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RE-ORGANISATION OF COMMERCE

THE HOME TRADE

OR

MODERN COMMERCIAL PRACTICE

(Formerly known as MODERN BUSINESS METHODS)

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BY
FREDK. HOOPER and JAMES GRAHAM

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RE-ORGANISATION OF COMMERCE

THE HOME TRADE

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MODERN COMMERCIAL PRACTICE

(Formerly known as MODERN BUSINESS METHODS)

BEING A GUIDE TO THE OPERATIONS
INCIDENTAL TO THE INLAND TRADE
OF THE UNITED KINGDOM

A TEXT BOOK FOR COMMERCIAL STUDENTS

FREDK. HOOPER

Secretary, Bradford Chamber of Commerce, 1850-1907; Senior Staff Officer, H.M. Board of Trade, 1907-1916.

AND

JAMES GRAHAM

Director of Education, Leeds; formerly Inspector for Commercial Subjects and Modern Languages to the West Riding County Council.

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DEDICATED

TO THE

Bradford Chamber of Commerce

AND THE

London Chamber of Commerce

THE PROPOSER AND SECONDER RESPECTIVELY OF THE FOLLOWING

RESOLUTION, WHICH WAS UNANIMOUSLY ADOPTED

AT THE MEETING OF THE

ASSOCIATION OF CHAMBERS OF COMMERCE OF THE UNITED KINGDOM

HELD AT MIDDLESBROUGH

September 14th, 1897:

"That in the opinion of this Association, it is desirable that young persons intended for commercial careers should, besides passing through the ordinary curriculum of a Secondary School, be specially instructed in subjects appertaining to commerce; and that in order to encourage the provision of such instruction, and with a view to securing that the facilities for commercial education in the United Kingdom shall not be inferior to those of any Continental country, it is urgently necessary that Government aid should be extended to the teaching of commercial subjects, as it now is to the teaching of Science and Art."

AND TO THE

Other Chambers of Commerce

WHICH HAVE TAKEN AN INTEREST IN COMMERCIAL EDUCATION

PREFACE TO THE FIRST EDITION

In commercial affairs an increasing amount of knowledge is required from the employer as well as from the employed, and it is now more than ever necessary to remember that an Office is a place where commercial knowledge must be *used* rather than sought.

Considering that we are pre-eminently a commercial nation, and that Great Britain ranks as the first commercial country in the world, it is a matter for surprise that "Commercial Education" should have been so strangely neglected in this country. Twelve years ago the Royal Commission on the Depression of Trade stated in their Report: "In the matter of education we seem to be particularly deficient, as compared with some of our foreign competitors; and this remark applies not only to what is usually called Technical Education, but infinitely more to the ordinary Commercial Education which is required in Mercantile Houses." Since then, however, mainly on the stimulus of the leading Chambers of Commerce, efforts have been made to remedy this state of affairs, and of late years several movements have been initiated with that object. Among the earlier of these were the Commercial Education schemes of the Oxford and Cambridge Schools Examination Board and the London Chamber of Commerce. The former proved to be in advance of the times, and, owing to the paucity of candidates for examination, has been discontinued. The scheme of the London Chamber of Commerce has been more successful. It is still in operation, and doubtless would have been still more successful but for the fact that Schools, being unable to obtain Government Grants on Commercial Courses, could not afford to adopt this scheme in its entirety.

It is fast becoming a necessity that facilities should be provided whereby the Technical Education of those who are destined to earn their living in the world of Commerce may be commenced when they have reached a given standard of knowledge in ordinary subjects, and *before* the time when they must occupy a position in an office.

Attendance at carefully Organised Courses in Commercial Subjects and Modern Languages, conducted by fully qualified teachers, would enable a youth to acquire in a few months information that it would probably take years to " pick up " haphazard in an office ; and the instruction thus given could be supplemented by a technical and scientific teaching of the " whys and wherefores " of the work such as can seldom or never be obtained in the office alone, thereby enabling a person to reach the stage at which he acquires a value as a competent employé much earlier than if he had gone into an office without such preparatory training.

The question is, how and where in the United Kingdom can a youth acquire an all-round commercial knowledge ? In this country there are no High Schools of Commerce, heavily subsidised by the Government, as there are on the Continent. Moreover there are no Government Grants for Organised Courses in Commercial Subjects and Modern Languages, as there are for Organised Courses in Science and Art ; therefore, as these Commercial subjects are non-grant-earning, schools cannot afford to take them up. Thus while a young man intended for the engineering, legal, medical, or clerical profession can readily obtain that instruction best suited to his requirements, and may by means of a University or other Diploma receive a formal acknowledgment of his having reached a minimum degree of proficiency, no such advantages are possible to those who are studying for positions in the mercantile world. The result is that boys commence their commercial education *after they have left school*, and pick up a certain amount of commercial information as a matter of chance, entering the office totally ignorant of the very nature of the work they are called upon to perform. It would benefit our trade if British boys, intended for commercial careers, could, on reaching 14 or 15 years of age, attend Schools of Commerce for two or three years (just as at present boys can attend Schools of Science) and be taken through Organised Commercial Courses. The boys, on completing their school courses, would then be just as far advanced, if not further, than those who had entered an office without this training at 14 or 15, with the incalculable advantage (if they had wisely used their time) of possessing as a foundation an education and knowledge that would always be a help to them, and would enable them to mount the commercial ladder and assist in the development and extension of British Trade at home and abroad.

Turning to the West Riding of Yorkshire, something is being done under the Commercial Education scheme of the West Riding County Council, who have drawn up courses in the following subjects :—

1. The Office Work and Business Methods incidental to the Home, Import and Export Trade of the United Kingdom (taught practically and with suitable apparatus).
2. Mathematics relating to Commerce, Foreign Currencies, Weights and Measures.
3. Book-keeping and Elementary Accountancy, Auditing and Banking.
4. English Commercial Correspondence and Précis writing.
5. The products of the Animal, Mineral and Vegetable Worlds, and their connection with the principal British Industries (practically illustrated by means of Commercial Museums).
6. The Principles of Commerce and Economics.
7. Modern Languages, keeping in view, as an object, the practical use of the languages for business purposes.
8. Commercial Geography and History.
9. Chemistry and other Sciences as bearing on trade, and Drawing.
10. Shorthand and Typewriting (as time-saving accomplishments).

The above is the only practical commercial scheme now in operation in Technical Classes and Secondary Schools, and it is in connection with the "Business Methods (Office Work)" syllabus of that scheme that this text book has been specially prepared.

In this Manual we begin with the work which is usually performed by a Junior on his entrance into business life, and advance gradually until we embrace the more complex work usually undertaken by experienced men. The instruction will be found to be theoretical as well as practical, the "whys and wherefores" of everything being explained. For instance, when dealing with "Cheques" we not only show how to draw a cheque—which is a very simple matter—but we also explain the meaning and effect of the various methods of "crossing" and endorsing cheques, and also deal with their presentation and payment. Later on we go through the whole series of operations connected with special branches of office work, such, for example, as the Shipment of Goods, but it is of course necessary first to take each operation separately, commencing with the most elementary.

The books and documents used in commercial affairs differ more or less as between one office and another, as do also the methods of filing, copying, &c. These matters depend in great measure upon the character of the business, and whether the transactions are on a large or a small scale. The knowledge required of an employé also depends to a considerable extent upon the nature of the business with which he has become connected. For example, the routine in the office of an engineer differs in many respects from that in a bank, or even from that in a merchant's office. But on the other hand there are many points of similarity between the work in a manufacturer's office and that in the counting house of a merchant. The information contained in these Manuals will, we believe, be found serviceable in *any* business. It will, however, be applicable chiefly to the operations of a merchant, the work in a merchant's office being of an infinitely more varied and complex character than that of almost any other business, whilst at the same time it is in many respects analogous to that pursued in most business establishments.

Some of the matters dealt with in these books may perhaps be considered trivial, but it must be remembered that in business matters *nothing* is trivial. Every little act has an importance of its own—the careless wording of even a short note may result in the loss of an expensive law suit. And as regards the more elementary portions of the course, it must be borne in mind that these Manuals are intended primarily for the use of persons who have no knowledge of the subject, and who, therefore, require a full explanation of even elementary matters.

It may be asked, what is the use of teaching these elementary matters, which may be learned without difficulty when once one has set foot in an office? One reason is that a person is not engaged in an office to *acquire* information, but to make use of the knowledge he already possesses. Each person in an office has his appointed work, and a new comer frequently finds that his colleagues have neither the time nor the inclination to teach him *his* work. He has consequently to "pick it up" as best he can. Frequently he does not "pick up" the way that is best; moreover, the information thus acquired is by no means satisfactory. For instance, a youth may have the handling of a number of cheques every day, in paying them into the bank, but unless he is of a more enquiring turn of mind than most of the juniors it has been our lot to deal with it may be years before he learns the

difference between an "open" cheque and a "crossed" one. Then again, he will have a very hazy notion as to the uses of Bills of Lading, although he may handle those documents every day. A Bill of Lading he looks upon chiefly as a receipt for goods shipped. He is not aware that it is an assignable document, even if he knows the meaning of that term, and so with many of the commercial documents which may pass through his hands every day.

A youth who goes through the course upon which we are now entering will not be ignorant of such matters. He will not only understand and be able to perform satisfactorily the more mechanical duties usually assigned to him, but he will have a knowledge, both theoretical and practical, of most of the varied operations transacted by the members of the staff of a good office, which will stand him in good stead when the occasion for using it arises, as it is sure to do.

But a youth who has gone through this course preparatory to entering an office must not think that he will be able to obtain a superior position by reason of his superior attainments. Such posts are not given to beginners. He will have to begin at the bottom, or near the bottom; but the more he knows the greater will be his chance of rising, and rising rapidly.

F. H.
J. G.

21*st October*, 1897.

NOTE TO THE SECOND EDITION

In issuing this, the second edition of this book, we have considered it desirable to add chapters on the following subjects :

MERCANTILE FIRMS AND COMPANIES ;
MARKET REPORTS ; THE STOCK AND SHARE MARKET ;
RAILWAYS AND RAILWAY GUIDES ;
INSURANCE ; COUNTY COURTS AND BANKRUPTCY ;
ADVERTISING, COMPILING CATALOGUES, ISSUING CIRCULARS, &c. ;
THE CORRECTION OF PRINTERS' ERRORS ; AND
MODERN METHODS OF ILLUSTRATION,

thus making the volume more complete.

We take this opportunity of expressing our appreciation of the favourable reception which has been accorded to this book and to the companion volume on the Import and Export Trade, not only in commercial and educational circles, but by the Press as well.

We may also express our gratification at the largely increased interest now manifested in the question of commercial education. This result is due mainly, if not entirely, to the resolution of the Bradford Chamber of Commerce, quoted on the Dedication page of this book, and to the memorial by which the resolution was followed up. When that resolution was passed, almost the only bodies which had seriously attempted to deal with this question were the London Chamber of Commerce and the West Riding County Council. Since then, several other County Councils have moved in the matter—the London Technical Education Board have recently issued a very valuable report on the Commercial Education question—and Grammar Schools, Technical Colleges, School Boards, and Unions of Institutes throughout the country are now beginning to take part in the work. Several Chambers of Commerce also have arranged Commercial Courses, and the fact that most of these Chambers have very properly adopted the West Riding Syllabuses is to us a further source of satisfaction, seeing that our Manuals were primarily designed to meet the requirements of the Syllabuses of the West Riding Scheme, drafted some years ago.

F. H.

October, 1899. J. G.

NOTE TO THE 1901 ISSUE

ANOTHER reprint of this book having been called for, we take this opportunity of thanking our numerous correspondents and the Press, both at home and abroad, for their appreciative letters and notices concerning the work.

A number of typographical errors which escaped our notice in previous editions have now been corrected, and the statistical information brought up to date, but otherwise no substantial alterations have been found necessary.

We take it as a compliment that this book should to-day be in use in French, German, Belgian, Swiss, and Austrian Schools of Commerce in connection with the teaching of English and English methods of conducting business operations. When shall we see similar works, written for the use of French or German young men, seriously studied by British youths of from 16 to 19, in British Schools of Commerce ?

F. H.
J. G.

September, 1901.

NOTE TO THE THIRD EDITION

In this edition the matter has been brought up to date where necessary, and new chapters added dealing with the most modern methods of Office Work and Routine.

A great impetus has been given in recent years to commercial education in this country. Graded courses of instruction are now in operation in nearly all the Technical Evening Schools and Colleges of the country, and in many of the Secondary Schools. Certain of the newer Universities have also taken the matter up and made provision for the granting of Degrees or Diplomas of Commerce. But while much has been done, a great deal more is necessary if this country is to compete, on anything like terms of equality, with other commercial countries.

It has needed a world war to show us how much we had come to be dependent upon other countries for many of the raw materials and semi-manufactured articles necessary for our industries, and how we were gradually being left behind by other countries in the commercial developments which are constantly taking place. It is necessary for this country to take stock of the present position and speed up the training of the youth of the nation to take positions of responsibility in this country and wherever it is desired to open up or extend our trade.

F. H.
J. G.

May, 1918.

NOTE TO THE 1920 ISSUE

ANOTHER reprint of this book having become necessary, the matter has been brought up to date, the statistics have been revised, and the letterpress has been supplemented to meet the requirements of modern methods in Commercial Practice.

The changes in financial matters and currency have necessitated a thorough revision of the chapters dealing with those subjects, and several questions on Chapters XXIII. to XXIX. have been added.

The extended use of this text-book in Commercial Schools and Colleges, both at home and abroad, is noted; and it is hoped that the alterations and additions will further enhance its usefulness.

The authors desire to acknowledge their obligation to Mr. Henry Smith, Head of the Commercial Department of the Central High School, Leeds, whose long experience in the teaching of Commercial Practice has been of great value in the revision of the book.

February 1920

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MODERN BUSINESS METHODS

INTRODUCTORY CHAPTER

If a young man without capital wishes to get on in commercial life, he should earn the goodwill of his employer by performing his duties so as to show that he is not afraid of doing more than he is paid for doing. He will then be certain of promotion.

An employé often finds that he is not the best judge of what constitutes a day's work; the chances are that his employer has been through the same routine of work himself, and understands it thoroughly.

In any case, if an employé prove himself useful and thoroughly trustworthy, the employer, in his own interest, will not part with him for a matter of money. But a young man in business life must *prove* that he can work, and that he is equal to any reasonable demand made upon him. He should never stop to watch the hands of the clock, or to think of the remuneration he will get, but should put himself heartily into his work, remembering that employers will generally find an opening for an energetic and trustworthy man who makes a special study of their business and interests.

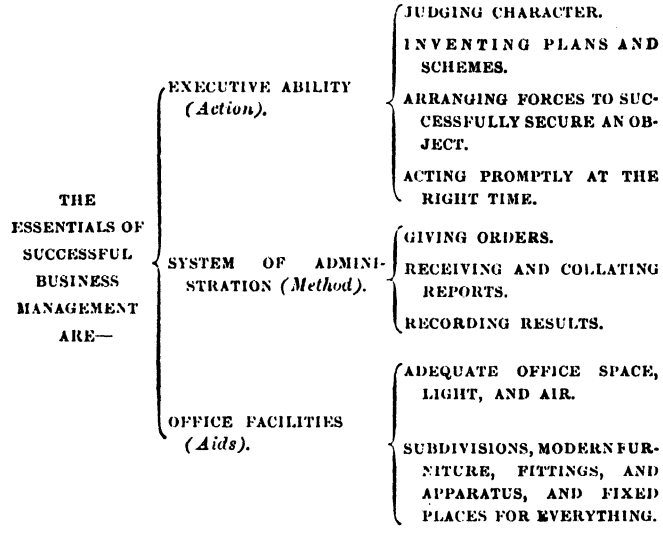
A young man should not be content to let a knowledge of one or two subjects carry him through life, but should make a point of knowing as much as possible of his own particular line of business, and of everything connected with it. He can never acquire too much of such knowledge.

When he thinks of the many labour and time-saving devices which science has introduced into the world of commerce, and of the numerous and varied operations incidental to the buying and selling and importing and exporting of goods, a youth will at once perceive the necessity nowadays of a wide knowledge of modern business methods, should he aspire to become a captain in the field of commerce and assist in developing and extending our trade at home and abroad.

An employé should learn to be self-reliant and have confidence in himself, and thus avoid troubling his superiors with details and matters with which he should himself be competent to deal.

He should also be sure that he fully understands his employer's instructions ; if in doubt, he should ask again before proceeding to carry them out, otherwise mistakes and serious losses may result.

Attention may be given to the following outline Analysis of Business Management and Hints :—



Accuracy in business : what contributes to it.

Knowledge of principles ; Undivided attention to work ; Self-reliance ; System ; Figures—size and spacing ; Transferring amounts ; Avoidance of errors ; Transcribing ; Plain writing ; Correct contractions and abbreviations ; Neatness.

Rapidity in work : what contributes to it.

Thorough knowledge of subject ; Attention, concentration ; System ; Routine of work ; Arrangement of work ; Self-control ; Rapid, regular, continuous work ; Rapid calculations and use of short methods ; Rapid writing ; Interest in work.

Neatness in work : what contributes to it.

Cleanliness, general and special ; Condition, arrangement, and care of tools and materials ; Neatness, arrangement, and size of writing ; Care in taking ink ; Care in handling books ; Turning leaves with care ; Correct use of blotter ; Proper use of pencil ; Correct ruling.

We will now proceed to deal with the various operations and matters with which it is most desirable that a commercial man should be conversant. Endeavour has been made to arrange everything in logical sequence, and to take up the work in the order in which it would be approached by the tyro as he passes through the various grades from the lowest to the highest position in a first-class office or counting-house.

SECTION 1

THE MECHANICAL OPERATIONS OF AN OFFICE AND COUNTING HOUSE

CHAPTER I

INCOMING CORRESPONDENCE

"Incoming Correspondence" is a comprehensive term used to indicate the whole of the correspondence received by a firm, whether by post or by messenger.

Most large business houses have a private box at the post office, and letters are called for two or three times a day by a member of the staff. In other cases the letters are delivered by the postal officials at the place of business.

In a large business a staff of junior clerks, with a senior clerk in charge, usually deals with the opening and sorting of the letters each morning in the general or enquiry office. The letters on being opened are stamped by a dating machine to register the day of receipt. Some of the letters may contain enclosures such as—

(*a*) Cheques.

(*b*) Orders.

(*c*) Invoices.

(*d*) Statements.

(*e*) Receipts.

These are carefully sorted into groups, and are then dealt with by the clerks responsible for them. Enquiries should have special attention, and should be "followed up" so that an order is obtained.

It is the practice of some business firms to have each document (letter, enquiry, or complaint) entered in a letter register in order that its receipt may be traced. In other cases only telegrams and very important letters are registered in this way.

The Incoming Correspondence Register (or, as it is sometimes called, The Letter and Telegram Register), besides recording the actual receipt of a letter, is useful in enabling the head of a firm or the head of a department who has very often to be away from business for days together, to ascertain, with very little trouble, what letters have been received during such absence, and the nature of the correspondence.

The following is a specimen of such a register—

INCOMING CORRESPONDENCE REGISTER

Date of Receipt.	From.	Address.	Subject.	Remarks.
19.....				
Sept. 1	*Smith, J.* ...	*Leeds* ...	*Order for Hats* ...	*Executed*
,,	*Sharpe & Co.*	*Stockport*	*Complaint that Goods are damaged.*	*Referred to L. & N. W.*

Sometimes the letters are numbered consecutively as well as stamped with the date, and this number is used as a reference instead of the date.

Letters raising matters of principle or involving some new-departure are shown to the head of the business. Those marked "Private" or "Personal" should not be opened in the general office. They should be kept intact and delivered to the head. Private letters to members of the staff should only be addressed to business houses in exceptional circumstances.

In a small business a similar method is adopted, but there is much less sub-division, and consequently one clerk has to do the work usually allocated to two or more.

CHAPTER II

OUTGOING CORRESPONDENCE

The replies to letters are usually dictated to shorthand typists, to whom is handed the letter under reply.

In most businesses it is the custom at the head of each letter to give a reference letter and number, which should be quoted in any further correspondence bearing on the subject matter of the letter. The reference letters and numbers vary according to the needs of the business, but the following is an example, usually inserted at the left-hand top corner of the letter :—

" In replying please quote "—

Yours E27466.
Ours 43522.

or

$$\frac{B}{397}$$

These headings ensure that the letters when received are passed forward without delay to the department or section which is dealing with that particular matter.

If an office is to run smoothly, it is essential that the correspondence should be dealt with early in the day. In large business houses the outgoing letters may number three or four hundred a day, and if the replies to letters are left over until the afternoon, the typists may be doing very little in the mornings and have more than they can manage during the afternoons. The despatch section, where the letters are copied and made up for post, would also be unduly burdened. Overtime work would be frequent, and this could be avoided by foresight and proper organisation.

The letters when typed are returned to the dictator, with the letter under reply attached to the back with a clip. It is his duty to read through the letter carefully and satisfy himself that it is correct and ready to go forward for signature.

Copying of Correspondence.—The letters when signed are sent to the general office for copying and despatch.

In retaining copies of outgoing letters, one of three methods is usually adopted.

(1) In many business houses and some Government departments the typist makes a carbon copy of all letters, this carbon copy being attached, together with the letter under reply, to the typed, completed letter. This method is generally satisfactory and it is certainly the most expeditious. It has, however, one disadvantage—if alterations in *writing* are made on the typed letter, it is by no means certain that they are also made on the carbon print. The obvious remedy is to arrange that no alterations *in ink* shall be made on a typed, completed letter, but that the typist shall either re-type the letter or insert the alterations and see that they are included in the carbon copy.

(2) Other business houses prefer to copy their letters by means of the Roneo Copier or a similar machine. These copiers include a roll of specially prepared flimsy paper. It is only necessary to pass the letters through the copier, taking either one or two impressions or copies of each letter. The letters under reply are previously detached and placed in a basket ready for filing the next morning.

Where two flimsy impressions are taken, one is used for the Letter Binder and the other for filing. The flimsy roll of impressions is taken off the copier each morning, and the impressions are cut to foolscap size suitable for filing, and for the letter binder.

The letter binder is useful in retaining a duplicate copy of the flimsy impression of the letter. Reference may be made to it should the flimsy or carbon copy on the file by any chance be mislaid.

(3) In smaller businesses *fac-simile* copies are obtained by means of a machine called a *copying press.*

The other materials required for press-copying are (1) copying ink, (2) water well, (3) damping brush, (4) drying sheets, (5) oil sheets which are impervious to moisture, and (6) copying book.

Press-copying is probably the first work a youth will have to do on entering an office. The process is as follows—

1. Open the copying book, right way up, and turn to the first blank leaf.
2. Lay under this blank leaf a drying sheet.

3. Take the damping brush out of the water, and, holding it with the flat side downwards, run it along the paper, near the binding, from bottom to top, then across from left to right, until the whole page is wet.

4. Lay an oil sheet upon the wet page.

5. Close the book, place it in the press, apply pressure for a moment, and remove.

6. Open the book where the drying sheet is inserted. Take out the drying sheet, and put the letter in its place, face upwards.

7. Bring the damp page over on to the writing (taking care to keep it quite flat), with the oil sheet on top, and close the book.

8. Place the book in the press, give it a squeeze, and withdraw. When opened a *fac-simile* of the letter will be found on the damp page.

9. Insert an oil sheet on each side of the damp page, and close the book, or the book may be left open, so as to allow the copy to dry.

Any number of letters up to, say, ten may be copied at one operation by thoroughly wetting the whole number of pages required, first on the face, then on the back, inserting drying sheets and oil sheets as described on preceding page, and giving a *good* squeeze in the press. In performing this operation the right hand top corner of the copying paper should be left dry, to facilitate separating the sheets when inserting the letters—one to each leaf.

Care must be taken that the copying paper is neither too wet nor too dry. In the former case the ink will run and blur, rendering both copy and original illegible ; in the latter case the copy will be faint, indeed some portion of the letter will probably not be copied at all.

Type-written Matter.—The press-copying of type-written matter is rather more difficult than that of ordinary written matter. A good *thin* tissue paper, either white or yellow, should be used. The water well and brush should be discarded in favour of *linen* or *rubber damping sheets*. These should be slightly saturated, not sodden, in a zinc tray kept for the purpose, and one

of them should be placed upon each tissue sheet on which a letter is to be copied, the letter having been previously inserted and backed with an oil sheet. As many as 30 letters may then be copied at the same time. The book should be squeezed as tightly as possible in the press, and should remain in at least *two* minutes, the longer the better. With an old ribbon, at least *four* minutes should be allowed. Excellent letter book copies will then result. This system of copying is also applicable to ordinary written letters.

If a page in the copying book be spoiled, it should not be torn out, but should have the word " Cancelled " written across in blue or red pencil. In a Court of Law very little, if any, regard would be paid to a mutilated letter book if put in as evidence.

CHAPTER III

MAKING-UP LETTERS FOR POST

FOLDING

Every letter ought to be neatly folded and properly placed in the envelope. This is a very simple operation, yet it is often performed in a slovenly manner.

The method of folding depends upon the size of the paper and the size of the envelope. The following diagrams show the proper way of folding a letter for insertion into the usual commercial envelope ($5\frac{1}{2}'' \times 3\frac{1}{4}''$) :—

Octavo-sized paper.
($8'' \times 5\frac{1}{8}''$)

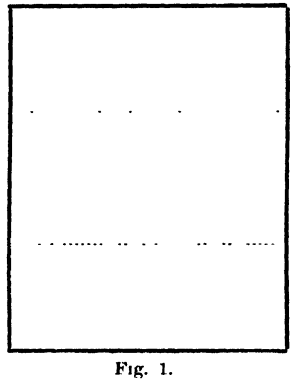


Fig. 1.

Fig. 1 shows the sheet of paper as written upon. The dotted lines show where the folds should be made. The inner fold is made rather larger than the outer ones, to facilitate unfolding.

For *quarto-sized paper* ($10\frac{1}{4}'' \times 8''$) the sheet is folded in half, right across, which reduces it to octavo. It is then again folded as described above.

For *foolscap-sized paper* ($13'' \times 8''$) a foolscap envelope is generally used. Where that is not available, however, the sheet

may be folded so as to fit a small envelope by doubling it across twice, reducing it to octavo size, and then folding again as described above, and as shown in the following example :—

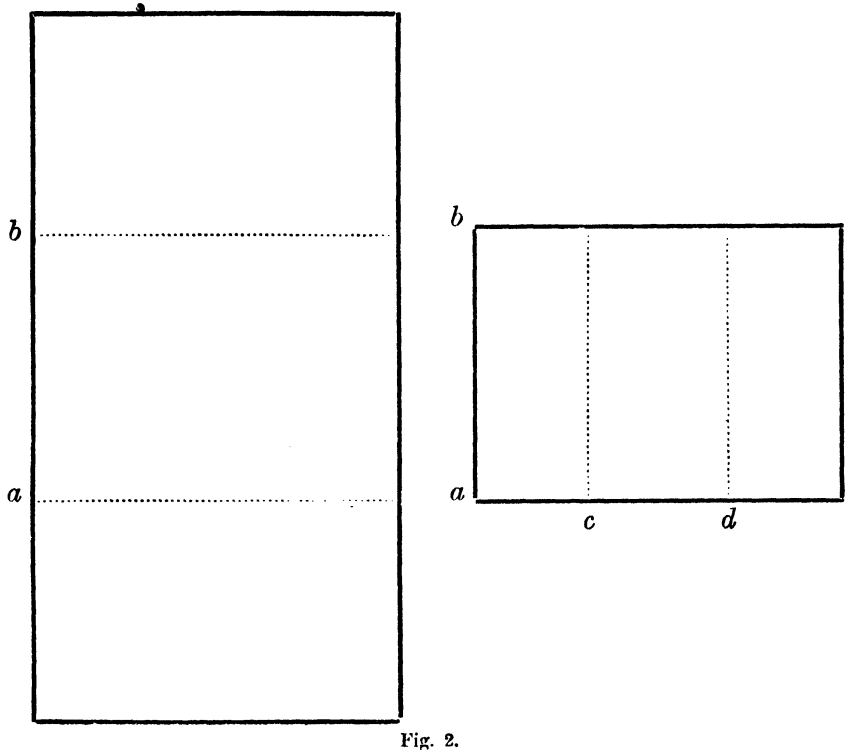


Fig. 2.

a b represents the first and second folds, *c d* the third and fourth.

A paper knife or a thin slip of wood is sometimes used in making the folds. The quickest and readiest way, however, is by making use of the thumb nail of the right hand.

Paper Fasteners, &c.—When a letter extends over two or more single sheets of paper, the sheets are generally fastened together by means of small paper-fasteners or staples. Most paper-fasteners are simply pushed through a hole made by a pen-knife or other instrument. The neatest and most expeditious method of fastening papers together is by means of the stapling machine, of which there are several kinds, the principle of each being the same—viz., inserting the staple and fixing it at one operation. In legal offices and Government Departments holes are punched

in the left-hand top corners of the sheets of paper and a cord passed through them and fastened, the object being to allow of the sheets being turned completely over.

ADDRESSING ENVELOPES

The address to be written on the envelope will usually be found at the head or at the foot of the letter itself. Sometimes, however, only the name of the person to whom the letter is addressed is given, with perhaps the addition of the town. In this case, the full address, if necessary, is taken from the *Address Book*—a book similar to an Index, in which the address of every firm written to ought to be entered, as well as their registered telegraphic address.

In addressing an envelope the name should be commenced towards the left-hand side, nearly half-way down. The first line contains the name only, and the succeeding lines the other portions of the address, the second, third, and fourth lines each beginning a little to the right of the preceding one. In most cases three lines will suffice for the address. The name of the town should be underlined.

The following examples show the proper mode of addressing envelopes :—

1. *Messrs Watson & Co*
   27 Bolton Road
   MANCHESTER

2. *George Smith Esq*
   The Oaks
   NEWQUAY
   Cornwall

3. *Messieurs Pierre Delmas et Fils* (singular *Monsieur*)
   Rue des Italiens 3
   BRIVE
   Corrèze
   France

4. *Herrn Gustav Molfenter* (plural *Herren*)
   Feuerbach
   STUTTGART
   Germany

London Postal Districts.—In addressing correspondence for London it should be noted that there are eight postal districts, of which the following is a list together with the present number of delivery offices in each area :—

District.	*Abbreviation.*	*No. of Delivery Offices.*
West Central	W.C.	2
East Central	E.C.	4
North	N.	22
East	E.	18
South-east	S.E.	27
South-west	S.W.	19
West	W.	14
North-west	N.W.	10

To expedite delivery, a number (indicating the particular delivery office) should be added to the initials which denote the district, thus :—

London, S.W.16.

These numbers should form part of the London firm's address as printed at the head of their letter-paper, but if not, the required street number may be ascertained by reference to a small book compiled for the purpose and obtainable at most post offices on application.

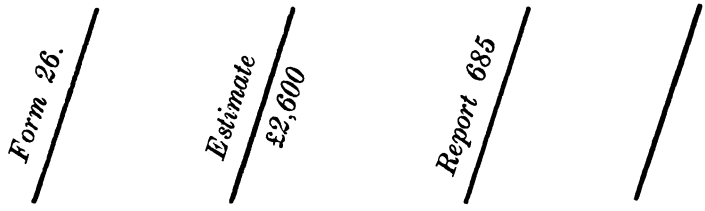
For *Foreign Letters* thinner paper should be used and the envelopes should be of a different colour from those used for home correspondence. For instance, if the ordinary envelopes are white, those for foreign correspondence should be a decided grey or blue, so as to be readily distinguished, and thus assist the postal clerks.

In an office there are usually several letters to be despatched at the same time. As each envelope is addressed, the letter for which it is intended should be at once inserted. This will prevent letters being put into wrong envelopes, as sometimes happens when all the envelopes are addressed first and the letters inserted afterwards.

Enclosures.—Very frequently there are certain documents (Invoice, Receipt, Postal Order, Cheque, Draft, &c.) to be enclosed with the letter. This is generally indicated in the left-hand upper

corner of the letter by the abbreviation Inv., Rect., P.O., Chq., or Dft., as the case may be. Sometimes the only indication is the abbreviation "Encl." (enclosure), 1 encl. (one enclosure), 2 encl. (two enclosures), &c., in which case the person making up the letter (a junior clerk generally) will have to glance through it to ascertain the nature of the enclosure referred to. It is most important to see that all the documents referred to in a letter as enclosures are really enclosed. Any omission is very annoying to the recipient of the letter, and in case of letters going a long distance (say to India or South America) might cause serious loss.

In "Official Letters" the number and character of each enclosure is clearly indicated in the margin of the letter by an oblique line drawn opposite the words mentioning the enclosure, thus :—



AFFIXING POSTAGE STAMPS

The next step is to weigh the letter on the letter scale and affix the postage stamp, near (but not quite close to) the edges of the right-hand upper corner of the envelope. Care must be taken to properly stamp the letter, otherwise the addressee will be charged with double the deficiency.

When there are a number of letters to be stamped at the same time, the best way is to tear the sheet of postage stamps from left to right into strips of a dozen stamps each, wet them on a damper, and place the stamps one after the other on the envelopes until the strip is exhausted. This will be found to be a much quicker and easier method than that of separating each stamp and using it singly. Ingenious machines for affixing stamps have been invented, but they do not work well in practice.

In certain large towns the postage on *inland* letters, circulars, post cards, and parcels may be prepaid in money, provided the amount paid be in no case less than £1.

Inland Letters.—The prepaid rate of postage for inland letters is as follows :—Not exceeding 4 oz. in weight, 1½d., and ½d. for every additional 2 oz. or fraction thereof.

Letters to H.M. Ships in home waters, not exceeding 1 oz., 1d.; exceeding 1 oz., but not exceeding 4 oz., 1½d.; thereafter as above.

FOREIGN AND COLONIAL LETTERS

The postage to be prepaid in the United Kingdom on letters to British Possessions generally, the United States of America, British Postal Agencies in Morocco, British Agencies in China, and French India is 1½d. for the first ounce and 1d. for each succeeding ounce.

On letters to H.M. Ships of War in foreign waters, and to H.M. Troops serving abroad, also to women serving with H.M. Forces abroad, the rate is 1d. per ounce.

The postage on letters to all other places abroad is 2½d. for the first ounce, and 1½d. for each succeeding ounce or fraction thereof.

LATE-FEE LETTERS

The hours when mails are made up for any particular inland town or foreign country may be found in the Local Postal Guide, or, in small places, on application at the post office.

Letters should, if possible, be posted by the time indicated. To provide for unavoidable delay, however, the post offices in all large towns allow letters to be posted within a certain period after the ordinary time, provided an extra fee in the shape of a half-penny stamp be affixed for inland postage and a penny stamp for abroad.

Late-fee letters should not, however, be dropped into the ordinary letter-box, but should be placed in the receptacle specially provided for such letters. This, except in London and a few other large places, is usually found inside the post office. The letter must be fully prepaid, with the ordinary postage in addition to the late fee, otherwise it will not be forwarded until the next mail.

In several large towns a special letter-box for late letters is provided at the railway station, where letters may be posted up to within a few minutes of the departure of the mail train.

Letter-boxes are also affixed to all mail trains to which travelling post offices or sorting carriages are attached, and letters may be posted in these boxes up to the time of departure of the train.

REGISTRATION AND INSURANCE OF LETTERS, &c.

Sometimes a letter is required to be "Registered." If so, this will be indicated at the left-hand bottom corner of the letter by the word "Registered," written in full or abbreviated "Regd.," and when the fee exceeds 2d. the amount must be stated.

When any important documents, such as deeds or a number of cheques, bills, money orders, &c., are enclosed in a letter, the packet should be registered.

Registration practically ensures a letter being delivered to the addressee, the loss of a registered packet being of rare occurrence, owing to the precautions taken with respect to such packets; therefore when it is desired to make certain that an ordinary letter shall be delivered to the person to whom it is addressed, it is usual to register it.

The ordinary registration fee for each inland letter, parcel, or other postal packet, is 2d., in addition to the ordinary postage.

The registration fee of 2d. includes insurance up to £5, an extra 1d. (3d.) insures up to £20, another 1d. (4d.) up to £40, and so at the rate of 1d. for each additional £20, until the maximum of £400 is reached. (£5 is the maximum compensation payable for a packet containing coin, whatever amount of coin the letter may have contained.)

The post office will not insure for more than £400, but larger amounts may be insured with the ordinary insurance companies. These companies insure packets of diamonds and jewellery sent by registered post up to very large amounts, and at a very low rate.

If a registered packet be lost (which, however, is very unusual, as already mentioned), the post office will not refund the whole amount insured if that amount exceed the value of the article lost —they will only refund the value of the article, and the Postmaster General reserves the right not even to give money compensation, but to replace the article. In any case, compensation is given as an act of grace, and not in consequence of any legal liability.

The principal rules to be observed with regard to a registered packet are :—

1. That it must not be dropped into the letter box, but must be handed to a clerk in the post office, and a receipt obtained for it. (If, however, a letter marked "Registered" be dropped into a letter box, it will be forwarded if directed to any place in the United Kingdom, but will be liable to a registration fee of 4d., in addition to the ordinary postage.)
2. That registered letters containing coin, bank notes, bills, cheques, &c., must be enclosed in one of the "registered envelopes" provided by the post office. In other cases the use of these envelopes is optional.

Letters intended to be registered should, as a rule, be handed in at least half an hour before the closing of the mail by which it is desired they should be despatched, and when several packets are sent by the same firm for registration they should be accompanied by a list in duplicate of the addresses ; one list to be retained at the post office and the other, when signed, to be returned to the bearer.

The receipt given by the post office should be carefully preserved, for in case of loss this receipt must be produced. Application for compensation for the loss of a registered packet must be made on a special form to be obtained at any post office, and must be sent in within seven days after the date on which the packet was posted.

An acknowledgment of delivery may be obtained, if desired, on paying an additional fee of 2d. and filling up a special form.

For foreign letters the registration fee is 2d., which covers a loss up to 50 francs. Compensation is only paid for total loss of the letter or packet. Foreign letters may be insured.

Invoices, orders, circulars, newspapers, &c., may pass through the post office for a halfpenny, on certain conditions. For this and other postal matters, such as express delivery, re-direction, &c., see Section 6, page 215.

CHAPTER IV

THE POSTAGE BOOK

When the letters, circulars, or other packets intended for the post have been properly addressed and stamped, they have to be entered in the *Postage Book* before being taken to the post office.

The weights of any doubtful letters or packages should be carefully checked, as it is very annoying to receive packets on which excess postage has to be paid.

There are various kinds of postage books, each differing more or less in detail, but all serving the same purpose, viz., that of showing the dates on which the letters were posted and checking the expenditure on postages.

In all large concerns postage stamps are not bought each day as required, but are taken from the stock in hand, which is replenished from time to time by purchases of stamps of different kinds to the value of £1, £2, or more. This stock is usually in the charge of one of the junior clerks.

The amount received is frequently entered in the postage book in a column provided for the purpose on the left-hand side of the book. The postages entered on the right-hand side are totalled at the bottom of each page, and the difference between the totals of the two columns should equal the value of the postage stamps in stock.

The following is a common form of *Postage Book* :—

Received.			Date.	Name and Address.	Postage			Time when Posted.	Posted by.
£	*s.*	*d*	19..		£	*s*	*d*		
1	0	0	Aug. 4	*Monson & Co., London*	-	-	1½	6.30 *p.m.*	*J. W*
			,, 5	*Hardwick & Co., Leeds*	-	-	1½		
			,, ,,	*Sampson & Brown, Manchr*	-	-	2	10.30 *a.m.*	*J. W.*
			,, ,,	*U.S. Consul, Leeds*		-	3		
			,, ,,	*Armitage Bros., Bristol*	-	-	1½	6.30 *p.m.*	*J. W.*
			,, 6	*Meyer & Co., Frankfort*	-	-	2½	1.0 *p.m.*	*W. B.*
			,, ,,	*Perot & Cie, Paris*	-	-	5	,,	
			,, ,,	*R. Campbell, London*	-	-	1½		
			,, ,,	*Cox & Co., Bradford*	-	-	1½	6.30 *p.m.*	*J. W.*
			,, ,,	*W. Jones & Son, Manchester*	*Reg.*	-	3		

To save time, circulars, invoices, statements &c., are generally entered collectively, as for example—

300	Circulars (*re* Removal)	12s. 6d.
40	Invoices	1s. 8d
18	Statements	9d.

Telegrams are usually entered in the Petty Cash Book (see page 40)

Private or semi-official letters sent out by the principals for posting should also be entered in the postage book, even when sealed up and stamped, as a record of posting.

Some firms require the full address (*i.e.*, the exact address on the envelope) to be entered in the postage book, in order that if a letter miscarries it may be ascertained whether it was properly addressed.

The clerk who actually posts the letters should sign or initial the postage book. The postage book and the stamps in stock should be checked periodically by another clerk.

There is another form of postage book in use in some offices. In this a sheet of postage stamps is inserted, being fastened at the margin, and as each stamp is used the address of the letter, &c is written in a space provided for the purpose, the sheet of paper being ruled in oblongs the exact side of the stamp.

To prevent pilfering the stamps are sometimes perforated with the initials of the firm as soon as they are bought. Postmasters have been instructed not to purchase such stamps. The perforation of the stamps on post cards, newspaper wrappers, and embossed envelopes is also not objected to.

CHAPTER V

FILING OF CORRESPONDENCE

It is essential that in every business house there should be an efficient system of filing incoming letters after they have been dealt with. An inefficient system of filing causes endless worry and waste of time in endeavouring to find correspondence which has been mislaid. It should be possible to produce at a moment's notice the correspondence with any firm or client with whom business is being done, or on any subject which is at the time under consideration.

There are several systems of filing in use in Business Houses, Insurance Offices, and Banks, but the most efficient and the most generally applicable to any kind of business, whether large or small, is the "Vertical Filing System."

VERTICAL FILING SYSTEM

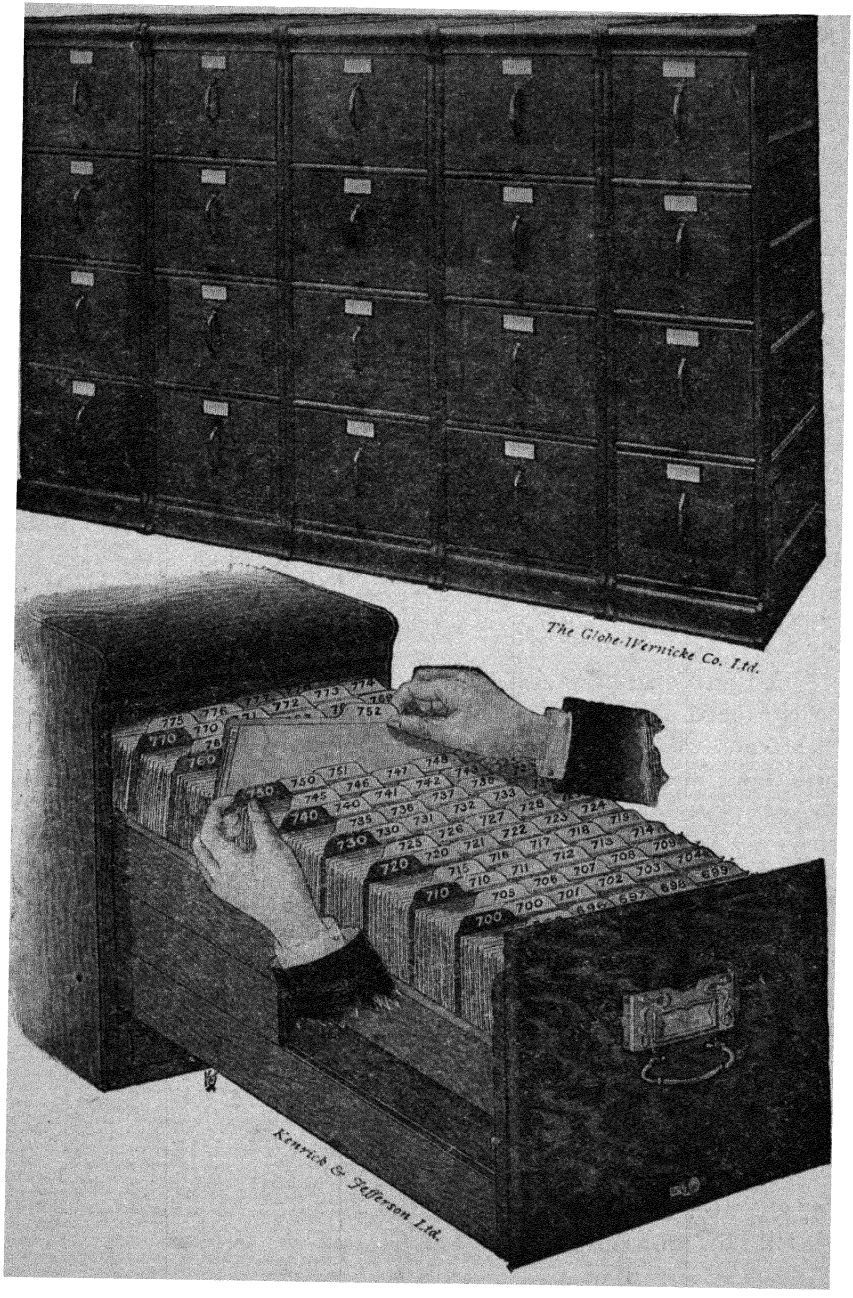
Briefly described, the Vertical Filing System is the filing of letters or other papers in folders placed upright in a drawer, or in a cabinet of drawers where the requirements of the business demand the use of a large number of files. The folders are slightly larger in size than foolscap, and are made of strong Manilla paper.

A separate folder is used for each firm with whom considerable business is transacted, and, if the filing is kept up to date, it should be possible at any time to see the whole of the letters received from any particular firm with the replies, all arranged in the form of a book, in strict order of date.

A small hole is punched in the left-hand top corner of each file folder. A similar hole is made in each letter, and a laced tag is used to keep the correspondence together.

The folders are not fastened in the drawers; they stand between guide cards, and are kept in an upright position by a movable clamp at the back of the file drawer.

Vertical filing may be arranged on the "Numerical System" or on the "Alphabetical System."



*

1. *The Numerical System of Vertical Filing.*—By the numerical system a separate number is given to each firm, client, or subject for which it is desired to keep a file, *e.g.*, the number given to the file of R. Brown & Co. might be 70. All letters received from this firm when replied to would be marked 70 by the filing clerk and then put in their file folder with the carbon copy (or flimsy of the reply) following at the back. The folders are placed in strict *numerical* order in the file drawer.

The key to the numbers is supplied by the Card Index, which forms a necessary complement to this system. The names of the firms and correspondents, for whom files are necessary, are written on cards, and filed in *alphabetical* order in the Card Index. *e.g.*, the Card Index would show under letter "B" "Brown & Co., R., File 70."

To make it possible to find files at a moment's notice, guide cards, which are slightly larger in size than the files, and which stand up conspicuously and bear the numbers (say, 1 to 20, 21 to 40, and so on) are placed at intervals among the file folders in the drawer or the cabinet. Similar guide cards, but in this instance *bearing the letters of the alphabet*, are placed among the index cards.

To find any particular letter it is only necessary (i.) to refer to the card index for the required number of the folder, and (ii.) to get the folder from the cabinet. The whole correspondence can then be seen.

In all businesses there is usually a large number of persons who *occasionally* send letters of enquiry. Letters from these persons, and the copy replies, may be filed in folders under the index letter of their surnames. Thus there should be file folders for "General Correspondence" for each letter of the alphabet, *e.g.*, letters from George Green would be placed under ("G" General Folder) and the index card would show ("G" General File, No. 160").

Sub-division of each of the "General" files may be made under the second letter of the surname. Thus there could be a separate folder for persons whose surnames commenced with Ga, Ge, and Gh, another folder for surnames commencing with Gi, Gl, Go, and so on. The index card "G General" would in

these cases retain the same number, namely, 160, but would indicate in addition how many files there were, *e.g.*, 160 Ga–Gh, 160 Gi–Go, 160 Gr–Gw.

Again sub-division may be made in the correspondence *of any firm or business* by placing inside the folder sheets of double foolscap. It may be that the firm has correspondence with a business having several departments. A sheet of double foolscap might in this case be made to contain the whole of the correspondence with each department. One sheet of double foolscap would be labelled "Leather Department," "Fancy Work Department," and so on.

On the other hand the correspondence with these separate departments of a business may be large enough to open separate file folders *for each department.* In this case the same file number would be retained for the departments, and the folder would bear the name of the firm, with the department, *e.g.*, Jones & Co., Ltd., "Leather Department" with the Index Number 265A. The index card would read, Jones & Co., Ltd. "Leather Department, 265 A," "Fancy Work Department, 265 B," and so on.

New correspondents for whom files are opened are given the next number following after the last one in use.

All incoming correspondence when replied to should go forward at once to the files, in order to keep the system up to date and to show in proper order the whole of the correspondence with any particular firm. Letters must not be kept off the files *because the subject matter is not complete and a further reply is needed.*

A note must be recorded in a register or on a card index of any outstanding matters or points calling for further replies.

2. *The Alphabetical System.*—This system is more suited to small firms who desire to make the filing as simple as possible and to avoid the necessity for having a card index as a complement to the system.

Under this system, file folders are arranged in the drawer or the cabinet in strict *alphabetical* order, the name of the firm being clearly written on the right-hand top corner of the folder. A separate file is opened for each firm or client with whom there

is considerable correspondence, thus the correspondence with R. Brown & Co. would be in the file under letter B. An ample supply of guide cards is necessary to facilitate the finding of the files.

The *method* of filing the correspondence is similar to the method explained under the numerical system.

One drawback to using the alphabetical system of filing in a large business is that with the addition of new files it is constantly necessary to rearrange the whole of the drawers or cabinets so as to find room for expansion. With the numerical system this re-arrangement is not necessary, as the new file is given a number following the one given to the last new file, and the folder is then placed in the drawer containing the most recent files.

TRANSFERRING

All files in course of time get inconveniently full. Under the vertical system all that is necessary is to transfer the full file to the strong room in the basement and open another current file with the same index number. The " dead files " should be kept in strict numerical or alphabetical order, as the case may be, so that they can be conveniently referred to if necessary. It is the practice with some firms to clear off the files, at, say, two periods of the year, the whole of the correspondence ending with a specified date. This correspondence is transferred to the " dead files."

FILING OF CIRCULARS, INVOICES, &c.

The " Vertical Filing System " in addition to being the most efficient system on the market, is suitable for the filing of invoices, circulars, Press cuttings, and of all papers which require collection under various heads.

OTHER SYSTEMS OF FILING

1. *Pigeon Holing.*—This system of filing is still in use in some business houses and insurance offices. A large wooden cabinet divided into compartments or " pigeon holes " is required,

and these are lettered alphabetically, or numbered. The first twenty-three compartments are each lettered with one of the letters of the alphabet from A to W. The twenty-fourth generally bears the letters X, Y, Z.

The letters are folded lengthwise, of a size suitable to the openings, and are placed in the pigeon-holes according to the initials of the distinctive names of the writers. Thus, letters from Stephenson Bros., or William Smith & Co., would be placed in the S pigeon-hole ; those from William Denby & Sons, or the manager of the Dewsbury Banking Company, or John Dawson, in D ; and so on, exactly as they would be indexed.

The letters from each firm are kept in separate bundles, one letter on top of another, that last received being uppermost. These bundles are generally secured by a piece of string or red tape, or an indiarubber band ; occasionally a strip of stout cardboard is used to keep the bundle flat. Sometimes the bundles are not fastened together at all, the letters being simply placed one inside the other, those last received being on the outside. Whichever method is adopted, however, care must be taken that the letters open from the right-hand side.

The Docket.—When letters are placed in pigeon-holes it would be awkward, and would besides waste a considerable amount of time, to have to open each letter to find the name of the sender, or other information ; therefore the letters are each folded a uniform size as far as possible, as described above, and the necessary particulars written on the back, at the head, as shown below. This is called " docketing " the letters, and should always be done before they are placed in the pigeon-holes. When letters are placed in files the docket is unnecessary—the index takes its place.

The docket usually gives the following information—

1. The year.
2. The name of the writer of the letter.
3. The date of the letter.

Sometimes there is added to this (4) a brief summary of the principal subjects referred to in the letter. In addition to these particulars, a note is frequently made of (5) the date the letter was received, and (6) the date on which it was answered. This

is frequently done by the persons by whom the letters are opened and answered.

1920.

Brown, Johnson & Co.,

Liverpool, 27 Feb.

Remitting £72 6*s.* 4*d.*

Ordering 50 pcs. Serge.

R. 28/2/20.

A. ,,

2. *Flat File System.*—This system is adopted by small business houses, shopkeepers, &c. The files may be divided into four classes—

(1) The clip—a strong clip fastened to a board.

(2) The box file—such as Stone's patents.

(3) The needle or spike file, of various kinds.

(4) The arch file (or apron file), such as the Shannon, Alpha, &c.

Of these the last-named class is probably the most popular. It consists of a board to which is fastened two wires bent into the form of an arch. On these are placed the letters in alphabetical order, guide cards being supplied for this purpose.

Before being placed on the file, two holes are punched in the letters by means of a *file-punch*; the letters can then be securely held in the file grip.

When the file becomes full, the whole of the correspondence is placed in a transfer case, which is docketed to indicate clearly the period over which the correspondence extends.

The needle or spike file is generally used for memoranda or correspondence of a very ordinary nature, which is not likely to be required again, and which after being kept for a short time may be destroyed.

CHAPTER VI

INDEXING

THE CARD INDEX

The Card Index System is now used in nearly all up-to-date business houses. By reason of its simplicity and its convenience for recording, arranging, and classifying almost any kind of business, it is rapidly superseding book indexes, registers, ledgers, &c.

The system consists of a number of cards, on which are printed headings of information of which it is desired to keep a record. The cards are arranged in alphabetical order, with "guides" distributed at intervals to facilitate reference; they are kept in position by a rod running through a slot at the bottom of each card.

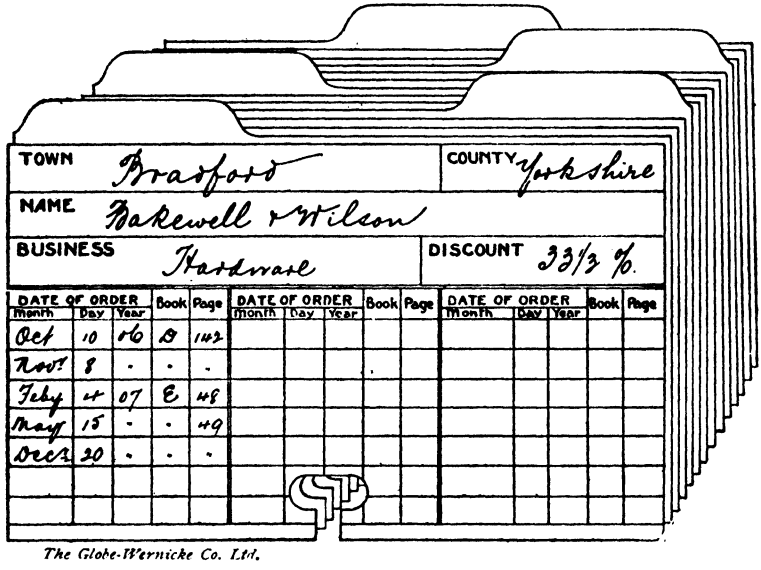
The following example will illustrate the system :—

A firm decides to adopt the card index for recording information respecting transactions with each of its customers. On each card is written the name of the customer, address, and other information which it is desired to record. The cards are arranged in alphabetical order in the index drawer, and if it is desired to produce information regarding transactions with, say, Mr. J. Robinson, the card required would be found behind the guide card "R."

The Globe-Wernicke Co. Ltd.

In most businesses it will be found necessary to have an ample supply of guide cards. There might, for example, be the following guide cards for the letter "B," with which the surnames of a large number of persons commence : Baa to Bah, Bai to Ban, Ban to Baz, Bea to Bel, Ben to Ber, and so on.

The sub-division of the cards can be made to meet a variety of purposes. Thus it may be desired to keep all the cards for the London customers together. A large guide card indicating "London" would be required for this purpose. A separate set of "guides" for the cards would be included in this section. Similar sections could be set up for any town, county, or country.



The Globe-Wernicke Co. Ltd.

The chief advantage of this system over a book register is its convenience of access. The records are always in strict alphabetical order, and it is not necessary to look through 100 names or so before finding the information required. A register, moreover, in course of time becomes full and has to be replaced by a new register. The cards may become full by the constant addition of information, but it is not necessary for them to be abstracted and placed on one side. Another card is commenced and placed immediately behind the one which is full. The first card, in addition to having on it the name of the person or firm, is labelled (1) and the new card (2). When it becomes necessary to make out a third card for the same individual or firm a number (3) would be placed on the card, and so on with further cards, the numbers indicating how many cards there are altogether for that particular firm or client.

Should a new customer be obtained, it is only necessary to complete a card and drop it into its place in the card index drawer.

The index drawer in the course of time may become inconveniently full. When this is the case, the cards which are full might be transferred to a "dead index." This, however, will be quite easy of reference, as the cards will be filed strictly in alphabetical order, as in the "current" index.

To ascertain the whole of the transactions with a particular firm over a period of years it would probably be necessary to consult five or six books of account or registers. With the card index system the transactions can be seen at a glance, without spending time in wading through the index of each book of account or register.

The card index system is used to record facts in commercial houses, banks, insurance and professional offices, Government departments, corporation offices, and by doctors, surgeons, and dentists.

Nearly all large business firms now use the card index system in connection with the filing of correspondence and the indexing of letters.

THE BOOK INDEX

Although the "Card Index" is gradually superseding indexing "in books," there are still a number of firms who prefer to keep to this latter system.

These are mostly solicitors, estate agents, insurance companies, banks, &c.

The index is usually at the beginning or at the end of the book. In nearly all cases the method of indexing is the same. Take as an example an index which is part of a letter-copying book.

Every letter copied in the letter book bears either at the head or at the foot the name of the person or firm to whom it is addressed. Each of these letters is indexed under that letter of the alphabet which commences the surname or other *distinctive name* of the person, firm, &c., to whom the letter is addressed. For example, a letter on page 24, addressed to "William Smith, Esq.," would appear on the "S" page of the index thus :—

Smith, William... 24,

a letter addressed "John Jones, Esq., Manager, Barnsley Banking Co. Ltd.," would be indexed on the "B" page thus :—

Barnsley Banking Co. Ltd. 37,

while a letter to "Messrs. John Stevens & Co.," would be indexed on the "S" page thus :—

Stevens & Co., John 72,

and so on, the surname or distinctive name being always placed first, so as to catch the eye when running down the list of names on the page.

The complimentary abbreviations, "Mr.," "Esq.," "Messrs," &c., are never inserted in the index, but it is usual to add the prefixes "Miss," "Mrs.," "Sir," "Lord," &c.

If more than one letter is addressed to the same person the name should not be repeated in the index, but the numbers of the pages on which the second and succeeding letters are copied should follow consecutively on the same line. Thus, supposing you had indexed a letter to William Smith, copied on page 24, and you afterwards found further letters to that gentleman on pages 39, 53, 78, and 92, you would index them thus :—

Smith, William 24, 39, 53, 78, 92

It is advisable to keep two or three lines in the index for the names of firms with whom there are considerable transactions; the names of such firms would otherwise occur several times on the one index page.

The Vowel Index.—This is a form of index used when many names have to be indexed. The principle is practically the same as that described above, the only difference being that each initial letter is followed by one of the vowels *a*, *e*, *i*, *o*, *u* (*y* being included for convenience). Six pages of the index are thus devoted to each initial letter, the letter B, for example, being subdivided into *Ba*, *Be*, *Bi*, *Bo*, *Bu*, *By*. A letter to Bayley Bros. would be indexed under *Ba*; one to John Beanland under *Be*; to William Binns & Co. under *Bi*; to Brown, Johnson & Co. under *Bo*; to Robert Burns under *Bu*; to Bywater Colliery Co. under *By*; and so on with each letter of the alphabet.

Sometimes five columns, headed *a*, *e*, *i*, *o*, *u*, respectively, are ruled on the page lettered, say, B, and made to serve the purpose of a "vowel index," the names being then entered in separate columns instead of on separate pages.

The Cross-Reference Index.—This is a method of enabling one to find the immediately preceding or the immediately succeeding letter to the same person or firm without referring to the index of the letter book. It is a very simple matter, but it is extremely convenient.

Take as an example letters written to J. Roberts, which have been copied on pages 7, 11, 23 of the letter copying book. The cross reference would be shown on the top of page 7 as $\frac{0}{11}$; on page 11 as $\frac{7}{23}$; and on page 23 as 11. The cross reference on page 23 would be left incomplete until another letter to the same person had been copied, when the blank would be filled in.

When beginning a new book the number of the page on which the last letter to the same person was copied in the former book would be given; thus, if the last letter to William Bailey was on page 498 of the old bock, the cross reference on page 2 would be $\frac{4}{7}\frac{9}{8}$. In the old book, the page of the new book would be given on page 498, thus $\frac{4}{2}\frac{7}{5}$.

The cross reference is usually written in blue pencil in bold figures at the top or bottom of the page.

Indexing Names of Firms.—When a Christian name forms part of the firm name, it is frequently placed last in indexing, thus—*Stevens & Co., John; Latham Limited, Samuel* (instead of Stevens, John & Co.; Latham, Samuel, Limited). This is a mere matter of choice, but the method adopted should be adhered to systematically.

CHAPTER VII

DUPLICATING CIRCULARS, MEMORANDA, TYPEWRITTEN MATTER, &c.

In every office it is necessary for a junior to become proficient in methods of obtaining multiplex copies of circulars, telegrams, memoranda, typewritten matter, &c.

The following are the principal methods in use :—

Carbon Duplicating Process.—By placing carbon sheets between two, three, or more sheets of paper, and exerting sufficient pressure upon the upper sheet when writing, two, three, or more copies of a document may be produced by one and the same operation. In some offices, for instance, it is the custom to thus make three copies of every telegram despatched. One copy is forwarded to the telegraph office, one copy is enclosed in the letter sent to confirm the telegram, and one copy is kept in the office for future reference, in case of dispute. Again, a traveller in this way makes three copies of every order received. He leaves one copy with the customer, forwards one to his firm, and keeps one for his own information, &c., &c.

Stencil Copying.—There are many kinds of copying apparatus in use for duplicating typewriting, handwriting, drawings, &c., by means of which hundreds of copies of letters, circulars, &c., can be reproduced, which are scarcely distinguishable from actual documents written by hand or on the typewriter. The principal kinds in use are (1) the Rotary Duplicator, (2) the Mimeograph. The working of the apparatus is simple, and can be quickly learned.

Illustrated directions for using the various kinds of copying apparatus are readily supplied by stationers and others who act as agents for the sale of such apparatus. The learner has to be taught four things—(1) How to prepare the stencil, (2) how to fix the stencil in its frame, (3) how to print the paper, and (4) how to remove the printed copy from the frame.

1. *Rotary Duplicator.*—With this machine an impression of the circulars it is intended to multiply is typed on a wax stencil, and the stencil is transferred to the drum of the machine, which is supplied with printing ink. The circulars can then be run off at a very rapid rate.

2. *Mimeograph.*—This machine can produce quite good copies of a circular, but at a much slower rate than with a rotary machine.

Printing.—In addition to the above multiplying machines, there is the more expensive and up-to-date miniature printing machines, costing from £70 to £100.

These machines undoubtedly produce the best work and the largest number of copies, but are hardly the most suitable where only small quantities are required.

Outline of Stencil Process for Duplicating Handwriting, &c.—A sheet of prepared paper is placed over a *metal plate*, and the writing is done with a *steel-pointed* pencil, the pressure of which removes the coating of wax, and thereby produces a *stencil*. The stencil is then fixed on the printing frame, underneath which is placed a sheet of plain paper to be printed on, and the *inking roller* is passed over the surface of the *stencil*, squeezing the ink through on to the paper underneath, thus producing a *fac-simile* of the original. This may be repeated for hundreds of impressions. A special kind of porous paper should be used for these impressions.

Gelatine, &c., Processes.—The principal varieties of this kind of duplicating apparatus are (1) the Simplex-Hectograph and (2) the Plex. The matter requiring to be copied is written with specially prepared ink on ordinary writing paper. The writing is then placed on the composition and allowed to remain for a short time, the ink being thus transferred to the surface of the composition, and sinking in to a certain extent. Copies are obtained by placing a sheet of paper on the composition for each copy required, and pressing the hand or a roller on all parts of the paper.

Lithography itself.—One of the principal varieties of this kind of duplicating apparatus is Waterlow's Office Process, which produces admirable results. A certain amount of skill is required to ensure success in working the apparatus, and time must be taken in removing the impression from the stone.

Processes somewhat resembling Lithography.—The principal varieties are the Autocopyist and the Eclipse Copier. The writing is done with special ink, which, when the writing is transferred to a damp gelatine surface, takes the fatty ink from a roller passed over it. Inking is required for each copy taken.

CHAPTER VIII

OFFICE ACCESSORIES; AND AIDS TO EFFICIENT ORGANISATION

Calculating and Adding Machines.—The great increase in the number of calculations in modern business houses has led to the extended use of mechanical aids, which has resulted in a reduction of the staff and greater efficiency.

Calculating machines may be classified under two heads—

(*a*) The key-operated, and

(*b*) The crank-operated.

It is generally conceded that the key-operated machine is superior for addition, but for multiplication and division the crank-operated has an advantage.

The Comptometer (a key-operated machine) may be roughly described as a square, flat box, on the upper surface of which project several vertical rows of keys similar to those of a typewriter. Several keys can be depressed at once, and if an error is detected a small lever at the side is used to bring all the figures back to zero. Multiplication is done by repeated depressions of the keys.

In the crank-operated machines (Brunsviga, Millionaire, Monroe, &c.) calculations are made by the turning of a small crank.

A revolution of the crank adds the set-up numbers to those previously given, whilst repeated revolutions in the same direction perform the operation of multiplication. When the crank is turned in the opposite direction the numbers set up are subtracted, and, of course, division is done by repeated revolutions in the same direction.

Some of the key-operated machines made for use in the British Isles have keys corresponding to shillings, pence, and farthings, but generally the calculating machines have a decimal basis, and therefore all compound quantities must be decimalised. These conversions may frequently be done mentally, but until we adopt a decimal notation the advantages of these machines will not be fully available.

Addressograph.—Firms having a large number of customers or clients to whom they are constantly needing to send circulars or up-to-date catalogues, usually have what is termed an addressograph for typing the addresses on the envelopes. The type of

these addresses is kept standing until required ; it is then fixed in the machine, which prints the address in much the same manner as a printing machine.

Dictating Machine.—A dictating machine is an office accessory into which a busy man or woman may dictate correspondence without the aid of a shorthand typist.

The matter as it is dictated is recorded by a machine very similar in character to a gramophone.

A number of letters can be dictated before the records are full. A typist subsequently transcribes the letters direct from the dictating machine. There is thus no time lost by a typist in taking down shorthand notes and waiting about while the dictation is probably broken off for an interview. The machine records accurately, and mistakes such as arise from the transcription of shorthand notes are avoided, as a typist can hear the wording of the letter as many times as she likes.

Office or Business Callers.—In every office a record should be kept of the names of persons who call and ask for an interview.

If the person enquired for is not in, he is subsequently reminded by the Callers' Book that Mr. ——— was seeking an interview with him. When no record is kept such enquiries are apt to be forgotten.

Appointments.—The head of a large business naturally makes a number of appointments. These appointments must be systematically recorded, or some of the engagements will be overlooked and forgotten. The most efficient method of recording appointments is to enter each engagement in a diary, specially kept for this purpose, and one of the first duties of a junior clerk each morning should be to set out clearly on an "Appointment Sheet" the engagements for the day.

CHAPTER IX

THE TELEPHONE

The telephone is an instrument designed to reproduce sounds at a distance by means of electricity. The word " telephone " is now usually applied to the complete instrument, comprising the transmitter, the receiver, and the various subsidiary appliances.

The telephone is installed in one or more parts of a building, or in different buildings in a town ; and one town is connected with another by means of trunk lines.

The Government (through the Postmaster-General) controls the telephone system of the country, except in Hull, where the Corporation conducts the local service.

Two forms of telephone are met with in offices, viz., the wall instrument and the table instrument; there are various types of each, but the method of using the instrument is similar in all cases, and is very quickly learned. The table instrument, with "head-gear" attached, enables the operator to receive messages while his hands are left free for writing, &c.

The telephone in the office is sometimes connected with a number of other telephones which have been installed in different parts of the premises, in order to facilitate communication between the office and the firm's various departments, and also between the departments themselves. By means of a switch-board in the office the departments may be connected with one another. A merchant sitting in his office may thus communicate (1) with his various departments, (2) with other firms in his own town, and (3) with subscribers in other towns who are connected with the trunk lines. In the last-named case an extra fee must be paid, varying with the distance telephoned over, for each conversation not exceeding three minutes.

The fees for the use of trunk lines are as follows—

For 25 miles or under	4d.
Over 25 miles but under 50	8d.
,, 50 ,, ,, 75	1s. 0d.
,, 75 ,, ,, 100	1s. 4d.
For every additional 40 miles or fraction thereof	8d.

The unit period of conversation is *three minutes* from the period when the caller has been informed that the connection is completed.

The method of procedure in telephoning is as follows—

Ascertain from the Telephone Directory the number of the firm with whom it is desired to speak, then ring up the Central Exchange Office, with which all telephones are connected, and ask for the number. Speak distinctly and enunciate clearly the number. For number 3044 you would ask for "three, oh, double four"; for 2666, "two, six, double six."

Usually the operator repeats the number to ensure accuracy. You will then be connected with the firm if they are not already engaged in telephoning some other person or firm.

Should the number you require be engaged, do not argue, but hang up the receiver and ring up again in a few minutes.

When the conversation is finished, ring off. If you are switched off before the conversation is completed, ring up and again ask for the connection.

In Leeds and a few other places a new automatic telephone installation is in operation. This will in course of time be extended to all parts of the country. The following are the official instructions for calling up by this system—

HOW TO "CALL BY DIAL"

First remove the receiver from the switch-hook.

In turning the dialling wheel for each figure, the wheel must be turned as far as it will go, and allowed to return to its original position before the next figure is taken.

If the dialling is correctly done, the called subscriber's bell will be rung intermittently until answered.

An intermittent buzzing noise in the receiver signals "engaged."

If a mistake be made in dialling, a fresh start should be made after having depressed the receiver-hook, which severs all connections.

To send a telegram, dial "90."

To report a fault, dial "91."

Dial "O" when wanting a subscriber on another Exchange or a trunk call.

When a subscriber gets the "engaged" signal (the intermittent buzz) he should immediately hang up the receiver, or someone else who wants him will likewise get the "engaged" signal.

A non-subscriber to the Government telephones may telephone to a subscriber by going to one of the "Call Offices" belonging to the Government and paying a small fee.

If special forms are not provided on which to record all messages received in the office either by word of mouth or by telephone, care should be taken to make a note of the message as soon as received or sent, also to deliver it as quickly as possible;

and, should the manager be out, to leave the written message in a prominent position on his desk or on his chair. The non-delivery of messages causes trouble and annoyance and may lead to serious loss.

To provide for the systematic receipt and despatch of messages by telephone, a clerk is generally told off for this duty, and provided with special "telephone message forms" on which to write them. The following is an example of a "Telephone Message Form":—

TELEPHONE MESSAGE.

No. *2342.* Time, *10.45 a.m.* Date, *1st Oct., 19*

From *Us* To *Hardwick & Co.*

Enquiry.	Reply.
If we send off three cases to-day will they be in time for the "Carthage"?	*Yes; she sails to-morrow evening.*

Sent by *J. S.*

Subscribers have the use of telephones on either a "flat rate" or a "measured rate." Under the "flat rate" a firm has unlimited calls for a fixed sum per annum. With the "measured rate" a customer purchases a specific number of calls. When these calls are used he is required to purchase further calls or to pay at a slightly increased rate for each call over and above the number contracted for.

In offices where the "measured rate" is in operation, a record should be kept of all outward local or trunk telephone calls in order to check the telephone accounts.

With the "flat rate" it is necessary to keep an account of the outward *trunk* calls only, *i.e.*, calls outside the local district, as these are not included in the fixed charge.

Only subscribers who were on the telephone when taken over by the Government are allowed to remain at the "flat rate."

Large business firms usually have at least three or four separate lines connecting the Telephone Exchange with their business, to facilitate communication.

Business telephones should be used for private or personal calls in exceptional circumstances only, and never for a lengthy period. It should be remembered that private calls are holding the line to the exclusion of business calls.

CHAPTER X

THE PETTY CASH BOOK

For the sake of convenience, a record of all small payments and disbursements is kept in a " Petty Cash Book," separate from the " Cash Book " proper, and a junior member of the office staff is generally appointed *Petty Cashier* to undertake this duty and responsibility.

The petty cashier is started with an advance of £5, £10, or more, according to what the cashier, who advances the money, deems to be sufficient to meet the expenditure for the week, fortnight, or month ; and out of this sum he makes all payments for postages, parcels, minor office expenses, &c.

At the end of the periods fixed upon, the petty cashier hands to the cashier a summary of his payments, and, after the petty cash book has been examined and found correct, receives a cheque or cash to bring the amount in hand up to the amount of the original advance.

This way of keeping the petty cash book is called the " *imprest* " method. It is unnecessary to enter the balance ; all that need be done is to cast up the columns, and after recording the totals, rule off.

The petty cash book should be balanced frequently to see that the " cash in hand " agrees with the balance shown by the book ; and the various payments should be analysed periodically. The method of analysis may be either by means of different columns in the petty cash book, or by a summary prepared on loose dissecting sheets and afterwards entered in the book.

The columnar or tabular method is preferable, as it saves the time of making a separate summary. The total of each column may be posted direct to the credit side of the ledger under the required heading. This method of dealing with petty cash lends itself to the double entry system of book-keeping, and whilst serving as a check to expense also prevents errors.

The following is a common form of petty cash book, to which additional columns, to provide for other heads of expenditure, could easily be added, if considered necessary or desirable :—

PETTY CASH BOOK.

For the (week) ending.....19.....

Dr. Cr.

Date.	Particulars	C. B. Fo.	Amount received £	s.	d.	Date.	Particulars.	Voucher No.	Amount Paid. £	s.	d.	Office Exps. £	s.	d.	Post-ages. £	s.	d.
19.....						19.....											
July 26	*To Cash...*	*20*	*10*	*0*	*0*	*July 27*	*By Date stamp ...*	*26*	-	*3*	*6*	-	*3*	*6*	-	-	-
							,, Ball of string...	*27*	-	-	*6*	-	-	*6*	-	-	-
							,, Telegram... ...	*28*	-	-	*8*	-	-	-	-	-	*8*
							,, Postage stamps	*29*	*1*	*10*	-	-	-	-	*1*	*10*	-
							,, Carriage of parcel	*30*	-	-	*9*	-	-	*9*	-	-	-

The following is another form of petty cash book in general use. The payments are summarised in the left-hand columns :—

PETTY CASH BOOK.

For the (week) ending.....19.....

Dr. Cr.

Date.	Particulars.	C. B. Fo.	Amount received. £	s.	d.	Date.	Particulars.	Voucher No.	Amount paid. £	s.	d.
19.....						19.....					
July 26	*To Cash... ... ...*	*20*	*10*	-	-	*July 27*	*By Date stamp ... ..*	*27*	-	*4*	-
							,, Telegram	*28*	-	-	*8*
							,, Postage stamps ...	*29*	*1*	*10*	-
							,, Carriage of parcel	*30*	-	-	*9*
						28	*,, Ink and paper ...*	*31*	*1*	*7*	*6*
SUMMARY:—							*,, Telegrams ... ...*	*32*	-	*3*	*8*
	Postage		*1*	*10*	-	*30*	*,, Cablegram ... ...*	*33*	-	*4*	*6*
	Telegrams		-	*8*	*10*		*,, Gratuity... ... ...*	*34*	-	-	*6*
	Stationery		*1*	*13*	*6*	*31*	*,, Window-cleaning*	*35*	-	*2*	*6*
	Wages		-	*18*	-		*,, Sweeping brush ...*	*36*	-	*1*	*6*
	Carriage		-	*17*	*5*		*,, Caretaker's wages*	*37*	-	*18*	-
	Trade expenses ...		-	*8*	*6*		*,, Carriage of goods...*	*38*	-	*16*	*8*
			5	*16*	*3*		*,, Letter book ... ...*	*39*	-	*6*	-
	Balance...		*4*	*3*	*9*		*,, Balance ... ...*		*4*	*3*	*9*
			10	-	-				*10*	-	-
Aug. 3	*To Balance ... ...*		*4*	*3*	*9*						

SECTION 2

THE BUYING AND SELLING OF GOODS

CHAPTER XI

PURCHASES AND SALES

A contract of sale of goods, as defined by the Sale of Goods Act, 1893, is "a contract whereby the seller transfers, or agrees to transfer, the property in goods to the buyer for a money consideration called the price."

The term "contract" implies an agreement between two parties enforceable at law.

In ordinary language *a Sale* is a transaction by which the ownership of property or goods is transferred from one person to another for a money consideration, called the price.

When the transfer of the goods is to be made at a future time, or subject to some condition, the contract is called "*an agreement to sell*," or in business parlance, a "contract" or a "sale forward."

A sale may be made either in writing or by word of mouth, or partly in writing and partly by word of mouth, but a contract for the sale of goods of the value of £10 or upwards is not enforceable by action unless (1) the goods or part of them have been accepted and received, or (2) the price or part of it has been paid, or (3) there is a note or memorandum of the contract made in writing and signed by the person or firm against whom the action is being brought, *i.e.*, "the person to be charged." It is not necessary, however, that both signatures be on one document. A series of letters exchanged between the parties would be sufficient to constitute a contract, provided that the articles sold are defined therein, and that the terms on which they are bought and sold are clearly expressed.

The essential points in a contract or sale are (1) the article sold, (2) the price or money consideration, (3) the terms of delivery, and (4 the terms of payment. The three points last named

depend upon certain conditions or services rendered; and these will be found dealt with in the chapters on Invoices and Market Reports.

The principal documents used in ordinary commercial sales are :—

1. Price Lists or Prices Current.
2. Tenders or Estimates.
3. Orders.
4. Contract Notes.
5. Delivery Orders.
6. Invoices.
7. Debit Notes.
8. Credit Notes.
9. Statements.
10. Receipts.

A *Price List* is a statement issued by a manufacturer, merchant, or dealer, containing particulars of goods he is prepared to sell and the prices which he is willing to accept. There is, of course, an infinite variety of these documents, but the following specimen will be sufficient to explain their nature.

PRICE LIST

From W. H. PROCTOR,
PROVISION MERCHANT,
MANCHESTER.

Terms: 2½ % one month.

Soap, White ...	57/- per cwt.	Pearl Barley	4d. per lb.
Soda...	10/- ,,	Cream Tartar... ...	3/3 ,,
Lard...	147/- ,,	Lentils, No. 1... ...	7d. ,,
Bacon	230/- ,,	,, No. 2... ...	6d. ,,
Butter	250/- ,,	Butter Beans	7d. ,,
Rice	35/- ,,	Tapioca	6¾d. ,,
Peas	65/- ,,	Dates	8d. ,,
Pepper	224/- ,,	Corn Flour	7½d. ,,
Syrup	72/- ,,	Prunes...	1/2½ ,,
Cheese	131/- ,,	Honey	1/2 ,,
Cocoa	2/8 per lb.	Lemon Cheese ...	1/- ,,
Oatmeal	3½d. ,,	Mustard	1/- ,,
		Nutmegs	2/- ,,

A *Price Current* (or Prices Current) is a statement of the market prices of the day for particular kinds of goods, such as wool, cotton, tea, wheat, &c. It is usually issued with a Market Report, periodically (on market days generally), and does not necessarily imply that the person by whom it is issued is willing to sell at the prices named. Nearly all newspaper and trade journals contain these statements, and a specimen is here appended of a price current relating to metals:—

London, Wednesday.

TIN.—The absence of trading in the East added tenseness to the situation here to-day, and a further substantial advance in prices was recorded. New York cables reported bids there 1c. higher, and here there was no new factor to modify the anxiety regarding the effect the shipping situation will actually have on supplies. Initial business marked an advance of £1 12s. 6d., with three months sold at £275, and subsequent dealings showed a continuous advance in values, strength being maintained up to the close of the session. Soon after the commencement of trading there were buyers of Standard cash at £276, or £2 above the previous closing level, which was quickly followed by business in end-November at £277. Deals in cash and near dates raised them rapidly to £277 5s. and £278, while three months and other forward positions realised £275 10s., £276 5s., £276 10s., £277, and immediately before the close £277 10s. Trading in cash Straits took place at £277 10s. and £278, some c.i.f. business also being transacted. The market closed with the strength unabated, prices being fully £4 5s. above yesterday's closing level. Sales totalled about 250 tons. Settlement price £268 5s. English ingots quoted £276 to £277.

COPPER quotations are officially unaltered; settlement price £110.

LEAD and SPELTER unchanged.

ZINC SHEETS.—American quoted £100 f.o.b. New York.

TIN PLATES firm at 30s. per box f.o.t. works.

QUICKSILVER, ANTIMONY, and ALUMINIUM nominal.

OFFICIAL CLOSING QUOTATIONS.

COPPER—	Per ton.						TIN—	Per ton.					
	£	s.	d.	£	s.	d.		£	s.	d.	£	s.	d.
Standard Cash	110	0	0 to	110	10	0	Fine fgn. cash	278	0	0 to	278	10	0
Three months	110	0	0 to	110	10	0	Three months	277	10	0 to	277	15	0
Electrolytic wire bars pt. c.i.f.	125	0	0 to	121	0	0	LEAD	30	10	0 to	29	10	0
							SPELTER ...	54	0	0 to	50	0	0
							SILVER—Cash	43⅝d. per oz.					

A *Tender* or *Estimate* is a written proposal to supply certain articles, or to carry out certain works, at certain prices and on certain terms, which are stated in the tender, thus :—

LEEDS, *October 7th,* 19

ESTIMATE. No. *2,500.*
Strictly Net.

Messrs. Blackwood & Gatby,

Leeds.

DEAR SIRS,

In reply to your enquiry of the *6th* inst., we have pleasure in handing you our estimate, and trust to be favoured with your esteemed order.

Yours truly,
ED. BROWN & CO.,
per H. Howard.

5,000 Machinery Catalogues, printed red and black, 144 pages, and 4 pages cover lithographed in 3 colours. Demy 4to. ... £100 0s. 0d.

10,000 do. do. ... £160 0s. 0d.

You to supply all wood blocks.

The above document is used chiefly in the printing, building and engineering trades. It is not much used in other branches of the home trade.

A *Firm Offer* means that the person making the offer binds himself to accept an order at the price and under the conditions stated, thus :—

" *I offer firm for reply by 10 a.m. to-morrow, 200 bales*
" *fine Broach Cotton, March-April shipment Bombay,*
" *steam Liverpool, at 18½d. cif ; terms as usual.*

If such an offer were accepted by the time named, the person who made the offer would not withdraw from it.

A *Quotation* is a stated price at which a certain article is being sold or at which a person is prepared to sell. The following is an example :—

In reply to your letter of yesterday, our quotations to-day are :—

Cotton Seed Oil	... ...	*75/- per cwt.*
Rape Oil	... ...	*71/-* ,,
Palm Oil	... ...	*£44 per ton.*
Linseed Oil	... ...	*58/- per cwt.*

An *Order* is a request to supply a specified quantity of goods. An order may be contained in a letter, as in the following example :—

4, North Street,
HUTTON,
3rd Sept., 19.....

Messrs. RICHARDSON BROS.,
BRADFORD.

Dear Sirs,

Please forward the undermentioned goods at your earliest convenience, per rail, carriage paid :—

28 yards Blue Serge @ 6/9.
36 ,, Black Diagonal Coating @ 12/6.
52 ,, Black Italians @ 2/6.

as per patterns herewith.

Yours faithfully,
JOHN ROBERTS & CO.

The order forms used by different firms differ more or less according to the classes of goods dealt in. This is a simple form of order :—

Telegrams:— "HERCULES, LONDON." LONDON PRODUCE HOUSE,

No. 2374. BISHOPSGATE STREET,

LONDON, E.C. 27th Sept., 19....

Messrs. Wilson, Green & Co.

Please supply as under, as soon as possible, and oblige,

Yours truly,

BROOK, WILLANS & CO.

5,000 Envelopes, A 2.

2 reams Foolscap, ruled.

½ ream Blotting Paper, pink.

2 reams "Excelsior" Typewriting paper.

2 dozen Stencil Sheets.

The following is a more elaborate form of order :—

Order No., *2153.*	*25th June, 19.....*
From WILLIAM STEPHENS & Co., 27, New Street, BRADFORD.	To *Messrs. Watkins & Co.,* *Bradford.*

All goods delivered after time specified will be at Seller's risk.

Quality, A 355.		*Figures.*	
	42 inches.	*40 yards.*	*@ 2/9 per yard.*
	Small	*Medium*	*Large*
	40.	*30.*	*30.*
20 pieces, assorted, in	*10/14 days.*		
20 ,, ,, ,,	*3 weeks.*		
30 ,, ,, ,,	*4* ,,	*William Stephens & Co.*	
Complete ,,	*5/6* ,,		

HOW TO OPEN BUSINESS

Business may be opened in writing, or by telegraph or telephone, or verbally. When in writing (except when a definite order is sent as above) the correspondence usually begins by the buyer asking the seller for a quotation, or by the seller offering the goods to the buyer. When a transaction is arranged by telegraph, or by telephone, or verbally, it is usually confirmed by the buyer sending an *Order Form* containing the necessary particulars. This, when signed or confirmed by the seller, becomes the contract. Each order is usually given on a printed form, which is signed by one of the partners or the manager of the department. These forms are frequently kept in book form, each page being numbered consecutively and perforated at one side so as to be easily torn out. A copy is kept either by means of a carbon copy in the order book, or by a press copy in a special copying book. In some cases the order is made out in duplicate, one copy to be retained by the seller, the other to be returned, signed, to the buyer.

When we come to deal with exportation of goods we will give copies of other forms of contract used when the seller ships the goods on account of the buyer.

On receipt of a first order from a firm with whom you have not previously had dealings, and of whose financial standing you are uncertain, it is usual to ask for references and also to make enquiries about the firm, either through your banker or through one of the enquiry companies such as Stubbs, Perry, the General Enquiry Association, and others. In the latter case, a form similar to the following would have to be filled up and forwarded to the company or association approached. (An annual subscription, or a fee for a specified number of enquiries, is usually paid to these Enquiry Associations.)

Book A *10445* Office No.....

PRIVATE AND CONFIDENTIAL ENQUIRY.

NATIONAL ENQUIRY ASSOCIATION
LONDON.

Name (in full) *John Thomas Mason,*
Business *Engineer,*
Address (in full) *73, Brown Street,*
Town *Sleaford,* County *Lincolnshire.*
Particulars required *Is he good for £1,500?*
Firm's Signature and Address *Hardy, Williams & Co. London.*
Date *October 1st,* 19....

A *Contract Note* is in many respects similar to an order form, as it contains the same particulars. The essential difference is that a contract note is usually given by the *seller*, or by an agent or broker acting on behalf of both buyer and seller. In the latter case these contract notes are generally called

Bought and Sold Notes, from the fact that the contract given to the buyer usually begins, "I have this day *bought* on your account," while that to the seller begins, "I have this day *sold* on your account." Bought and Sold Notes are mostly used in the Produce Market and Money Market, and on the Stock Exchange. A Bought or Sold Note relating to the purchase or sale of any stock or marketable security requires a stamp if the amount bought or sold be over £5, but an agreement relating to the sale of goods or merchandise is exempt from stamp duty.

Del Credere.—A broker frequently guarantees to his principal payment for goods sold through him, for which he receives an extra commission. This commission is called a "del credere commission," and the contract is styled a "del credere contract."

Delivery Order.—This is a document in writing (usually on a printed form) addressed to a dock company, warehouseman, &c., containing instructions to deliver certain goods to the person named therein, or to his "order" or to "bearer." A delivery order to "so-and-so or bearer" does not require endorsement, but if made out to "order" it may be transferred to another person by endorsement in the same manner as a Bill of Exchange, except that instead of the word "pay" the words "deliver to," or "please deliver to," would be used. Such a delivery order formerly required a penny stamp affixing, for inland revenue purposes, but this stamp duty was abolished in 1905. This is a specimen of such an order :—

DELIVERY ORDER.

TO THE EAST INDIA DOCK CO., LONDON. LONDON, *27th Jan.*, 19...

Please deliver to.. *Messrs. Jones & Co., Limited,* ..... *or order*

5 bags Tapioca marked AJC.

10 ,, Rice marked EAR.

ex. str. "Majestic," Rangoon.

Townsend, Fletcher & Co.

Verbal Arrangements.—It cannot be too strongly urged that all arrangements and agreements made verbally should be at once confirmed in writing. Neglect to do this is a frequent cause of misunderstandings, disputes, arbitrations, and law-suits. Whenever it is agreed verbally to vary the terms of a contract, or to make an allowance, &c., the arrangement should there and then be confirmed in writing.

CHAPTER XII

INVOICES, CREDIT NOTES, STATEMENTS, &c.

An Invoice is a detailed account of goods purchased, and is given or sent by the seller to the buyer at the time the goods are delivered. It should show the quantity, description and price, the total cost of each kind of goods mentioned, and the total of the whole. When packing charges, carriage, or other charges have been paid by the seller on account of the buyer, these items should also be given in detail in the invoice, and included in the total.

The printed heading of an invoice usually includes the terms of payment, but if not, these should be stated.

The invoice, before being despatched, should be carefully checked and initialled by the invoice clerk, and a carbon or press copy made. The date of the despatch of the goods should also be inserted.

Invoices should not be enclosed in parcels, but sent by post (or messenger) in advance of the goods, so that the buyer has notice that they are in transit.

There are many varieties of invoices, ranging from the bill rendered by a retail tradesman for goods purchased over the counter, to the complicated document called a "franco invoice," in which the weights, measures, and amounts are expressed in foreign weights, measures, and money. Most of these invoices are used in foreign trade only. They will be dealt with fully later on, when explaining the operations incidental to the exportation of goods.

We are here only dealing with invoices used in the home trade, *i.e.*, for goods bought and delivered within the United Kingdom. The nature of these documents will be readily understood from the following examples :—

INVOICE FOR GROCERIES.

Joseph Williamson, Esq. *Leeds, 26th October, 19...*

Bought of WOOLEY, THOMPSON & CO.,

WHOLESALE GROCERS.

			£	s.	d.
½	*Chest of Tea, 46 lbs. net*	2/6	5	15	-
2	*Cwt. Sugar, in 2 bags*	37/6	3	15	-
42	*Lbs. Coffee, in bag*	1/6	3	3	-
3	*Doz. Assorted Jams, 2 lb. Jars* ...	17/6	2	12	6
½	*Cwt. Tapioca*	65/-	1	12	6
	Per Midland Railway to-day. *Terms as usual.*		£16	18	-

INVOICE FOR TOPS (Combed Wool).

Messrs. Harrison & Parker. *Halifax, 4th November, 19...*

Bought of WILKINSON BROS.,

Terms. { Prompt Cash. Less 4 Mos. WOOL MERCHANTS.

No.	Tare	Cwts.	qrs.	lbs.			£	s.	d.
386	8	3	2	12					
381	8	4	1	19					
392	8	4	3	16					
384	8	2	1	12					
	32	14	3	59					
				32					
		14	3	27	*or* 1679 *lbs. Tops.*	33*d.*	230	17	4

Despatched to-day.

INVOICE FOR OIL.

Messrs. Heaps & Walker.

Bought of KILVART & LAIRD.

ORDER NO. 72.

CONTRACT

TERMS: 2½% Discount Monthly Account.

LONDON, *March 6th*, 19.....
VICTOR WORKS, CLAPHAM, S.W.
MANCHESTER BRANCH :—
16, Short Street.

GOODS.	MARKS.	NOS.	GROSS.			TARE.			Pounds or Gallons.	@			
1 Cask Brown Soap Oil		09333	13 2	1 1	5 14	2	1	14					
			10	3	19	Net				42/-	22	18	8
Cask to be returned.													
DESPATCHED ON 6TH, per L. & N. W. R.													
CARRIAGE PAID.													

When an invoice is received, enquiries must be made as to whether the goods were really ordered. If so, the invoice should be signed or initialled to show that the goods have actually been received; then it is compared with the order to see if the price and conditions are correct, and the extensions are checked. It is afterwards folded so as to leave the dates and names exposed, and is pasted in an invoice guard book, to which the receipts are often afterwards attached, or filed in some other manner.

CREDIT NOTES

When an allowance is made on account of some slight damage to the goods, or an overcharge is corrected, or a portion of the goods is returned owing to their being unsatisfactory, a credit note is sent by the seller to the buyer. Credit notes are generally printed in *red ink* to distinguish them from invoices.

Thus, supposing that one bag of tops (see invoice for tops) had been returned, Messrs. Wilkinson Bros. would send to Messrs. Harrison & Parker a credit note, made out in something like the following form :—

Halifax, November 6th, 19...

Messrs. Harrison & Parker.

Credited by WILKINSON BROS.

By	*Returns.*	*c.*	*q.*	*lbs.*				
	1 Bag Tops ...	*2*	*1*	*4 net*				
				= *256 lbs.* @	33d.	£35	4	--

DEBIT NOTE

A debit note is a document similar to an invoice, sent by the seller to the buyer when an undercharge is rectified, or goods have been omitted from the invoice.

Thus in the previous invoice for groceries, if the tea should have been charged at 2s. 9d. a lb., and not at 2s. 6d. a lb., the error would be corrected by a debit note as follows :—

Leeds, 3rd November, 19...

Joseph Williamson, Esq.

Dr. to WOOLEY, THOMPSON & CO.

				s.	d.
	To undercharge on ½ chest Tea, 46 lbs. net @	3d.	-	11	6

STATEMENTS

This matter having been satisfactorily arranged, the next step is to send in what is called a *Statement.* This, as its name implies, is a short statement of account between the parties. It is sent in a few days before the firm's pay day, and serves as a

reminder. A statement for the goods mentioned in the invoice and credit note already given, would be made out in this way—

Halifax, 29th November, 19...

Messrs. Harrison & Parker.

Dr. to WILKINSON BROS.

		£	s.	d.
Nov. 4	*To Goods*	230	17	4
	Cr.			
„ *6*	*By returns*	35	4	–
		195	13	4

The following is another form of statement containing several items—

London, 30th April, 19...

Messrs. Chaplin & Grimble.

Dr. to HENRY SALMON & CO.

19...		£	s.	d.	£	s.	d.
Apr. 1	*To Balance* ... ... *b/f*				*12*	*3*	*9*
„ *2*	„ *Goods*	*19*	–	–			
„ *4*	„ „	*61*	*5*	*6*			
„ *8*	„ „	*6*	*14*	*6*			
„ *11*	„ „	*6*	*15*	*3*			
„ *16*	„ „	*75*	*16*	–			
„ *24*	„ *Undercharge, 8th April*	–	*14*	*8*	*170*	*5*	*11*
					182	*9*	*8*
Cr.							
Apr. 7	*By Returns*	–	*9*	*10*			
„ *11*	„ *Allowance*	–	*1*	*6*	–	*11*	*4*
					181	*18*	*4*

Cash Discount is an allowance or rebate made by the seller to the buyer in consideration of prompt payment of a credit account, or according to the agreement made when the goods were sold.

Trade Discount is an allowance made by merchants to dealers in accordance with the custom of the trade, and is always deducted from the amount stated on the invoice. In addition, there may also be a cash discount.

Occasionally the seller deducts the discount when sending in the statement. Generally, however, the statement is sent in without discount being deducted, as the buyer usually prefers to take off the discount himself.

Commission is a charge made by a merchant or agent for services rendered, such as buying or selling goods or carrying out certain transactions. It is usually a percentage on the value of the goods bought and sold, but is sometimes a fixed sum agreed upon. "Bank commission" is the charge made by a bank for the collection or transmission of money, &c.

Brokerage is a charge of so much per cent. made by a broker for buying or selling goods, effecting insurance, chartering a ship, selling or buying bills of exchange, &c. It is merely another term for commission.

GROSS WEIGHT, TARE AND NET WEIGHT

The weight of all kinds of goods is usually calculated by *gross weight* and *net weight*.

Gross weight is the weight of the goods, including the cases, vessels, wrappers, or other material in which they are packed or contained—that is, the total weight without deduction.

Tare is the weight of the case, cask, bag, wrapper, hoops, or other article in which the goods are packed or contained. *Tare* is calculated in several different ways, according to the custom of the trade. *Particular or real tare* is the actual weight of the cases, bags, &c., in which the goods are packed. This is the tare generally allowed in invoices. *Average tare* means that the real tare of a few packages out of the whole number is taken as an average for the whole. This is customary in the cotton trade, 10 bales out of every hundred being stripped, and the weight of the wrappers, bands, &c., being taken as the average of the 100 bales. *Customary tare* is a fixed uniform allowance off the gross weight of certain goods, determined by the custom of the trade. In the provision trade, for instance, the buckets in which lard is imported are not weighed to ascertain the tare, but a fixed allowance is made, as the buckets are of a uniform size and weight.

Net weight is of course the actual weight of the goods themselves, *i.e.*, gross weight, less tare or other allowances.

Ullage is a term used chiefly in the wine trade. It means an allowance for deficiency in quantity, due to evaporation, leakage, &c.

Terms of payment.—These vary according to the locality in which the goods are bought and sold, and according to the nature of the trade. The following terms are more or less generally applicable :—

Prompt cash, meaning payment within a day or two, without discount.

Net cash, meaning payment in from five to ten days, without discount.

2½% *one month*, meaning payment in one month, less 2½% discount.

Cash on delivery, meaning payment to be made when the goods are delivered.

Prompt cash, less 4 months, means payment within a day or two, less four months' interest at 5% per annum.

14 days' Draft means payment by a bill payable 14 days from date or sight. (See Bills of Exchange.)

CHAPTER XIII

FORWARDING OF GOODS

The forwarding of goods is a very important part of business routine, and if done methodically, both annoyance to the customer and delay in delivery are often obviated, besides safe transit being ensured.

It is necessary that goods before being despatched should be carefully packed, whether sent by carrier or by rail, as where evidence of careless packing exists, responsibility is repudiated by the carriers and any claim that may be made for damage declined.

There are four methods of forwarding goods :—

1. By the firm's own van or messenger.
2. By Parcel Post.
3. By Rail.
4. By Parcels Delivery Companies or Road Carriers.

Many factors have to be taken into account in deciding which method to adopt, and economy as well as rapidity of delivery is important. Where a number of parcels are to be delivered in an adjacent area, the most economical way is by means of the firm's own van.

For long distances small parcels up to 11 lbs. in weight are usually sent by parcel post, as the charge is based on *weight* and not on *distance*.

The parcels delivery companies also collect and deliver small parcels at a very low rate, and in certain districts this is done very expeditiously.

With regard to road carriers, as a rule parcels have to be handed in at various centres in the town, which the carriers make their headquarters; advertisements appear in the various private time tables issued in each centre, giving particulars.

Where delivery is urgent, it is advisable for parcels, or goods of light weight, to be forwarded by passenger train. The companies in towns where they have horses and vans collect and deliver within a reasonable distance from the centre of the town.

Heavy parcels are generally forwarded by goods train, and the method of calculating the freight is shown towards the end of this chapter.

When forwarding merchandise by goods train it is necessary that a consignment note, supplied by the railway company, should be properly filled up, giving names and full addresses of sender and consignee, particulars of packages, marks, and gross weight, also stating whether carriage is payable by sender or consignee. The packages should also be fully addressed, to facilitate the handling at tranship points or ultimate destination. Each consignment note contains the conditions under which the company carry the traffic; these should be perused very carefully, particularly clauses 3, 5, 14, and 15.

Where the companies have horses and drays they perform the collection and delivery, as a rule within a radius of one mile from the centre of the town. The class rates 1 to 5 include this service.

Certain articles, such as :—

Bicycles, Earthenware, Furniture, Musical Instruments, Tiles, Umbrella Stands, &c.,

if inadequately packed are only carried at the Owner's Risk.

There are a number of other articles for which both Company's Risk and Owner's Risk rates are provided, e.g.:—

Rolls of Iron, Carriage Seats, Swing Boats, &c.

Articles such as furs, china, jewellery, bullion, glass, &c., should be specially insured against damage or loss, as the ordinary goods rates do not cover these risks.

Goods of unusual length, bulk, or weight, or of exceptional bulk in proportion to weight, are subject to special arrangements before the traffic is accepted at the stations.

The receiver of goods traffic is required to sign either the railway company's delivery sheet or book. Should the goods be damaged in any way, the carman's attention should be drawn to the fact at the time and a qualified signature given, and if the company is responsible a claim should be made within three days, in accordance with clause 3 on the back of the railway company's consignment note previously referred to. This is an obligation, whether the damage was detected at the time of delivery or on unpacking afterwards.

Delivery Book.—When goods are forwarded by railway or other carrier, particulars of the goods are entered in the goods delivery book. This is signed by the carman when receiving the goods, and forms a receipt for them. Goods delivery books are usually made out in the following form :—

DELIVERY BOOK.

No. 65. Oct. 1. 19...

Messrs. Smith & Co.

Received from Barnes, Bridge & Co. in good order and condition, the undermentioned Goods, viz. :—

3 Bags Tops

Received by Joseph Jenkinson.

No. 65. Oct. 1 19...

Messrs. Smith & Co.

Please receive from Barnes, Bridge & Co. in good order and condition the undermentioned Goods, viz. :—

3 Bags Tops

Consignment Note.—At the same time the railway company's form of consignment note must be filled up (when the goods are forwarded by railway) and given to the carman with the goods. Railway companies supply consignment notes loose or in book form. With the latter is provided a counterfoil, which is retained in the book. The carter on receipt of the goods should sign the counterfoil. On a large portion of the traffic sent by goods train, the carriage may be paid either by sender or consignee, but in a few instances, such as returned empties, charges must be prepaid.

A consignment note gives the name and address of the consignor (sender) and of the consignee (person to whom the goods are consigned or sent), particulars of the goods, weight and marks, instructions as to whether the goods are to be carried at owner's or company's risk, and whether carriage is payable by the consignor or by the consignee. These particulars are copied more or less fully on the *counterfoil* of the consignment note, which, when a delivery book is not used, is signed by the railway company's carman on receiving the goods. The following is a copy of the consignment note used by the Great Northern Railway Company :

(598)

Date *16th Sep.* 19.....

Thomas Wilson, Sons & Co. Ltd.,

East End No. 3 Shed.

Railway Dock.

Hull.

1 Truss Woollen Cloths. 3 · 3 · 14

Carriage Paid.

S. Webster
(*Carter*).

(598)

16th Sep. 19.....

The GREAT NORTHERN Railway Company are requested to forward the undermentioned Goods upon the Conditions at the back hereof, viz. :—

Carted in by *S. Webster.*

Consignee.	Residence.	GOODS. No. of Packages.	GOODS. Species.	GOODS. Marks.	WEIGHT. T.	WEIGHT. C.	WEIGHT. Q.	WEIGHT. L.	Who pays Carriage.
Thomas Wilson & Sons Ltd.	*East End.*	*1*	*Truss of*						
	No. 3 Shed.		*Woollen*			*3*	*3*	*14*	*Senders.*
	Railway Dock.		*Cloth*						
	Hull.			*P P C*					
				21					
	For shipment to Stettin.								

Signature of Sender or his Agent ... *George Thomson & Co.*

Address *Sunbridge Mills. Bradford.*

CONSIGNMENT NOTE

Railway Rates and Charges.

The rates for carrying goods from one place to another can be ascertained on inquiry at the railway company's office. When there is more than one line of railway from any particular place, both or all of the companies usually charge the same rates, but special rebates are sometimes given for large quantities. The best (*i.e.*, the quickest) route can only be ascertained by experience.

The general powers of the railway companies in regard to the conveyance of goods are contained in the Railway and Canal Traffic Acts, 1873 and 1888, and the rates which the companies may charge—or, rather, the rates which they may not exceed, except by due notice appearing in the Press or posted at the various stations—are specified in the Railway Rates and Charges Acts, 1891 and 1892.

A classification of goods was also agreed to about the same time by the traders, the Board of Trade, and the railway companies, and this forms the standard classification at the present time, and cannot be deviated from except due publicity has been given to the proposed alteration should it advance the rate per ton.

In the above Acts the maximum rates and charges which the companies are empowered to levy are grouped under six broad classes, viz. :—

1. Goods and Minerals.
2. Animals.
3. Carriages.
4. Dangerous goods, exceptionally bulky articles, &c.
5. Perishable merchandise by passenger trains.
6. Small parcels by goods trains.

Class 1 (goods and minerals) is sub-divided into eight classes, viz., A, B, C, 1, 2, 3, 4, 5, "A" being the lowest and "5" the highest. The various kinds of merchandise dealt with are divided amongst these eight classes, and scales of charges and maximum rates for conveyance applicable to each class are provided for each company. The rates for conveyance differ more or less as between one company and another, but the charges (which are called "station terminals" and "service terminals"—meaning charges for the use of stations, and for certain specified services rendered by the railway companies) are practically the same for each company.

It is impossible within the limits of this chapter to go into the rates charged by each company, but the following table, giving the rates for conveyance applicable to the greater portion of the London and North Western Railway, will serve to show the basis on which these rates are computed :—

MAXIMUM RATES FOR CONVEYANCE.

Maximum rates for conveyance, per ton per mile, for consignments comprised in the undermentioned classes :—				
	First 20 miles or under.	Next 30 miles or under.	Next 50 miles or under.	Remainder of distance.
	Pence.	Pence.	Pence.	Pence.
CLASS A	0·95	0·85	0·50	0·40
,, B	1·25	1·00	0·80	0·50
,, C	1·80	1·50	1·20	0·70
,, 1	2·20	1·85	1·40	1·00
,, 2	2·65	2·30	1·80	1·50
,, 3	3·10	2·65	2·00	1·80
,, 4	3·60	3·15	2·50	2·20
,, 5	4·30	3·70	3·25	2·50

MAXIMUM STATION AND SERVICE TERMINALS.

The following table gives the maximum charges which the companies are authorised to make in respect of merchandise comprised in the under-mentioned classes. These rates, with a few exceptions, are applicable to all the railways in the United Kingdom :—

	MAXIMUM TERMINALS.				
	Station terminal at each end.	SERVICE TERMINALS.			
		Loading.	Unloading.	Covering.	Uncovering.
CLASS A	0·3	—	—	—	—
,, B	0·6	—	—	—	—
,, C	1·0	0·3	0·3	0·1	0·1
,, 1	1·6	0·5	0·5	0·1½	0·1½
,, 2	1·6	0·8	0·8	0·2	0·2
,, 3	1·6	1·0	1·0	0·2	0·2
,, 4	1·6	1·4	1·4	0·3	0·3
,, 5	1·6	1·8	1·8	0·4	0·4

A detailed classification of the merchandise comprised under the above-named eight classes is published periodically by the Railway Clearing House, under the title of the "General Railway Classification of Goods by Merchandise Trains," price 1s., and may be purchased at any railway station. The general principle on which the classification is based appears to be the value of the article, thus :—

Ironstone	... is included in	Class	A
Granite (undressed) ...	... is ,,	,,	B
Dyewoods	... are ,,	,,	C
Raw cotton	... is ,,	,,	1
Raw wool	... is ,,	,,	2
Woollen goods ...	... are ,,	,,	3
Ribbons (made partly of silk)	are ,,	,,	4
Silk goods	... are ,,	,,	5

Classes A and B are applicable to consignments of four tons and upwards, and Class C to consignments of two tons and upwards. The rates for Class A do not include wagons ; if these are provided by the railway company an extra charge is made of 9d. to 1s. 3d. per ton, according to distance. No service terminals are chargeable for Classes A and B. The rates for merchandise specified in Classes 1 to 5 apply only to consignments weighing more than 3 cwt.

Where there is a continuous traffic, or special lots, passing between two given points, the railway companies, after reviewing the whole of the circumstances, invariably grant exceptional rates for the particular traffic, which are considerably less than the maximum rates they are entitled under Parliamentary Acts to make. There are thousands of these rates in existence all over the country.

Consignments weighing less than 3 cwt. are conveyed as *Smalls*, and pay an additional charge of from 5d. to 1s. 6d. per parcel, according to the tonnage charge.

Special rates are also provided for *Returned Empties.*

Explosives and other dangerous goods are only carried at "owner's risk," and special forms of consignment notes and advice notes must be used for such goods.

The rate for any particular class of goods from one station to another can be ascertained on application at the railway stations, and the companies can be compelled to produce their rate books for inspection when required during reasonable hours.

A careful study of the Classification of Merchandise, and the Schedule of Rates and Charges applicable to the company concerned, is necessary in order to be able to check the charge made for any particular consignment. The way to do this is as follows : Having ascertained the class in which the article in question is placed, the mileage must next be calculated, and then the terminal charges added. For example, supposing that a consignment of cotton goods weighing five cwt. were sent from Manchester by the London and North Western Railway to a place, say, 123 miles distant, the proceeding would be as follows to arrive at the rate per ton :—

1. Refer to the "General Classification," where we find "cotton goods in bales, cases, &c.," are in Class 3.

2. Take the rates for Class 3 given in the above tables, thus :—

		d.		d.
First 20 miles	at	3·10	per mile =	62·00
Next 30 ,,	,,	2·65	,, =	79·50
,, 50 ,,	,,	2·00	,, =	100·00
Remainder 23 ,,	,,	1·80	,, =	41·40
123				282·90
3. Add station terminals, 3s.		...	...	36·00
,, service ,, 2s. 4d.		...	...	28·00
				346·90

= 28/11 per ton, or 7/3 for the 5 cwt.

It is, however, a very difficult matter to check railway rates, as the mileage rates are not the same for the whole of the line, but vary according to the sections passed over. The best way of doing so is to refer to the tables drawn up by Mr. J. W. Gray, of Shipley Fields, Bradford, or by the Railway and Shipping Journal Printing Co., 12, Cherry Street, Birmingham, which contain the rates from all the principal towns to most other towns.

Canal Rates are charged on a basis somewhat similar to the above.

CHAPTER XIV

METHODS OF REMITTING MONEY

There are several ways of remitting money, *e.g.* :—

1. By Postage Stamps.
2. ,, Postal Orders.
3. ,, Money Orders.
4. ,, Telegraph Money Orders.
5. ,, Cheques.
6. ,, Treasury Notes.
7. ,, Bank Notes.
8. ,, Banker's Drafts.
9. ,, Bills of Exchange.
10. ,, Coin (in a registered envelope).

1. *Stamps.*—These are useful for small amounts up to, say, one shilling.

2. The best and cheapest way of sending small sums of money not exceeding 21/- by post, is by *Postal Orders.* These documents, with which everyone is now familiar, are issued for certain fixed sums from 6d. up to 21/–, and may be obtained at all post offices at which money order business is transacted. The commission is 1d. for amounts from 6d. to 15/-, and 1½d. for amounts of 15/6 to 21/-.

Broken amounts (but not fractions of a penny) may be made up by the use of postage stamps, not exceeding 5d. in value or three in number, affixed to the face of any one postal order.

British Postal Orders are also issued and paid in a considerable number of British Possessions abroad. These places are indicated in the British Postal Guide.

Postal orders should be cashed within three months from the last day of the month of issue, otherwise a fresh commission will have to be paid.

Postal orders may be crossed like cheques, and will then only be paid to a banker. They are marked "not negotiable," meaning that the holder cannot give a better title than he received. (See "Cheques—not negotiable.")

Postal Orders were introduced on 1st January, 1881. These Orders at once became popular, and largely took the place of Money Orders.

3. *Money Orders, Inland.*—These differ from postal orders in that an application form has to be filled up, specifying the exact amount required to be remitted, the name of the post office where the money is to be paid, the name of the person to whom it is to be paid, and the name and address of the sender. The commission is higher than for a postal order, viz., 2d. for sums not exceeding £1 ; 3d. for sums above £1 and not exceeding £3 ; 4d. from £3 to £10, and 2d. extra for each £10 up to £40 (the limit).

The money order given by the post office to the applicant must be forwarded to the payee, who must present it when asking for payment, and must also receipt it, and give the name of the remitter. A money order may also be crossed like a cheque, and payment may be deferred for any period not exceeding 10 days.

When a money order is made payable in London, or at any other town where there is more than one money order office, the remitter should say at which of such offices he wishes it to be paid, otherwise it will be drawn upon the head office. The names of the different post offices in all towns in the United Kingdom, and the nearest post office to any particular street in London, may be ascertained by referring to the Quarterly Post Office Guide issued by the post office.

The first money order office was established in the year 1792, but these orders were not used freely until about 1840. The number of money orders issued is gradually decreasing, postal orders being more in demand.

Foreign and Colonial Money Orders.—The regulations with regard to money orders payable abroad, are in many respects similar to those relating to inland orders. A special form of application must be filled up, and in case of orders drawn on certain countries, the order need not be sent to the payee, but should be retained by the remitter. Further particulars, together with tables showing the sums payable in foreign currencies on money orders issued in the United Kingdom, and the sums payable in English money on money orders issued in foreign countries, will be found in the Post Office Guide. The rates of commission are :—For sums not exceeding £1—3d. ; not exceeding £2—6d. ; not exceeding £3—9d., and so on up to £40.

4. *Telegraph Money Orders.*—Money may be transmitted by "telegraph money order" between all post offices authorised to transact telegraph and money order business, between the hours of 8 a.m. and 8 p.m., except on Sundays and other holidays.

The charges are as follows :—(1) Poundage at the same rate as for ordinary inland money orders, (2) a charge for the telegram of advice at the ordinary rate for inland telegrams, (3) a supplementary fee of 2d. for each order.

The remitter of a telegraph money order may direct the order to be delivered at the payee's address. He may also direct that it be crossed for payment through a bank. The payee's address, as well as the word "crossed," are charged for as part of the official telegram of advice.

Except in cases in which telegraph money orders are delivered at the payee's address, the person expecting such a remittance must furnish satisfactory evidence that he himself is the person entitled to receive the money. He, or some one on his behalf, must attend at the office to obtain payment. Whenever doubt is entertained by a post-master as to the authority, expressed or implied, of a person to receive payment on behalf of the payee, he may require such person to produce an authority in writing from the payee for the payment of the money to the applicant.

In the case of a telegraph money order payable at a sub-office, there may be some delay in obtaining payment, as sufficient funds may not be in hand.

In most other respects telegraph money orders are subject to the regulations which govern the transmission of ordinary money orders.

5. *Cheques.*—These form the readiest means of transmitting money through the post, especially for amounts over £1, and when crossed (as explained in a later chapter) they are fairly safe from fraud or forgery.

6 and 7. *Treasury Notes* (10/- and £1) and Bank Notes are occasionally used as a means of transmitting money, but they should only be sent by registered post, and in the "registered envelopes" provided by the Post Office.

8. *Banker's Drafts* are sometimes used instead of cheques as they render fraud almost impossible. They are frequently used for transmitting sums of money abroad.

9. *Bills of Exchange.*—These documents are mostly used by merchants and importers, and are fully dealt with in the chapter under this heading.

10. *Coin.*—It has already been explained in the section under "Registration" that coin, when transmitted through the post, *must be* enclosed in a "registered envelope," provided by the Post Office. There is always risk in sending *coin* by post, and this method of transmitting money is not to be commended.

Advice Note.—The following is a usual form of a letter advising payment :—

27, Market Street,
HALIFAX,
27th August, 19.....

Messrs. SIMPSON, BOOTH & CO.,
Manchester.

Dear Sirs,

We have the pleasure to hand you herewith a money order for £2 12s. 3d., which, with discount 2s. 9d., balances your account.

A stamped acknowledgement by return of post will oblige,

Yours faithfully,
JAS. WILLIAMSON & CO

The following is another form of Advice Note :—

Victoria Iron Works,
Near BRADFORD, Yorkshire,
September 26th, 19.....

Messrs. WILSON & CO.,
Silver Street, Bradford.

Dear Sirs,

Enclosed we beg to hand you cheque for £12 12s. 0d., in payment of your account, which please acknowledge in due course.

Yours faithfully,
For the Victoria Iron Co. Ltd.,
F. HEELIS.

	£	s.	d.
Cheque	*12*	*12*	*0*
Discount	*–*	*6*	*6*
Deductions ...	*–*	*4*	*6*
	£13	*3*	*0*

Forms similar to the above are generally printed or lithographed, blanks being left for the date, name, nature of remittance (money order, &c.), and amounts.

CHAPTER XV

ACCOUNTS AND RECEIPTS FOR MONEY

Accounts.—After the statements have been despatched it is customary to enter the particulars in an "Accounts Rendered Book," giving the name, the amount and when due. This not only saves the time of consulting the ledger again, but prevents an account becoming very much overdue.

If no response is made when the account is due a "reminder" is sent. There are usually three of these, each successive one being a little more forcibly worded, and it is customary to have them printed on three different tints of paper to avoid error.

If these fail to bring a remittance, a letter is then forwarded, stating that the firm have with regret had to take other means to enforce payment.

Accounts for payment should be checked and initialled, and then filed until the date of payment arrives.

It is important to see that accounts are paid promptly: discount is otherwise often lost. It is advisable for a note to be made showing the accounts which are due for payment at the end of each month or on a particular date.

Receipts.—There are three kinds of receipts, viz.:—

1. An acknowledgment that money actually due has been received in part or in full.
2. An acknowledgment that goods have been received.
3. An acknowledgment that money, valuables, or securities have been lodged for safe custody, and for the benefit of the depositor.

We are here only dealing with receipts for money. The usual form of this receipt is generally taken from a printed book with a perforated counterfoil, as in the following example :—

No. *675.* *Barnsley, 23rd August,* 19...

Received from *Messrs. Charles Sharp & Co.*

the sum of *One Hundred and Fifty* Pounds

on account.

£ *150*

Joseph Wilson.

Some firms prefer (1) a separate receipt, some (2) a receipt on the invoice, whilst other firms again have (3) a printed receipt book, and any person receiving money has to fill up the form (one page) in that book. When money is remitted by such a firm, a form of receipt is enclosed, and on its return this is pasted into the receipt book or into a guard book. This is a most convenient method of tracing receipts, and enables an auditor to check more readily the accounts paid and cheques drawn. Other firms use small receipt forms (taken from books with counterfoils) which are gummed on the back, and are attached to the invoices. Some firms, County Councils, and other bodies have a form of receipt printed at the foot or on the back of the cheque, and this receipt has to be filled up and signed before the cheque is presented for payment. Such a receipt must be stamped if the amount be £2 or over.

If the invoice itself were receipted, it might be done in this way :—

BATLEY, May 28th, 19.....

Messrs. Taylor, Heaton & Co.

DR. TO J. W. HEAPS & SON,
WOOLLEN MANUFACTURERS.

Terms strictly net cash.

				£	s.	d.
4496	49¼	*Tweed,* 1063	6/–	14	15	6
	51	,, 1065	6/6	16	11	6
	49¾	,, 1071	6/9	16	15	10
				£48	2	10

Received with thanks,
1st June, 19.....
p.p. J. W. Heaps & Son.
Edwin Wilson.

or in the following manner :—

Received payment in full settlement, 1st Sept., 19....., J. W. H. & Son.

Received on a/c, £5 : 0 : 0 1st Sept., 19....., J. W. H. & Son

Paid by cheque, 1st Sept., 19....., J. W. H. & Son.

Every receipt for the sum of two pounds or upwards requires a penny stamp (or two halfpenny ones) affixing for Inland Revenue purposes. Omission to do this renders the receiver of the money liable to a fine of £10. Formerly a special stamp was necessary, but now ordinary postage stamps are sufficient. The stamps must be defaced; this is generally done by writing either the signature or the date across. Sometimes the stamp is *impressed* on the receipt form. In this case it is of course unnecessary to deface it. For money paid into a bank to current account no stamp is necessary on the receipt, as this is not a payment for money due. Nor is a receipt stamp necessary for a money order or a postal order or for any payment to the Government. A receipt written on the back or at the foot of a cheque or a bill of exchange was specially exempted from stamp duty by the Stamp Act, 1891, but that exemption has since been repealed, and such receipts now require a penny stamp affixing like other receipts.

When only part of a debt is paid, the person giving the receipt should be careful to state that the money is received *on account*.

When payment is made by cheque, the debt is not really discharged until the cheque is cashed. A payment by cheque should, therefore, not always be treated as cash; the receipt should state that payment was made by cheque. A cheque is not legal tender like a bank note or cash.

If a debt is allowed to remain for six years without payment being demanded, the creditor loses his right to enforce payment.

Voucher Book.—With some firms all receipts, receipted invoices, or other forms of voucher used in the business, are pasted into a *voucher book* and numbered consecutively with an automatic numbering machine for ready reference. Receipted invoices, thus treated, should be neatly folded several times from the bottom to within, say, 1½ inches of the top, leaving the small affixed receipt form partly visible at the head.

The voucher book is provided with reference and folio numbers (see Petty Cash Book, page 37).

SECTION 3

CORRESPONDENCE, &c.

CHAPTER XVI

FIRST STEPS IN BUSINESS CORRESPONDENCE

One of the qualifications most to be desired by persons in business is the ability to write a good letter. In order to do this it is necessary that a person should possess a good grounding in English grammar, and a knowledge of the principles which govern English composition, and that he should acquire an insight into the technicalities of his business, and be able to adapt his style of writing to the different purposes and requirements of the correspondence with which he has to deal.

Correspondence is one of the most important matters connected with office work, and is indeed its very foundation. It forms a complete record of most of the transactions of a firm, and of nearly all agreements entered into.

All bargains and agreements concluded verbally are, or should be, confirmed in writing—for two reasons :—

Firstly.—To obviate any misunderstanding as to the terms of a transaction made verbally, and

Secondly.—To render the contract or agreement legally binding, for by Act of Parliament passed in the reign of Charles II., and known as the Statute of Frauds (now embodied in the Sale of Goods Act passed in 1893) it is the law of the land that, except in certain specified cases, no contract for the sale or purchase of goods of the value of £10 or upwards is legally enforceable unless the contract is made in writing and signed by the party to be charged.

In many cases the letters exchanged form the only record of a transaction.

You will thus perceive the importance of keeping copies of all letters and documents despatched and the originals of those received. This is obligatory in France, Germany, and other Continental countries, the commercial codes of those countries providing that every person carrying on business must keep a

copying book for letters despatched and must file all letters received, both of which, like books of account and other office records, must be preserved for a period of ten years or more.

Of course, only responsible and experienced persons can be expected to conduct the correspondence of an office, or to write letters without assistance, but a junior will frequently be required to copy out, or "make a fair copy," as it is called, of letters drafted by his superiors. It is therefore necessary that he should be thoroughly acquainted with the proper mode of setting out a letter, more especially as the draft he will be given to copy from will not be a letter in its complete form, but merely the terms, or what may be called the "body" of the letter.

In composing or writing out commercial letters, it is most important that any statement, whether as to facts, dates, or prices, be absolutely correct. A mistake might have very serious consequences. For instance, if you were told to write to a customer that your employer would sell, say, 1,000 articles at 29/6, and you instead said the price was 26/9, you might involve your employer in a loss of nearly £140. Remember that in a disputed transaction, anything in writing is generally considered conclusive, and in a court of law would over-ride verbal arrangements.

A letter should *be concise in form.* There is a difference, however, between being concise and being *curt.* The latter is a fault of by no means rare occurrence. For instance, a not uncommon form of letter is this :—

"*Thanks for yours of y'day. Order receiving best attention.*"

Now that would be suitable perhaps for a telegram, but it is hardly the form in which a letter should be allowed to go out. It would be much better thus :—

"*We are obliged (or We thank you) for your letter of yesterday. The order contained therein is receiving our best attention, and we hope to advise execution in a day or two.*"

This is very little longer than the other, but is certainly more courteous.

We might almost add *write grammatically and legibly.* No particular style of handwriting need be prescribed. The best is that which can be most easily read. But great attention should be given to the composition of a letter.

Juniors and girls before becoming shorthand typists should note carefully the following :—

1. *Dictation Practice and Reading from Shorthand Notes.*—See that you get plenty of practice in taking down notes and letters from dictation. Also practice reading your notes aloud to your teacher or at home. In an office you will find you are frequently called upon to do this, as the person dictating a difficult or intricate letter often desires to amend the letter as first dictated. If you cannot read your notes rapidly and clearly you are at once classed as incompetent, and you will probably be superseded in your post as soon as an efficient substitute can be obtained.
2. *Attention to Spelling and Punctuation.*—Make a practice of reading good books, and if you are in doubt as to the spelling of a word consult a dictionary. Do not *think* a word is correctly spelt. Pay special attention to punctuation and see that you are taught the proper use of the full stop, the comma, the semi-colon, the colon, the dash, and inverted commas. Far too little attention has been given to punctuation in the past, with the result that shorthand typists on being given an appointment in an office have little or no idea of the punctuation of letters, which have frequently to be sent back to be re-typed.
3. *See that Letters or Notes when typed read "sense."*—Typists in transcribing their notes occasionally find a difficulty in making out a word or words. When this happens it is of no use typing the word which the shorthand would *appear* to indicate *without* reading through the context of the letter. To do so and to pass the letter forward to the dictator often means a display of ignorance. The wrong word has probably been inserted, the effect being to make a letter read nonsense. A good shorthand typist will *always* read a letter after transcription, and see that it reads sense and conveys the meaning which the dictator intended it should convey. The context of a letter will frequently enable you to make out a word respecting which you are in doubt. If it does not, consult the person who dictated the letter before *attempting to complete it.*
4. *Proper use of Capital Letters.*—Get your teacher to show you when you should use capital letters in the transcription of your notes. The tendency nowadays is for shorthand typists to use far too many capital letters.

There are three principal forms of letters, viz. :—

The Private, for which octavo sheets of paper are used ;
The Official, for which foolscap sheets are used ; and
The Commercial, for which quarto or octavo sheets are used,

and the way in which one's ideas are expressed should vary according to the kind of letter one is writing, be it private, official, or commercial.

Private Letters are usually written in a chatty, narrative style, much the same style as one would use if actually speaking to one's correspondent.

Official Letters are those written to or by Government Departments, County Councils, &c., and are usually more formal and precise.

In *Commercial Letters* one must remember that "time is money" and that it is therefore necessary to adopt a concise but courteous style, going straight to the point of the matter in question, and gathering all answers or questions closely together. In long letters, the matter should be placed under appropriate headings, the points relating to each heading being dealt with in separate paragraphs. Before beginning to write, the matters to be written about, and the plan or arrangement of the letter should be rapidly fixed upon. Do not add a postscript to a letter if you can possibly avoid it.

HOW TO SET OUT A LETTER

The Heading.—The address of the writer, firm, or department should be clearly set forth in the right-hand top corner of the first page. In private letters this heading is often, but not always, printed. In official and commercial letters it is usually printed.

The Date.—The date of all letters is written immediately under the heading, and care should always be taken to make sure the date is right. It is frequently, however, written on the same line as the name of the town.

The Address.—The name and address of the person to whom one is writing is placed *at the end* of the letter in private letters, *at the foot of the first page* in official letters, and *at the beginning* of commercial letters.

In addressing individual, official, and commercial letters, consideration must be paid to the position, character, and status of the individual, Government department, and firm respectively addressed.

Individuals are addressed as Mr., Esq., Rev., Major, Col., &c., according to their position, rank, &c.

Firms are addressed as *Messrs.* A firm composed of *ladies*, would be addressed *Mesdames.*

Officials are addressed according to the department of the Government, County Council, or Corporation communicated with.

The following are a few examples of addressing letters in accordance with the above remarks :—A greengrocer would be addressed *Mr. John Jones ;* a merchant as *John Jones, Esq. ;* a baronet as *Sir John Jones, Bart. ;* a clergyman as *The Rev. John Jones,* adding *B.A., M.A., D.D.,* &c., if so entitled ; a Privy Councillor as *The Right Honourable John Jones,* adding the initials " *M.P.*" if a Member of Parliament. Barons, earls, marquises, dukes, and other persons have special designations, which may be found in "Whitaker's Almanack" and similar publications. A firm would be addressed *Messrs. John Jones & Co. ;* a limited company as *Messrs. John Jones & Co., Limited ;* or, if the style of the company is "John Jones, Limited," *Messrs. John Jones, Limited.* A company without a personal name in its title, *e.g.*, "The Silvertown Dye Wares Co. Ltd." would be addressed as "*The ——— Co. Ltd.*" simply. The prefix "Messrs" in such a case is somewhat incongruous.

The Commencement.—A little below the heading and the date, to the left, should be the " salutation " (*i.e.*, the commencement of the letter). In *private letters* the salutation is " Dear Sir," " Dear Mr. Brown," "Dear Brown," &c., according to the terms of intimacy on which the writer stands. In *letters to individuals* the usual salutations are "Sir," " Dear Sir," " Madam," " Dear Madam," &c. ; in *official letters* always " Sir," or " My Lord " ; in *commercial letters* written to firms and companies " Gentlemen," or " Dear Sirs," and to banks (in which case the person usually addressed is the manager) " Dear Sir," or " Sir."

Below the salutation, a little to the right, the body of the letter should begin, the first word being placed under the last letter of the salutation.

At the beginning of the text of the letter it is a good plan to refer to the last letter written or the last received, thus :—

" *We had this pleasure last on the 26th ult.*"
" *Confirming our respects of the 26th ult.*"
" *In reply to your letter of yesterday.*"
" *With reference to your letter of.*"
" *Agreeably to the request contained in your letter of yesterday.*"

In acknowledging the receipt of an official letter a brief *résumé* of its contents should be given.

The Ending.—The concluding lines should form distinct paragraphs, each a little to the right of the preceding one.

The character of the ending of *private letters* is determined by the degree of intimacy existing between the writer and the person written to.

Official letters are generally concluded thus :—" I am, Sir, your obedient Servant," or " I have the honour to be, My Lord, your obedient Servant."

Commercial letters usually end " Yours faithfully," or " Yours truly," sometimes preceded by " I am, Dear Sir," or " We are, Dear Sirs," as the case may be.

The Signing.—Only partners, as a rule, sign the name of the firm (*e.g.*, " Brown, Watson & Co."). Other persons, generally the manager or the cashier, sign " *per pro.*" The meaning of this abbreviation is "per procurationem," *i.e.*, that the person so signing is, with certain reservations, conducting another person's business either in his absence or by his authority. A signature by procuration operates as notice that the person so signing has only a limited authority to sign, and the principal is only bound by such signature if the person so signing was acting within the actual limits of his authority. A bank, for instance, would be justified in asking to see a person's authority for carrying out a certain operation on behalf of another.

(*a*) A partner would sign :—
Brown Watson & Co.

(*b*) A person authorised would sign :—
p.p. (*or per pro.*) *Brown Watson & Co.*,
J. Williams.

(*c*) A clerk not authorised specially would sign :—
for (*or pro.*) *Brown Watson & Co.*,
W. Jones.

(*d*) Letters from banks, public companies, or public institutions, Government Departments, &c., are signed by the manager, secretary, heads, &c., respectively.

Letter Reference.—The letter reference number is often given towards the left-hand top corner of the letter, and the correspondent is asked to quote it when replying, to facilitate reference. These

numbers refer (*a*) to the file containing the particular correspondence, or (*b*) to the number of the page of the letter book on which the letter is copied; thus the letter or letters copied on page 684 of letter book "B" would be numbered B 684 or $\frac{B}{684}$, and if on page 684 of letter book "20," 20 684, or $\frac{20}{684}$, &c.

Memorandum.—The "memorandum form" is used when subjects of lesser importance are written about. By its use the junior members of the staff avoid troubling their manager or superiors, as unlike a letter, the memorandum is generally dispatched unsigned. Frequently the form of memorandum is printed on a post card.

The following is an example of a form of memorandum :—

Memorandum.

FROM
H. BELL & CO.,
39, TRINITY STREET,
MANCHESTER.

13th October, 19...

To.....
Messrs. Kettlewell & Ineson,
.....

Will your Mr. Gill please call here as soon as convenient to see the pieces you delivered yesterday?

The following abbreviations are usually made use of in correspondence, in reference to dates, time, &c. :—

ult.,	meaning	Ultimo = last month.
inst.,	,,	Instant = this month.
prox.,	,,	Proximo = next month.
Jan.,	,,	the month of January.
Feb.,	,,	,, ,, February.
Mar.,	,,	,, ,, March.
Apr.,	,,	,, ,, April.
Aug.,	,,	,, ,, August.
Sep.,	,,	,, ,, September.
Oct.,	,,	,, ,, October.
Nov.,	,,	,, ,, November.
Dec.,	,,	,, ,, December.
a.m.,	,,	Ante-meridiem = before noon.
p.m.,	,,	Post-meridiem = after noon.
P.T.O.,	,,	Please turn over.
Regd.,	,,	Registered (or To be registered).
P.O.,	,,	Post office or postal order.
Encl.,	,,	Enclosure.
do.,	,,	Ditto = the same as above.
P.S.,	,,	Postscript = written afterwards.

EXAMPLES OF A PRIVATE, AN OFFICIAL, AND A COMMERCIAL LETTER

A Private Letter.

216, Cunliffe Road,
Manningham,
29th September, 19...

Dear Wilson,

I will come over to Leeds on ***Friday*** **afternoon by the** G.N. train arriving at *5.9 p.m.* If by any chance I miss this train, I will catch the next (*Midland*), arriving at 5.20.

Yours sincerely,

J. W. WATSON.

John Wilson, Esq.,
Leeds.

An Official Letter

Bradford Chamber of Commerce,
Bradford, *4th February*, 1893.

Sir,

METRIC AND DECIMAL SYSTEMS.

With reference to my letter of 5th December last, asking if there were any objections to the Decimal System being made a compulsory subject of instruction in all Public Elementary Schools, and your reply referring me to the last footnote to Schedule I of the Code, I am desired to draw attention to the fact that the footnote in question implies only a very elementary knowledge of the subject. I am also to say that, so far as the experience of the members of the Chamber goes, the instruction in the principles of the Decimal System in the schools where such instruction is given is practically worthless, whether regarded as intended to impart a knowledge of the Decimal System itself or as a preparation for the changes which will take place when the Metric System of Weights and Measures (and eventually a Decimal System of Money) is introduced into this country.

That such a system will sooner or later have to be adopted in this country is becoming every year more apparent. In every civilised country in the world, with the exception of Great Britain and some of her dependencies, a decimal system of coinage has been adopted, and a very large proportion of the civilised nations have also adopted the metric system of weights and measures, whilst among scientific men in all countries the metric system is invariably used, and electricians throughout the world have adopted a system of electrical units based on the metric system.

Owing to the principles upon which our currency, weights, and measures are based being so widely different from those of all other European countries, the trade of this country suffers to a considerable extent, as can be readily demonstrated. On the other hand, the adoption of the Decimal System in this country would not only facilitate international commerce, by placing our manufacturers in a position of equality with their foreign competitors, but would also be the means of saving an immense amount of time to commercial men by doing away with the elaborate calculations necessitated by our present cumbrous arithmetical methods. It would also result in vastly simplifying and expediting the teaching of the higher forms of arithmetic in schools, thus affording more time for other subjects.

In these circumstances, and in view of the fact that the introduction of the system into this country would be immensely facilitated if all scholars in elementary schools were required thoroughly to understand the system, I am desired by the Council of this Chamber to express an earnest hope that your Honourable Committee will be pleased to take the question into consideration, and, if possible, make provisions in the Code that the Decimal System of Weights, Measures, and Money shall be a compulsory subject of instruction in all Public Elementary Schools in the Kingdom.

I am, Sir,

Your obedient servant,

FREDK. HOOPER,

Secretary.

G. W. KEKEWICH, Esq., C.B.,
Secretary to the Committee of Council
on Education for England and Wales,
Whitehall, London, S.W.

A COMMERCIAL LETTER.

MANCHESTER,
18*th Feb.* 19...

Messrs. ROBERTS & Co.,
Sheffield.

DEAR SIRS,

We beg to acknowledge the receipt of your favour of yesterday's date, and regret that your explanation of the delay in the delivery of the goods ordered on the 21st ult. is unsatisfactory.

Our clients are extremely annoyed at the delay, and they have been put to considerable inconvenience, which may result in our losing their patronage.

Unless the goods are delivered by Wednesday next, we shall be compelled to cancel the order.

We are,

Yours faithfully,

W. HARDY & SON.

CHAPTER XVII

PRÉCIS WRITING

Précis writing is the art of condensing, compressing, or summarising long letters or statements without changing or obscuring their meaning; and the ability to thus give in a few words the essence or "pith" of a communication is a valuable accomplishment to all who are engaged in business life.

Proficiency in précis writing is not only useful in writing up the "letter register," but especially so in writing out "telegrams" and "cablegrams," in which each unnecessary word means a waste of money. It is also useful in drafting a brief narrative statement of the material points in the subject matter of the correspondence relating to a transaction.

A good précis of a letter should give *briefly*, *completely*, and *clearly expressed* its *important points*, omitting everything else; and these points should be arranged in proper order of sequence and set down in a readable manner. The art consists in omitting everything that will not affect a clear understanding of the whole subject.

Examples.

The Silk Association of Great Britain and Ireland.
Association Chambers,
15, High Street, Manchester,

21*st January*, 1897.

Dear Sir,

At a meeting of the Council held at the latter part of last year, certain inequalities of taxation of silk goods in France, upon English as against Japanese goods, and also in India, were brought under the notice of the Council, and a Trade Disabilities Committee was appointed to consider the matter. A report, copy of which I append for your perusal, has been drawn up of the disabilities complained of, and submitted to a meeting of the Council held last week, when I was instructed to convey to your Chamber the following resolutions:—

As to Indian duties:—"That after considering the inequalities of silk taxation in India complained of in the report presented, it is hereby resolved that steps be taken with a view to have the 5 per cent. duty removed from all silk goods and yarns sent into India, or an excise duty placed upon native or factory-made yarns of an equivalent value."

As to French duties:—"That being under the most-favoured-nation clause we have a right to claim from France the same conditions as those granted to Japan for silk goods sent into France in the écru state."

"That for all silk yarns and manufactured silk goods, we claim from France the same conditions as those granted to her by this country, viz.:—Free admission, or reciprocal terms."

The Council propose to approach the Board of Trade by deputation on the subject, and I am instructed to solicit the support and co-operation of your Chamber, and to express the earnest desire of the Council that your Chamber will see its way to nominate a representative to join the deputation.

I may say that similar requests are being made to the Chambers of Commerce in each of the silk industrial centres, and it is hoped that a representative and influential deputation will result from the Council's appeals.

I am, Dear Sir,
Yours faithfully,
ARTHUR E. PIGGOTT,
Secretary.

THE PRESIDENT OF THE
BRADFORD CHAMBER OF COMMERCE.

Précis of above letter.

Letter from the Silk Association calling attention to certain alleged inequalities in the import duties levied in France on silk goods imported from Great Britain and from Japan respectively, and to the duty imposed by India on such goods, and asking the Bradford Chamber of Commerce to join in a proposed deputation to the Board of Trade on the subject.

OFFICE OF THE HIGH COMMISSIONER FOR CANADA,
VICTORIA CHAMBERS,
17, VICTORIA STREET,
LONDON,
10*th September*, 1897.

SIR,

In reply to your letter of the 6th instant, I am directed to inform you that the High Commissioner is advised by the Canadian Government that the benefits of the preferential tariff will be given to Belgium and Germany until the termination of the treaties with those countries on the 30th July, 1898, and to all other countries entitled in Canada to most-favoured-nation treatment in tariff matters; and that this extension applies to indirect, as well as direct, importation, from the countries in question.

I am, Sir,
Your obedient servant,
J. G. COLMER,
Secretary.

THE SECRETARY,
CHAMBER OF COMMERCE,
BRADFORD.

Précis.

Letter from the High Commissioner for Canada stating that goods manufactured in countries enjoying most-favoured-nation treatment will, on importation into Canada, be allowed the preferential rate until 30th July, 1898, whether imported directly or indirectly.

BRADFORD CHAMBER OF COMMERCE,
BRADFORD, *23rd January*, 1896.

MY LORD,

With reference to the notification in the January number of the "Board of Trade Journal," to the effect that a telegram had been received at your office on the 3rd inst. announcing that the new Brazilian duties were to take effect for goods shipped before January 1st, I am desired to mention that Bradford merchants were anxiously awaiting information on the subject, and that had the contents of the telegram been communicated to this Chamber when received, the information would have been highly appreciated. I am desired to express the hope that in further cases of a similar nature that course will be followed.

I have the honour to be, my Lord,
Your Lordship's most obedient
Humble servant,
FREDK. HOOPER,
Secretary.

THE MOST NOBLE
THE MARQUESS OF SALISBURY, K.G.,
FOREIGN OFFICE.

Précis.

Letter from the Bradford Chamber of Commerce to the Foreign Office, calling attention to the delay in notifying the coming into force of the new Brazilian Tariff, a telegram on the subject received at the Foreign Office on the 3rd January not having been published until the 16th.

Any further communication on this subject should be addressed to
THE UNDER SECRETARY OF STATE
FOR FOREIGN AFFAIRS
(*Commercial Department*),
FOREIGN OFFICE,
LONDON.

FOREIGN OFFICE,
February 11th, 1896.

SIR,

I am directed by the Marquess of Salisbury to state that your letter of the 23rd ultimo, expressing the wish of the Bradford Chamber of Commerce that the recent changes in the Brazilian Tariff might have been at once communicated to them, has been carefully considered in consultation with the Board of Trade.

The duty of publishing information in regard to tariff changes abroad rests with that department, but it has now been arranged that the Board shall, besides publishing such changes (as heretofore) in the "Board of Trade Journal," send immediate notices of any important changes to the daily Press and to the Chambers of Commerce.

Information on those subjects is invariably sent by this office, immediately on receipt, to the Board of Trade, and it is hoped that by this new arrangement no delay will in future occur in bringing it to public notice.

I am, Sir,
Your most obedient
Humble servant,
GEORGE CURZON.

THE SECRETARY
TO THE CHAMBER OF COMMERCE,
BRADFORD.

Précis.

Letter from the Foreign Office in reply to a letter from the Bradford Chamber of Commerce stating that the Chamber's letter has been carefully considered in consultation with the Board of Trade, with whom rests the duty of publishing the information in question, and that it has now been arranged that notices of important changes in foreign tariffs shall in future be sent immediately to Chambers of Commerce and the Press.

Registered No. 472365/96.
Any reply should bear this number, and should be addressed :—
"THE SECRETARY,
"GENERAL POST OFFICE."

GENERAL POST OFFICE,
LONDON, 30*th Jan.*, 1897.

SIR,

With reference to your letter of the 7th ultimo, on the subject of the telephone trunk service at Bradford, I am directed by the Postmaster-General to acquaint you, for the information of the Bradford Chamber of Commerce, that the working of the trunk lines is engaging his Grace's earnest attention, and that every effort is being made by this department to ensure that a satisfactory service shall be given. Special steps have been taken to improve the service at Oldham, and additional circuits are being constructed to various places in the vicinity, with a view to prevent any further cause for complaint.

I am to add that the erection of these circuits is being pushed forward as rapidly as possible.

With regard to the last paragraph of your letter, I am to state that the Duke of Norfolk does not think that an extension of the period of three minutes, which is the period adopted in international arrangements, would be of advantage in the general interests of the public, and that experience has shown that the limits of time laid down by the existing regulations are, generally speaking, ample.

I am, Sir,

Your obedient servant,

JOHN ARDRON.

THE SECRETARY,
BRADFORD CHAMBER OF COMMERCE.

Précis.

Letter from the Postmaster-General stating that every effort is being made to ensure a satisfactory trunk telephone service, but that he does not think that an extension of the period of three minutes suggested by the Chamber would be of advantage in the general interests of the public.

CHAPTER XVIII

TELEGRAMS

Telegrams Inland.—The electric telegraph was introduced into the United Kingdom in 1846. The telegraphs were at first in the hands of private companies, but in 1870 they were purchased by the Government for £8,000,000, and have since been a Government monopoly, like the carriage of letters.

The charge for transmission is 9d. for the first 12 words, and ½d. for every additional word, addresses being charged for. Such words as *forty-seven*, and names as *O'Niel*, *Macdonald*, are counted as one, but double names like *Bouverie-Tracey*, although written with a hyphen, are counted as two words. Such abbreviations as *can't*, *won't*, *don't*, *shan't*, *couldn't* are counted as single words.

Figures are counted at the rate of five figures to a word, 38563 counts as one word, while 385634 counts as two words.

The public are required to fix postage stamps to the message forms for the payment of telegrams.

Telegrams are delivered free of charge within three miles of the office nearest the address, which is called the terminal office; when the terminal office is a head office, however, they are delivered free within the town postal delivery or within three miles, whichever covers the larger area. Telegrams are delivered free at all times within the Metropolitan Postal District.

When the address is beyond the limit of free delivery, porterage is charged at the rate of 3d. per mile or part of a mile, the distance being calculated from the limit of free delivery. The sender is responsible for the porterage, and must, if practicable, state the distance, and pay in advance. In most cases the approximate distance can be ascertained by referring to the Post Office Guide.

Telegrams may be sent by post from the terminal office. Persons requiring this to be done must write the word "post" before the addressee's name, and must pay the cost or deposit 1s. if the exact cost is not known. A deposit for boat hire is required on every telegram addressed to a ship, unless the ship be alongside a wharf, jetty, or pier.

On payment of a charge of one-half of the ordinary tariff a person can have his telegram repeated, *i.e.*, signalled back from office to office, and this is frequently done in the case of important telegrams, to prevent mistakes being made. Copies of a telegram directed to more than one person in the same free delivery (or, in London, in the same postal district) are delivered at a charge of threepence per copy, in addition to a halfpenny for each word in the address of the copy.

Persons not wishing to send to a Telegraph Office may post a telegram in an envelope addressed "Telegram, Immediate," in a wall or pillar box, &c., from whence it is sent on by the next collection to the Telegraph Office, and thence transmitted and delivered free of charge. Telegrams posted insufficiently prepaid are forwarded, and the deficiency is charged to the addressee; but unpaid telegrams are not forwarded.

Persons desirous of having a communication forwarded by post to a place abroad, from a Postal Telegraph Office at which it could be posted later than at their local office, may have it transmitted as an inland telegram to such an office, and posted there. In this case the sender must write "post" (which will not be charged for) before the addressee's name, and the name of the terminal Telegraph Office at the end of the address. For example: "Post, Brown, 12, Fifth Avenue, New York, Liverpool." Thus a telegram of 24 words to be sent by post from Liverpool to New York should be prepaid 1s. 5d., viz., 1s. 3½d. for the telegram (including ½d. for the name Liverpool) and 1½d. for postage. In such cases a registered address cannot be used.

Telegrams may be received by postmasters after the usual hours on payment of certain late fees to the postmaster and telegraphist; also to the messenger, should any be required.

Any person may register an abbreviated address, consisting of two words (one being the town, *e.g.*, "Hercules, London"), on payment of a registration fee of £1 1s. a year.

Telegrams may be cancelled either before, during, or, if not too late, after transmission; if cancelled before transmission the cost of the telegram is returned, less a fee of 3d.

On the following page is a "Telegram Form," which explains itself. The address of the sender need not be telegraphed, nor even his name, but when the name is not telegraphed it must be written

on the back of the form. It is advisable in business telegrams to always give name of the sender. The names of all telegraph offices in the United Kingdom will be found in the Post Office Guide.

When sending a telegram it is of course desirable to use as few words as possible, so as to save unnecessary expense. The words used, however, should fully express the meaning. The best way of doing this, until one has acquired some practice in writing out telegrams, is to write a rough draft of the message one wishes to convey, and alter this in such a way that the omission or alteration of certain words will not change or obscure the meaning; *e.g.*, the following message :—

> "*In reply to your letter of yesterday, we regret that we are unable to accept the order at your limit of one and threepence, our lowest price to-day being one and sixpence,*"

may be compressed into this telegram :—

A. Prefix ____ Code ____ | POST OFFICE TELEGRAPHS. (Inland Telegrams.) | No. of Telegram ____

Office of Origin and Service Instructions. ____

Words. ____ Charge. ____

Sent. At ____ M. To ____ By ____

For Postage Stamps. *To be affixed by the Sender. Any Stamp for which there is not room here should be affixed at the back of this form. A Receipt for the Charges on this Telegram can be obtained, price One Penny.*

When a reply is to be prepaid, write the words "Reply Paid" in the space below. These words are not charged for.

TO { *Eccentric, London*

12 words, including the words in the address, **9d.** Every additional word, ½d.					
	Order	*impracticable*	*to-day's*	*price*	*eighteen pence*

FROM { *Brown*

The Name and Address of the Sender, IF NOT TO BE TELEGRAPHED, must be written in the Space provided at the Back of the Form.

In some cases, telegrams despatched are copied in the letter book or in a book reserved for telegrams.

Foreign Telegrams.—The procedure in regard to foreign telegrams is similar to that for inland telegrams, except that they have to be on a special form, and pay a higher rate.

SECTION 4

MONEY, BANKING, CHEQUES, AND BILLS OF EXCHANGE

CHAPTER XIX

MONEY

Strictly speaking, the term " money " means pieces of metal stamped by the supreme authority of a country, to serve as a medium of exchange. Generally speaking, however, the term includes not only coin, but Bank Notes, Cheques, Bills of Exchange, and in fact anything which serves as a standard of value and is taken freely in exchange for goods sold or services rendered. The word " money " is derived from the Latin word " moneta," which is said to have been a soubriquet or surname of the Goddess Juno, in whose Temple money was coined by the Romans 269 B.C.

In primitive times the only method of performing the operations which we now call buying and selling, was by " barter," *i.e.*, the exchange of one commodity for another. This form of exchange, however, was not restricted to primitive times. In fact, it obtains to a considerable extent at the present day in uncivilised countries ; for instance, in the interior of Africa, cloths, beads, and other articles of British manufacture which the natives require but do not produce themselves, are exchanged for the natural products of the country, such as palm oil, gold dust, ivory, &c. This method of exchange has obviously very great disadvantages, and sooner or later the necessity for a standard of value or a settled medium of exchange becomes apparent. For these purposes many articles besides the precious metals (*i.e.*, gold and silver) have from time to time been used in different countries. The things most commonly used were cattle, skins, cowrie shells, furs, tobacco, iron, tin, copper, and salt. Even nails are said to have been used at one time in Scotland, while slaves have been used in the interior of Africa.

From very early times, however, *metal* of one kind or another has held the first place in public estimation as a medium of exchange. As trade increased each nation gave the preference to

metals, for the following reasons :—1st, on account of their value compared with their smallness of bulk ; 2nd, because they are not liable to deterioration or destruction by use; 3rd, because they may be used either in small or large quantities ; 4th, because they may be easily and inexpensively transported from one place to another ; and 5th, because they are more stable in value than other commodities.

At one time *iron* was extensively used. *Lead* was also used ; whilst so recently as the reign of William and Mary *tin* half-pennies and farthings were current. *Copper* has also been and is now extensively used, whilst *silver* has been largely used from time immemorial. In 1828 Russia commenced coining *platinum*, but the comparative scarceness of the metal and other causes led to its abandonment in 1845, when the coins already issued were withdrawn from circulation. Now-a-days *gold* and *silver* are universally used as money. Gold is the favourite in most countries, owing to its greater value, and to its being less variable in value than silver.

When metals were first used they were probably in the form of bars, ingots, &c., and were sold by weight, just as we do now in effect, the only difference being that in olden times the weight varied, whereas now the pieces of metal we use as money are of fixed size and weight. All the precious metals are, as you know, sold by *troy* weight. This term is commonly supposed to be derived from a weight used at Troyes, a town in France. It is also said to have been the monkish name given to London—Troy Novant. Troy weight is said to have been in use in this kingdom since the time of Edward the Confessor. This weight was originally derived from grains of corn : 32 of these made 1 dwt., 20 dwts. 1 oz., and 12 ozs. 1 lb. troy. Subsequently the dwt. was divided into 24 equal parts called grains.

Coin, which word is derived from the old French word " coin," a wedge or a die, is stamped money. Coins are generally circular and stamped on both sides, but formerly they were of various shapes—square, oblong, octagonal, &c.—and at first were stamped on one side only. Julius Cæsar is said to have been the first monarch whose portrait was stamped on coins.

The *coinage* of money, *i.e.*, the making and issuing of coins, is in most countries in the hands of the Government or supreme authority. In England all coin is made at a place called the Mint

(Saxon "mynet"=money or stamped coin). Any person can have gold coined into sovereigns free of charge by taking it to the Bank of England. The usual, in fact almost invariable, plan is to *sell* the gold to the bank.

A sovereign should weigh 123·27447 grains, but as it is impossible to make every coin of exactly the same weight, the Master of the Mint is allowed a margin of $\frac{1}{5}$th of a grain either way, *i.e.*, a sovereign can only legally be issued provided it weighs not less than 123·074 grains and not more than 123·474. This allowance or margin is called the "remedy."

The mint price of gold is £3 17s. 10½d. per oz.; the Bank of England price by Act of Parliament is £3 17s. 9d. This difference of 1½d. per oz. is called *demurrage*. When we come to deal with chartering of ships, you will learn that demurrage means an extra charge for delay, and so it does in this case; for as it usually takes about three weeks before the mint can turn a particular portion of gold into coin, the 1½d. per oz. retained by the bank represents the loss of interest, &c., sustained by the bank. Silver is bought by the bank at market price only.

None of the sovereigns or half-sovereigns coined by the mint are entirely pure, or "fine" as it is called. Standard gold contains one-twelfth of alloy, *i.e.*, two carats out of 24, so that a sovereign is said to be "22 carats fine." Silver coins are also alloyed. The reason is that pure gold and pure silver are too soft to stand much wear and tear, and an alloy of copper is necessary to give the coins sufficient hardness.

The coins issued by the Mint are of three kinds, viz., gold, silver, and bronze.

The *gold* coins are of the value of £5, £2, £1, and 10s.

The *silver* coins are the crown, double florin, half-crown, florin, shilling, sixpence, and threepence. (Other silver coins, viz., of the value of 4d., 2d., and 1d., are also struck in small quantities for what is known as maundy money, but they are not in circulation.)

The *bronze* coins are penny, halfpenny, and farthing.

Until 1918 all silver coins were actually *tokens*, *i.e.*, they were not intrinsically worth the amount they represented.

For several years prior to that date the average price of silver had varied between 2s. and 3s. 4d. per ounce. Since 66 shillings were made from one lb. (troy) of silver, the real value of the shilling was about 7½d., when silver was at 3s. 4d. per oz.

In 1918, on account of the demand made by India and China, the price of the metal rose, gradually at first, but in 1919, as the supply did not equal the demand, it advanced rapidly, until in December it exceeded 7s. per oz. At this rate the shilling became worth about 1s. 4d., and consequently all silver coins were worth *more than* their face value, and therefore ceased to be tokens.

New legislative measures had to be taken to cope with the unprecedented financial position, and the Government decided that the amount of the alloy in the silver currency should be increased to about 50 per cent. On this basis the shilling is worth about 8d.—practically its pre-war value—and the other coins *pro rata*.

A nickel coinage for the smaller denominations has been suggested by several financial experts.

Copper or bronze coins are intrinsically worth even less, comparatively, than silver coins, *e.g.*, a penny is intrinsically worth something like a halfpenny only. The difference in the actual value and the nominal value at which silver and bronze coins are issued by the Mint, is a profit made by the State, and goes to the relief of taxation, like the profit made by the post office.

Whilst treating of British coins, it may be interesting to mention that the penny weighs exactly one-third of an ounce, and that the half-penny weighs one-fifth of an ounce, and measures one inch in diameter.

The symbols £ s. d. stand for *libra*, *solidi*, and *denarii*. The word "libra" means a balance, or, as some authorities give it, a pound weight. In accounts, we call a sovereign a "pound." This name is derived from the fact that in the time of William the Conqueror, one tower pound (11¼ oz.) of silver was coined into 240 pennies. A tower pennyweight was therefore the weight of a penny. At that time, and for many years afterwards, the silver penny (a coin rather larger than our present threepenny piece) was the only coin used in England. The halfpenny and fourth-thing, or farthing, were really halves and quarters of a penny, these pennies being deeply indented with a mark in the form of a cross, to facilitate the process of halving and quartering.

The term " shilling " was originally applied to a *weight* equivalent to the twentieth of a pound.

The term " guinea " was applied to a coin struck out of gold brought from Guinea in the reign of Charles II. It was intended to circulate as a pound or twenty shillings, but owing to an excess amount of gold having been put in it was never worth less than 21/-, and even rose to as much as 30/-. The *sovereign* was introduced in 1816.

We have so far dealt only with *Coin*, or, as it is generally called, *Metallic Currency ;* but it must not be overlooked that there is another kind of money, viz., *Paper Currency.* Both kinds are in use in nearly every country.

Metallic Currency, as already explained, consists of gold, silver, bronze, metal, copper, or any metal legally coined into money.

Paper Currency really consists in this country of banknotes and Treasury notes only, but the term is also held to include cheques, bills of exchange, coupons, &c.; in fact, every kind of document or paper representing money or money's worth, and which can be readily converted into money. Coin plays a very small part in commercial monetary transactions. Mr. Elijah Helm mentions in his work on bimetallism, " The Joint Standard," that particulars collected in 1881 showed that the average receipts of London banks in that year were as follows—

Coin	0·728
Bank of England Notes	2·039
Cheques and Bills	97·233
	£100

In London, therefore, of every £100 paid into the banks, the amount of paper currency was £99 5s. 6d., whilst only 14s. 6d. was in coin.

In Manchester, in the same year, the particulars were as follows—

Coin	6·1
Bank of England Notes	13·8
Country Notes	0·1
Cheques and Bills	80·0
	£100

The larger proportion of coin here is an indication that in Manchester—an industrial centre—more coin is required (for payment of wages, &c.) than in London. The Manchester figure probably represents the average for the United Kingdom, out of London.

Before dealing with the various kinds of paper currency, it will be convenient to explain the meaning of terms in everyday use relating to money.

Currency is explained above.

The term *Circulating Medium* is used for both kinds of currency, but it ordinarily applies to money actually in circulation (*i.e.*, passing from hand to hand, or from person to person).

Bullion is uncoined gold and silver, in bars, ingots, &c.

Specie means coin of every description ; it is, in fact, the usual term for metallic currency. The term is used chiefly in connection with imports and exports of coins.

Legal Tender.—In the United Kingdom English gold coins of legal weight are legal tender up to any amount ; *i.e.*, they cannot be refused when offered in payment of a debt. Silver coins are legal tender up to £2. Pence and halfpennies up to one shilling.

The Currency Notes for £1 and 10/- respectively, recently issued by H.M. Treasury, are " legal tender for the payment of any amount."

Bank of England notes are legal tender in England and Wales, except by the bank itself or any of its branches.

An English sovereign will be accepted at its full value in any country in the world, and in most countries a Bank of England note is also accepted.

Standard of Value signifies that substance or commodity which is fixed by law as the measure or gauge of all other commodities. In England the standard is gold, the silver and bronze coins being only tokens, circulating in this country only. England is therefore said to be a " gold standard " country. Mexico and China are " silver standard " countries. France has nominally a double or bi-metallic standard, but practically she has a gold standard, only gold being coined.

Decimal Coinage.—Nearly every country in the world (the principal exception being the United Kingdom and some of her colonies and dependencies) has adopted a decimal system of coinage, *i.e.*, the standard coin (or coin of accounts) is divisible by ten. This vastly simplifies the keeping of accounts and calculations, and it is to be hoped that we shall before long have a decimal system in operation in this country, if not for coinage, at all events for weights and measures.

Money is not only used for the purpose of buying and selling goods, paying for services rendered and so on, but is itself *an article of merchandise*, and is bought and sold like other articles. Therefore, just as we have a cotton market in Liverpool, where most of the cotton used in this country is imported, so we have a money market in London, the place where a very large proportion of the financial transactions of the world are conducted. This money market consists of bankers, discount brokers, bullion dealers, and others. The value of money, like that of other commodities, is subject to the laws of supply and demand ; therefore, when the banks hold an excessive supply of money, *i.e.*, more than there is at the time a legitimate demand for, they reduce their rates of *discount*, *i.e.*, practically the rate of interest they charge for lending money on certain securities. Money is then said to be *cheap*, or the money market is said to be *easy*. On the other hand, when the demand for money, *i.e.*, for loans, is brisk, and bankers are able to lend as much as they wish, bank rates for money rise, and money is then said to be *dear* or *scarce*, and the money market is described as being *firm*. Thus, in the newspapers occasionally the money market report reads :—

> " Money was rather more abundant to-day, and borrowers supplied themselves easily at 4 to 4¼ per cent. The discount market was quiet, and a shade easier again ; some brokers still quoted 4½ to 4⅝ per cent., but bills were freely taken at the lower figure, and some fine paper was discounted at 4 7/16 per cent."

The rates here given are so much per annum, and " fine paper " means bills drawn on firms of first-class standing. The rates of discount are regulated by the rates charged by the Bank of England, or what is known as the bank rate. This is fixed by the bank every week generally, and varies from 2 to 5 per cent. The rates charged by discount brokers are nearly always less than those charged by the Bank of England.

According to the requirements of different countries, shipments of gold and silver, both specie and bullion, are being constantly made from one country to another. For instance, in the money article in *The Times* some time ago, it is stated :—

> "The bank bought £23,000 in United States gold coin. The 'Etruria' left New York on Saturday with £455,000 in specie."

The £23,000 paid by the bank was the value of the United States coin bought, at the exchange of the day. This mode of exchange is both cumbrous and comparatively expensive. The usual method of paying for commodities bought in foreign countries is by bills of exchange, which will be dealt with later on.

CHAPTER XX

BANKS AND BANKING

It was about the year 1645 that the London goldsmiths first began, in great numbers, to act as bankers, though there are instances, at least as early as Henry VIII., when they received moneys and rents from their customers, to whom they gave some interest for the use of the same.

During the Commonwealth, the number of goldsmiths increased considerably. They became the custodians of surplus cash, and usually issued receipts or cash notes for the same, payable on demand. A customer wishing to withdraw any sum would draw a note or draft, payable to his own or some one else's order, which was the origin of cheques.

The old goldsmiths, besides doing ordinary banking and goldsmiths' business, advanced money upon pledges, as the pawnbrokers do now. In the early days they frequently charged as much as 20 and 30 per cent. for loans, while they never allowed more than 6 per cent. for money lodged on deposit.

From about the time of William III., the business of banking proper made very rapid strides. Reputable firms sprang up and developed in all directions, and perhaps in no other way has the profitable character of the business been more clearly indicated.

The large amount of money transactions carried through without the intervention of coin or bank notes, in a country like England, is inconceivable to those not engaged in business pursuits. The manner in which these transactions may be effected without money would be at once understood if all persons in the same neighbourhood dealt with the same bank, and if all the banks scattered throughout the country were only branches of the same establishment. In practice, matters are managed as if this were the case. The cheques, bills, or other drafts which come into the hands of a banker, drawn on (that is, payable by) other bankers, are set off and liquidated by drafts which they have received, drawn on him. Only the balance or difference is paid in money.

In London, which is the centre of the money world, there is an establishment called the *Clearing House*, of which most of the London bankers are members. A clerk from each of these banks attends the Clearing House at fixed hours daily, and presents all the drafts immediately payable which his bank holds on others, the balance or difference on the whole, for or against each bank, is ascertained, and the bank which holds a less amount of drafts on others than they hold on it pays the difference by a cheque on the Bank of England. The total amount of documents passed through the Clearing House in the year 1917 was £19,121,196,000. There are also Clearing Houses in Manchester, Liverpool, Newcastle, and other towns.

POST OFFICE SAVINGS BANKS

The first Savings Bank Act was passed so long ago as the year 1817. This Act, however, had no connection with the Post Office Savings Banks. It was passed chiefly with a view to facilitate the establishment of savings banks in connection with night schools, Sunday schools, &c. The trustees of banks established under this Act were obliged to pay the money received by them into the Bank of England, on account of the Commissioners of the National Debt, who allowed interest for it. Several amending Acts have since been passed, but it was not until the year 1861 that savings banks under the supervision of the Government, and having the "direct security of the State," were established. In the year 1860 public attention was drawn to the subject by Mr. Charles William Sykes, of Huddersfield, and Mr. Gladstone, who was then Chancellor of the Exchequer, cordially adopted the suggestion. In the following year he carried a Bill through Parliament. It received the Royal Assent on the 17th May, 1861, and came into operation on the 16th September following. At first only 300 banks were opened, but two years later Post Office Savings Banks were in operation at all post offices in the United Kingdom where money order business was transacted. On the opening day 435 deposits were made, amounting to £951. There are now several million depositors, and the amount deposited in one year has exceeded £40,000,000.

The method of opening an account at a Post Office Savings Bank is extremely simple. All you have to do is to go to any of the Post Office Savings Banks now established, and say you wish to open an account. The clerk fills in a book the name and address of the depositor, and the amount deposited. He then hands

you the book, which you sign and retain. Two or three days afterwards you receive from the head office in London a receipt for the amount deposited (if £5 or upwards), and you receive a similar receipt for every subsequent deposit of £5 and upwards. The duly authenticated entry in the Depositor's book of any sum under £20 is regarded as conclusive evidence of the receipt of the amount by the Postmaster General. For deposits of £20 and upwards a special acknowledgment is sent from Headquarters.

Deposits of one shilling or more will be received at any Post Office Savings Bank, but not more than £50 may be deposited in any one year ending 31st December, nor may the total deposit exceed £200, including interest. A fraction of a shilling is not received as a deposit, but a shilling can be saved in pennies for deposit in the Post Office Savings Bank, by affixing penny postage stamps to a form obtainable at any post office. Interest on deposits is allowed at the rate of 2½ per cent. per annum, or 6d. in the £ for each complete pound deposited.

Any sum up to £1 may be withdrawn without notice. For larger amounts a form has to be obtained from the post office. This, when filled up, is forwarded post free to the head office, and a couple of days afterwards an order for payment is delivered at the depositor's address. This is then presented to the post office, with the bank book.

THE BANK OF ENGLAND

The Bank of England, the most important bank in the world, was projected by William Paterson, a Scotsman, and incorporated July 27th, 1694, under the style of the Governor and Company of the Bank of England. The management was committed to the Governor and twenty-four directors, and operations were commenced in Grocer's Hall, in the Poultry, on January 1st, 1695. The Bank of England really originated in a loan to the Government of the day. This debt gradually increased to £11,000,000, and being unable to pay, the Government allowed the Bank to issue notes against the security of the debt plus a further £3,500,000 which was granted as a boon or advantage to the Bank. By the Bank Act of 1844 the amount was consolidated at £14,500,000, the Government being responsible for notes issued to that amount.

The Bank was also empowered to issue additional notes to the extent of two-thirds of the amount of the authorised issue of any banks which might afterwards cease to do business. Owing chiefly to the numerous amalgamations of provincial banks, many

banks have lost the right to issue notes, and the authorised issue of the Bank of England has thus increased to £18,450,000. This represents the amount of notes which may at present be issued without gold being held in reserve against it. All notes issued in excess of that amount can only be issued in exchange for gold.

By the Act of 1844, the bank was divided into two departments—the *issue* and the *banking*. In the *issue* department of the Bank, the sole business is to give out notes to the public and to take charge of the securities and bullion against which they are issued.

The amount of notes in the hands of the public averages about £25,000,000; but the amount issued by the *issue* department is greater. The difference is the amount lying in the *banking* department, and represents the reserve of gold of that department. We therefore require to regard the reserve of the banking department as gold, though lying in the shape of notes issued by the other department.

The *banking* department of the Bank of England differs from other banks in having the management of the public debt, and paying dividends on it; in holding the deposits belonging to Government, and in making advances to it when necessary; in aiding in the collection of the public revenue, and in being the bank of other banks. The Bank of England receives money on deposit of which it makes use, but on which it allows no interest. If the banking department gives notes in payment of a cheque, and gold is desired in exchange, the *issue* and not the *banking* department must make the exchange.

OTHER BANKS

There are two other kinds of banks, viz., the *Private Bank* and the *Joint Stock Bank;* the functions of both are the same, but the management is different.

A *Private Bank* is managed entirely by the few persons who compose the firm. It is usually a local bank, its business being chiefly with the residents or traders in its immediate neighbourhood. It may have branches, but as a rule it will not have an office in London; some other bank will act as its agent. It conducts exactly the same style of business as a Joint Stock Bank, the essential differences being (1) that a private bank is carried on under the personal supervision of the bankers themselves, and (2) that it is not obliged to publish a balance sheet. Some of the London banks are private banks.

A *Joint Stock Bank* is managed nominally by a Board of Directors, but actually by a responsible person called the manager, who, however, refers all special matters to the directors. The Board of Directors usually meets once a week, and one or more of the directors visit the bank daily, in order that the manager may consult them if necessary. These banks must exhibit a balance sheet at stated periods (usually every six months), and they declare dividends out of realised profits. Nearly all Joint Stock Banks have branches, and all have London agents, *i.e.*, another bank on whom they draw and remit London cheques and bills for collection.

BANKING

The business transacted by both kinds of banks may be thus classified :—

1. Keeping current accounts for customers.
2. Receiving deposits at interest.
3. Discounting and negotiating bills of exchange.
4. Advancing money on securities, &c.
5. Issuing notes (if possessing the power).
6. Acting as agent for others.

A *fixed deposit* means a sum of money deposited with a banker for a fixed period, say 3 months, 6 months or 12 months, or even longer, the banker agreeing to allow interest at an agreed rate, varying from 2 to 4 per cent. per annum.

Another kind of deposit is when the money is deposited subject to a certain number of days' notice before withdrawal. In this case the rate of interest is lower than for a "fixed deposit."

DEPOSIT ACCOUNT.

Notes	500	-	-
Gold	50	-	-
Silver and Copper			
Own Notes and Cheques			
Country Notes & Cheques			
Drafts and Cheques on London			
No. ..... £	550	-	-

LEEDS, *October 7,* 19.....

Paid the Yorkshire & Durham Banking Co. Ltd., the sum of £ *555 : 0 : 0* to be placed to the Credit of *William Mason.*

.....

in DEPOSIT Account with said Bank.

Signature *William Mason*

Residence *16, Silver Street, Brighton.*

The Bank's Form of Deposit Receipt will be given for the above-named amount.

In each case a printed acknowledgment, termed a "deposit receipt," is given for each sum lodged, which receipt must be signed by the depositor and delivered up when he withdraws the money.

A *current account* means an account opened with a bank by lodging a sum of money, which can be drawn out in whole or in part by cheque and be replenished from time to time.

A person is generally required to keep at least a certain sum of money, say £50, at the credit of his account in order to render it remunerative to the bank ; and should he not do so, it is usual for the bank to charge a commission proportionate to the extent of his transactions.

Some banks do not allow any interest to their current-account customers, while others allow interest on the balance standing to their credit at the end of each day, but usually at a much lower rate than on deposit accounts.

The banker and his clerks are bound to observe secrecy with reference to the account of a customer ; and should a person sustain injury from the improper disclosure of his private dealings with a bank, he can claim compensation in a court of law.

ADVANTAGES OF A BANKING ACCOUNT

If you keep a current account with a bank, you derive so many advantages from so doing that, even if you receive no interest on your money in the banker's hands, you are amply repaid for the banker's use of it. For example, the advantages of a banking account may be thus briefly summarised :—

1. You are relieved of the risk and trouble of keeping large sums of gold and silver in the house for making your payments ; and, should interest be allowed, you are paid for the use of your money.
2. You can pay by cheque, and these cheques can be produced at any time, should payment be denied.
3. You are saved the trouble of counting out money.
4. You can have all bills of exchange and cheques, which are payable at say fifty or more different banks, collected for you ; you are thus relieved of all trouble and anxiety in the due negotiation of bills and cheques—clerks are employed in banks expressly to perform these duties.

5. If you are in need of money you can discount or cash your bills with your banker, who will charge a certain sum for the interest of the money during the time the bill has to run before it is due.

6. You can overdraw your account by special permission, but security must generally be given.

7. You can obtain information as to the standing of customers.

8. Ready form of giving a reference as to your own stability.

HOW TO OPEN AN ACCOUNT WITH A BANK

Should you wish to open an account with a bank, the bank will require an introduction, either personally or by letter, if you are not known to the manager. This is a precaution observed by all banks now, and is necessary for the protection of the public, as well as the banker, from possible fraud. Unprincipled persons have been known to open accounts with well-known banks, obtain cheque books, and then proceed to give cheques to tradesmen for sums amounting in the aggregate to far more than they had in the bank, obtaining goods and valuables in exchange.

If you cannot get an introduction, you will be required to give the names of two responsible persons as references to whom the bank will address an enquiry (marked *confidential*) like the following :—

> "*Mr. John Wilson, of 320, Park Row, Torby, having given your*
> "*name as a reference, we shall be obliged by your opinion as to his*
> "*trustworthiness in the way of business, and for any information*
> "*you may be able to add concerning his means and character.*"

Enquiries proving satisfactory, you will receive from the Bank (1) *a book of printed cheques.* This cheque book should be kept in your possession, or under lock and key—failure to do this has led to many forgeries.

The bank will also provide you with (2) *a bank* "*pass-book,*" which contains an exact copy of your current account in their ledgers. Your pass-book should be periodically left at the bank, to be written up, and, at the end of each quarter, to be balanced.

Lastly you are provided with (3) a book of *credit slips*, or *paying-in slips* as they are generally called, and your money will usually be paid into the bank by means of these slips

PAYING IN MONEY

Paying-in slips are not all quite alike—each banker has his own form—but they are practically identical. They show :—

1. Name of the bank.
2. Items of payment.
3. Name of person or firm to whose account the sum is to be credited.
4. Name of the person paying in.

The counterfoil also shows the items of payment, and should be an exact copy of the entries made in the paying-in slip.

Example of a paying-in slip :—

Payment to Credit of Current Account.

Notes	280	-	-
Gold	10	-	-
Silver and Copper	2	10	-
Cheques on this office	50	-	-
Other Cheques and Postal Orders	16	-	-
Bills	238	-	-
£	596	10	-

LEEDS, *October 7th* 19.....

Paid the Yorkshire and Durham Banking Co. Ltd., the sum of *Five hundred and ninety-six pounds ten shillings*

for the credit of *Thomas Jones.*

in Current Account with said Bank,

By *William Parker*

When receiving money the banker retains the slip, and does not usually give a separate receipt, the counterfoil being deemed a sufficient record of the items and amount of payment, the counterfoil being usually initialled by the bank cashier. If you want a receipt and have no counterfoil, you make out the paying-in slip in duplicate ; the banker signs and returns one, and keeps the other.

CHAPTER XXI

CHEQUES

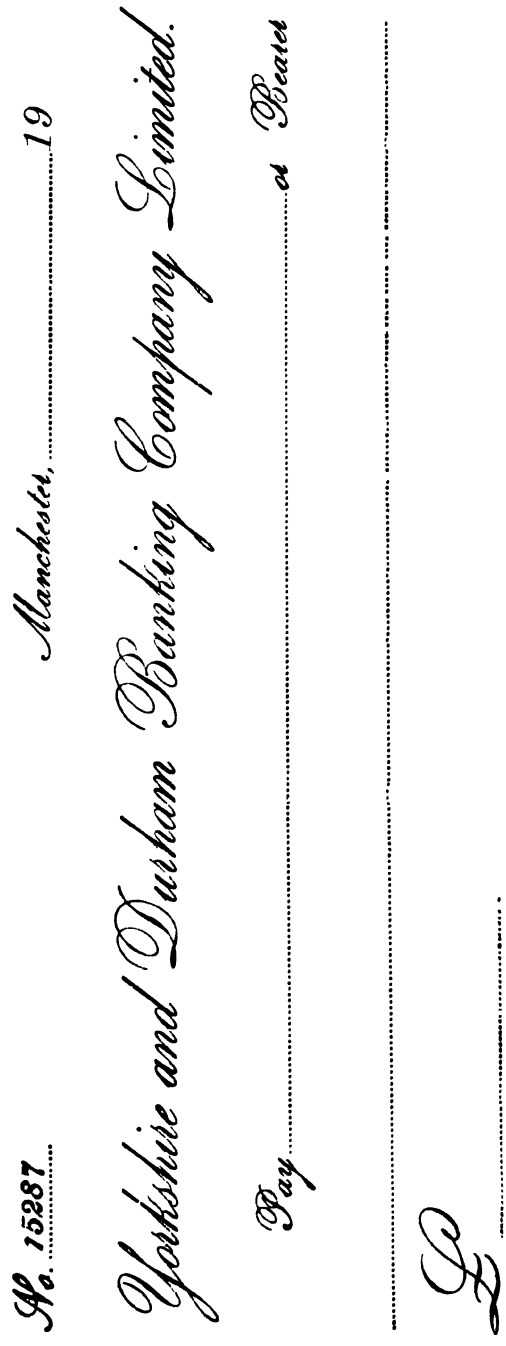
A cheque is a written order to one's banker to pay a specified sum of money to a person named, or to his "order," or to the "bearer," as the case may be. A cheque (when in order) is always payable on presentation to the banker, or "on demand," as it is called, and it must bear a stamp of the value of twopence as inland revenue duty. This stamp may be either impressed or affixed. It is generally impressed.

Every banker keeps on hand a stock of cheque books, each book containing from 12 up to say 1,200 blank forms of cheque, each of which he has previously had numbered consecutively, and impressed with the stamp. A person opening an account is supplied with a cheque book containing as many blank forms as may be desired, and, on personal application, or written order, further books will be supplied as required. The customer's account is, of course, debited with the cost of the stamps, but no charge is made for the forms. These blank cheques are all substantially in the same form, whatever bank may be selected, the only difference (with one exception, which will be pointed out presently) being in the name of the bank and the colour of the ink in which the cheques are printed.

It is not essential, however, that a cheque be written on one of these printed forms. If written in proper form on a piece of ordinary writing paper, and duly stamped, it will still be a cheque; but this should only be done when the cheque-book is not available, and the banker should be advised of such a cheque having been drawn. It is advisable to always use the banker's own forms. These are generally printed with chemical ink on specially prepared paper, so that fraudulent erasures or alterations may be readily detected.

In order to prevent fraudulent alterations of the amount written on a cheque, many firms have the cheque perforated with figures representing the amount drawn. This is done by means of a machine called a *Cheque Punch*, which may be obtained from most stationers. Other firms stamp the words "under ten pounds," "under fifty pounds," and so on, on the cheque, according to the amount.

There are two forms of cheque, though they differ by one word only. This is one of the forms:—



When filled up this cheque would appear as follows:

No. 15287 Manchester, 27th August, 19

Yorkshire and Durham Banking Company Limited.

Pay Messrs. James Stephens & Co. or Bearer

One hundred and fifty pounds ten shillings and sixpence.

£150 : 10 : 6

John Mitchell.

Amount.—When filling in the amount the writing and figures should be begun well to the left hand, and the words written closely together, so as to prevent the insertion of figures or words increasing the amount, such as altering the word *six* to *sixty*, *eight* to *eighty*, and so on. The amount should always be expressed in words as well as in figures, and the writing should be very legible. In case of any discrepancy between the two, a banker would be justified in paying the sum denoted by the words. Such a cheque would generally, however, be returned by the banker endorsed "irregular," or "words and figures differ."

Date.—The date should always be that when the cheque is drawn. It is not illegal, however, to ante-date or to post-date a cheque, but a post-dated cheque will, of course, not be paid until the date it bears. If a cheque be issued undated, the owner may insert what he believes to be the true date. A cheque bearing date six months previous to the date when presented will usually not be paid.

The Parties to a cheque to "bearer" are the same as to a bill of exchange to "bearer"; in fact, the legal definition of a cheque is "a bill of exchange drawn on a banker payable on demand."

The parties are :—

1. *The Drawer*, *i.e.*, the person who draws the cheque.
2. *The Drawee*, *i.e.*, the banker on whom it is drawn.
3. *The Payee*, *i.e.*, the person to whom it is payable.

Thus, in the example given above, John Mitchell is the drawer, the Yorkshire and Durham Banking Company is the drawee, and James Stephen & Company are the payees. A cheque is said to be "in favour of" the person named as payee.

A cheque to "so and so or bearer" may be paid to any person presenting it, whether he represent the person named in the cheque or not.

A cheque will only be paid by the banker when he has money in hand belonging to the drawer equal to (or in excess of) the amount drawn. If the funds in hand are insufficient to meet the cheque, the cheque will generally be returned to the person who presents it, marked R/D (refer to drawer), or N/S (not sufficient funds).

The following is the other form of cheque :—

No. 15287 Manchester, ... 19

Yorkshire and Durham Banking Company Limited.

Pay ..... or Order

.....

£ .....

The only difference between this cheque and the one previously given is that one is *to bearer* and the other *to order*, a difference of some importance, however, as will be shown presently. Cheques to "order" are probably most used, but bankers will supply either form.

A cheque to *order* is filled up in precisely the same manner as one to "bearer," as will be seen on comparing the following example with that already given :—

No. 15287 Manchester, 27th August, 19

Yorkshire and Durham Banking Company Limited.

Pay Messrs. James Stephens & Co. or Order

One hundred and fifty pounds ten shillings and sixpence.

£ 150 : 10 : 6

John Mitchell.

A cheque to *bearer* is paid to anyone presenting the cheque, as already mentioned ; but before a cheque to *order* will be paid the person to whom it is made payable, *i.e.*, the payee, must sign his name on the back of the cheque, or " endorse " it, as it is called.

Endorsements.—The payee may simply sign his name thus, on the back of the cheque :—

JAMES STEPHENS & CO.

which is called a *general* or *blank* endorsement, or he may nominate another person or firm as payee, thus :—

Pay Messrs. ROBINSON & CO. or order.
JAMES STEPHENS & CO.

which is called a *special* endorsement, or an " endorsement in full."

The " endorsee " (*i.e.*, the person to whom the cheque is endorsed) might nominate another person as payee, and so on, or he might endorse the cheque in blank, as above.

A cheque bearing a *blank* endorsement may be passed from hand to hand without further endorsement, or the holder may insert above the signature his own name, or that of any person to whom he wishes to transfer the cheque.

A banker is bound to see that a cheque to " order " purports to be properly endorsed, and that the endorsements follow in proper sequence (when there is more than one endorsement), but he is not liable for a forged endorsement unless he was aware at the time that it was forged. He is liable, however, if he pays a cheque on which the *drawer's* signature has been forged.

If a payee's name is wrongly spelled, or otherwise incorrectly given on the cheque, the endorsement should be made to correspond and the payee's proper signature written beneath ; thus, if a cheque intended for T. & J. Smith be made out to *J. & T.* Smith, it should be endorsed :—

J. & T. SMITH
T. & J. SMITH

The second signature is not absolutely necessary, however.

A cheque payable to " Mrs. William Brown " should be endorsed " Mary Brown, wife of William Brown."

A cheque payable to " John Brown for account of William Robinson " should be endorsed simply " John Brown."

A cheque payable to a company should show that it is endorsed *on behalf* of the company by some legally recognised official, as director, manager, secretary, &c., *e.g.*, if payable to "the Deeside Manufacturing Company, Limited," it should be endorsed

for the Deeside Manufacturing Company, Limited,
JOHN JONES,
Director.

It should be remembered that every endorser of a cheque is liable to be called upon to refund the amount in case of the drawer suspending payment before the cheque is presented.

There are *four* parties to a cheque to "order," viz., the *drawer*, the *drawee*, the *payee*, and the *endorser* (when the cheque has been negotiated).

Altering a "bearer" cheque to "order," and vice-versâ.—A cheque to "bearer" may be altered to "order" by either the drawer or the payee, but a cheque to "order" can only be altered to "bearer" by the drawer. In either case the person making the alteration should affix his initials. The word "order" or "bearer" may also be struck out by the drawer (and initialled), so as to make the cheque payable only to the person named as payee. This is very unusual, however, unless the payee and drawer are the same person, and he goes personally to receive the money.

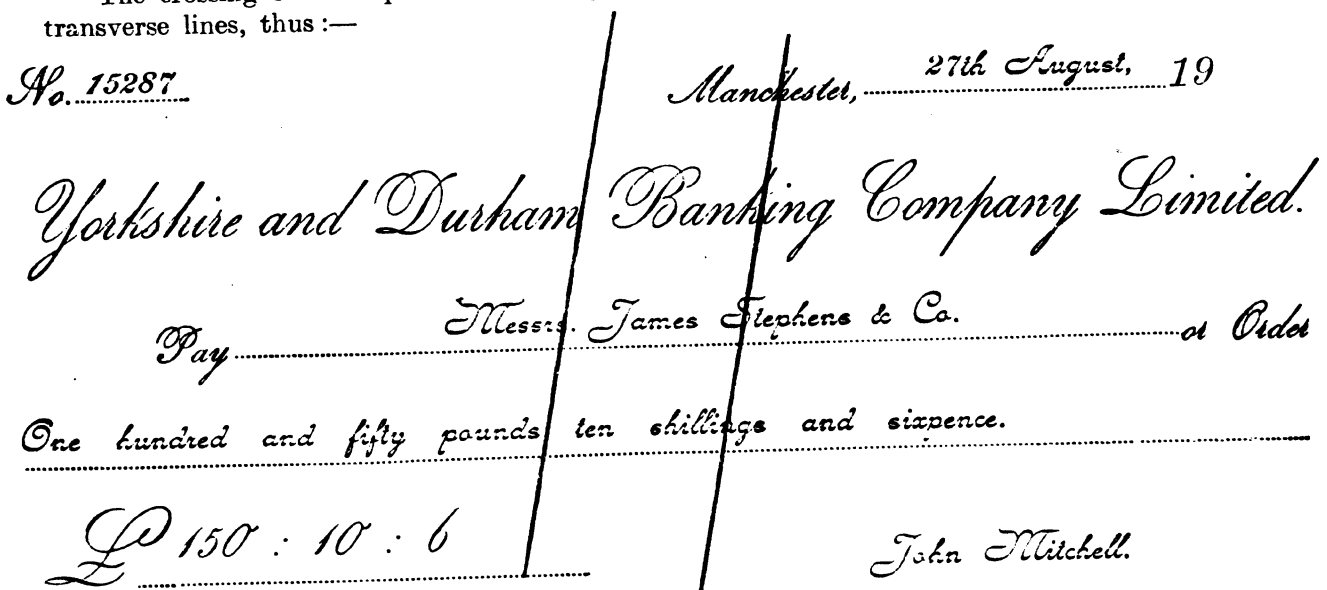
When a cheque is paid it is said to be *honoured*; when it is not paid (for any reason) it is said to be *dishonoured.*

There is another peculiarity about cheques which should be thoroughly understood by every one who has to deal with those documents, and that is the "crossing." This practice was originally confined to the United Kingdom, but it is now recognised in France.

Crossing is resorted to as a protection against theft or loss. The crossing is a material part of the cheque, and has legal force. It is illegal to obliterate or (except in certain cases hereafter mentioned) to add to or alter the "crossing."

When a cheque is not crossed (as in the examples already given) it is called an *open* cheque; when it is "crossed" it is called a *crossed* cheque.

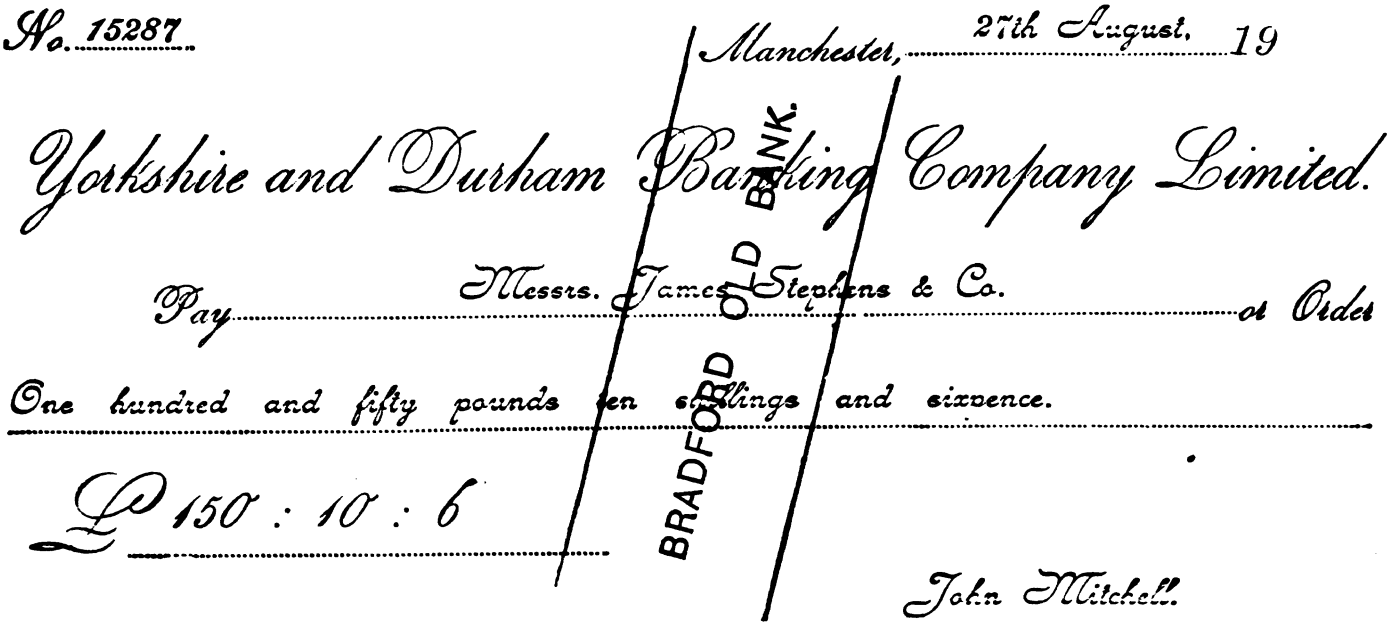
The crossing of a cheque is effected by drawing across the face of the cheque two parallel transverse lines, thus :—



The effect of the crossing, as given in the above example, is that the cheque will only be paid to a *banker*, not to the person named as payee. In order to obtain the money the payee must pay in the cheque to his account with his banker, who will collect it for him. If he does not possess a banking account he will have to pay away the cheque to someone who does.

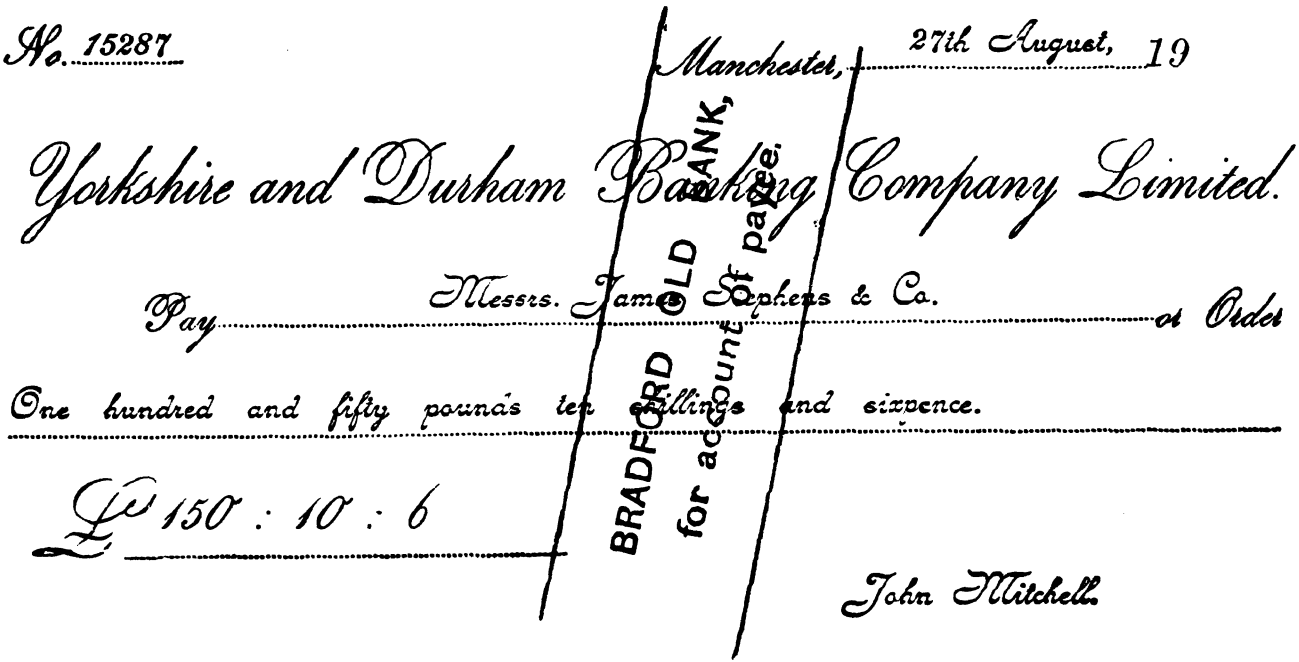
The cheque as it stands is crossed *generally, i.e.*, it will be paid to *any* banker who presents it. If desired, the words "& Co." may be added within the crossing (which is usually done, but is unnecessary) and the cheque is still crossed "generally," and therefore payable to *any* banker.

Now we add within the transverse lines the name of a bank, say the Bradford Old Bank :—



This constitutes a "special" crossing. The cheque must then be paid into the bank named, the banker on whom it is drawn being expected to see that the cheque comes through the bank named in the crossing, in this case the Bradford Old Bank.

As an additional security when sending a cheque by post, we may add within the transverse lines, under the name of the bank, the words "for account of payee," thus:—



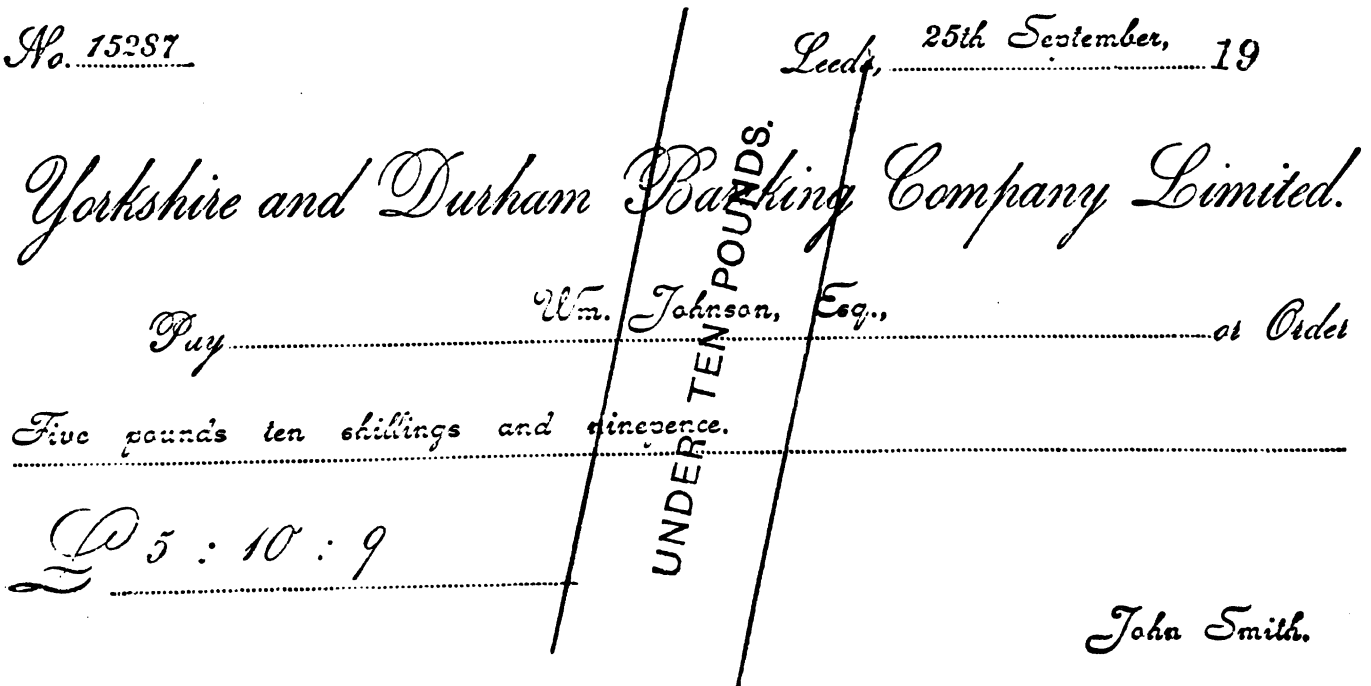
This means that when the cheque is paid in to the Bradford Old Bank that bank must place the money to the credit of James Stephens & Co., who, of course, have an account with that bank, otherwise the cheque would not be so crossed. If a cheque crossed in this manner were lost or stolen, it would be of no use to anyone but the rightful owner. It is doubtful whether the words "for account of payee" have any legal force, but it is not likely that a banker would disregard them when used in this way.

In the case of a "special" crossing the parallel lines may be omitted, if desired, the name of a bank written across the face of a cheque (without the lines) being an effectual crossing. This is very seldom done.

The "crossing" is usually done by the drawer, but the *holder* of an uncrossed cheque has also the right to cross it either "generally" or "specially," *i.e.*, he may simply draw two parallel transverse lines across the cheque, thus making it payable to *any* banker, or he may draw the two lines and insert between them the name of his own or any other banker. He may also, if he wishes, add the words "for account of William Smith" (*i.e.*, himself, or the person to whom he pays or remits the cheque), or simply "a/c William Smith," as explained above. He may also mark the cheque "not negotiable" if he wishes to do so. (The meaning of these words is explained further on.) When a cheque is crossed "generally" the holder has also the right to cross it "specially," that is, to insert the name of a banker, with or without the addition of the words, "not negotiable," "for account of William Smith," &c., in accordance with the above remarks.

Where a cheque is crossed specially to more than one banker (except when crossed by the collecting banker to another banker, as his agent, for collection) the banker on whom it is drawn will refuse payment. If, however, he pays the cheque, notwithstanding such crossing, he is liable to the true owner of the cheque for any loss he may sustain owing to the cheque having been so paid. The banker is also liable if he pays a cheque crossed "generally" otherwise than to a banker, or, if crossed "specially," otherwise than to the banker to whom it is crossed or his agent (another banker) for collection.

Doubts are sometimes expressed as to whether a cheque marked in the following manner is legally crossed or not :—



No. 15287

Leeds, 25th September, 19

Yorkshire and Durham Banking Company Limited.

Pay Wm. Johnson, Esq., or Order

Five pounds ten shillings and ninepence.

£ 5 : 10 : 9

UNDER TEN POUNDS.

John Smith.

There should be no doubt about the matter. The two parallel transverse lines constitute the crossing, and the cheque in the above case is therefore crossed "generally." The cheque would not, however, be crossed if the words "under ten pounds" alone were perforated or written across the cheque without the addition of the two parallel lines.

If a cheque is "crossed" by mistake, the drawer may cancel the crossing by writing the words "pay cash" across the face of the cheque, and adding his signature. Strictly speaking, this is not legal, but it is often done.

Not negotiable cheques.—Although it is a common practice to mark cheques "not negotiable," few persons clearly understand the exact significance of the words thus used, and fewer still are aware of their legal effect. Even some "authorities" on the subject have very hazy ideas about the matter. For instance, one writer states that to make a cheque "not negotiable" the name of some particular bank must be written between the "cross lines," and "it then becomes the business of that bank to cash the cheque, and to see that no one gets the money except the person whose name is written in the body of the cheque"; whilst another writer gravely informs us that "not negotiable means that it must be presented by the payee, but it seems to be of no practical effect." In the latter case the writer's statement is as faulty as his grammar, and in the former case the explanation is equally wrong.

Many persons, besides the writers quoted above, appear to be under the impression that when a cheque is marked "not negotiable" it must be paid into the bank immediately, and cannot legally be transferred to another party. It is not so. Such a cheque may be transferred, *i.e.*, "negotiated," as readily as if it did not bear these words, but the person who takes the cheque is supposed to know the risks he runs in doing so.

It must be admitted that these words are rather misleading. They were introduced into the Crossed Cheques Act, 1876 (now superseded by the Bills of Exchange Act, 1882) in order to protect the true owner of a cheque in case of fraud, and not for the purpose of prohibiting negotiation.

To make a cheque "not negotiable," those words must be written on the cheque, two parallel lines being added, for example:

No. 15287 Manchester 1st October, 19

Yorkshire and Durham Banking Company Limited.

Pay Messrs. Black & Brown or Order

Sixty pounds three shillings and twopence.

£ 60 : 3 : 2

NOT NEGOTIABLE

Joseph Green.

The cheque is then, of course, "crossed," and will only be paid through a banker. If desired, the name of a bank may be inserted below the words "not negotiable," and the cheque will then be paid through that bank only, as described before.

The legal effect of the words "not negotiable," as laid down in the Bills of Exchange Act, 1882, is :—"Where a person takes a crossed cheque which bears on it the words "not negotiable," he shall not have and shall not be capable of giving a better title to the cheque than that which the person from whom he took it had." Put into plain language, this means that if such a cheque were lost or stolen, the person who cashed the cheque for the thief, and afterwards received the money through his banker, could be compelled to refund the amount to the rightful owner (*i.e.*, the person who lost the cheque or from whom it was stolen), and this notwithstanding that the person who cashed the cheque did so in good faith, believing that he was dealing with the true owner.

For example—John Jones has a "non-negotiable" cheque sent to him. It is stolen from him and is given by the thief to Joseph Robinson, a shopkeeper, in exchange for goods purchased. Robinson passes it on to James Brown, in payment of a debt. Brown pays it in to his banker, who receives payment from the banker on whom it is drawn. Jones (from whom the cheque was stolen) then ascertains that the cheque was paid in to the collecting banker by Brown, and calls upon Brown to refund the amount, which he does. Brown then goes to Robinson and recovers the money from him, but Robinson is unable to recover from the thief, as that individual has disappeared, and he therefore has to suffer the loss himself. (Had the cheque been "open" or crossed generally, the loss in the above circumstances would have fallen upon Jones.) The banker who pays (*i.e.*, the drawee), and the banker who receives payment *for a customer*, are protected by the Act, but a banker who takes such a cheque from a stranger (*i.e.*, from a person who is not a customer), is *not* protected, and would be liable to refund the amount as in the case of an ordinary individual.

The following example will perhaps explain more clearly the difference between an ordinary cheque and a "not negotiable" one :—Smith pays Jones a cheque to order, drawn by another person, and which bears several endorsements. Jones pays it to Robinson in settlement of an account. On presenting the cheque

to the banker, Robinson is informed that payment has been stopped because the cheque had been stolen. If Jones declines to refund the money, Robinson may sue either the drawer of the cheque, or failing him, Jones, or any other person who has endorsed it. On the other hand, if the cheque had been crossed "not negotiable," and payment stopped in consequence of the theft, Robinson could sue neither the drawer nor any of the endorsers, but must look to Jones alone—*i.e.*, the person from whom he received it. Jones could sue the person from whom *he* received the cheque, and this person could sue the next person, and so on until it came to the turn of the person who took the cheque from the thief, and that person would have to suffer the loss, because he had taken the cheque from someone who had no title to it. (See "Negotiable Instruments," page 145.)

A *bearer* cheque, like an *order* cheque, may be crossed either generally or specially, or made "not negotiable."

Altering or Adding to the Crossing.—We mentioned above that it is illegal to obliterate or (except in certain cases) to add to or alter the "crossing" on a cheque. The exceptions referred to are as follows :—

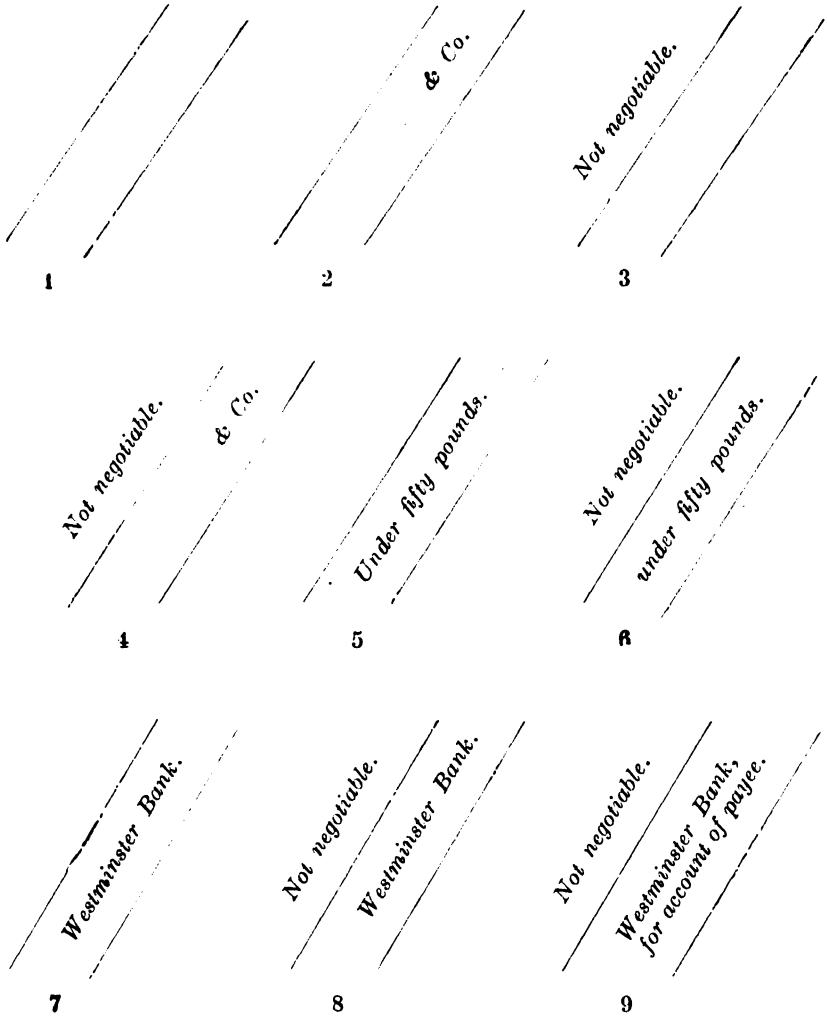
1. Where a cheque is crossed "generally," the holder may cross it "specially."
2. When a cheque is crossed "generally" or "specially," the holder may add the words "not negotiable."

It has been already pointed out that the holder of an *uncrossed* cheque may cross it either generally or specially.

Definition of General and Special Crossings.—It may be useful to give here the exact definition of (1) a general and (2) a special crossing. It is as follows :—

1. Where a cheque bears across its face an addition of—
   (*a*) The words "and Company," or any abbreviation thereof, between two parallel transverse lines, either with or without the words "not negotiable"; or
   (*b*) Two parallel lines simply, either with or without the words "not negotiable"; that addition constitutes a crossing, and the cheque is then crossed *generally*.
2. Where a cheque bears across its face an addition of the name of a banker, either with or without the words "not negotiable," that addition constitutes a crossing, and the cheque is crossed *specially* to that banker.

The following diagrams show the various methods of crossing cheques :—



Nos. 1 to 6 are "general" crossings; Nos. 7, 8, and 9 are "special" crossings.

Presentment for Payment.—A cheque must be presented for payment within a "reasonable time." If this is not done, the holder loses his claim against the drawer, if the bank on which the cheque is drawn should "suspend payment," or "fail," as it is

generally called. Reasonable time is defined to mean not later than the day following the receipt of the cheque. The following is a newspaper report of an interesting case on this point :—

In the City of London Court, a point of interest to all business men was decided by Mr. Commissioner Kerr in an action which was brought by a Publishing Company against the defendants, a London firm, to recover £5 on a cheque which had been given by them for the insertion of certain advertisements, and which had not been met. The plaintiff's case was that on February 7th the defendants gave them a cheque for £5 on a London Bank, which was then carrying on business in the City. The following day they paid the cheque into their own bank, but it was returned with an intimation that the bank on which it was drawn had closed. As the plaintiffs had been unable to obtain payment of the cheque, they now sued the defendants upon it. Mr. Raymond, for the defendants, said the cheque was given to the plaintiffs on February 6th, and if it had been paid in that day there would have been money to meet it, as the bank was then carrying on business. The bank was not closed until the morning of February 9th, and, as the plaintiffs had been guilty of negligence in delaying the paying in of the cheque, they could not recover from the defendants upon it. There was plenty of money to meet the cheque if it had been paid in before the bank stopped payment. Mr. Commissioner Kerr said the plaintiffs could not get over the fact that they did not pay the cheque in at once, as they should have done. If it had been presented before the bank closed, the plaintiffs would have got their money. He must nonsuit the plaintiffs, and allow the defendants' costs.

Stopping Payment.—The drawer of a cheque may stop payment of it if for any reason he wishes to do so. To effect this he need only write to the banker on whom it is drawn, giving particulars of the cheque, and instructing him not to pay it. He need not give any reasons.

Payment of a cheque by the banker is stopped (1) by instructions from the drawer, (2) by notice of the drawer's death, (3) by notice of an act of bankruptcy.

CHAPTER XXII

BILLS OF EXCHANGE

We mentioned in a previous chapter that money, in the form of either specie or bullion, was frequently shipped abroad in payment of debts contracted in foreign countries. This, however, as then stated, is a very cumbrous and comparatively expensive proceeding. The usual way of discharging such a debt is by means of a *Bill of Exchange*. These documents, however, are not confined to transactions with foreign countries, *i.e.*, to *international* trade; they are very largely used to discharge debts contracted within the limits of the United Kingdom; in fact, a very large proportion of all commercial business, both inland and foreign, is carried on by means of bills of exchange.

The use of these documents is of great antiquity, but they are said to have been first used in England in the year 1328. For some time, however, they were only permitted to be used for the purposes of foreign commerce.

In 1694 the Bank of England was established, and one of its objects was to deal in bills of exchange. Since that time bills of exchange have been extensively used, and numerous Acts of Parliament have been from time to time passed concerning these documents. In 1882 an Act entitled the *Bills of Exchange Act* was passed. This Act, which is still in force, consolidates all previous enactments on the subject, and embodies all previous judicial decisions and trade customs relating to bills of exchange and cheques.

In this Act a bill of exchange is defined as "an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at a fixed or determinable future time, a sum certain in money to or to the order of a specified person, or to bearer."

That definition will be readily understood from the following specimen of a bill of exchange:—

STAMP
3/-

£ 269 „ 7 „ 6

Due ..... 19 .....

Leeds, 24th August, 19 .....

Three months after date pay to our Order

Two hundred and sixty-nine pounds seven shillings

and sixpence. Value received.

To Messrs. James Healey and Co.,

27, Bishopsgate Street,

London, E.C.

Wm. Smithson and Co.

In the terms of the definition in the Act, the above is (1) an "unconditional order," inasmuch as it simply "orders" James Healey & Co. to "pay"; (2) it is "addressed" by Wm. Smithson and Co. to James Healey & Co.; (3) it is signed by the person giving (or "drawing") it; (4) it requires James Healey & Co. to pay at a determinable future time—three months after the date, (5) a "sum certain," £269 7s. 6d., (6) to the order of William Smithson & Co. The words "value received," "value in account," "as advised," &c., are frequently inserted in a bill, as shown in the example on preceding page, but they are not really essential to the validity of an Inland bill, though it is desirable that some such words should be inserted in Foreign bills.

Bills of Exchange are usually said to be of two kinds, viz. :—*Inland bills* and *Foreign bills*. In commercial matters, however, these terms are rarely used, each kind of bill coming under the generic term "bills," "drafts," or "acceptances." With one or two exceptions, which will be referred to presently, there is practically no difference between an Inland and a Foreign bill, beyond the fact that in the one case the bill is both *drawn and payable* in the British Islands (including the Channel Islands and the Isle of Man), and in the other is either drawn *or* payable, or both drawn *and* payable, abroad.

The example given above is a specimen of an *Inland bill*, it being drawn and payable in England.

Here is a specimen of a *Foreign bill* :—

No. 912. Due.....

BOMBAY, *6th March*, 19...

£630 12*s*. 6*d*.

At three months after sight of this our First of Exchange (second and third of same tenor and date being unpaid) pay to the order of *Messrs. Grindlay, Groom & Co. six hundred and thirty pounds twelve shillings and sixpence sterling*, as advised.

Hunter, Grey & Co.

THE LONDON & CONTINENTAL BANK,
LONDON.

In need with Messrs. Marshall, Hunter & Co., Manchester.

Bills drawn in India on Europe, and nearly all other Foreign bills which have a long journey to make, are generally drawn in duplicate or triplicate, the wording of each being exactly the same except that the words *first*, *second*, and *third* are transposed as required, thus :—

First of Exchange	...	"Second and Third being unpaid."
Second ,,	...	"First and Third ,,
Third ,,	...	"First and Second ,,

These two or three bills, as the case may be, are called a "set" of bills. When Foreign bills are drawn on demand the set usually consists of two bills—a first and a second ; but when they are drawn payable some time ahead they are usually in sets of three—a first, a second, and a third. This is to prevent any inconvenience resulting in case the "first" be lost or delayed in transmission The "first" is usually sent by the first mail, and the second and third by the following mail. When a bill consists of one part only, it is called a *sole* or *sola*.

When one bill in the set is paid, the others of the set are void.

Before explaining the *uses* of bills of exchange, which will be dealt with further on, it is necessary to explain some points in connection with the documents themselves.

Stamp.—When drawing a bill the first thing to do is to see that it is properly stamped. All bills of exchange drawn in the United Kingdom otherwise than on demand must bear an *impressed* stamp, the value of which depends on the amount for which the bill is drawn. This stamp must be impressed on the document *before* it is signed ; therefore, firms who are in the habit of drawing bills generally keep a stock of forms stamped ready for use.

The stamp duties payable are as follows :—

Bills payable on demand, or up to 3 days after date or sight ...	2d.
Bills payable otherwise than as above, not exceeding £10	2d.
,, ,, ,, ,, over £10 but not exceeding £25	3d.
,, ,, ,, ,, ,, £25 ,, £50	6d.
,, ,, ,, ,, ,, £50 ,, £75	9d.
,, ,, ,, ,, ,, £75 ,, £100	1/-
Every additional £100 or fraction thereof	1/-

Every person who issues, endorses, transfers, negotiates, presents for payment, or pays any bill of exchange or promissory note liable to duty, and not being duly stamped, is liable to a penalty of

£10; and the person who receives in payment or as security an unstamped or insufficiently stamped bill or note, is not entitled to recover thereon, or to make the same available for any purpose whatever.

An unstamped bill or note drawn otherwise than on demand cannot be stamped after execution on any account. A bill or note bearing a stamp of a wrong denomination (*e.g.*, a *deed* stamp instead of a *bill* stamp), may be stamped on payment of the deficient duty and a penalty of 40s. if the bill has not matured, and a penalty of £10 if it has matured. In bills drawn in sets of two or three, one of them must bear the whole of the stamp duty.

A bill drawn out of the United Kingdom and expressed to be payable out of the United Kingdom, and endorsed, negotiated, or paid in the United Kingdom, must have an adhesive "Foreign bill stamp" affixed, of the same value as the stamp required on an "Inland bill" up to £25; for sums exceeding £25 and not exceeding £100, the duty is sixpence; and for amounts exceeding £100, sixpence for every £100 or fractional part of £100. The person who first endorses or negotiates the bill in the United Kingdom must affix the stamp.

Date.—A bill should, of course, be dated. If, however, a bill happens to be issued undated it is not invalid, and any holder may insert the true date, or what he believes to be the true date, and the bill is then payable accordingly. Should a wrong date be inserted in good faith, the bill is payable as if that were the true date. A bill is not invalid by reason only that it is ante-dated or post-dated, or that it bears date on a Sunday.

Amount.—This should be expressed in words as well as in figures. When a bill is drawn and payable in the United Kingdom, it is, of course, always drawn in pounds, shillings, and pence, but in bills drawn in one country and payable in another, it is usual to draw in the currency of the country where the bill is payable; *e.g.*, a bill drawn in Italy, payable in London, would usually be expressed in English currency, whilst a bill drawn in England, payable in Milan, would be in Italian currency. Where a bill is drawn out of, but payable in, the United Kingdom, and the sum is not expressed in English currency, the amount, in the absence of any express stipulation, is calculated according to the rate of exchange for short drafts at the place of payment on the day the bill is payable. Bills are frequently drawn on India in sterling "exchange as per endorsement."

Where the sum payable is expressed in words and also in figures, and there is a discrepancy between the two, the sum denoted by the words is the amount payable.

The parties to a bill.—These are the drawer, the drawee, and the payee. Sometimes the drawer and the payee are the same persons, as in the first example above given.

The *drawer* is the person who draws—*i.e.*, writes out and signs—the bill.

The *drawee* is the person on whom it is drawn, *i.e.*, to whom the bill is addressed.

The *payee* is the person to whom (or to whose order) the money is payable. A bill is said to be "in favour of" the person named as payee.

There is generally a fourth party, called the *endorser*. Endorsements will be dealt with presently.

The drawer must sign his name at the bottom of the bill on the right-hand side, and should give the name and address of the drawee at the left-hand bottom corner.

A bill may be drawn on two or more parties, whether they are partners or not; but an order addressed to two drawees *in the alternative*, or to two or more drawees *in succession*, is not a Bill of Exchange.

A bill may be made payable to two or more payees jointly, or it may be made payable in the alternative to one of two, or one or some of several payees. A bill may also be made payable to the holder of an office for the time being, *e.g.*, "The Treasurer, Royal Infirmary, Leeds," "The Secretary, London Chamber of Commerce," &c.

When a bill contains words prohibiting transfer, or indicating an intention that it should not be transferable, it is valid as between the parties thereto, but it is not negotiable.

Acceptance.—When a bill is drawn otherwise than on demand, it is presented to the drawee, who, if the document is in order, *accepts* it, *i.e.*, engages to pay it at maturity. This is done by writing or stamping across the bill (in blue ink usually) the word "accepted," followed by the bank at which the bill is made payable (if it is made payable at a bank) and the signature, as in the following example:—

STAMP
8/-

£ 269 „ 7 „ 6

Due ..... 19 .....

Leeds, 24th August, 19 .....

Three months after date pay to our Order

Two hundred and sixty-nine pounds seven shillings

and sixpence.

Value received.

James Healey & Co.

To Messrs. James Healey and Co.,

27, Bishopsgate Street,

London, E.C.

ACCEPTED

PAYABLE AT

THE LONDON JOINT STOCK BANK

Wm. Smithson and Co.

The mere signature of the drawee, on the bill, without additional words, constitutes an "acceptance."

When a bill is "accepted," the person on whom it is drawn is called the *acceptor*, and the bill is then called an *acceptance*.

Where part of the acceptance is that the bill is payable at such and such a bank, as in the above case, the bill is said to be "domiciled" at that bank. The bill, when due, must be presented for payment at the bank named—not at the drawee's address.

Where no banker is named in the acceptance, the bill must be presented to the drawee at his own address.

When a drawee makes his acceptances payable at his banker's, he usually sends to the banker an *advice slip*, at the end of each month generally, specifying all the acceptances payable during the following month, and requesting him to pay them, thus :—

Bills to be retired at the London & Liverpool Bank, Limited, London.

Acceptor.	Drawer.	Date of Bill.	Term.	When Due.	Amount. £	s.	d.
John Wilson & Co. ...	*Wm. Allen & Sons* ...	*July 9th*	*1 m/d*	*Aug. 12th*	*53*	*2*	*6*
,, ,, ...	*Drayson & Briggs* ...	*May 14th*	*3 m/s*	,, *17th*	*75*	*0*	*0*
,, ,, ..	*Graham, Darlow & Co.*	,, *20th*	,,	,, *23rd*	*124*	*3*	*9*
,, ,, ...	*Nightingale & Morris*...	,, *27th*	*fixed*	,, *27th*	*56*	*7*	*3*

Please retire the Bills above specified, and charge the amount to the debit of
JOHN WILSON & CO.

London, 30th July, 19.....

An acceptance may be general or qualified.

A *general* or "clean" acceptance is when the drawee accepts the bill without any qualification.

A qualified acceptance in express terms varies the effect of the bill as drawn, and may be either :

1. Conditional, making payment dependent on the fulfilment of a stated condition, such as the surrender of the shipping documents against which the bill is drawn.
2. Partial, agreeing to pay only a portion of the amount.
3. Local, agreeing to pay only at a specified place.
4. Qualified as to time, *i.e.*, accepted at a longer or shorter time than that mentioned in the Bill.
5. Qualified as to the parties, *i.e.*, accepted in favour of only one or more (not all) of the drawers.

These qualified acceptances are seldom made use of. The holder of a bill may refuse to take a qualified acceptance, and if unable to obtain a clean acceptance, may treat the bill as dishonoured by non-acceptance. An acceptance, "payable at such and such a bank," is held to be a "general" acceptance; if payable at "such and such a bank *only*" it would be a *qualified* acceptance.

When a bill is drawn at so many days or months after *date* it is immaterial, so far as the due date is concerned, whether the bill be presented for acceptance to-day or to-morrow or next week; but it is very different with a bill drawn at so many days or months after *sight*. In the latter case the time only begins to run from the date of acceptance; therefore, the longer acceptance is deferred the longer the bill will be in arriving at maturity, and the holder thus loses interest for every day he defers procuring acceptance. *All bills* (except, of course, those payable on demand), whether payable after date or after sight, should be presented for acceptance without any delay whatever, because (1) a bill is of no value as against the drawee until it is accepted; (2) unreasonable delay in presenting for acceptance might discharge the drawer and endorsers (other than the holder) in the event of the drawee becoming bankrupt; whilst (3) in the case of "sight" drafts, it is impossible to compute the due date until the bill has been accepted.

The date when a bill "after *sight*" is accepted must always be inserted; in a bill "after date" this is immaterial.

When a bill is drawn in a set of two or more, care should be taken to write the acceptance on only one part of the set. If the drawee accepts more than one part, and such accepted parts get into the hands of different holders in due course, he is liable on every such part as if it were a separate bill.

The liabilities of the parties, according to the Bill of Exchange Act, are as follows:—

The *drawer* of a bill, by drawing it, engages that, on due presentment, it shall be accepted and paid according to its terms, and that if it be dishonoured he will compensate the holder or any endorser who is compelled to pay it, provided that the requisite proceedings on dishonour be duly taken.

The *acceptor* of a bill, by accepting it, engages that he will pay it according to the terms of his acceptance.

The *endorser* of a bill engages that, on due presentment, it shall be accepted (if that has not been already done) and paid according to its tenor, and that if it be dishonoured he will compensate the holder or a subsequent endorser who is compelled to pay it, provided the requisite proceedings on dishonour be duly taken.

The currency of the bill.—The currency of the bill (*i.e.*, the period of time which intervenes between the date of drawing or sighting and the date when the money is to be paid), may be expressed in various ways, viz. :—

On demand.

At sight, which is equivalent to "on demand."

At presentation, which is equivalent to "on demand." (In these cases "acceptance" is unnecessary, as the bill is, of course, paid on presentation to the drawee.)

Fixed time—say "16th June next." (Bills are frequently drawn in this way on the Continent, but it is not usual in England.)

So many *months* (*or days*) *after date* (*i.e.*, from the date of the bill).

So many *months* (*or days*) *after sight* (*i.e.*, from the date of "sighting," meaning the date the bill is presented for acceptance). Legally, however, the time only begins to run from the date of acceptance, if the bill be accepted, or from the date of noting or protest, if the bill be noted or protested for non-acceptance.

The term *month* in a bill means calendar month. When drawn upon the last day of a month, the last day of the first, second, third, or other suceeding month is taken in calculating the due date, except when such succeeding month is longer (see third example below).

Thus, the term *three months' date* in a bill drawn on

May 15th	would mean	August 15th.
June 30th	,,	September 30th.
September 30th	,,	December 30th.
November 30th	,,	February 28th (or 29th in leap year)
January 31st	,,	April 30th.

When calculating the due date of a bill (except it be on demand, at sight, at presentation, or at a fixed date), another factor has to be taken into consideration, besides the period of time indicated by the bill itself, and that is the

Days of Grace.—In most countries a certain number of days over and above the time expressed in the bill are allowed the drawee (*i.e.*, they are added to the term of the bill). The number

of days varies in different countries, but in the United Kingdom the number of days of grace allowed in every case (except those mentioned above) is *three*. These days of grace are mentioned in the Bills of Exchange Act, and are, therefore, legally enforceable.

Where a bill is drawn at so many "*days* after sight," or "*days* after date," the time of payment (or "due date," as it is called) is determined by excluding the day from which the time is to begin to run, and by including the day of payment. Thus, a draft at "thirty days' sight," accepted on 25th July, would be due 27th August (viz., 6 days in July, 24 in August, and 3 days of grace).

The following examples will show how the date is computed :—

30 days' sight	from	January 31st	= March 5th (leap year, March 4th).
60 ,,	,,	March 5th	= May 7th.
3 months' date	,,	May 7th	= August 10th.
3 ,, sight	,,	March 31st	= July 3rd.
6 ,, date	,,	April 30th	= November 2nd.
30th June next	...	...	= July 3rd.
28th August next	*fixed*	...	= August 28th.

When the last day of grace falls on Sunday, Christmas Day, Good Friday, or a day appointed by Royal Proclamation as a Public Fast or Thanksgiving Day, the bill is due and payable on the *preceding* business day. When the last day of grace is a Bank Holiday (other than Christmas Day or Good Friday) under the Bank Holidays Act, 1871, or any Act amending or extending that Act, or when the last day of grace is a Sunday and the second day of grace is a Bank Holiday, the bill is due and payable on the *succeeding* business day.

In commercial parlance, bills are usually divided into two categories, viz., *short bills* and *long bills*. Short bills are such as have only a month or so to run before reaching maturity (*i.e.*, the date when the bill matures or is payable) ; long bills are such as have a longer time to run—usually three, four, or six months.

Usance.—There is a term sometimes used in connection with bills of exchange which needs a short explanation, viz., *Usance*. This really means "usual or customary time," *i.e.*, if a bill be drawn "at usance," the period is the time for which bills are usually drawn at the place where the bill is drawn. Bills drawn in

the United Kingdom are rarely, if ever, payable "at usance," but bills are so drawn occasionally on the Continent. The tendency nowadays, however, is to abolish all these ambiguous terms, and state definitely in the bill the period for which it is to run.

The following are the customary abbreviations used in connection with bills of exchange :—

B/E,	meaning	Bill of Exchange.
Bs/E,	,,	Bills ,,
Dft,	,,	Draft.
D/D,	,,	Draft on Demand.
d/d,	,,	days after date, as 30 d/d.
m/d,	,,	months after date, as 3 m/d.
d/s,	,,	days after sight, as 60 d/s.
m/s,	,,	months after sight, as 3 m/s.
o/,	,,	"to the order of," or "in favour of."
B/P,	,,	Bills payable.
B/R,	,,	Bills receivable.
D/A,	,,	Documents attached (or Documents for acceptance).
P/N,	,,	Promissory note.

We now come to one of the most important points in connection with bills of exchange, and that is the

Endorsement.—Nearly all bills, whether long or short, are drawn payable "to so and so *or order.*" This means that the person or firm named in the bill as the payee may himself receive the money when due, or may, by an order written on the back of the bill, instruct the drawee to pay some other person. When the payee or other person in possession of the bill (technically termed the *holder*) writes this order on the back of the bill, he is said to *endorse* the bill. Bills drawn payable to *bearer* can be transferred from one party to another without endorsement, but those payable to "order" are not transferable except by endorsement.

Now it is extremely important to bear in mind the liability attaching to every person who signs his name on the back of a bill. Should the drawer or the acceptor refuse or fail to pay the bill at maturity, *any endorser is liable to be called upon to pay the amount.* According to the Bills of Exchange Act, the endorser of a bill, by endorsing it, engages that on due presentment it shall be accepted and paid according to its tenor, and that if it be dishonoured he will compensate the holder or a subsequent endorser who is compelled to pay it, provided the requisite proceedings on dishonour be duly

taken. An endorser is only liable to *subsequent* endorsers, not to those persons whose endorsement appears on the bill before his. There is, however, one way by which a person may endorse a bill without incurring responsibility, and that is by adding to his endorsement the words "without recourse to me," or "*sans recours.*" This is usually done when one party endorses the bill as agent for another.

There are two kinds of endorsement, viz., *special* and *general*, or, as they are usually called, "an endorsement in full," and "a blank endorsement." The special endorsement is usually thus :—

Pay Messrs. Martin Wood & Co., or order
W. & A. Grayson & Co.

A blank endorsement is, as its name implies, an endorsement with the name of the payee or endorsee left blank, thus :—

W. & A. Grayson & Co.

The holder of a bill endorsed in blank can, if he wishes, make the bill payable to whoever he likes by writing the necessary words above the endorser's signature, or he may transfer the bill as it is with the endorsement still in blank. This is very often done, as the person thus transferring the bill escapes all responsibility ; he cannot be called upon to pay a bill that has passed through his hands unless he has put his name to it. A bill endorsed in blank becomes practically a bill "to bearer."

The further transference of a bill, *i.e.*, the further negotiation of it, may be prevented by such an endorsement as this :—

Pay Messrs. Martin Wood & Co., only
or
Pay Messrs. Martin Wood & Co., and no one else.

This is called a *restrictive* endorsement. It is frequently done on a cheque, but seldom on a bill, as it destroys the essential feature of a bill, viz., its negotiability.

Another restrictive endorsement commonly used is "Pay the Yorkshire and Durham Bank for collection," or "for our account."

It will be noted that the specimens of bills given above are all made out to *order*, the effect of which is that before the bill can be negotiated, *i.e.*, sold or paid away to another person, it must be *endorsed.*

The negotiation of a bill may be prevented by leaving out the word "order," and making the bill payable only to the person named, thus :—

MANCHESTER, 26*th June*, 19.....

(2/- stamp.)

£150 6*s*. 3*d*.

Three months after date pay to *Messrs. Johnson, Small & Co. only, the sum of one hundred and fifty pounds six shillings and threepence,* for value received.

Williams & Sons.

Messrs. STEPHEN JONES & Co.,
32, Leadenhall Street,
BIRMINGHAM.

This is very rarely done, however ; in fact, it would defeat the main object of drawing the bill, as it would prevent the payee from raising money on it.

If the above bill were made payable to "Messrs. Johnson, Small & Co.," without the words "or order," it would be treated as payable to themselves or order.

A bill is sometimes, but very rarely, drawn payable "to so and so or *bearer*." In this case the bill is negotiable without endorsement.

Signing bills.—When a person signs a bill on behalf of a principal or company, &c., whether as drawer, acceptor, or endorser, he should take care to make it clear that he does so *on behalf* of the company, &c., and should sign in such a manner that he cannot be held personally liable. He should sign "for," or "per pro," or "for and on behalf of" the company or principal, thus :—

for and on behalf of
the Chiswick Brick Company,
JAMES WILLIAMSON,
Manager.

If the signature were as follows :—

JAMES WILLIAMSON,
Manager,
Chiswick Brick Company,

the person so signing might be held personally liable. The mere addition to the signature of such words as chairman, manager, secretary, agent, &c., of the company (as in the latter example above) might be held to be a mere description of the person signing. These remarks also apply to the signing of promissory notes, cheques, &c.

Case of Need.—You will probably require an explanation of the words at the foot of the Foreign bill given at the beginning of this chapter, viz., "in need with Marshall, Hunter & Co., Manchester." These words, or others to the same effect, appear on nearly all Foreign bills. When there are several endorsements a bill will sometimes have two or three of these memoranda, sometimes thus: "in need with James Thompson & Co., London, for honour of W. Brown & Co." (one of the endorsers). The meaning of this is that in case the drawee should refuse to accept or fail to pay the bill, the holder can apply to the firm named in "case of need," who will either accept or pay, as the case may be, for honour of the firm stated. (*See Dishonour.*)

Advising drafts.—When a bill is drawn, immediate advice should be sent to the drawee by the drawer. In the case of the Inland bill already given, the advice might be worded thus:—

Leeds, 24th August, 19.....

Messrs. JAMES HEALEY & CO.,
London.

Dear Sirs,

We have the pleasure to hand you herewith Invoice for Goods despatched to-day, against which we have drawn upon you, as arranged, by our draft, No. 78, £269 7*s.* 6*d., at* 3 *m/d order ourselves.*

We enclose the draft herewith, and shall feel obliged by your returning the same to us, duly accepted.

We are, Dear Sirs,

Yours faithfully,

WM. SMITHSON & CO.

Very often a bill is not forwarded to the drawee with the advice (as in the above case), but is paid into a bank or transferred

to another person. The banker or other holder then forwards it for acceptance. In this case the advice of the draft might be worded as follows :—

Leeds, 24th August, 19.....

Messrs. JAMES HEALEY & CO.,
London.

Dear Sirs,

We have the pleasure to hand you herewith Invoice for Goods despatched to-day, against which we have drawn on you, as arranged, by our draft, No. 78, £269 7*s.* 6*d., at* 3 *m/d order ourselves, which kindly protect on presentation.*

We are, Dear Sirs,
Yours faithfully,
WM. SMITHSON & CO.

In the case of the Foreign bill, the advice received by the drawee would probably be similar to the following. Very often these advices are on a printed or lithographed form, which only requires the blanks filling in :—

BOMBAY, *6th March,* 19.....

MESSRS. WALKER, MCDOWELL & CO.,
LONDON.

DEAR SIRS,

Confirming our respects dated 17th ult., we now beg to advise having valued upon your goodselves by order and for account of *Messrs. Lapis & Co., Milan,* the following draft :—

No. 912, £630 12s. 6d., at 3 m/s, order Grindlay, Groom & Co.

We enclose one copy of the bill of lading for the goods against which this draft is drawn ; duplicate and triplicate of the same will follow by next mail.

Recommending our draft to your kind protection,

We are, Dear Sirs,
Yours faithfully,
G. PARKER & CO.

When a bill is received from a customer, the first thing to do is to get it accepted, if that has not been done already. If the drawee is in the same town as the holder, the bill is left at the drawee's address, with a memo. attached stating by whom it is left. It is called for on the following day.

When the bill is drawn on a firm carrying on business in another town, the bill is forwarded to them for acceptance with a letter frequently written in this form :—

BRADFORD, 27*th Oct.*, 19.....

Messrs. J. A. GILL & Co.,
CLECKHEATON.

DEAR SIRS,

We beg to enclose a draft on your goodselves at 3 m/d for £269 7s. 6d., which we will thank you to accept and return to us in due course, made payable in London.

Yours faithfully,
AMOS FLETCHER & Co.

Very frequently the bill is forwarded to another firm in the same town to procure acceptance. An addressed stamped envelope should always be enclosed in either case.

Bills for acceptance.—Bills received as remittances are entered in a book called the "Bill Book" or "Bills Receivable Book," whilst bills drawn on and accepted by the firm are entered in a book called the "Bills Payable Book." Firms who frequently receive from other firms bills to which they are asked to procure acceptance, keep a third book, viz., the "Bills for Acceptance Book," in which particulars of these bills are entered, including the date of receipt and the date returned or otherwise disposed of.

Sets and Copies of Bills.—We have already explained that Foreign bills are usually drawn in sets of two or three. The bills in the set are not called "copies," but 1st, 2nd, and 3rd, as the case may be, or sometimes "vias." A "copy" is another matter entirely, as will be explained immediately.

When a bill is drawn in a set of two or three, it is usual to send one of the parts or vias, generally the "first," to a correspondent in the place on which the bill is drawn, to procure acceptance to it, the other part or parts being retained for negotiation. In such a case it is usual to state on the part that is negotiated "first for acceptance with Messrs. So-and-So," or words to that effect. The party holding the endorsed part applies to the firm named for the accepted "first," which is delivered to him on production of the endorsed part. This is attached to the other part, and the two together then pass from hand to hand in the course of negotiation.

It frequently happens, however, that the bill is a "sola" or "sole" bill, *i.e.*, that there is only *one* part. In such a case the holder would lose several days if he had to wait until the bill had

been accepted, and to obviate this he makes a *copy* of the bill, copying all the details exactly, and writing on the face of it the word "copy." If there are any endorsements these are also copied, after the last endorsement the words "thus far copy" being added. The original is then forwarded for acceptance, and the copy negotiated, just as in the case of the "first" and "second" just described. The acceptance is handed over to the holder of the copy on production of the latter.

Presentment for payment.—When a bill matures, *i.e.*, when its due date arrives, it must be presented to the acceptor, or to the banker named in the acceptance, for payment. If this is omitted, although the acceptor continues liable, all the other parties to the bill, *i.e.*, the drawer and the endorsers, become discharged from liability should the acceptor fail to pay, and the loss would therefore fall on the holder.

Dishonour.—If a bill be not paid when presented at due date, it is said to be "dishonoured." Immediate notice of dishonour must be given to the drawer and to each endorser. The usual practice is for the holder to notify the person from whom he received the bill, who will notify the party liable to him, and so on, each party being thus notified in turn. In order to retain his right to sue any of the parties the holder should, however, notify them all, for in the absence of notice of dishonour the drawer or any endorser is discharged from liability.

No form of notice is prescribed, and any notice will suffice which gives the necessary information. A letter similar to the following is all that is necessary :—

25, NORFOLK STREET,
MANCHESTER, 18*th Sept.*, 19.....

Messrs. SWIFT & FIRTH,
13, WEST STREET, LIVERPOOL.

DEAR SIRS,

We regret to have to inform you that the undernoted bill, which was duly presented to Messrs. Insol, Vent & Co. for payment, has been dishonoured, and that we shall therefore look to you for payment.

We are, Dear Sirs,
Yours faithfully,
B. TAYLOR & Co.

Date	...	14th June last.
Amount	...	£254 3s. 6d.
Due	...	17th September (yesterday).
Drawer	...	Stephenson & Scott, Bristol.
Drawee	...	Insol, Vent & Co., London.
Endorsers	...	Stephenson & Scott, John Howell, C. P. Black & Co., and yourselves.

When an *Inland bill* is dishonoured it is usual to have it "noted," in addition to advising all the parties to it. Noting is simply a memorandum by a public notary, consisting of the date, his initials and charges, its object being to afford evidence that the bill has been duly presented. A dishonoured Inland Bill may be noted on the day of its dishonour, but it *must* be noted not later than the next succeeding business day. When a *Foreign bill* is dishonoured or refused acceptance it should be "protested," in order to retain the right to sue the drawer and endorsers. The "protest" should be made by a notary whenever possible, but in case a notary is not available, it can be made by a resident in the place, in presence of two witnesses.

The following is the legal form for this procedure :—

Know all men that I, *Jonathan Smith*, householder, of *Slowton*, in the County of *Blankshire*, in the United Kingdom, at the request of *William Jones*, there being no notary public available, did, on the *fourth* day of *September*, 19..., at *Slowton*, demand payment (*or acceptance*) of the bill of exchange hereunder written from *John Robinson*, to which he made answer (*state answer, if any*); wherefore I now, in the presence of *George Brown* and *Thomas Black*, do protest the said bill of exchange.

Jonathan Smith.

Thomas Black,
George Brown, } Witnesses.

N.B.—The bill itself should be annexed, or a copy of all that is written thereon should be written below the protest.

The words in italics in the above form must be altered to suit the circumstances, and a postage stamp or stamps to the value of 1/- must be affixed and cancelled.

Should a firm on whom a bill is drawn fail before the bill becomes due, the holder should have it noted or protested as soon as he becomes aware of the failure.

A bill may also be noted or protested for *non-acceptance* by the drawee as well as for non-payment, and in case of acceptance being refused, it is likewise necessary to give notice to all the parties to the bill.

In order to save the expense of re-drawing, &c., when the drawee of a Foreign bill refuses to accept, or, having accepted, suspends payment before the bill is due, it is customary to present the bill to one of the firms named as the "case of need." This

firm will then "accept for honour," as it is called, of the firm who authorises them to do so, and they will ultimately pay the bill at maturity. It is not obligatory on them, however, to "accept." In any case the bill must be protested before the "case in need" will act.

To *negotiate* a bill is simply to transfer it to another party by endorsement, in exchange for its equivalent in money or goods.

To *protect* a bill is to provide funds for its payment, and to *take up* a bill is to pay it at maturity.

To *retire* a bill is to pay it when it becomes due. To *retire* a bill *under discount* is to pay it before it becomes due, the holder usually allowing a sum equivalent to the interest on the amount for the time the bill has still to run.

To *renew* a bill is to "accept" a new bill in place of a previous one which for some reason or other was not paid when due.

To *discount* a bill means that before the bill is due the holder sells it to a banker or one of the discounting houses, to whom he endorses it, and who at once pays him the amount, less a charge at so much per cent. per annum, called "discount," the rate varying more or less with the bank rate. This discount is calculated on the amount of the bill for the time the bill has to run. Strictly speaking, the amount received should be such a sum as at the specified rate of interest would produce at the due date the sum expressed in the bill, *i.e.*, the *true* discount should be allowed; *e.g.*, the holder of a bill for £103 due 12 months hence, discounted to-day at 3 per cent., ought to receive exactly £100, but as a matter of fact he would receive on such a bill only £99 18s. 2d., the discounter thus gaining an advantage of 1s. 10d. When a bill is discounted, all the parties to it, of course, continue liable.

Discount, therefore, is the charge made (for loss of interest) on paying at once money due a certain time hence.

Interest, on the other hand, is money paid for the use of money. Thus :—

	Discount.	Interest.
	£100 0 0	£100 0 0
3 months at 5 per cent.	1 5 0	1 5 0
	£98 15 0	£101 5 0

The following is a simple method for calculating the interest for a number of days :—Multiply the principal by the days, then multiply the product by the rate per cent., and divide by 36,500. Thus, find the interest on £100 for 91 days at 3 per cent.

$$£100 \times 91 \times 3 \div 36{,}500 = 14s.\ 11\tfrac{1}{2}d.$$

In nearly all offices, books called " Interest Calculators " are to be found. These books contain tables showing the amount of interest on various sums of money at varying rates of interest, thus obviating the necessity of working out each calculation.

Advantages of Bills of Exchange.—Having now dealt somewhat fully with bills of exchange, it remains to explain the uses or advantages of these documents.

An accepted bill has these advantages :—

1. It fixes beyond dispute the amount owing and the time when the debt is to be paid, and affords a quicker legal remedy than an ordinary contract claim.
2. The bill is negotiable, *i.e.*, the debt may be assigned or transferred to another party, who may again transfer it, and so on, thus transferring value from one to another, without the actual transmission of money.
3. It may be discounted, thereby enabling a party to receive the money at once, and thus " anticipate the future," or keep his money constantly employed ; whilst, on the other hand,
4. It enables a trader to obtain the use of the goods, and affords him an opportunity of manufacturing or reselling them, before payment becomes due ; in other words, it enables him to obtain extended credit legitimately.

How money is remitted by Bills of Exchange.—Now, it is no doubt puzzling you to know how a merchant, say, in Bombay transmits to London, by means of a bill of exchange, money for goods sold on account of another merchant or a manufacturer in this country. In reality the operation is very simple. Reduced to its lowest terms, it may be explained this way. W. & A. Grayson and Co., Bombay, have sold on account of Williamson & Co., of Manchester, 10 bales of cotton goods, which realise, say, Rs.9,600, and they want to remit this money to England. If there were no banks in the place they would go to the different firms who export produce from Bombay, and try to find one who was exporting goods to England of about the same value as the amount they want

to remit. They find, say, that John Moore has shipped to London 100 bales of cotton, value Rs.9,600, for account of Messrs. Peterson and Co., of London. Now, if such a thing as a bill of exchange were unknown, Grayson & Co. would pay the money to Moore, who in exchange would give Grayson & Co. a letter addressed to Peterson & Co., London, requesting them to pay the money or its equivalent to Williamson & Co., Manchester, and thus the indebtedness of Grayson to Williamson and of Peterson to Moore would be discharged. Now, in effect that is exactly what takes place when bills of exchange are drawn, except that for mutual convenience the operation is conducted through a banker, who buys from one party and sells to the other. The importer and exporter therefore do not meet, and do not necessarily know that the money one wishes to remit is exchanged for the money the other has to draw. The bank in the one case sells at its selling or drawing rate, say 2/8, a bill on London for, say, £1,280—the equivalent of the amount Grayson wants to remit—and in the other case buys from Moore at the bank's buying rate, 2/8¼, his draft on London for £1,280, paying him the equivalent in rupees. The difference between the buying rate and the selling rate is the *profit* the bank makes on the transaction. You will thus see that Moore's 100 bales of cotton are in effect exchanged for Williamson's ten bales of goods. The process is exactly the same when bills of exchange are drawn on London in France, Germany, and other countries. In effect, in international trade, goods are exchanged for goods, indirectly generally, and are not paid for in coin or bullion in each case. Although the imports into the United Kingdom in 1912 amounted to £744,600,000 and the exports to £599,000,000, leaving a balance of £145,600,000 apparently due, we actually imported £4,600,000 more in specie than we exported. The reason for this is explained in our volume on Import and Export Trade.

In that volume we also show how these operations affect the rates of exchange between one country and another, but what has been already said on this subject is sufficient for our present purpose.

Before we leave the subject of bills, there are a few other kinds of bills about which it is necessary to say a few words.

Accommodation Bills.—These are bills drawn on and accepted by persons who are not actually indebted to the drawers. They are simply an expedient for raising money. They are drawn in the

same form as a bill representing a *bona fide* transaction, and they are not readily distinguished from *bona fide* bills. They are treated in every respect as other bills of exchange, except that when they are known to be accommodation bills they are neither taken so readily nor discounted so easily as *bona fide* bills.

A Promissory Note is an unconditional promise, in writing, made by one person to another, signed by the maker, engaging to pay on demand, or at a fixed or determinable future time, a sum certain in money to, or to the order of, a specified person or bearer. The person who draws the note is called the maker. A promissory note, of course, does not require "acceptance," but in other respects it is governed by much the same regulations as those for bills of exchange. The following is a form of promissory note :—

£25. *London, 22nd May,* 19.....

Three months after date I promise to pay to Mr. John Wilson or order the sum of twenty-five pounds.

Wm. Northropp.

Sometimes two or more persons sign the note, and the note then runs " we jointly and severally promise to pay," but even if the words " jointly and severally " be omitted, the signers or makers are deemed to be jointly and severally responsible. If, however, the wording is that they " jointly " promise to pay, then payment can only be enforced from them jointly, not from any one of them, as in the other case.

You will notice the difference between a promissory note and a bill of exchange. A bill of exchange is drawn on, and payable by, someone else ; a promissory note, on the other hand, is simply a promise to pay on the part of the maker.

A promissory note familiar to all of you is a Bank of England or other bank note. These notes are payable to bearer on demand, but do not, like other promissory notes, require a stamp, being exempt by Act of Parliament.

A promissory note (whether on demand or otherwise) requires an *ad valorem* stamp at the same rate as a bill of exchange payable otherwise than on demand or up to three days' date or sight (see page 123).

A promissory note carries three days' grace, the same as a bill of exchange.

An *allonge* (from the French *allonger*—to lengthen) is a slip of paper, usually about the same size as the document, attached by gum or paste to a bill of exchange, to provide space for additional endorsements when the back of the bill itself is filled with endorsements. It is regarded as part of the original bill. The first endorsement on the allonge usually commences on the bill itself and is concluded on the allonge. A slip of paper is in the same way often attached to a delivery order.

We have so far dealt with bills of exchange which are drawn unaccompanied by any other documents; these are called *clean bills.* There is another kind known as *documentary bills.* These have attached to them the bill of lading, export invoice, insurance policy, and other documents, but we have not yet dealt with these documents, and for information on this subject we must refer the reader to our volume on the Import and Export Trade.

Bank Post Bills.—These are bills issued by the Bank of England for sums of from £10 to £1,000 payable usually at seven days' sight. They are obtainable free of charge, the seven days' interest being considered by the Bank as sufficient remuneration for its services. As they are accepted when issued they begin to run from that date, and are not subject to days of grace. The following is a specimen :—

BANK OF ENGLAND POST BILL.

No...... *London,*.....19.....

At seven days' sight I promise to pay this my Sola Bill of Exchange to Robert Marchand or order TWO HUNDRED *pounds sterling, value received of William Stephenson.*

For the Governor and Company of the Bank of England.

J——— *R*——— *J*———.

£ TWO HUNDRED.

These bills originated in 1738. Up to that time there had been frequent robberies of the mails (which were then conveyed by stage coach), and these bills were introduced in order that in case of the mail being robbed the proprietor of the bills might have time to give notice of the robbery, and thus prevent the money being paid to unauthorised persons.

An I.O.U. is simply an acknowledgment of indebtedness, and is not a promise to pay. It is not negotiable, and requires no stamp. It usually runs thus :—

London, September 28th, 19.....

Mr. Wm. Johnson.

I.O.U.

Four pounds ten shillings.

Samuel Boswell.

The date is frequently omitted. Care must be taken not to insert any specified time of payment, otherwise it becomes a promissory note, and is then liable to stamp duty.

A Letter of Credit.—This is simply a letter written by a person, a firm, or, more usually, a banker in one place (say London), addressed to another person, firm, or banker in a distant place (say Rome), requesting the latter to hold at the disposal of the person named in the letter a sum of money up to a certain fixed amount. Very often a stated time is named, during which the letter is to remain in force.

It is not an order, but a *request*, to pay, and is therefore not a bill of exchange. It is not transferable by endorsement, nor can it be protested for non-payment.

The documents are used chiefly by persons travelling abroad, to enable them to supply themselves with funds as required, thus obviating the trouble and risk of carrying cash from one place to another.

Very often a single letter of credit is addressed to several parties residing or carrying on business at different places, thus enabling the person accredited to obtain the whole of the amount at any one of the places named, or part of the sum at any or each place. This is called a *circular letter of credit.* When a payment is made against a circular letter of credit, the person making the payment endorses on the back of the document the amount paid, and each subsequent payer does the same until the credit is exhausted. The person in whose favour the credit is granted is usually charged a commission for the accommodation.

This is a specimen of an ordinary *letter of credit* :—

LIVERPOOL, 27*th August*, 19.....

Messrs. BROWN, STEWART & Co.,
NEW YORK.

DEAR SIRS,

With these lines we beg to introduce to you Mr. William Broadhurst, of Manchester, who is visiting your city on private affairs.

We shall feel obliged by your holding at Mr. Broadhurst's disposal the sum of two hundred dollars, as he may require it, debiting the sums paid to our account with you, under advice.

We append a specimen of Mr. Broadhurst's signature,

And remain, Dear Sirs,

Yours faithfully,

GREENWOOD & Co.

WM. BROADHURST.

When a letter of credit is issued, the person giving it should at the same time forward by post to the person to whom it is addressed a letter advising it, with full particulars, and to this letter should also be appended a specimen of the signature of the person accredited.

Negotiable Instruments.—There is a general impression that any document which may be transferred by endorsement is a negotiable instrument. This is not so. According to Lord Blackburn, "when an instrument is by the custom of trade transferable like cash on delivery, and is also capable of being sued upon by the person holding it *pro tempore*, then it is entitled to the name 'negotiable instrument,' and the property in it passes to a *bona fide* transferee for value, though the transfer may not have taken place in market overt." Judge Willis writes, "a negotiable instrument is one the property in which is acquired by every person who takes it *bona fide* and for value, provided that the instrument is such and in that state that the true owner could transfer the contract or engagement contained therein by simple delivery of the instrument." If a book or a table were stolen, the true owner could under certain conditions recover his property no matter in whose possession it happened to be, but with a negotiable instrument, provided it be in order, and that good consideration has been given for it, the holder cannot be deprived of it under any conditions. The principal documents recognised as "negotiable

instruments" are :—Bills of exchange, cheques, Treasury notes, bank notes, Exchequer bills, East India bonds, dividend warrants, and debenture bonds payable to bearer. There is a difference between *negotiability* and *assignment*. A bill of lading, for instance, may be assigned by endorsement, and the holder could then sue upon it, but that document is not a negotiable instrument. "A person who in good faith gives value for a stolen current bill of exchange endorsed in blank, or for a cheque to bearer, acquires a good title, though the thief from whom he bought it had none. This is not the case with regard to a bill of lading, as a subsequent holder of a document of this nature cannot (except in so far as he is not affected by the right of stoppage *in transitu*) acquire a better title than a previous holder had." (Macmillan's Dictionary of Political Economy.)

SECTION 5

ADVANCED COMMERCIAL MATTERS RELATING TO THE HOME TRADE

CHAPTER XXIII

MERCANTILE FIRMS AND COMPANIES

The trade of this country is conducted by (1) *sole traders, i.e.*, single individuals, (2) *firms*, usually two or more persons in partnership, and (3) *companies*. There is a fourth class of traders known as agents or brokers, but these are merely representatives of one or other of the three classes above named.

A Firm usually consists of two or more individuals carrying on business together in partnership. A firm cannot by law exceed twenty persons, while in banking business ten is the limit.

The members of a firm are called *partners*, the partners collectively are called *the firm*, and the name under which the business is carried on (*e.g.*, "Brown, Jones & Co.") is called the *firm name*, or *style* of the firm.

The partnership is usually entered into by an agreement, called the *articles of co-partnership*. This specifies the conditions of the partnership, and, if for a fixed term, the duration thereof.

There are two principal kinds of partners, viz., active and dormant. *Active* or *ordinary partners* are those who are actually engaged in carrying on the business. *Dormant, sleeping*, or *silent partners* are persons who are not publicly known as partners, but who share in the profits and are equally responsible to the creditors of the firm.

Each partner has power to bind the firm in the firm's ordinary transactions, but he cannot bind the firm by a document under seal.

Each partner is entitled to share in the profits of the firm, according to the terms of the partnership agreement, and each partner is, of course, jointly liable for the debts and obligations of the firm incurred while he was a partner.

Partnership is dissolved by the death, retirement, or bankruptcy of a partner, by the effluxion of time, by mutual consent, and by other causes. Notice of dissolution is usually given to the firm's customers, and should also be advertised in the Government *Gazette* and in the local newspapers.

The law of partnership is contained in the Partnership Act, 1890.

A single individual may, and frequently does, carry on business in the name of a firm, *e.g.*, John Smith might trade as Brown, Robinson & Co. There is nothing to prevent this, but the person carrying on the firm is, of course, liable for all debts, &c.

The Registration of Business Names Act, 1916, requires the registration of every individual and firm having a place of business in the United Kingdom, and carrying on business under a business name which does not consist of the true surname of the individual or the true surnames of all the partners, without any addition other than that of the true surnames of the parties or the initials thereof. Registration is also required where an individual, or any partner in a firm, has changed his name, or where an individual, firm, or corporation, having a place of business in the United Kingdom, is carrying on business wholly or mainly as nominee or trustee for another person or persons or another corporation, or acts as general agent for any foreign firm, individual, or corporation. Penalties are prescribed for failure to comply with the requirements of the Act.

The Limited Partnerships Act, 1907, brought about a reform which had been advocated by Chambers of Commerce for over thirty years previously, viz., limited partnerships in firms. Under this Act one or more persons may contribute a specified sum or sums of money towards the capital of a firm, and provided such persons do not take an active part in the management of the business of the firm they are only liable for the amount they have contributed, the general or active partner or partners being responsible for the debts of the firm. Such a partnership requires to be registered.

Companies.—A "company," according to the usual acceptation of the term, means a *joint stock* company, *i.e.*, a number of persons incorporated under the Companies Acts, 1862 to 1908. An unincorporated company is simply a partnership; such a company can neither sue nor be sued as a body. An incorporated company must consist of not less than seven members.

Incorporation may take place (*a*) by Royal Charter, as in the case of the Bank of England; (*b*) by special Act of Parliament, as in the case of a railway company, for example; and (*c*) by a certificate of the Registrar of Joint Stock Companies, under the Companies Acts. The last-named is the course most frequently adopted. In this case a "Memorandum of Association" defining the objects of the company is necessary, and to this is usually appended the "Articles of Association" or Rules for the administration of the company's affairs.

A company may be either *limited* or *unlimited*. In the former case the liability of the shareholders is limited to a certain amount, usually the value of the shares held, in which case the holder of fully paid up shares cannot ordinarily be called upon to contribute anything further if the company be wound up through insolvency, &c. An ordinary limited company must add the word "Limited" to its title. A shareholder in an *unlimited* company is liable in case of insolvency to make *pro rata* contributions until all its debts are discharged.

The capital of a company is usually divided into *shares*, ordinary, preference, and deferred. Further information on this point will be found in the next chapter, under the head of "The Stock Exchange."

A company may be *wound up* (*i.e.*, dissolved) either compulsorily, as in the case of bankruptcy, &c., or voluntarily. In either case the proceedings are under the supervision of the Board of Trade.

It is usual for charitable associations and other bodies not formed for the purpose of profit—Chambers of Commerce for example—to become incorporated under the Companies Acts. There is an idea that the incorporation of such associations gives them a higher status. As a matter of fact their status is practically unaltered—any such association, provided its members are seven

or more in number, may obtain incorporation by paying the necessary fees and having their Memorandum and Articles of Association approved by the Board of Trade. The only advantage in, and the principal reason for, such bodies becoming incorporated is that they can then act in a legal capacity (otherwise they could only so act by means of individual members), and that bequests or donations may be made direct to the association as a body instead of through the intervention of trustees. An incorporated association of this kind is allowed to omit the word "Limited" from its title, but is required to use the word "Incorporated" instead.

The law relating to companies is contained in the Companies Consolidation Act, 1908, which consolidated a large number of previous Acts. On the passing of this Act companies were further divided into *Public Companies* and *Private Companies*, the former being companies whose capital had been contributed by the general public in response to advertisements or prospectuses, the latter being companies which were originally private firms converted (generally for family reasons) into companies, the capital being already provided. In the case of private companies publication of a balance sheet is not required.

CHAPTER XXIV

MARKET REPORTS

A " market report," as the term implies, is a report as to the state of the market for particular kinds of goods on a specified date. Such reports appear regularly in the London and provincial newspapers, and are also issued by private firms to their customers, usually on " market days."

Market days are the days on which the largest business is usually transacted. In large towns in the manufacturing districts, such, for example, as Manchester, Birmingham, Bradford, &c., two days in each week (say Monday and Thursday, or Tuesday and Friday) are usually observed as " market days." In smaller places there is usually only one market day each week. On these days buyers and sellers come into the market town from the neighbouring towns and villages, the meeting place for wholesale traders being generally " The Exchange."

The Exchange is a building the size of which depends upon the importance of the town in which it is situated ; it is usually the property of a company. One large hall in this building is set apart for the transaction of business, that is, buyers and sellers meet each other there and conclude their bargains, thus obviating the necessity of sellers (or buyers) visiting the different places of business—which would mean a great waste of time. Each merchant or manufacturer usually takes his stand near a particular pillar or place in the hall so that he may be easily found by his customers. In London there are several Exchanges, *e.g.*, the Royal Exchange (which is but little used), the Baltic (timber, &c.), Mincing Lane (tea, spices, &c.), Mark Lane (grain), the Wool Exchange, &c.; in several of the large provincial towns there are also Exchanges for the different trades.

Terms used in Market Reports.—Before going further it is necessary to explain certain terms which constantly occur in these reports. They are chiefly as follows :—

(1) *The Price.*—When certain services rendered by the seller are included in the price of the goods, they are indicated by the following terms :—

At Station signifies delivered at the railway station.

On Rail signifies placed in the railway company's trucks.

Free alongside (f.a.s.) signifies that the price includes all charges incurred up to and including placing the goods (in lighters or barges) alongside the vessel, ready to be taken on board.

F.o.b. (free on board) signifies that the price of the goods includes all charges (packing, railway carriage, dock dues or lighterage, cost of bills of lading, &c.) up to and including placing the goods on board the vessel.

C. & f. (cost and freight) signifies that the price includes the cost of the goods, packing, railway carriage to the port of shipment, dock dues, lighterage, or other shipping charges, cost of bills of lading, and freight to the destination of the vessel.

C.f. & i. or *c.i.f.* (cost, freight, and insurance) signifies that the price includes all the items enumerated above under the head of c. & f., with marine insurance in addition.

Landed terms (used in the import trade) signifies that the price includes lighterage (if any), dock dues, porterage, &c., and all charges incurred in landing the goods at the port of destination.

In Bond means that the goods are lying in one of the bonded warehouses and that the Excise or Customs Duties are unpaid, and will have to be paid by the buyer.

Duty paid means that the Excise or Customs Duties have been paid by the seller, and are included in the price.

(2) *Delivery.*—The principal terms relating to delivery are :—

Ready, meaning that the goods are ready to be delivered.

Prompt Delivery, meaning that the goods are to be delivered in a few days.

Near Delivery, meaning that the goods are to be delivered within a short time.

Forward Delivery, meaning that the goods are to be delivered at some future time ; for example, goods sold in January for delivery in April.

To Arrive, meaning that the goods are to be delivered on arrival of the vessel by which they are being conveyed from the foreign port. This term is used chiefly in the import trade. The name of the vessel is usually declared when the contract is made, or shortly afterwards.

Other terms used (in the import trade chiefly) are the following :—

Spot means that the goods are actually "on the spot," and ready for delivery, as distinguished from goods "to arrive."

Ex Quay means that the buyer has to pay all expenses after the goods are landed on the quay.

A Prompt Sale means that the goods sold are to be paid for and taken delivery of on a specified date, known as the *prompt day*.

Shipment, coupled with the name of a month or a date—thus "March shipment"—means that the goods are to be shipped on board the vessel during the month named; "15 May shipment" means shipment on board not later than 15th May; "March-April shipment" means shipment any time from 1st March to 30th April.

Prompt Shipment and *Immediate Shipment* usually mean that the goods must be shipped within 14 days after the date of the contract.

Sailing is used in the same manner as "shipment," but means that the vessel carrying the goods must actually *sail* from the foreign port within the time named.

Free overside is a term sometimes used to denote that the buyer has to send lighters alongside to take delivery of the goods, the seller's responsibility ceasing as soon as the goods leave the vessel's slings.

(3) *Tone of Market.*—The following are the terms chiefly used to indicate the tone or state of the market :—

Weak, Depressed, Flat, meaning usually that there are more sellers than buyers, and that the tendency of prices is downwards.

Dull, Inactive, meaning that there are few buyers, and that few transactions are taking place.

Quiet, meaning that there is little doing.

Steady, meaning that prices are maintained and are not likely to recede.

Firm, meaning that prices are firmly maintained with an upward tendency.

Active, meaning that transactions are numerous.

Advancing, meaning generally that there are more buyers than sellers, and that prices are advancing.

Strong, Excited, same as the preceding but more marked, with prices probably advancing rapidly.

The terms given in Sections 1 and 2 are used chiefly in connection with the Import and Export Trades, but those in Section 3 are in general use in all trades.

Reading Market Reports.—After the above explanation most market reports can be easily read. Specimens of such reports may be found in the principal daily newspapers.

THE MONEY MARKET

As the Money Market Report differs somewhat from the ordinary trade report, and requires further elucidation, we give here a specimen of such a report in full :—

THE MONEY MARKET

BANK RATE—5 PER CENT.

BANK OF ENGLAND

An account pursuant to the Act 7th and 8th Vict., cap. 32, for the week ended on Wednesday, June 20th, 1917 :—

ISSUE DEPARTMENT.

Notes issued	£72,633,415	Government debt	£11,015,100
		Other securities	7,434,900
		Gold coin and bullion ...	54,183,415
	£72,633,415		£72,633,415

BANKING DEPARTMENT.

Proprietors' Capital	£14,553,000	Government securities ...	£45,230,106
Rest	3,184,080	Other securities	105,887,648
Public deposits	50,143,009	Notes	33,793,835
Other deposits	119,456,666	Gold and silver coin ...	2,451,359
7 day and other bills ...	26,193		
	£187,362,948		£187,362,948

Dated June 21st, 1917. J. G. NAIRNE, Chief Cashier.

In the following table the figures are compared with the previous week and a year ago :—

	June 20, 1917.	June 13, 1917.	June 21, 1916.
	£	£	£
Active circulation	38,839,580	38,778,505	35,215,095
Public deposits	50,143,009	49,784,232	51,200,122
Other deposits	119,456,666	125,854,837	91,549,115
Rest	3,184,080	3,143,977	3,181,349
Government securities	45,230,106	45,208,106	42,187,454
Other securities	105,887,648	113,124,499	73,382,518
Bullion	56,634,774	55,357,308	61,707,696
Reserve	36,245,194	35,028,803	44,942,601
Proportion	21·4 p.c.	19·9 p.c.	31·5 p.c.

Thursday evening.

Contrary to expectations, the joint-stock banks made no alteration in their allowance for deposits, which remains at 4 per cent., notwithstanding the reduction in the rate allowed by the Bank of England to the clearing banks. Money was again wanted, though the demand was not quite so keen as during the last two days, and 4½ per cent. was paid for call loans, with an easier tendency at the finish. Discount rates were steady at 4 9/16 to 4⅝ per cent., without much business, except in Treasury Bills.

A further sharp advance occurred in the Paris cheque, which at one time touched 27.70, as against the Bank of France's official rate of 27.18. The rise was attributed to American sales of francs, the New York exchange on Paris having risen to 5.77f. per dollar. Towards the close the tendency became easier, and the London quotation was finally about 27.54 for the pound sterling, which still shows a considerable advance. Italian currency again depreciated, but roubles were a trifle better, and the neutral exchanges all moved against us. There was a further rise in the Brazilian milreis to 13 11/16d.

MARKET DISCOUNTS.

60-day bank bills ...	4 5/16	4⅜	per cent.	3 mths. fine trade bills ...	5	5¼	per cent.
3 mths. bank bills	4 5/16	4⅜	,,	4 mths. fine trade bills ...	5¼		,,
4 mths. bank bills ...	4⅜	4 7/16	,,	6 mths. fine trade bills ...	5¼	5¼	,,
6 mths. bank bills ...	4 7/16	4½	,,				

BANK AND MONEY RATES.

Bank of Eng. loans	5½	per cent.	Brokers' notice	4½		per cent.
Bankers' dep. rate ...	4	,,	7-day market loans ...	4	4½	,,
Brokers' dep. rate call	4	,,	Day-to-day money ...	4	4½	,,

BANK OF ENGLAND RETURN

A stronger position is disclosed by the Bank return. The stock of gold has increased £1,277,466, to £56,634,774, which goes against a total of £61,707,696 at the corresponding date last year, and £54,157,167 in 1915. A slight increase of £61,075 is shown in the active note circulation, and the net gain in reserve is £1,216,391, that item now representing £36,245,194, or 21·4 per cent. of the liabilities, against 19·9 per cent. last week. At this time last year the reserve was £44,942,601, with a proportion of 31·5 per cent., and in 1915 the total was £39,477,512, or 18·9 per cent. Some special transactions are probably responsible for a reduction of £7,236,851 in the other securities, while a decline of £6,398,171 in the other deposits is no doubt connected with the transfer by the joint-stock banks to Threadneedle Street of the proceeds of the final War Loan call. Public deposits increased £358,777, Government securities £22,000, and "rest" £40,103.

The "money market," as already pointed out (page 91), means the market for loans, and the "demand for money" means the demand for loans.

The Money Market Report usually begins with a quotation of the "Bank Rate"—which is the rate of interest charged by the Bank of England for loans on approved securities.

Next follows, once a week (in Friday's newspapers), the "Bank of England Return." This return, which is issued weekly in accordance with the Bank Act of 1844, requires some explanation.

In the chapter on the Bank of England (page 95), we mentioned that the bank is divided into two departments, viz., the Issue Department and the Banking Department. The return covers both departments as will be seen.

Issue Department.—The only item on the debtor side is—Notes Issued, £72,633,415. On the creditor side is shown the security for this amount, viz., (1) Government Debt to the Bank, £11,015,100, (2) Other Securities (viz., interest bearing securities selected by the Directors), £7,434,900, and (3) Gold Coin and Bullion, £54,183,415; total, £72,633,415, equal to the amount of notes issued. We have already pointed out (page 96) that the bank is authorised to issue notes to the amount of £18,450,000 against the security of the Government Debt owing to the bank, but that amount cannot be exceeded unless the bank holds in coin or bullion an amount equal to the excess issue of notes. It will be seen from the above return that the difference between the value of the gold coin and bullion held by the bank and the amount of notes issued is exactly £18,450,000. The bank is thus in a position to pay in gold every note issued in excess of the prescribed amount.

Banking Department.—On the debtor side appears—(1) Proprietors' Capital, £14,553,000, (2) Rest (*i.e.*, undivided profits, &c., or practically additional capital), £3,184,080. (3) Public Deposits, £50,143,009. This represents money collected by various Government Departments (Customs, Post Office, Inland Revenue, &c.), which is always lodged with the bank. (4) Other Deposits, £119,456,666. These consist of money deposited by other banks, the balances of merchants and other persons keeping accounts at the bank, and money paid in to the account of certain other Government Departments, viz., the Mint, Trinity House, &c. (5) Seven Day and other Bills, £26,193. These of course are bills payable by the bank, chiefly "Bank Post Bills." The total liabilities are thus £187,362,948.

On the creditor side we have the "assets" of the Banking Department as follows:—(1) Government Securities, £45,230,106. These securities are represented by Consols, and by Exchequer

Bills, and other temporary loans to the Government. (2) Other Securities, £105,887,648. These represent Foreign Government stocks, first-class merchants' bills and other securities on which the bank has advanced money. (3) Notes, £33,793,835. These are the bank's own notes obtained from the Issue Department in exchange for gold coin or bullion. Finally we have Gold and Silver Coin, £2,104,332, making the total assets equal to the total liabilities, viz., £187,362,948.

It will be seen that of the total amount of notes issued (£72,633,415) the Banking Department holds £33,793,835. The difference of £38,839,580 represents the notes in the hands of the public, or in "active circulation."

The notes and coin held by the Banking Department constitute what is known as the "Banking Reserve." In the above return this "reserve" is 21½ per cent.; frequently it is considerably larger. This reserve, taken in conjunction with the credit item of "other securities," influences the Bank Rate. When the "reserve" is high and the "securities" (*i.e.*, advances) low in comparison, this indicates that money is not much in request, and the Bank Rate is consequently low; but when the "reserve" falls and the "securities" or advances are increased, this shows that money is in request, and usually means an increase in the Bank Rate, which has the double effect of stopping the outflow of gold to foreign countries and encouraging an influx of money into this country.

The rates of "Foreign Exchange" are generally given in the money market report. These, however, do not concern the home trade, and we therefore do not enter into this subject here. A full explanation of the foreign exchanges will be found in our volume on Import and Export Trade.

THE STOCK AND SHARE MARKET

The following is a specimen of a Stock and Share Market Report :—

STOCK EXCHANGE SETTLEMENTS

Making-up day	Aug. 29	Making-up day	Sep. 14
Ticket day	Aug. 30	Ticket day	Sep. 15
Settling day	Aug. 31	Settling day	Sep. 16

Consols settlement ... ... Sep. 1.

Thursday Evening.

There was not much disposition to do business on the Stock Exchange to-day, the absence of definite news from the Transvaal preventing any general improvement in quotations, although South African mines held their ground extremely well. The fact that the "House" will be closed on Saturday helped to restrict business. Consols were stronger than for some time back, the maintenance of the Bank rate at 5 per cent. and the improved Bank return encouraging talk of cheaper money being the chief influences. They closed $\frac{3}{8}$ up at $55\frac{7}{8}$. Indian loans improved. New South Wales issues were firm on the Budget. Colonial loans were generally better. It is officially denied that New Zealand will issue a loan on the London market in the autumn.

Foreign bonds were very quiet. Spanish hardened slightly. Italians were steady after sales. Paris was quite stagnant, apart from a little support for Anacondas after their reaction. Argentine loans were distinctly harder, noticeably Buenos Ayres Water Fours. Brazilians improved.

Home Railways were firm, apart from Caledonian and London Underground issues. The former were still depressed. Great Northern Deferred declined $\frac{1}{4}$ to $86\frac{3}{4}$. Great Western recovered rather smartly to $88\frac{1}{4}$ xd., and the other heavy lines were bought, the deduction of the dividends making the stocks look cheap and attracting purchasers. Midland Deferred rose a point. Hull and Barnsley were harder.

Americans were cheerful throughout, although business here was small. Louisvilles were the feature, rising $2\frac{1}{8}$. Baltimores gained 3. Atchisons were strongly favoured, the Preferences improving $\frac{7}{8}$; while Union Pacifics, Milwaukees, Central Pacifics, and Northern Pacifics all gained ground. Denvers were rather easier, the shares easing off $\frac{1}{4}$. Erics were dull under rate-cutting influences, although the roads officials deny any intention of starting a rate-war, saying that the new Chicago rate will be only temporary. Chesapeakes were harder on the 1 per cent. dividend, the first distribution made since the reorganisation.

THE STOCK EXCHANGE

Stock Exchange Settlements.—The principal place in England for the transaction of business in stocks and shares is The Stock Exchange, London. This is an association consisting entirely of persons whose business is dealing in stocks and shares, no other person being admitted. The members of the Stock Exchange are divided into two classes, viz., *jobbers* and *brokers*. *Brokers* are the middle men between the Exchange and the outside public. They buy and sell for the public generally, their remuneration being a commission on the business transacted. *Jobbers* deal only with the brokers or with each other, and the sales or purchases they effect are on their own account and risk. A jobber makes two prices for each security dealt in—one the price at which he will sell, the other the price at which he will buy. The difference between these two prices is called the "turn" or "turn of the market," and

represent the jobber's profit. For instance, to a broker who wanted to deal in a certain stock the jobber would quote, say, 97¼ to sell and 97 to buy, thus allowing for a profit of rather more than ¼ per cent. on any business done. The transactions with jobbers are merely verbal, but they are, of course, recorded in the books of both jobber and broker.

All transactions on the Stock Exchange are either *for the account*, as it is termed, or *for cash*. The Stock Exchange Committee fix certain dates, usually at intervals of about a fortnight, for settling or adjusting all transactions which have not been settled by a cash payment at the time, and any securities bought or sold *for the account* have to be adjusted on the first succeeding settlement. You will notice in the Market Report that three dates are given under the heading of "Stock Exchange Settlements," showing that the settlement extends over three days. The first of these is called the *making-up day* (or, as it is sometimes called, the *contango, continuation day*). On this day the Committee fix a price for every security dealt in on the Stock Exchange, and all purchases or sales "for the account" are adjusted at these prices. Purchases and sales for the account are mostly of a speculative character, and the persons who engage in such transactions are called "bulls" and "bears." *Bulls* are persons who buy at a certain price in the expectation that the price will be higher at the settlement. *Bears*, on the other hand, are persons who *sell* in anticipation of the settlement being lower than that at which they sold. If when the settlement comes round a dealer wishes, either on account of scarcity of the stock sold, or for other reasons, to defer a final adjustment until the next settlement, he may do so on payment to the other party of a certain premium on the amount, which is reckoned at so much per cent. on the value of the securities bought or sold. In the case of a "bear" this premium is called *backwardation*; in the case of a "bull" it is called *contango*. If the transaction be a purely speculative one, there being no intention to deliver or receive the certificates representing the securities dealt in, the account is adjusted by the losing party paying to the other on the settling day the difference between the original price and the making-up price.

Another kind of gambling business transacted on the Stock Exchange is that known as *Options*. These are of two kinds, the *Call* and the *Put*. The *Call* means that on payment of a certain

percentage or "cover" (usually 1 per cent.) an operator acquires the right either to take up or to refuse to take up within a specified time a certain amount of stock which he has bought at an agreed upon price. The *Put* means that on the same conditions the operator may either sell or refuse to sell. Sometimes on payment of a double premium or "cover" the two options are combined; in this case the operation is called "the put and call." Another class of option is where a man acquires the right to call for an additional amount of stock. This is called a "put of more" or a "call of more" as the case may be.

On the *making-up day*, which is the first of the "settling days," the jobbers and brokers have to declare before three o'clock in the afternoon whether they wish to keep any transactions open by paying a *contango* or a *backwardation* as the case may be, and the buyers and sellers of options have to declare whether they intend to avail themselves of their option to withdraw from the bargain.

The second or *Ticket Day* is so called because tickets are made out containing particulars of the stocks bought or sold, and the price at which the settlement is to be made. On this day also the transfer entries are made respecting "registered stock" bought or sold for the settlement.

The third day is the pay day or *Settling Day*. On this day the transactions are finally adjusted, either by paying for and taking up the stock, or by paying any differences that may be due. All these settlements are effected by means of the Stock Exchange *Clearing House*, in much the same way as with cheques and bills at the Bankers' Clearing House.

Before leaving the question of stocks and shares it will perhaps be well to explain some terms which constantly appear in the Stock and Share reports.

A *Debenture*, or Debenture Bond, is a document issued by a Government, but more usually by a public company, acknowledging the receipt of the sum of money specified on the bond, and undertaking to repay it at a certain date, also undertaking to pay interest at a fixed rate until the principal is repaid. A public company frequently raises money by debentures in order to increase its working capital without increasing its share capital. These debentures, as a rule, have preference over the ordinary debts of a company.

Sometimes it is not convenient to pay off these debentures at maturity, and, with the consent of the holders, the debt is converted into *Debenture Stock.* In this case the borrower agrees to pay interest, but no time is specified for repayment of the principal.

Preference Shares or Bonds.—Very often the capital of a company is divided into Preference Shares and Ordinary Shares. In such a case the holders of the preference shares are entitled to receive a dividend up to a fixed percentage before the ordinary shareholders receive anything. Thus, if a company's capital consisted of £30,000, divided into £10,000 6 per cent. preference shares and £20,000 ordinary shares, and the company made only 4 per cent. on the total amount, the preference shareholders would receive their 6 per cent. whilst the ordinary shareholders would have to be content with only 3 per cent.

Deferred Shares are shares issued by a company which do not entitle the holder to participate in the profits until a specified date or the occurrence of a certain event, such as the ordinary shares receiving a dividend of so much per cent.

Founders' Shares are shares retained by the founders of a company on its formation. They are usually entitled to a fixed proportion of the company's profits, irrespective of the ordinary shares.

Dividends are moneys divided amongst the holders of stocks or shares. The money represents the profits earned by a company or the interest payable on Government Stocks. Dividends are paid by means of coupons, cheques, or warrants.

Cum. div., a term you will frequently see affixed to quotations of shares, means *cum. dividend*, and implies that the price named is inclusive of the dividend declared or about to be declared.

Ex div. (or *x. d.*) signifies that the price named does not include the dividend.

When the market prices of shares are above the nominal value, the shares are said to be at a *premium.* When the market price is below the nominal value the shares are said to be at a *discount.* When the market price is the same as the nominal value the shares are said to be at *par.* Thus :—

£100 stock quoted £100 is at par.
,, ,, ,, £101 is at 1 per cent. premium.
,, ,, ,, £98 is at 2 per cent. discount.

Consols (pronounced Con-*sols*—the accent on the second syllable). This is an abbreviation of the term "consolidated annuities." It represents the money borrowed from time to time by His Majesty's Government, chiefly to carry on wars with other countries, and constitutes what is known as our National Debt. Up to about 200 years ago, when money was wanted it was borrowed on the security of one or other of the taxes imposed in this country, such as the customs, excise, stamps, &c. By degrees the different funds were classed together, until ultimately they were consolidated into one.

In 1688, in the reign of William III., the National Debt amounted to only £664,264. At the death of George I. (1727) it had increased to £52,500,000 owing to our wars with France and Spain. In 1792, the year before the outbreak of our great war with France, the debt amounted to £237,400,000 (the increase being due to wars with Spain and Austria). The year after the battle of Waterloo (1816) the debt amounted to £846,000,000, this war alone having cost us £831,000,000. By 1854 the debt had been reduced to £794,713,000, but at the close of the Crimean War in 1856 it had increased to £826,000,000. In 1898 the debt had been reduced to £638,000,000.

Up to 1889 the rate of interest was 3 per cent., and Consols were then known as the "3 per cent. Consolidated Annuities." By the National Debt Conversion Act of 1888 the interest was reduced to 2¾ per cent., to be further reduced to 2½ per cent. after 1903. These are generally quoted as "Goschens," Mr. Goschen being the Chancellor of the Exchequer who effected the conversion.

In 1905 the National Debt amounted to £796,736,500, the increase being due mainly to the war in South Africa (commonly known as "the Boer War"), which cost this country £220,000,000. A considerable portion of this, however, was paid out of increased taxation. The great European war has caused an enormous addition to our National Debt.

CHAPTER XXV

RAILWAYS AND RAILWAY GUIDES

Our railway system dates back nearly a hundred years, the first real railway (that from Stockton to Darlington) having been opened in 1825. For nearly two centuries before that date, however, "railways" (worked by animal power) had been in use in the coal districts of the north of England. The earliest construction of this kind consisted of two parallel wooden rails connected by crossbars. As these wooden rails wore out very rapidly, efforts were made to secure a more durable material, and about the year 1740 rails made of cast iron appear to have been used. At first these rails were made with a continuous flange or ledge on their inner side, to keep the wheels on the track, but in 1789 the present style of rail was adopted, the guiding edges being transferred to the wheels, as at present. In 1820 wrought-iron rails were substituted for cast-iron.

Until the year 1810 only animal power had been used for haulage. For about 40 years before then numerous efforts had been made to discover a means of applying steam power for the purpose, but it was not until 1814 that this was accomplished, Stephenson, as is well known, being the inventor. Stephenson's engines were at first applied only to the haulage of goods, and their use was confined to the colliery districts chiefly; but about 1825 Stephenson successfully applied one of them for passenger traffic on the Stockton and Darlington line. The velocity of a railway engine in those days was five miles per hour for goods traffic and nine miles for passengers. The next railway to be constructed, after strenuous opposition on the part of the owners of the land, was one from Manchester to Liverpool. Then branches were made to Warrington and Bolton. Afterwards (in 1834) a line from Birmingham to London was commenced and opened in 1838, this

being the first railway connected with the metropolis. In 1849, 6,031 miles of line were open in the United Kingdom, the passengers numbered 63,843,539, and the railway receipts amounted to £11,806,498. Twenty years later (1869) 15,145 miles of line were open, the number of passengers had increased to 305,764,285, and the receipts to £41,075,321. In 1913 the length of line open in the United Kingdom was 23,691 miles, the number of passengers (exclusive of season ticket holders) was 1,228,300,000, and the total receipts £139,451,000, whilst the paid-up capital amounted to the enormous sum of £1,334,000,000. Of this amount it is estimated that upwards of £50,000,000 has gone in legal and other expenses in connection with obtaining Parliamentary sanction for the construction of the different lines.

The two great trunk routes between London and Scotland are the *East Coast* (the Great Northern, the North Eastern, and the North British) and the *West Coast* (the London and North Western and the Caledonian). The Midland has also a connection with Scotland by means of the North British and the Glasgow and South Western Railways.

Every railway which possibly can makes its way to London. London is the great centre of our railway system, the majority of the companies having their finest stations as well as their offices there.

RAILWAY GUIDES

Having given a sketch of the railway system of the United Kingdom, it remains now to find how to make the best use of the lines for passenger service. Goods traffic we have already dealt with.

Local Railway Guides.—Nearly all the local railway guides (*i.e.*, guides published in Manchester, Bradford, Leeds, &c.) are arranged alphabetically. By "alphabetically" we mean that the place where the guide is published is taken as the fixed point of arrival or departure, while the places to or from which the trains run are given in alphabetical sequence. Consulting a guide of this kind is, therefore, a very simple matter. Take Bradshaw's Manchester Guide, for instance. We are in Manchester and want to go to London. Turn to the letter "L," and under the heading

"London" we find all the trains from Manchester to London and all those from London to Manchester, arranged according to the different lines, and all we have to do is to select the train which best suits our convenience. The London A B C and other guides are arranged on the same principle.

Some local guides are arranged on the index principle. In this case the names of the places are not arranged alphabetically in the *body* of the book, and to find the trains to the place we wish to go to we have first to turn to the alphabetical index at the beginning of the book, and then look on the page there indicated. This again is very simple, and hardly requires any explanation. The Railway Companies' own time tables are also comparatively simple.

Bradshaw.—Bradshaw's large (1/6) Railway Guide, however, is arranged on a much more complicated plan, and necessarily so, because it includes all the railways and all the railway stations in the United Kingdom. It not only shows the passenger trains running between London and provincial stations, but also those between one provincial station and another. Bradshaw is not very easy to read without some practice, but when once its general arrangement is mastered there should be no difficulty in ascertaining the particulars concerning any desired journey.

The "Key to the general arrangement and plan of the guide" will be found on pages xvii. and xix. This shows that there are four indexes, viz. :—

Index to Railways	page	xvii.
,, Main Lines and Local Tables ...	,,	xix.
,, Stations	,,	xxi. to lxv.

In addition to these an index of steamers is given, and the Railway Time Tables for the different divisions of the United Kingdom are shown, grouped thus :—

England and Wales	pages 1 to 837.
Scotland	,, 838 to 940.
Ireland	,, 941 to 979.

This, however, is not of much use except as showing the general arrangement of the book.

Now turn to page 1, on which we find "Directions for using the Guide." These are as follows:—

The Index.—Refer at once to your *destination*. If a place of first importance, "routes" to it from all principal centres will be found, and no difficulty can be experienced; if a place of minor importance, not on a main line, the chief connecting stations will be found in the table.

Cross-country journeys, when not provided for in the "routes," may be traced by the figures upon the large map, showing the pages of the Guide giving the services.

London stations are shown under their respective alphabetical headings.

"Routes" to London from all parts of the country are given under the general head, "London."

Where * precedes the page number (thus, *808), it denotes that the reference will be found in the train columns or in the Notes on the page indicated, and NOT in the Station column.

Branch Lines and Junctions.—When Branch Lines are shown in the Main Line Tables they are indicated by the Stations being indented, i.e., set a little to the right: thus, on page 252, *Sheerness-on-Sea*, *Margate*, &c., are Branches from the Main Line.

To proceed from a Station on a Branch Line to any Station on the Main Line, refer as follows:—

EXAMPLE.—From SHEERNESS DOCKYARD to DOVER.

	Page 255.	mrn
SHEERNESS DOCKYARD	Departure	9 35
Sittingbourne and Milton Regis	arrival	9 53
	Page 252.	
Sittingbourne and Milton Regis	departure	10 35
DOVER	arrival	11 40

When a Branch is *separated* from the table of the Main Line, THE ARRIVAL AT THE JUNCTION WITH THE MAIN LINE must be ascertained, and then reference made to the departure *from* the junction to the place required.

EXAMPLE.—From MARKET HARBORO' to EUSTON.

	Page 471.	aft
MARKET HARBORO'	departure	12 49
Northampton, Jn. with Main Line	arrival	1 22
	Page 441.	
Northampton	departure	1 46
LONDON (Euston)	arrival	3 20

Where a Branch Line is shown, and the arrival on the Branch is later than the departure, as Windsor and Eton, page 28—

		mrn
Slough		10 20
Windsor and Eton	arr.	10 45
	dep.	9 53
Taplow		10 32

Slough is the junction for Windsor and Eton. The arrival 10.45 is the time at which a train arrives at Windsor and Eton from Slough; and the departure, 9.53, the time at which a train leaves Windsor and Eton for Slough to connect with the Main Line.

Bold Figures (130) opposite the name of a Station refer to other pages containing the tables of lines in connection with that point. When placed opposite the name of a Station printed in small capitals (thus, HULL), they imply that the DETAILS to or from that place may be found on the page referred to. Where there are two or more references, and bolder figures are used (**130**), they denote Main Line pages.

Departure and Arrival Times.—Where the abbreviations dep. or arr. are given opposite a Station they indicate that the times shown for that Station are departure or arrival times *only*. In cases where several Stations in the same table show dep. or ,, as on page 428, Euston to Tring, and arr. or ,, as on page 589 Bedford to St. Pancras, a note is inserted giving the Local Table where the departure *or* arrival times may be found.

Other Trains.—Where a train service is not complete on one table, a note is inserted giving the pages where the additional trains will be found. When consulting the tables it is necessary to carefully examine the pages for these notes.

Letter References (thus, *a*, *A*, **a**, **A**, Aa.—Reference must be made to the corresponding letters in the notes.

Dark Lines.—A mark thus, Stop **Stop**, or —— indicates the total stoppage of the train at that point; if any train be shown below in the same column it is an independent one.

Shunts.—These are indicated by a thin line [thus –, or thus –], and show that passengers are enabled to continue their journey by changing into the next train.

See page 428, 5.50 mrn. train from Euston, by which passengers *from Stations to Bletchley* are enabled to pursue their journey by changing at *Bletchley* into the following train.

Signal Stations.—A mark thus, **Sig.**, opposite a Station indicates that the train stops to take up on giving notice at the Station, and sets down on the passenger informing the Guard at the previous stopping Station.

Slip Carriages.—A mark thus, **Slip**, opposite a Station denotes that a Slip Carriage is detached, and passengers wishing to be set down there must be careful to get into that carriage.

Sunday Trains.—Passengers commencing a long distance journey on Saturday or Sunday, when the destination will not be reached till the following day, are recommended to consult the detailed tables covering the whole of the Route (references to which are always given), as the train service on Sundays often differs from that on weekdays. This is especially important where the departure time at the starting point is shown in connection with the tables containing in detail a section only of the journey.

Thus, on pages 504 and 506, for Saturday and Sunday departures from London (Euston), Birmingham, and Manchester, to connect at Crewe, a reference to pages 434 and 436, 481, and 530 respectively, for the intervening services, may prevent misapprehension.

May, 1917.

If we are in doubt as to the lines passed over in going from one place to another, the map at the beginning of the guide should be consulted. This not only shows the railway lines themselves, but also indicates the pages on which may be found the tables referring to the different sections of the lines.

Now for the practical application of these indexes and explanations.

Say we wish to go from Wolverhampton to Bradford.

We first consult either the map or the " Index to Stations," beginning on page xxi.

Turning to " Wolverhampton " (in the Index), we find several references given. Having consulted these we find that the table we want to begin with is on page 428.

At the top of the column containing the names of stations will be noticed the word " *Down.*" This means that the trains there given run *from* London *to* the provinces. On other pages the word " *Up* " appears, meaning that the trains run up to London. In the provinces we speak of going up to London ; in London they speak of going *down* to Liverpool or any other provincial town.

The lateral lines across the page indicate either that the train stops at that point, or that it has arrived at a junction with another line. To ascertain which is the case we must consult the pages indicated in the first column (after the names of the station) as pointed out below.

Now we consult page 428 of the guide to trace our journey from Wolverhampton to Bradford.

Taking the second train given, that leaving at 7.49, we find it arrives at Stafford at 8.12. On page 429 it is shown that the train leaves Stafford at 8.34 and arrives at Crewe at 9.5, and Stockport at 10.22. Opposite the word Stockport is the figure 528 and we turn to this page. Here, however, there is no mention of Bradford or stations on the way to Bradford, and we seem to have reached a deadlock, but on this page also, opposite the word Stockport, references are given, and turning up these we find on page 534 the information we seek. There is a train leaving Stockport at 11.30, reaching Stalybridge at 11.52. Stalybridge

is left at 12.5, and the train arrives in Huddersfield at 12.37. Here we come to a stop again. Below we see "Bradford," where we want to get to. Of the pages there given we find the one we want is 833. From this we see that we have to change at Huddersfield into the train leaving there at 1.44, and we then run on to Bradford, where we arrive at 2.21.

Now we will reverse that journey, going from Bradford to Wolverhampton. As we know we have to go to Huddersfield first, we look in the index and find the page we want is 832. Taking the train leaving Bradford at 1.35, we find it works out thus (according to the guide for May, 1917) :—

Bradford	dep.	1.35	
Huddersfield.....	arr.	2.11	Page 832.
Huddersfield.....	dep.	2.35	
Stalybridge . .	arr.	3.30	Page 538.
Stalybridge . ..	dep.	3.42	
Stockport	arr.	4. 5	Page 538
Stockport	dep.	4.15	
Crewe	arr.	4.51	Page 530.
Crewe	dep.	5.25	
Stafford	arr.	6. 1	Page 442.
Stafford	dep.	6 10	
Wolverhampton	arr.	6.37	Page 442.

A little practice of this kind—planning imaginary journeys—will soon render one familiar with the arrangement of "Bradshaw."

CHAPTER XXVI

INSURANCE

Insurance is the system or machinery by which we as prudent individuals secure peace of mind and immunity from losses which may arise from certain contingencies over which we have no control. There are numerous varieties of insurance, *e.g.*, insurance against *fire*, *perils of the sea*, and *death*, against excess of bad debts, burglary, sickness, and embezzlement by clerks or agents, against claims under the Employers' Liability Acts, accidents to the person, to crops, to cattle, and to plate-glass windows, against the explosion of boilers, and other contingencies.

Insurance does not attempt to prevent these accidents, nor even to protect men against them, it deals only with the *money loss* which accompanies such accidents, and provides a means whereby persons exposed to certain risks may provide against them by payment beforehand of a comparatively small sum of money.

Of the different kinds of insurance just mentioned, the first three are the most important as well as the most common. They are known as *fire insurance*—meaning the insurance of all kinds of property on land against damage or destruction by fire; *marine insurance*—meaning the insurance of ships, goods, &c., at sea; and *life insurance*, by which the payment of a certain sum of money is secured at the death of the individual insured, or in the event of his reaching a certain age.

It is uncertain when insurance business was first transacted. At a very early period merchants insured their vessels and goods against the perils of the sea; ships and goods being insured, it was but a short step to insure the life of the captain for the voyage. All other forms of insurance are of comparatively recent introduction.

We propose to deal here with the forms of insurance which are of value to, and made use of by, business men—excepting *marine insurance*, which we have dealt with already in our volume on the "Import and Export Trade," and dealing with life insurance only in so far as it affects "Partnership Insurance."

It may be convenient to mention here some terms which are applicable to all kinds of insurance :—

The word *Insurance* (or "assurance" as it is sometimes called, more particularly in reference to life insurance) means a contract whereby one party, in consideration of being paid a stipulated sum or premium, undertakes to insure another against a risk to which he is exposed.

The party who takes upon himself the risk is called the *Insurer*.

The party protected by the insurance is called the *Insured*.

The sum paid by the insured is called the *Premium* or *Deposit*.

The instrument containing the contract to insure is called the *Policy*, and

The contingency insured against is called the *Risk*.

FIRE INSURANCE

Fire insurance is a contract wherein one party undertakes *to pay* or *make good* to the other any pecuniary loss or damage by fire which may happen to specified property during a particular period, not exceeding a sum of money named as the limit of the insurance, or of each item thereof, in consideration of an immediate fixed payment or "premium." "Fire" does not include explosion, except in some few instances when caused by gas in premises apart from gas works.

Fire insurance is a matter of practical interest to a very large number of persons. It appeals to every householder, shopkeeper, merchant, and manufacturer, and to every holder of material value, whether his own or held in trust for which he is responsible, as in the absence of insurance, destruction of their premises and property by fire means ruination in the vast majority of instances.

It is difficult to realise what commercial enterprise was like before Insurance came to its aid and development. Trade "ventures" in early days must necessarily have been much restricted and limited in extent, the fear of a catastrophe by fire making it compulsory to limit the amount at stake in any business. Nowadays practically everybody holds a fire policy, and by its assurance, not only the large merchant traders, but also the small retailers are enabled to place the bulk of their resources to the development of their business, with absolute security against loss by fire; and we think it may fairly be said that the enormous undertakings which are the distinctive feature of present day

commerce are largely due to this feeling of security. In smaller businesses it is perhaps more the rule than the exception that the man's whole wealth is comprised in his business, a state of things which could not well exist without the safeguard of insurance.

Turning now to the practical side of Fire Insurance, we find that the risks are classified by the companies and the rates fixed on the presumptive hazard to be covered, based on the record and experience of previous years. All insurances are therefore rated in groups (roughly according to " trades " and " occupations "), but also in more detail, according to the physical nature of individual risks, this being particularly the case in the large industries. This, it can readily be seen, is the only practical method of dealing with the matter, as it is absolutely necessary for companies to have data to work upon.

Certain Fire Insurance Companies, known as " Tariff " Companies, work under an arrangement by which they are commonly bound to charge the same " premiums " for certain classes of " risk." Statistics of the combined Companies give a base or normal rate for a given class of risk, this rate being sufficient only to cover what may be termed a " model " risk of its class. A carefully compiled system of additional rates is provided for features of hazard additional to the model risk. By this means a very wide discrimination is arrived at between varying risks of the same class, but as a matter of fact these " Tariffs," as the tables of rates are called, apply only in a limited degree, the majority of insurances being free from such Tariff regulations. Other companies, which work outside of this arrangement, are known as *Non-tariff Companies.* Although they usually follow the tariff rating, they are usually prepared to allow a slight discount therefrom.

The Proposal.—In making a Proposal for Fire Insurance, the applicant must give to the company or to its representative as much information concerning the risk to be covered as lies in his power. The chief points upon which information is required are (1) the situation and age of the building, (2) construction (so far as regards exterior walls and roof), (3) for what purpose and by whom occupied, (4) the proximity of dangerous property, (5) amount to be insured, and (6) the full names of all parties interested in the property. The information required for the insurance of goods or " stock " is the same as for buildings, and the rates are usually the same in both cases.

In all proposals on trade and business Risks, except the small sale shops, it is the custom for the Company's Surveyor to make an inspection of the premises, pending which a *covering note* may be issued, holding the property insured under a deposit. If the proposal is considered satisfactory from all points of view, the company or agent issues a *charge note* for the premium payable, and the transaction is then completed by the issue of the *Policy*. The balance of premium due is then paid.

The Insurance Companies bestow great care upon the selection of good business, and the weeding out of bad business, as it is upon this that their success or non-success depends.

A Fire Policy becomes renewable every year (unless it is taken out for a shorter or longer period), and the Premium is made payable at one or other of the quarter days, as may be most convenient. The office can use its discretion as to the renewal of any Insurance.

Claims.—Claims are paid on satisfactory proof of loss or damage by fire being made. Immediate notice of loss should be given to the Company, or to its representative, that their *Assessors* may at once receive instructions to ascertain the cause and particulars of the fire, and to examine in detail the *Statement* which has been drawn up by the insured of his loss. The Assessors may effect the latter by comparing the " Statement " with (*a*) the books of account, (*b*) the vouchers and other papers, while if necessary (*c*) the Banker's Pass Book is consulted. In all cases depreciation only is reckoned with, only the actual loss to the insured being paid ; anticipated profit is, of course, not covered.

When a dispute arises in the settlement of a claim, the matter is referred to arbitration before legal proceedings are resorted to.

The Conditions.—The phraseology and conditions of Fire Insurance Contracts vary somewhat, and a person wishing to insure should read the policy very carefully indeed.

One of the most important, and at the same time least known or understood, of the clauses in a Fire Insurance Contract is the *Average Clause.* Under this clause, which is only applicable to the insurance when specially mentioned on the face of the policy, or in the conditions printed thereon, the company only pays to the

insured the full amount of the damage done, provided the property or stock has been covered *up to its full value* in the first instance. Thus, for example, supposing stock to the value of £1,000 is insured for £600 and damage by fire is done to the extent of £500, the owner of the goods will not receive £500 from the Insurance Company, but only $\frac{6}{10}$ of the amount of damage done, viz., £300, and this because only $\frac{6}{10}$ of the value of the goods has been insured in the first instance.

Few persons are aware of this fact, and, when a fire occurs and *pro rata* damages only are paid, they feel deeply aggrieved, having expected to receive full damages to an amount within the sum insured ; and it is often difficult to get them to understand that it is unfair to expect a company to undertake a £1,000 risk in return for premiums on a £600 one only. In such cases a business man really insures himself for the amount not covered, by himself running that risk.

Mortgaged Property.—A mortgagee of property may insure against fire, and add to the principal the premiums he pays.

PARTNERSHIP INSURANCE

Mercantile firms have had to suspend operations, and are often subjected to great inconvenience, by the forced withdrawal of capital consequent on the death of one of the partners. These inconveniencies may be prevented by effecting a joint insurance on the several lives of the partners, the premiums being paid by the firm, or otherwise as may be arranged. For example, two partners aged 30 and 36 may, by paying an annual premium of about £36, while both are alive, secure a capital sum of £1,000 at the death of either—payable to the firm, or as may be arranged. Joint insurance is, however, being superseded by single insurance—a policy being taken out for each partner, because the rate for joint lives is 40 to 50 per cent. higher than for two single lives. Such single insurances are usually found more convenient on dissolution of partnership.

In the selection of an office for the purpose of providing capital sums to meet partnership or other business arrangements, family settlements, &c., the main question, after that of *absolute security*, is which company will provide the best investment at the least

cost, and with the greatest number of guarantees against eventualities and uncertainties; prospectuses may be easily obtained from the various companies, and should be carefully compared; we do not propose, therefore, to deal with this side of the question. The main points of comparison, however, are:—(1) The amount of premium to be paid; (2) the amount of interest earned; and (3) the percentage of ratio of working expenses, and the conditions of policies, *i.e.*, their travel limits, surrender value, non-forfeiture, possibilities of renewal of lapsed policies, days of grace, and options should all be factors in the choice. In proprietary companies the proportion allocated to the proprietors of the ascertained surplus after valuation of liabilities should also be taken into consideration, as this, compared with a mutual company, means increased cost of management, but this by no means assumes that a mutual company gives the best results. Again, in a proprietary company there is the additional security of the capital, &c.

Kinds of Policy.—There are several varieties of policy, *e.g.*, the *Single-Premium Policy*, under which, in return for a lump sum down, the executors or representatives are entitled to a specified sum on proof of death and title; the *Whole-Life Policy*, under which, in return for the payment of an annual premium or deposit during life, a specified sum of money becomes payable at death; and there is the *Endowment or Tontine Policy*, under which a sum of money is payable when a certain age is reached, or, in a modified endowment policy, in the event of death prior to the endowment age.

ASSIGNMENT OF A LIFE POLICY

How to assign a Policy.—Money is often borrowed on the security of a policy, when the mortgagee may keep it up, and add the premiums to the principal lent. Or the policy may be sold outright, when the purchaser may keep it paid up. Again it is sometimes deposited with the bank as collateral security against an overdraft.

When a policy is mortgaged or sold it is usually *assigned* to the lender or purchaser, and these assignments, whether on mortgage or on sale, should be *in writing*.

When a policy is assigned by way of mortgage it is better to employ a solicitor. But when the assignment is absolute, *i.e.*, when the policy is sold out and out, his services may be dispensed with.

The purchaser may himself prepare the assignment. From a stamp-distributing office a sheet of foolscap, impressed with the proper stamp, should be obtained, and the assignment in the following form written upon it :—

I, JOHN DOE, of No. 78, Lavender Hill, London, in the County of Surrey, gentleman, in consideration of the sum of twenty pounds paid to me by JOHN LINDSAY, of Canterbury, in the County of Kent, gentleman, the receipt of which I hereby acknowledge, do hereby as beneficial owner, assign unto the said JOHN LINDSAY, his executors, administrators, and assigns, the Policy of Life Assurance under the life of myself, granted to me by the Business Assurance Company, assuring the sum of one hundred pounds, and numbered 006, and bearing date the thirteenth day of July, 19..., and the sum of one hundred pounds assured thereby and all other moneys, benefits, and advantages, to be received thereunder. In witness whereof I have hereunto set my hand and seal this second day of September, 19.....

Signed, sealed, and delivered by the above-named John Doe, in the presence of JOHN SMITH, draper, 136, Wandsworth Rd., London. } JOHN DOE. (SEAL.)

The purchase money should be written in words and not in figures. The stamp duty is the same as for conveyances. It depends not upon the amount for which the policy is issued, but upon the amount paid for its purchase.

Notice of the assignment should then be sent in duplicate to the assurance office. The Secretary will retain one copy, and on the other he will endorse acceptance of service and return to you.

The notice may be in the following form :—

To the BUSINESS ASSURANCE COMPANY,
NO. 24, FLEET STREET, LONDON, E.C.

I, the undersigned, JOHN LINDSAY, of Canterbury, in the County of Kent, gentleman, do hereby give you notice that by an instrument in writing dated the second day of September, 19..., JOHN DOE, of 78, Lavender Hill, London, in the County of Surrey, gentleman, did for the consideration therein expressed absolutely assign unto me, my executors, administrators and assigns, the Policy of Assurance upon his life granted for the sum of one hundred pounds, and bonuses by the said Business Assurance Company dated the thirteenth day of July, 19..., and numbered 006.

Dated this second day of September, 19.....

JOHN LINDSAY.

Companies are entitled to charge a fee of five shillings for acknowledgment of the notice. The purchaser should on completion of the purchase have possession of the policy as well as the assignment, and of the last receipt for payment of the premium. In order to prevent the possibility of a question arising afterwards as to the correctness of the age, and thereunder the sufficiency of the premium, proof of age should be furnished to the Assurance Company, and an admission of its correctness endorsed on the policy by the Secretary of the Company.

All documents affecting the title of a life policy should be retained in just the same way as documents affecting title to a house are retained ; for instance, on a reassignment of an assigned policy, both the assignment and the reassignment will be required before a claim is paid, although the latter cancels the former.

EMPLOYERS' LIABILITY INSURANCE.

Under the Workmen's Compensation Act, 1897, the employer was liable for all accidents, preventable or otherwise, to his workmen, whilst in his employ, provided the employment was "on, in, or about a railway, factory, mine, quarry, or engineering work." By the amending Act of 1906 (which came into operation on 1st July, 1907) this restriction was removed and the benefits of the Act extended to every class of labour except police-constables, outworkers, and such like. Clerks and domestic servants are now included. The Act also covers "industrial diseases"—anthrax, lead poisoning, mercurial poisoning, arsenic poisoning, and anklyostomiasis.

The scale of compensation is comprised in the first schedule of the Act, and reads :—

(1) The amount of compensation under this Act shall be—

(a) Where death results from the injury—

(i) If the workman leaves any dependents wholly dependent upon his earnings, a sum equal to his earnings in the employment of the same employer during the three years next preceding the injury, or the sum of one hundred and fifty pounds, whichever of those sums is the larger, but not exceeding in any case three hundred pounds, provided that the amount of any weekly payments made under this Act, and any lump sum paid in redemption thereof, shall be deducted from such sum, and,

if the period of the workman's employment by the said employer has been less than the said three years, then the amount of his earnings during the said three years shall be deemed to be one hundred and fifty-six times his average weekly earnings during the period of his actual employment under the said employer.

(ii) If the workman does not leave any such dependents, but leaves any dependents in part dependent upon his earnings, such sum, not exceeding in any case the amount payable under the foregoing provisions, as may be agreed upon, or, in default of agreement, may be determined, on arbitration under this Act, to be reasonable and proportionate to the injury to the said dependents; and

(iii) If he leaves no dependents, the reasonable expenses of his medical attendance and burial, not exceeding ten pounds.

Provided that:—

(a) If the incapacity lasts less than two weeks no compensation shall be payable in respect of the first week; and

(b) As regards the weekly payments during total incapacity of a workman who is under twenty-one years of age at the date of the injury, and whose average weekly earnings are less than twenty shillings, one hundred per cent. shall be substituted for fifty per cent. of his average weekly earnings, but the weekly payment shall in no case exceed ten shillings.

The employer is not liable to pay compensation:—(1) In respect of an injury which does not disable a workman for a period of at least one week from earning full wages at the work at which he was employed, nor even for that week unless the incapacity lasts for at least a fortnight; or (2) If the injury is due to the workman's own serious and wilful misconduct, unless the injury results in death or serious and permanent disablement.

If the Registrar of Friendly Societies certifies that any scheme of compensation or insurance for workmen is, on the whole, not less favourable to the workman than the provisions of this Act, the employer may, until the certificate is revoked, contract with any workman that the provisions of the scheme shall be substituted for the provisions of the Act, and that the employer shall be liable only under the scheme.

Various Insurance Companies are prepared to insure the employer's risk.

OTHER KINDS OF INSURANCE

Boiler Insurance.—Boiler insurance provides for the *inspection* and insurance of boilers, economisers, steam keirs, and of any vessel subjected to steam pressure. The policy covers the holder

against the explosion of the boiler and the collapse of the flue; against damage done to surrounding property of whatever description, resulting from these contingencies; also against claims for personal injuries to workpeople and other persons resulting from the above accidents. The major portion of the income of companies transacting the above class of insurance is spent upon a system of expert inspection of boilers, &c., organised with a view to *preventing* accidents from taking place.

Fidelity Guarantee Insurance.—Fidelity guarantee insurance provides a means whereby employers secure indemnity against loss through the dishonesty of employés, and under one policy employers can guarantee the whole of their staff for a specific sum.

The guarantee of an established company is accepted in preference to private sureties, while counter guarantees are granted to private sureties, indemnifying them from all liability. Employés occupying or seeking to occupy positions of trust can thus guarantee themselves, which places them in a position of independence.

Accident to the Person.—Accident Insurance is a means of providing against loss of income and increased expenditure attendant upon all kinds of accident and disease.

Employers are frequently bound by agreement to pay salaries to heads of departments and others during sickness, and this liability can be provided for by a policy under this head.

Burglary Insurance.—The contents of shops and private residences may be covered against Burglary and Housebreaking. The following instance serves to show the necessity for carefully reading the conditions of every policy before insuring:—A thief entered a shop about mid-day, snatched and made off with several valuable articles. He was not traced. The shopkeeper was insured against burglary, and the Insurance Company were within their legal rights in denying liability, as the loss was due to theft and not to burglary.

Remaining Forms of Insurance.—Persons can also insure against (1) accidents to plate-glass windows, to crops, to cattle, &c.; (2) loss through excess of bad debts; (3) for credit guarantee; (4) loss on investments; (5) the break-down of steam and of gas engines; (6) loss of rent while houses are being rebuilt; (7) for sanitary inspections; (8) and against loss of season tickets, cycles, keys, and other contingencies.

IMPORTANT POINTS RELATING TO INSURANCE

The Contract.—Any person except a lunatic may insure. The contracts of married women are specially regulated by the Married Women's Property Acts, and the contracts of infants are voidable by them.

The two main principles of insurance contracts are :—(1) They are contracts of indemnity (except life policies), that is, only the damage sustained can be recovered ; (2) they require the utmost good faith in the parties.

In case of damage the insured can only claim the difference between the value of the subject insured immediately before and after the fire, and he has no power to abandon the salvage, or say " you *must* give me the full value and you can retain the salvage." On payment of a loss the insurer is entitled to a transfer to him of all rights and remedies of the insured. In no insurance contract, except accident policies, can the insured retain both the sum insured and compensation or damages to which he is entitled from any other source.

From the doctrine that extreme good faith is required, it follows that the statements made by the insured, which are the basis of the contract, must be *bona fide*, accurate, and complete. These statements are usually embodied in the " proposal," which should be drawn very carefully, as even an innocent mis-statement may invalidate the policy.

A change of the facts on which a proposal for insurance which has been accepted is based, occurring *before* the completion of the contract, by payment of premium and issue of the policy, justifies the insurer in refusing to complete the contract.

If a policy is set aside on the ground of the fraud of the insured, the premiums paid need not be returned ; but if the policy be set aside on other grounds, such as innocent misrepresentation, or want of insurable interest, the insurer may recover the premium paid.

Insurable Interest.—To prevent gambling in insurance, the law invalidates policies on lives and events in which the insurer has no interest. In answer to the question, " What is an insurable interest ? " we may point out that everyone has an interest in his

own life ; a son in the life of a parent, if the parent supports him ; a sister in that of a brother, in similar circumstances. A wife has an interest in her husband's life, but a husband has no interest in the life of his wife except in such cases as where in her own right she has an income which ceases at her death, or where she has a separate estate, and is in *bona fide* partnership with her husband in some business ; nor has a parent in that of his child. An employer has an interest in the life of his workman, or clerk ; and a creditor in that of a debtor to the extent of his debt. The interest must not be fictitious or created for the purpose of insurance.

Additional Points.—Suicide is (apart from the conditions of the policy) a defence to an action on a life policy, and arson to an action on a fire policy. Most companies do not now bar suicides, except during a short period, frequently twelve months immediately following the inception of the insurance.

The object of giving " days of grace " is chiefly to prevent the policy from lapsing through an oversight on the part of the insured. If a fire occur, or death ensue, during the days of grace, while the premium is unpaid, the insured is at the mercy of the insurer, unless the policy or conditions provide the contrary.

If fire occurs after the insured has contracted for the sale of the article insured, but before the completion of the purchase, the seller cannot recover anything under his policy, for he has no interest to be destroyed, and money paid to him must be refunded. The *purchaser* is the party to recover, if insured.

Agents.—Ordinary local agents of insurance companies have authority only to receive proposals and submit them to the company. They usually have power to hold covered during such submission, but not to definitely accept a proposal, and they are usually instructed not to hold proposers covered in risks of large magnitude, or particular hazard. But a renewal premium paid to an agent would be a good payment to the company, provided a receipt be given on an office form. The agent has no power to give credit. In the absence of evidence to the contrary, receipt by an agent of a renewal premium is a waiver of a forfeiture of the policy.

CHAPTER XXVII

THE METHOD OF OBTAINING PAYMENT THROUGH THE MEDIUM OF THE COUNTY COURTS

The object of the present chapter is to show clearly the method by which business men may properly proceed by means of the County Court to obtain payment of accounts or debts which are in arrear, and which they have reason to believe will not be paid except under compulsion.

ROUTINE OF THE COUNTY COURT

The County Courts are established to try, amongst other matters, actions arising from business transactions involving sums of money ranging up to £100, and to facilitate the recovery of small debts.

The Ordinary Summons.—The issue of what is termed an "Ordinary Summons" generally begins the cases which are tried in the County Courts, and this is readily obtainable. All one has to do is :—

1. If the debt exceeds 40s. in amount, to make *two copies* of the debtor's account, giving fullest particulars (if the debt does not exceed 40s. these papers are unnecessary) ;
2. To take these documents to the office of the Clerk of the County Court ;
3. There to fill in a form, which is provided, and which is termed a *Præcipe* (in this form your name and address and the debtor's name and address, his trade, the amount claimed, and the cause of action are given) ;
4. Next to hand this "Præcipe" (with the two papers above-named, when necessary) to the clerk ; and lastly
5. To pay the fee, which is charged at the rate of 1s. in the £ or portion of a £ up to £20, above which amount poundage is estimated on £20 only.

Plaint Note.—Having duly received the fees, &c., the Registrar or his clerk issues to the person suing (now called the "plaintiff") a document termed a *Plaint Note*, which gives (1) the plaintiff's name, (2) the name of the person sued (now called the "defendant"), (3) the number of the case, (4) the amount of fees paid, and (5) the day and hour when the case will be heard in Court. This Plaint Note must be *produced* at *each* further step taken in Court.

The Registrar's clerk then makes out the Ordinary Summons and hands it to the High Bailiff of the Court, whose duty it is to serve it upon the defendant. The latter, on its receipt, may elect to follow one of several courses, due notice of which is given on the back of the summons, viz. :—

1. He may pay the amount into Court ;
2. He may, if only a portion of the amount sued for be due, pay into Court such portion which he alleges is due ; or
3. He may sign a confession of the plaintiff's claim before the Registrar, or even before a Solicitor, and forward this confession to the Registrar of the Court where he is being sued. But this must be done at least five days *before* the Hearing Day.

The plaintiff is notified by the Registrar of the County Court as to the course which the debtor has elected to follow.

Hearing Day.—On the Hearing Day, if the amount sued for is not then paid, the plaintiff or his representative must attend the Court at the time stated in the Plaint Note, and bring with him all witnesses and documents necessary to prove the indebtedness of the defendant.

If, when the case is called over before the Registrar, the defendant does not appear, or appears and admits the claim, the Registrar hears the plaintiff's proof and makes such order as to payment, by instalments or otherwise, as may to him seem just and reasonable.

If the defendant appears and disputes the claim, the matter is taken before the Judge if the amount in dispute be above 40s., but if it be under that amount it goes before the Registrar, unless both parties specially desire to have the Judge's decision in the matter. In either case hearing fees of from 1s. to 2s. in the £ have then to be paid.

Default Summons.—A process quicker than that of the ordinary summons is available in cases where the amount claimed exceeds £5, also in actions for the recovery of the price or hire of goods sold or hired to the debtor to be used by him in the carrying on of his business; this is in the issue of a *Default Summons*, which as a rule costs 2s. more than an ordinary summons.

A Præcipe similar to the one used for ordinary summonses is filled in, but in addition an *affidavit* must be filled in, sworn to, and signed by the plaintiff or by a person in his employ, as follows :—

14D.—*Affidavit of Debt for issue of Default Summons against Defendant within the District.*

HOME.

51 & 52 Vic. c. 43, s. 86, Order V., Rule 9, c. 10.

In the County Court of Blankshire, holden at Blanktown.

(1) Name, residence, and occupation of deponent.

I (1) *Thomas Sonjack*, of *Linen Street, in the City of Blanktown, Clerk*, make oath and say as follows :—

(2) Proposed defendant's name, residence, and occupation.
(3) Me, or to me and my co-partners A and B (or as the case may be).
(4) Or money lent (or as the case may be).

That (2) *James Barnmother*, of *Long Street, in the said City of Blanktown, Tailor*, is justly and truly indebted to (3) *Messrs. Storm and Company, Limited*, of *Short Street, in the said City of Blanktown, Drapers*, in the sum of *£4 : 19 : 9* for the price of goods sold. (4)

Strike out these paragraphs where claim is over £5.

(5) Or the plaintiff's.
(6) Or value or hire.
(7) Or let on hire.
(8) Name of proposed defendant.
(9) Or profession or calling.
(10) Occupation.
(11) Name of proposed defendant.

That my (5) *or Plaintiff's* claim is for the price (6) of goods which, or some part of which, were sold and delivered (7) to the said (8) *James Barnmother*, to be used or dealt with in the way of his trade (9) of a (10) *Tailor*.

And I further say that the said (11) *James Barnmother* is not a domestic or menial servant, a labourer, a servant in husbandry, a journeyman, an artificer, a handicraftsman, a miner, or a person engaged in manual labour.

(12 and 13) Name of proposed plaintiff.

That I am a person in the employ of the said (12) *Storm and Company, Limited*, and that the facts herein deposed to are within my own knowledge, and that I am duly authorised by the said (13) *Storm and Company, Limited*, to make this affidavit.

Sworn at *Blanktown*, in the County of *Blankshire*, the *6th* day of *September*, 19.....

Before me,

Harry Curser,

Thomas Sonjack.

A CLERK to the REGISTRAR of the County Court of Blankshire, holden at Blanktown, nominated to administer oaths.

On presentation of (1) the affidavit, (2) two copies of the claim, (3) the Præcipe, and (4) payment of the fee, the summons is issued, and later duly served by the bailiffs, a *Plaint Note* being handed to the plaintiff as in the issue of the ordinary summons.

The essential difference between an ordinary and a default summons is that by the latter the plaintiff is entitled to get a judgment *without a hearing* if the debtor does not intend to defend the action, but if he elects to defend it the case proceeds as before, a day being fixed for the hearing.

If no notice of defence is received within eight days of the Default Summons being served, the plaintiff attends at the Registrar's office, produces the Plaint Note, and pays the fee of 1s. in the £ on the debt, when judgment is entered against the defendant.

Cases in Distant Districts.—It will be readily understood that it would be a great inconvenience to a business man, residing say in Leeds, to be obliged to proceed to London or Bristol to prove his case against a debtor residing there, so provision has been made whereby a person may sue for a debt in a Court in any town wherein any part of the action arose. In order, however, to be able to sue in a town where the defendant is not residing or carrying on business, it is necessary that an "affidavit" should be made in both ordinary and default cases on a form provided, and that the permission to do so must be obtained from the resident Registrar.

The case is then entered in the usual way, except that *a copy* of the affidavit must be handed to the Registrar, who attaches it to the summons which is served on the defendant.

Withdrawal of Sums paid into Court.—When judgment is given against a defendant, he is instructed to pay into court the amount, together with the costs incurred, within a specified time, and all sums of money exceeding 10s. may be withdrawn from Court on production of the *Plaint Note.*

Overdue Bills of Exchange.—When suing in the County Courts on an overdue bill of exchange, no affidavit is necessary unless the defendant resides at a distance, but a Præcipe must be filled in, and two copies of the particulars of the claim must be made out stating :—

> "*The Plaintiff claims £25 for principal and interest due to him as endorsee (or payee) of a Promissory Note for Twenty-four Pounds,*"

and these must be accompanied by a copy of the Bill and of all its endorsements. Then on payment of a fee the summons is issued.

In this case *no* appearance can be entered unless the debtor can within twelve days show by an affidavit that he has a good defence to the action. If he cannot do this, judgment is entered the same way and by the same procedure as on an undefended default summons.

Procedure in Default of Payment.—We will now deal with the procedure followed in default of payment by a debtor after judgment has been made either *in Court* or *by default.* The procedure is the same in all cases. The plaintiff may seek remedy (1) *by execution* against the goods of his debtor, or (2) by *judgment summons, execution, or commitment.* Should a plaintiff wish to issue an execution he must attend at the Registrar's office with the following form duly filled in :—

No. of Judgment Summons,.....

INSTRUCTIONS FOR EXECUTION OR COMMITMENT

No. of Plaint.

Plaintiff's Name in full ...	
Plaintiff's Address and No. of the House, and trade	
Defendant's Name in full ...	
Defendant's Address and No. of the House, and trade	
Solicitor or Agent	

Any money received by the Plaintiff from the Defendant since the judgment, must be paid into Court, before execution can issue.

No Execution will be issued without the production of the Plaint Note.

	£	s.	d.
Debt			
Cost of Summons and Hearing			
Solicitor's Costs ...			
Subsequent Costs...			
Paid			
(Not Due) ...			
Balance owing ...			

and accompanied by the *Plaint Note.* The ever-recurring fee being paid, the Registrar issues a *Warrant of Execution* instructing the High Bailiff of the Court to seize the goods of the defendant or

debtor and levy therefrom the amount claimed, and this the bailiff proceeds to do by selling the goods by auction until the required amount is reached, unless "paid out" by the defendant previously.

Judgment Summons.—Should the alternative method of pressure, viz., a *Judgment Summons*, be chosen, the following form must be filled in :—

Application for Judgment Summons. No. of Plaint,

No. of Judgment Summons,

THE DEBTORS ACT, 1869.

In the County Court of Yorkshire holden at Leeds.

Plaintiff's Name.....
Address.....
Occupation.....

Defendant's Name.....
Address.....
Occupation.....

This part not to be filled up.

	£	s.	d.
day of 19..... Debt and Costs			
day of 19..... Deduct Amounts (if any) Defendant was imprisoned for before date of order			
Add Costs of previous Judgment Summonses, &c. (if any)			
Deduct: Paid into Court otherwise than under Execution against the Goods			
Deduct: Under Execution against the Goods (after deducting costs of Execution)			
Deduct: Amount in respect of which Defendant has been imprisoned since date of Judgment (or order)			
Deduct: Amounts which were not required to have been paid before the date of this Summons ...			

and presented, together with a judgment summons plaint fee, to the Registrar, who thereupon issues a *judgment summons*. This must be served personally on the defendant. It requires him to appear before the Court on the day stated in the summons.

At the hearing, the defendant (now called a "judgment debtor"), if present, can be examined as to his means, and the Judge, if satisfied that the judgment debtor has had the means to pay since judgment was passed, may order him to be committed to prison for contempt of Court in not obeying orders.

Warrant.—If no notice be taken of the judgment summons, the judgment *creditor* may apply for the issue of a *Warrant* under which the High Bailiff arrests the judgment debtor, who will be lodged in the district gaol for the time specified in the order of the Court.

Should the debtor reside out of the district, provision is made under which, *by affidavit*, the foregoing procedure may be carried through from a distance.

WRITS

Recovery of Debts.—If the debt amounts to more than £100, the best course one can pursue in order to bring pressure to bear upon a debtor is to instruct a solicitor (1) to write requesting prompt payment of the account; and, failing a satisfactory reply, (2) to follow up this letter by issuing a *writ*.

When the debt amounts to between £20 and £100, the same course is recommended, provided one is tolerably certain that the case *will not be* defended, this method being much quicker than that of the County Court (the County Court should be adopted if the case *will be* defended), while the cost is about the same.

CONCLUSION

The ordinary every-day procedure of the County Courts has now been explained; there are, however, in addition, many side issues with which it is undesirable to deal in a chapter such as the present one. When such issues arise it would be well to seek professional assistance.

CHAPTER XXVIII

METHOD OF OBTAINING PAYMENT FROM A BANKRUPT'S ESTATE

The present Bankruptcy Law is regulated by the Bankruptcy Acts of 1883 and 1890, the Act of 1890 being an amendment of the Act of 1883 principally in regard to the mode of proceeding by scheme of arrangement or composition, and also in regard to a more stringent regulation as to the bankrupt's discharge. There were great abuses under the Acts prior to the present one.

Bankruptcy Law has special features of its own which require serious study, training, and experience before they can be mastered.

The object of the present chapter is merely to set out clearly and concisely the procedure which a business man may correctly follow in order to claim to participate in the assets of a bankrupt, and to rank equally with other creditors for dividend in the estate.

At present few persons are able to do this in a satisfactory manner without professional assistance. We hope, however, by taking simple cases, and by explaining the process step by step, to make the process quite clear and intelligible.

Statement of Affairs.—When a person files a petition in bankruptcy, or is adjudicated bankrupt, the Official Receiver requires him to draw up a declaration called the debtor's "Statement of Affairs," in which the bankrupt is required to disclose all his possessions and to give a complete "List" of the persons to whom he is indebted, to each of whom the Official Receiver sends due notice of the bankruptcy, together with the official forms which, when filled up, enable each creditor to prove his debt.

But it sometimes happens that a bankrupt either wilfully or otherwise *omits* the names of certain creditors from this sworn statement, the result being that such undisclosed creditors receive no notice from the Official Receiver, and consequently may, and sometimes do, learn nothing of their customer's insolvency until after the *final dividend* has been paid, when, of course, their claims are unprovided for.

Such bankruptcies may, of course, be discovered in several ways, but chiefly by following the list of failures recorded week by week in trade and official organs such as *Stubbs' Gazette*, the *London Gazette*, &c.

Assuming, then, that the only notice we have of the insolvency of a customer of ours in business in a distant town is that appearing in *Stubbs' Gazette*, what are we to do?

Sending Notice of Claim.—We ought, without delay, to turn to our ledger, make an exact copy of the bankrupt's account, and forward it to the Official Receiver for the district in which the bankrupt has carried on his business, with a "notice of claim" worded somewhat in the form of the following letter:—

Encl. MANCHESTER, *26th September, 19*.....

DEAR SIR,

We notice in *Stubbs' Gazette* that a debtor of ours, John Sonwil, late of the Boot and Shoe Supply Stores, West Street, Sheffield, has filed his petition in bankruptcy. As we have received no official intimation thereof, we beg to enclose a statement of our account against him, and shall feel obliged by your forwarding to us the necessary papers to enable us to prove our claim.

Yours faithfully,
SHARPE, PARKER & Co.

On receiving this letter the Official Receiver consults the bankrupt's Statement of Affairs, and, finding that our name is not included therein, adds it to the "List," and then forwards to us (1) the *Summary of his Observations* on the bankrupt's Statement of Affairs, and (2) the official forms which, when filled up, enable us to *prove the debt*.

The Official Receiver's Summary, of which the following is an example, should be carefully noted and preserved.

Official Receiver's Summary of Observations.

Creditors are particularly requested to attend to these dates, and also to the directions on the forms of Proof and Proxy.

THE BANKRUPTCY ACTS, 1883 & 1890.

In the COUNTY COURT of BLANKSHIRE holden at BLANKHAM.

In Bankruptcy. No. 89 of 19.....

Re HENRY JAMES, residing at 21, Kensington Terrace, Dunbar, in the County of Blankshire, Gardener's Labourer, lately carrying on business at High Hill Nurseries, Dunbar, aforesaid, as a Gardener.

DEBTOR'S PETITION. **SUMMARY CASE.**

(Under Receiving Order dated the 28th day of July, 19.....)

NOTICE IS HEREBY GIVEN that the **FIRST MEETING** of the Creditors in the above matter will be held at my offices, **11, West Street, Blankham,** on the **29th** day of **August, 19.....**, at **Eleven** o'clock in the forenoon, for the purpose of receiving a report by the Official Receiver upon the position of the estate.

The Debtor has been adjudged bankrupt, and an order for summary administration has been made by the Court. Under Section 121 of the Bankruptcy Act, 1883, the Official Receiver is the Trustee in the bankruptcy; but the Creditors can, by Special Resolution, appoint a Trustee in his place.

To entitle you to vote thereat your **PROOF** must be lodged with me not later than **Twelve** o'clock on the **28th** day of **August, 19.....**

A form of Proof and forms of General and Special Proxy are enclosed herewith. **PROXIES** to be used at the Meeting must be lodged with me not later than **Four** o'clock on the **28th** day of **August, 19.....**

The **PUBLIC EXAMINATION** of the Debtor is fixed for the **1st** day of **September, 19.....**, at **Eleven** o'clock in the forenoon, at the **County Court House, West Street, Blankham.**

Any Creditor who has tendered a proof, or his representative authorised in writing, may question the Debtor on his Public Examination concerning his affairs and the causes of his failure.

(The Debtor's Statement of Affairs has been lodged, and Summary is below.)

SUMMARY OF DEBTOR'S STATEMENT OF AFFAIRS.

Gross Liabilities.	Liabilities (as stated and estimated by Debtor).	Expected to rank.
£ s. d.		£ s. d.
278 9 11	21 Unsecured Creditors as per list (A.)	278 9 11
9 19 0	2 Creditors for rent, &c., recoverable by distress, as per list (F.)	9 19 0
2 18 9	1 Creditor for rates, taxes, wages, &c., payable in full, as per list (G.) ..	2 18 9
	Deducted contra	£12 17 9
£291 7 8		£278 9 11

Assets (as stated and estimated by Debtor).	Estimated to Produce.
	£ s. d.
Property as per list (H.), viz.:—	
Growing crops and tenant right ..	12 0 0
Furniture	1 5 0
Other property, viz.:—	
Balance sale account of nursery stock	17 3 2
Total as per List (H.) ..	£30 8 2
Deduct 3 Creditors for distrainable rent, and preferential rates, taxes, wages, sheriff's charges, &c. (per contra)	12 17 9
	£17 10 5
Deficiency explained in Statement (K.)	260 19 6
	£278 9 11

CAUSE OF FAILURE.—The debtor alleges "Loss on sale by auction and labour in laying out Nursery."

OFFICIAL RECEIVER'S OBSERVATIONS.—Bankruptcy filed on service of County Court Summons, and threatened proceedings by other creditors.

The Nursery plant and stock was sold on 17th July last, after service of a writ for £237 6s. 8d.; the amount realised is only £17 3s. 2d., which is subject to a lien for £2 odd for Solicitor's charges.

The liabilities consist of:—	£	s.	d.
1 Creditor for borrowed money ...	237	6	8
4 Creditors for Trade Accounts ...	12	13	11
1 Doctor's Bill	9	15	0
15 Creditors for Household Accounts	18	14	4
	£278	9	11

On 26th July, 19..., Bankrupt became tenant of about six acres of land at Dunbar, which he worked into Nursery Gardens, with money advanced by Mr. H. W. Johnson, who, in November last, declined to provide any more money, and on 13th December, 19..., a notice of dissolution of partnership, if existing, was gazetted, Bankrupt to continue the Nursery and pay 5 per cent. interest to Mr. Johnson until repayment of the amount due to him.

Bankrupt alleges he was unable to repay, and the deficiency arises from payment for labour in clearing the land, loss on sale by auction and household expenses, there being no profit from the Nursery.

WILLIAM JONES,

BLANKHAM, 21*st August*, 19..... Official Receiver.

Proving the Debt.—The Proof of Debt may be made in several ways, *e.g.* :—(1) It may be lodged by the creditor in person; (2) by a clerk or other person in the employ of the creditor; or (3) by the secretary or other official of a company, &c. By striking out, in accordance with the marginal directions, the clauses which do not apply in the official form provided, the reader may readily fill in this form so that it may apply in any of the foregoing cases.

Proof by Secretary of Company.—We here give an example of a case in which the debt was proved by the Secretary of a company, and one in which the particulars of the debt owing,

instead of being attached, as is sometimes the case, were inscribed on the back of the form :—

No. F. 72.

Proof of Debt.
General Form.

No. on S/A.....

THE BANKRUPTCY ACTS, 1883 AND 1890.

In the County Court of *Blankshire*
holden at *Blankham*

IN BANKRUPTCY No. ([a]) *80* of 19.....

RE ([a]) *Henry James.*

I ([b]) *John Wilson* of *Blankham*, in the County of *Blankshire, Secretary of the Blankshire Brewery Co. Limited*, make oath and say :

(c) That I am in the employ of the undermentioned Creditor, and that I am duly authorised by to make this affidavit, and that it is within my own knowledge that the debt hereinafter deponed to was incurred, and for the consideration stated, and that such debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

(d) That I am duly authorised under the seal of the company hereinafter named, to make the proof of debt on its behalf.

That the said *Henry James* was, at the date of the Receiving Order, viz. :—the *20th* day of *July*, 19..., and still *is* justly and truly indebted to ([e]) *The Blankshire Brewery Co. Ltd., whose registered office is situate at the Arthington Brewery, Town Street, in the said City of Blankham* in the sum of *Seventy-five* pounds *fourteen* Shillings and *eight* Pence *for* ([f]) *amount of a final Judgment recovered by the said Company against the said Henry James in the High Court of Justice, Queen's Bench Division, Blankham District Registry on the 10th June, 19...*, as shown by the *Account endorsed hereon for which sum or any part thereof I say that I have not nor hath ([g]) *the said Company* or any person by ([h]) *my or its* order to my knowledge or belief for ([h]) *its* use had or received any manner of satisfaction or security whatsoever ([i]):—

(a) Here insert the number of matter and the name of Debtor as given on the notice of meeting.

(b) Fill in full name, address, and occupation of deponent.

If proof made by Creditor strike out clauses (c) and (d).
If made by Clerk of Creditor strike out (d).
If by Clerk or Agent of company strike out (c).

(e) Insert "*me* and to "C. D. and E. F., my "co-partners in trade," if any, *or if by Clerk, insert name, address and description of principal.*
NOTE.—*In case of a firm, the names of all the partners must be set out in full.*

Debt £75:14:8
Contra £—:—:—
£ 75:14:8

NOTE THIS

(f) *State consideration* [*as*—Goods sold and delivered by me] [and my said partner] to him [or them] at his [or their] request between the dates of [or monies advanced by me in respect of the undermentioned Bills of Exchange] *or as the case may be.*
*Strike out the words not applicable.
(g) "My said partners "or any of them" *or* "the "above-named Creditor" *as the case may be.*
(h) "My" *or* "our" *or* "their" *or* "his" *as the case may be.*

You should attend carefully to these Directions.

(*f*) Here state the particulars of all Securities held, and where the Securities are on the property of the Debtor, assess the value of the same and if any Bills or other Negotiable Securities be held, specify them in the Schedule.

N.B.—Bills or other Negotiable Securities must be produced before the proof can be admitted.

Date.	Drawer.	Acceptor.	Amount.	Due date.

Admitted to vote for
£ : :
this day of 19....

Official Receiver.

Admitted to rank for Dividend for
£ : :
this day of 19....

Trustee.

Sworn at *Blankham*

in the County of *Blankshire*

this *12th* day of *August* 19...

Before me *E. Ward,*

A Commissioner for Oaths.

(Signed)

Deponent's Signature } *John Wilson*

Where the debt proved for exceeds £2, a Shilling Bankruptcy stamp must be affixed here, or a postal order for 1s. be sent to the Official Receiver, as otherwise the proof cannot be admitted. Postage Stamps cannot be accepted.

NOTE.—*The Stamp must not be defaced by the Creditor.*

THE PROOFS CANNOT BE ADMITTED FOR VOTING AT THE FIRST MEETING UNLESS IT IS PROPERLY COMPLETED AND LODGED WITH THE OFFICIAL RECEIVER BEFORE THE TIME NAMED IN THE NOTICE CONVENING SUCH MEETING.

On the back of the preceding statement the following would be written in the place provided for it :—

DATE.	CONSIDERATION.	AMOUNT. £	s.	d.	REMARKS. *The Vouchers (if any) by which the Account can be substantiated should be set out here.
19..... *10th June*	*To amount of a final judgment recovered by the said Company against the said Henry James in the High Court of Justice, Queen's Bench Division, Blankham District Registry, on this date ... ...*	*75*	*14*	*8*	

Signature of Deponent *John Wilson*

Signature of Commissioner or Officer administering Oath } *E. Ward*

A shilling *bankruptcy stamp* should be affixed, as directed (but not cancelled), before finally despatching the proof of debt to the Official Receiver.

First Meeting of Creditors.—Proxies. If a creditor is unable to attend the first meeting of creditors, he may be represented there by proxy, which may be either "general" or "special." A *general proxy* may be given (1) to a person in the regular employ of the creditor, or (2) to the Official Receiver. A *special proxy* may, however, be given to any person, but the specific points on which the proxy is desired to act must be clearly indicated beforehand in the body of the form of proxy, in the filling in of which little difficulty should arise provided the marginal directions are carefully followed. It should be noted that it is absolutely essential that the authority at the foot of the form of proxy be filled in in the handwriting of the person giving the proxy, and that it is quite a daily occurrence for proxies to be invalidated through faulty filling in.

Scheme of Arrangement or Composition.—At the first meeting of creditors the debtor, substantially guaranteed by his friends, may submit a proposal for composition of so much, usually more than 7s. 6d. in the £. If this offer is made previous to the meeting, the Official Receiver's report thereon will have been placed in the hands of the creditors, and they, acting upon his report and advice, may decide to accept or reject the offer. If the offer is accepted, the composition will be distributed through the Official Receiver or the Trustee in practically the same way as a dividend, the bankrupt receiving his discharge as soon as the last instalment of the composition has been paid.

Kinds of Bankruptcy Cases.—Bankruptcy cases are of two kinds, viz. :—

Summary Cases, i.e., those in which, from the Official Receiver's investigations, it is calculated that the assets are not likely to exceed £300, and

Non-Summary Cases, i.e., those in which the assets will exceed £300.

In summary cases the Official Receiver becomes Trustee under Sec. 121 of the Bankruptcy Act of 1883. The creditors may appoint an outside Trustee by special resolution, which requires (1) a numerical majority, and (2) the sanction of *three-fourths* in value of the creditors present in person or by proxy—but it is very rare indeed that an independent Trustee is appointed in summary cases.

In non-summary cases the creditors often decide to appoint an accountant, who possesses special knowledge and experience in the bankrupt's class of trade or business, as trustee of the estate.

It is thought necessary here to point out that creditors who do not lodge their proof of debt in time will find at the first meeting that they have no vote in the settlement of the foregoing matters.

Dividends.—After the proof of debt has been admitted nothing will be heard from the Official Receiver until he sends a *Notice of Dividend*, which notice is sent to each person mentioned in the statement of affairs.

In summary cases the estate is generally wound up within six months, unless unforeseen difficulty is experienced in the realisation of the assets. In non-summary cases the period may be extended owing to (1) book debts having to be collected, (2) real property sold, (3) points of law decided, (4) preferences avoided, &c.; but assuming that everything goes smoothly, a dividend may be expected to be declared within six months from date of meeting of creditors.

On the receipt of a notice of dividend, the authority at the foot of the notice should at once be filled in, dated, and signed, and then returned to the Official Receiver, who thereupon remits the amount due either by post or by cheque, as requested in the authority. The dividend payable may be "first and final," but sometimes, from an estate, a "first," a "second," and then a "third and final dividend" may be declared.

In cases where no assets are realised, or only sufficient to cover the costs of bankruptcy, a notice containing a summary of the Official Receiver's receipts and payments, as trustee in the estate, is sent to each creditor.

Adjudications and notices of intention to declare dividends are published in *Stubbs' Gazette*, the *London Gazette*, &c.

Rejected Proofs of Debt.—As soon as possible after the last day for receiving the proofs of debt, the Official Receiver examines the claims then to hand, and either "admits" or "rejects" them; but a proof of debt cannot be rejected later than 14 days from the last day named in the notice in which to prove.

Notice of appeal against the rejection of a proof should be lodged without delay with the Registrar, who appoints a day for hearing the parties ; and who may in his discretion decide against the rejection.

In cases of rejection, where the amount in dispute is fairly large and the dividend payable fairly good, it is best to seek professional advice and assistance, success being thus more likely to be attained.

Bankrupt's Discharge.—A notice fixing the date for the public hearing of the bankrupt's application for discharge is sent (1) to all creditors, in non-summary cases, and (2) in summary cases, to creditors of over £2 only.

Unless, however, the bankrupt has paid in dividend from his estate a sum equal to at least 10s. in the £, he has no hope of obtaining his release before the expiration of two years ; and not even then if the Official Receiver reports other offences, such as that of omitting to keep proper books of account, or of contracting debts with knowledge of his insolvency, &c., nor if any creditor has a valid reason to offer to such discharge, which objection may be made either in person at the hearing or by letter to the Official Receiver, who in turn lays the facts before the Court.

Before concluding, it should be pointed out that if an undischarged bankrupt obtains goods to the value of more than £20 without informing the vendor that he is an undischarged bankrupt, he commits a misdemeanour and is liable to be prosecuted under the Debtors Act of 1869.

CHAPTER XXIX

BUSINESS ADVERTISEMENTS AND CATALOGUES, &c., AND THE PREPARATION OF MANUSCRIPT FOR THE PRINTER

ADVERTISING

Advertising.—Respectable firms formerly considered it derogatory to advertise, but, as the effects of judicious advertising on the part of competing firms and others became felt and appreciated, that notion passed away, and now with firms which deal direct with the consumer advertising is generally acknowledged to be a potent factor in establishing, maintaining, and extending a business. So much so, that to-day it is no uncommon thing for large firms to spend from £25,000 to £50,000 and upwards, annually, in bringing or keeping their wares and specialities before the public, while the services of our best artists, poets, and essayists are requisitioned in order that artistic and striking advertisements may be produced; indeed, many artists are engaged solely in designing posters, bills, wrappers, &c., for advertising purposes.

Great ingenuity and activity are shown in endeavours to catch the eye of the public—for instance, posters advertising a well-known brand of soap were affixed to the walls of Khartum shortly after it was taken by the Anglo-Egyptian troops and before the dervishes had really evacuated the town! Advertisements and

posters are seen everywhere, both in town and country, and even rocks, islands, and the finest scenery are, unfortunately, not exempt from the invasion of the bill-poster and his agents.

In addition to the use of posters, advertising is effected by means of the daily and weekly newspapers (which derive the bulk of their income from this source), and by means of the covers and pages of magazines and other publications.

Advertising Agents.—Many firms place the whole of their advertising with advertising agents or experts. These agents undertake to spend to the very best advantage the sum of money which a firm has decided to set apart for advertising purposes.

This they say they are qualified to do by reason of the fact that they employ designers, descriptive writers, and compositors skilled in the art of pictorial, descriptive, and display work respectively; while by reason of experience and study they have acquired such special knowledge of newspapers and periodicals as enables them to know *exactly* what papers and magazines to avoid, and what to use. This requires a knowledge of the character and the circulation of the more important newspapers and periodicals. Special wares must be advertised in the technical papers claiming the patronage of the class it is wished to reach. It therefore requires very special experience to make out a judicious list of publications in which to advertise particular wares.

Advertising Experts.—Hundreds of firms, however, for one reason or another, still prefer to do their own advertising. When this is the case, either a member of the firm undertakes this work or it is delegated to employés who devote themselves chiefly or entirely to drafting, illustrating and placing advertisements, and distributing circulars, pamphlets, catalogues, &c., and subsequently to attending to correspondence resulting therefrom.

Drafting advertisements often affords opportunities of advancement to men having a taste and liking for the work, especially young men who are not afraid of undertaking extra work in the hope that increased remuneration and promotion may follow when they have been tried and found competent. It is, of course, necessary to possess the requisite ability.

THE WRITING OF BUSINESS CIRCULARS, PAMPHLETS AND ADVERTISEMENTS, WITH HINTS AS TO THE COMPILATION OF CATALOGUES.

Writing the MS.—In preparing the MS. (or "copy" as it is called) for the printer, the most important qualifications which a writer of advertisements or catalogues can possess is a knowledge of the goods he has to describe; and the skill necessary to present the salient points in a manner likely to attract and fix the attention of the reader, to whom the catalogue, &c., should, as far as possible, convey the impression not only that it was written for and addressed to him particularly, but that the statements made may be relied upon.

Further, a drafter of advertisements should be acquainted with the various founts of type in use, and be aware of the different effects to be produced by varying the founts of type. A careful study of high-class catalogues and of advertisements appearing in magazines, &c., will show the method of displaying matter in such a manner as to get a maximum of effect out of a minimum of space. The cost of an advertisement varies with the amount of space required, therefore the end and aim should be, with a minimum of expense, to ensure that the advertisement is seen and read, no matter where it may be or by what it may be surrounded.

"*Copy*" should be legibly written on one side of the paper only, and a margin of about one-fourth should be left in which to place observations for the printer's guidance; such observations should, however, have a circle described around them so as to show that they are not matter to be printed. Then each sheet or folio should be numbered at the middle of the foot of the page, or at the right-hand top corner.

Any word or words to be printed in *italics* should be underscored by *one* line; if in SMALL CAPITALS, by *two* lines; and if in LARGE CAPITALS, by *three* lines.

If it is wished to break up or divide a long paragraph into two or more smaller paragraphs, a crotchet, thus [, is placed before the sentence where the division should be made. This denotes to the printer that a new paragraph is required.

Punctuation.—To aid the reader in grasping the meaning of what he is reading and to show the relation of the words one to another, recourse is had to several varieties of "points," the use

of which must be mastered. Good composition ought, however, to be intelligible apart altogether from punctuation, hence the less punctuation a piece of writing requires the better. The beginner should avoid the indiscriminate use of punctuation marks, and should confine himself as much as possible to the *Comma*, *Period*, and *Mark of Interrogation*.

The *Comma* [,] indicates the separate clauses or phrases of which a sentence is built up, and likewise denotes the points at which a reader might pause for breath without destroying the sense of the passage. A couple of commas are capable of performing the functions of a *parenthesis* ; the latter can, therefore, generally be dispensed with. The comma should not come between the subject and its verb, nor between the verb and its object.

The *Period* [.] is used chiefly to denote the completion of the sentence. It also serves to indicate the abbreviation of words, such as Aug. for August, C.C. for County Councillor, &c.

The *Semicolon* [;] and *Colon* [:] divide sentences *less distinctly* separated in meaning than those marked off by the period : the colon approaches in function nearest to the period, while the semicolon indicates a pause rather *more decided* than that denoted by the comma. The colon should be used before a quotation, thus :—

Messrs. Jones & Sons state : Our Mr. Wilson was present, &c.

The *Mark of Interrogation* [?] is placed at the conclusion of a question ; while the *Mark of Exclamation* [!] follows a sentence expressing wonder, fear, despair, &c., in which generally an interjection occurs.

The *Dash* [—] marks a sudden break in the structure of the sentence, and will best be understood from an example :—

Trade is very bad indeed, and money is—but why should I trouble you with my business matters ?

A *Double Dash* or *Parenthesis* is the equivalent of a couple of commas similarly inserted in the sentence, and serves to separate a phrase or sentence from the context, thus—" John was coming—so he said—for that very purpose."

Lastly we come to the *Quotation Marks* [" "], which indicate that the words enclosed by them are the exact words uttered by some speaker, or have been extracted from the writings of some author.

INDEXING AND CATALOGUING

The ability to construct a proper Index or Indices to (1) Catalogues received, (2) Articles advertised therein, (3) Books of Reference, &c., (4) Cuttings, Reports, and technical matter relating to the several departments of a business, is a very useful acquirement. An engineering firm, for instance, may from time to time receive some scores of trade catalogues, each of which may advertise certain specialities in which the firm is particularly interested. Such catalogues will naturally be preserved for further reference, and the construction of a good Index to the specialities and other articles advertised therein saves an enormous amount of time during the year by facilitating the discovery, firstly, of the *catalogues*, and secondly, of the *pages* therein on which the article you wish to price is advertised.

The procedure to be followed in regard to indexing books of reference can perhaps best be illustrated by taking the present volume and indexing it.

1. Taking the title it would be indexed thus :—

Under B	...	*Business Methods, Modern* ...	*Hooper & Graham.*
,, C	...	*Commerce, Business Methods*...	*Hooper & Graham.*
,, H	...	*Home Trade*	*Hooper & Graham.*
,, M	...	*Modern Business Methods* ...	*Hooper & Graham.*
,, T	...	*Trade, The Home*	*Hooper & Graham.*

2. Under author's name it would be indexed thus :—

Under G	...	*Graham & Hooper, The Home Trade.*
,, H	...	*Hooper & Graham, The Home Trade.*

THE ROUTINE OF GETTING MATTER PRINTED

With the Printer.—Your manuscript being ready, the next thing you have to do is carefully to choose your printer and thus ensure that the printing may be good. Always bear in mind that it is very important indeed that the printing should be good, for many a well-written circular, &c., is thrown into the waste-paper basket because of its unattractive appearance, due entirely to bad printing.

Having decided upon your printer, you see him personally or write to him, stating *definitely* what you require, and handing him the MS., ask for an estimate or tender for the work. The printer goes into the matter and soon you may receive from him an estimate for the work somewhat similar to the following :—

ELECTRIC PRESS,

LEEDS, *August 22nd,* 19.....

ESTIMATE. No. *2,500*

Strictly Net.

Messrs. Blackwood & Gatby,

London.

DEAR SIRS,

In reply to your inquiry of the *5th* inst., we have pleasure in handing you our estimate, and trust to be favoured with your esteemed order.

Yours truly,

CHORLEY & PICKERSGILL,

per H. Howard.

5,000	*Machinery Catalogues, printed red and black, 144 pages, and 4 pages cover lithographed in 3 colours.*	*Demy 4to.*	...	*£100*	*0s. 0d.*
10,000	*do.*	*do.*	...	*£160*	*0s. 0d.*
	You to supply all wood blocks.				

Proofs.—Should you be satisfied with the estimate, you duly give your order in writing, and the printing is proceeded with. Soon proofs begin to arrive from the printers. These proofs should be most carefully read (every letter in fact should be examined), corrected, and returned without delay. Sometimes you may consider it necessary to ask for a second proof, or "revise" as it is called, but it is very rare indeed that a third proof, or "second revise" as it is called, should be required. If, when you have finished correcting your first proof, no "revise" is required, you write in the left top corner "Print off," with your initials and the date.

We should here remind you that the more carefully the MS. is prepared in the first instance the greater will be the saving in the printer's bill, in which extra charges are made for illegible or "bad copy," and for corrections and additions for which the printer cannot be held responsible.

CHAPTER XXX

THE CORRECTION OF PRINTERS' ERRORS

With ancient printers the only punctuation mark was an oblique line (thus /) ; and this line is now drawn from right to left *after each correction* made in the margin of the page. All corrections should be *neatly* made, and on an exact level with the line in which the error occurs ; when two or more errors occur in one line, the corrections should be made in the margin in the same order in which the mistakes occur, and, if possible, side by side in the same straight line.

1. *Change of Characters.*—If you wish the character of a *letter* to be altered, draw a vertical line through it ; if a *word*, draw a horizontal line through it ; and in the margin write :—

(*a*) For capitals, *caps ;*

(*b*) For small capitals, *sm. caps ;*

(*c*) For the type in which the body of the circular, catalogue, &c., is printed, called the "body type," *l.c.* (*i.e.*, lower case) ;

(*d*) For italics, *ital. ;*

(*e*) For roman, *rom. ;* and

(*f*) If you wish to have a capital letter instead of a small letter, a *capital letter* in the margin.

2. *Superfluous Letters and Words.*—A superfluous letter should have a vertical line drawn through it ; superfluous words, a horizontal line ; and in the margin "∂," with the upstroke carried back, should be written ; the "∂" denotes *delete* or *cancel.*

3. *A Wrong Letter or Word.*—Draw a vertical line through the wrong letter ; a horizontal line through a wrong word ; and write the correct letter or word in the margin.

4. *A Missing Letter or Word.*—Draw a caret (thus ∧) where the omission occurs, and write the omitted letter or word in the margin.

5. *A Turned Letter.*—Underline the turned letter and make a curl (thus ɔ) in the margin. The curl is somewhat like a comma which has an eye.

6. *Punctuation Marks.*—Draw a vertical line through the wrong punctuation mark and write the correct one in the margin. The period or full-stop should have a circle described around it.

7. *The Omission of the Hyphen and the Dash.*—When either is omitted mark a *caret* where the omission occurs, and in the margin place the hyphen or dash between two vertical lines.

8. *Too much space.*—When too much space occurs between two letters or two words, mark a curve from letter to letter or from word to word where this occurs, and place a similar curve in the margin.

9. *Space wanted.*—A *caret* is placed between the words where additional space is required, and the following sign ⧼||⧽ is marked in the margin.

10. *Omission of Commas, Sign of Possessive Case, &c.*—Mark a *caret* where the omission occurs, and make the correction in the margin.

11. *Omission of a Phrase, Sentence, or more.*—Place a *caret* where the omission occurs, and, should there not be sufficient room in the margin for the omitted matter, draw a line from the *caret* to the foot or top of the page and make the correction there.

Sometimes you may wish to insert one, two, or more paragraphs. In this case, it will be necessary to write the matter on a separate piece of paper, and, after having given it a distinctive mark such as a star [*], a cross [×], a dagger [†], a double dagger [‡], or similar mark, attach this slip of paper to your MS., placing another and similar distinctive mark on the MS. where the matter is to be inserted.

12. *Running two Paragraphs into one.*—Draw a curved line, like the following, ∽, from the *last* word of the first paragraph to the *first* word of the second paragraph, and in the margin write "run on."

13. *New Paragraph.*—Place a crotchet (thus [) before the word which is to commence the new paragraph, and mark another crotchet in the margin.

14. *Transposing Words.*—When a word in a line is not in its desired position, it is encircled by a line which is carried to the desired position, where a *caret* is made.

When several words are transposed, a curved line is drawn alternately under and over the words, and the desired order, 1, 2, 3, 4, &c., written outside each curve.

15. *Wrong Fount.*—Should a wrong-sized letter appear in a word, or a roman letter instead of an italic letter, or *vice versâ*, draw a vertical line through it, and write in the margin " w.f.," meaning wrong fount.

16. *Stet* (meaning, stand).—When it is desired that a word, phrase, or sentence which has been deleted or cancelled should remain, dots should be placed under each letter and *stet* written in the margin.

17. *Deformed Letters, Crooked Words, and Black Marks between the Words &c.*—Draw a line under each of these and mark a cross in the margin.

Sizes of Type.—The kinds of type chiefly used in printing books are as follows :—

Nonpareil.—The Bank of England, the most important bank in the world, was projected by William Paterson, and incorporated in 1694 under the style of the Governor and Company of the Bank of England.

Minion.—The Bank of England, the most important bank in the world, was projected by William Paterson, and incorporated in 1694 under

Brevier.—The Bank of England, the most important bank in the world, was projected by William Paterson, and incorporated

Bourgeois.—The Bank of England, the most important bank in the world, was projected by William Paterson, and

Long Primer.—The Bank of England, the most important bank in the world, was projected by William Paterson,

Small Pica.—The Bank of England, the most important bank in the world, was projected by William

Pica.—The Bank of England, the most important bank in the world, was projected by

By studying the following marks and signs for correcting proofs, and by recurring to them when you have proof-sheets before you, you may soon learn all that is necessary to be learned in these matters, and the knowledge and the habit cannot fail to be very serviceable to you.

its sides noted. It had been intended to climb the hill above Thixendale for a view of Water Dale, which is a most impressive EXAMPLE of the interesting Wold scenery, but the heat of the day and a paucity of time necessitated the omission of that detour. A move was made for Aldro, and the *famous* tumuli and entrenchments which have made this locality famous were examined. After luncheon and a welcome rest the party proceeded to Leavening, enjoying a splendid view over the ~~the~~ Vale of York and noting the various interesting features of the western escarpment of the Secondary beds. Having ~~lost~~ the edge of the Chalk Wolds, the party made a cross-country traverse through pleasantly-varied Jurassic scenery to Kirkham Abbey, where the 5.43 train was taken to Malton. The members dined together at the Talbot Hotel, and, after dinner, the general ~~meeting~~ was held under the presidency of Sir Charles W. Strickland, Bart. The Chairman gave a genial address on the geological features of the neighbourhood. He referred to many of the pits in the Coralline were formerly Oolite which worked, but had been closed for many years, and to their interesting fossil contents. Referring to the many separated knolls of the limestone along the outcrop of the Coralline Oolite beds, he said that he did not consider this separation as mainly due to denudation.

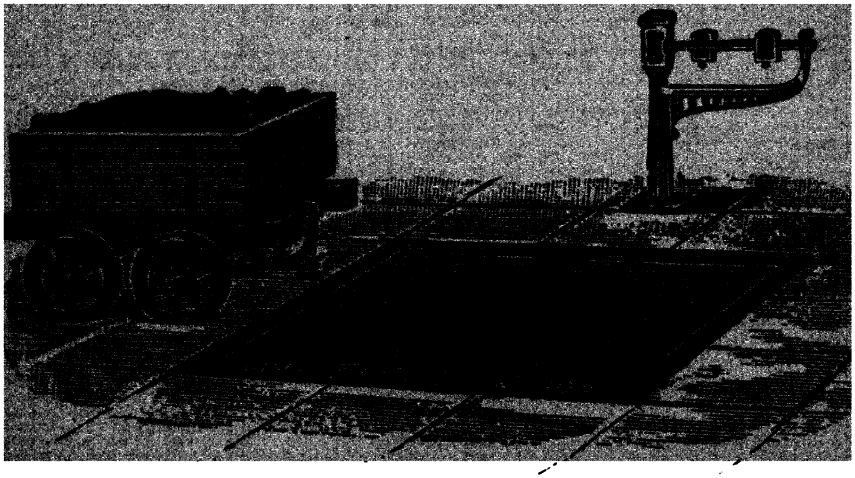
A paper on "The so-called British Habitations on Danby North Moor," by Mr. J. R. Mortimer, was read by the Rev. E. Maule Cole, M.A., and followed by a vigorous discussion.

Short papers were also read by the Rev. E. Maule Cole, on "The Distribution of Moorlands in the East of Yorkshire, as explained by the Glacial History of the County," and on "Brunanburh." Some of the points raised were referred to by the members present, and the Rev. E. Maule Cole replied. A vote of respectful condolence with the family of the late Mr. James Spencer, of Halifax, who died suddenly from an attack of English cholera, on July 9th, was passed. Mr. Spencer's careful and industrious labours, especially in the investigation of the fossil plants of the

CHAPTER XXXI

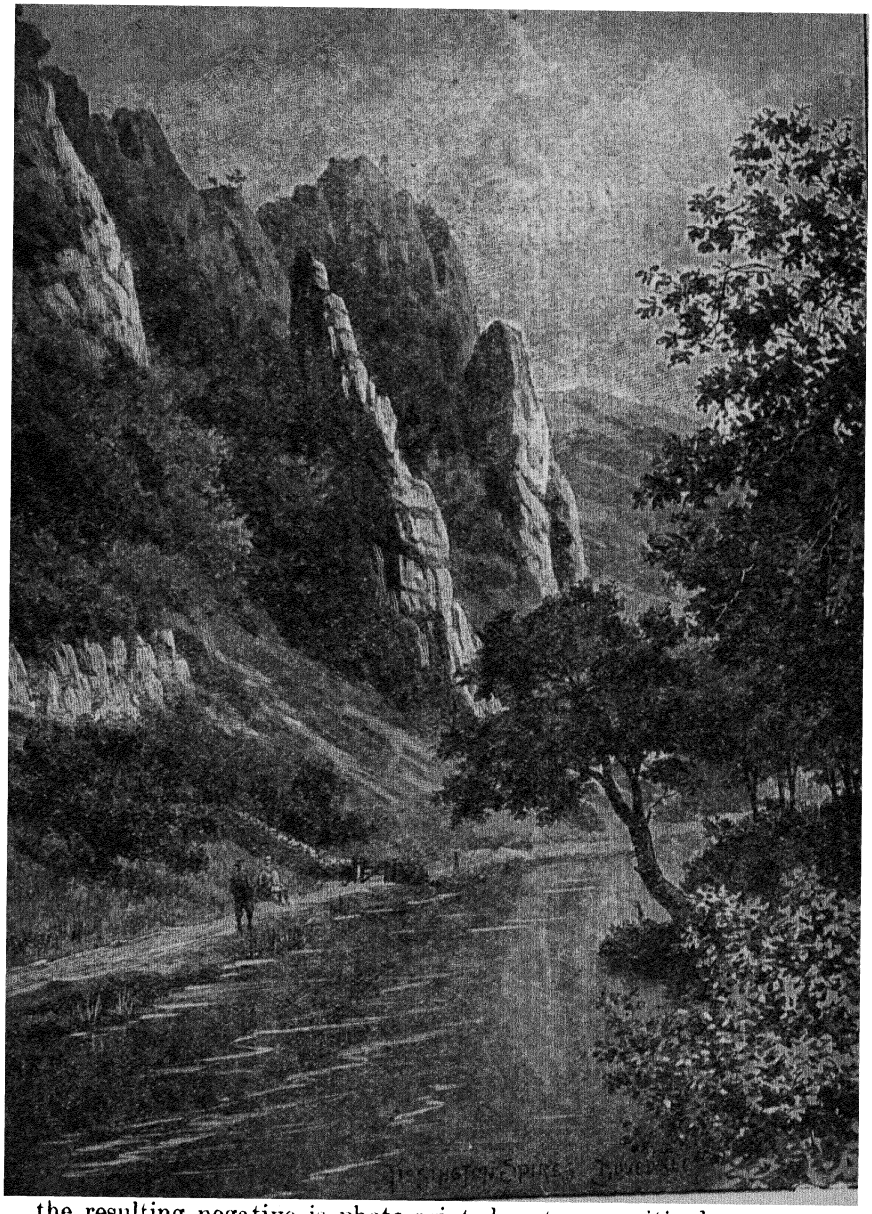
METHODS OF ILLUSTRATION

Processes of Illustration : their Cost.—The methods employed for the production of illustrations are numerous, and many of them are very beautiful. It is not, however, our intention to deal at all exhaustively with this subject, but simply to select such processes as are in general commercial use for representing articles, machinery, &c., in trade advertisements and catalogues, to arrange these in the order of their cost, to give specimen illustrations of each process, and to these we add the approximate prices at which the printers of this book usually undertake the production of such work. These prices will give a fairly accurate basis on which to act.



Wood Engraving.—Made upon a prepared block of boxwood. The subject is drawn or photographed upon the surface of the block, which is then cut with a graver. The white lines show where the wood has been cut away. Pre-war cost of above, 35/- ; present (1918) cost, 50/-.

Photo-engraving Half-tone Process Block.—The original, which may be a photograph, wash drawing, or other illustration in good black ink, is photographed through a cross-lined glass screen, and



the resulting negative is photo-printed on to a sensitised copper (or sometimes zinc) plate. By suitable treatment, the metal is etched away from the surface in the lighter parts of the picture, more or less of the darker parts being left untouched. The

resulting process block is printed in the same way as type, the printing ink attaching itself to the unetched parts of the metal surface, and being thereby transferred to the paper. The object of the cross-lined screen is to break up the shadows into millions of tiny points, whose varying size gives the various tones of the picture. Pre-war cost (best quality), 1/6 per square inch; present (1918) cost, 2/3 per square inch.

To secure the best results, such a block should be printed on a highly calendered or glossy "art" paper. To avoid the drawbacks (weight, expense, and want of durability) of such paper, half-tone illustrations may be printed lithographically on the "offset" press. In this process the use of a rubber "blanket" as the final printing surface enables any kind of paper or fabric, however rough, to be used, and beautifully soft effects can be obtained.

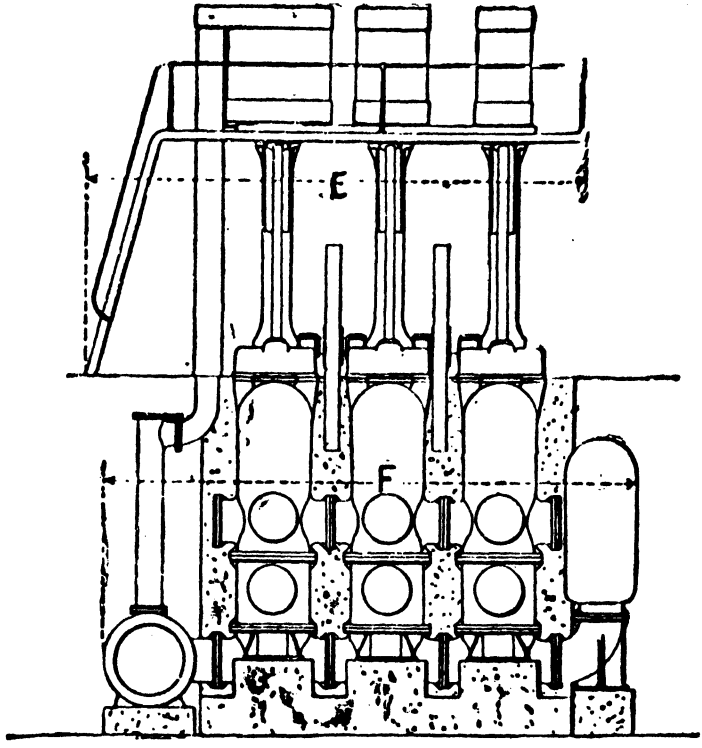


Photo-zincography.—Plain line drawings, as above, in good black ink, can be reproduced by photo-engraving on a zinc plate. The process resembles the foregoing, but the absence of half-

tones enables the screen to be dispensed with, and a fine surfaced paper is not necessary for printing. Pre-war cost, 5d. per square inch; present (1918) cost, 9d. per square inch.

In both these photographic processes it is easy to obtain a picture smaller (or, less satisfactorily, larger) than the original.

Perspective Views from Machine Drawings.—For a machinery catalogue it may be necessary to illustrate a machine which has not yet been built, or which cannot conveniently be photographed. In such cases, the draughtsman's "blue prints" giving plan, elevation, or sections of the machine may be utilised by a trade artist to produce a perspective view, which is worked up by hand with the help of the aerograph, to produce a picture resembling a photograph. This can be produced by the half-tone process described above.

Lithography.—In this process the litho artist draws or transfers the picture on to a polished stone, using a greasy ink The stone is suitably treated, and printed in a litho printing press. By keeping the surface wet, only the greasy ink lines are affected by the inking rollers, and are thus transferred to paper. Prepared zinc or aluminium plates may replace the stones.

This process is especially useful for reproducing maps and architect's plans. It is also used for printing coloured labels in two or more flat tints. For many of the other purposes for which lithography was formerly used it has been displaced by the photo-engraving processes. One great advantage of the latter over lithography is the ease with which illustrations can be printed along with typographical matter. The offset method has however, increased the applicability of lithographic processes, even in those cases where type and illustrations have to be printed together.

BUSINESS ABBREVIATIONS

The following list comprises most of the abbreviations used in commercial affairs :—

A 1.,	meaning	First class (of ships).
A/c. or acc't.,	,,	Account.
A/s.,	,,	Account sale.
@,	,,	At.
Amt.,	,,	Amount.
Bls.,	,,	Bales.
B/L.,	,,	Bill of Lading.
B.P.B.,	,,	Bank post bill.
B/E.,	,,	Bill of exchange.
B/P.,	,,	Bills payable.
B/R.,	,,	Bills receivable.
Chq.,	,,	Cheque.
cf.,	,,	Cost and freight.
cif. or cfi.,	,,	Cost, freight, and insurance.
C.O.D.	,,	Collect on delivery.
C/P.,	,,	Charter party.
Com.,	,,	Commission.
Con., Contra.,	,,	Against.
Cr.,	,,	Credit, creditor.
Cs.,	,,	Cases.
Dft.,	,,	Draft.
Disct.,	,,	Discount.
D/A.,	,,	Documents attached (or Documents for acceptance).
d/d.,	,,	Days after date.
D/D.,	,,	Demand draft.
d/s.,	,,	Days after sight.
Do., ditto,	,,	The same.
Dr.,	,,	Debtor.
D/y.,	,,	Delivery.
E.E.,	,,	Errors excepted.
E. & O.E.,	,,	Errors and omissions excepted.
Exch.,	,,	Exchange.
Encl.,	,,	Enclosure.
Ex.,	,,	From ; out of.
e.g.,	,,	For example.
Fcp.,	,,	Foolscap.
F.O.B.,	,,	Free on board.
Fo., fol.,	,,	Folio.
F.A.S.,	,,	Free alongside ship.
Fwd.,	,,	Forward.
Frt.,	,,	Freight.

F.P.A.,	meaning	Free of particular average.
G/A.,	,,	General average.
H.M.C.,	,,	His Majesty's Customs.
Inst.,	,,	Instant—the present month.
Int.,	,,	Interest.
Insce.,	,,	Insurance.
Inv.,	,,	Invoice.
i.e. (id est),	,,	That is.
In trans.,	,,	On the passage.
Kilos.,	,,	Kilogrammes.
L/C.,	,,	Letter of credit.
Measrt.,	,,	Measurement.
Mo.,	,,	Month.
M.O.,	,,	Money Order.
m/d.,	,,	Months after date.
m/s.,	,,	Months after sight.
Memo.,	,,	Memorandum.
MS.,	,,	Manuscript. Plural MSS.
No.,	,,	Number.
Nos.,	,,	Numbers.
Net,	,,	Without further reduction.
%,	,,	Per cent.
‰,	,,	Per mille.
Pcs.,	,,	Pieces (of cloth).
P/Av.,	,,	Particular average.
Pd.,	,,	Paid.
Per pro., or p.p.	,,	Per procuration.
P.N.,	,,	Promissory note.
P/A.,	,,	Power of Attorney.
Prox.,	,,	Proximo—next month.
pp.,	,,	Pages.
Pro tem.,	,,	For the time being.
Payt.,	,,	Payment.
Pkgs.,	,,	Packages.
Per or $\bar{p}$,	,,	By.
P.O.,	,,	Post Office or Postal Order.
Pro forma,	,,	As a matter of form.
P.S.,	,,	Postscript = written afterwards.
P.T.O.,	,,	Please turn over.
Qr.,	,,	Quarter.
Rect.,	,,	Receipt.
Recd.,	,,	Received.
Retd.,	,,	Returned.
Stg.,	,,	Sterling.
Shipt.,	,,	Shipment.
Ult.,	,,	Ultimo—last month.
Wt.,	,,	Weight.
X.D.,	,,	Without the dividend.
4to.,	,,	Quarto.
8vo.,	,,	Octavo.

SECTION 6

IMPORTANT POSTAL MATTERS. ANNOTATED.

INLAND LETTERS

Inland letters, parcels, or other postal packets are those which pass between places in the United Kingdom, including the Isle of Man, the Orkney, Shetland, Scilly, and the Channel Islands.

The prepaid rate of postage for inland letters is as follows :— Not exceeding 4 oz. in weight, 1½d., and ½d. for every additional 2 oz. or fraction thereof.

Letters to H.M. Ships in home waters, not exceeding 1 oz., 1d.; exceeding 1 oz., but not exceeding 4 oz., 1½d.; thereafter as above.

A letter posted unpaid is chargeable on delivery with double postage ; if insufficiently paid, with double the deficiency.

No letter may exceed 2 feet in length, 1 foot in width, or 1 foot in depth, unless it be sent to or from a Government office.

FOREIGN AND COLONIAL LETTERS

The postage to be prepaid in the United Kingdom on letters to British Possessions generally, the United States of America, British Postal Agencies in Morocco, British Agencies in China, and French India is 1½d. for the first ounce and 1d. for each succeeding ounce. To all other places it is 2½d. for the first ounce and 1½d. for each additional ounce or fraction thereof.

On letters to H.M. Ships of War in foreign waters, and to H.M. Troops serving abroad, also to women serving with H.M. Forces abroad, the rate is 1d. per ounce.

The regulations as to unpaid or insufficiently paid letters, and maximum dimensions, are the same as for Inland letters. To certain countries, however, (such as Abyssinia, Afghanistan, Arabia, Madagascar, Morocco, and certain other parts of Africa), prepayment is compulsory, otherwise the letters are not forwarded. The safest—and, in fact, almost invariable rule—is to prepay *all* letters.

INLAND PRINTED PAPER POST

Printed or written matter not in the nature of a letter, and printed or written on paper or some substance ordinarily used for printing or writing, may be transmitted by Inland Printed Paper Post.

The rates are :—

Not exceeding 2 oz. in weight	½d.
Every additional 2 oz. or fraction of 2 oz. ...	½d.

By way of exception the benefit of this post is extended to the documents specified in the following table, although they may contain matter in the nature of a letter, provided they respectively conform to the following conditions :—

Description of Document.	Conditions.
Commercial or business papers of a formal character, namely, invoices, orders for goods or for work, confirmations of orders, advice notes of the despatch or receipt of letters, documents, goods, or money (with or without instructions for their further treatment), waybills, bills of lading, receipts for goods or money, statements of account, price lists, prices current, market reports, delivery and shipping notes, tenders for goods or advertisements, quotations for goods, and estimates for work, inquiries for quotations, contract notes, confirmations of contracts, share transfer notices, and such other similar documents as the Postmaster-General may from time to time prescribe. Notices of assessments and applications for payment of rates issued by overseers or other officers employed in the collection of rates. Notices relating to the registration of voters at parliamentary and local government elections. Notices, certificates, reports, and returns given or made to or by public officers and local authorities or other public bodies in the discharge of their public duties. Lists and tabular statements.	That the document consist of a printed form, and that any writing refer solely to its subject-matter, or consist of formulas of courtesy or of a conventional character not exceeding five words or initials.* *A printed form is held to mean one bearing printed matter clearly indicating the purpose for which the form is intended to be used.
Deeds, agreements, proposals, and policies of insurance, and formal papers necessarily incident to insurance, powers of attorney, proxy papers, licences, voting papers, and certificates.	That nothing appear in the document in writing which does not form part of the document as a legal or formal instrument.

Description of Document.	Conditions.
Circulars (that is, printed notices and letters), printed visiting cards, Christmas, New Year, Easter, and birthday cards.	That nothing appear in writing in the document except— (1) Dates, hours, and particulars of times. (2) The names, addresses, and descriptions of parties. (3) The particulars of goods and of sums of money. (4) The mode of consignment or delivery of goods or money. (5) The terms on which business is transacted. (6) Index or reference numbers and letters. (7) Corrections of errors in print. (8) The place, character, and objects of meetings or appointments. (9) Formulas of courtesy or of a conventional character not exceeding five words or initials.
Manuscript for press and printed proofs (including information for insertion in directories and similar publications) with corrections and instructions.	That any writing not forming part of the document itself refer solely to the arrangement or correction of the type or to the execution of the work.
Educational exercises and examination papers with comments, corrections, and instructions.	That any writing not forming part of the document itself refer solely to the subject-matter of the exercise or to the questions put or the answers thereto.

By " printing " is meant any species of type-printing, easy to recognise, or any mechanical process ordinarily used to produce a number of identical copies of written matter, and easy to recognise, such as lithography and hand stamping.

Documents wholly or partly printed in type-written characters, or reproduced from a type-written original by a mechanical process ordinarily used to produce a number of identical copies, are not admissible by this post unless—

(*a*) They are handed in at a Head or Branch Post Office. (Such documents are also accepted provisionally at Town Sub-offices and at certain of the more important Rural Sub-offices, subject to their being found to be in order when examined at the Head or District Office to which they will be sent);

(*b*) Special attention is called to their nature;

(*c*) At least twenty copies are posted at the same time.*

"Writing" includes typewriting and any mechanical or other process ordinarily used to produce a single document.

There may be also transmitted by this post—

1. Sketches, drawings, paintings, photographs, engravings, maps, plans, and charts on paper or some substance ordinarily used for the purpose, provided it be not a brittle or exceptionally fragile substance.
2. The binding or mounting of any article sent by the book post, provided it be of a kind ordinarily used for the purpose, be not made of glass or any brittle or exceptionally fragile substance, and be transmitted in the same packet with the article in respect of which it is used.
3. Anything necessary or convenient for the safe transmission by post of any of the above-mentioned articles.

No other article or document can be sent by this post, and in particular the post cannot be used for goods, samples, or patterns unless they come within the foregoing descriptions.

Special Conditions.

The postage must be prepaid. If posted unpaid the packet is chargeable with double the deficiency.

A packet may not exceed 5 lbs. in weight, 2 feet in length, and 1 foot in width or depth.

Every packet is subject to examination in the post.

Every packet must be posted either without a cover, or in an unfastened envelope, or in a cover which can be easily removed for the purpose of examination without breaking any seal or tearing any paper, or separating any adhesive surfaces. A packet posted without a cover may not be fastened or otherwise treated so as to prevent easy examination.

No packet may contain or bear any communication in the nature of a letter not expressly allowed by these rules.

No paper money (as defined on p. 217) may be posted or conveyed or delivered by post in a packet. This rule does

* These conditions are not enforced when the documents are not in the nature of a letter, or are within any of the descriptions specified in the foregoing Table.

not apply to a stamped proxy paper, or to a stamped and addressed postcard, wrapper, or envelope, forwarded in order that such card, wrapper, or envelope may be returned through the post.

If any of the rules relating to this post be infringed, the packet will be treated as a letter.

The term "paper money" means :—

(*a*) Notes of the Bank of England and Bank of Ireland, or of any bank of issue in the United Kingdom, Currency Notes and notes current in any foreign State or British possession.

(*b*) Money orders and postal orders.

(*c*) Unobliterated postage or revenue stamps, whether embossed or adhesive.

(*d*) Exchequer bills, bank post bills, bills of exchange, promissory notes, cheques, credit-notes which entitle the holder to money or goods, and all orders and authorities for the payment of money, whether negotiable or not.

(*e*) Bonds, coupons, and securities for money, whether negotiable or not.

Circulars should be tied in bundles, with all the addresses in one direction, and should be posted early in the day to secure due despatch.

FOREIGN AND COLONIAL BOOK POST

The articles which are entitled to be sent at the rate applicable to *printed papers* are mostly impressions or copies obtained upon paper, parchment, or cardboard, by means of printing, lithography, engraving, photography, or any other mechanical process easy to recognise. This description includes the under-mentioned articles wholly printed :—

Newspapers, books (stitched or bound), periodical works, pamphlets, sheets of music, visiting cards, address cards, proofs of printing, plans, maps, catalogues, prospectuses, announcements, circulars, notices, engravings, photographs, and designs.

Beside these articles, there are some others which are admitted, though not really printed matter, as, for instance, manuscript intended for the press (when sent with the proofs of the same), papers impressed for the use of the blind, and cardboard drawing models stamped in relief.

Anything, not being of glass, usually attached or appurtenant to any of the before-mentioned articles, in the way of binding, mounting, or otherwise, and anything convenient for their safe transmission by post, may also pass at the rate applicable to such articles, provided it is contained in the same packet.

Postage stamps, whether obliterated or not, and, in general, all printed articles constituting the sign of a monetary value, are excluded from transmission at the reduced rate of postage to countries of the Postal Union.

The products of the copying press and typewriter are not admitted at the rate for printed papers ; nor, as a rule, are printed papers the text of which has been modified after printing, either by hand or by means of a mechanical process, so as to constitute a conventional language. But the following exceptions are allowed :—

Printed circulars may be dated in manuscript or by a mechanical process, and the signature of the sender, his trade or profession, and his address may be added.

On printed visiting cards the address or title of the sender, or conventional initials, such as " p.p.c.," may be written.

On printed circulars, corrections and insertions may be made in manuscript or by a mechanical process in regard to names of commercial travellers, dates of their journey, dates of departure of ships, names of persons invited to meetings, and the place, date, and object of the meetings.

Printers' proofs may be corrected in manuscript, printers' errors in other printed documents may also be corrected, and figures may be inserted or corrected in prices current, stock and share lists, &c.

Books, papers, music, photographs, and engravings may have a dedication inscribed on them, and the invoice relating to them may be enclosed.

In orders for books printed on cards, the works required or offered may be indicated in manuscript.

Circulars which are in other respects admissible, but which are printed or lithographed in characters resembling those of the typewriter, or are produced by means of any mechanical process from typewritten originals, will be admitted to the privilege of the book rate, provided that they are posted by being handed in at the counter of some head post office, or district or branch post office, that special attention is called to their nature, and that at least twenty copies precisely identical are posted at the same time.

"*Commercial Papers*" comprise all papers or documents written or drawn wholly or partly by hand (except letters or communications in the nature of letters, or other papers or documents having the character of an actual and personal correspondence), documents of legal procedure, deeds drawn up by public functionaries, copies of or extracts from deeds under private seal (written on stamped or unstamped paper), way bills, bills of lading, invoices, and other documents of a mercantile character, documents of insurance, and other public companies, all kinds of manuscript music, the manuscript of books and other literary works, and other papers of a similar description.

Rate of Postage.—The rate of postage to be prepaid in the United Kingdom on printed papers and commercial papers for all places abroad is ½d. per 2 ozs.

N.B.—For commercial papers the lowest charge is 2½d., for which sum, however, a weight of 10 oz. may be sent. If there be any mixture of commercial and other papers in the same packet, the whole is treated as commercial papers.

Limits of Size and Weight.—The limits of size for packets addressed to British colonies or possessions, or to non-Union countries or colonies, are two feet in length by one foot in width or depth; but to foreign countries in the Postal Union the length is limited to 18 inches. If in the form of a roll, the limits of size in either case are 30 inches in length and 4 inches in diameter. The limits of weight are 5 lbs. for British colonies or possessions, and for non-Union countries or colonies, and 4 lbs. for foreign countries in the Postal Union.

Printed papers and commercial papers must be posted either without a cover or in an unfastened envelope, or in a cover which can be easily removed for the purpose of examination without breaking any seal, or tearing any paper, or separating any adhering surfaces. A packet posted without a cover may not be fastened or otherwise treated so as to prevent easy examination. It may, however, be tied with a string easy to unfasten.

In order to secure the return of packets which cannot be delivered the names and addresses of the senders should be printed or written outside.

NEWSPAPERS

Copies of publications registered for transmission at the Inland Newspaper rate are subject to the following rate of postage :—

For every copy not exceeding 6 oz. in weight ... ... ½d.

With a further ½d. for every additional 6 oz. or fraction of 6 oz.

If two or more copies are enclosed in a single packet, each copy will be liable to the same postage as if it had been posted separately. But in no case will a packet of such copies be chargeable with a higher rate than would be chargeable on a book packet of the same weight.

A newspaper or a packet of newspapers posted unpaid is chargeable on delivery with double postage; if insufficiently paid, with double the deficiency.

No packet will be admissible at the newspaper rate of postage which exceeds 2 lbs. in weight.

Conditions to be observed.—Any publication fulfilling the subjoined conditions can, upon payment of an annual fee of 5s., be registered at the General Post Office for circulation within the United Kingdom as a newspaper.

(*a*) The publication must consist wholly or in great part of political or other news, or of articles relating thereto, or to other current topics, with or without advertisements.

(*b*) It must be printed and published in the United Kingdom, and in numbers at intervals of not more than seven days.

(*c*) The full title and date of publication must be printed at the top of the first page, and the whole or part of the title, and the date, at the top of every subsequent page. This regulation applies also to "tables of contents" and "indexes."

(*d*) A supplement must consist wholly or in great part of matter like that of a newspaper, or of advertisements, printed on a sheet or sheets or a piece or pieces of paper put together at some one part of the newspaper, whether gummed or stitched up with the newspaper or not; or it must consist wholly or in part of engravings, prints, or lithographs illustrative of articles in the paper. It must in every case be published with the newspaper, and have the title of the newspaper printed at the top of every page, or at the top of every sheet or side on which any such engraving, print, or lithograph appears.

Every newspaper should be so folded and covered (if posted in a cover) as to permit the title to be readily inspected.

Every newspaper or packet of newspapers must be posted either without a cover or in a cover open at both ends, and so that the same can easily be removed for the purpose of examination.

No newspaper and no cover of a newspaper may bear anything (not being part of the newspaper) except the names and addresses of the sender and the addressee, a request for return in case of non-delivery, the title of the newspaper and a reference to any page of, or place in, the newspaper to which the attention of the addressee is directed.

No unregistered publication, and no article (unless it be a part or supplement of the newspaper) may be posted in the same cover with the newspaper.

In case any of the three last-mentioned rules is infringed, the newspaper packet is either charged as an insufficiently paid letter, or is transferred to the parcel post and charged with a fine of 1d. in addition to any deficient parcel postage, whichever charge is the lower.

FOREIGN AND COLONIAL PATTERN AND SAMPLE POST

The use of the Sample Post to and from foreign countries and the colonies is intended to be restricted to (*a*) *bonâ fide* trade samples of merchandise without saleable value, and (*b*) natural history specimens, dried or preserved animals and plants, geological specimens, and scientific specimens generally when sent for no commercial purpose. Packets containing goods for sale, or consigned in execution of an order (however small the quantity), or articles sent by one private individual to another, which are not actually trade samples or scientific specimens, cannot be forwarded by sample post.

The prepaid rate of postage on sample packets for all places abroad is 1d. for the first 4 oz. and ½d. per 2 oz. thereafter. If only partly prepaid they will be chargeable on delivery with double the deficiency; if unpaid, they will be stopped. Insufficiently prepaid sample packets from places abroad will be

chargeable on delivery with double the deficient postage, the surcharge in no case exceeding 2d. up to 4 oz. and 1d. per 2 oz. for heavier weights.

Limits of Size and Weight.—The limit of weight for packets of samples for British colonies or possessions or for non-Union countries is 5 lbs., but for foreign countries in the Postal Union the limit is 12 ozs. A packet of samples sent to any British colony or possession or non-Union country must not exceed 2 feet in length by 1 foot in width or depth, but to any foreign place comprised in the Postal Union a packet must not exceed 12 inches in length, 8 in width, or 4 in depth, unless it be in the form of a roll, in which case the limit in size is 12 inches in length and 6 inches in diameter.

Transmission of Liquids, Glass, &c.—Packets containing liquids, glass, greasy substances, colouring powders, and live bees, can be sent by sample post from the United Kingdom to countries in the Postal Union.

Mode of Packing and Addressing.—Samples must be sent in such a manner as to be easy of examination, and, when practicable, must be sent in covers open at the end. But samples of seeds, drugs, and similar articles, which cannot be sent in covers of this kind, may be posted enclosed in boxes, or in bags of linen, or other material, fastened in such a manner that they may be readily opened. Packets containing liquids, glass, greasy substances, colouring powders, and live bees, must conform to the conditions as to packing, &c., applicable to those articles when intended for inland transmission ; but they must also be made up so that they can be easily opened for the purpose of inspection, with the exception of packets containing live bees, which must be enclosed in boxes so constructed as to allow the contents to be ascertained without opening. In order to secure the return of packets which cannot be delivered, the names and addresses of the senders should be printed or written outside, thus :—

"From ————, of ————."

There must be no writing or printing upon, or in, any sample packet for non-Union countries, except the address of the person for whom it is intended, the address of the sender, a trade mark or number, the price of the articles, the weight or size, and the

quantity to be disposed of, or such as may be necessary to indicate the place of origin, or the nature of the merchandise. A sample packet for a country in the Postal Union may contain, besides these particulars, any printed papers, and, if the rate applicable to commercial papers be paid, it may also contain commercial papers.

Saleable and Dutiable Articles.—Though, under the regulations of the Postal Union, the public are not entitled to send articles liable to Customs duty by any other Post than the Parcels Post, varying degrees of relaxation of this rule are permitted according to the internal laws of the various Union countries. In the United Kingdom, samples liable to Customs duty are, as a general rule, not objected to when sent in quantities so small as to have practically no saleable value ; but no guarantee can be given that they will be delivered in the country of destination without payment of Customs duty, or that they will be delivered at all. The importation of tobacco, cigars, and cigarettes by Sample Post into the United Kingdom is prohibited, with the sole exception of packets of type samples of unmanufactured tobacco not exceeding six ounces in weight, which are delivered on payment of 1s. 6d. Customs duty.

Dangerous Articles.—Such articles as scissors, knives, razors, forks, steel pens, nails, keys, watch machinery, metal tubing, pieces of metal or ore, are eligible for transmission by Sample Post, provided that they are *bonâ-fide* samples without saleable value, and are packed and guarded in so secure a manner as to afford complete protection to the contents of the mail bag, and to the officers of the post office, while at the same time they may be easily examined. Explosives are absolutely prohibited.

PARCELS

Inland.—A packet intended for transmisson by parcel post must be handed in at a post office, and should have the words "Parcel Post" written or printed conspicuously on the left-hand top corner. The name and address of the sender should also appear on the cover, but in such a position as not to be mistaken for the address of the parcel. A letter intended for the same address as the parcel itself may be enclosed in a parcel.

The rates of postage are :—

Not exceeding 3 lbs.	6d.
Over 3 lbs. but not exceeding 7 lbs. ...	9d.
„ 7 lbs. „ „ 11 lbs. ...	1s.

Parcels must not exceed 3 ft. 6 in. in length, or 6 ft. in length and girth combined. The maximum weight allowed is 11 lbs.

Postage must be prepaid by means of ordinary postage stamps affixed, as in the case of a letter, on the right-hand top corner.

The rules as to registration and insurance of letters are applicable to parcels also.

Foreign and Colonial.—The limits of size and weight, as also the rates of postage, vary according to the country to which the parcel is sent. These must be ascertained by reference to the "British Post Office Guide."

Foreign and colonial parcels cannot be registered, but they may be insured to certain countries.

Parcels are subject to Customs regulations, and the sender of each parcel is required to make for Customs purposes—upon a special form or forms, which may be obtained at any post office—an accurate statement of the nature and value of the contents, and other particulars.

Two forms of Customs declarations are in use (except at a few offices) :—

1. An adhesive form, intended to be affixed to the cover of the parcel, which is used with parcels for British colonies and possessions generally, and for a few foreign countries.

2 A form which is used with parcels for nearly all foreign countries. The latter form has in many cases to be made out in duplicate or triplicate (see Tables in the Post Office Guide—columns headed "Customs Declaration Form"—in which the use of the adhesive form is indicated by "A," and of the non-adhesive form by "C"; the figure following "C" shows the number of such forms to be made out in each case). The forms for foreign parcels should, when possible, be filled up in both English and French.

When a non-adhesive form " C " is used, the sender must also fill up a despatch note, which is supplied at any post office in England and Wales, and at the more important offices in Scotland and Ireland. One despatch note and one set of Customs Declaration Forms " C " will suffice for two or three (not more) uninsured parcels from the same sender to the same addresses, unless the contrary is stated in the Post Office Guide.

Letters may not be enclosed in parcels going abroad except in a few cases.

Persons sending parcels to certain countries and places can take upon themselves the payment of the Customs and other charges ordinarily payable by the addressees.

Parcels intended to be sent under this arrangement must, as a rule, be handed in at a Head or Branch Post Office. The sender must pay a fee of 6d., sign an undertaking to pay on demand the amount due, and make a deposit on account of the charges. In the case of parcels for Canada and the United States of America a deposit of 1s. for each 4s. or fraction of 4s. of the value of the parcel, with a minimum deposit of 5s., is required ; for any other destination abroad the deposit is 1s. for each 10s. or fraction of 10s. A final settlement will take place when the amount due has been notified by the country of destination. An undertaking to pay charges under this arrangement cannot be accepted when the sender is residing only temporarily in the United Kingdom or is unable to give a settled address in this country.

Parcels of tobacco, cigars, and cigarettes sent to France under this arrangement will nevertheless not be delivered until the addressee has paid a sum (*consignation*) equal to the amount of the duty. This sum will afterwards be refunded on the fulfilment by the addressee of certain prescribed formalities.

Parcels addressed to, or sent from, the Channel Islands are liable to Customs duty, and the sender must make a declaration of the contents at the time of posting.

Before leaving this subject it will be well to mention that there are other ways of sending *Inland* parcels than by parcel post. The

post office has not the monopoly of the conveyance of parcels, as they have for letters, &c., and both the railways and private companies compete for the traffic.

A parcel sent by a railway company usually takes longer than by parcel post, but some of the railway companies have made special arrangements for parcels, and they undertake to forward them by certain trains for delivery the same day. Rates and other information may be obtained on application at the different railway stations.

POST CARDS

Inland.—Official post-cards, impressed with a penny stamp, and official reply post-cards, impressed with a penny stamp on each portion of them, can be bought at every post office.

Nothing whatever may be attached, except (*a*) adhesive stamps in payment of additional postage or stamp duty, (*b*) a gummed label (not to exceed 2 inches long and $\frac{3}{4}$ inch wide), bearing the name and address of the person to whom the card is sent, (*c*) a similar label bearing the name and address of the sender of the card, and (*d*) engravings, illustrations, drawings, and photographs on very thin paper and completely adherent to the card. The card may not be folded, nor may it be cut or altered in such a way as to reduce the size below 4 by $2\frac{3}{4}$ inches. The postage stamp also must be left intact. If any of these rules be infringed, the card is treated as a letter, liable on delivery to the usual charges.

The articles specified in paragraphs (*c*) and (*d*) may be affixed either to the back or the left-hand half of the address side.

Private cards, prepaid 1d. each, can also be used as post cards They must be composed of ordinary cardboard, not thicker than the material used for the official post card. The maximum size must correspond as nearly as may be to the size of the Inland official card, not larger than $5\frac{1}{2}$ inches by $3\frac{1}{2}$ inches nor smaller than 4 inches by $2\frac{3}{4}$ inches. The rules in the preceding paragraph also apply to private cards. A private card posted unpaid is chargeable on delivery with double postage.

It will be seen from the foregoing rules that there is no legal way of sending a written letter through the post for a postage of a halfpenny, except by means of a post card. A certain number of persons seem to imagine that if envelopes are left unfastened, letters may be enclosed in them and sent for a postage of a halfpenny only. It is desirable therefore to point out that the minimum postage upon all written letters (which are not written on post cards) is one penny, whether they be open or closed, and that letters posted contrary to this rule are liable to an additional charge of double the deficient postage on delivery.

Foreign and Colonial.—Official post cards, single and reply, are transmissible to all parts of the world. Single cards are issued with impressed stamps of 1d., and reply cards bearing stamps of the value of 1d. on each half.

Inland post cards are also transmissible abroad if the additional postage required is supplied by means of postage stamps affixed to the cards.

Private post cards, bearing adhesive stamps of the value of one penny, and private reply cards, with adhesive stamps of the value of one penny on each half, may be sent as post cards to places abroad, provided that they are in conformity with the official post cards. They must be of the same size and substance as the official cards, and *must have the words "post card" printed on the address side*, without the Royal arms.

The reply halves of private double cards must bear in print the words "post card—Great Britain and Ireland," and "reply."

The right-hand half of the address side of a post card is in all cases reserved for the address of the recipient, for the postage stamp necessary for prepayment, which should so far as possible be placed in the upper right-hand corner, and for postal directions (such as "Registered," "Advice of Delivery," &c.); but the left-hand half of the address side as well as the back may be used by the sender for the purpose of a written communication, or may be otherwise disposed of, subject to the restrictions mentioned below.

A post card must not be folded, cut, or otherwise altered.

Post cards not in accordance with the regulations are treated as insufficiently paid letters.

The sender of a post card, with reply paid, may indicate his name and address on the address side of the reply half.

The reply halves of double post cards, whether official or private, are available only for return to the country of origin, and, with this exception, post cards of one country are not available as such if posted in another country. If so posted, they are charged as unpaid letters.

EXPRESS DELIVERY

There are three systems by which letters and parcels can be specially delivered, viz. :—

1. By special messenger all the way. This is the most rapid service, and to secure it, letters, &c., must be handed in at an Express Delivery Post Office.
2. By special messenger after transmission by post. For this service a letter may be posted in any letter box, from which it will be collected by a postman, and be expressed on reaching the proper office.
3. By special delivery in advance of the ordinary mail. By this means any person may make an arrangement with the local postmaster to secure the immediate delivery of his own correspondence on its arrival.

1. *By Special Messenger all the Way.*—This service is performed on weekdays only.

In London, correspondence for express delivery is accepted at all the more important post offices (*see* pages 612–633 of the Post Office Guide).

In the Provinces, express correspondence is accepted at all post offices from which there is a delivery of telegrams.

CHARGES

(*a*) The express fee (including charges for any public conveyance, *e.g.*, omnibus, tramcar, or railway) is :—

(i.) *For every mile or part of a mile* from the office of delivery to the address ... ... 3d.

(ii.) On each packet weighing more than 1 lb. a weight fee of 3d
(Ordinary postage is not charged.)

(*b*) If the sender desires, or it is otherwise necessary that a cab or other special conveyance be used throughout (*i.e.*, from the place of posting to the place of delivery), the actual fare or cost of the conveyance must be paid in addition to the mileage fee. The weight fee is not charged in such a case.

(*c*) Cycles are used, wherever practicable, for the delivery of express packets of a size and weight suitable to be so carried.

(*d*) When several packets are tendered by one sender for delivery by the same messenger at different addresses, or to different persons at the same address, the express fee of 3d. a mile will be charged for the full distance to be traversed by the messenger up to the delivery of the last packet, and an additional fixed charge of 1d. for each article above one. The number of articles delivered by one messenger must not exceed ten. The sender may determine the order in which the packets are to be delivered. The weight fee will be charged upon each packet over 1 lb. in weight, not on the aggregate weight.

(*e*) When several packets are tendered for delivery to one person, the sender may, if he chooses, tie them together so as to form one packet. In that case a weight fee will be chargeable upon the aggregate weight if over 1 lb.

(*f*) All charges must be prepaid in postage stamps, to be affixed to a form provided by the Post Office for the purpose.

Posting and Distinctive Marking

(*a*) Every packet must be handed in over the counter, or to an Officer authorised to receive it. In no case may it be placed in a letter box.

(*b*) The word " Express " must be boldly and legibly written by the sender above the address in the left-hand corner of the cover.

2. *Express Delivery after Transmission by Post.*—Letters intended for express delivery from the post office of destination only can be posted like ordinary letters, but they must be clearly marked " express delivery," and have a thick perpendicular line

drawn from top to bottom of the envelope, both on front and back. The fees must be paid in postage stamps at the following rates :—

(*a*) In addition to the full ordinary postage, the express fee is :—
For every mile or part of a mile from the office of delivery, 3d.

In London the fee for the express delivery of a letter or parcel from the usual delivery office is in no case more than 3d., in addition to the ordinary postage, even when the address is more than a mile distant from the express office ; but if the article is " expressed " from the General Post Office, or from a head district post office, to an address outside the ordinary postal delivery of those offices, then the full express fee of 3d. a mile throughout is charged.

3. *Special Delivery of Letters, &c., in Advance of the Ordinary Deliveries, at the request of Addressee.*—Persons or firms who desire at any time to receive their letters, or other postal packets of any kind (including parcels, book packets, newspapers, and circulars), in advance of the ordinary delivery, may have them delivered by special messenger on payment of the following fees, viz. :—

The full express fee of 3d. a mile as for one packet, and 1d. for every 10, or less number, of additional packets beyond the first.

Applications for such special delivery must be signed by the person to whom, or firm to which, the letters or postal packets in question are addressed. Forms of application may be obtained at any post office from which letters or parcels are delivered, and also from the more important branch and town sub-post offices.

Any subscriber to a telephone exchange may telephone messages (except those for transmission at press rate) to many post offices which can be reached through the local exchange system, or by means of the post office trunk wires, in order that the messages may be written down and dealt with as telegrams or express letters or ordinary letters.

An express letter telephoned to a post office is delivered for the usual express delivery fee. The limit is 30 words, including address. Any excess, 30 words or fraction thereof, is charged for as a separate letter.

RAILWAY LETTER POST

Single post letters not exceeding one ounce in weight are accepted at nearly all railway stations in the United Kingdom, including Douglas (Isle of Man), and Guernsey and Jersey in the Channel Islands, under the conditions set forth below :—

1. An ordinary 1d. postage stamp (or two ½d. stamps) must be placed on the letter by sender in the usual way, and in addition 2d. must be paid by sender at the parcel or booking office for the railway conveyance, making a total charge of 3d., which will cover the whole cost of transmission. A special railway adhesive label, value 2d., will be affixed to the letter, alongside the postage stamp (or stamps).

2. No letter will be accepted for transmission which :—

   (*a*) Exceeds one ounce in weight ; or

   (*b*) From any words or marks thereon appears to be intended for registration ; or which

   (*c*) Contains or appears to contain a watch, coin, or jewellery, or any article or thing which if sent by post unregistered would be subjected to registration by the post office ; or which

   (*d*) Contains or appears to contain any article or thing which may not, under the regulations for the time being, be sent by the Inland Letter Post.

3. The letters will be forwarded by the first available train or steamship to destination.

4. The letters are either to be addressed to consignee at a railway station, to be called for, or to the actual residence of the consignee, with the name of the terminal railway station.

   (*a*) Example of a letter addressed to railway station, to be called for :—

> *JOHN JONES, Esq.,*
>
> *Parcel Office,*
>
> *DEWSBURY STATION.*
>
> *To be called for.*

(*b*) Example of a letter addressed to the actual residence (or place of business) of the addressee:—

THOMAS WILLIAMS, Esq.,
27, Bank Street,
BOLTON,
Lancs.
To Bolton Station.

In case (*a*), the letters will be kept at the parcel office until called for, and in case (*b*), they will either be delivered to a post office official or placed in the post office receptacle nearest the station. The letters are not delivered to consignee's address by the railway company's servants.

5. Letters addressed "to be called for," and not claimed within seven days, will be handed to a post office official, or taken to the nearest post office, endorsed "not called for."

MISCELLANEOUS REGULATIONS

Postmasters and the Public.—Postmasters are not allowed to return any letter, parcel, or other postal packet to the writer or sender, or to anyone else, or to delay forwarding it to its destination according to the address, even though a request to such effect be written thereon.

Re-direction.—Letters, book packets, post cards, and newspapers are not liable to additional postage for re-direction, whether re-directed by an officer of the post office or by an agent of the addressee after delivery, provided in the latter case that the letters, &c., are re-posted not later than the day (Sundays and public holidays not being counted) after delivery, and that they do not appear to have been opened or tampered with.

Perforation of Postage Stamps.—In consequence of representations made to the post office by various firms that there is reason to believe that their postage stamps were purloined by persons in their employ, the department has recommended that

the initials of firms, &c., be perforated through the stamps by means of a machine devised for the purpose, and postmasters have been instructed not to purchase such stamps. The perforation of the stamps on post cards, newspaper wrappers, and embossed envelopes with initials is also not objected to.

Whenever adhesive stamps are used for denoting the stamp duty on a receipt or other document, the perforation is not to be regarded as a cancellation of the stamp, but in all such cases the stamp must be cancelled by writing across it, as is required by law.

Opening or Impeding Delivery of Another Person's Letters.—Any person, not in the employ of the post office, who either opens a letter addressed to another person, wilfully or maliciously, with intent to injure him, or prevents or impedes the delivery of a letter addressed to another person, is declared to be guilty of a misdemeanour, and liable to a penalty of £50, or to imprisonment for six months.

For detailed information on the above and other postal matters, reference should be made to the "Post Office Guide," published quarterly, price 6d.

PRIVATE LETTER-BOXES AND BAGS

Most business houses have a private box at the post office, for which they pay from £1 1s. to £3 3s. per annum. The letters, which are called for at stated times, are placed by the post office officials in the firm's private bag, which is then locked and can only be opened by one of the principals.

In very large concerns, where many letters are received daily, the letter-box is provided with two locks, the keys being in the possession of two clerks (one key each), whose duty it is to open the letter-box together. The letters are counted and sorted, and a form similar to the following is filled up. They are then handed to the manager or other responsible person who checks

the figures on the form and afterwards distributes the letters to the different departments.

8 : 30 a.m. 29/10 19.....

1801 Letters. — 1 by Hand; 1d. to Pay.; 2 Regist[d].

32 Papers. — to Pay.

A. J. F. / B. W. — Opened Box.

1554	General
2	Registered
31	News Department
65	Personal
149	Editors
1801	Total.

Accounted for

E. J. G.

SECTION 7

QUESTIONS ON CHAPTERS I TO XXII

N.B.—Pages 237 to 246 (Postal Matters) should be read in conjunction with Chapters I. to XIV. A number of questions on Postal Matters have therefore been included in this list.

CHAPTER I

1. How is incoming correspondence dealt with in a large office ?
2. What is the advantage of having a private box at the Post Office ?
3. Of what use is the Letter Register ? Give an example.
4. When should letters be shown to the head of the firm ?
5. Why should care be taken in opening letters ?

CHAPTER II

6. What kind of ink is used in writing documents requiring to be press-copied ? What other kinds of ink are used in offices, and for what purposes ?
7. If a page in the letter book be spoiled, what must not be done, and why ? What should be done ?
8. Why is it necessary to make a copy of every important document which leaves an office ? How may the copy be made ?
9. What is a Letter Reference, and of what use is it ?
10. Why are *two* copies of a letter sometimes made ?
11. When should letters be signed, and who does this ?
12. If alterations are made in a typed letter what should be done ?
13. What are the advantages and disadvantages of press copying ?
14. What are "enclosures" and how should their presence be indicated ?

CHAPTER III

15. Show how you would fold *octavo-sized*, *quarto-sized*, and *foolscap-sized* letter-papers.

16. How are sheets of paper and documents fastened together ?

17. What is an Address Book ?

18. The National Bank of India, Ltd., carries on business at 26, Bishopsgate Street, London, E.C. Show how you would address an envelope.

19. What are the maximum dimensions permissible for an inland letter ?

20. If a letter exceed these dimensions how would you deal with the contents so as to send them through the post ?

21. If a letter weighing 5½ oz. be posted with only a penny stamp affixed, what would be the surcharge on delivery ?

22. What is the postage on letters as follows :—

(*a*) Bradford to London, weighing 6 oz.
(*b*) Manchester to Calcutta, weighing 1¼ oz.
(*c*) Dewsbury ,, Leeds, ,, 3½ oz.
(*d* Sheffield ,, Batley, ,, 7½ oz.
(*e*) London ,, Lisbon, ,, 2¾ oz.

23. To what foreign countries is payment of postage compulsory ?

24. If a letter to any such country be not prepaid, what results ?

25. What is a late-fee letter ?

26. Can a late-fee letter be posted otherwise than at a Post Office ? If so, where ?

27. If money be enclosed in a letter, what should be done ?

28. When a firm sends at one time several packets for registration, what should be done ?

29. What is the limit of compensation for loss of a letter containing coin ?

30. If coin or bank notes be enclosed with a letter (registered), what has to be done to ensure compensation being paid in case the packet be lost ?

CHAPTER IV

31. What is the Postage Book ? Rule one, make eight entries in it, and then balance it.

32. Why do some firms require the exact address on the envelope to be entered in the Postage Book ?

33. In order to prevent pilfering, what is sometimes done to the stamps ?

CHAPTER V

34. Of what advantage is an efficient system of filing ?

35. What is meant by the " *Vertical* System " of filing ? What other systems are sometimes used ?

36. Describe the method of filing known as pigeon-holing.

CHAPTER V (*continued*)

37. What are flat files and what disadvantages attend their use ?

38. In which of the pigeon-hole compartments would you find letters from (*a*) B. Smith, Secretary, Natal Trading Co. ; (*b*) H. W. Jones, Manager, Chartered Mercantile Bank of India ; (*c*) J. A. Williams & Co. ?

39. What is the postage on—

(*a*) A packet of commercial papers weighing 2 ozs., from London to Paris ?

(*b*) A parcel weighing 2½ lbs., from Bradford to Port Elizabeth ?

(*c*) A letter weighing 3½ ozs., from Leeds to Edinburgh ?

(*d*) A registered letter weighing 1¾ ozs., from Wakefield to Valparaiso ?

(*e*) A packet of mixed printed papers and commercial papers weighing 6 ozs., from Batley to Milan ?

(*f*) A parcel weighing 4½ lbs., from London to Madrid ?

(*g*) A newspaper weighing 8 ozs., from Leeds to London ?

(*h*) A newspaper weighing 6½ ozs., from Leeds to Moscow ?

(*i*) A packet of patterns weighing 7 ozs., from Bradford to London ?

CHAPTER VI

40. In what respects is a card index superior to any other form of index ?

41. What is written on the card ? What are guide cards ?

42. How can you find in the Letter Book the copy of a letter sent out of an office when (1) the date of the letter is given, and (2) the addressee's name is given ?

43. On what page of the index will be found letters addressed as follows :—Messrs. John Wilson & Co., Messrs. W. and C. Fox, Messrs. Gregory, Shaw & Co., the Amalgamated Cotton Spinners' Society ? Write the names as they would appear in the index pages.

44. How would you index letters to (1) W. J. Sands, Esq., Manager, Ideal Club Co., Ltd. ; (2) Sir Joseph Wilson, Bart. ; (3) The Secretary, Yorkshire Coal Co., Ltd. ; (4) W. G. Gilpin-Brown, Esq. ; (5) Charles Masey, Esq., Manager, Barnsley Banking Co., Ltd. ; (6) Messrs. Edward Lamb and Co. ; and to (7) Messrs. John Wilson & Son, Paisley ?

45. On pages 5, 29, 52, 76, and 93 of the Letter Book you find copies of letters to Williamson & Co., London. Show the cross-reference on each page.

46. What is a Vowel Index ? In this index, how would you index the letters in question No. 44 ?

CHAPTER IX

47. What are the telephone clerk's duties ?

48. Give an example of a Telephone Message Form, filled up.

49. What is meant by a "Trunk Telephone" ?

50. In posting a parcel to Portugal, *vid* France, what must be done besides posting and affixing stamps ?

CHAPTER X

51. In what book is a record of small payments kept ? Who usually keeps this book ?

52. What should this book show ? Explain how it is opened and kept.

53. Rule examples of the two kinds of Petty Cash Books, make twelve entries in each, and balance them, summarising the expenditure.

54. Who checks or audits the Petty Cash Book, and how does he do it ?

55. What is the postage on—

(*a*) A registered letter weighing 3¼ ozs., Manchester to Rome ?

(*b*) A packet of commercial papers weighing 11 ozs., London to Madrid ?

56. How would you send by post a packet of books weighing 23 ozs. ?

57. What would be the cost of a telegram of 15 words (including address) from Leeds to London ?

CHAPTER XI

58. What is a *sale ?*

59. How may sales be made, and when can contracts be enforced ?

60. What are the essential points in a contract or sale ?

61. What is a *price list ?*

62. What is a *prices current ?*

63. What takes the place of the *tender* or *estimate* in ordinary commercial affairs ? Give an example.

64. What is the difference between an *order* and a *quotation ?*

65. When is it necessary to confirm an order in writing, and how is it generally done ?

66. In what ways may business be opened ?

67. What are Enquiry Associations, and when do business men make use of them ?

68. What is the essential difference between a *contract note* and an *order form ?*

69. What is a Del Credere contract ?

70. Write out the two forms of Delivery Order. When are they used, and what is the difference between them ?

71. Write a letter (properly headed and addressed) ordering the following goods :—25 reams foolscap @ 13/-, 30 reams note paper @ 10/-, 10,000 envelopes @ 8/6 ; to be forwarded per L. & N.W. Rly. Usual terms.

72. What are the principal documents used in commercial sales ?

73. What is the difference between a Price List and a Prices Current ?

74. What is a Firm Offer ?

CHAPTER XIII

75. What does the carman sign on receiving goods for forwarding by rail or carrier, and what is the use of this book ? Give a specimen.

76. What form is handed to the carman with the goods ?

77. What particulars are generally given on this form ?

CHAPTER XIII (*continued*)

78. What is the counterfoil, and what appears on it ?

79. What is sent to a customer at the same time as goods are being forwarded, and what is it ?

80. Make out all the necessary forms for sending five bags of sugar to Liverpool by the L. & N.W. Railway.

81. Suppose a bag of sugar is not up to sample, or is damaged in transit and returned, what would your customer send with it when returned ? If not, what would you send ?

82. What do you send to your customer before his fixed pay-day ? Give a specimen of such a document, showing credits of returns, allowances, &c.

83. What are Discount, Commission, and Brokerage ?

84. What is the difference between *gross* weight and *net* weight ?

85. What is meant by *tare, particular tare, average tare, customary tare ?*

86. What is Trade Discount ?

87. Make out an invoice for the goods mentioned in question 71. Terms 5% or 3 mos. net ; packing case, 1/6 ; carriage paid.

88. Make out a statement for the above.

89. Explain the terms Gross Weight, Tare, Net Weight, and give an example to illustrate your answer.

90. What is the meaning of the word "discount" (in invoice) ?

91. What is the meaning of prompt cash less 4 mos. ?

92. Describe the procedure in sending goods by rail.

93. What is the postal fee on the following :—

(*a*) A letter weighing 2¼ ozs., London to Calcutta ?
(*b*) A newspaper weighing 1 oz., London to New York ?
(*c*) A registered letter weighing 1¼ ozs., Leeds to Genoa ?
(*d*) An unstamped letter weighing 2¼ ozs., Batley to Lisbon ?

94. In sending a newspaper by post, what must you be careful to do ?

95. If any writing be enclosed in a newspaper sent by post, how is the packet treated, and what would be the extra charge for such a packet if weighing 3½ ozs. ?

CHAPTER XIV

96. What is the difference between a Money Order and a Postal Order ?

97. If you wish to send money orders to persons living at the following addresses, at what post offices respectively would you make them payable :—

(*a*) 14, Shaftesbury Road, Hammersmith, London, W. ?
(*b*) 239, Edgware Road, London, W. ?
(*c*) 88, Finchley Road, London, N.W. ?
(*d*) Weedon, Aylesbury ?

98. Write a letter requesting that the sum of £9 10s. due to you be remitted to you at once by telegraph, less cost of remittance. State the name of a telegraph office in your town at which the money should be made payable.

99. Write a letter stating that the amount has been remitted as desired (mention amount remitted).

CHAPTER XV

100. What is a Receipt ? When is a stamp required, and what is its value ?

101. Show how you would receipt an invoice for the full amount paid by cheque (say £37 4s. 6d.).

102. If you have an invoice amounting to £150, and you receive £120 in part payment, how would you make out the receipt ?

103. Say what you know of the different forms of receipt.

104. What is the "counterfoil" of a receipt ?

105. Is a stamp required on a receipt given at the foot or on the back of a cheque ? If you think not, give your reasons.

106. Explain the meaning of "Express Delivery" of a letter.

107. Describe how you would send an express letter from the head post office in your town to a place a mile and a half distant, and say what the charge would be.

CHAPTER XVI

108. Show how you would commence a business letter to :—

(*a*) Henry Wolsey, Ltd., Blackburn.
(*b*) Driver Bros. & Co., 127, Great St. Helens, London, E.C.
(*c*) John Dunlop, 240, Brook Street, Bradford.
(*d*) The Bedford Manufacturing Co. Ltd., Bedford.

109. Writing on 12th October, how would you refer to the following dates :—26th August, 2nd May, 15th September, 12th November, 4th October, 21st December, in the same year ?

110. Write a short letter (properly headed and addressed), enclosing cheque for £7 5s. 6d., and asking for receipt. Show how you would docket that letter.

111. Give the meanings of the following abbreviations :—Mos., a/c., pcs., pkgs., bls., cs., pcl., disct.

112. Write an application in reply to the following advertisement :—

OFFICE BOY wanted by a Foreign Shipping House.—Address, in own handwriting, stating age, &c., B 189, *Leeds Mercury*.

113. How many distinct styles of correspondence are there ? Name them, and describe their respective uses.

114. Write the following letter, &c. :—From Stephens, Brown & Co., Bradford, to Latham, Steel & Co., London, acknowledging letter with order for 80 pcs. worsted tweeds, at 6/-, stating price advancing rapidly, cannot take less than 6/6. Reply by wire to-morrow.

115. From L. S. & Co. to S. B. & Co., stating induced customer to raise limit to 6/6 ; too late to wire to-day.

116. From S. B. & Co. to L. S. & Co., stating limit again impracticable, price now 6/9 ; have firm offer at that price till 11 a.m. to-morrow. Wire first thing in morning.

117. Telegram from L. S. & Co. to S. B. & Co., accepting firm offer at 6/9.

118. Make out the following documents respecting the above transaction :—

(*a*) Invoice for 80 pcs. (2,510 yards).
(*b*) Credit Note for 63 yds. returned.
(*c*) Statement.

CHAPTER XVIII

119. State what would be the cost (including porterage, if any) of sending a telegram of 12 words, including address, to the following places, and give the name of the nearest Telegraph Office :—

(*a*) Ebberston, York.
(*b*) Frampton, Boston.
(*c*) Upper Hill, Leominster.

120. Condense into telegrams the letters mentioned in questions 114 to 116

121. Supposing you are sending a letter to America, and you miss the post, how could you have a message sent on from the port of departure of the steamer ?

122. In sending a telegram are you obliged to hand the form in at a telegraph office ? If not, how would you manage to despatch the telegram ?

123. What is the meaning of a registered telegraphic address ? Give an example.

124. If you wish to send six identical telegrams to persons living in the same town, what would be the cheapest way of doing it ?

CHAPTER XIX

125. What is money ?

126. Mention some of the things which have been used as substitutes for money.

127. What has always been the favourite substance for use as money, and for what reasons ?

128. What is a "Standard of Value" ?

129. What is the Standard in (1) the United Kingdom ; (2) Germany ; (3) India ?

130. What is "coin," and where is it generally made ?

131. What is the meaning of "token" coins ?

132. What is Bullion ?

133. What is Specie ?

134.. What is the meaning of "Legal Tender" of money ?

135. What amount is legal tender in the United Kingdom (1) in sovereigns ; (2) in shillings ; (3) in pence ; (4) in farthings ?

136. What words do the symbols "£ s. d." represent, and what do the words mean ?

137. Why is a sum of 20/- called a "pound" ?

138. What is the difference between metallic and paper currency ?

139. What is meant by "circulating medium" ?

140. What is meant by "Cheap" and "Dear" money, and by "Light Gold" ?

141. Write a letter in reply to the following advertisement :—

JUNIOR CLERK wanted for a Foreign Shipping House, one with a knowledge of French and Shorthand preferred.—Address X 29, *Bradford Observer*.

CHAPTER XX

142. What is a Banker, and what is the nature of his business ?

143. What use are Bankers to the commercial community ?

144. How many kinds of Banks are there, and how do they differ from one another ?

145. To what kind of bank does the Bank of England belong, and what was its origin ?

146. Of what do Banker's profits consist ?

147. What is the difference between Simple Interest and Compound Interest ?

148. What is Discount, and what is a Rebate ?

149. What is the difference between a Current Account and a Deposit Account ?

150 On September last Messrs. Latham & Co. paid into the Yorkshire Banking Co., Bradford, on behalf of Mr Isaac Williamson, 4 Bank of England notes of £5 each, a cheque on that bank for £37 7s 6d., a cheque on a London bank for £10 5s. 0d., and the sum of £12 7s. 6d. in coin. Make out a paying-in slip and counterfoil for this.

CHAPTER XXI

151. Show how you would endorse a cheque drawn to the order of W. & J. Smith for a/c of Wm. Scruton.

152. For what reason would a bank probably refuse to pay a cheque signed "James Pearson, Manager, Airedale Spinning Co. Ltd.," that gentleman being authorised to sign cheques ?

153. What is meant by, and what is the effect of, "crossing" cheques ?

154. Explain what is meant by a "general crossing" and a "special crossing," and give an example of each.

155. Explain how you would draw a cheque so as to make certain that it would be paid to the proper person only, and could not be made use of if stolen.

156. How would you obtain payment of a crossed cheque, paid to you, if you had no banking account ?

157. Draw a cheque for £250, payable to John Wilson or order, and crossed London Joint Stock Bank. How would John Wilson obtain payment of the money ?

158. What are the two forms of cheque in general use, and how do they differ ?

159. Describe what is meant by drawer, drawee, and payee.

160. What is a blank endorsement ?

161. In what cases may the crossing be altered or added to ?

162. Is it possible to alter an "order" cheque to "bearer" and *vice versâ* ? If so, how is it done ?

163. Explain the meaning and effect of the words "not negotiable" on a cheque.

CHAPTER XXI (*continued*)

164. Can a cheque be crossed by anyone but the drawer ?

165. Give a few examples of the various modes of crossing cheques.

166. What is considered a "reasonable time" within which a cheque should be presented for payment ?

167. Is it possible to stop payment of a cheque ? If so, how would you do it ?

CHAPTER XXII

168. What is the difference between a B/E and a cheque ?

169. What stamp is required on a B/E for £125, and what on a cheque for that amount ?

170. What is the meaning of "acceptance" ?

171. What is meant by a "general" and a "qualified" acceptance ?

172. What is meant by the "currency" of a bill ?

173. What are "days of grace" on a bill ?

174. What is meant by a "restrictive endorsement" ?

175. What is the difference between bills payable and bills receivable ?

176. What is meant by (*a*) "discounting," (*b*) "renewing," (*c*) "retiring," and (*d*) "negotiating" a bill ?

177. What is an Accommodation Bill ? Does it differ from an ordinary bill ?

178. When, by whom, and to whom should each of the following be presented for payment :—

(*a*) A B/E at 60 d/s drawn by Roberts & Co. on J. Nutt & Co., 29th June, in favour of Shorter & Co., accepted 18th July, and endorsed to Stephenson Bros. ?

(*b*) A B/E at 30 d/s drawn by Newman & Co. on 30th January, on J. & W. Turner in favour of drawers, and accepted 31st January (not in leap year) ?

179. Why are Foreign Bills drawn in sets of two or three, and why are they generally drawn at so many days' or months' "sight" ?

180. When is a B/E called an "acceptance," and when is a bill said to be sighted ?

181. On 31st of July, 19..., Messrs. Williamson Bros. & Co., of Manchester, buy goods from Mr. Joseph Thomson, of London, and he draws on them for the amount (£94 3s. 2d.) at 3 m/d, in favour of Messrs. Goodson and Co. or order. The bill is accepted on 1st August, and on the 5th August is endorsed in blank by the payee. Draw the bill, show the acceptance and the endorsement, and state the due date.

182. Write a letter from the drawer to the drawee advising the draft.

183. Explain shortly the meaning of the following terms, &c., relating to B/E :—Sole or sola, first, copy, via, maturity, currency, Inland Bill, Foreign Bill, D/D, D/A, 3 m/d, 30 d/s.

CHAPTER XXII (*continued*)

184. What is the meaning of the term "sans recours" (without recourse), frequently used on B/E, and where would these words appear on the bill?

185. Designate the parties to an accepted and endorsed B/E.

186. Distinguish between a blank and a special endorsement.

187. When is a bill said to be dishonoured?

188. How does a Promissory Note differ from a B/E?

189. State the due date in the following cases:—

(*a*) A P/N drawn on the 30th November at 3 m/d.

(*b*) A B/E drawn on the 28th August at 60 d/d.

(*c*) A B/E at 30 d/s, accepted 23rd November.

190. Messrs. Skipton & Co., of Leeds, owe Messrs. Provost Bros., London, £580 10s. 0d., against which Messrs. Skipton & Co. remit on the 4th October:—

(1) A B/E for £420, at 3 m/d on Messrs. Mackintosh & Co., Manchester, drawn by J. Holland & Co., London, on 30th September, in favour of Skipton & Co., accepted payable at the London & Westminster Bank, London, and endorsed by Skipton & Co., to Provost Bros.

(2) Skipton & Co.'s P/N for the balance at 3 m/d.

Draw the B/E (showing the acceptance and endorsement) and the P/N.

191. State when, by whom, and to whom, each of the above should be presented for payment.

192. Write a letter from Skipton & Co. to Provost Bros., remitting the above.

193. Provost Bros. discount the B/E on 5th October at 2½ %. How do they do this, and what amount do they receive?

194. What is an allonge?

195 Define shortly the terms "bills payable," "bills receivable," "bills for acceptance," "post dated."

196. On 26th July Mr. Samuel Burton, London, buys goods, value £215 7s. 6d. net, from Messrs. Dearman & Co., London, and they draw on him for the amount at 3 m/d in favour of Grimstone & Co. This bill is presented for payment on due date by Messrs. Sharpe and Short, the holders of the bill, and payment is made by a cheque on the London and Westminster Bank crossed to the London and South Western Bank for a/c of payee. Draw the cheque and show the crossing.

197. Write the following letters:—

From the drawer of the above draft, advising it.

From the payee to the drawee, forwarding the bill for acceptance.

198 Distinguish between *short* bills and *long* bills

199. What is a Letter of Credit? Is there more than one kind? If so, enumerate and describe them.

200. How do cheques, I.O.U.'s, Promissory Notes, and Bills of Exchange differ from one another?

CHAPTER XXIII

201. Distinguish between the Memorandum of Association and the Articles of Association of a Company.

202. Comment briefly on the different kinds of partners.

203. How is the trade of this country conducted ?

204. Distinguish between Public and Private Companies.

205. Explain clearly the exact meaning of the word "Limited."

CHAPTER XXIV

206. What is meant by "Banking Reserve" ? How is the Bank Rate affected by it ?

207. Explain the following : Duty paid, spot, c.i.f., dull, active.

208. Distinguish between brokers and jobbers on the Stock Exchange.

209. What is meant by the terms "par," "premium," and "discount" with reference to shares ?

210. Explain briefly "Consols."

CHAPTER XXV

211. If you can travel to a certain town by two different routes, what points would influence your choice ?

212. Explain the following : Slip carriage, signal stations and shunts.

213. Describe how you would travel from Bristol to Aberdeen, naming the route and the principal stations.

CHAPTER XXVI

214. Explain the terms : Insurance, insurer, insured, and policy.

215. In making a proposal for Fire Insurance, what are the chief points to be observed ?

216. Give an example to illustrate the force of the Average Clause.

217. Distinguish between (*a*) Whole-life Policy, and (*b*) Endowment Policy.

218. What is meant by the term "insurable interest ?"

CHAPTER XXVII

219. What is the difference between an ordinary summons and a default summons ?

220. If no notice is taken of a judgment summons what may be done ?

221. To recover debts amounting to £100 or over, what is the best method to adopt ?

CHAPTER XXVIII

222. How may a bankrupt obtain his discharge ?

223. What is a Statement of Affairs ?

224. How are summary and non-summary cases distinguished ?

CHAPTER XXIX

225 Give the principal points to be borne in mind when sending "copy" to the printer.

226. What are the advantages of employing an advertising expert ?

227. Why is it necessary that the manuscript or "copy" should be carefully prepared ?

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