"THE SECRETARY REPORTS—"

(In this space appear regularly all official Association documents)

ARBITRATION REPORT—As required in Section 8 (k) of the arbitration rules, your Secretary reports regar Case No. 1442, Harry F. Frey Company, Houston, Texas, plaintiff and Lathrop Grain Corporation, Kansas City, Mis defendant.

The case revolves around the purchase of a car of oats by plaintiff from defendant on August 5, 1948. The dispute involved is the kind of oats purchased. Plaintiff contends that an understanding was reached over the telephone the car was strictly Texas red oats and that the oats after being recleaned would be sold by its buyer for seed purposes. contention the defendant denies and submits in support of its denial copies of the contract for sale, invoice, weight certific and inspection certificates. Defendant points out that plaintiff did not offer any objections to its confirmation of sale wh right was accorded to plaintiff under Rule 4 of the Grain Trade Rules.

The car upon arrival at Fort Worth graded No. 1 Heavy red oats and when shipped to San Antonio graded No Heavy white oats. The Board of Review in Chicago graded the oats No. 1 Mixed oats, 80% red and 20% white. The b of the car from the plaintiff accepted the car at a discount of 8½ cents per bushel or a total of $252.69 which amount plaintiff seeks to recover from defendant.

The committee considering this case was composed of Mr. H. R. Diercks, Cargill, Inc.; St. Louis, Missouri, Chairman E. C. Brunke, Quaker Oats Company, Chicago, Illinois and Gordon T. Shaw, Seattle, Washington. The committee rendered an unamious decision in facor of the defendant.

This committee has based its decision upon the facts and evidence as presented to us and have decided that the decis must be rendered purely upon the basis of the written contracts which were exchanged between these two companies to con the trade that is in dispute. We have considered Rule 1 and 4 of the Grain Trade Rules in arriving at our decision.

According to the contract the Lathrop Grain Corporation has fulfilled its obligation. The dispute arose over a telephone conversation between the two parties in which Harry F. Frey Company claims it was guaranteed strictly Texas Red dem This fact is denied by Lathrop Grain Corporation and it being a telephone conversation there is no manner in which this committee can take a stand one way or the other on this particular point. We must settle the dispute on the basis of the written contract only. Therefore, we hold that the Lathrop Grain Corporation fulfilled the contract and the claim of Harry F. Frey Company must be denied. Any expense involved is for the account of plaintiff.