, and expenses, on the condition of having a legal claim for any amount not covered by the proceeds of the sale. There shall be no obligation to sell at once, the time for such sale being entirely subject to the judgment of this bank. For a forced sale of the merchandise or the warrant for it, this bank is entitled to one-half of 1 per cent commission.

During the duration of the loan, this bank takes care of the insurance of the goods at the expense of the borrower, provided there are not deposited with it open policies or policies in favor of the Bonded Warehouse Company. These policies must cover the full value of the merchandise and must be issued by companies that are under State supervision and agreeable to this bank. The claims to be made in case of a loss on the basis of these policies are to be considered as credited and indorsed over to this bank and the bank entitled to collect the amount of insurance.

W. BARDEL,
Commercial Agent.

BAMBERG, *June 24, 1902.*

REPORT FROM BREMEN.

The Warehouse Company of Bremen (Bremer Lagerhaus Gesellschaft) is authorized to store merchandise and other movable articles. Therefore it is empowered to issue warehouse receipts and warrants having legal validity.

Merchandise stored with this company may, by surrendering the indorsed warehouse receipt, be transferred as collateral. Besides the warehouse receipt, a warrant is issued, which also shows that the goods mentioned in the receipt and warrant are pledged to the holder of these documents for a certain sum of money.

The goods thus used as collateral will not be delivered to the holder of such a warrant until the value is deposited with the warehouse or storage company. Accordingly, these warrants give to the lender security for money advanced on the merchandise, and render it possible for the owner of the merchandise to sell the goods before the money borrowed has been paid back, by transferring the warrants to the buyer of the goods. The rules are translated below:

1. The warehouse receipts and warrants are issued according to the appended forms:

The warehouse receipt contains: Name and residence of storer; description, quantity, and marks of the merchandise; date of issue; register number and signature of company.

In case a warrant is issued, it must contain: Amount of loan and interest (provided the latter is payable at maturity); date of payment; place of payment; name of lender.

The warrant contains the same notes, and besides: The certificate of the board of directors of the company, showing that the loan has been entered upon the registers of the company and noted on the storage receipt.

Both papers may be issued by the company without showing the name of the lender.

2. If a holder of a warehouse receipt demands a warrant, he has to return the receipt with his application.

3. The company insures all goods, subject to warrants, against loss by fire. The insurance must cover, at least, the warranted sum.

4. The company is authorized, but not bound, to store goods of different kinds on one warehouse receipt.

5. Whenever a parcel of goods, covered by only one warehouse receipt, is to be broken or divided, the receipt and also the warrant, if there be any, must be returned to the company, which will then issue new receipts and warrants. For each warehouse receipt and each warrant, a fee of 50 pfennigs (12 cents) is to be paid, besides 50 pfennigs for a revenue stamp.

6. The company enters the sum of money covered by warrant upon its books, and certifies to this entry on both the warehouse receipt and the warrant.

7. The surrender of the indorsed warehouse receipt is equivalent to the surrender of the goods.

8. The company considers every holder of a warehouse receipt as the person exclusively authorized to dispose of the goods; at the same time, every holder of a warrant as the person authorized to prosecute all claims against the company resulting from the warrant. It is empowered to closely look into the validity of the indorsements and receipts on the warehouse certificates and warrants.

9. By the surrender of the indorsed warrants, the lender acquires full title to the goods as security. Both the claim and the dead pledge are transferred to the party of the third part by the surrender of the indorsed warrant.

10. The holder of the warehouse receipt, who is not also the holder of the warrant, has the right to redeem the warrant before it becomes due by paying the money advanced on the goods and the interest. In case the company, in its own best judgment, becomes convinced that the holder of the warrant is not known, or is absent, or that the creditor can not be made to agree with him as to the payment, the holder of the warehouse receipt may deposit with it the amount of the warrant, whereupon the goods will be made subject to his order. If the amount is overdue, he will also have to deposit 6 per cent interest from date of maturity. If the amount has not yet become due, the sum will be deposited, until maturity, with some safe bank or broker, and the interest collected thereon refunded to the depositor. The company is not obliged to give notice of such deposits to the holder of the warrant.

11. If the amount of the warrant has neither been paid nor deposited on the day of maturity, the warrant must be presented, at the latest, on the second week day after the date of maturity at the place of payment to the first creditor, and, in case of nonpayment, must be protested through a notary public at the place of payment.

12. If the amount of the warrant, including 6 per cent interest from the date of maturity, and the cost of protesting be not paid or deposited within three days from date of protest, the holder of the warrant may demand, in writing, the sale of the goods by surrendering the protest and warrant. The first creditor, having redeemed the warrant, has the same right at the expiration of seven days from the day of payment, provided no protest has been entered. If the date of sale and the number of previous notices have not been mentioned by the mover for the sale of the goods, the company itself determines both according to the following paragraphs:

13. The sale is conducted publicly by an official of the company or by a licensed broker. The sale is to be announced in three newspapers, on two different days, without mentioning the name of the mover. The company may have samples of the goods drawn, and may permit bidders to inspect and sample them, as is usual with auctions.

14. From the receipts, payments are to be made in the following order: (a) For the expenses of selling, for which the company charges 1 per cent commission; (b) for the company's claims for storage, for expenses for the care of the goods, insurance, etc., from date of warrant; (c) for the amount of the warrant, including 6 per cent interest from date of maturity, to the holder of the warrant; (d) for all other claims of the company for costs, etc.; and (e) the balance is to go to the holder of the warehouse receipt.

15. Should the receipts but partially cover the warrant, the company and the holder of the warehouse receipt indorse said amount on warrant, and the warrant will be returned.

16. The same rules will be carried out if the holder of the warehouse receipt employs the company to sell the goods.

17. When a pledge is given by the surrender of an indorsed warehouse receipt, the indorsement is accepted as proof in writing that the holder of the pledge is empowered, without further legal proceedings, to sell the goods according to the above rules through the company.

18. The rights of the warehouse-receipt holder and those of the warrant holder to

the goods stored by the company include all claims for damages in cases of loss or injury, especially in case of damage by fire.

19. Whoever stores goods with the company, or accepts a warehouse receipt or warrant, thereby submits to the governing rules and all future alterations thereto; also to the Bremen law of May 13, 1877, touching warehouse receipts and warrants, and to such rules and regulations of the German commercial statutes as are applicable.

HENRY W. DIEDERICH,

BREMEN, *October 1, 1902.*

Consul.

REPORT FROM BRESLAU.

In this consular district, there is no warehouse system such as is evidently contemplated by the Department instruction; the only thing of the kind is what is known as Lombard loans, a method of loaning on stored goods which might be regarded as a sort of hypothecation, if it were not for the fact that such restriction and supervision are exercised by the lender as give him virtual possession of the goods as a pledge.

The following are some of the regulations made by the Reichsbank regarding such loans:

No loans below 500 marks (\$119) are made.

No loans are made for a longer time than three months.

Loans may be repaid at any date, and can be demanded at any time without previous notice.

All that is required to call in the loan is a registered letter from the lender demanding the same.

If the debtor fails to pay the debt or the interest when called for, the Reichsbank is entitled to sell the goods and from the proceeds reimburse itself for the loan, interest, and costs.

To secure the safety of the goods, or for the sale of same, the Reichsbank has the right to remove them, at the risk and cost of the borrower, to another storage place.

The interest is payable every three months, and, if possible, at the end of the calendar quarter.

The storage place of the goods is placed in the control of the Reichsbank.

The goods can not be removed to any other place of storage without the permission of the Reichsbank.

Changing the storage place of goods does not affect the bank lien.

The storage place of the wares upon which the loan is made and the date of appraisal must be stated in the pawn note (Pfandschein), which note is not negotiable.

The Reichsbank is not responsible for damage to the goods, even if in the bank's buildings, unless arising through its own extreme carelessness.

Any expenses occurring through the transportation, appraisal, storage, care taking, repacking, etc., of the wares are to be at the borrower's expense.

If the goods depreciate one-sixth of their appraised value through changes in the market or an alteration in their condition during storage, according to an estimate made by a bank official or other expert, the loan is to be further secured by new collateral or proportional payment of the loan.

ERNEST A. MAN,

BRESLAU, *August 23, 1902.*

Consul.

REPORT FROM FRANKFORT.

Frankfort has a municipal warehouse which furnishes to the depositor of the goods certificates for the purpose of effecting loans on them. These certificates are issued at the request of the depositor of the goods, and are made out in his name upon a blank form supplied by the warehouse management. In order to obtain such a certificate, the goods have to be insured through the warehouse management, and it must be shown that they do not appear upon the books as previously hypothecated.

The certificate must be signed by the director and the manager of the warehouse, and must contain the following data:

1. The name and residence of the firm by which the goods were stored.
2. The number, kind, and mark of the packages.
3. The quantity, weight, or measure of the goods.
4. The number of the book of the warehouse in which the entry is made.
5. The day when the goods were stored.
6. The charges due on the day of issue of this certificate.
7. The amount of insurance on the goods.

At the request of the depositor, and at his expense, the warehouse management will have the goods appraised by an expert chosen by the management and the amount stated on the certificate, but the management assumes no responsibility for the correctness of the appraisal.

If the depositor and the party making a money advance on the goods notify the warehouse management that the goods have been pledged and that the certificate has been delivered to the creditor, and the request is made to keep possession of the pledged goods for the latter, the management notifies him in writing and retains the goods in its possession until notified by the creditor that the goods have been released and again placed at the free disposal of the depositor. During such time, the management keeps up the fire insurance to the amount of the value of the goods appearing on the certificate. The management assumes no responsibility for the correctness of the statements in the certificate with reference to the weight and quality of the goods.

The creditor or his agent is entitled to inspect the goods on presentation of the warehouse certificate, during business hours, and to make provisions for preservation at their own expense.

The tax for issuing the certificate for loan purposes is 1 mark (24 cents).

FRANKFORT, *July 15, 1902.*

RICHARD GUENTHER,
Consul-General.

REPORT FROM HAMBURG.

Goods stored in warehouses are used as collateral for loans in Hamburg; however, the banker making the loans does not possess full security, as he generally accepts the respective warehouse or other receipts and only requires that, for the time being, the goods in question be assigned or transferred to him by the owner of the same.

As a rule, every such case is dependent up the faith of the banker in the merchant borrowing money and in the individual warehouseman or company signing the receipt. It is generally understood that such loans are not made to persons of questionable character or standing, or when there is any doubt as to the responsibility of the warehouseman in charge of the goods. Notwithstanding, it happened, a few years ago, that a local bank made loans on certain goods which actually were not in charge of the person from whom it accepted documents as security, and heavy losses to the bank were the result of this transaction.

There is no supervision here of warehouses, either corporate, State, or national, on which bankers and trust companies can depend for the existence of the collateral or its value, if existent; and bankers doing this kind of business have actually no full security for loans thus made, unless they persuade themselves of the existence of the collateral by personal inspection or examination.

HUGH PITCAIRN,

HAMBURG, *July 2, 1902.*

Consul.

REPORT FROM HANOVER.

It is not the general practice in the province of Hanover, except in the city of Hameln, to use stored goods as collateral for loans. Hameln, being on the Weser, is influenced, it is said, by the manner of doing business at the seaports.

The board of trade appoints a commission to investigate the conditions under which any new company is to start business, and should the result not be satisfactory the board refuses to register the company. It does not appear, however, that there is any further corporate, municipal, or State supervision of warehouses.

The Reichsbank and other banking establishments advance money on goods stored, upon the production of a warehouse warrant and sample. The goods may also be kept in a bonded warehouse under the supervision of customs authorities. The warehouse keeper is

naturally responsible with his private fortune in case of irregularities, if his business is not organized as a limited company; in any event, guilty persons are liable to imprisonment.

It appears that the banker depends for his security chiefly upon the integrity and good faith of the warehouseman.

I append translation of the regulations.

HANOVER, *September 25, 1902.*

JAY WHITE,
Consul.

WAREHOUSE REGULATIONS.

According to the regulations stated here, we agree to take charge of goods made over to us for storage on payment of the fee agreed upon.

We undertake and reserve the execution of all work in connection with the receipt and delivery of the goods mentioned and as regards the handling of the goods generally.

By order and for account of the person storing, we arrange the settlement of accounts in regard to freight and duty and other fees attaching to the goods on arrival. Likewise, if so desired, we undertake the forwarding of said goods on terms given or agreed upon.

The customer has to reimburse in cash at once our expenses for freight, etc. For advancing money, we charge a commission of one-half of 1 per cent.

In case the goods handed over to us are damaged, we hold ourselves responsible for the damage only so far as is proved that it has been caused by carelessness on our part or on the part of our employees. We are therefore not specially responsible for damage caused by force majeure, for waste, deterioration, or decay, owing to the peculiarities of the wares or defective condition of same, or for losses and damage caused by faulty packing or prolonged storage.

Our responsibility begins as soon as the goods are stored and ceases at the delivery of said goods. If the customer is dilatory in payments or otherwise, any claim to responsibility is forfeited.

Likewise, we assume no responsibility in the event of false or incorrect statements being made as to contents of bales, etc. The customer is answerable for the consequences of said false statements.

A claim for indemnification can be made only during the time of our responsibility. The goods are insured by us with a fire-insurance company selected by us.

If the value of goods has not been given, we insure at the quotations of the day.

In case goods are to be withdrawn from the storing house, the customer has to communicate his directions in writing at least one day preceding the withdrawal of the goods.

With regard to the scale of our fees, we take as a basis of calculation the weight stated to us at the arrival of goods or the gross weight of same, if the goods are weighed out.

Our fees, including expenses, are settled every month, and have to be paid—cash—at once.

As security for all claims on our customers, we have a lien and right of retention on the goods stored with us, and on the claims which take their place—*i. e.*, reimbursement in case of damage caused by fire, etc.; also to all amounts deposited instead of goods.

In case the customer is dilatory in paying or in taking the goods back, we are also entitled to reimburse ourselves by selling goods for the person's account

without any legal proceedings, according to article 311 of the German general commercial laws.

In case demand is made for a portion of the goods put down in the warrant, the latter has to be presented for a record of the deductions. In case demand is made for the whole quantity, the warrant has to be given back.

In case the customer cedes his rights with regard to the goods stored, or in case these goods are mortgaged, a corresponding remark referring to the cession is put down in the warrant, whereupon the latter is handed over to the transferee, without whose consent the goods are not delivered to anybody.

REPORT FROM MUNICH.

The following regulations of the Munich City Storage Warehouse and tariff of charges have been received from Consul J. H. Worman, of Munich:

[Translation.]

WAREHOUSE REGULATIONS.

1. The Munich City Warehouse (Munich, Southern Station) is a city institution for the purpose of storing, according to instructions, domestic and foreign merchandise, of handling the same while on storage, and of forwarding it. It is under the management of the municipality.

According to a decision of the Royal Government, the city warehouse is declared to be a transit warehouse for grain, malt, and other articles embraced in No. 9 of the tariff.

2. The business of the city warehouse embraces in detail especially the following departments: (a) Storage of merchandise and handling the same according to the available room; (b) unloading and loading the merchandise to be stored; (c) executing the orders for forwarding the merchandise; (d) collecting the freight, duties, and other charges; (e) collecting the revenue of the city on merchandise forwarded by rail.

The articles preferred for storage are grain, oil seed, mill products, malt, pulse, seeds, and similar wares.

For the extension of the business and of the list of articles to be stored, the consent of the municipality is necessary.

3. The management of the business, under the supervision of the municipality, is intrusted to the manager, and the handling of the money to the cashier. For the internal and external service of the management, the necessary help will be provided by the municipality.

The warehouse manager is the chief of the staff of officials and of employees. All complaints against the officials and employees are to be preferred to the manager.

The necessary financial control is lodged by the municipality in a controller, who also represents the manager in the latter's absence.

4. The warehouse charges are established by the tariff. The payment of the city revenue is governed by the local municipal police regulations.

5. The action of the warehouse management with reference to stored merchandise depends upon the orders of the depositor. All orders must be in writing. No responsibility is assumed for the execution of verbal orders. Telegraphic and telephonic orders will be carried out, but the person giving such orders must assume the responsibility of any error in the wording or interpretation.

In exceptional cases of necessity, the warehouse management is authorized to take independent action for the protection of the merchandise. The resulting charges must be paid by the depositor.

When the stored merchandise is so damaged as to endanger other goods stored, the management has the fullest authority to dispose of the same at the cost of the depositor.

6. Consigned shipments will be warehoused by the management for account of the consignee, as given by the consignor in the bill of lading or in any other written direction. But when the consignee is not named and refuses to accept the goods, they will be warehoused for account of the consignor.

The weight and the external condition of the consignment will be investigated immediately upon arrival of the merchandise. The established differences in weight and other irregularities will be communicated by the warehouse management to the railway officials and the consignee.

Reclamation from the railway officials will be made by the intervention of the warehouse management, when the request so to do by the consignee is accompanied by a specified statement.

7. The warehouse management will accord to its customers the benefit of the cheaper freights and exceptional tariffs granted it in direct communication with the railways.

The management can, according to the regulations issued by the municipality, from time to time, so far as the warehouse goods afford the security required by paragraph 10, give credit for freight charges and duties or make interest-bearing advances.

8. Regular customers of the warehouse will be allowed to settle their accounts monthly.

All payments to the management will be made in Munich in cash to the cashier of the city warehouse, and will be credited by the warehouse management eight days after receipt, as this period is necessary to settle with the railway, the banks, and other offices, and the delay is unavoidable in order to make payments to them.

All receipts for payments, to be valid, must be signed by the cashier and countersigned by the manager.

9. The entire amount of merchandise of a depositor warehoused from time to time is liable as a pledge to the municipality of Munich for its claims of every kind, particularly for warehouse charges and costs, freights, duties, cash advances, interest, and all expenses and city taxes (octroi).

The warehouse management is authorized, whenever the amount due is not paid or sufficiently secured, to sell the merchandise of a debtor warehoused at the time, without judicial proceedings, according to its own discretion, and to reimburse itself for the claim of the municipality out of the proceeds.

In so far as the city warehouse has other legal rights, they are not affected by these provisions.

10. The liability of a customer must not at any time exceed two-thirds of the value of his warehoused merchandise. The value of warehoused merchandise will be determined, according to the current price, by the warehouse manager in conjunction with the controller. If it does not afford sufficient security, the warehouse management is authorized to proceed as provided in paragraph 9.

11. Arrangements have been made to enable loans to be made by third persons. This is dependent upon the warehouse management, in so far as the unhypothecated merchandise on storage is held as security for the entire claim of the municipality of Munich. Merchandise upon which advances have been made by a third party is liable to the municipality of Munich in the first instance.

12. The city warehouse is guarded during the night by watchmen. The premises are insured against loss by fire. In case of loss by fire, the losers will receive damages in proportion to the fire losses paid by the insurance companies.

13. Smoking is forbidden in the storage rooms.

14. All general regulations of the municipality of Munich relating to the city warehouse will be published in the Munich Official Gazette.

15. All persons doing business with the city warehouse by warehousing merchandise, making advances on the same, or in any other manner, are subject to the warehouse regulations, the tariff, and all regulations of the municipality published in the Official Gazette.

16. These revised warehouse regulations go into operation at once. At the same time, the warehouse regulations of June 30, 1882, are annulled.

TARIFF OF CHARGES.

1. For merchandise warehoused in the city warehouse, the following fees will be collected:

Articles.

Class I. Grains of all kinds; malt and maize.

Class II. Flour, mill products, pulse, oil seed, and seeds; malt in closed cases, and other voluminous articles.

Fees.

The fees are understood to be, with the exception of insurance premiums (paragraph 10), for carloads of 10,000 kilograms (22,046 pounds):

Description.	Charge.	
	<i>Marks.</i>	
1. Yard fee for each carload, including switching.....	3.50	\$0.83
2. Transshipping from one car to another, or unloading into wagons, without weighing.....	4.00	.95
3. Transshipping from one car to another, with weighing.....	6.00	1.43
4. Unloading, warehousing, and stacking or emptying.....	4.50	1.07
5. Shipping from warehouse and loading:		
In car.....	4.50	1.07
In wagon.....	5.00	1.19
6. Transferring from one warehouse to another.....	5.00	1.19
7. Storage for 8 days:		
Class I—		
In bags.....	2.00	.48
In bulk.....	3.00	.71
Class II—		
In bags.....	3.00	.71
In bulk.....	4.00	.95
8. Storage for first month:		
Class I—		
In bags.....	4.00	.95
In bulk.....	6.00	1.43
Class II—		
In bags.....	6.00	1.43
In bulk.....	8.00	1.90
9. Storage for each succeeding month:		
Class I—		
In bags.....	2.00	.48
In bulk.....	3.00	.71
Class II—		
In bags.....	3.00	.71
In bulk.....	4.00	.95
10. Insurance premium for 100 marks per month.....	.04	.01
11. Fee for advances.....	3.00	.71
12. Weighing in bulk.....	3.00	.71
13. Weighing in detail.....	4.00	.95
14. Equalizing the weight in bags.....	4.50	1.07
15. Sorting the merchandise or mixing flour.....	4.00	.95

Description.	Charge.	
	Marks.	
16. Transferring to other bags, bagging, or emptying:		
(a) Without weighing.....	4.00	\$0.95
(b) With weighing.....	6.00	1.43
17. Emptying into heaps and mixing with shovels.....	5.00	1.19
18. Mixing with shovels, without emptying.....	2.00	.48
19. Emptying, mixing, rebagging, and weighing.....	10.00	2.38
20. Emptying, mixing, rebagging, weighing, and equalizing.....	11.00	2.62
21. Cleaning with hand windmill.....	9.00	2.14
22. Cleaning by machinery (excluding oats) with—		
(a) Wind.....	10.00	2.38
(b) Wind and sorting cylinder.....	14.00	3.33
(c) Wind and culler.....	18.00	4.28
(d) Wind, sorting cylinder, and culler.....	21.00	5.00
(e) Wind, sorting cylinder, culler, and separator.....	24.00	5.71
(f) Cleaning oats by machinery, in addition, per wagon.....	10.00	2.38
23. Bagging and weighing, in connection with paragraphs Nos. 21 to 26, inclusive...	6.00	1.43
24. Bagging and equalizing, in connection with paragraphs Nos. 21 to 26, inclusive..	6.00	1.43
25. Restacking the bags.....	2.50	.60
26. Transporting and emptying the cleaned wares in heaps.....	2.00	.48
27. Transcribing fee, each warehouse entry.....	1.00	.24
28. For strings and small repairs to bags.....	.40	.10

NOTE.—In calculating warehouse fees, fractions of a month will be reckoned as a full month.

Compound tariffs are reckoned only when the manipulations are carried on without interruption.

When the charges, according to the foregoing tariff, from the 1st of January to the 31st of December, inclusive, amount to at least 1,000 marks (\$238), a discount will be allowed as follows:

	Per cent.
1,000 to 3,000 marks (\$238 to \$714).....	1
3,001 to 5,000 marks (\$714.24 to \$1,190).....	2
5,001 to 10,000 marks (\$1,190.24 to \$2,380).....	3
10,001 to 15,000 marks (\$2,380.24 to \$3,570).....	4
15,001 to 20,000 marks (\$3,570.24 to \$4,760).....	5
20,001 to 25,000 marks (\$4,760.24 to \$5,950).....	6
25,001 to 30,000 marks (\$5,950.24 to \$7,140).....	8
Over 30,000 marks (\$7,140).....	10

Transport of merchandise to the city will be provided for as far as possible and charged for at cost price.

2. Fees for empty sacks per 1,000:

For—	Charge.	
	Marks.	Cents.
Counting.....	.10	2.3
Tying in bundles.....	.10	2.3
Weighing.....	.10	2.3
Warehousing.....	.10	2.3
Loading.....	.10	2.3
Sealing.....	.10	2.3
Transporting to or from railway.....	.20	4.7
Rent.....per week..	2.00	47.6
Repairing.....per piece..	.04	1

3. For sample bags, postage, and custom-house blanks, only the actual cost will be reckoned.

For work which is not provided for in the tariff, as well as for shipments in larger number of sacks or greater weight, the charges will be fixed by the warehouse manager in conjunction with the controller.

MUNICH, *January 1, 1896.*

SUPPLEMENT.

[Publication by the municipality, March 5, 1897.]

The fees provided for in the tariff of fees for the city warehouse of January 1, 1896, are understood to be for the handling of empty bags in connection with regular warehouse consignments. For simply warehousing empty bags, an extra charge of 10 pfennigs (2.3 cents) per 100 per month must be paid.

Regulations.

1. Upon the written request of the owner of warehoused merchandise, a warrant will be issued in his name and to his order, for which a fee of 3 marks (71.4 cents) per wagon will be charged. Such warrants may be issued by the manager of the warehouse, countersigned by the controller.

2. Such warrants must contain: (a) The name, business, and residence of the owner of the warehoused merchandise; (b) the weight and kind of goods and character of packages; (c) the warehouse number under which the goods are entered; (d) the amount for which the goods are hypothecated at date of the issue of the warrant.

3. These warrants can, according to articles 302 to 305 of the German general commercial regulations, be transferred by indorsement.

4. The bearer of an indorsed warrant is identified, according to the provisions of article 36 of the German general exchange regulations, as the legal owner thereof by continuous indorsement to him.

Notices by the warehouse management which affect the goods covered by the warrant are legally given to the last indorsee of the warrant entered in the books of the city warehouse.

5. The owner of a warrant is entitled, upon production of the same during the usual business hours of the city warehouse, to inspect goods covered by the warrant, to dispose of the said goods, and, upon surrender of the warrant and the payment of the claims and demands of the city warehouse, to withdraw the same.

6. Every warrant can, upon written request of the holder, be exchanged for other warrants covering portions of the goods, upon payment of a fee of 1 mark (23.8 cents) per wagon.

7. The goods covered by a warrant are liable to the municipality of Munich for the claim of the city warehouse noted on the warrant, and for all further accrued claims of every kind against the said goods as security after the issue of the warrant.

8. Lost or mislaid warrants may be redeemed in accordance with the existing legal provisions (Imperial Code of Civil Procedure, paragraph 837 et seq.). After the institution of proceedings for the redemption of a warrant, the warehouse management is authorized to deliver the goods upon the giving of security.

9. The regulations of the Munich City Warehouse (Warehouse Regulations and Tariff of Fees) apply to goods for which warrants are issued, except in so far as the same are expressly modified by the foregoing provisions.

REPORT FROM PLAUEH.

The following information is taken from Das Handelsgesetzbuch, or Commercial Laws, written by Dr. jur. Richard Behrend, and is the most satisfactory information that I could obtain on the question.

It would seem that there is no official warehouse system, except for goods passing through the custom-house.

Section 416 of the above book says:

A storehouse keeper is one who undertakes the storing and keeping of goods as a trade. He is, in a way, regarded as a commissioner.

Section 388 says:

If the goods delivered to the commissioner are in a damaged or defective condition at the time of delivery, the commissioner should preserve his right against the shipowner or freighter, to whom he must give immediate notice, otherwise he will be responsible and liable to indemnity through his neglect.

It is further stated that—

If the goods are damaged, or if by keeping them their value would be further diminished, and if there is no time to communicate with and receive the orders of the owner, or in case of negligence of the owner, the commissioner may make sale, according to rules in section 373.

Other sections provide:

SECTION 373. The seller, or commissioner, after having given due notice, can have the goods sold at public auction, or through a public broker entitled to make such sales, and it requires no preliminary notice, if the goods are in danger of spoiling or if notice is impracticable. In case of public sale, the commissioner must inform the owner of the time and locality of the sale; he must also give notice when the sale is perfected, and in case of neglecting this, he is liable to indemnify the owner.

SEC. 390. The commissioner is responsible for the loss or damage of the goods under his custody, unless the loss or damage happened under circumstances which could not be prevented by ordinary care.

The commissioner is responsible for neglect of insurance of the goods, if he was directed by the depositor to procure the insurance.

SEC. 417. The storehousekeeper must give immediate notice to his customer if any change occurs in the goods which would cause loss in value, or if he neglects such notice he is responsible for the loss.

SEC. 418. The storehouse keeper must allow the owner to inspect the goods, to take samples and necessary action for the preservation of the goods during ordinary business hours.

SEC. 419. The storehouse keeper is not allowed to mix goods of the same class and quality, unless it is expressly consented to by the owner; he must, however, in any case, return goods of the same class and quality.

SEC. 420. The storehouse keeper can claim the contract, or local fee, and compensation for freight and duty, as well as for other expenses bestowed upon the goods, as far as he thought necessary and proper under the circumstances.

All cash expended by the storehouse keeper on the goods must be paid at once; the other charges are to be paid quarterly, or, if the goods are removed, at the time of removal.

If only part of the goods are removed, the charges must be paid, unless the remaining goods are of sufficient quantity to cover the charges of the storehouse keeper.

SEC. 421. The storehouse keeper, it is assumed, holds a mortgage on the goods to the amount of his charges, as long as they are in his possession.

SEC. 422. The storehouse keeper can not force his customer to withdraw his goods before the time specified in the contract, or, if no agreement is made, within three months after storage; if he retains them after the stipulated time (three months), then he can only demand withdrawal of the goods after one month's notice. Only for an important reason can the storehouse keeper demand the withdrawal of the goods before the specified time.

SEC. 424. The storehouse keeper furnishes a receipt (*Lagerschein*), which may be transferred by indorsement to another person or firm, the latter having the same right and claim to the goods in storage as if the goods were stored by him.

The above is a general translation of the laws governing stored goods. I can in no place find that the Government takes an active part in the business; it would seem that it is all in private hands and under certain general trade laws, which I have quoted.

THOMAS WILLING PETERS,

PLAUVEN, *September 3, 1902.*

Consul.

REPORT FROM STETTIN.

The employment of stored goods as collateral for loans is effected in Stettin in the following manner:

The owner of the merchandise makes personal application at the bank for a loan on certain goods stored in either Government or private warehouses. The bank or the company applied to sends a special inspector to examine the goods as to quantity and quality. He appraises same and makes a report. This being done, the owner makes his statement as to the marks, numbers, quantity, quality, price, and kind of merchandise. If the goods are stored in a Government warehouse, the transferring of the warehouse receipt to the bank is sufficient; if the goods are stored in a private warehouse, they remain under the private lock and key of the company making the loan. In both instances, the owner of the merchandise executes a transfer. The loaning company then makes an advance up to 50 per cent of its own appraisement. In the case of wine, spirits, and whisky, the customs appraisers' value is used as a basis for making loans. The banks do not risk the appraising of such goods.

The bulk of this business—*i. e.*, the loaning of money on stored goods—is done by the Reichsbank branch office and a few insurance companies.

JOHN E. KEHL,

STETTIN, *June 25, 1902.*

Consul.

REPORT FROM STUTTGART.

There is only one public warehouse here—belonging to the “Stuttgarter Lagerhaus Gesellschaft”—which receives goods on storage and occasionally makes loans thereon; but it is not permitted to issue negotiable storage receipts—so-called “warrants”—on which banks or private individuals may advance money.

EDWARD H. OZMUN,

STUTTGART, *July 25, 1902.*

Consul.

GREECE.

From what I can learn, there are no warehouses that issue loans on goods in any of the ports of Greece.

The organization in this country most likely to have perfected a system of warehouse loans is the Currant Bank of Greece, which has large depositories in all the principal trade centers of the Peloponnesus and is practically under governmental control. In making inquiries, I have been told that an attempt was made by the Currant Bank a year ago to issue loans upon the currants stored in its warehouses as collateral. The scheme was never perfected, however, principally, it seems, because the banks were not inclined to treat the matter seriously, which is their euphemistic way of saying that confidence in the security was not sufficient to float the loans. No attempt has since been made, and, so far as I have heard, there is no likelihood of a renewal of the attempt this season, although the Currant Bank will carry in stock probably \$800,000 worth of currants for the large part of a year.

FRANK W. JACKSON,

PATRAS, *July 15, 1902.*

Consul.

ITALY.

REPORT FROM MILAN.

The system of using goods stored in the magazines of public institutions as collateral for loans is adopted in Milan with satisfactory results, owing to the measures applied and to the facility with which the warrants issued on the goods can form a base for banking operations. These warehouses, known as general magazines, differ one from the other in some respects, but are all governed by their own by-laws, as well as by the laws of the country.

The largest general magazine in Milan, the "Magazzini Generali Della Lombardia," accepts various kinds of goods, and, by an arrangement with the custom authorities, stores foreign merchandise not cleared, holding it at the disposition of the depositor and reserving the payment of custom duties until goods are withdrawn or become imported into the State, thus saving the duties in case of nonentry. It is, in fact, the English system of free docks adapted to suit Italian methods.

The magazines emit so-called pledge notes (warrants), which certify to the weight, measure, and value of the warehoused goods. This warrant is negotiable for the whole amount, or for that part which it represents, conferring a good title on the holder, and serves as a guaranty to banks for money loans, discounting of bills, and other banking operations. From a banker's point of view, it forms acceptable security, as the value is ascertained by the appraisement of an expert, and only for a limited amount, which, remaining unpaid, can be recovered by a sale of the goods at auction, under the rights conferred on the holder by law.

The method of entering goods is as follows: The depositor, at time of entry of goods, indicates the bank at which he intends to discount the warrant which the magazine furnishes to him. A request is then made by the magazine to the local chamber of commerce for the aid of an expert to make a proper appraisement. An official report is drawn up, showing the estimate in detail, a copy of which is sent to the interested bank. The loan rarely exceeds two-thirds of the value declared by the expert. As before stated, inasmuch as these warrants, when discounted, are on the same footing as bills of exchange, the moment they are protested recourse can be had to a sale by public auction, subject, however, to the enactments in the Italian commercial code, which will hereinafter appear. The magazines sometimes make advances up to a certain amount, which are subject to the same laws which govern loans by banks.

It would appear that for general purposes such operations are not extensive nor of frequent occurrence, the kind of industry which lends itself most to such a system being that of silk in its various branches of trade, such as cocoons, raw silk, and silk derivatives, enabling a merchant to speculate at a favorable moment and at the same time have at least part of his capital mobilized. This is not found so necessary in other trades, and therefore the amounts advanced on ordinary merchandise are insignificant in comparison.

There are several magazines in Milan which receive silk and kindred deposits, the most important being those in connection with the "Banca Commerciale Italiana," that of the "Cassa di Risparmio" (savings bank), and the magazines of the society for the "Stagionatura e l'Assaggio delle Sete ed Affini."

The regulations adopted by these magazines are:

If the goods deposited are to be held in simple custody, an ordinary receipt is made out and the goods can be withdrawn by a written order from the owner against payment of all dues; but if deposits are made to guarantee the so-called subvention, then the certificate of deposit and pledge note pass into the hands of the creditor. The magazines undertake to procure acceptance of the bills by the drawees and to return them to the holders. They advance expenses of freight on all silk sent directly to them, which sum is debited to the deposit at 5 per cent interest. The value of the silk goods, as of the goods deposited in the general magazine, is estimated by an expert, who will calculate at the lowest market value for the day. When the entire deposit is withdrawn, the certificate of deposit and pledge note must be returned to the magazine; but if the withdrawal is partial, the magazines estimate what part of the capital the depositor must pay. This is applicable only in the case where the bank itself warehouses the goods and advances the loan. In cases when the magazines do no banking operations, the rules of law governing the deposit, etc., are those which regulate all loans on goods in public warehouses.

The foregoing is an outline of the rules applied by the majority of the magazines and banks; but, as before observed, each depository has its own specific rules and by-laws which are applicable to the various kinds of goods received. In these regulations, provision is made for the duration of deposit, for default in payments and consequent power of sale, for right of refusal of certain articles if condition be not satisfactory or odor objectionable, for the issuing of samples, as well as for the provision against responsibility for natural shrinkage or unavoidable damage.

All these by-laws and regulations are subordinate to the Italian Commercial Code, by which the whole system is governed.

The following is the law in force at the present time:

ARTICLE 461. The certificate of deposit of goods and merchandise in the general magazines must indicate—

1. The Christian and surname, the circumstances, and address of the depositor.
2. The place of deposit.
3. The nature and quantity of the object deposited, described by the name most known in commerce, and with all other circumstances most likely to establish its identity.
4. If the goods have or have not been cleared at the customs, and if they are or are not insured.

ART. 462. To the certificate of deposit is united the pledge note on which are repeated the above indications.

These "titles" must be detached from the expressly prepared counterfoil register, which the magazines must keep.

ART. 463. The certificate of deposit and the pledge note may be in the name of the depositor or in the name of a third person.

ART. 464. The holder of the certificate of deposit with pledge note annexed has the right to have the deposit divided into parts, at his expense, and for each part to receive a separate certificate, with relative pledge note, in substitution of the summary and sole title, which must be withdrawn and nullified:

ART. 465. The certificates of deposit with the pledge note, united or separate, are transferable by means of indorsement, which should bear the date of the day on which it is made.

The indorsement of both titles effects the transfer of the proprietorship of the goods deposited; the indorsement of the pledge note only confers on the indorsee the right of pledge on the goods, and the indorsement of the simple certificate transfers the proprietorship, except the rights of the creditor who holds the pledge note.

ART. 466. The first indorsement of the pledge note must indicate the amount of credit for which it is made, the amount of interest, and date of falling due; such indications must be also transcribed on the certificate of deposit, and the transcription must be undersigned by the indorsee.

ART. 467. The certificate of deposit and the pledge note may be indorsed in blank. A blank indorsment confers on the holder the rights of an indorsee.

ART. 468. The indorsement of the pledge note, which does not express the amount of credit, engages the whole of the merchandise warehoused in favor of the third holder of good faith, except for the rights of the titular or third holder of the certificate of deposit who has paid a sum not owed.

ART. 469. Except in case of loss of the certificate of deposit or of the pledge note, or of dispute as to rights of succession and rights in bankruptcy, no pledging, seizure, or any other opposition or claim whatsoever on goods warehoused in the general magazines, shall be permitted; but the indorsement on pledge notes is not affected by the laws of fraudulent preference in bankruptcy, except when it be proved that the indorsee was cognizant of the cessation of payments by the indorser.

ART. 470. The holder of a certificate of deposit separated from the pledge note can withdraw the goods in deposit before the date of the maturity of the bill, on condition that he deposit with the magazine a sum equal to the capital and interest of the debt calculated up to date of maturity.

This sum is paid to the holder of the pledge note on surrender of the note itself.

ART. 471. At the responsibility of the magazine, when treating of homogeneous goods, the holder of a certificate of deposit apart from the pledge note can also take out part of the merchandise, on paying in to the magazine a sum in proportion to the total of the debt guaranteed by the pledge note and to the quantity of the goods withdrawn. The holder of a pledge note not paid at maturity and duly protested as provided by the commercial code can, after seven days, proceed to sell at auction without judicial formality. The indorser who has paid the holder acquires his rights, and may sell eight days after maturity without obligation to proceed under the laws of debtor and creditor.

ART. 472. Sale for nonpayment is not suspended in the case indicated in article 469.

ART. 473. The holder of the pledge note exercises his right also on money derived from insurance of the goods.

Custom rights, tariffs, taxes on sales, and the expenses of warehousing, conservation, and preservation of the goods deposited are given preference over secured creditors.

The residue remains with the magazine, at the disposition of the holder of the certificate of deposit.

ART. 474. The holder of the pledge note can not proceed against the estate of the debtor nor against the indorser if he has not exercised his right on the pledge.

The limit allowed for procedure against indorsers computes from the day of the sale of goods in deposit.

ART. 475. The holder of the pledge note is barred from action against indorsers if, on maturity, proper notice has not been given, or if within fifteen days from date of dishonor he has not applied for order for sale; but right of action is maintained against the original debtor and against the indorsers of the certificate of deposit.

This action is subject to the existing laws on limitations.

ART. 476. Whoever loses a certificate or pledge note may, on giving bond and showing proof of title, obtain an order from the commercial tribunal that a duplicate be furnished him, but only after due publication in proper papers has been made and after a period for opposition shall have expired.

If the pledge note has matured the tribunal may, in the same way, order the sum to be paid. Notice of the order must be served on the warehouseman, as also on the original debtor, who may, however, oppose the order, in which event the whole question shall be disposed of at one and the same hearing. The sentence is executory, notwithstanding opposition or appeal, and it is without bond. The sentence may order the temporary deposit of the amount resulting from such sale.

ART. 477. The sale at public auction of the warehoused goods in the general magazines, whether voluntary or forced, is made without other legal formality than the presence of an authorized public official, or by a notary designated by the chamber of commerce of the district.

ART. 478. The number of the parts, the nature and quantity of the goods for sale, the reserve price, the date and hour, and the conditions of sale must be published at least five days before the sale by means of newspaper notices and by affixing on the doors of the office and stores of the magazine, and on the doors of the stock exchange, the commercial tribunal, the chamber of commerce, and the town hall, notices to that effect.

Such particulars must be previously noted in the registers of the magazine, and two days before the sale the public shall have admittance for inspection of the goods on sale.

ART. 479. The expenses of auction and for the advertising before mentioned shall be paid by the magazine, and the amount shall be reimbursed from the sales in the manner provided by law to that end.

The above extract from the Italian commercial code is more or less metaphrased, in order to keep as near as possible to the Italian text.

WM. JARVIS,
Consul.

MILAN, *September 1, 1902.*

REPORT FROM TURIN.

Turin for many years past has had a system of storage warehouses—"Magazzini Generali Del Municipio Di Torino"—which has proven of marked benefit to merchants and tradesmen. These warehouses, where cocoons, raw silk, wool, wheat, corn, etc., are stored, have been carefully managed, as I am informed, by companies, under the supervision of the municipal authorities, thus enabling those having staple goods in them to secure loans of money, at reasonable interest, upon presentation of proper warrants for such goods.

Goods stored in these warehouses answer as satisfactory security, and on presentation of proper warrants, indicating the character and value of same, loans can readily be secured to the extent of about 75 per cent of their value.

None of the goods in bond in these warehouses can be withdrawn

without presenting such warrant, and on such warrant is indicated the character and amount of goods withdrawn.

On presentation of warrants, loans for periods of from three to six months are secured. On perishable goods, loans are made for shorter time. The interest charged for short loans, I am informed, is generally from 1 to 2 per cent higher than the official rate of discount of the National Bank of Italy. When loans are thus secured, the warrants representing the security are turned over to the bank or money lender.

The warehouses here, used for such storage, belong to the city and are leased at auction, for a term of about twelve years, to the highest and most responsible bidders, who are required to make heavy deposits as a guaranty that they will faithfully perform their part of the contract.

The municipality, however, reserves the right of control, so that warrants representing goods stored in such warehouses can be depended upon by capitalists.

I hear but one complaint against this system of storage, namely, that the rents and other charges render the service expensive.

PIETRO CUNEO,

Consul.

TURIN, *July 16, 1902.*

REPORT FROM VENICE.

The only warehouses in this district that, under proper control, permit values in goods stored to be used as collateral for loans, through the issue of negotiable warehouse receipts, or warrants, as they are called, are, as far as I have been able to ascertain, the bonded warehouses—"magazzini generali." These were established in 1855, to take the place of the private warehouses, which were known as "magazzini fiduciarii." Other Italian cities already had bonded warehouses in operation, but as Venice, up to 1874, was a free port, there had been no need of such an institution.

The earliest laws relating to bonded warehouses are found in a series of acts passed by the Italian Parliament in 1871, regarding the bonded warehouses in Naples, operated by the railway company. These laws have gradually been enforced throughout the Kingdom.

In what is known as the "codice di commercio" (a compilation of laws promulgated by royal decree in 1882, controlling all commercial transactions throughout the Kingdom), the following provisions are found under section 21:

The certificate of deposit on merchandise in bonded warehouses must show:

1. The full name, status, and domicile of the depositor.
2. The quality and quantity of merchandise deposited, and any additional information tending to further establish its identity.

3. The exact place in the warehouse where the goods are stored.
4. Whether or not the merchandise had paid customs duty and been insured.
5. United to the certificate of deposit is the "*nota di pegno*," or warrant, in which the same information is repeated. These papers are detached from their respective stub registers, which are kept in the warehouse.

The certificate of deposit and the warrant may be issued either in the name of the depositor or of another party.

The holder of a certificate of deposit united to a warrant can, if he so desires, have the goods on deposit divided into different lots, and receive for each lot a separate certificate and warrant in exchange for the original certificate, which must be canceled.

The certificate of deposit and the warrant, either united or separate, are transferable by indorsement. The date on which such transfer is made must be stated. The indorsement of both papers effects a transfer of ownership of the goods deposited, whereas indorsement of the warrant alone confers on the person to whom it is made payable a valid claim on the merchandise, and indorsement of the certificate of deposit alone transfers the ownership, without however prejudicing the claims of the creditor who holds the warrant.

The first indorsement on the warrant must state the amount due to the creditor, the interest, and the date, upon which payment is due. The same data must be indorsed upon the certificate of deposit, and signed by the creditor.

Goods stored in a bonded warehouse can not be pledged, seized, or in any way bound except in case of litigation as to ownership, owing to loss of the warrant or certificate of deposit.

The holder of a certificate of deposit, separated from the warrant, can withdraw the goods deposited before the time expires for which the merchandise is being held as collateral, if he deposit at the warehouse the full amount of capital and interest to maturity of said collateral. This deposit is paid over to the holder of the warrant upon its restitution. The holder of a certificate of deposit, detached from the warrant, can also withdraw a part of the merchandise, under the responsibility of the warehouse, provided that the goods are all of the same class, by depositing a sum covering the full amount guaranteed by the warrant, as well as the quantity of merchandise withdrawn.

The proprietor of a warrant which is not paid at maturity, and which is legally protested, can sell the warrant at public auction seven days after protest has been made, without any further judicial formality. The indorser who has paid the owner or satisfied his claims can sell eight days after the warrant falls due. The customs dues, imposts, tax on a sale, charges for deposit and preservation of goods, and any other necessary expenses incurred must be met by the proceeds of the sale. The residue is held by the warehouse at the disposition of the owner of the certificate of deposit.

The possessor of a warrant can not attach the property of the debtor nor take action against the indorser if he has not first made good his claim under the terms of the warrant. Any claims against the indorsers must be made before the sale of the merchandise on deposit has been effected. The owner of a warrant loses the right of taking action against the indorsers if, when the debt falls due, he does not protest as to nonpayment, or, after having protested, he does not, within a space of fifteen days, demand the sale of the goods. He has, however, the right to sue the original debtor or the indorsers of the certificate of deposit.

Anyone losing a certificate of deposit or warrant can, upon an order from the tribunal, be furnished with a duplicate of the lost document, a proper bond having been filed and all legal requirements complied with. If the warrant has fallen due during the period in which the original document was lost, the tribunal can order payment of the debt.

The sale, either forced or voluntary, by public auction of merchandise deposited in a bonded warehouse can be effected without any judicial formality by means of a public official authorized to act in that capacity and a notary public appointed by the chamber of commerce. The number of lots, the quantity and quality of the goods to be sold, conditions of sale, auction price, and the day and hour that the auction is to take place, must be made public five days beforehand by advertisement in the journal of official notices, by affixing a notice on the door of the deposit office of the warehouse, as well as at the stock exchange, the tribunal, chamber of commerce, and municipality. Two days previous to the sale, the public are admitted to examine and verify the goods on sale. All expenses are borne by the warehouse, which has the right to levy on the proceeds of the sale whatever claims it may have, in accordance with restrictions fixed by special laws.

The storage and warehouse business, as it is carried on in the principal business centers of the United States, can scarcely be said to exist in this consular district. There are a few of the important banking concerns and shipping and commission houses that store goods upon which loans can be made, but I can find no regularly organized company of that sort under legal control.

H. A. JOHNSON,
Consul.

VENICE, *October 28, 1902.*

NETHERLANDS.

REPORT FROM AMSTERDAM.

During the reign of the counts of Holland, it had already become necessary to establish a weigh-house, in order to guarantee to merchants correct weighing by means of measures controlled by the city authorities. It is supposed that as early as the year 1275, such a weigh-house existed on the dam at Amsterdam. Later, the privilege of the weigh-house was transferred to the city. During the seventeenth century, the period during which the East India Company and the West India Company flourished so extraordinarily, every merchant, before delivering goods, was compelled to have them weighed in the city weigh-house (*Stadswaag*). Merchants brought their wares to the city and employed weigh-house carriers (*waagdragers*) to place them upon the scales of the weigh-house and to deliver them on board ship. These *waagdragers* formed corporations called "*veems*," under the direction of four or five chiefs and four trustees, chosen from among the leading merchants. These directors employed laborers to perform the work. When the city abolished the municipal weigh-houses, the *waagdragers* took a city oath and were then called "*sworn weighers*" and workers for the trade. Their work consisted of receiving goods from on board ship, weighing them, and either warehousing or delivering them.

For a long period—perhaps forty or fifty years—the *veems* have

issued "cedullen" (warrants) to bearer for the goods stored by them in their warehouses. These warrants are accepted by the Netherlands Bank and also by private bankers and banking institutions as collateral for loans.

In making loans upon merchandise, the Netherlands Bank requires the following:

1. The borrower must be well known to the bank.
2. An application for a loan, accompanied by an estimate by a broker accepted by the bank, and a statement of the value must be furnished.
3. Such application must be approved by the direction of the bank.
4. A contract deed of the loan must be made, whereby the merchandise is transferred to the Netherlands Bank.

Loans may be made up to 65 per cent of the value on articles that are not very largely dealt in; up to 70 per cent, on most articles of merchandise; on sugar and cotton, 75 per cent; and on tin, 80 per cent.

The warrants of only such veems, or warehouses, as have a guaranty deposit with the bank are accepted by the Netherlands Bank as collateral for loans.

The warrants of the Dutch Trading Company and of the municipal bonded warehouse are accepted by the bank bona fide. The average amount loaned on merchandise in this way by the Netherlands Bank during the last three years has been about 7,000,000 florins (\$2,814,000).

In consequence of the increase of trade and of the extension of warehouses, the veems of late years have been transformed into stock companies, each having a capital of from 1,000,000 florins (\$402,000) to 3,000,000 florins (\$1,206,000).

F. D. HILL,
Consul.

AMSTERDAM, *July 10, 1902.*

REPORT FROM ROTTERDAM.

One of the principal warehouse corporations at Rotterdam informs me that warrants are issued in the Netherlands against goods stored in the warehouses. On these warrants, the owner of the goods can raise money at the Bank of the Netherlands or any other banking institution.

In advancing a certain percentage of the value of the goods on the warrants, bankers depend largely on the standing of the establishment which issues them, but they can, if they desire to do so, control the value of the warrants by inspecting the goods indicated thereon (every warrant represents a definite parcel, to which the number of the warrant is attached) in person or by representative at the warehouse.

The State or city government does not control the warehouse corporations or the warehouses, and in the opinion of the warehousemen here, the necessity of such control has never been felt, as goods can always be inspected by parties interested.

Before advancing money on warrants, bankers generally demand a valuation, by a sworn broker, of the goods represented by the warrants. The appraising of the goods is generally done by inspecting samples taken therefrom.

The warrants generally also cover fire insurance, the risk being taken by the warehouse companies and the premium calculated in the rent paid for the goods stored.

S. LISTOE,
Consul-General.

ROTTERDAM, *August 11, 1902.*

RUSSIA.

GENERAL REPORT.

While the Russian Government or the authorities of the city of St. Petersburg do not exercise a direct supervision or control over warehouses and the business connected therewith, there are certain rules and regulations established by the Government and embodied in the "general commercial code of Russia" which must be strictly adhered to by warehousemen, transportation companies, and all persons engaged or desiring to engage in this class of business.

These regulations prescribe that a warehouseman or any other person can not start a business of this character without first obtaining special permission from the Minister of Finance; the rules further determine the manner in which loans can be granted on stored goods, fix the amount of such loans in proportion to the value of the goods, and provide for the rate of interest and the term of a loan contract—in fact, cover all points that may arise in connection with such transactions. Loans are generally made by banking institutions, but also by warehousemen and private parties. I was able to secure the by-laws of the two largest warehouses in this country. These by-laws, which have been approved by the Minister of Finance, are based on the commercial code above referred to. The following is a condensed translation, and, I believe, gives a clear idea of how the business is done:

The company has the right to accept goods for storage and for this purpose to establish warehouses in different parts of the Russian Empire.

The warehouses and the issuing of warehouse receipts or pawn certificates are subject to the general regulations contained in the commercial code of Russia, sections 709 to 762.

The company has the right to grant loans (1) on goods which have been taken charge of by the company for transportation, storage, or on commission, and (2) on warehouse receipts issued by the company.

The advance or amount loaned on goods or on warehouse receipts must not exceed 75 per cent of the estimated value determined by a sworn appraiser. The rate of interest is fixed by the administration of the company, with the approval of the Minister of Finance, and must be published from time to time. The rate of interest can not be changed before the expiration of the loan contract it refers to.

The company has the right, under instructions and for the account of its customers, to mortgage or pawn the warehouse receipts which it issues, with banking institutions or with private persons. Goods on which loans are granted must absolutely be insured for a sum which must exceed at least by 10 per cent the amount of money advanced and for a period exceeding by one month the expiration of the loan contract. The insurance policies must be kept in the custody of the company.

When an advance of money is made on goods stored with the company, the owner of the goods is provided with a receipt on which all the conditions under which the loan is made are fully set forth, subject to the approval of the Minister of Finance. The loan contracts are usually made for such period of time as the goods remain in the custody of the company, if this period is fixed; if, however, the term of storage is not limited, the loan contract can not exceed six months. If the borrower fails to return the amount advanced to him on goods stored with the company at the date agreed upon, he is allowed eight days' grace, but must pay a fine of one-half of 1 per cent for the delay.

The company has the right to sell stored goods at auction (1) if the owner does not claim his goods or is unwilling to accept them, and (2) if freight charges or the sum loaned on such goods are not paid on the date agreed upon. In the latter case, the company charges the full interest stipulated in the loan contract for a period from the date payment was due to the date it has recovered damages, counting each fraction of fifteen days as a full half month.

The sale of goods, in cases mentioned above, is held by official auctioneers whenever practicable, and due notification thereof must be given to the local police authorities, who must see that the matter is conducted in accordance with the laws governing public sales. The proposed auction must be published in the local papers three times before the sale can be started, the first notice to be published after the expiration of the time of grace and the last notice at least six weeks before date of sale. The advertisement of sale must specify kind of goods, place, date, and hour of auction, and also time and place for previous inspection of goods. Notices of sale must be posted at the entrance of the city hall, the municipal buildings, at the offices or agencies of the company, and at the warehouse in which the goods in question are stored.

Goods which have begun to spoil, if unclaimed or refused by owner, can be sold through the mediation of the local police authorities without regard to any certain contract that may exist between the parties in interest. However, as soon as it is discovered that the goods are spoiling, this must be duly recorded and immediate notice thereof sent to the owner of the goods, provided his address be known to the company.

The sum realized from such sale is used to cover the amount advanced on same, after deducting necessary expenses incurred by storage and the auction, and in preference to all other claims standing against the owner of the goods, even if the latter is in a state of bankruptcy. The balance, if any, is invested at interest in a banking institution for the benefit of the owner of the goods, who can claim this sum within ten years from date of sale of the goods. Goods which have been delivered to the company as a security can not serve to satisfy private or fiscal claims

before the company has been paid in full for the amount advanced on said goods, and also for expenses for freight, charges, etc.

If the highest price offered at the first auction is not sufficient to cover the claims of the company, a second public sale can be held, which must, however, take place within one month from the date of the first, and must be properly advertised. If at the second auction the goods can not be sold for such price as will satisfy the claims of the company and pay the costs of the public sale, the company keeps the goods and closes all accounts with the owner of the goods.

The class of goods on which loans are principally granted is: All kinds of cereals, naphtha, hides, tobacco, timber, and salted fish. The transactions are entirely of a private character, based on contracts between the parties in interest, and I can not learn that the methods adopted here offer any particular security beyond the faith of the banker or the party making the loan in the individual warehouseman.

HERNANDO DE SOTO,

Vice and Deputy Consul-General.

ST. PETERSBURG, *August 7, 1902.*

REPORT FROM BATUM.

As far as I have been able to ascertain, there is no governmental supervision of warehouses here which would be a guaranty to lenders of money upon goods in storage.

There are four banks in this place, one a branch of the Imperial Bank, and all make loans upon goods in storage, generally upon the principle that if the owners of warehouses are sufficiently responsible for goods to be intrusted to them, they are also good enough security for the property when mortgaged to the banks. Some of these banks, however, have warehouses of their own; but much money is advanced upon steamship bills of lading, the goods covered being always in the custody of the customs authorities when landed and remaining in the custom-house until duty is paid and the goods are released by holders of mortgages on them.

Another sort of loan very common here is upon petroleum products in tanks; but such loans are always secured by a temporary transfer of the tank and contents, of which the public is notified by a notice attached to the tank to the effect that tank and contents are mortgaged to whichever bank has made the advance.

It is my impression that the business of lending money upon goods in storage is conducted here in just about the same manner as such business was done in the United States when I was engaged in business there; but that is nearly twenty years ago, and changes in methods have probably been made in that time.

JAMES C. CHAMBERS,

Consul.

BATUM, *July 3, 1902.*

SPAIN.

REPORT FROM VALENCIA.

Nonperishable goods in warehouse are very generally utilized in this district as security for loans. So much depends, however, upon the character and commercial antecedents of the merchants applying for such advances that cases are dealt with on their individual merits, and no special custom or uniformity of procedure obtains here. The documents giving the banker a lien on the goods are nearly always of a private character, and are not negotiable or transferable. Where confidence in the merchant is wanting, the banker safeguards himself either by removing the goods to warehouses under his own control, or, if they are left in the merchant's warehouse, by exacting from the latter a document, signed before a notary, practically ceding the legal ownership of the goods to the banker and worded in such a way as to bring the merchant within the meshes of the criminal law, subjecting him to immediate arrest should he tamper with the goods or withdraw any portion of them without the knowledge and written consent of the banker, to whom he refunds advance in proportion to the quantity of goods withdrawn.

R. M. BARTLEMAN,

VALENCIA, *June 28, 1902.**Consul.*

SWEDEN.

REPORT FROM GOTHENBURG.

I am informed that in this matter Gothenburg is far behind other cities, and is following very antiquated methods.

Most articles imported into this country are subject to duty. If the importer or owner of the goods should prefer not to pay the duty on arrival, the goods can be stored in bonded warehouses. These bonded warehouses are ordinary warehouses or cellars scattered all over the city, rented by the importers, and become bonded when the customs hold the key to the same.

If the owner of the goods thus bonded wants to make these or part thereof security for a loan, he transfers the goods, or as much thereof as is necessary, to the customs, gets a written acknowledgment thereof, and, presenting this to his banker, he gets a loan generally to the extent of two-thirds of the value of the goods, the value being fixed according to the official market price quoted on the day of the loan.

Should the value of the goods drop, the lender may be requested to pay the difference between the price fixed and the price of the day.

For obtaining a loan on goods not under the control of the customs, the banker demands, apart from the ordinary written security, to be the holder of the key to the warehouse and that the rental contract be transferred to him.

There is not, to my knowledge, any supervision of warehouses, either corporate or national, except that exercised by the banks under the conditions mentioned above.

ROBERT S. S. BERGH,
Consul.

Gothenburg, *September 17, 1902.*

REPORT FROM STOCKHOLM.

There is only one warehouse in Stockholm, viz, "Stockholm's Magasins Aktiebolag," that loans money on certain goods—coffee, sugar, flour, pork, and, as a rule, such articles as are easily marketable. It loans up to 65 per cent of the wholesale price of the goods. On other articles, such as agricultural implements, cognac, arrack, and spirits of all kinds, it loans 50 per cent of the wholesale price.

The interest charged is one-half of 1 per cent higher than the regular bank interest. This is usually 5 per cent, and any rate above that is considered usurious. In addition, one-tenth of 1 per cent is charged for each month as commission.

EDWARD L. ADAMS,
Consul-General.

Stockholm, *August 20, 1902.*

NORWAY.

The Norwegian custom-house officials do not provide such facilities for the storage of imported merchandise that the banks are willing to lend money on this merchandise as collateral. The custom-house at Christiania, and I believe the custom-houses at other large towns in the country, have made arrangements, however, by which owners and importers of certain staple merchandise, such as groceries, provisions, oils, cotton, etc., may remove the goods from the custom-house to certain private warehouses, accepted as responsible, after having produced the bills of lading. The import duty need not be paid at the custom-house before removal, the warehouse people becoming responsible for the money, which must be paid within one year, and in shorter time if the storage and insurance are likely to exceed the value of the goods.

The owner then makes application to the warehouse people for accommodation, and for this purpose uses a form in which are stated the agreements as to rate of storage, insurance, etc. When the goods have been received at the warehouse, a nontransferable warehouse certificate is issued, giving a short description of the goods, number of parcels, marks, and weight. If the owner wants to borrow money on the goods, he may do so by applying to a bank and producing the warehouse certificate. Before lending the money, the bank will cause the goods offered as collateral to be examined and their value ascertained by one or more members of the Christiania Commercial Appraising Board. The invoices are examined at the same time. Thereafter, banks are prepared to lend from 50 to 90 per cent of the value of the goods, the latter serving as collateral and the warehouse people becoming responsible to the bank for safe storage of the merchandise until the loan is paid. Portions of the goods may be withdrawn from time to time, on payment of the proportionate amounts of money to the several creditors.

CHRISTIANIA, *July 12, 1902.*

HENRY BORDEWICH,
Consul-General.

SWITZERLAND.

REPORT FROM BERNE.

In Switzerland, the negotiable warehouse receipt rests entirely upon the faith placed in the individual warehouseman, who certifies to the quantity, but not to the quality, of the goods stored with him. There is no supervision of warehouses, either cantonal or federal. It is a private business transaction, subject to the Swiss law of obligation, which is severe upon false representations.

Since the Federal Government has commenced to take over and assume control of the main railroads, the warehouse receipts are the same in their tenor as when the railroads were individual properties.

BERNE, *July 17, 1902.*

A. L. FRANKENTHAL,
Consul.

REPORT FROM GENEVA.

There exists in Geneva an association called the "Society for the Running of the Warehouses of the State of Geneva"—organized in 1888—under the control of State authorities and federal custom-house. This association puts at the disposition of Geneva tradespeople two bonded warehouses where goods can be stored on their arrival from foreign countries and left there without paying customs duties until taken out. The semiofficial character of the association

authorizes the managers to act with security in issuing "warrants," *i. e.*, loans against goods and wares deposited with them—such as wheat, wine, colonial products, etc.—of an easy sale and disposition.

All applications for warrants are submitted to a commission of three directors, who determine the conditions of the warrant in each case and have the right to refuse its issuance without declaring the reason.

Warrants are not issued for amounts under 500 francs (\$96.50) and can in no case exceed 70 per cent—this is rarely reached—of the actual market value of the stored goods.

In case of an unforeseen fall in prices of the goods, the association has the right, if the guaranty is deemed insufficient, to exact, before the date of expiration of warrant, a supplemental provision of goods or the payment of the difference. If neither of these two things be done, the association has the right to sell the goods at once.

The "receipt of warrant" may be indorsed, but, to be effective, must also be countersigned by the director. The said receipt must be accompanied by the certificate of storage for the total amount of the goods.

Warrants are issued for a period of thirty, sixty, or ninety days at the utmost, but a renewal may be granted—but not for the full sum of the original amount—and another warrant issued.

The application for renewal of warrants must reach the directors within eight days of the date of expiration, when it is examined by the special commission of three directors.

The goods stored in guaranty may be taken away in whole or in part, provided that a proportional payment be effected. An interest of 2 per cent is given to sums thus deposited ten days at least before date of expiration, if the sum is not less than 500 francs (\$96.50).

The conditions for issuing warrants are subject to the decisions of the special commission, who have samples of goods proposed as guaranty examined and their value estimated.

The discount to the warrant is generally arrived at in the following manner: Rate of bank discount plus, generally, 1 or 1½ per cent and a commission varying from one-fourth to one-eighth of 1 per cent, but nearly in all cases one-eighth of 1 per cent.

In 1901, the society issued 17 warrants for a total of 126,700 francs (\$24,453.10), leaving a profit of 930 francs (\$179.79). This year (1902) is anticipated to leave 1901 far behind.

Since 1888, the society has suffered a loss of only about 2,000 francs (\$386).

From time to time, also, all shipping agents (*expéditeurs commissionnaires*) of Geneva lend money to travelers and residents

The rules of the Lagerhäuser der Centralschweiz governing loans made by the warehouse are the following:

CONDITIONS FOR LOANS.

1. The warehouses make cash advances on current goods. Under certain circumstances, loans are also made on railway receipts.

2. As a rule, applications for loans are to be made in writing.

3. The value of the mortgaged goods is ascertained by experts at the expense of the receiver of the loan.

4. The amount of the loan is two-thirds or three-fourths of the appraised value.

5. On goods the storage of which is connected with any danger, an advance of not more than two-thirds of their value can be made, but on such goods as are liable to deteriorate or as are difficult to sell, no loans can be given.

6. Advances of less than 500 francs (\$96.50) can not be made.

7. Advances are always made for a term of three months, and the receiver has to accept a bill of exchange and to sign a mortgage deed according to our form.

8. The bill of exchange is payable at the cash office of the warehouses, and will not be circulated.

Application for prolongation has to be made five days previous to maturity, and the receiver of the loan has to cover the storage expenses due so far.

9. From the loan are deducted—

Interest and provision for three months.

Appraisers' expenses and all other expenses encumbering the goods.

10. The rate of interest is fixed according to the general position of the money market and the provision according to the amount of the loan. For large amounts, special terms are made.

11. The owner of the goods is allowed to withdraw his goods partially or wholly against proportional reimbursement of the advanced amount; all payments are credited in account current, and interest is paid thereon.

The administration of the warehouses reserves the right to cancel or alter the foregoing regulations at any time.

AARAU, *October 4, 1883.*

The form used for the purpose of making a loan I give hereunder:

MORTGAGE DEED.

WAREHOUSES OF CENTRAL SWITZERLAND.

AARAU AND OLTEN.

I (we), ———, the undersigned, hereby mortgage to the Warehouses of Central Switzerland, as security for the amounts which I (we) owe them at present or will owe them in the future, all goods which I (we) have stored in their warehouses or will store in the same.

All packing, boxes, barrels, etc., and accessories of the goods are to be included in the mortgage.

Should the debtor fail to render due payments, the creditor is allowed fourteen days, after unsuccessful warning, to sell the goods, wholly or partially, for the debtor's account.

The courts of Aarau and Olten are competent for the settlement of all disputes in regard to this mortgage or to the claims of any parties in connection with the same.

Should the warehouses be obliged to take legal proceedings, they will be entitled to collect all expenses caused by such proceedings and an extra fee of 5 per cent of the amount sued for as a compensation for their trouble.

They are also entitled to the same compensation if the settlement of their claims takes place through bankruptcy proceedings, through liquidation by the courts, or through attachment.

Date: ———, 190—.

If the depositor wishes to negotiate a loan through a third party on the goods held by the warehouse, the third party must ascertain the absolute right of disposal of the owner. In such cases, it frequently happens that the goods pledged are transferred to the name of the party making the loan, and a "bill of transfer" conveys to the mortgagee all rights of disposal.

The warehouses advance all freight and duty without a mortgage deed, if the value of the goods offers a sufficient security, and in such cases are protected from loss by the Swiss civil laws giving them the right of detention.

H. H. MORGAN,
Consul.

LUCERNE, *July 28, 1902.*

TURKEY.

REPORT FROM CONSTANTINOPLE.

Public warehouses in the sense referred to in the Department's circular do not exist in this city.

Both the Imperial Ottoman Bank and the Credit Lyonnais advance money on goods stored in their own warehouses, which are entirely under their own control, and the bulk of the business is in their hands.

The rate of interest charged for loans is from 7 to 9 per cent per annum, payable quarterly. Upon interest remaining unpaid when due, compound interest at 9 per cent accrues. There are in addition dues to cover warehousing and insurance, which have to be paid by the depositor. Up to 70 per cent of the value of the merchandise is advanced, but the value is usually calculated at a slightly lower figure than the actual market quotation. Should the value of the stored goods fall below the figure upon which the bank originally made the advance, the owner is called upon to deposit with the bank a sum of money sufficient to cover the difference between the original and depreciated value of the merchandise; otherwise the banks claim the right to sell.

Besides the two banks mentioned, there are a few private firms which advance money on much the same terms, but the amount of business done by them is very small.

WM. SMITH-LYTE,
Vice and Deputy Consul-General.

CONSTANTINOPLE, *October 16, 1902.*

UNITED KINGDOM.

REPORT FROM BRADFORD.

It is an acknowledged fact that when business men with limited capital have to carry stocks for long or short periods, without being able to obtain reasonable advances thereon, they are often unable to improve opportunities which may present themselves, whereby enterprise is crippled and legitimate trade development hindered. To overcome this difficulty, there are in existence in England certain methods, perfected by long experience, which have proved most advantageous to the commercial community. Merchants here assert that if they could not use stocks as collateral for loans, they would be so handicapped that circumstances would compel them to cut down trade, in some cases to a very large extent.

Here, as in every other country, the personal element enters largely into business transactions between commercial men and their bankers. Though a matter outside the question at issue, it must not be forgotten that absolute confidence is necessary between bankers and their business clients, if full advantage is to be taken by the latter of any goods they may have in stores or bonded warehouses. It is no unusual thing for business houses to require temporary assistance in carrying heavy stocks, and while it is the common practice for the bank to obtain as much security as possible, the knowledge of the fact that the firm in question is one of good standing, and that the heads of the house are men of integrity and sound business judgment, helps materially in inducing banking establishments to render this aid.

The very extensive foreign trade which Great Britain has built up, both in imports and exports, has made it absolutely imperative that the Government should grant all reasonable facilities for giving security both to business houses and to bankers in the conduct of this huge business.

METHOD OF DOING BUSINESS.

Especially in the import trade is this question of assistance of importance. A vessel arrives having on board, say, 1,000 bales of wool for a Bradford house. This represents a fairly large sum of money, and if the importer has no immediate use for it, he allows the wool to remain at the port of arrival—London, Liverpool, or Hull, as the case may be. This wool is taken and stored in large warehouses owned by the corporation, the steamship company, railroad company, or the Government. In the case of imported wool,

it is the practice for the Bradford merchant to have samples taken from the bulk sent to him, from which he is enabled to sell the wool thus stored, and as the lot is sold the bales are forwarded, so many of this quality and mark, so many of the other, just as the consumer sees fit to take; and it is no uncommon thing for Bradford bankers to render valuable assistance in this connection to their clients. A Bradford house has a representative in Australia buying wool, a Bradford bank agreeing to be responsible to a bank in Australia for, say, \$1,000,000, the bills of lading, insurance policy, and invoice coming through them. A copy only of the invoice is sent direct from Australia to the Bradford firm, which, on the wool arriving in this country, takes it out of the banker's hands, handing over drafts payable at thirty or sixty days, as agreed upon. The wool is stored in warehouses at the railroad stations, or more frequently at the docks at the port of arrival, over which the banker has complete control, this wool being forwarded to the client only when the banker is assured of the stability of the firm.

DOCK WARRANTS.

The safest and most extensive method of doing business, whereby large values in goods stored can be used as collateral for loans, is by what is known as "dock warrants."

Goods of a valuable nature are largely imported into this country. These may be stored in customs warehouses under the direct supervision of civil-service officers attached to the customs. When the goods are taken into the warehouses, every particular is entered respecting them and receipts under the signature of these officials are given, which are styled "dock warrants." These warrants are negotiable by importers or by their holders in the same way as bills of exchange or checks. The property detailed on the warrants remains in the hands of the holder of the same, and will be given up by the customs officials only on the production of the warrant and payment of the duty prescribed, if any, to the Government.

As already pointed out, the property passes with the warrant when properly signed, and therefore these warrants are used as collateral security with bankers. The banker can, without further authority, exercise the right to dispose of the goods by means of this warrant, but it is seldom done unless the owner falls into trouble or some other unforeseen circumstance arises which compels their sale by the banker. Of course, no banking establishment will advance money on goods to their full value, reserving a safe balance in order to protect itself. Seeing that this is the crux of the whole question, I have obtained an expert opinion on this one branch of the business, supported, sanctioned, and adopted by the British Government, and

in which the bankers have implicit faith as a safe method by which the large values in the goods stored can be used as collateral for loans. The gentleman I consulted says:

When the goods are warehoused, the dock company gives a receipt for them to the owner, or, if desired, it will give him a dock warrant. This is a certificate containing the same particulars as the landing account, but it is headed "warrant," and states that the goods are deliverable to the owner or his assigns by indorsement thereon. A dock warrant is a negotiable instrument in the same sense as a bill of lading, inasmuch as the goods it represents are transferred with the document, when it is properly indorsed. The holder of a dock warrant may, therefore, deposit it against a loan, or he may sell it, and thus sell the goods which it represents. When once a warrant is issued, the dock company will only deliver the goods in exchange for the warrant.

From the above, the simplicity and yet the extreme usefulness of such a measure will be seen. If the owner of goods does not need to remove all the packages covered by the dock warrant, he can obtain one or more, as desired; in fact, every facility is afforded both by bankers and customs officials in respect to their storage and sale. The whole routine of warehousing goods which can be used as collateral, though simple, is effective, and merchant houses are thereby enabled to do an extensive trade which they would not be able to transact if these facilities were not given to them. There are in connection with these warehouses properly qualified officials, over whom strict supervision is exercised, as over everything in the shape of entries for warehousing, landing accounts, dock warrants, brokers' sales accounts, merchants' account sales for goods "on consignment," including delivery orders, etc. Everything is done to facilitate expedition along with security, and, while English bankers are careful in their dealings, yet when business firms are sound, banking establishments are never adverse to giving them reasonable assistance.

The same principle applies when advances on stocks are required in inland cities. The goods are warehoused or deposited at the railroad stations, and the firm to which the advance is made transfers the ownership to the bank which is making the accommodation, and it is only on the order of the bank that the goods can be released.

ERASTUS S. DAY,
Consul.

BRADFORD, *July 23, 1902.*

REPORT FROM HULL.

The feasibility of making merchandise stored in warehouses available as collateral for loans has long been recognized in Great Britain. It is a practice that prevails in every large city where the warehouse system has become operative, and is not only a very

simple, but a very popular method of raising money in certain contingencies.

When merchandise has been deposited in a warehouse, the latter issues a receipt in the form of a warrant, and this warrant becomes negotiable at the bank. The banks, it must be understood, do not accept them in every instance. The warehouse people who issue them must be in good standing and thoroughly responsible in a financial sense.

In the negotiations, the banks invariably insist on a good margin, so far as the value of the merchandise is concerned, as a precaution against loss, either through fluctuations in market values or depreciation by forced sale or otherwise. The average rate of interest in all these cases is 5 per cent per annum. When the conditions of the loan have been complied with, the bank, as holder of the warrant, becomes the *de facto* owner of the merchandise described therein, and so notifies the warehouse proprietors. Neither the terms nor conditions of the loan are made known outside the bank. In case of default on the part of the borrower, the merchandise is delivered to the bank and put up at auction in the ordinary way. In this connection, the following details relating to the rates and charges agreed upon by the warehouse keepers here may be of interest to similar associations in the United States:

WAREHOUSE CHARGES IN HULL.

The standard weight of grain and seed per quarter upon which charges are levied are:

	Pounds.
Wheat, wheat screenings, maize, rye, pease, beans, dari, and tares.....	480
Barley and buckwheat.....	448
Millet seed, linseed, rape seed, niger seed, cockle seed, and cockle-seed screenings.....	424
Oats	336

A last of grain or seed consists of 10 quarters.

The charges on cotton seed are quoted per ton of 20 cwt.—that is to say, 2,240 pounds English standard.

CLASSIFICATION OF WAREHOUSES.

The several warehouses are divided into three groups: Those of the Northeastern Railway Company and the Hull, Barnsley, and West Riding Junction Railway and Dock Company being group No. 1; those of the harbor-side warehouses below North Bridge being grouped No. 2; and those above that bridge, No. 3.

Grain and seed ex ship.—Groups Nos. 1, 2, and 3: Landing, including lighterage or truckage ex ship, wharfage, housing, weighing twice, and delivering from warehouse—including bagging, tying, and twine when required—consolidated rate, 5s. 5d. (\$1.30) per last.

Allowances: To merchants who weigh and deliver grain or seed in bulk overside at their own cost, 10d. (20 cents) per last, and deliver overside without weighing, 5d. (10 cents) per last; to merchants who deliver grain or seed in original bags

(except Indian) overside into craft at their own cost, 4d. (8 cents) per last, and similarly weigh and deliver overside, 7d. (14 cents) per last; to merchants who weigh and deliver Indian grain or seed overside into craft at their own cost, 11d. (22 cents) per last; to merchants who employ sworn weighers to weigh, when the associated warehouse keepers are working grain or seed overside, an allowance of $1\frac{1}{2}$ d. (3 cents) per last.

Rent per week: Group No. 1, $2\frac{1}{2}$ d. (5 cents) per last; group No. 2, 5 per cent less than No. 1; group No. 3, $12\frac{1}{2}$ per cent less than No. 1.

Grain and seed ex lighter.—Groups Nos. 1, 2, and 3—landing, wharfage, housing, weighing, and delivering, including bagging, tying, and twine when required—consolidated rate, 3s. 9d. (90 cents) per last.

Rent per week: Group No. 1, $2\frac{1}{2}$ d. (5 cents) per last; group No. 2, 5 per cent less than No. 1; group No. 3, $12\frac{1}{2}$ per cent less than No. 1.

Grain and seed.—Grain and seed, in parcels of not less than 250 quarters, for immediate delivery on the following conditions: Groups Nos. 1, 2, and 3—delivering ex ship to quay, shed, warehouse, or lighter, weighing twice and delivering, including bagging, tying, and twine, and for steamers ten running days, and for sailing vessels six running days, free of rent after completion of continuous discharge of the parcel or cargo, as the case may be—4s. 2d. (\$1) per last. This rate applies whether the whole or part of the services are performed by the warehouse keepers, and merchants must give written instructions before or at the commencement of the discharge from ship. At the expiration of the foregoing periods, any grain or seed remaining in warehouse will be subject to a charge of 6s. 5d. (\$1.56) per last, instead of 4s. 2d. (\$1), and rent will be charged as if originally stored under the No. 1 rate. Orders for delivery will only be executed in regular turn with customary dispatch; any extra expense incurred to enable delivery to be given within the time allowed to be paid by the merchant. If the discharge of the cargo be suspended for more than forty-eight hours for want of ballast or placing the ship in dry dock, the grain or seed then delivered shall be considered as the whole of the parcel and the delivery completed, a fresh order being required for dealing with the residue.

Cotton seed ex ship.—Group No. 1—landing ex ship, including lighterage, wharfage, housing, twice weighing, and delivering, including bagging, tying, and twine, if required—Egyptian cotton seed, 3s. 9d. (90 cents) per ton; all other kinds of cotton seed, 4s. 2d. (\$1) per ton; rent per week, $1\frac{1}{2}$ d. (3 cents) per ton. Groups Nos. 2 and 3—working overside, lighterage ex ship, housing, twice weighing, and delivering, including bagging, tying, and twine, if required—Egyptian cotton seed, 3s. 11d. (95 cents) per ton; all other kinds of cotton seed, 4s. 4d. (\$1.04) per ton. Rent per week: Group No. 2, 10 per cent less than No. 1; group No. 3, 15 per cent less than No. 1.

Allowances: To merchants who weigh and deliver cotton seed into craft overside at their own cost, 2d. (4 cents) per ton; to merchants who employ sworn weighers to weigh when the associated warehouse keepers are working overside, 1d. (2 cents) per ton.

Cotton seed ex lighter.—Group No. 1—landing, wharfage, housing, once weighing, and delivering, including bagging, tying, and twine if required—Egyptian cotton seed, 3s. 4d. (81 cents) per ton; all other kinds of cotton seed, 3s. 10d. (93 cents) per ton; rent per week, $1\frac{1}{2}$ d. (3 cents) per ton.

Groups Nos. 2 and 3—landing, housing, once weighing, and delivering, including bagging, tying, and twine if required—Egyptian cotton seed, 2s. 9d. (66 cents) per ton; all other kinds of cotton seed, 3s. 4d. (81 cents) per ton. Rent per week: Group No. 2, 10 per cent less than No. 1; group No. 3, 15 per cent less than No. 1; charges for additional services.

Making up grain or seed bags.—Cental bags, 4s. 2d. (\$1) per 1,000; larger bags, 6s. (\$1.46) per 1,000.

Empty bags in bundles.—Weighing and delivering ex ship, 2s. 6d. (60 cents) per ton; wharfage, landing, housing, weighing, and delivering, 1s. (24 cents) per ton. Rent: Empty bags remaining in charge of warehouse keepers longer than six days after discharge of parcel or ship, 6d. (12 cents) per ton per week; bags emptied in warehouse and remaining there, 6d. (12 cents) per ton per week, from the Monday following the date of emptying.

Turning to air.—Grain and seed, 4d. (8 cents) per last; Egyptian cotton seed, 2½d. (5 cents) per ton; all other kinds of cotton seed, 4d. (8 cents) per ton.

Weighing over in warehouse.—Grain and seed, 2s. 6d. (60 cents) per last; Egyptian cotton seed, 1s. 6d. (36 cents) per ton; all other kinds of cotton seed, 1s. 10d. (44 cents) per ton.

Extra weighing.—At the time of housing or delivering, when not otherwise provided for in the rates: Grain and seed, 5d. (10 cents) per last; cotton seed, 3d. (6 cents) per ton.

Ripping original bags.—Shooting into sacks in warehouse, bagging, tying, and twine, 10d. (20 cents) per last.

Screening, etc.—By boby or other pattern machines, 7d. (14 cents) per quarter; by common screen, 3d. (6 cents) per quarter; by hand-blowing machine, 3½d. (7 cents) per quarter.

Labor.—For operations not previously named, 7s. (\$1.70) per man per day.

Sampling.—Sampling, sealing samples, taking average of grain or seed, other than Indian, not more than 2 per cent of the parcel, 6s. (\$1.46) per 1,000 quarters; where taking average is not performed, 3s. 6d. (85 cents) per 1,000 quarters; taking average of bulk cargoes, 3s. (73 cents) per 1,000 quarters; sampling and sealing samples of grain and seed from Kurrachee, when performed on behalf of the shipper, in addition to sampling, sealing, and taring on behalf of the consignee, 3s. (73 cents) per 100 tons; sampling, sealing samples, and taring Indian grain and seed, not more than 2 per cent of the parcel, 6s. (\$1.46) per 100 tons.

Registration of transfers.—The charge for registering transfers of grain and seed will be one week's rent on each lot transferred, with a maximum charge of 2s. 6d. (60 cents) per lot, payable by the party issuing the order.

Charges for working overside ship to craft.—Grain and seed, except Indian, weighing and delivering in bulk or original bags, 1s. 2d. (28 cents) per last; weighing and delivering, including bagging, tying, and twine, 1s. 8d. (40 cents) per last; Indian, 34 and 36 cents per last.

Regulations.—The ex ship rates will not apply to grain, seed, or cotton seed in lighters at the time that housing instructions are received by the warehouse keepers.

All charges on grain, seed, or cotton seed housed shall be paid or payment guaranteed by the parties in whose names they are housed, unless transferred in the warehouse keeper's books, and in no case will transfer of a portion of a bulk be made unless the grain, seed, or cotton seed be actually weighed over.

Rent will be charged in the case of parcels of grain, seed, or cotton seed ex steamer as well as ex sailing vessels from the date on which the first portion of such parcel is deposited in the warehouses, or is delivered to craft for warehouse, and in case of arrival of entire cargoes or parts of entire cargoes from a date halfway between that on which the landing of the cargo or delivery to craft for warehouse was commenced, and that on which it was completed, and all fractions of a week (after the first week) exceeding three days shall be charged as one week; but all grain, seed, or cotton seed warehoused shall be charged one week's rent at the least.

When grain, seed, or cotton seed has been turned overside into lighters belonging to or hired by the warehouse keepers, under the ex ship rate, and remains there

for merchant's convenience more than three days from the commencement of the discharge into lighter or lighters, the ex lighter rate will be charged, plus lighterage of not less than 1s. 4d. (32 cents) per last. If the lighters do not belong to the warehouse keeper, the lighterage charge must be paid direct by the merchant.

Unless grain, seed, or cotton seed has been weighed by the warehouse keeper's own servants, immediately before, or when being housed, the warehouse keepers will not be liable for any difference in weight, neither will the warehouse keepers be liable for any loss or damage which may arise through riots, strikes, or combinations of workmen, fires, storms, frosts, exceptional tides, weevils or other vermin, from shrinkage from natural causes, or from other unforeseen contingencies, in respect of any grain, seed, or cotton seed worked, warehoused, or delivered by them.

The rates quoted in the foregoing for grain and seed do not include insurance or other owner's risks, either in craft or elsewhere.

WM. P. SMYTH,

Consul.

HULL, *July 17, 1902.*

REPORT FROM LIVERPOOL.

In Liverpool, there is no supervision of warehouses, either local or national, on which bankers and trust companies can depend for the existence of the collateral or its value. The method adopted by the warehouse companies, whether private or trust companies, and those interested, is as follows:

As soon as goods are received in warehouse, the owner receives from the warehouse company a notice to the effect that they hold at the disposal of the owner, in their warehouse, certain goods, describing the number of packages and contents, which notice is not transferable. In the event of the owner wishing to use such stored goods as collateral for loans, he applies to the bank, producing the notice referred to, and when the loan is negotiated the owner notifies the warehouse company that the goods referred to, or part thereof, as the case may be, have been transferred by him to the bank, whereupon the first notice is canceled. The bank then makes application to the warehouse company and receives a notice similar to the one issued in the first instance, to the effect that they hold at the disposal of the bank, in their warehouse, the goods described therein. Loans are never made by the banks until the notice is received from the warehouse company that the goods are in their warehouse to the order of the bank. When the original owner wants delivery of a portion of the goods, he makes his financial arrangements with bankers and obtains their order on the warehouse company for the required quantity. In the event of such stored goods being delivered to other persons than those holding them as collateral for loans, the warehouse company is held responsible, unless they get the written order of the holders. Sometimes owners of goods, when putting them in warehouse, require, instead of the nontransferable

notice, a delivery warrant, which is transferable by indorsement. The reason this warrant is not generally used is on account of the necessity of its production every time a portion of the goods covered by it is taken out of warehouse, for the quantity withdrawn to be indorsed thereon.

Inspectors may at any time visit the warehouses in the interest of the banks or trust companies, for the purpose of seeing the goods held as collateral, or the banker may require from time to time to be furnished by the warehouse company with particulars as to the quantities of such goods in warehouse and the quantity delivered.

JAMES BOYLE,

LIVERPOOL, *July 10, 1902.*

Consul.

REPORT FROM MANCHESTER.

I am informed by the leading banks here that the practice in question is not largely in vogue in Manchester—certainly not as much as in Liverpool, where warehouse warrants and dock warrants are more numerous and are regularly deposited with the banks as security.

Dock and warehouse warrants issued by the large public storing companies and firms are considered fair security with a margin to cover charges of storage and possible depreciation in value. Such warrants specify that the goods are transferable by special indorsement and entitle the last indorser to the goods specified.

Delivery orders, warehouse certificates, and documents of a similar character do not give a good title until the goods are registered in the name of the claimant or until possession of them is obtained. Such delivery orders are not considered a desirable security.

Shippers sometimes obtain temporary advances against cloth in the hands of the printers or of the packers; a letter of lien is given to the bank, notice of which is given by the bank to the party holding the goods, and an acknowledgment is obtained from the said party.

The printers or packers have a prior lien on all goods in their hands in claims against the owner of the goods. The latter, however, is not considered a satisfactory form of security upon which to make advances, though it is sometimes accepted.

THE MANCHESTER SHIP CANAL COMPANY.

I have obtained through the general superintendent of the above-mentioned company the following report, explaining the system in operation at the Manchester docks.

The powers for the issue of certificates and warrants are under the Manchester ship canal act of 1885, section 194, which I give below in extenso:

194. With respect to the giving of certificates and warrants by the company for the delivery of goods, the following provisions shall have effect—that is to say:

1. The company, from time to time, at the request of any person warehousing or depositing any goods in any warehouse or upon or in any of the quays or sheds of the company specially appropriated for the purpose, or entitled to any goods so warehoused or deposited, may, if the company think fit, issue and deliver to him a certificate in a form approved by the company of the goods so warehoused or deposited, or a warrant in a form approved by the company, for the delivery of the goods so warehoused or deposited, or any part thereof, to be respectively specified in the warrant.

2. No such warrant for delivery shall be given unless and until all liens and claims for freight and all other liens or claims whatsoever to which the goods were liable while on board any vessel and, before the warehousing or depositing of the same, and of which the company have notice in writing, and all rates, rents, charges, and expenses payable to the company with respect to the warehousing or depositing of the goods, or for services performed by the company in respect thereof, are paid or discharged.

3. Before a warrant for the delivery of all or any of the goods specified in any certificate is issued by the company, the certificate shall be delivered to them to be canceled; provided, that if the warrant be for the delivery of part only of the goods, the company shall issue to the person so delivering up the certificate a new certificate with respect to the goods not specified in the warrant.

4. Every such certificate or warrant for delivery shall be deemed to be a document of title to the goods specified therein, and shall be transferable by indorsement, and any holder of such certificate or warrant, whether the person named therein or the indorsee thereof, shall have the same right to the possession and property of such goods as if they were deposited in his own warehouse.

5. Every such certificate or warrant shall state on the face thereof the effect of the last preceding subsection, and that the certificate or warrant is issued under the powers of this act.

6. The company may charge for each certificate or warrant any sum not exceeding 2s. (49 cents).

Our actual practice in manipulating warrants is as follows:

First, a person having goods stored in the company's storage warehouses or grain elevator may request us to issue dock warrants. The warehouseman in charge of the particular warehouse where the goods are stored then inspects the goods, and, if found correct, issues a declaration enumerating the goods and stating—

“The within named goods are now stored in ——— and are in ——— condition.”

This declaration is based upon the assumption that the contents of packages are as described by the owner, as packages are not opened to verify such description.

Upon receipt of this declaration, a warrant or warrants (according to the requirements of the owner) are issued by us to the holder of the goods, who then negotiates an advance upon them through one or other of the banking houses, and before any deliveries of goods named on issued warrants are made by us we require the warrants to be indorsed by the banking firm interested, and also require the latter to send us the warrants along with their instructions to us to release the goods or any portion of them, which release we keep and return to the banking firm the original warrants, after entering on the back of same particulars of the goods so released, and so on until the whole of the goods on the warrants are exhausted, when we

retain the warrants (which accompany the release of the balance of the goods) and write across the same the word "canceled," and file the documents for future reference, should the same be required, which is of very rare occurrence.

We make a charge against the person who requests us to issue the warrants of 12 cents for each warrant, which charge also covers the stamping duty of 6 cents per warrant.

Before a warrant becomes negotiable through a bank, it requires to be duly signed by either of four officials employed by us, the acceptance of whose signatures has been authorized by the company's board of directors.

We are occasionally asked by importers or merchants who have goods stored in our warehouses to their order to hold the same to the order of some bank, and in such cases we advise the bank on one of our ordinary warehousing advice forms that such goods are held to their order.

In respect of such goods, we honor delivery orders issued by the bank without requiring the return of our advice for indorsement of the goods delivered, we ourselves taking care that no delivery orders are honored by us for quantities in excess of those mentioned in our advices to the bank.

Our general system is, however, to issue warrants as before stated.

These warehousing advices do not require to be stamped by us, but transfer and delivery orders, when of the value of \$9.73 or over, require each to have a 1-penny stamp affixed by the persons issuing them to us.

WILLIAM F. GRINNELL,

MANCHESTER, *July 12, 1902.*

Consul.

REPORT FROM NEWCASTLE-ON-TYNE.

The railway companies in this country are usually the public wharfingers and warehousemen. They issue receipts or warrants for goods in their possession, and these pass from hand to hand by indorsement and are everywhere negotiable.

These warrants bear a 3d. (6-cent) revenue stamp, are contained in duplicate in a book numbered consecutively, and are jealously guarded. One copy remains in the book and the other is handed to the depositor of the goods. They are signed by the various officials concerned, including the weighman, inspector, etc. Great care is exercised in preparing the warrants to see that the weight and brand are correctly entered, so that there can be no mistake on delivery, and it is only on presentation of the warrant that the goods are given up.

They are available for any goods which may be deposited with the railway company for storage and safe-keeping. The security is absolute, and advances are made upon them without question (the credit and good standing of the borrower being, of course, taken into consideration).

In this consular district the Connals are the warehousemen more immediately concerned with iron. The iron is brought to their yard in

Middlesborough, weighed and examined, and a receipt is given—the so-called “warrant.”

I am not aware of any State or other official supervision, but the warehousemen are fully liable under the law, and firms like Connal's and the different railway companies are, of course, perfectly sound. There is, therefore, never any question as to the validity of their warrants, and all the banks take them readily as collateral security for loans.

HORACE W. METCALF,

NEWCASTLE-ON-TYNE, *August 23, 1902.*

Consul.

REPORT FROM PLYMOUTH.

The large shipping interests of the British Isles long ago made it imperative that sound and reliable methods be established, by which goods stored in warehouses, on docks, and even in the holds of vessels in passage, could be used as collateral for loans. These methods have been extended and perfected by usage and experience, and the custom of converting merchandise of this class into safe and valuable assets for banking and other purposes is carefully guarded by several public and private acts of Parliament.

“With respect to giving credit on such securities,” remarks a writer on this subject, “it is obviously impossible for one to be of any assistance in suggesting to mercantile men whom to trust and with whom to deal. The utmost he can do is to point out what form of security is recognized by the law as valid, so that if the person to whom credit is given or advances are made proves to be less honest or less solvent than was expected, the lender shall be protected to the extent of the value of the security.”

BRITISH LAWS.

I would also refer the reader to the factor's act, sale of goods act, bankruptcy act, and to the several other public and private acts of Parliament bearing on this subject; also to the lectures delivered by A. R. Butterworth, esq., barrister at law, before the Institute of Bankers, London.

In the city of Plymouth, the banks confine their loans or advances on such securities almost exclusively to dock warrants and bills of lading. The following is a brief summary of the law on dock warrants and bills of lading:

When goods are warehoused at the docks upon their importation, they are entered in the warehouse books in the name of the importer. To him is then given a certificate, called a dock warrant, which contains the same particulars of the goods as the landing account and states that they are deliverable to the owner or his assigns by indorsement thereon. By modern mercantile practice, judicial recognition, and ultimately by the factor's act, 1889, a dock warrant has become what is

known in law as a document of title. By this expression is meant a document used in the ordinary course of business as proof of the possession or control of goods, or authorizing, or purporting to authorize, either by indorsement or delivery, the possessor of the document to transfer or receive goods thereby represented. A dock warrant is liable to a stamp duty of 3d. (6 cents). An indorsement of a dock warrant operates to transfer to the indorsee the actual property in, and possession of, the goods it represents. The indorsee, or the original owner if it has not been transferred, is entitled to present the dock warrant at the warehouse and demand delivery of the goods; but it is a usual practice for its holder to leave the warrant at the warehouse and to take possession of the goods as he may require them, by means of a delivery order.

The holder of the dock warrant, being thus entitled to at once present it at the warehouse and obtain delivery of the goods he has bought, is in this respect in a somewhat different position from the holder of a bill of lading, who, on account of the goods being in course of transit, is unable to at once obtain possession of them. For this reason, the law distinguishes somewhat between the two documents. The holder of the dock warrant who has obtained it, as a buyer of the goods it represents, direct from the person to whom the warrant was issued, and who would be in this case the seller of the goods it represents, is not really the holder of a document of title as would be a similar holder of a bill of lading. He is merely the holder of an offer or authority to receive the goods, and the person to whom the warrant was issued, and who is the seller to him of the goods it represents, is entitled to stop the delivery of the goods to the buyer in case any part of the purchase is remaining unpaid. But in a case where the dock warrant has been regularly transferred by that buyer to a third person, who has taken it in good faith and for a valuable consideration, the seller loses the before-mentioned right of stoppage. And so, also, in cases where the third person has in his turn indorsed it to further holders for value.

And particularly is it so in cases where the original owner of the dock warrant has given it into the possession of a factor, middleman, or other similar class of third party, and when the latter has transferred or pledged it. The general position in such a case as the last is that if a mercantile agent is, with the consent of the owner, in possession of documents of title to goods, any sale or pledge of the goods made by him is valid, unless the person taking under the sale or pledge had notice that it was unauthorized; in the absence of evidence to the contrary, the consent is to be presumed. If a dock warrant is stolen, not even a bona fide holder for value, who has taken from the thief, acquires a good title to the goods; he is, however, protected from stoppage in transitu in respect of the vendor's lien. Together with the warrant, the warehouse authorities may deliver to the importer a weight note. Where this is done, the goods will not be delivered up as against the warrant without its corresponding weight note.

JOS. G. STEPHENS,

PLYMOUTH, August 17, 1902.

Consul.

REPORT FROM TUNSTALL.

Very little of this business is carried on in this consular district. I have, however, been able to obtain the following information from a high authority on the matter:

Banks here advance largely on goods stored to their order, or they hold the warrants for the goods. The principal business in this line is, of course, in cotton. The warehouses take no liability for the value of the goods, but simply hold them

for safe custody as a bank does deed boxes, without any guaranty as to their contents. The chief security we have is our own customer, whose representatives see and mark each bale of cotton as it is unshipped. It then goes either straight to the warehouse to our order or direct to the spinners. If to the former, the warehousemen send us advice that they have received so many bales of cotton marked ———, and that advice should tally with the customer's instructions; if so, we assume the matter to be right. The warehousemen accept no responsibility beyond what is actually stated on their advice, viz, 10 bales cotton marked ———; 20 bales wool marked ———; 300 pieces spruce timber marked ———.

They do not insure against fire nor take any risks against flood, tempest, or the act of God, but to a large extent the conditions stated on warrants and advices are governed by custom. Bankers have no actual proof that the goods are "in being" unless they go and inspect, and are entirely dependent on the warehouseman and their customer. These two would have to be in collusion to cheat. A practice is not made of inspecting the goods. Railway companies and warehousemen report periodically what stands in bankers' books against them and ask for confirmation, which constitutes a "chase in action" against them in case the goods prove to be non est.

WM. HARRISON BRADLEY,

TUNSTALL, *July 9, 1902.*

Consul.

SCOTLAND.

REPORT FROM EDINBURGH.

In Scotland, there are many public warehouses in which large quantities of goods are stored or deposited. These warehouses are of two classes, viz, customs or bonded warehouses, in which are stored goods which are liable to customs duty, and ordinary warehouses, which are available for all classes of nondutiable goods or goods upon which duty has been paid. As in the case of ordinary warehouses, the bonded warehouses are under the control of the warehousemen and the Government is not responsible for goods stored in any of them. Loans are frequently made by bankers and others upon the security of goods stored in public warehouses. The banker or other party lending has always perfect confidence in the warehouseman or custodian of the goods. Such loans in Scotland are regulated by the law of pledge. In minor details, the practice may vary slightly, but the legal requirements upon which the method of creating securities over goods in warehouses is based are well established. They are these:

LEGAL REQUIREMENTS.

There must be three independent persons, viz, (1) the borrower—the owner of the goods—(2) the lender, and (3) the warehouseman. The goods are stored in the warehouse in the name of the lender,

or, if such goods are already in an independent warehouse, a delivery order is by the borrower granted to the warehouseman, requiring him to hold the goods to the order of the lender; that order is then intimated to the warehouseman. Thereafter, a warehouseman's certificate is issued to the lender, stating that the goods so stored are held to his order. The lender is named in the certificate without any reference to his position as creditor.

The following examples will sufficiently indicate the general nature of the warehouse certificate, or warrant, and the delivery order referred to in the preceding paragraph:

EXAMPLE OF WAREHOUSE CERTIFICATE, OR WARRANT.

Warrant for ten (10) tons of butter transferred in our books and held to the order of A. B. Rent begins 4th March, 1902.

THE CLYDE BONDING COMPANY.

GLASGOW, *4th March, 1902.*

G. H., *Manager.*

EXAMPLE OF DELIVERY ORDER.

To the CLYDE BONDING COMPANY,

Glasgow.

Deliver to C. D., manager of the Western Bank, ten (10) tons of butter marked as undernoted, held by you for me, charging me for rent from date of storage.

GLASGOW, *4th April, 1902.*

A. B.

Then follows the marks on the packages of butter.

If the custodian of the goods is identified with the owner thereof, or if the goods are stored in the borrower's own warehouse, there ceases to be a third independent person, and hence, on the bankruptcy of the borrower, such goods would in general pass to his creditors to the exclusion of the lender.

The goods when stored are insured either (1) in name of the lender, or, (2) if the policy has already been issued in the name of the borrower, that policy is indorsed to the lender. Frequently, the storekeeper has a floating policy covering all goods in his warehouse, and, of course, in such a case there is no need for the creditor to specially insure.

The usual right of the lender is to retain the goods until the debt is paid. He is obliged to preserve them with due care and to restore them to the owner on payment of his debt. The property in the goods, and therefore the risk, remains with the owner. In the absence of a special contract, the lender has no power to sell the goods upon the expiration of the time fixed for repayment of the loan, without first making application to the sheriff of the county and from him receiving a warrant to sell.

These rules are, of course, subject to alteration by express contract of the parties, by which the rights of a lender may be enlarged or modified.

At the time a loan is made, an absolute power of sale—which may be put into effect immediately upon the expiration of the time limit fixed for the repayment of the loan, without any authority being obtained from the sheriff—may be given to a lender, by a special contract; but such a contract is unusual. In all cases, the right of the lender to the proceeds of a sale of goods held in security of a loan is limited to the amount due to him—principal sum, interest thereon, and expenses incurred—and he is bound to account to the borrower for any surplus.

TRANSFERS OF WARRANTS.

Warehouse warrants, or certificates, and delivery orders are not negotiable documents according to the law of Scotland (that is to say, they can not pass from one person to another, *e. g.*, like a bill of exchange). Notice of all transfers of warehouse warrants and delivery orders must be given to the warehouse keeper, who usually issues a fresh warrant, or certificate, in the name of the transferee. Notice to the warehouse keeper is indispensable, as the goods would otherwise remain open to the diligence of the creditors of the borrower. The principle upon which the right of the security holder is held to be complete, on notice being given, is that from that time the warehouseman is held as his agent, instead of as the agent of the grantor of the security, and the goods are therefore transferred by constructive delivery.

The present system has been found to work well in Scotland, as public warehouse keepers are, as a general rule, sound and trustworthy. There have, however, been instances in recent years where goods have been fraudulently sold or pledged in security to two or more different parties at the same time, but such occurrences are rare.

Certain warehouse keepers, who are also auctioneers, occasionally themselves lend money on goods stored with them—chiefly furniture. Such loans, are, as a rule, comparatively small.

FREDERICK PIATT,

EDINBURGH, *July 24, 1902.*

Vice and Deputy Consul.

REPORT FROM DUNDEE.

From inquiries made at the leading banks in the city, I learn that the general practice, where a customer desires an accommodation from the bank on the security of stored goods, is to have the warehouse keeper's warrant made out in the bank's own name. The goods are thus under the control of the bank and can be transferred

only upon the bank's delivery order. Advances to within from 25 to 10 per cent of full value are made, according to the nature of the goods; but such advances are made only when the warehouseman is known to the bank. In Dundee, there are not many public warehouse companies, and these are known to the banks to be sound concerns, whose warrants are absolutely reliable. They will not accept the warrants of warehousemen who are unknown to them, and in such cases there is no method in existence whereby these warrants can be made acceptable to the bank. There is no supervising body, either State, municipal, or corporate, by whose imprimatur warehouse warrants could be authenticated in such a way as to make them safe assets for banking purposes.

JOHN C. HIGGINS,

DUNDEE, *September 12, 1902.*

Consul.

REPORT FROM GLASGOW.

There is in Glasgow, as in all large commercial cities in this country, an extensive system for the storage of goods. The storekeepers are, as a rule, of good financial standing and business integrity. Many of them are corporate companies having considerable capital and extensive premises. There is no municipal or State supervision, except in the case of premises adapted for the storage of dutiable goods, which are supervised by a Government officer in the interests of the public revenue.

Advances are freely given by bankers and others on the security of goods in store. When an advance is required by the owner of goods in a public store, he grants what is called a delivery order, addressed to the storekeeper in favor of the person granting the advance. The usual terms of the delivery order are simple enough. It is: "Deliver to A B or his order [so many goods, identified by marks and numbers], lying at present in your store." It is signed by the owner, and is in favor of the party therein named who may be granting the advance. That order is not of the least use to the grantee until he has gone with it to the storekeeper and has got the storekeeper to transfer the goods to the grantee's name in the store books. To obtain an effectual security under the delivery order, the essential matter is to intimate the order to the storekeeper, and, to prevent any questions, to get his consent to hold the goods thereafter for the person in whose favor the order was granted.

The usual form in which this consent is given is by a letter from the storekeeper to the grantee, whereby in respect of such and such a delivery order he acknowledges that he holds the goods on behalf

of the grantee. That is the form of completing the transaction in order to make the security effectual.

SCOTCH LAW.

The necessity for intimation arises out of the doctrine of the common law of Scotland, which, differing from that of England, made delivery necessary to the completion of every contract involving a change in the ownership of movable goods. This has been altered in sale by the sale of goods act of 1893, which assimilates the law of Scotland to that of England in regard to the contract of sale. So far as the contract of pledge—by which goods are transferred in security of an advance—is concerned, the law still is that delivery, actual or constructive, is necessary to the completion of the security. In the case of goods in store, intimation to the store-keeper is held to be constructive delivery.

The importance of this doctrine has quite recently been illustrated in a case which was heard before seven judges of the supreme court of Scotland and afterward on appeal to the House of Lords (*Inglis vs. Robertson & Baxter*, July 11, 1898). The rubric of the case bears:

Goldsmith, a domiciled Englishman resident in London—the owner of certain whisky lying in a bonded warehouse in Glasgow, and holding a warrant granted by the warehouse keepers bearing that they held the whisky to order of Goldsmith, “or assigns by indorsement hereon”—by contract executed in London, borrowed £3,000 from Inglis, also a domiciled Englishman, on the security of the whisky, and indorsed and delivered the warrant to Inglis. The assignation to Inglis was not intimated to the warehouse keepers. Thereafter, Robertson & Baxter, creditors of Goldsmith, arrested the whisky in the hands of the warehouse keepers.

In a competition between Robertson & Baxter and Inglis, who maintained that under the law of England, by the indorsement and delivery of the warrant, he had acquired a right to the whisky which was preferable to that of any creditor of Goldsmith doing diligence subsequently, held (affirming judgment of the court of session, whole court) (1) that the competition fell to be determined by the law of Scotland, and (2) that as the assignation had not been intimated to the warehouse keepers, the real right remained in Goldsmith, subject to the diligence of his creditors.

DELIVERY ORDERS.

The delivery order, though capable of indorsement, is not a negotiable instrument according to the law of Scotland, and this often leads to important results. The bona fide holder for value of a negotiable instrument is entitled absolutely to implement of its exact terms, according to its precise tenor. A delivery order is different. An indorsee of a delivery order is not in the position of a holder of a negotiable instrument, like a bill. In the case of a delivery

order, an indorsee is subject to all the exceptions arising out of the real contract between the original grantor and the original grantee. One important consequence is that the original grantor of the delivery order can hold the goods for the unpaid price against any indorsee whatever, even against an indorsee for full value. The only way to complete the title under a delivery order which shall exclude any such retention by the unpaid seller is to get the storekeeper to acknowledge the indorsee as the owner or transferee of the goods by letter, as before mentioned. Before this is done, the original grantor of the order, if he be an unpaid seller, is entitled to go to the storekeeper and stop or countermand the order. He is entitled to say to the storekeeper: "I have not been paid my price, and I require you to retain the goods for me and to deliver them to nobody whomsoever, neither to the original grantee nor to any subsequent indorsee from him." If the delivery order were in law held to be a negotiable instrument, an indorsee for value could demand delivery, irrespective of the fact that the price had not been paid to the original seller.

There is another point in regard to these delivery orders; it arises in the case of a merchant who holds goods in his own store exclusively occupied by him, or a merchant who keeps a store into which he receives the goods of others as well as his own goods. A delivery order granted by that merchant on his own storekeeper is of no use at all as an instrument for passing the property, so long as the goods are allowed to remain in the same store. If one gets a delivery order from such a merchant, and even gets his storekeeper to accept liability for the goods to the transferee, that will not transfer the property nor complete the security. This seems a curious result, but it is a necessary consequence of the common law on the subject. If the goods are in a merchant's own store, although he is also a public storekeeper, no transferee can have any vested right in the goods unless he takes delivery and attains actual possession. The storekeeper of the owner is only a servant of the owner, and any acknowledgment granted by such storekeeper does not suffice in law to pass the right to a transferee. That seems a hard result, but it simply follows from the doctrine that when goods are in the possession of the owner himself and not in the hands of an independent storekeeper, the only way to complete the right of a transferee is to take delivery.

These, so far as the law and practice in Glasgow and Scotland is concerned, are the principal points about delivery orders: There must be three parties—the grantor, the grantee, and the independent storekeeper; if the original price is not paid to the grantor of the order, he may retain the goods against the grantee or indorsee from

him; and a delivery order granted by a merchant on his own store-keeper is of no avail unless the transferee gets actual delivery.

IRON WARRANTS.

There is a delivery order which is in vogue particularly in the west of Scotland, the seat of the great iron market and the principal Scotch iron works. The ironmasters grant warrants somewhat as follows:

I will deliver [so many tons of iron of a specified brand] to any person who shall lodge this document with me after a certain date.

It is a warrant in favor of the bearer. These warrants are very much used, particularly in Glasgow, and pass from hand to hand without indorsement. A warrant may pass through fifty hands before it comes to the man who actually goes to the ironmaster and takes delivery of the iron. These warrants are treated in practice as if they were negotiable instruments, although in strict law and according to the older Scotch authorities they are not so. They are used, and enormous transactions depend upon their validity by the existing custom among merchants. Ironmasters, for their own interests, raise no questions as to their validity, and in that way these warrants are effectual.

In conclusion, I may say that in Glasgow large values in goods stored can be freely used as collateral for loans and for banking purposes. The utmost confidence appears to exist between the merchant owners and the storekeepers on the one hand and the bankers and financiers on the other. I could not find any merchant who was prepared to say that this confidence and the freedom with which bankers were prepared to make advances on goods in store were the result of any of the peculiar rules to which I have referred. They preferred to believe that they were inspired by a long course of honest trading among the merchants and the recognized responsibility of the storekeepers.

SAMUEL M. TAYLOR,

GLASGOW, *July 16, 1902.*

Consul.

ALGERIA.

The same general laws on this subject that prevail in France apply in Algeria. The following letter from the president of the chamber of commerce gives the method in vogue here:

In response to your letter of the 24th of June, in which you request information upon the legislation concerning the warehouses (*magasins généraux*) of Algeria, I have the honor to inform you that the rules governing warehouses arise from the decree of May 28, 1858, completed by that of March 12, 1859, and rendered applicable to Algeria by the decree of March 31, 1860; also the law of August 30, 1870, rendered applicable to Algeria by decree of March 22, 1871.

As the result of these laws, the warehouse (*magasin générale*) is created by prefectural order upon the approval of the chamber of commerce; the bond demanded varies from 20,000 to 100,000 francs (\$3,800 to \$19,000).

The warehouse superintendent is authorized to receive all kinds of merchandise. Upon its presentation at the depot, he issues a double title, transmissible by indorsement, the warrant receipt bearing mention of the kind, the quality, and the value of the merchandise deposited. This title is composed of two parts: First, the receipt, representing the ownership, the indorsement of which transmits to the cessionary the right to dispose of the goods; second, the warrant, or coupon (*bulletin de gage*), the separate indorsement of which serves as security for the cessionary after the formality of transcription upon the records of the warehouse superintendent.

The goods remain in the care of the warehouse superintendent, who can deliver them only after having received the stub of the warrant receipt emitted by himself.

There are no general warehouses in the city of Algiers, but our Department possesses some, notably at Hussein-Dey, Blida, and Orleanville. They are specially used for the storage of cereals.

Our chamber of commerce is actively considering the project of creating an *entrepôt-general* at Algiers.

DANIEL S. KIDDER,

ALGIERS, *July 3, 1902.*

Consul.

JAVA.

It has been the custom for years, in this part of the world, for banks to advance loans to different merchants on produce stored in their warehouses.

This business is transacted in a very simple manner, the merchant showing by his books that articles, valued at a certain price, are stored in his warehouse. This statement is generally confirmed by a personal inspection by one of the bank employees, and the loan is advanced accordingly.

A responsible person is then appointed by the merchant and approved by the bank, to take full charge of the warehouse, and the keys of same are supposed to be in his possession. No goods are allowed to be removed from or stored in the warehouse without the knowledge of the keeper and consent of the bank, and he must make a daily report to the bank if any goods are removed or stored.

The keeper's report must be verified by the bank, and should the bank be unable to verify it the keeper is liable to the full extent of the shortage.

The great difficulty in doing business on this system is to find a responsible person who is willing to take charge of the warehouse, and such men demand a very good salary. The keeper must either be a person owning property or one who is able to give good security by bond, as the position is one of great responsibility.

This system of advancing loans on stored goods has been successfully carried out for a number of years in Netherlands-India, and without it it would be almost impossible for the smaller merchants to transact business.

BATAVIA, *August 26, 1902.*

B. S. RAIRDEN,
Consul.

SIBERIA.

There is no private association at Vladivostock that lends money on stored goods. All such business is transacted through the Russo-Chinese Bank, which makes storage charges of 2 kopecks per pood (0.5 cent per 36 pounds), besides fees for insurance, etc. Interest charge is 8 to 9 per cent, and an additional commission is demanded for loans, based upon 50 to 80 per cent of the maximum valuation. No private company could afford to compete with the bank. Warehouses are few in Vladivostock. Several firms have recently secured permits to build on the grounds of the commercial port.

VLADIVOSTOCK, *July 10, 1902.*

RICHARD T. GREENER,
Commercial Agent.

TURKEY IN ASIA.

The two railroads entering Smyrna have large warehouses for accommodating their patrons, wherein goods arriving by rail are allowed three days' storage free of charge. Loans are granted by all the banks on railroad warehouse certificates, but these certificates are not negotiable by a third party. The banks send their own experts to estimate the value of goods and make advances of 70 to 80 per cent of market prices, at 7 to 9 per cent annual interest. If the market value of goods shrinks, the banks demand return of margin. Each banking institution has its own warehouse, in which goods are held as collateral after delivery from the railroad or custom-house. There are no public warehouses other than those indicated above.

SMYRNA, *July 11, 1902.*

RUFUS W. LANE,
Consul.

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