

REPORT on a MEETING of the "CONDITIONS"  
sub-COMMITTEE of the SCOTTISH POTATO TRADE  
ASSOCIATION held at 25 South Methven Street,  
PERTH at 3.30 p.m. on Tuesday, 9th  
DECEMBER, 1986

PRESENT: Messrs. J.O. Robertson (Convenor), K.A. McKenzie and G.S. Brass  
(both ex officio), J.H. Barr, R.D. Hunter, J.R. McArthur and J.M. Swinton  
with D. Blackmore (Assistant Secretary) in attendance.

CONDITIONS  
OF SALE: The sub-Committee reconsidered re-definition of "destination" to  
provide for through traffic by road or rail to continental destinations.  
Prolonged discussion recognised the many difficulties involved. Mr.  
Blackmore also reported Mr. Swinton's telephoned advice that GAFTA is to  
prepare draft contracts for use in the various sectors of the potato  
trade before consulting thereafter with the various trade organisations  
concerned. The Secretariat agreed to send each sub-Committee Member a  
copy of draft Conditions of Sale for seed potatoes destined for export,  
which the Association had prepared several years ago, in readiness for  
any approach from GAFTA.

It was accepted that 'exports' includes sales by Members to an  
exporter as well as sales by a Member (himself an exporter) direct to an  
overseas importer. One set of Conditions could not be expected to serve  
both these circumstances. An added difficulty (which had halted earlier  
attempts) was the absence of any organisation representing exporters.

Discussion also clarified a preference to try to amend the present  
Conditions of Sale for use by a Member selling to an exporter, rather  
than to expose such a Member by confining their use for internal U.K.  
trade only and not applicable for consignments destined outwith the U.K.  
It was agreed a Condition 8(7) specifying "when destined outwith the U.K.  
FDR, FDL, FAS, CIF, per BUYER'S TRANSPORT, the 3-day and 10-day  
complaints periods (defined in Condition 11) start at the point of  
loading" would help to achieve this.

CONDITIONS  
OF PURCHASE: Mr. Hunter explained in detail the circumstances and recent  
'chemicals' experience in which a Member could incur a liability under  
the Conditions of Sale which the Conditions of Purchase prevented him  
from recovering from his supplier. This had led to resistance to use  
the Conditions of Purchase. In the ensuing prolonged discussion there  
was some support for severe reduction of the Conditions of Purchase to  
perhaps two clauses only (merchantable quality and untreated with  
chemicals) or withdrawal of the Conditions of Purchase altogether. It  
was pointed out, however, that any amendment or withdrawal would have to  
be notified to the NFUS (which is known to be opposed to 'chemicals  
responsibilities' for its members) who might well then formulate  
Conditions of Sale of their own, to the disadvantage of merchants.

During a careful point by point comparison of both sets of  
Conditions, Mr. Hunter explained the efforts made in compilation to  
achieve "reasonableness" between the Parties. It was agreed Condition  
7 NB(3) required more thought. to assert the Buyer's prerogative to  
order any chemical treatments from the Seller and to spell out the  
Seller's liability in any consequential loss. Mr. Hunter undertook to  
prepare a draft clause for consideration. It was agreed Condition  
8(4)(ii) and PROVIDED THAT (which is also included in Condition 11) could  
be deleted and that Condition 8(5) (re "destination") should be the same  
(after amendment) in both sets of Conditions.

It was clearly agreed to be essential to ensure that the producer  
bears responsibility for his product, this being the main point to be  
pursued in any discussion with NFUS, e.g. extension of Condition 17 to  
include chemicals, which Mr. Hunter agreed to draft for consideration.  
The sub-Committee was determined that the door must be closed on any  
awards against Scottish Merchants which cannot be pursued against the  
producer.

The meeting was then concluded.