Bills of lading as bank security
BILLS OF LADING AS BANK SECURITY

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THIS IS TO CERTIFY THAT THE THESIS PREPARED UNDER MY SUPERVISION BY

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CHAPTER 1.

INTRODUCTION.

The earliest form of bill of lading had no value as a credit instrument, and was not even regarded as commercial paper. It was simply a receipt given to the shipper by the carrier as evidence that the goods had been received, and as evidence of a contract to deliver them in good condition at their destination. The bill did not indicate ownership of the goods represented. Very early, however, merchants came to regard the bill as indication of ownership, a view which was recognized by the courts of England as early as 1697. When the shipper made no stipulations as to delivery, the carrier fulfilled his part of the contract upon delivery of the goods to the person named in the bill as consignee. When satisfied that the party applying for the goods was the one to whom they were consigned, he could deliver the goods without taking up the bill of lading or even without requiring the party to show it.

Since the bill afforded no protection against the consignee for payment of the goods, it was early displaced in ordinary usage by a form in which the shipper made the goods deliverable to himself, with a memorandum attached directing the carrier to notify the purchaser on arrival. In such a transaction the shipper retained possession of the goods, the railroad being merely bailee. This bill only guaranteed to the shipper payment for the goods.

The use of the bill of lading as security for loans arose out of the demand for a commodity currency which could be used to relieve the financial strain in local communities during the crop moving period. In the early days the farmer sold his crop directly to the consumer through commission men in the cities. With this method he
was compelled to wait sometimes for weeks before receiving his pay.

Then arose the merchant who would purchase the crop in a community and sell in large quantities to the consumer. For the merchant with large personal credit there was no difficulty in financing the crop. He could borrow the money necessary to handle the shipments during the season. It was the small merchant who felt the need of some method by which he could more quickly convert his purchases of grain into cash. He was limited in the extent of his business at any one time to the amount of purchases which he could actually cover with his own limited capital.

Since the whole crop of a season had to be handled in a comparatively limited period of time, the merchant of small means found himself greatly handicapped. The banks had money which they were glad to loan on proper security, and it was the use of the bill of lading, as this security that made it a valuable instrument in relieving the financial stringency. After purchasing a large amount of grain the merchant would sell it immediately and draw a draft on the purchases for the amount. He would discount the draft at his bank turning over the bill of lading as security. With the money thus obtained he would pay the farmers from whom he purchased the grain and be ready to begin purchasing for another shipment. The bank would forward the draft with the bill of lading attached to its correspondent bank in the city in which the purchaser resided. When the purchaser paid or accepted the draft, the bank would surrender the bill of lading and the transaction would be completed so far as the bank was concerned.

But under this system dishonest parties found it easy to perpetrate fraud. Cases arose in which the bank holding the bill of lading for acceptance, afterwards learned that the purchaser had obtained possession of the goods without the bill of lading and had disposed of
the proceeds. As between two innocent parties the question then arose as to who should be responsible for the loss, the railroad company or the bank. The loss in such a case may not be due to the negligence of either party, the bank however suffers the loss. The loss is due to the fact that the bill of lading itself is a defective security. Attempts to fix definitely the railroad's responsibility and to make the bill a negotiable instrument by statute have not been very successful. The situation is very much the same as existed regarding promissory notes at the latter part of the 17th and the beginning of the 18th centuries. The demand at that time for an improved commercial instrument to take the place of those then in use gave rise to the promissory note in 1670. Decisions against the negotiability of promissory notes were rendered in England in 1702, but the matter was settled in 1704 by an act of Parliament making these instruments negotiable. The attempt to correct the evils of the bill of lading as a commercial instrument has met with still greater difficulties. The courts have been slow to recognise legislation making these instruments "negotiable in every respect like bills of exchange" fearing injustice to creditors and railway companies. The latter have opposed legislation fixing liability upon them for the genuine and accuracy of their bills of lading because they are not materially benefitted. The merchants have taken the broader view that the railroads and creditors should be compelled to make certain sacrifices in the interest of an instrument whose general value to the commercial world is as great as that of the bill of lading. Much has been accomplished in recent years by the Interstate Commerce Commission and the American Bankers' Association to secure cooperation in obtaining a bill that will be satisfactory to the various interests and that will have the qualities of a safe security.
CHAPTER 2.
THE BILL OF LADING AS SECURITY. ITS DEFECTS AND POSITION AT COMMON LAW.

In the United States the inland Bill of Lading has acquired a position of importance and usefulness not attained in Continental Countries. Several important reasons might be given for this. One of them is the geographical difference between the U.S. and the European countries. The latter are small and lines of transportation are comparatively short. The time required therefore to get the crops to market is much less than in this country.

Another reason is that they do not have the immense cotton crop or grain crops to handle such as we have in a short period of time. Some authorities have attributed our extreme use of the bill as collateral to our inelastic credit system, saying that it has been pressed into service during the periods of financial stringency to help market these heavy cotton and grain crops.

They say that European countries have more highly developed financial systems and therefore do not need the assistance of the bill of lading as a basis of credit. Therefore, while bills of lading for water transportation are in universal use as collateral in Continental countries, the bills of railroads are never used in this capacity. While the bill of lading probably bears an indirect relation to our credit system, we cannot however say that its use as a security is in any way due to defects in the credit system. Canada has one of the most elastic currency systems in existence, and yet the bill of lading is used as security in that country in the same way as in the United States and to the same extent. The bill must be regarded as a basis for individual credit and quite independent of our national credit system.
In this country nearly the whole of the cotton and tobacco crops are marketed on the security of the bill of lading. Heavy lumber and flour shipments, are financed in the same manner. This use of the instrument has been extended within the last few years to dried fruits, and in fact to nearly every form of produce. In 1905 (1) it was estimated that the total value of the shipments during the year financed on the bill of lading as security amounted to $3,000,000,000. Estimates (2) for the year 1907 stated that the total value of shipments of goods during the year represented by bills of lading amounted to $17,000,000,000.

Of this amount $12,000,000,000 was represented by straight bills or order bills on which no advances were made. The other $5,000,000,000 was represented by order bills used as security. According to this, loans were made on bills of lading representing about one third of the value of our country's agricultural products, the principal ones being, cotton, rice, tobacco, and wheat. Flour and lumber are included in these estimates.

Our banks have always shown a strong tendency to prefer collateral to personal security and the bill of lading up till 1900 was pretty generally accepted as good security. Before that time very few losses ever reported on this class of security but since that time the number of losses has increased so rapidly that the bill has come to be looked upon more and more with suspicion. These losses have been the result of serious defects in the nature and form of the bill of lading as security and to the lack of laws defining the rights of third parties holding bills of lading against the carriers issuing them for the value of the goods they represent.

(1) Van Duesen Bulletin Am. Institute of Bank Clerks V. 7 P. 1000.
(2) Pierson's Com. of Bankers of American Bankers Association 1907.
One of the great defects of the bill of lading as security is its lack of negotiability. From its nature it is less adaptable to negotiability than bills of exchange. This is true because it represents goods and not money. It therefore has no definite value and cannot be classed with money instruments. The difficult legal question connected the negotiability of the bill is whether the parties can by agreement give the instrument a character of negotiability which has not been given it by the law. The courts of the United States, both federal and state, have uniformly held that they cannot. In the numerous controversies which have arisen between the carriers and the bona fide transferees of order bills, the former have not failed to take advantage of the legal defects of the bill and have frequently escaped liability for breach of contract on the ground of its non-negotiability.

Greater losses however result from defects of form of the bill than from its non-negotiability. While the latter defect of the bill is an incumbrance to its use as a security, the former actually opens an easy avenue to fraud. Mr. Pierson says the inland bill of lading represents probably the most carelessly drawn commercial document in use at the present time. The average bill is filled out with pencil, giving every opportunity for changing the date and amount.

One common method of fraud has been that of inserting the words on "order of" straight bills which have no negotiability and which are therefore not taken up by the railroads. A banker who purchases such a bill has no claim either for the goods or for their value.

Still more dangerous is the Spent Bill or Dead Bill, which though an order bill, has not been taken up upon the delivery of the goods. The courts have held that such a bill loses its validity on delivery of the goods, and a subsequent purchaser has no recourse
against the carrier for his carelessness in failing to take it up. The method of issuing bills now in use makes it easy for the agent to issue fictitious bills in collusion with the shipper who then negotiates them as true bills.

The third defect of the bill as security is the uncertain liability of the carrier. This is the result in many cases of the defects of form and non-negotiability already referred to. In some instances the railroad companies have not been held liable for alterations, or for bills issued when no goods have been received. The New York Times Oct. 2, 1907, gives an account of one case in which a German firm paid $100,000 upon the faith of bills representing $200,000 worth of goods, of which 50 tons had been shipped instead of 3,000 tons. The railroad company was not held liable.

The federal courts have also refused to hold the carriers for fictitious bills issued by the agent. The defense has been that the railroad cannot be held for the unauthorized acts of its agents. Neither has it been held liable for bills issued before the goods were received. Carriers have for instance been held not liable, where the consignee paid a draft for $5,900 upon a cotton bill upon which no cotton was shipped, (1) where the agent's signature was procured fraudulently to a bill for a larger quantity than was shipped, (2) where commission merchants paid a draft upon bills covering grain never shipped, (3) where a bank purchased a draft on the security of a bill for grain never received, (4) where two bills were issued for the same shipment and both were negotiated, one being intended in

(2) The Loon, 7 Blatch 244
(3) R.R. vs. Wilkens, 44 Md. 1.
(4) Bank v Railroad, 44 Minn. 244.
place of the other at a different destination but the old one not being surrendered, (1) where the bill was issued to a prospective shipper of cotton and negotiated, but the cotton was destroyed by a fire before receipt by the railroad. (2)

Since the bill of lading has been put to the same uses in the United States as it has in England its negotiability and the carrier's liability under it have been governed largely by the principles laid down in the English Common Law. At common law the bill was assignable and the assignee acquired title to the goods but he had no right to sue on the contract. This had to be done in the name of the original holder. Any material alteration destroyed the bill entirely even in the hands of a bona fide purchaser. It then came to be recognized that the carrier was bound not to deliver the goods represented by an "order" bill, except upon production of the bill, and that it was liable to the bona fide holder if it delivered the goods to another party. But if it delivered to the right party without taking up the bill it was not in many cases liable to a subsequent holder.

Such was the situation in England before 1855 and such is the general situation in the states in this country which have no statutes modifying the common law. The negotiability of the bill in England has been somewhat increased by the acts of 1855 and 1889.

Greater difficulty has arisen here from the wide differences of interpretation of the common law by the courts in the various states. In many states the carrier is not liable where it has failed to take up and cancel the bill of lading and it has been subsequently re-issued by the agent.

(1) Williams' R.R. 93 N.C. 42.
(2) 154 U.S. 155.
But in Ratzer v. Burlington etc Co., 64 Minn. 245, the supreme court of Minnesota took a directly contrary stand. It recognized the well established custom in commercial circles of making advances on such bills. "To allow the railroad company to ignore this custom," said the court," would be to destroy that custom itself.

The effect of this custom, independent of statute is to make bills of lading to some extent and for some purposes negotiable, and to give superior rights to innocent transferees in the usual course of business". Chief Justice Horton of the Kansas Supreme Court taking a similar stand as to the carrier's liability, made the following statement. (1) "It enables the capitalist and banker to obtain fair rates of interest for the money he has to loan, and insures him, in the way of bills of lading, excellent security. It also furnishes additional business to the railroad companies, as it facilitates and increases shipments of produce to the markets. A mode of business so beneficial to many classes ought to receive the favoring recognition of the law to aid its continuance".

Unfortunately these courts are in the minority on this point, since the Supreme Court of the United States and most of the state courts have taken the other view.

In some states,(2) if a station agent issues bills of lading for goods never received and the bills come into the hands of an innocent purchaser, the carrier is estopped from denying receipt of the goods. The view of the courts in these states is that the agent is held out to the world to possess authority to issue such bills and that the carrier is bound by his acts although no goods have been received.

On this question of the carrier's liability for the acts of its

(1) Bank vs. R.R. 20 Kansas 519.
agents, the federal courts and many of the state courts have followed the rule laid down in a long list of English decisions. They have regarded the whole question as one of agency. They hold that the agent is not authorized to issue bills when no goods are received. Their view is that this fact is well known to the commercial world, therefore any person purchasing a bill of lading acts at his own risk as respects the actual receipt of the goods. They have applied the rule whether the bill was issued fraudulently, or by collusion, or by mistake.
CHAPTER 3.

STATE AND FEDERAL LEGISLATION.

The attempts of the various states to fix the carrier's liability and the degree of negotiability by statute have not been very successful. Several states have attempted to raise the bill of lading to the level of bills of exchange, but such laws have in most cases been so interpreted as to have become ineffective. The courts have been reluctant to recognize statutes making the bill absolutely negotiable, since the holder of a bill representing stolen goods would have a better title than the real owner. This would open the way to fraud. Statutes making the carrier liable for the value of the goods named would practically compel it to open all boxes received to see that the goods contained were those named in the bill. The courts have recognized that there are certain losses to which goods in transportation are subject for which the railroad should not be held responsible and from which it is justified in protecting itself for the contract conditions of the bill. These reasons therefore the courts have not recognised statutes making the railroad liable for the value of the goods named in the bill of lading.

The statutes passed by the states have varied a great deal, but all have had the same general objects in view. They have provided: 1. That bills of lading be made negotiable by endorsement and delivery"to the same extent,"or "in the same manner," or" with like effect", (the phrase varying in the different states) as bills of exchange and promissory notes. Bills marked "not negotiable " have been excepted.2. That delivery of goods without taking up the bill of lading be made a criminal offense, carrying with it in some states a civil liability for damages. 3. That railroads be made liable to
bona fide holders of fictitious bills issued through fraud or mistake, where no goods have been received, a criminal penalty being provided against the fraudulent user of such bills. All but one have excepted bills marked "non-negotiable," but have in no case made a distinction between "order" and "straight" bills. (1)

These efforts of the states have accomplished very little. In nearly every case the carriers have avoided the statutes by printing "not negotiable" on their bills which make them exempt. They then give the bill a certain degree of negotiability by a printed stipulation that if the word order be written immediately before or after the name of the consignee, without any condition or limitation other than the name of the party to be notified on the arrival of the goods, the company would require the surrender of the bill properly endorsed before the property would be surrendered, and that if the word "order" be not written in this prescribed manner the company reserves the right to demand the surrender of the bill or not, as it chooses. The practice of stamping "non-negotiable" on the bills has led to further confusion since its effect upon their negotiability has been variously interpreted by the courts. In some cases (2) it has been held exempt the bill entirely from the provisions of the statutes, and to leave the relations of the parties to be governed by common law principles. In one case (3) it was held to take from the bill even the assignability recognised at common law; in still another case (4) the provision "not negotiable" was held void because the statute providing negotiability prohibited conditions limiting

(1) Maryland-Act of 1902 distinctly defines "order bills" and regulates them as such.
(2) Barnum Grain Co. v. Great Northern. 112 N.W. 1030
(3) Bank of Bristol vs. B. & O. R.R. Co. 99 Md. 661
negotiability. Mr. Thomas Paton has condemned the words "not negotiable" as contradictory to the aim and spirit of an "order" bill of lading saying they have no place on instruments of credit. (1)

Alabama passed a law which provided that the "carrier is liable to any person injured thereby (bill of lading) for all damages immediate or consequential therefrom resulting." A case (2) was tried under this provision in which the agent had issued a fictitious bill. The railroad was held not liable since there was no party who could transfer rights under such a bill. The court held that it was the bank's business to see that such a firm existed.

The state of New York has a statute which requires the carrier to surrender the bill of lading and makes the violation of this provision a crime. There is however no provision for redress to the injured party. In one case a straight bill was not taken up and the holder altered it to read "Order and notify." The bank which advanced a loan on it sued the railroad for damages, but the court held that while the company could be prosecuted for the crime the bank had no action for damages. In view of this decision, the statute does not increase the value of the bill as a security.

Statutes have been passed in Maryland, Alabama, Arkansas, Louisiana and Mississippi making the railroad liable to the innocent holders of fictitious bills, the supreme courts in those states having in the absence of statute law held them not liable. In Massachusetts, Ohio, and Minnesota, statutes make these acts of the agents crimes but give no civil right of action for damages. In Missouri, the cases have been contrary and the doctrine is doubtful.

(2) Jasper Ry. CO. 99 Ala. 416.
Only twenty-four states have legislation covering false bills, unmarked duplicates, and delivery without surrender of the bill, according to the report of the Bills of Lading Committee of the American Bankers' Association for last year.

Twelve states have passed laws attempting to make the bill partially negotiable. This state legislation has taken two forms; 1. The bill is made transferable by endorsement and delivery. The person to whom the transfer is made is deemed the owner of the property so far as to give validity to any pledge, lien, or transfer by such party. This is true in Delaware, Alabama, Arkansas, Louisiana, Minnesota, Pennsylvania, and Wisconsin, the courts have held that such provision confers no negotiability upon the bill. In Delaware alone has it been held that a bona fide transferee gets a better title than his endorser. In Alabama, Arkansas, Louisiana, Minnesota, New York, Pennsylvania, and Wisconsin, it has been held that the words "not negotiable," printed on the bill, excludes it from the operation of the laws. 2. Laws have been passed providing that goods for which bills of lading are issued must not be delivered except on presentation of the bill, which must then be taken up and cancelled. Ten states have such laws, six of them providing a penalty. In six states a carrier is made liable for loss suffered by an innocent purchaser through its failure to take up the bill and cancel it. Fifteen states have laws forbidding carriers to issue bills of lading unless the goods have actually been received. The Sale of Goods Act of 1906 containing important provisions relating to bills of lading and the Uniform Bills of Lading Act, both of which are being adopted by the different states will only be mentioned here. They will be discussed in a following chapter on The Uniform Bill of Lading.

The independent legislation of the states relating to bills of
lading has not materially improved them as collateral for the banks. The state statutes apply only to bills issued for inter-state shipments. Since they cannot apply to bills issued for inter-state shipments, they are not of much practical value because most of the bills offered as security are for such shipments.

There has very little national legislation covering bills of lading. The Carmack Amendment to the Rate Bill (1906) requires the carrier to issue bills of lading for interstate shipments and holds the initial carrier liable to the holder for loss, damage, or injury to the goods while in its own hands or in the hands of a subsequent carrier. It makes it unlawful for a carrier to insert a clause exempting it from such liability. The constitutionality of this act has been attacked on the ground that it makes one carrier liable for the default of another. The Circuit Court, however, upheld the law, (1) stating that it was evidently the purpose of Congress that the receiving carrier should have recourse against any subsequent carrier for loss caused by the latter. The case was appealed to the Supreme Court but a decision has not yet been rendered.

The only other national law relating to bills of lading is the Harter Act of 1893 which defines the carrier's liability on ocean bills. It exonerates the owner of a vessel from damages, if the loss results from errors in the management of the vessel and holds him bound only to exercise due diligence in making the vessel seaworthy.

Several drafts of bills have been presented in Congress within recent years in connection with the movement to obtain a uniform bill of lading and uniform laws governing bills of lading. No act has yet been passed, but the bill proposed will be considered in a succeeding chapter.

(1) F.H. Schmelzer v St. Louis & San Francisco Ry. Co. Circuit court of U.S. for Western Division of Arkansas, Ft. Smith Division Feb. 29, 1908
As early as 1890 a conference of carriers and shippers was held in Chicago with the idea of adopting a uniform bill which would eliminate so far as possible the dangers of loss. This conference prepared the so-called Uniform Bill of Lading, which the railroads represented agreed to adopt. This bill, although far from being a desirable instrument, was at least a step towards uniformity since it represented all of the interested parties. Three years previous to this conference the Interstate Commerce Act was passed which required railroads to publish the bill of lading in the published tariff classifications. From then on the classifications indicated the common carrier's liable for property shipped at the published classification rates.

The Uniform bill of 1890 was adopted by the Trunk line Association, The Central Traffic Association, The Southern Railway and Steamship Association, The Coast Steamship Association, and the Associated Lake and Rail Lines. It continued in use for about fourteen years. It contained the following provisions: 1. If the word order appeared just before or after the name of the consignee without any condition or limitation other than the name of the party to be notified of arrival of the property, the bill of lading must be surrendered properly endorsed before delivery. 2. If the bill of lading was made out in the shipper's own name, with provision to notify the distant purchaser, the carrier contracted to require the surrender of the bill on delivery. There was also a provision conspicuously printed at the top of each page of the classification that if the shipper desired the goods to be handled at full common carriers' liability, a
twenty per cent higher rate would be charged. This provision did not appear on the bill of lading itself, since it was intended for use only under limited liability. The courts had recognized the right of a carrier to contract to carry goods at a limited liability for cheaper rates than they would ordinarily charge if they were to be held for full liability in case of loss. They claimed in 1890 that the old rates were based on limited liability and therefore they were justified in charging extra for transportation when they assumed a greater degree of liability. The carriers thus gave the shipper the option as to what liability the carriers should assume, the shipper paying the rate according to liability.

But owing to sharp competition between railroads for business, the different carriers gradually began to ignore the agreement of 1890 and again began to make independent contracts with the shippers. The situation became so bad that about 1904 the carriers made no pretense at uniformity in their bills of lading. They printed forms according to the bill agreed upon in 1890 but changed it to suit the desire of each individual shipper, and in many cases used an entirely different bill. The shippers prepared their own bills, fixing the conditions of liability and then contracted with the railroad for a rate accordingly. The confusion became intolerable and another meeting of the traffic associations was held in 1904 at which a new bill of lading was adopted, binding companies in the Official Classification Territory.

(1) This bill of 1904 remained in force until the present bill, as approved by the Interstate Commerce Commission, came into force. It contained two new features: 1. The words "non-negotiable" were printed in large type on its face. 2. It contained the provision that a 20% higher rate be charged for shipments carried at the

(1) Official Class Terr. East of Miss., North of Ohio Rivers.
full carriers' liability, the same provision which had previously been printed in the classifications. The words "not negotiable" were printed on the form to meet the statutes of several states which imposed a heavy penalty in case goods were delivered without the surrender of the bill, unless these words appeared on its face. This brought forth a cry of protest since it destroyed the use of the bill as a collateral. The bankers shared in this protest and were active in securing the cooperation of shippers and carriers with themselves in a movement which resulted in the present uniform bill, drawn up by the Interstate Commerce Commission in June, 1908, and adopted by the carriers in Official Classification in November. The important step taken this time was the provision of two distinct forms for order and straight bills. Previous to this time the form was the same for both. The order bill is to be printed on yellow paper and the straight bill on white paper. The word "order" appears printed in large type, and in no case must it be written. The arrangement of the bill with respect to liability has been changed in some important features, the object being to make it more acceptable to carriers, shippers and banks or other parties taking it as collateral. The order bill must be signed by both shipper and carrier which makes it definitely a mutual contract. Under the former practice, it was often denied that the contract was mutual. The former bill stated that no carrier should be liable for certain losses and only implied liability for damage or loss from other causes. The new bill reads, "The carrier shall be liable for any loss or damage except as hereinafter provided." The carrier thus definitely assumes liability for loss or damage from any cause except those definitely mentioned.

The carriers issued instructions to fill out order bills with pen or indelible pencil and the amounts in both words and figures.
Probably the greatest concession made by the carriers was their assumption of the burden of proof to show their freedom from negligence. The carrier agreed to assume full liability for the value of the goods if it delivered them without taking up the bill or if the bill taken up was improperly indorsed. The Straight Bill contains on its back the same conditions as the Order Bill, but it is distinctly marked "not negotiable" and the banker's agreed not to accept it as collateral.

The western railroads are beginning to adopt this Uniform Bill. Some southern roads (1) however have adopted a bill specially adapted for use in the South, known as the Hayne of Standard Bill. It was adopted in April 1909, and is patterned in general upon the Uniform Bill. There are two forms for the Straight and Order bills but there are some important differences. The shipper is not required to sign the Order Bill. The following clause appears on the face. "This bill of lading is assignable. It is negotiable only in so far as may be required to carry out the promise of the carrier made in the following surrender clause, and is enforceable as provided in section 10 of this bill of lading, according to its original tenor and effect." This clause is an attempt to regulate the negotiability of the bill and to limit and define that negotiability.

The Uniform Bill is used far more extensively however. It has even been adopted in Canada, and is now in use on all the principal Canadian Railroads. The American Bankers' Association (2) has given its approval to resolutions already passed by various Boards of Trade and Exchanges, providing that no drafts be paid by their members unless the bill of lading contains the following safeguards: 1. That

(1) Southern R.R. Louisville & Nashville.
it contains, besides the signature, the official stamp of the authorized agent, the stamp showing the date of signature. (2) That the writing be in ink or indelible pencil and the quantity entered in both numerals and words. The Trunk Line Association has issues instructions that its agents use the official stamp on all "order" bills. All the above requirements have been met by carriers in the Official Classification Territory. The great improvements in the inland bill which have been made during the last few years have now been outlined. The Uniform Bill of today, while far from a perfect collateral, is much better than any previous form, and if it were adopted by all carriers in the United States, nearly all the dangers now existing would be eliminated.

The form of the bill of lading determines only the rights of the carrier and shipper against each other. It cannot determine the rights of transferees of bills of lading, they are outside the original contract. Legislation both state and national is therefore necessary to give them security. Laws must be passed to regulate the transfer of bills of lading and the advance of money upon them.

A bill, prepared by a committee of the American Bankers Association with this object in view, was introduced into the House of Representatives in 1906, but was withdrawn because the Carmick Amendment to the Rate Bill passed shortly afterwards contained some conflicting provisions.

Subsequently Thomas B. Paton General Counsel of the American Bankers' Association prepared another draft of a bill which has been the subject of four hearings before a subcommittee of the House of Representatives on Interstate and Foreign Commerce during the years 1908-9.

The object of obtaining a law by Congress is to define the
"order" and "straight bills of lading to be used in interstate shipments, and to fix definitely the responsibility of the carrier. It provides that; (1) the order bill shall be printed on yellow paper, (2) it shall contain on its face the provision, "The surrender of this original order bill of lading properly indorsed shall be required before delivering of the property," (3) it shall not contain the words "not negotiable," (4) it shall be transferable by indorsement and delivery, and if indorsed in blank, by delivery only, (5) it shall be unlawful for an agent to issue bills until all the property described in it, are delivered to the carrier; (6) all duplicates be marked "Duplicate" on the face, (7) wilful violation of this provision shall be punishable by fine and imprisonment, (not more than five thousand dollars or five years or both.) It proposes to make the carrier liable to any bona fide holder of the bill for loss resulting from violation of this act; also to make it the duty of the carrier to take up and cancel order bills on delivery of the goods, and to hold the carrier liable for the fraudulent acts of its agent. The bill was reported at the last session of Congress too late to be acted upon. Such a law could affect of course only interstate shipments. It becomes necessary therefore to have laws enacted by the legislatures of the states. The laws of the state legislatures are really more important in this connection than a law of Congress, because, while a state cannot regulate the form of bills of lading for interstate shipments, it can legislate on the purchase and sale of all bills within its borders, whether for interstate or intrastate shipments.

Five separate drafts have been prepared, which were distributed for criticism among the various interests. They were considered by the Committee on Commercial Law in 1906-7-8. At the last meeting held in Detroit in Aug. 1909, the final draft was approved, and this has been recommended for enactment in the respective states by the Conference of Commissioners on Uniform State Laws. The draft provides for full negotiability for Order Bills, regulates their transfer and negotiation, defines the obligations of the carrier, including the essential feature of liability upon bills altho issued without receipt of the goods, provides for the printing of the words "Order of" on Order bills and makes an altered bill enforceable according to its original tenor. The provisions are thus substantially the same as those contained in the draft submitted for passage by Congress.

The draft of this Uniform Law for state adoption was not complete when the state Bill of Lading Committee of the American Bankers Association met in Denver in 1908, and in order to meet the demands from the various states for immediate action, the Conference of that year prepared the draft of a bill for passage in those states in which the laws were very inefficient. This draft provided all the requirements as to form recommended by the Interstate Commerce Commission which it is practical to make permanent by legislation. Its main features covered the liability of the carrier to bona fide holders upon bills issued without receipt of goods, upon unmarked duplicates and for the delivery of the goods without taking up the bill. This draft was introduced into ten states, (1) and was adopted by four, Washington, Wyoming, Minnesota and Michigan, with some slight changes.

The Sale of Goods Act also contains some important provisions relating to bills of lading. It was drafted in 1906 by the Commissioners of Uniform State Laws of the American Bar Association, and has already been enacted into law in six states. The act is based on the Sale of Goods Act of England, and provides that a buyer who does not honor a bill of exchange to which a bill of lading is attached, is bound to return the bill of lading. The authorities are not in harmony as to what the duty is in case the bill of exchange is a time bill. The Supreme Court of the United States has held that if the time bill of exchange is accepted, the bill of lading may be surrendered without incurring liability for its payment when due by the purchaser. A few courts have held the contrary.

The Sale of Goods Act also makes a distinction between holding a bill of lading for security only and holding it as actual owner of the property. This is important when the question of fixing the liability for loss arises. Under this act the buyer must stand the loss of the goods and not the party holding the bill of lading merely as security. The buyer is given more than a mere contract right in the goods. He may not only sue for damages but for the goods themselves. If he holds the bill of lading for any other reason than as security he may sue for damages only.

It is hoped that uniformity in matters which are so vital to our national commerce may in this manner be accomplished. It is not an experiment. The Uniform Negotiable Instruments Act drafted by these same Commissioners in 1896 has since been enacted into law in thirty-eight states and the Ware house Receipts Act of 1906, into eighteen states.

These various acts merely enact into law and thus give legal sanction to customs and usages already established in the commer-
cial world. As new uses of commercial instruments arise to meet the demands of the commercial world and become established by custom, they should be enacted into law. So the Uniform Bills of Lading Act and the Uniform Sales Act should as rapidly as possible be adopted by the various states.
CHAPTER 5.

OCEAN BILLS AND THROUGH BILLS OF LADING.

Ocean Bills of Lading came into use as collateral earlier than other kinds of bills of lading and it was with them that the difficulty through fraud first arose. The ocean shipments were represented by three sets of bills which were sent by different routes.

The first to arrive was accepted after which the others because void. The trouble first arose in England on bills for grain and cotton sent direct to the consignee. He could obtain the goods on the first assignment of bills and when the others arrived pledge them to a bank as security for a loan, representing that the goods had not yet arrived. This led to the passage of the Act of 1855, which was the first English legislation on bills of lading. It provided that the endorsement of a bill of lading in such a way as to pass title to the property, transferred also to the holder the rights of contract with regard to such property. In 1882 (1) the House of Lords decided that the banker who advanced money in the security of the first assignment of one bill of lading had priority over subsequent assignees of other bills of the same set. The master of the ship or warehouseman was justified in delivering the goods to the holder of the second or third assignment if he did so in good faith. If he knew that one set had already been transferred for value and still delivered the goods on presentation of a second or third, he was liable for damages to the first party. The provision of this act has been held to mean (2) that where the intention is merely to give pledge by way of security, the endorsee acquires only special property, and that the general

(1) Meyerstein v Barber.
(2) Burdick v Sewell 1884 (House of Lords)
property remains in the endosser. A bank therefore acquires only special property in the goods represented by the bill and does not under this act acquire all rights of suit and liability. The entire property passes only when it is the intention of the parties that it should pass. The difficulty in deciding the intention of the parties led to conflict in the English cases; in some (1) the courts held that only the original purchaser could be given title; but in others, (2) the carrier was not held liable for delivering to a later purchaser.

The Factor's Act of 1889 further strengthened the negotiability of the instrument by providing that every bill of lading in the hands of a bona fide endorsee representing goods to have been shipped, should be conclusive evidence as against the master or other person signing the bill, although the goods had not been loaded, unless the master could prove that the loss was due to default on his part. This act places upon the master the burden of proof.

(3) There appeared about 1885 a new form of bill known as the Through Bill of Lading. It represents contracts for the through carriage of goods from an inland point to the seaboard by rail, thence to a foreign port by water, and frequently again by rail to its final destination. This through bill caused serious difficulties because it involved the rights and liabilities of both land and water carriers, which differ greatly.

There are several important considerations to be borne in mind by bankers who advance money on these bills. The English law is especially important because the carrier is in many cases an English ship owner and subject to the English law. If through care-

(1) Caldwell v Ball I.T.R. 205.
(2) Glyn v East & West India Dock Co. 7 app. Case 591.
(3) Through Bills of lading, Law Quarterly Review v. 5, p. 424. (1889)
lessness of the parties at the port of shipment, part of the goods cannot be delivered, the ship-owner may set up the following defenses:

1. Consignees have no right of action against him on bills, the owner being responsible only to the shipper. 2. The signature of the railway clerk at the inland port will not hold the master of the ship where the latter had not signed it. 3. The owner may deny the shipment and throw upon the consignee the burden of proving that it was actually made. 4. Even if the shipment is proved there are many exemption clauses in both the Through Bill and the Ordinary Ocean Bill which have to be considered. Common exemption clauses relieve the owner of the vessel of liability for theft, and losses resulting from the default or negligence of the captain or pilot. (1) The consignee will find therefore in case of claim for damages that through one or another of these clauses the shipowner is likely to be able to free himself from liability. The case is further complicated by the fact that goods by the vessels of many different countries and shipowners do not agree as to the terms on which they will carry or as to what law is to govern the ocean shipment.

Through Bills of Lading are of special importance to bankers because of the part they play in connection with the marketing of that portion of the American cotton crop sent abroad. Many losses have been sustained within recent years by bankers making advances on these Cotton Bills as they are called. This has resulted from the present method of issuing these bills, which makes it extremely difficult to fix the liability of the carriers on the through bill of lading. Under the present method the through bills are filled in:

(1) The present day Bill of Lading contains the following exceptions. Act of God, the king's enemy, fire, breaking of machinery or boilers, and all other dangers and accidents of the seas, rivers, and navigation of whatever nature. (From Journal of Institute of Bankers (English) vol. 23 p. 13.)
blank at the sea by an agent who acts in a sort of double capacity for both the carrier and the buyer. These bills are then sent to the interior points where the amounts are filled out for the shipments they represent and where the local railroad agent signs them. The agent of the ocean carrier has no opportunity to sign them until they reach the sea board. Thus the land carrier's liability terminates with the delivery of the goods to the agent at the port and the ocean carrier's liability does not begin until he gets the goods. The great danger to bankers making advances on such a bill is this lack of continuity of responsibility. Mr. H. Kem, an English buyer discussing the Through Bill of Lading at Liverpool Bill of Lading Conference in 1907,(1) spoke of it as merely a receipt in exchange for various local bills of lading which in itself was binding neither upon the land nor the ocean carrier. Its value therefore as a security depends upon the personal honesty of the agent at the sea-board. There is no real security, yet the whole of our cotton crop sent abroad is financed on the faith of such bills.

Immense quantities of flour, and large grain exports, especially wheat are sent to New York and on to European ports on this same form of bill. The value of these shipments sent abroad and financed on the security of the bills of lading amounts to millions of dollars annually. Within recent years some astonishing losses have been reported. One case entailed a loss of $320,000. The situation has become so critical that many banks in Germany and France have threatened to refuse to accept the bills as security unless some form is agreed upon which will more definitely fix the liability of carriers. A heavy cotton buyer (2) made the following statement; "The greatest

(1) American Bankers Association Proceedings.1907 p.19
(2) Herr Brugelman Atlanta Convention.1908.
complain we have is against the irresponsible methods of drawing bills of lading. We are unable to import cotton direct because of these defective bills, and we therefore purchase our supplies in Bremen and Liverpool and are necessarily compelled to pay the commissions of those markets."

In 1907 the American Bankers' Association attempted to collect statistics of the losses suffered by banks on all kinds of bills of lading. The committee was however unable to obtain any satisfactory results as bankers are very reluctant to report their bad accounts. Mr. Pierson, chairman of the committee, stated that many millions were lost in this way that have never been reported. In connection with our foreign commerce there is, besides that of the banks, another loss to Americans resulting from through bills, as was emphasized by Professor Williston in his report to the American Bankers' Association in 1908. This is the loss of foreign business resulting from the refusal of bankers to trust the collateral attached to drafts. Professor Williston ventured the statement that our foreign business would amount to many millions more annually if foreign buyers could trust the collateral attached to our drafts. The statement by the German buyer quoted above emphasizes this point.

It is therefore of greatest importance to American bankers that a through bill of lading be obtained which will be a satisfactory collateral in our foreign trade. Very little can be accomplished by legislation since ocean carriers of other nations are not within the jurisdiction of our laws. Nevertheless the Standard Form of bill was drafted by Mr. Hayne with particular attention to the provisions needed for a bill used for through shipments. If a Uniform Bill which would serve as a satisfactory collateral for through foreign shipments were adopted in the United States, the ocean carriers could
probably be induced to use it. Cooperation among the ocean carriers, the foreign buyers and the American railroads and shippers con alone relieve the situation. This would of course be very difficult to secure but it is not impossible. There is no other solution.
CHAPTER 6

LAWS AND CUSTOMS OF FOREIGN COUNTRIES.

The bills of lading issued by railroad companies in foreign countries are used as bank collateral only to a very small extent. The reasons for this have already been enumerated in a previous chapter. Hence, the laws and customs of the different countries mentioned in this chapter apply chiefly to ocean bills. In most countries of Europe where bills of lading are issued by railroad companies, the laws governing them have been modeled upon those already existing for bills issued by vessels. The principles governing maritime bills are well established in Europe and are provided for to a large extent in the Commercial Codes of the various nations. As in England and the United States the bills issued by railroads are similar to those issued by water carriers.

In comparing the bills of lading in other countries with those in the United States it may be said that everywhere they have at least as great a degree of negotiability as in this country. In most countries they are far more negotiable and are consequently much better collateral than those in use in the United States. The German Code provides the ideal bill, but one which is impracticable for the United States, under its present undeveloped commercial system. The French Code provides a less perfect instrument which, however, has been more generally copied by other countries than the German Code. The reason for this lies in the fact that they, like the United States, have not the highly developed legislative machinery requisite to carry out so exact and elaborate a system.

In Canada the relations between the banks and the railroads regarding bills of lading are definitely established. After loading
his wheat the small farmer receives on the bill of lading an advance of fifty percent to eighty percent of the goods at his local bank. The grain is inspected by government inspectors at the market centre and the inspector forwards to the consignee the official documents stating the amount and grade of the grain. These documents are then sent to the bank and the "out turn" as it is called is subject only to storage and freight charges. Sometimes the bank receives the documents from the inspector direct. This set of papers is "good delivery" on the Winnipeg exchange.

By Canadian law and custom the bill of lading is made payable to order, and the holder has absolute title to the goods. If the railroad delivers the grain without the bill of lading or to the wrong party, it must deliver again to the holder of the bill. This fixes definitely the carrier's liability and therefore the bill is accepted without any uneasiness by the banks. It is regarded practically as cash because it is certain when a shipper deposits with a bank a bill of exchange with bill of lading attached and the instruction to "surrender documents attached on payment only," that the drawee must pay the bill of exchange before he can get the goods.

The bill of lading is therefore a high class security in Canada. The government inspection of grain and the absolute liability of the carrier on bills of lading make the instrument much safer as collateral than in the United States. The bills of lading in the U.S. and those in England are very similar because they have been put to the same uses and because the common law of the United States is based on the English Common law. The general negotiability of the bill in England has been increased by two important statutes, The Bills of Lading Act of 1855, making the owner of a ship liable upon a bill of lading issued by the master when no goods were received, and the Factor's
Act of 1889, by which an agent entrusted with a bill of lading may give good title to a bona fide purchaser, although the owner had previously sold the goods. This makes the bill more negotiable in England than in the United States.

The carrier's liability to the purchaser of a spent bill (1) has not been passed upon, although the carrier would probably be held, if the bill had been purchased by an innocent third party.

In Germany we find the ideal bill of lading. (2) There the instrument is, without reserve, placed upon the same level as bills of exchange. This is possible in Germany because that country possesses the most scientific and most complete commercial code in the world. There all forms of bills of lading are governed by the same legal principles. The shipper must make out and sign an invoice of the goods, by which the relations between the shipper and the carrier are determined, the former being liable for the correctness and completeness of the invoice. The bill of lading itself fixes the liability of the carrier to the consignee or indorsees. The carrier must deliver the goods only upon the return of the bill of lading signed by the person receiving the goods. The carrier is liable to bona fide indorsee for a bill issued when no goods were received, notwithstanding the fact that the carrier authorized the agent to issue bills only when goods were received. It is also liable on a spent bill.

Thus while the legal relations between the carrier and the consignee and subsequent indorsee are fixed by the bill of lading, a special and independent obligation is created to the indorsee which is fixed by the code and on which the carrier is liable, independent of the contract of carriage.

(2) Judge Walter Neitzel before Harvard Law School.
Under the German law, therefore, a bill of lading has been obtained that has perfect negotiability, a feature which American bankers scarcely hope for in our bill of lading under our imperfect laws and uncertain carrier's liability. The complete German commercial code has been adopted by Austria so that the bill of lading in that country has the same degree of negotiability as in Germany.

In France the bill may be made payable to order, to bearer, or to a specific person. If payable to bearer, the carrier becomes directly liable to the holder of the bill.

The bill of lading made out in the form prescribed in the commercial code is proof, in the hands of third parties, against the carriers, for all that is contained in it. Proof, for example, that the quantity of goods received was less than the amount named in the bill, will not be allowed. The person receiving the goods must give receipt for them. This is usually done on the back of the bill of lading. In some parts, a vessel is not discharged until the bill of lading for the cargo is surrendered. The carrier is liable to the innocent holder of a spent bill.

The commercial code of France was passed early in the nineteenth century, and has been copied with some changes by most civilized countries, excepting Germany and Austria. Italy, Spain, Belgium, Holland and Mexico have all adopted it.
THE PRESENT SITUATION.

At present there are several obstacles yet to be overcome in obtaining a uniform bill of lading. The Uniform Bill in use in Official Classification Territory and the Standard Bill in Southern Classification Territory, are different in one respect which is of great importance to bankers, namely the assignable - negotiable clause. The surrender clause is the same in both but the Standard has prefixed to it the assignability clause which reads as follows:

"This bill of lading is assignable, it is negotiable only in so far as may be required to carry out the promise of the carrier made in the following surrender clause, and is enforceable as provided in Section 10 of this bill of lading, according to its original tenor and effect! Mr. Hayne, drafter of the bill, regards this clause as of great importance in securing a form of bill affording maximum protection to bankers. As a representative of the carriers, he stated that the insertion of this clause in the Standard Bill was a concession of the Southern railroads in the interest of the banks and the public. He urges that it be inserted into the Uniform Bill, the latter having no clause at all as to its negotiability.

As champion of his bill, Mr. Hayne stands firm in declaring it to be much more likely to become a uniform bill than the so-called Uniform Bill of the Interstate Commerce Commission, since it does not contain certain provisions of the latter which have been very objectionable to some railroads, with the result that many have refused to adopt the Uniform Bill. One of these is the phrase "and the burden to prove freedom from such negligence shall be on the carrier or party in possession," which appears in Sec. 1. Paragraph 2 of the Uniform Bill. Another appears in Sec. 2, Par. 2, regarding
initial liability and reads," but nothing contained in this bill of lading shall be deemed to exempt the initial carrier from such liability so imposed!"

The Standard Bill contains, in Sec. 5 Par. 5, a provision releasing ocean carriers for goods being held at a wharf before loading on the vessel or after unloading. This release to carriers for liability for goods held at terminals is not provided for in the Uniform Bill. The latter is therefore not acceptable to ocean carriers. Mr. Hayne, in drafting the Standard Bill, gave special attention to provisions which would be acceptable to ocean carriers and inland carriers alike so that it could be used for through shipments of cotton. The Uniform Bill is drafted, according to Mr. Hayne's view, too much in the interest of the bankers, and is therefore too narrow to meet the local demands of the railroads in all sections of the country. He says the Standard Bill contains all the essential features of the Uniform Bill and goes further to meet the local demands in the South.

Mr. Hayne, in his testimony before the Senate Judiciary Committee of North Carolina, (1) in relation to the proposed legislation in that state, defining the liability of carriers for a bill of lading issued by an agent, beyond the scope of his authority, explained very definitely the attitude of the railroads on this question. He said that the railroads have in the Standard Bill assumed liability for "spent" order bills and for authorized "order" bills, although the goods represented by them have not been received. This concession on the part of the railroads, he said, covered nine tenths of the trouble with which the banks had had to contend, and the latter were not justified in expecting them to make a further

concession by assuming responsibility for acts of the agents contrary the employer's instructions. The question of agency, as defined by the Supreme Court of the United States did not hold a principal for acts of his agent, not within the scope of his authority, and to change this with respect to railroads would be to adopt a policy which might just as well be extended to banks, other corporations, firms, and individuals.

The position of the carriers on this point is clear. They would regard any legislation as unfair which imposed upon them such responsibility with regard to fictitious bills of lading. The southern railroads will oppose any legislation, state or national, purporting to impose upon them such liability. They would be more affected than the northern roads because of the particular method used in the South for the through billing of cotton shipments for export. This method, already discussed in the chapter on Through Bills of Lading, makes it practically impossible for southern railroads to forbid their agents to issue bills before the cotton is received.

A Joint Bill of Lading Conference consisting of bankers, representations of carriers and shippers, and other interested parties was held in Chicago, September, 13th. 1909, under the auspices of the Committee on Bills of Lading of the American Bankers' Association. The question of the form of a uniform bill of lading, and of state and national legislation governing bills were discussed at this conference.

Mr. Paton, speaking from the banker's point of view, criticised the assignability clause of the Standard Bill, stating that in his 1. Mr. Hayne himself was unable to be present to explain why he had deviated in the Standard Bill from the Uniform Bill recommended by the Interstate Commerce Commission.
belief this should be regulated by law, and that such a negotiability clause should not have a place in the bill of lading.

These divergent views of Mr. Paton's and Mr. Hayne's are yet to be reconciled before a Uniform Bill can be obtained that will be satisfactory all over the country, and to all interested parties. The Chicago conference passed resolutious disapproving the use of the Hayne bill on the ground that it would be "unfortunate for any interests to undertake to secure any change in the form of wording of the bill as recommended by the Interstate Commerce Commission until after consideration by Congress and the State Legislations of the measures prepared."

The attention of the Chicago conference was called to the fact that the Uniform Bill ignored the perishable freight interests. Mr. Henry Dunkak, President of the New York Mercantile Exchange, stated that in shipping perishable freight the straight bill of lading was used almost exclusively, because, under the order bill, the railroads would not surrender goods until the bill of lading was presented. Since there was some delay in forwarding a bill of lading when it goes through a bank as collateral, perishable goods conveyed by fast freight trains usually arrive at their destination before the bill of lading. If an order bill of lading were used, the agent could not surrender the goods until the former arrived, which, Mr. Dunkak stated, would often cause a delay of twenty four hours or more. Consequently straight bills are always used for this class of freight, and banks have made advances on these straight bills, an exception to the general practice. Mr. Dunkak said that about eighty percent of the drafts his firm received were on straight bills of lading. The Interstate Commerce Commission made this straight form non negotiable on its face. Commission merchants
offered an amendment to the order form of bill, including a special clause applicable only to perishable goods, so that it could be used for perishable freight. Such a clause is now to be considered by the Interstate Commerce Commission.

At the conference, the progress towards uniform state and national legislation was also discussed. It was reported that the proposed national law was meeting with general approval and would probably be passed at the next session of Congress. A very favorable report was also made of the progress of the act adopted for state enactment. Ten states had already considered it, and many others were to consider it at the next meeting of the legislature.

With the enactment of the uniform laws discussed above, it would be possible to adopt a bill of lading which in itself contained no conditions or regulations limiting the liability of the carrier, these being defined in the statute. Such a "Clean" Bill of Lading, as it has been called, would make the carrier virtually an insurer, responsible for all damage, except that caused by act of God, the public enemy, or other causes beyond his control.

The Carmack Amendment to the Rate Bill, 1906, was the first legislation working towards a "clean bill". As stated above this how is now before the Supreme Court of the United States to be tested as to its constitutionality.

(1) "If that court decides that the Carmack Amendment is constitutional in its entirety then the way is paved for the ultimate adoption of the "clean bill".

The bankers would certainly regard a "clean bill" as the (1) Mr. E.E. Williamson of Cincinatti. Joint Bill of Lading Cofference; Chicago, 1909.
ideal form, and, at the Chicago conference, they seemed confident that this would be obtained.
CONCLUSION.

The heavy losses that have been suffered by banks on loans made on the faith of bills of lading have shown that the present instrument is a very unsatisfactory bank collateral. The writer has attempted in the previous pages to point out the reasons for its being an unsafe security. They may be summed up briefly as follows:

1. The difficulty of assigning a definite value to the goods it represents.
2. The lack of negotiability, which is an essential element of every good security.
3. The uncertain liability of the carrier.
4. The carlessness with which it is drawn, making alteration and forgery comparatively easy.
5. The lack of national legislation.
6. The non-uniformity of state legislation.
7. The non-uniformity of court decisions.

The following remedies are being sought to correct these defects:

1. The adoption of a Uniform Bill.

But it has been found very difficult to institute these remedies, and the work of obtaining a final solution to the problem has advanced slowly. The reason for this is that there are four interests to be considered and consulted; the carrier, the shipper, the bank and the purchaser, and all of them will have to make certain concessions before a uniform bill and uniform laws can be obtained. The great progress already made towards this end is, however, very satisfactory. The national law will doubtless soon
be obtained.

The greatest work yet to be done is that of reconciling the Hayne or Standard Form and the Uniform Bill, and of securing the enactment in the remainder of the states of the uniform act already drafted and in force in several states. If as great progress towards a practical solution of the problem is made in the future has been made in the past few years, the end will doubtless soon be accomplished.
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