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**COMMERCIAL CORRESPONDENCE**



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PRINCIPLES AND PRACTICE  
OF  
COMMERCIAL  
CORRESPONDENCE

BY  
JAMES STEPHENSON, M.A.  
M.Com., D.Sc.

HEAD OF THE HIGHER SCHOOL OF COMMERCE, TECHNICAL COLLEGE  
CARDIFF



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## PREFACE

THE power to use the English language in a simple, accurate, and graceful manner, whether in writing or in speech, is one of the most important accomplishments which the commercial student can possess, and it is with the object of providing some assistance to this end that the present work has been written.

The student is recommended to work out in draft the answers to the questions at the end of each chapter, and then to copy them neatly into an exercise book kept for the purpose. It is advisable to write not more than one letter on each page so that the requirements in regard to the external appearance of the letters may be answered.

The first step in the study of commercial correspondence is the reproduction of the examples from memory. This should consist not merely in re-copying the examples, but in acquiring a thorough mental grasp of the subject-matter of each type of letter, so that any subsequent reference to the book may be rendered unnecessary. If this procedure be conscientiously adopted and the temptation to repeat something mechanically committed to memory be resisted, progress will soon be made and the student will begin to manifest his own powers of initiative and self-reliance.

Throughout an attempt has been made to graduate the work so that the exercises range from questions involving simple reproduction of examples to those which require a certain amount of creative capacity.

A number of the themes suggested in the later chapters of the book are intended to serve as a basis for research work, and the student will be expected to make observations and draw upon his own business experience in attempting to work such exercises. Indeed, it is only in this way, when knowledge is acquired by one's own activity and experience, and has been properly digested and absorbed, that it is able to serve as the basis of a true commercial education.

JAS. STEPHENSON.



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# PRINCIPLES AND PRACTICE OF COMMERCIAL CORRESPONDENCE

## INTRODUCTION

WITH the remarkable improvements in the means of transport during the last century, the opening up of new markets, and the progress of technique in almost every domain of human knowledge, there has also taken place a corresponding increase in the importance of commercial correspondence. The truth of this remark can be corroborated by a reference to the various types of letters written fifty years ago as compared with those of the present day. Moreover, many formal phrases which were in common use at an earlier period have fallen into disuse, without detracting in any way from the value of the letters.

A simple and precise mode of expression is a desideratum of modern correspondence and this brevity has been brought about by the exigencies of present-day business. The necessity of restricting the amount of work involved in writing has manifested itself more and more and has led to the use of a large quantity of printed matter as well as to the introduction of the typewriter. Government authorities have likewise abandoned the former heavy official language, and have tended to adopt a more abbreviated style.

Commercial correspondence is the approach to commerce through the medium of letters, and the function of a trader's correspondence with his customers is to open up and maintain business relations, to introduce and conclude transactions; so that it may properly be regarded as the mental side of commercial activity. Although personal solicitation may often be preferred to that by letter, in many cases it is too expensive and involves too great a loss of time. To-day more than ever the motto "Time is money" holds good. In order to avoid delay, orders are frequently given or cancelled by telegram.



Where new areas of sale are being opened up in a foreign country, it is occasionally the custom to engage a super-cargo to accompany the ship, who has the authority to sell the cargo in the foreign port, and to find another cargo for the return voyage. However, this expensive method is nowadays very rarely adopted, especially in cases where the foreign country possesses a regular postal service, and where reliable persons are settled who are willing to undertake such business. For this reason, business of this kind is now usually transacted either by letter or by telegram.

To conform to the requirements of commercial usage, transactions should always be embodied in writing, so that possible disputes in the future may be avoided and business can assume a fixed and permanent form. The expression in writing of terms and conditions mutually agreed upon, and obligations entered into, gives the business letter the appearance of a formal declaration which may serve as evidence in a court of law. For this reason it is advisable for the trader to preserve the letters received as well as copies of those dispatched by him, for a period of several years. As the commercial correspondence thus entails great responsibility, the utmost care is demanded in its execution.

The preliminary conditions for proficiency as a Commercial Correspondent are general knowledge and experience of business, a thorough conception of the subject-matter in hand, a high degree of care, a knowledge of style, and a proper acquaintance with the rules of English grammar. The best results can be obtained only when all these qualifications are combined in one and the same person. The aim of this work is to provide the means by which the student may be trained to perform with success the duties of a Commercial Correspondent, and at the same time to afford him ample opportunity for the improvement of his English. For this reason every section of commercial correspondence is explained in its main features, and an attempt is made to illustrate it by examples founded upon practical business.

# SECTION I—GENERAL PRINCIPLES

## CHAPTER I

### THE FORM AND ARRANGEMENT OF A LETTER

LIKE everything else sent out by a business concern, the outward form of its letters should create a pleasing impression if they are to be a credit to it. The writing materials must be good and the handwriting or typewriting must be carefully executed.

**THE LETTER HEADING** is an important matter, the printing of which should be in accord with the paper, and it should be in harmony with any illustrations that may appear at the head of the paper. It need not contain any particulars other than the name of the firm, the line of business, the address, the telegraphic address, the code used, and the telephone number. Any overloading of the heading shows a lack of taste and destroys its effect.

Sometimes a letter reference is given at the head of a letter, with a request that it be quoted in any reply thereto, so as to facilitate reference to the copy ; thus,

In your reply please refer to:— M ..... 116
---------------------------------------------------------

or

Any reply to this communication should quote:— J S / E O S ..... 125
-------------------------------------------------------------------------------------

In the former case the letter M indicates that the copy of the communication at the head of which it appears is in M letter book ; while the figures 116 give the page of the letter book on which the copy will be found. In the latter case the initials J S represent those of the person dictating the letter, E O S those of the typist, whilst 125 refers to the subject-matter of the correspondence.

**WRITING PAPER.**—Generally a fine white quarto paper is employed, which should not allow the ink to soak through. For short communications a half-sheet of quarto paper is used, and is headed "Memorandum." The heading of the form is printed and spaces are provided for the date, name and address of the addressee. Memoranda are not usually of sufficient importance to require signing, although sometimes they are initialed. Before the letters are dispatched, it is advisable to read through them a second time in order to verify any figures that may occur in them, and to make any necessary corrections.

In the event of many corrections being required, the letter should be re-written.

For correspondence with foreign countries, a tougher sort of paper should be used, as also for letters containing remittances and for registered letters. Registered letters should be sealed with wax, and marked in accordance with the requirements of the postal authorities.

In most cases only one side of the letter paper is written upon, and a margin of about one inch should be allowed on each side of the paper. To make a letter easily readable, it is advisable to avoid overcrowding the lines.

**ARRANGEMENT OF A LETTER.**—For the sake of clearness and convenience, a business letter usually consists of the following six parts—

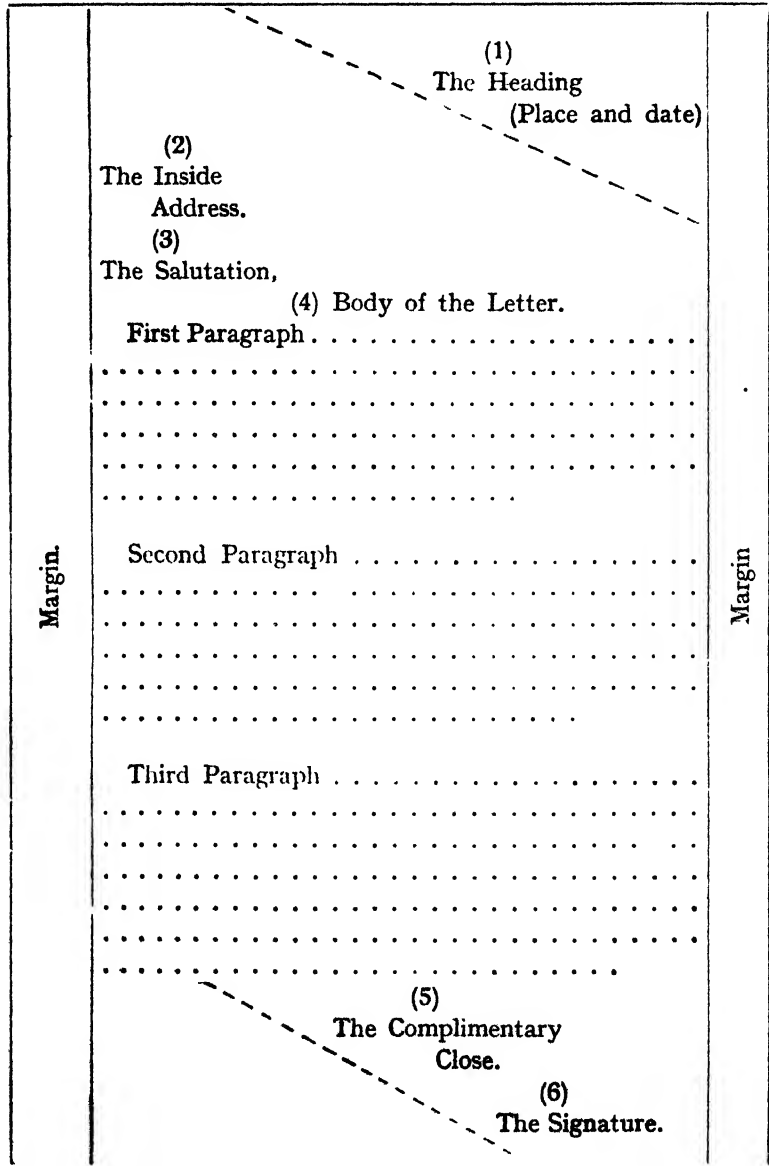
(1) **The Heading.** This indicates the name of the writer or of his firm; the place and date; the telegraphic address; codes used; telephone number; and any reference number to be quoted in case of reply.

(2) **The Inside Address.** This consists of the name and place of residence of the addressee.

(3) **The Introductory Salutation.** This is the complimentary term used to commence the letter. The chief forms prescribed by custom are—

Dear Sir,  
Sir,  
My dear Sir,

DIAGRAM SHOWING THE ARRANGEMENT OF A BUSINESS LETTER



when writing a business letter to a man, and

Dear Sirs,  
Sirs,  
Gentlemen,  
My dear Sirs,

when addressing a firm or company. It should be observed that the salutation is followed by a *comma*.

(4) **The Body of the Letter.** This contains the message or information to be communicated, and is the part of the letter which is of the greatest importance. The various topics dealt with should be treated in the order of their significance, and a separate paragraph should be devoted to each. When everything has been said about one particular topic, the next sentence should begin on the next line immediately underneath the first word of the preceding paragraph, and about half an inch to the right of the margin. (See example on page 5.)

(5) **The Complimentary Close.** This consists of the words of respect or regard used to express the feelings of the writer towards his correspondent, and should follow the body of the letter on the next line below. It should always be consistent with the salutation, and its words should never be abbreviated. The most generally used are—

Yours truly,  
Yours faithfully,  
Faithfully yours,  
Yours obediently, and  
Yours respectfully.

(6) **The Signature.** This is the name of the writer or of the firm or company he represents, placed after the complimentary close. It naturally varies according to the authority of the person signing the letter. The chief types of signature are as follows—

(a) A SOLE TRADER—

John Smith.

(b) THE SIGNATURE OF A PARTNERSHIP—

Smith, Brown & Co.

- (c) LEGALLY AUTHORISED PARTNERSHIP SIGNATURE—  
per pro. Smith, Brown & Co.,  
John Hall.
- (d) UNAUTHORISED SIGNATURE—  
For, per *or* pro Smith, Brown & Co.  
T. Jones.
- (e) PUBLIC OFFICIAL—  
The Worsley Urban District Council,  
Phythean Monks,  
Clerk to the Council.

When answering a letter care should be taken to see how the writer signs himself, so that his particular form may be used when addressing him. For example, if the signature ran—

“ A. Seddon Palmer,”

and the address at the head of his letter was—

296 Queen's Road,  
Wimbledon,

the reply to his letter should commence thus—

A. Seddon Palmer, Esq.,  
296 Queen's Road,  
Wimbledon.

and not A. S. Palmer, Esq., etc.

Again, the full names of the firm or company should be used in all letters, since they constitute the name of the business, and no arbitrary changes ought to be made, such as “ A. E. Robinson & Co.” for “ Alfred Edwin Robinson & Co.”

If any enclosures are to be forwarded with the letter the number ought to be marked in figures on the letter at the bottom left-hand corner, thus: 3 Enc.

**Postscripts** should be avoided, as far as possible, but unfortunately some correspondents make a habit of employing them, although they usually create a bad impression. In exceptional cases only is it admissible to use a postscript, as for instance, if, after the completion of a letter, events have occurred which ought to be communicated immediately to the addressee. The postscript

TABLE SHOWING THE FORMS OF ADDRESS, SALUTATION, AND CONCLUSION OF BUSINESS LETTERS

Social Position.	Form of Address.	Introductory Salutation.	Complimentary Close.
Tradesman	Mr. A. Baker	Dear Sir	Yours faithfully
Professional Man	Dr. Arthur Derham, or A. Derham, Esq., M.D.	Dear Sir, or Dear Doctor	Yours faithfully
Private Gentleman	John Flush, Esq.	Dear Sir	I am, dear Sir, Yours faithfully
Minister of Religion	Rev. F. N. Shimmmin, or Rev. Mr. Shimmmin	Rev. Sir, or Dear Mr. Shimmmin	Yours faithfully
Firm	Messrs. J. Bridge & Son	Dear Sirs	Yours faithfully
Limited Company (Personal Name)	Messrs. Dawson, Taylor & Co., Ltd.	Gentlemen, or Dear Sirs	Yours faithfully
Limited Company (Impersonal Name)	The General Electric Co., Ltd.	Gentlemen, or Dear Sirs	Yours faithfully
Public Authority	The Secretary, or The Right Honourable the President, Board of Trade, Whitehall, S.W.1	Sir	Yours obediently
Lady	Mrs. John Stockwell-Watts	Dear Madam	Yours faithfully
Firm of Ladies	Messdames Founsea & Perry	Mesdames	Yours faithfully
Officer	Capt. Jones	Sir, or Dear Sir	Yours faithfully
Knight	Sir Henry Trueman Wood, M.A. The full Christian name must be written)	Sir	Yours obediently
Baronet	Sir Boverton Redwood, Bt.	Sir	Yours obediently
Member of Parliament	Fred Handel Booth, Esq., M.P.	Sir	Yours obediently
Lord Mayor	The Right Hon. The Lord Mayor of London	My Lord Mayor	Your lordship's Obedient Servant
Member of the Royal Family	Her Majesty the Queen	Madam	Your Majesty's Dutiful and Obedient Servant

begins with its abbreviation "P.S.," and as a portion of the letter it requires the signature of the writer, or, at any rate, his initials.

The student is recommended to study carefully the table on page 8, which contains the various forms of address, introductory salutation, and complimentary close, which should be used when conducting correspondence with persons in different stations of life.

As a trader may be placed in the position of having to make offers to persons of different social rank, he will have to pay attention to addressing them by their proper titles.

**ADDRESSING POSTAL PACKAGES.**—Every address should be clearly written, and above it a clear space should be left for postage stamps (which should be affixed to the right-hand top corner of the cover), and for post-marks. Telephone numbers and abbreviated addresses registered for telegrams should not be used.

The address should include in all cases—

- (1) Name of the addressee.
- (2) Number (or if there is no number the name) of the house or building.
- (3) Name of street or road in which the house or building is situate.

Where the place of address is in the London Postal District there should be added the name of the Sub-District (*e.g.*, Hampstead); the initials and number of the district (*e.g.*, N.W.3); and, if the place of posting is outside the London Postal District, the word "London."

Where the place of address is in a large town there should be added both the name of the Sub-District and that of the town, together with the number of the postal district (if any), *e.g.*—

Edgbaston,  
Birmingham, 15

Where the place of address is elsewhere within the United Kingdom there should be added the name of the place and the name of the Post Town, *e.g.*—

Worsley,  
near Manchester.

Where the place of address is not in the United Kingdom there should be added—

- (1) The name of the place.



- (2) The name of the Province or State, *e.g.*, Ontario, California.
- (3) The name of the Dominion, Colony or Foreign Country, *e.g.*, Canada, Jamaica, France.

### TEST PAPER I

1. Why is it important to attend with care to the outward form of a business letter ?
2. State the use of a *Memorandum Form*.
3. State the parts into which a good business letter may be divided.
4. What is a Letter Reference Number and why is it used ?
5. Make out a form of heading for a business letter.
6. Set out, in proper business style, the following letter—

Date: 16th March, 19..

From: The Cornubia Rubber Co., Ltd., Eppingham.

To: Hosken, Harvey & Co., 127 High Street, Musdean.

Referring to your inquiry of yesterday's date we have pleasure in sending herewith the new issue of our price list. You will also be able to judge of the quality of our goods by the samples that we take the liberty of sending you to-day by carrier. We beg to draw your particular attention to the fact that the magnitude of our business enables us to command the highest skill that can be obtained. Trusting to be favoured with your esteemed orders, which shall have our prompt attention, we are, dear Sirs, yours faithfully. (*L. & C.*)

7. Display the following letter in businesslike style—

1/1/19... Dear Sirs, The Clear Type Foundry is now recognised as the leading Foundry in the British Empire in a position to supply Printers with Type and Printing Material on the Point System. It is true that Printers can get their Point System Supplies from other sources, but there is no Foundry in the British Empire at the present time, except the Clear, exclusively run on Point System basis. The advantages to the Printer of a Foundry whose object is to obtain perfection in system and workmanship, regardless of expense, must be at once obvious. Some idea of the size of our works may be gained from the fact that, standing in over four acres of land, the buildings already cover over one acre. Within six months of the main building being opened it was found necessary to double the building and plant, so this does not look, as some of our critics prognosticated, an early fizzle out. It is just as well that the members of the trade should know these facts, and thus dispel any idea of the liability of failure in obtaining sorts at a future date. Nor need they have any hesitancy in placing orders on the grounds that the material is likely to be inferior. It stands to reason that having invested so extensively in buildings and plant, the proprietors are not going to spoil the ship for a ha'porth of tar, and give to the trade poor quality of material. The proprietors of the Clear claim that their metal, irrespective of the rise in price of metals, is always on the same basis of alloy, and it is comprised of a workable alloy of copper, tin, antimony, and lead. Yours faithfully,

8. Direct envelopes to—
- (a) A Clergyman;
  - (b) The General Manager of a Railway Company;
  - (c) The Clerk of a County Council;
  - (d) A Member of Parliament.
9. How would you indicate the enclosures in a letter ?
10. When should a postscript be used ?
11. Display the following addresses as for commercial envelopes—
- (a) William Light,  
Builder and Contractor,  
Commercial Road,  
Mile End, E.1.
  - (b) The British Life Assurance Co., Ltd.,  
30 Leadenhall Street,  
London, E.C.3.
  - (c) The Secretary,  
The Union of Institutes,  
33 Blackfriars Street,  
Manchester.
12. Set out the following names and addresses as you would write them on an envelope—
- (a) J. Robinson Master of Commerce 65 Highland Road  
Portsmouth.
  - (b) Sir William Daniels Ltd New Cross Works Lincoln.
  - (c) J W Evans (Cardiff) Ltd Atlas Mills Docks Cardiff.
  - (d) William Brown Boot and Shoe Repairer Church Street Cardiff.

## CHAPTER II

### HANDLING THE POST

BUSINESS correspondence is one of the two main channels through which the business undertaking makes what might be described as "personal" contact with the outside world, the other being the work of the firm's outdoor representatives. It follows, therefore, that the reputation of the business will depend in no small measure upon the nature of the letters which are sent out, and also upon the methods of handling correspondence. The last-mentioned part of the process is of equal importance to the first, for unless the organisation for dealing with correspondence is properly developed, difficulties are certain to arise. A letter written in an excellent style and perfectly produced is useless if there is a long delay in preparing it, or if questions raised by a correspondent remain unanswered, or, worse still, are answered wrongly. The greater part of this book is devoted to an exposition of the technique of commercial correspondence, but in view of its importance it is worth devoting a few pages to a consideration of the question of the business organisation for dealing with the mail.

In the first place, a broad line of distinction may be drawn between incoming and outgoing correspondence, and a definite plan should be adopted for dealing with each. This plan will naturally vary with the size and nature of the business. In a small concern, the treatment of correspondence from start to finish may be in the hands of one man. On the other hand, in a large concern, where the specialisation of departments makes this impossible, an elaborate organisation is necessary to ensure that correspondence receives prompt attention by the proper authority.

**THE INCOMING POST.**—The logical starting point of the work of the correspondence department is the incoming post, and the organisation of this section is directed towards distributing the mail to the proper quarters as promptly as possible after receipt. This task is complicated by the spasmodic nature of postal deliveries and in particular by the fact that in most businesses the various deliveries are not of equal importance—the early morning

delivery usually being the heaviest. This involves that those responsible for the actual handling and distribution of the mail are expected, in many large businesses, to be on duty before the remaining departments in order that when the members of the latter arrive, the day's work may start without delay.

Before the letters are opened an examination is made to see that they are correctly addressed. Communications delivered in error are returned to the Post Office. Personal communications are set aside to be delivered to the individuals concerned, though most businesses discourage the receipt of private correspondence by members of their staff. Some customers are inclined to get into the habit of addressing business communications to individuals, and most firms usually try to overcome this by a request that all communications shall be addressed to the firm. Where communications are addressed to particular departments, they may be handed over unopened, though if it is desired to keep a record of all communications received, they will be dealt with in the usual way

Upon being opened, the letters are stamped with the incoming *date stamp* which usually indicates the date, and possibly the time of receipt, together with special spaces for instructions as to their treatment. In some firms a record of each letter is entered in an Inward Letter Book. All enclosures are securely attached to the letters which are then distributed in baskets or files to the departments concerned. When each department has answered a letter it indicates the fact on the letter before passing it to the next department affected or returning it to the Correspondence Department for filing. Where a reply involves two or more departments it is desirable that one letter should be compiled rather than that each department should answer individually. In order to secure the requisite co-ordination, some firms hold a daily Postal Conference attended by heads of departments.

**PREPARATION OF THE OUTWARD POST**—The first stage in the preparation of a reply to a letter is the collection of the necessary data. This may involve the consultation of files, books of record, or even, as mentioned above, other departments. These inquiries should be put in hand by the members of the staff concerned as soon as possible after receiving the letters, and the correspondence, together with the necessary data, should be returned to the person

responsible for compiling the reply. The latter should examine it carefully in order to detect any inaccuracies or omissions, and he should make rough notes of his reply. In this way the work of actual dictation will proceed smoothly and with a minimum of delay. This is a sound policy whether dictation is made to a shorthand-typist or use is made of a dictating machine.

The shorthand-typist's notebook should bear the name of its owner, and the current number of the book. The leaves should be written on one side only, and when the book is full it may be turned over and the reverse side of the leaves employed. At the commencement of each day's work, the date should appear. Each letter should be numbered consecutively and a clear indication given of the enclosures. A space should be left between each letter, and when the notes have been typed, a vertical line should be drawn through the shorthand.

It is advisable to dictate the bulk of the correspondence at a fixed time of the day, which should be as early as possible. It will not usually be expedient to deal with the whole of the day's correspondence at one time since in certain cases more protracted inquiries may be necessary. Again requests will be received later, which may call for urgent attention. It will, however, usually prove easy to deal with these extra matters as they arise if a definite routine is followed in respect of the bulk of the work. Early attention to correspondence in this way allows the typist ample time to prepare it and also for reading and checking so that the standard of the work is maintained.

It frequently happens that certain types of business letters need not be dictated specially, but may be prepared by the typist herself on the basis of "form" letters. These are simply standardised letters suited to certain situations which experience has shown are liable to occur frequently. They may be used either exactly as they stand, or with minor alterations. Hence, in using them, it is necessary only to give to the typist the reference to the appropriate letter. This device is valuable from the point of view of saving time, but should none the less be used with caution, since letters compiled in this way lack the personal touch.

At least one copy, but usually more, of every outgoing letter must be made for the purpose of filing and distribution to the various departments of the business. Probably the most common

method of taking copies of letters at the present day is by means of *carbon paper*. This method has the advantages that all the copies can be made in one operation and that, when taken, they may be filed with the relevant correspondence in the "vertical" filing systems which are so widely used to-day. The method has the following disadvantages—

(1) The carbon copy may not be accepted as evidence in the case of litigation since the original may have been subsequently altered.

(2) The making of the carbon copy may be forgotten or copies of letters which have not been dispatched may find their way into the files.

(3) Much time is wasted in inserting the carbon paper into the machine.

The use of the old-fashioned system of press copying avoids the disadvantages enumerated under (1) and (2), and for this reason is still used in some offices, especially for legal work. The method of press copying, however, possesses marked disadvantages especially in a large concern with a considerable volume of correspondence. Unless carefully performed, it may completely spoil the appearance of a letter and make it almost illegible. Further, an elaborate system of cross-indexing is necessary in order to link up the successive letters in a chain of correspondence. Finally the equipment is expensive and letter copy books occupy a great deal of storage space.

**DUPLICATION OF LETTERS.**—It frequently happens, especially in the Advertising and Sales Departments, that it is necessary to send out a large number of letters of the same type. It would be an expensive matter to type them separately, though this is sometimes done for appeals of an important character where it is desired to preserve the appearance of individuality. In most cases, however, this is unnecessary, and some form of duplicating process may be employed. A wide range of equipment exists for this purpose, both hand and power driven. The most widely used is probably the *rotary duplicator*, making use of wax stencils, which are cut on the typewriter. Here again, unless care is used in the production of the work it may present a very unsatisfactory appearance and fail to impress the recipient. A great deal of advertising literature probably fails to achieve useful results on this account.

An alternative is to use some type of *office printing machine*

making use of type. This is probably more expensive than the foregoing and makes some demand upon the capacity of the persons using it, if pleasing results are to be secured. Finally, the letters may be printed either in ordinary type or in "imitation typewriter" type. If the latter method be used, the name and address of the addressee may be "matched in," and the whole letter presents the appearance of a specially prepared communication. This method is more expensive than either of the foregoing, and for this reason the method of duplication from stencils is most frequently adopted.

**DISPATCH OF THE OUTGOING POST.**—When the letters have been typed they should be signed in ink, though in the case of duplicated correspondence, the signature, if it appears at all, is usually duplicated with the rest of the letter. After signature the letters together with all enclosures are folded by the postal department and inserted in the envelopes. The envelopes may be specially typed but at the present day, in cases where the missive is contained on a single sheet, window envelopes are commonly used. In the case of duplicated letters the addressing is usually done by means of an addressing machine from stencils. This course is naturally only economical where the same mailing list is being used repeatedly.

The letters are sealed and stamped with the appropriate amount. In doubtful cases, the letters should be weighed in order to ensure that the correct amount is affixed. Correspondence to be sent by registered post or express delivery should be separated from the ordinary mail and care should be taken that the postal regulations are complied with. The letters are then sent to the post office, or in the case of large concerns, they await collection.

## TEST PAPER II

1. Draw up a scheme for the treatment of the inward and outward post for any business with which you are acquainted.
2. Enumerate any machines and office appliances employed in the treatment of the incoming post. For what kind of business do you consider the appliances you mention are most suitable?
3. There are several different methods of taking duplicate copies of documents. Mention as many as you can and briefly explain one process.
4. Compare two methods of duplicating correspondence from the standpoint of expense and efficiency.

5. Enumerate the various devices which may be used for handling the daily post of a large business.

6. How do you consider that the incoming correspondence of a large business house should be handled, with a view to ensuring (*a*) that all letters are dealt with as promptly as possible; (*t*) that every letter may be referred to afterwards when required with as little delay as possible?



## CHAPTER III

### CHARACTERISTICS OF A GOOD STYLE

**PERTINENCY.**—More important than anything else in a business letter is that it should be *pertinent*, that is, it must be suitable to serve the purpose for which it has been written. Apart from a knowledge of the English language, this necessitates a thorough knowledge of the subject-matter about which the letter is to be written, for no one can hope to be a good correspondent without a knowledge of the facts or of the particular branch of business with which he intends to deal. One of the best means of obtaining a knowledge of these facts is the perusal from time to time of the files containing the letters. If the writer of the letter has mastered the subject-matter, his art is then confined to the task of drafting the letter in the simplest form, in well-rounded sentences, but without any verbosity or intricate phraseology. Of course, not only is the use of technical or commercial terms admissible, but on account of the accuracy with which they express business matters, their use has even become necessary. Moreover, as a large number of phrases and sentences are regularly recurring, printed forms are used for some types of business communications. Of course, there are many instances for which neither printed forms nor precedents can be employed.

When opening up new and important business relations, the correspondence must aim at being explicit. Here the writer of the letters will fulfil the essential of *pertinency* by developing a systematic scheme, and by so arranging his thoughts that they form a clear and complete whole, thus helping to convince the recipient of the letter that the proposition advanced is both feasible and desirable. If reference is made, in the drafting of the letter, to the usages of the firm, and to the special benefits accruing to its business friends, this does not diminish its pertinency, but rather increases it. On the other hand, there should be no place in business letters for the expression of sensitiveness and irritability, nor for satirical remarks or gibes.

**CLEARNESS.**—Next to being pertinent, a letter must possess the essential of *clearness*. The importance of this is seen from the

success with which business correspondence fulfils its chief function, viz., its power to establish the conditions of any business transactions in such a manner as to avoid any subsequent differences of opinion or disputes. Hence the greatest care has to be exercised in selecting those expressions which correspond best to the ideas which the writer desires to present.

**BREVITY.**—A letter drafted so as to be pertinent will, of course, be no longer than is absolutely essential, although brevity is by no means the most important essential. Where it is a question of convincing or influencing the decision of a customer, it may be necessary to enter into details. Many misunderstandings may then be prevented, and many inquiries rendered unnecessary.

**COURTESY** is undoubtedly one of the characteristics of a good style of commercial correspondence, as indeed of business intercourse in general. This does not manifest itself in the use of superfluous words, however, but in the general civility of tone, which, together with a polished style, constitutes the reasons why the correspondence of well-organised firms reads so well. Hence brevity in a business letter should never be permitted to degenerate into abruptness, and the person who writes clearly will never commit necessarily the mistake of becoming disagreeable. Further, the wise correspondent will always call the mistake of a third party an "omission," and not an "error," and will never declare a statement to be "untrue," but will simply mention "that it does not correspond to the facts." Should any customer make a foolish request, he does not tell him so, but merely "regrets that he cannot fulfil his wish for such and such reasons." Further, the trader who lacks human sympathy and goodwill to such an extent that he does not attach any value to courtesy, will nevertheless have to try and practise it for business reasons. Indeed, the maintenance of business relations is bound up with so many sacrifices of time, energy, and money, that it would be foolish to risk loss or failure by a repulsive style of correspondence.

**ORTHOGRAPHY AND PUNCTUATION.**—Orthography or spelling is the art of combining letters correctly in order to form syllables and words, and mistakes in orthography imply that the writer has not got a proper picture of the word in his mind. Mistakes of this kind are not rare, and always create the impression that the writer of the letter is either careless or has received a faulty education.

It is, therefore, in the interest of a correspondent to guard against spelling errors by consulting a dictionary in cases of doubtful spelling.

The rules of punctuation are also of special importance, since they indicate where and why the different marks of punctuation have to be employed. The punctuation marks are necessary to divide sentences, to separate the various members of the same sentence, and to ensure clearness in meaning. As they are really an appeal to the understanding of the reader, their use is not governed by fixed rules. The inset between pages 20 and 21, however, will act as a guide to the student in helping him in the use of these stops.

The essential requirements of a good commercial style may, therefore, be summarised as follows—

(1) **Pertinency.** The letter should be fit to serve the purpose for which it has been written, must be to the point, and should manifest a thorough knowledge of the subject-matter with which it purports to deal.

(2) **Courtesy.** A polite form of language should be used, which must not become effusive, but it should be natural, fluent but free from self-consciousness, and should avoid superfluous flattery, empty phrases, and personal irritation.

(3) **Brevity.** A short and concise mode of expression is essential, which should aim at expressing as much as possible in as brief a form as is consistent with clearness and courtesy.

(4) **Clearness.** A careful selection of words is necessary so as to exclude obligations which were never intended, and to convey the complete and exact meaning which was intended. There should also be the greatest possible restriction of the use of foreign or unfamiliar words, as well as the avoidance of ridiculous abbreviations and expressions which tend to distort the language.

In conclusion, it should be remembered that the reply to a letter should never be delayed, and the same remark applies to the acknowledgment of remittances. In well-organised firms it is the rule to answer every incoming letter as soon as possible, even if the order or inquiry contained therein cannot be dealt with at once. Failure to reply to a letter is considered an act of discourtesy, of which no business man should make himself guilty.

Letters to foreign countries are generally written in the language of that country, provided the correspondent has a thorough knowledge of that language. In the absence of this, it is advisable to

write in English, since it will be easier for the recipient of the letter to translate from a foreign language into his own than it would be for the sender of the letter to translate it into a foreign language.

From the foregoing remarks it will be seen that a so-called commercial style of letter writing really does not exist, and that commercial communications are distinguished from ordinary correspondence merely by their brevity and conciseness of form, together with the employment of certain technical or commercial terms and expressions. Hence it is simply a question of mastering the subject-matter and the language. The correspondent must know what he has to write, and his task is to place this on paper in the proper order and to find the correct expression for the various ideas as quickly as possible.

### TEST PAPER III

1. Mention one of the best methods of acquiring a knowledge of the facts appertaining to the particular business in which a person is engaged.

2. What test would you apply to determine whether the correspondence of a business was expressed with clearness ?

3. To what extent should the correspondent aim at brevity in the composition of his letters ?

4. What do you consider are the essentials of a good style of correspondence ?

5. Write three sentences to illustrate, in the specified order, the uses of—

(a) A dash, a comma, a note of interrogation.

(b) A semi-colon, a parenthesis, and a note of exclamation.

(c) A colon, quotation marks, and a period.

6. Compose a passage of eight or ten lines to show your acquaintance with the use of the following stops: comma, semi-colon, colon, full stop, notes of exclamation and interrogation, inverted commas.

7. Punctuate the following—

I had not proceeded a furlong before I saw seated on the dust by the wayside close by a heap of stones and with several flints before him a respectable-looking old man with a straw hat and a white smock who was weeping bitterly

What are you crying for father said I have you come to any hurt

Hurt enough sobbed the old man, I have been just tricked out of the best ass in England by a villain who gave me nothing but these trash in return pointing to the stones before him

I really scarcely understand you said I I wish you would explain yourself more clearly

## CHAPTER IV

### THE APPLICATION FOR A SITUATION

A PERSON desirous of applying for a vacant situation should answer the advertisement as soon as possible in a polite but natural manner, and strictly according to the truth, especially in regard to his former employment. It is advisable not to indulge in too much self-praise nor to be too exuberant over one's own capabilities. Copies of testimonials should be enclosed.

The replies to applications should not be delayed, and in the case of the acceptance of an offer of service, the duties and the salary should be clearly stipulated. If necessary, the applicants should be invited to present themselves in person and, if unsuccessful, a few good wishes for their future welfare might be expressed.

It is now proposed to examine carefully the examples in this chapter, according to which it will be seen that a business house is in want of a young man of good education to act as junior clerk. The advertisement calls for an answer in the applicant's own handwriting and a description of his educational career, the letter to be addressed to X 23 at the newspaper office. John Hamilton draws up his application and encloses a copy of a testimonial from his former employer.

**THE FIRST EXAMPLE**, then, is an **Advertisement**, the function of which is to bring to the knowledge of the readers of the newspaper the fact that a commercial firm is in want of a junior clerk. Since an advertisement has to be paid for at so much per line, it must be conceived as briefly as possible. On the other hand, if it has to attract the attention of the readers it must be conspicuous by its size, contents, lettering, illustration, or by its frequent insertion. Advertisements which aim at pushing the sale of an article have, therefore, to assume a different form from the specimen which is now under consideration. Effective advertising in newspapers is an art which requires much skill, patience, and money. There are firms which spend hundreds of thousands of pounds sterling annually on advertising. However, advertising has often been known to degenerate into chicanery and swindling, and the wise

and conscientious business man will not fail to keep within the limits of good taste and legitimate methods.

In the specimen example, the firm advertising for a junior clerk does not publish its name but only gives the number of the box at the newspaper office. The name thus remains unknown to the applicants, so that the advertisement is an anonymous one.

**THE SECOND EXAMPLE** is a **Letter of Application**. It should be written in a clear and legible hand, and if possible the handwriting should be attractive, although unfortunately this is not an achievement within the reach of everybody. Everyone, however, is capable of writing clearly and legibly and should endeavour to do so. Many principals, in selecting their employees, make it a *sine qua non* that they should possess an attractive form of handwriting, and in search for that they frequently ignore the other qualifications of the applicants. This is obviously an over-estimation of the value of an art which is not given to everybody. Of much greater importance is clearness and legibility, for the number of errors resulting from illegible handwriting is enormous. If a merchant sends sugar instead of sago, or if he sends goods to Bolton instead of to Brixton, or if he mistakes the due date of a bill of exchange for the 3rd May instead of the 3rd March, the consequences might be serious. All these errors may be due to illegible handwriting. It is not advisable to cross out words or sentences, to write between the lines or to make blots. If any of these mistakes occur the letter should be re-written.

Like any commercial letter, a letter of application begins with the place and date of its origin, the particulars of which are placed in the top right-hand corner. As these particulars are of primary interest to the receiver of the letter, they must be placed in such a conspicuous position that they may be found without any trouble. If the name of the addressee is unknown to the writer, the box number and address should be stated next in the place reserved for the inside address. Immediately following the introductory salutation is the body of the letter.

The contents of the specimen letter consist of a series of inter-related thoughts which find their expression in coherent language. There is thus a certain sequence of ideas which form the basis of the letter which is now to be discussed. This train of ideas should be

worked out before writing the letter, either by first making a rough draft or by mentally developing the plan. The specimen letter of application contains—

The **Introduction**, which refers to the circumstances giving rise to the letter, and may thus be compared with a personal introduction in the case of an interview. The cause in this case is the desire to make application for the situation as junior clerk on the basis of the advertisement. The concluding part of the introduction forms a link with the following portion of the letter. As the advertisement calls for an application in the applicant's own handwriting, and for a description of his educational career, this is hinted at before passing on to the principal portion of the letter, and such a connection between the ideas is of extreme importance. The ideas are linked up with one another, and the succeeding one is the logical consequence of that which precedes, thus producing a certain fluency and coherency in the whole letter.

The **Second Paragraph** states the principal events in the life of the applicant. The writer must express himself as briefly as possible for, as already pointed out, brevity is one of the principal requirements of a commercial letter. He, therefore, refers only to the outstanding events of his life, but says enough to allow the reader to form an opinion of the applicant. He states the date of his birth, which gives the clue to his age, and also mentions his misfortune in losing his father at an early age, his education, the schools he has attended, the reasons for adopting commerce as his profession; he also alludes to his efforts to continue his education, the reasons for being unemployed, and refers to the testimonial of his first employer.

The **Third Paragraph** expresses the conditions under which the applicant applies for the position, and is a natural consequence of the preceding paragraph.

The **Fourth Paragraph** contains the applicant's promises and assurances. However, he does not promise more than what he thinks he can keep. He says he will endeavour to merit the confidence of his employers in return for the favourable reception of his application and the granting of the suggested salary. This paragraph is likewise intimately connected with the preceding portion of the letter.

The **Conclusion** is the fifth and last portion of the letter. The applicant asks for further particulars, and expresses his feelings of esteem or regard. If the applicant had been granted a personal interview with the firm, he would have spoken in a similar manner, and, generally speaking, when writing a letter it should not be forgotten that it is a question of an introduction first, then an interview, and finally a leave taking. The letter thus forms a well-rounded connected whole; a small work of art which, in its individual parts as in its entirety, is fit to create a favourable impression.

The **THIRD EXAMPLE** is the **Testimonial**. The testimonial is a document which has for its purpose the proving of a certain fact. In this particular case it contains—

(a) A statement as to how long, and in what capacity, the receiver of the testimonial has been employed with the person granting the testimonial.

(b) The opinion of the principal as regards the character and ability, the industry and conduct of the employee.

(c) The reason for the discontinuance of the contract of service,

(d) A concluding formula containing a wish, following which there is the signature of the person granting the testimonial.

A testimonial serves its possessor as evidence of certain facts, and, if it is a good one, it also serves him as a recommendation. The value of such a recommendation depends on the opinion which the giver holds concerning the character and conduct of the employee, and likewise upon the reliability and reputation for good faith which the giver enjoys.

A testimonial may be drawn up either as an open and general testimonial, or as one addressed to a particular firm. Generally speaking, a business man does not attach much value to an open testimonial. He prefers to obtain information direct either by letter or by word of mouth. Recommendations obtained in this manner have thus a far greater effect. This is known to the applicant, and he therefore mentions in his letter a person who is able to give information about him.

An open, unfavourable testimonial is, of course, entirely devoid of value, and, if the giver of a testimonial has ground for complaint, he will probably remain silent on this point, and state only the length



of time during which the person has been in his employ. From the fact that the giver of a testimonial is silent in regard to the character of the employee, it may be concluded that he has nothing favourable to say about him.

As John Hamilton addresses himself to an anonymous person, he does not enclose the original of his testimonial, but a copy of it. This is a precautionary measure which should always be employed unless a person wishes to run the risk of losing his testimonials.

### EXAMPLE 1—AN ADVERTISEMENT

#### SITUATIONS VACANT

**JUNIOR CLERK** wanted for merchant's office. Age 17. Apply, stating salary expected and particulars of scholastic training to X 23, "Daily Telegraph" Office, Fleet Street, E.C.4.

### EXAMPLE 2—LETTER OF APPLICATION

90 South Hill Park,  
Hampstead, N.W.1.  
20th September 19..

The Advertiser  
X23, "Daily Telegraph" Office,  
Fleet Street, E. C. 4.

Sir,

In reply to your advertisement in to-day's "Daily Telegraph" I beg to offer myself as a candidate for the position of Junior Clerk which is vacant in your firm, and in accordance with your request, I give you below a short description of my Educational career.

I was born on the 10th February 19.. in the town of Bolton. My father was a merchant, but died when I was barely ten years of age. My mother, who was left in very moderate

circumstances, spared no sacrifice in order to give me a good education, and after removing to London, I was sent to the Regent Street Polytechnic Day School, where I was successful in passing the London Matriculation Examination. As at an early age I had an inclination for a commercial career, I entered the firm of Messrs. Boxall Bros., Leadenhall Street, as a junior clerk. The spare time at my disposal I endeavoured to utilise for the furtherance of my education, and last Spring I passed the examinations of the Royal Society of Arts for the full certificate of Commercial Knowledge in the Junior Grade.

Unfortunately I have had to leave my situation in the City as my employers have been forced to liquidate their business, and to dismiss all the staff. You will find this statement confirmed in the testimonial which Messrs. Boxall Bros. gave me, a copy of which I enclose.

In view of the fact that I have already had one year's office experience, and that I possess a good knowledge of book-keeping, I consider myself entitled to suggest that, in the event of the favourable consideration of my application, you will grant me a salary of £75 per annum.

If I should have the good fortune to be engaged on your staff, I would use my best endeavours to gain your confidence by means of industry, perseverance, and devotion to duty.

Awaiting the favour of your reply,

I am, Sir,

Yours respectfully,

*John Hamilton.*

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## EXAMPLE 3—TESTIMONIAL

(Copy)

30th June, 19...

Mr. John Hamilton of 90 South Hill Park, Hampstead, has been employed in our firm as Junior Clerk from the 1st June, 19.., until to-day. He has excelled in blameless behaviour, modest conduct, and great industry, and has carried out all work entrusted to him with rare skill and conscientious care. We very much regret that the liquidation of our business compels us to discharge him, and we wish him every success in his future career.

per pro. BOXALL BROS.,  
(Signed) Leonard Boxall,  
Senior Partner.

## EXAMPLE 4—APPLICATION FOR CLERKSHIP

310 Winton Road,  
Worsley.

20th Sept., 19 .

Messrs. Thompson & Jones,  
Market Street,  
Manchester.

Dear Sirs,

With reference to your advertisement in to-day's "Times," I beg to offer myself as an applicant for the clerkship which is about to become vacant in your firm.

Although I am satisfied with my present situation, it has been my wish for some time past to extend my knowledge by obtaining a position in a large commercial centre.

In regard to my character and commercial experience, the copies of three testimonials which I enclose will give you the fullest information. I shall be pleased if you will be good enough to favour me with an appointment for a personal interview.

Should you decide to engage me, you may rest assured that

it would be my constant endeavour to merit your confidence by conscientious devotion to my duty.

In anticipation of a favourable reply,

I am, Dear Sirs,

Yours respectfully,

John Rogerson.

3 Enc.

(See No. 5.)

#### EXAMPLE 5—REPLY TO APPLICANT

(See No. 4.)

Market Street,  
Manchester.

24th Sept., 19..

Mr. John Rogerson,  
310 Winton Road  
Worsley.

Dear Sir,

In reply to your application of the 20th September, we write to inform you that we should be glad if you would call here on Saturday morning next in order to discuss the details concerning the vacancy in our firm.

On the basis of your testimonials and the special recommendation of your present principal, we have decided to give you the preference amongst the numerous applicants. In our business, absolutely reliable employees are required who are able and willing to guard the firm's interests during our absence. At first you would be employed in the Stock-room and also in the Counting-house, and after you had become familiar with our business and shown any aptitude for it, we should further entrust you to undertake short business trips.

The initial salary we offer is £90 per annum with three months' notice on either side.

If you agree to the foregoing conditions, we shall draw up a contract of service on the occasion of your call.

We are,

Yours faithfully,

Thompson & Jones.

#### TEST PAPER IV

1. Write out from memory the advertisement in Example 1 and afterwards compare your attempt with the specimen, making corrections where necessary.

2. Draw up an advertisement on the lines of Example 1, assuming that John Hamilton is on the look out for a suitable position. The replies to the advertisement have to be addressed to the office of the paper, and the box number must therefore be given.

3. You are asked to assume that you are looking out for a situation, and are required to draw up an advertisement corresponding to your particular requirements.

4. The specimen letters of application given in the examples are to be reproduced from memory and the result compared and corrected.

5. Draft a letter of application on the lines of the specimen Example 2, and describe therein, in brief outline, your own scholastic training and experience.

It is not necessary that the cause of the application be an advertisement, but it may consist of information received from an acquaintance that the position of Junior Clerk is vacant in a certain firm. If the student has no testimonials to enclose he may give, as a reference, the names of one or two persons. In this case the form of the letter should read—

“For further particulars concerning my character and general ability, I beg to refer you to Messrs. — —, who will be pleased to give you any desired information in regard to me.”

6. Write out from memory the testimonial given in Example 3, and then compare it with the original.

7. Draft a testimonial on the basis of the following particulars: John Harrison, of Farnworth, has been employed as Clerk for a period of two years in the firm of J. P. Monks & Co., Solicitors, of Bolton, and has assisted with the correspondence. He wishes to change his situation in order to gain further experience. The principal has been well satisfied with his work and can also thoroughly recommend him as regards his character and devotion to duty.

8. On the 24th March, Wm. Neville, of Swinton, applies for a situation as Bank Clerk, advertised in the *Manchester Guardian*, in the International Banking Co., Ltd. His reason for the application is the desire to extend his experience and to make use of his knowledge of foreign languages. He encloses copies of testimonials.

9. On the 28th March, the International Banking Co., Ltd., inform Wm. Neville that he has been included among a small number of applicants for final selection. They say that on principle they make no appointments without having personally interviewed the applicant, and they therefore ask him to pay them a visit within the next few days, informing them previously of the time and date of his call.

10. On the 25th June, Harry Collier, of Brixton, applies for the position of Stock-keeper advertised in the *Daily Telegraph*, which is about to become vacant in the firm of John Dickinson & Co., Ltd., in London. The employee in question would also be required occasionally to assist with the office work. Harry Collier thinks he could make use of his knowledge of languages in this position, and says that he has been in charge of a warehouse for three years and has also been engaged in the office of the firm of Upjohn & Co., in Manchester. He encloses a special letter of recommendation from that firm as well as copies of testimonials, and concludes by expressing the customary assurances.

11. John Dickinson & Co., Ltd., in London, regret having to inform Harry Collier, that on receipt of his application the position in question had already been filled. They return his testimonials and express a wish that he will soon be able to find a suitable position.

## CHAPTER V

### LETTERS OF RECOMMENDATION AND LETTERS OF CREDIT

THE letter of recommendation is generally handed open to the person recommended for personal presentation to the party mentioned therein. In addition to the full name of the person recommended, the letter generally contains information regarding the intentions of that person, and contains a request to the addressee to assist him with advice and any other help towards achieving the end in view. It usually concludes with thanks for any service which may be rendered. If the object of a letter of recommendation is to assist a business friend towards obtaining new business relations or credit, it is generally sent by post closed like any other letter, but it is advisable not to take any responsibility for one's recommendations. Any information concerning the business, the financial standing, or the character of the person recommended must be strictly in accordance with the truth.

If the letter of recommendation contains a request to pay a certain sum of money to the person recommended, it becomes a **LETTER OF CREDIT**. This is an open letter in which a merchant or banker requests the addressee to pay, for the writer's account, sums of money up to a certain amount to the person named in the letter.

Letters of Credit are of two kinds—

(1) **Simple Letters of Credit**, *i.e.*, those addressed to one person or firm only, and

(2) **Circular Letters of Credit**, *i.e.*, those addressed to two or more firms, so that the bearer may be able to obtain the money at various places to suit his own convenience.

Of these letters of credit, the addressees are advised by post beforehand in order to prepare them for the payment. To prevent misuse, the possessor of a letter of credit generally has to write his signature on the letter of advice. Each firm notes on the back of the letter of credit the amount paid out in words, and also the date of payment. The last firm mentioned in the letter of credit generally retains it in order to return it to the issuer. Travellers abroad usually obtain letters of credit from banks.

A letter of credit must contain—

- (1) The date and place of writing.
- (2) The address of the firm to which the letter of credit is to be presented.
- (3) The name, occupation, and address of the person in whose favour the letter of credit is written, together with his signature, unless this appears in a separate letter of advice.
- (4) Mention of the purpose of the journey undertaken by the person accredited, and a formal introduction if required.
- (5) The total amount to be paid to the bearer usually in return for a receipt.
- (6) Instructions as to how the payer is to reimburse himself.

He may have the amount placed to his credit in an Account Current, or have it remitted, or draw for it on the writer of the letter of credit, or on a third party mentioned.

#### EXAMPLE 6—INTRODUCING A BUSINESS FRIEND

Telegrams :  
Johnson, Bolton.

#### TIMOTHY JOHNSON, Cloth Merchant

Manchester Road,  
Bolton.

10th Sept., 19..

Messrs. Graveline et Cie,  
Lille.

Gentlemen,

I have pleasure to recommend to you the bearer of these lines, Mr. John Brown, partner in the firm of Brown, Lee & Co., who are business friends of mine.

Mr. John Brown is doing the round of the manufacturing districts of France in order to open up new business connections.

I shall be glad if you will lend your assistance by giving him the addresses of good firms, as well as your valuable advice in business matters.

Any service you may render Mr. Brown will be esteemed as a personal favour, and I shall always be pleased to reciprocate.

Yours very truly,

Timothy Johnson.

## EXAMPLE 7—CIRCULAR LETTER OF CREDIT

Regent Street,  
London, W.1.  
10th Jan., 19..

Circular Letter of Credit.

No. <sup>T.</sup>  
H. 52036.

Gentlemen,

This letter is to introduce to you the bearer, our traveller, Mr. John Siderman, who to-day starts on his first business trip through Denmark and Sweden. We shall be glad if you will kindly assist him with your advice and information about the standing of various firms, should it be necessary.

In the event of Mr. Siderman requiring money, we open a credit to him with any of the undermentioned firms to a total amount of One Thousand Kroner against receipt in duplicate, and we leave it to you to cover yourself for any money paid to him, plus your expenses, by a sight draft on us, or else to place the amount to our account.

Kindly take note of the following signature of Mr. Siderman, and endorse on the back of this circular letter whatever amount he may take up. This letter continues in force until 30th Sept., 19.., from the present date.

We are, Gentlemen,  
Your obedient servants,  
Stetson & Groves.

To Messrs.

J. Svendsen & Co., Copenhagen.  
Holmgren Bros., Gothenburg.  
Ludwig Hirst & Co., Stockholm.

(Signature) John Siderman.

BACK OF CIRCULAR LETTER OF CREDIT, SHOWING SOME OF  
THE AMOUNTS PAID TO THE HOLDER

Date when Paid.	By Whom Paid.	Name of Town.	Amount in Words.	Am't in Figures.
19....				K.
Jan. 18	Svendsen & Co.	Copenhagen	One Hundred Kroner	100
Feb. 12	Holmgren Bros.	Gothenburg	Four Hundred Kroner	400



## TEST PAPER V

Write letters from the following particulars—

1. Robert Mitchell, in London, recommends his clerk, John Thompson, to his business friends, Messrs. Fonzes et Cie, in Nimes, by an open letter. He states that John Thompson has been in his employ for three years, and has given complete satisfaction; that it is Thompson's desire to extend his knowledge of the language by finding a situation in France, and begs Fonzes et Cie to assist him in the achievement of this object. He says that the applicant is a good correspondent, but is also willing to accept a situation as cashier, salesman, etc. He further testifies to Thompson's good character and conduct.

2. John Selfridge, in London, recommends Mr. Thomas Smart, who wants to visit Leipzig Fair in order to make purchases, to Herren T. & J. Lange in Leipzig, and requests them to assist Mr. Smart with their advice, and the opening of a credit to the extent of £75.

3. On 15th Nov., 19.., Messrs. Standring & Co., of Buenos Ayres, have the honour to inform Messrs. Brooks Bros., of London, that they have issued a letter of credit on their house in favour of Mr. Harold Kellett, for £250. They ask them to take note of and honour it on presentation.

4. On 26th Dec., 19.., Messrs. Brooks Bros., of London, write to Messrs. Standring & Co., of Buenos Ayres, to acquaint them of the receipt of their favour of the 15th ult. They have taken note of the letter of credit for £250 in favour of Mr. Harold Kellett. They advise the payment that day to Mr. H. Kellett of £50 against his receipt, duplicate of which they enclose. They have drawn on Messrs. Standring & Co. for this amount at one month's sight and beg them to honour their draft on presentation.

5. Your friend William Brown wants to find new markets for his goods in Australia. Write a letter of introduction to Broadfield & Co., High Street, Melbourne. State that you are personally acquainted with the firm for whom Mr. Brown is travelling, and that you know from your own experience that their merchandise, though moderate in price, is to be relied on as thoroughly good and substantial.

## CHAPTER VI

### STATUS INQUIRIES

IN most business concerns it is necessary to grant credits, and great care has to be exercised in so doing. For this purpose inquiries have to be made concerning the standing, reputation, character, and financial capacity of those persons who desire to receive credit. Frequently it is very difficult to obtain reliable information, as every trader tries to keep secret his financial and business position, and appearances are very often deceptive. Likewise many people do not like to give information concerning a third party, or are not in a position to do so. Formerly a business man could obtain information only from his friends, but nowadays there are various kinds of Information Bureaux, which supply information professionally, and which have branches in all countries. These institutions greatly facilitate the conduct of business.

Reliable information about firms in foreign countries can sometimes be obtained from the resident consuls, but it is advisable to apply to a recognised Inquiry Office, or, if none exists, to someone in the immediate neighbourhood of the firm in question.

A person giving information should report on matters of fact which have come under his own unbiased observation, or which he has obtained from reliable persons; he should take no notice of rumours, however, for through them the reputation of a firm may be seriously endangered. Anyone knowingly giving incorrect or false information may be held responsible for any harm accruing therefrom.

It is therefore advisable to judge according to one's best knowledge, to guard against under- or over-estimation, and not to take the responsibility for any unfavourable outcome of the transaction. Since commercial conditions are apt to change rapidly, it is necessary to obtain information from time to time even about firms with which one is in regular communication. Inquiries should be given in confidence, and under the seal of discretion as far as both parties are concerned. Information bureaux undertake to supply reports at regular intervals according to a fixed scale of charges.

In the composition of replies to letters of inquiry care should be taken that the information supplied is strictly accurate. If definite information cannot be given, this should be frankly stated, the writer of the letter of inquiry being referred, if possible, to other firms likely to be in a position to provide the precise information required.

**EXAMPLE 8—CONCERNING THE FINANCIAL STATUS OF A HOUSE**

Telegrams :  
Carpet, Manchester.

**THE ARDWICK MANUFACTURING CO., LTD.**

Branches : Leeds, Bradford, and York.

Ardwick,  
near Manchester.  
13th Jan., 19..

Mr. Robert Green,  
Manchester Road,  
Bolton.

Dear Sir,

We have some prospects of concluding important business with the firm mentioned below, but, as these people are quite unknown to us, we shall be grateful if you will give us as detailed information as you can of their financial status, business conduct, and the reputation and character of the proprietors. Especially should we be glad to learn whether you consider it certain that the firm would redeem a three months' draft for about £100.

We thank you in advance for any information with which you can provide us as to the solidity of these people, and you can rely upon such information being treated confidentially.

Trusting you will excuse our troubling you, and always at your service in similar matters,

We remain,

Yours faithfully,

per pro. The Ardwick  
Manufacturing Co., Ltd.  
John Strong,  
Manager.

Slip :

<p>HARRY STOKES &amp; Co., Bolton.</p>
--------------------------------------------

(See No. 9.)

**EXAMPLE 9—FAVOURABLE REPLY**

(See No. 8.)

Manchester Road,  
Bolton.  
16th Jan., 19..

The Ardwick Manfg. Co., Ltd.,  
Ardwick,  
near Manchester.

Gentlemen,

In reply to your inquiry of the 13th inst., I am glad to say that I can give you nothing but favourable information about the firm in question. They enjoy the fullest respect and unquestionable confidence in the business world. The proprietors are possessed of a considerable amount of capital; they are energetic, circumspect, and skilful, and as far as is known to me they have not sustained any losses worth mentioning, although they are rather enterprising.

Personally, I should have no hesitation in according the firm a credit of several hundred pounds, and without doubt you may rely upon the punctual redemption of your draft. However, this is without obligation on my part, though I am fully convinced that you will find my information borne out by the facts.

Yours faithfully,  
Robert Green.

**EXAMPLE 10—ASKING FOR INFORMATION CONCERNING SOLVENCY**

Market Street,  
Manchester.  
16th Jan., 19..

The Universal Trading Co., Ltd.,  
London.

Dear Sirs,

We are in receipt of your letter of the 6th inst., and now ask if you will do us a favour.

Owing to the continuance of a state of trade depression with its evil consequences, we are compelled to exercise greater vigilance not only when entering into new business relations but also in inquiring into existing ones. It is, therefore, of great importance to us to obtain reliable information concerning the five firms mentioned on the enclosed list.

Although we are well aware that the fulfilment of this request will entail some trouble to you, we shall be greatly obliged for your advice in this matter, and shall express our thanks not merely in words but by substantial orders, which we hope to send on to you.

With the firms marked \* (Nos. 4 and 5) we have conducted business for a number of years, but we should like to know whether they still enjoy the old reputation for safety and solvency. The firm marked  $\Delta$  (No. 3) has had consignments of cloth for sale on commission from us on various occasions, whilst the other two firms (Nos. 1 and 2), who are unknown to us, desire to have on new account large quantities of goods for exportation to North and South America. It is principally concerning these two last-mentioned firms that we desire to receive reliable information.

Assuring you of our sincere thanks and absolute confidence,

We beg to remain,

Yours faithfully,

Thompson & Jones.

(See No. 11.)

#### EXAMPLE 11—REPLY

(See No. 10.)

Cheapside,

London, E.C.2

18th Jan., 19..

Messrs. Thompson & Jones,  
Market Street,  
Manchester.

Dear Sirs,

We thank you for the confidence you express in your letter of the 16th inst., and return the list of firms which you sent us, together with our remarks. These comments are based on documentary facts which have come within our observation in the course of the last few years. As the present conditions are very difficult to diagnose, however, we cannot take any responsibility for their unqualified correctness, but, nevertheless, the information will furnish you with some basis upon which to judge how far they are worthy of credit. Nos. 3, 4, and 5 appear to us to be free from any suspicion whatsoever, but in the case of Nos. 1 and 2 some care is advisable as both firms are insufficiently provided with capital. We would therefore recommend you to insist on the remittance of half the invoice amount before delivery is made.

We shall be pleased to render you any further services, and ask you to consider the information contained herein as given in strict confidence.

Yours very truly,

per pro. The Universal Trading Co., Ltd.

John Blank,

Secretary.

## TEST PAPER VI

Compose letters embodying the following particulars—

1. On the 10th Feb. the Ardwick Carpet Manufacturing Co., Ltd., of Ardwick, Manchester, appeals to H. Gillibrand for information concerning Berry Bros., in Bolton, who wish to place a first order for goods to the amount of £50 to £60.

2. H. Gillibrand replies favourably on the 12th Feb., saying that Berry Bros. have been established for 22 years, and would be safe even for large credits.

3. On the 18th August the Cannon Brewery Co., Ltd., applies to Mr. T. Owen, in Blackburn, for information concerning Timothy X, in Blackburn, who has had to be reminded several times of the payment of £120, and who now asks for the prolongation of the period of credit by three months.

4. On the 20th Aug., Mr. T. Owen replies, saying that he knows Mr. X's circumstances from hearsay only. He is supposed to spend a lot of money on advertising and on sport, but his business is flourishing. However, the book-keeping records are not kept very systematically, and are said to be unreliable. For that reason he would not advise the granting of a long credit.

5. What steps are taken before firms enter into business relations and extend credit? Write a letter inquiring into the probity of a firm with which you intend to have dealings and then write an evasive reply to it.

6. Messrs. Owen & Co. ordered £50 worth of goods on credit from Messrs. Allgood & Trew. Draft a letter from the latter firm to Messrs. Infor Mation & Co., inquiring into the financial status of Messrs. Owen & Co., also an unfavourable reply to this letter, and then a suitable letter from Messrs. Allgood & Trew to Messrs. Owen & Co.

## CHAPTER VII

### CIRCULARS

THE establishment, transfer, or taking over of a business, changes of address, dissolutions, the granting or withdrawal of an employee's power of procuracy, the admission or retirement of a partner, the amalgamation of two firms, or any other changes in the organisation or conduct of a business are generally notified to the firm's business friends through the medium of printed or lithographed circulars, or even through newspapers. Circulars of this kind require special care in their preparation if they are to fulfil their chief purpose, which is to inspire confidence. They must be pleasing in form and contents, and must not be in any way arrogant or self-laudatory. They must also correspond to the facts in every detail, and the signatures of the senders should be either in writing or in facsimile. The transference of a business into other hands is generally made known by means of a double circular, and a statement is made as to whether the transference extends to the assets and liabilities. The name of the person who is entrusted to discharge the liabilities and collect the debts, should be mentioned.

**CIRCULAR FOR THE ESTABLISHMENT OF A BUSINESS.**—After a newly-established business has fulfilled the necessary legal requirements, its first aim will be to make itself known. The principal of the business will therefore wish to communicate the fact of its establishment to all those persons with whom he proposes to enter into business relations. These are his prospective business friends, customers, and suppliers. To this end either he may adopt the medium of advertising or he may issue a circular. This consists of the reproduction of a letter addressed to a number of persons, and brings certain facts to the knowledge of one's business friends. In the examples, specimens of circulars are given on the establishment of a business, on the admission of a partner, the appointment of a procurist, and the opening of a branch.

**Contents of the Circular.** The specimen circular given in Example 12 has for its object the intimation of the establishment of a business, and consists of the following parts—

(a) Information as to the title of the new undertaking, to what

branch of business it is devoted, the date of opening, and the seat of the business.

(b) A request of the proprietor of the business to his friends, for the extension to him of their confidence; it states the reasons why they should do so by pointing out his qualifications and the capital at his disposal. Particular care should be devoted to this part of the circular.

Since the writer's object is to introduce himself favourably to his prospective business friends and to create a pleasing impression in order to obtain their confidence, he will point to his business abilities and his financial capacity, and will make brief reference to his former activity as well as his general experience, commercial knowledge, and business principles. All this, however, has to be done with wise moderation and decent reserve, without any boastful self-consciousness—otherwise the circular might produce the reverse of the desired effect; it would create distrust instead of confidence. Furthermore, it must not be overlooked that the circular has to be addressed to prospective suppliers as well as to customers, and the former will expect a punctual fulfilment of obligations and attention to dates of payment, whereas the latter (*i.e.*, the customers) have to be convinced that careful attention will be paid to the execution of their orders. It is, therefore, a mistake if, in the circular, reference is made merely to well-assorted stocks, large selection, cheap prices, careful attention to orders, etc.

(c) Finally, one of the chief objects of the circular is to bring the original signature of the firm to the knowledge of one's business friends. In view of the many forgeries of signatures on bills of exchange and other documents, it is necessary that the business men with whom a firm deals should know its signature, and should have an original copy of it in their keeping, so that in given cases they may be able to compare it with others and detect any possible forgery. This fact entails the necessity for the business man always to sign his name in the same style as that which he has originally adopted. There are, therefore, some circulars the principal object of which consists merely in bringing one's signature to the knowledge of his business friends (*e.g.*, on the appointment of a procurist). For this reason a circular, which makes known the establishment of a business, generally concludes with a reference to the signature. It therefore stands to reason that this signature must not be



printed or lithographed like the remainder of the contents of the circular, but must be given in **facsimile**.

It is not correct to ask the receiver of the circular, as is frequently done, to take *notice* of the signature, for this would not answer the purpose. The more correct form is to say, "Please take *note* of the signature."

**THE DRAFTING OF VARIOUS FORMS OF CIRCULAR.**—The **Introductory Paragraph** does not admit of any great variation, but it may be expressed alternatively in the following terms—

"I am pleased to inform you that . . ." or

"I am sorry to have to tell you that . . ." (death of partner, etc.)

or if exception is taken to starting with the use of the first person, this may be avoided by saying—

"Herewith I have the pleasure to . . ." or

"Under to-day's date, I am opening in this town," etc.

It is frequently the case that the particular branch to which the new firm intends to devote itself, is described more elaborately, as for instance—

(1) **GROCERY BUSINESS.** In addition to the ordinary articles sold in this branch of business, I shall make a speciality of the sale of preserved food-stuffs of all kinds.

(2) **BANKING BUSINESS.** We shall devote our special attention to the granting of loans for industrial purposes.

(3) **FORWARDING BUSINESS.** I shall make a speciality of the shipment of goods to France and America.

(4) **WINE MERCHANT.** As a speciality I shall carry on the importation of Spanish wines, a business in which I shall be greatly assisted by my several years' residence in Spain and by the important connections I have formed there.

(5) **COMMISSION AGENCY.** I have selected for my principal line the purchase of home produce for the account of my foreign business friends, and should point out that this town, as the centre of the cultivation of tobacco, sugar-cane, and coffee, is particularly well situated for this purpose.

**The Second Paragraph** of the circular contains the recommendation of the new firm, and is subject to a great variety of form owing to the manifold conditions under which new firms are established. It is the duty of the writer of a circular to convey the required information in a correct form in regard to both grammar and style. For example—

(1) Sufficient capital, as well as knowledge and experience in the branch of business selected by me, justify my hope of success. In the management of my affairs, I shall be guided by straightforward business principles, hoping permanently to obtain thereby the confidence of my business friends.

(2) A thorough knowledge of this branch of business, a large circle of acquaintances, and the favourable position of my business premises, entitle me to hope for the steady progress of my business. I am likewise enabled, by the possession of sufficient capital, to fulfil punctually my obligations and to keep a large and well-assorted stock. I shall, therefore, be glad if you will honour me with your confidence, of which I shall endeavour to show myself worthy.

(3) Being possessed of sufficient means, and by virtue of the experience which I have gained during many years' experience in the Banking and Exchange business, I am confident of being able to offer you considerable advantages in the execution of any orders you may entrust to me. These orders would receive my most careful attention in order to justify the confidence you may repose in me.

**The Concluding Paragraph** of the circular in which reference is made to the signature is usually combined with a form of courtesy, as for instance—

(1) I beg to draw your attention to my signature and shall be glad to be honoured with your patronage; or

(2) Kindly take note of my signature and accept the assurance of my greatest respect; or

(3) In conclusion, I beg to draw your attention to my signature as below, and to assure you of my greatest respect.

## EXAMPLE 12—THE ESTABLISHMENT OF A BUSINESS

Telegrams: Pink, Portsmouth.

Telephone: No. 1818.

## JOHN PINK, Dry Goods Merchant

---

Fratton Road,  
Portsmouth.  
6th Jan., 19..

Dear Sir,

I have the honour to inform you that I have established to-day, in this town, a Dry Goods Business under the firm name of--

JOHN PINK.

The thorough knowledge and trade experience which I have gained in this branch of business during a twelve years' engagement as employee and manager of prominent firms in this branch both at home and abroad, as well as the possession of funds commensurate with the proposed extent of the business, will enable me to cope with all reasonable requirements.

It will be my chief aim to gain the confidence of my business friends by the conscientious fulfilment of my obligations and by careful attention to the orders of my customers.

Have the kindness to take note of my signature and

Believe me to be,  
Yours very truly,  
JOHN PINK.  
(Facsimile.)

**EXAMPLE 13—ADMISSION OF PARTNER**

(See No. 12.)

Fratton Road,  
Portsmouth.

10th Dec., 19..

Messrs. Malpas & Co.,  
Emsworth.

Gentlemen,

I have the pleasure to inform you that, owing to the large increase of my business, and the consequent additional strain which this puts upon me, I have deemed it advisable to have assistance. I have, therefore, arranged a partnership with Mr. William Jones, with whom I shall trade in future as—

**JOHN PINK & CO.**

In order to settle up all matters in connection with the accounts, I am balancing my books on the 28th inst., and shall be glad if you will forward me a statement of your account up to and including that date.

I remain,

Yours faithfully,

John Pink,  
now John Pink & Co.Mr. Jones will sign—  
John Pink & Co.

(See No. 14.)

**EXAMPLE 14—POWER OF PROCURATION GIVEN**Fratton Road,  
Portsmouth.

2nd Feb., 19..

Mr. Wm. Dummer,  
Gosport.

Dear Sir,

We have the pleasure to inform you that we have this day accorded Power of Procuration to

**MR. ROGER GRAY,**

who has faithfully assisted us for the past two years, and request you to regard all that he may do in our name as done by ourselves.

Requesting your attention to his signature appended below,

We are,

Yours very truly,  
John Pink & Co.Mr. Roger Gray will sign—  
p.p. John Pink & Co.  
Roger Gray.

## EXAMPLE 15—ESTABLISHMENT OF A BRANCH

Regent Street,  
London, W.1.

1st June, 19..

Messrs. John Hall & Sons,  
Pendleton.

Dear Sirs,

As the volume of our trade with the North of England is constantly increasing, we have this day opened a new Branch at Manchester and have placed the management in the hands of our partner, Mr. Hamilton Irving.

The requirements of the new branch being supplied from our own warehouses, you will be served with regard to both quality and price as formerly, with the difference only that your wants can be more rapidly attended to. Our clients enjoy a further advantage in a considerably lower freight.

Requesting you to favour us with a continuance of your support,

We remain,

Yours faithfully,

J. W. Irving & Co.

Mr. Hamilton Irving will sign—

J. W. Irving & Co.,  
Manchester Branch,  
Hamilton Irving.

## TEST PAPER VII

1. Reproduce from memory the specimen circular given in Example 12.

2. Mr. John Hill has been engaged for several years in the firm of Triebel & Co., in Odessa, where he undertook the buying of Russian grain. As he has accumulated considerable savings, and in addition has inherited some money, he decides to establish a commission business in his native town of Newcastle, and to devote himself principally to the buying of grain for the account of firms engaged in the home trade. Draw up a circular such as would be issued by him.

3. The firm described in Example 12, after having been established for two years, takes in as partner Mr. Edward Pink, the brother of the proprietor. The new partner was engaged for several years in large firms of grain dealers in London and Chicago, and he knows the American wheat business thoroughly, owing to which fact the new firm is in a position to extend its business in this direction. The new style of the firm will be John Pink & Co.

Draft out the circular.

4. Address a circular to your customers informing them that Mr. John Enion, who has represented you for the last seven years, is no longer in your employ, and has ceased to act in your name. State

at the same time that Mr. Donald Swift, your new traveller, will be pleased to call on your customers next week with samples of your new goods for the coming season. Express the hope that your customers will favour him with their esteemed orders.

5. On the 10th Jan. 19.., Mr. Leonard Brooks, of Hendon, writes to Messrs. Brown Bros. of Manchester, to tell them that Mr. Smart has applied for the position of book-keeper in his house. He states that he has been five years in their employ as book-keeper. Mr. Brooks requests Messrs. Brown Bros. to favour him with particulars as to the capabilities and general character of Mr. Smart with special reference to his trustworthiness.

6. On the 16th Feb., 19.., Mr. John Taylor, of Leeds, writes to Messrs. Carey & Co., of London, who have asked for information concerning the firm indicated at the foot of his letter. Mr. Taylor informs them that the firm in question enjoys a good reputation—considerable capital—commercial ability—straightforward dealing. In the opinion of Mr. Taylor, Messrs. Carey & Co. can enter with full confidence into business relations with the said firm.

7. When a firm commences business or makes any alterations in its business, what steps does it take to inform the commercial community? Inform the commercial community in the usual way of each of the following—

(a) The admission of a new partner.

(b) Impending bankruptcy.

8. Draft a circular to be issued to his customers by Mr. David Ellis, Ironmonger, Penarth, notifying removal to larger premises at 13 Broad Street, and that he has taken his chief salesman, Ivor Hughes, into partnership; the name of the firm in future will be Ellis & Hughes. State that a large and varied stock is on view and invite orders and inquiries.

9. Draft a circular to prospective clients, telling them that you are opening a clothier's establishment in their town. Offer them some inducement to visit your shop.

## CHAPTER VIII

### TELEGRAPHIC COMMUNICATIONS

IN order to save expense, it is natural that in telegraphic communications the shortest possible wording is adopted in so far as it is compatible with clearness. The address, contents, and signature must, without doubt, be adequately expressed, although the last-named may be omitted in cases where the addressee can come to a definite conclusion as to the sender, from the reading of the contents.

When telegraphing the daily quotations of stocks and shares, banks and other financial houses sometimes come to an arrangement as to the order in which the quotations shall follow each other, and in that case may leave out the names of the stocks and shares.

It is frequently the case that orders and other business transactions cannot be executed quickly enough through the medium of letters, in which case the telegraph or the telephone is called into service. When using the telegraph it is advisable to confirm the telegram immediately by a letter in which the context of the telegram is repeated. Forms ruled as in Example 16 are issued by the Post Office, and may be obtained without charge.

**MAKING OUT TELEGRAMS.**—In general, the three parts of the telegram are the address, context, and signature. Since every word has to be paid for, however, it becomes necessary to draw up a telegram as briefly as possible without detracting from the clearness or precision of the contents.

In the **address**, which must always be given in the language of the country of destination, the title Mr. or Messrs. is, of course, omitted, and the address is stated as briefly as possible, *e.g.*, Jones Bros., York Street, Birmingham. Many firms have a special telegraphic address, for which a certain fee has to be paid annually. This arrangement entails a considerable saving in telegram fees. If, for instance, a firm's name is Brown & Sons, the telegraphic address of Brownsons saves two words. Of course, telegraphic addresses may be made up in a variety of ways. An address already registered, however, may not be used. Since the full address of

the person having a telegraphic address is registered at the Post Office, no number or street name is necessary.

In the **context** of the telegram every word which is not entirely indispensable is omitted so long as the sense or clearness of the telegram does not suffer thereby. Frequently the imperative form is used, and all formulas of politeness are omitted. (See specimen on p. 51.) Telegrams without any context at all are permissible, but of course they are subject to the minimum fee.

The mere surname of the sender is sufficient to act as **Signature**, but even this may be omitted if the addressee can have no reasonable doubt as to the identity of the sender.

**KINDS OF TELEGRAMS.**—Telegrams may be divided according to their language into open, code, and cipher messages.

**Open Telegrams** are composed in such a manner that they have a meaning apparent to anybody. In foreign telegrams the number of letters which a word may contain is fifteen. Any single letter or figure is counted as a word. Unusual combinations of words are not admissible, and are, therefore, counted according to the actual number of words contained therein. Abbreviations are admissible in so far as they are used in ordinary life, *e.g.*, St. for Street.

**Code Telegrams** are comprehensible only to the senders and the receivers on the basis of a code book or a pre-arranged list. In code, words may have the meaning of whole sentences, and much money is therefore saved in this manner. The length of each word, however, may not exceed ten letters, and must consist of syllables which can be pronounced in the principal European languages. On page 50 is shown an extract from the A.B.C. Code, 5th Edition.

**Cipher Telegrams** may consist of groups of figures or of letters with a secret meaning. Figures and letters must not be included together in one and the same group. Each group up to five figures or letters is charged as one word.

**THE TELEPHONE.**—Nowadays the telephone is an indispensable requisite to the business man, and telephonic conversations are not only cheaper but they are capable of yielding a quicker response than the telegram. Conversations may take place at any of the public telephone boxes or from any private telephone connected with the telephone system. A charge of 2d. is made for using



## REPRODUCTION OF A PAGE IN THE A. B. C. CODE 5th EDITION

CODE No.	CODE WORDS.	
		<b>Imports—continued.</b>
21165	<i>Idroario</i>	What were the imports last month
21166	<i>Idracele</i>	What are the imports this week
21167	<i>Idrofano</i>	What were the imports last week
21168	<i>Idrofila</i>	The imports this year are —
21169	<i>Idrofobo</i>	The imports last year were —
21170	<i>Idrogeno</i>	The imports this month are —
21171	<i>Idroguro</i>	The imports last month were —
21172	<i>Idrologia</i>	The imports this week are —
21173	<i>Idromante</i>	The imports last week were —
21174	<i>Idronfalo</i>	<b>Impossible.</b>
21175	<i>Idropepe</i>	Quite impossible at present
21176	<i>Idropota</i>	Impossible to do anything at present
21177	<i>Idrorrea</i>	It is impossible
21178	<i>Idroscopo</i>	It was quite impossible
21179	<i>Idrosteo</i>	It is not impossible
21180	<i>Idrotile</i>	Conditions are impossible
21181	<i>Idruro</i>	Terms are impossible
21182	<i>Idryle</i>	Was thus rendered impossible
21183	<i>Iduabas</i>	Soon may be impossible
21184	<i>Iduabitis</i>	It is now impossible
21185	<i>Iduantium</i>	<b>Impression.</b>
21186	<i>Iduavent</i>	What is your impression
21187	<i>Iduaturi</i>	My (our) impression is —
21188	<i>Iduatuross</i>	He has (they have) an impression that—
21189	<i>Iduavero</i>	Has (have) made no impression
21190	<i>Iduavimus</i>	Whilst under the impression that—
21191	<i>Idumæum</i>	Has (have) made a favourable impression
21192	<i>Idyia</i>	(Have) made an unfavourable impression
21193	<i>Idyll</i>	The impression is entirely unwarranted
21194	<i>Idyllic</i>	The impression is just as expected
21195	<i>Iebuster</i>	The impression is fairly assumable
21196	<i>Iedereen</i>	The impression is quite right
21197	<i>Ielton</i>	The impression is quite wrong

a public telephone for any local conversation not exceeding three minutes in duration.

**THE GROWTH OF THE TELEGRAPH AND TELEPHONE SYSTEMS.—**

The electric communication by telegraph and telephone has already assumed gigantic dimensions. The number of telegrams and telephone communications may now be reckoned by the million. In addition to the ordinary telegraph by wires, wireless telegraphy

EXAMPLE 16—OPEN TELEGRAM

POST OFFICE  
INLAND  
**TELEGRAM**

Prefix

Handed in

FOR POSTAGE STAMPS

For Conditions of acceptance, see over

SERVICE INSTRUCTIONS

Charge

Chargeable Words

Actual Words

Counter Number

.....M

To . . . . .

.....

ADDRESS CALDERBORNE  
BIRMINGHAM

If you wish to pay  
for a reply insert  
R.P. here

CONFIRM APPOINTMENT  
THURSDAY AFTERNOON  
HERE

HORLAKE

Please write on the back of this form, the telephone number, or name and address of the sender, if not to be telegraphed

has made such progress that it is possible to transmit messages for a distance of thousands of miles. Above everything, this is of the utmost importance to ocean-going vessels. Already Great Britain is in direct communication with most of her colonies by wireless telegraphy.

#### EXAMPLE 17—OPEN TELEGRAM

Bingham,  
39 London Road,  
Birmingham

Send	two	each	mincing	machines
5550	5551			
			Richardson	

#### EXAMPLE 18—CODE TELEGRAM

Contemporary,  
Cent, London

Idyll	Idruro	
		Williams

#### TEST PAPER VIII

1. On 23rd April, Harry Gillibrand, in Bolton, wires to Smithson Bros., in Liverpool, asking them for the immediate consignment of  $\frac{1}{4}$  cwt. Nutmeg, medium size, at 2s. 6d. per lb. Write the telegram.

2. On the 4th May, Fuller & Sons, of Portsmouth, order by telegram from Peter Robinson & Co., in London, 20 yards of cloth, No. 5442. Make up a telegraphic address and write the telegram.

3. On 25th of May, Harry Gillibrand, of Bolton, sends a telegram to John Heywood & Co., in Manchester, ordering two copying presses, No. 6, to be sent per return. Compose the telegram.

4. What is a cipher telegram?

5. Write out a telegram to "Phono," London, asking what their price is for 1,000 note-books, to be retailed at 3d. each. State the charge for this telegram.

6. De-code the message contained in Example 18, using the information given on page 50.

## SECTION II—TRADE

### INTRODUCTION

THE operations involved in the buying and selling of goods are known as "trade." In trade both the contents and purposes of the letters used are as varied as the transactions and incidents themselves. Judging by the *purpose* of the letter, the correspondent has to distinguish whether it shall aim at—

- (1) The opening up of business relations;
- (2) The continuance of an already existing connection; or
- (3) The termination of business relations.

From the point of view of the *contents* of the letter, transactions may be divided into as many as ten or even more classes. As some letters may belong to more than one class it is not always easy to draw the line between one class and another. However, if the principal contents be taken, it is always possible to place a letter in a certain class, so that the examples given below may conveniently be applied.

Since the buying and selling of goods constitutes the most important form of commercial activity, it is now proposed to deal with the kinds of correspondence connected therewith, and in the subsequent sections to deal with the correspondence of those branches of commerce which are auxiliary to trade.

**CONSIDERATIONS IN BUYING AND SELLING.**—The function of trade is the transfer of the ownership of products from the producer into the hands of the consumer, and it thus enables the requirements of one district to be balanced against the excess production in another district. Hence, on the one hand, famine and excessive prices are avoided, whilst on the other hand, diminution in value and waste are largely prevented. Most commercial enterprises offer prospects of success if the trader's discernment, combined with energy, resource, and the necessary caution, enable him to recognise the prevailing needs in order that he may exploit them. For the purchaser the points to consider are the finding of good sources of supply, a careful and suitable selection of goods as regards both variety and quality, and the utilisation of the cheapest means of

transport in order to procure the goods on the most advantageous terms, and thus facilitate competition with other traders. The chief considerations for the seller are the choice of a good business site, the employment of suitable assistants, the attraction of solvent customers, both from the immediate locality and from farther afield, a pleasing exhibition of the goods offered for sale, careful treatment of the customers, orderliness in every direction, and suitable methods of advertising.

**KINDS OF LETTERS USED IN TRADE.**—An examination of the various operations involved in buying and selling of goods, enables the correspondence of trade to be classified according to the subject-matter dealt with, as follows—

- (1) Inquiries.
- (2) Offers and quotations.
- (3) Orders.
- (4) Confirmation, execution or refusal of orders.
- (5) Acknowledgment of the receipt of goods, and payment for them.
- (6) The cancellation of an order.
- (7) Claims in connection with goods delivered.
- (8) Reminders concerning payment.
- (9) Correspondence with brokers and commission agents.
- (10) The commercial traveller.
- (11) Local agents.
- (12) Import and export trade.
- (13) Market and Exchange reports.

In the following chapters of this section the various types of letters under each of these headings will be considered.

## CHAPTER I

### INQUIRIES

IN order that the trader may have goods in stock at the proper time, and on the most advantageous terms, he has to follow carefully the movements in prices of the articles in which he is dealing at the various places of manufacture or on the principal markets of the world. Newspapers, market reports, and price lists provide him with information on this subject, and offers are sometimes conveyed to him by post, or samples are submitted to him through the agency of travellers. It should be remembered that a trader has no wish to change his sources of supply without adequate reason. But although he may have no desire to leave an old supplier, he must nevertheless reserve to himself the right of complete freedom of action.

In order to discover new sources of supply or to obtain particulars as to quality, saleability, price and terms of certain goods with a view to obtaining them on the most advantageous conditions, many inquiries have to be sent out. Where an inquiry is addressed to firms with which no previous transactions have been conducted, the letter has to be more explicit: references have to be given, and an indication as to whether the purchase is to be made for cash or on credit. A careful description should be given of the kind and quality of the goods desired, and some idea of the size of the probable order. It is also advisable to send or ask for a sample of the article in order to preclude any form of doubt, and to state any special wishes which the consumers may have in regard to the nature of the packing.

Of course, if the cost of the packing asked for is higher than that of the usual packing, the difference will have to be borne by the buyer. Generally speaking, however, the seller gives a quotation inclusive of the packing.

Inquiries usually terminate with the request for lowest quotations and the return of samples, together with the intimation that a satisfactory execution of the trial order would lead to further business. The replies to such inquiries have to be attended to without delay, and should state honestly and in detail the conditions and terms of payment, and should also repeat the most important points such as time and place of delivery.

## EXAMPLE 19—INQUIRY FOR PRICE LIST

THOMAS EDWARDS, Draper

Commercial Road,  
Portsmouth.  
10th Feb., 19..

Messrs. John Horton & Sons,  
London.

Dear Sirs,

Please send me as early as possible your latest price-list of Dry Goods with lowest quotations, and oblige,

Yours faithfully,

Thomas Edwards.

(See No. 20)

## EXAMPLE 20—REPLY

(See No. 19)

Balderton Street,  
London, W.C.2  
12th Feb., 19..

Mr. Thomas Edwards,  
Portsmouth.

Dear Sir,

In accordance with your wish we are sending you enclosed our latest price-list. We shall make it our business to charge you the lowest possible price for any quality you may require, in order to give you entire satisfaction and to retain your custom.

Awaiting your esteemed orders,

We are,

Yours faithfully,

John Horton & Sons.

(See No. 35.)

## EXAMPLE 21—INQUIRY RE MACHINERY

Leicester.  
3rd May, 19..

Mr. John Dowson,  
Engineering Works,  
Manchester.

Dear Sir,

We are indebted for your address to Mr. A. Taylor, and now send you the enclosed drawings of three pumping machines,

requesting you to inform us by return for what price and in what time you can deliver them. We would mention that we are in a hurry for the machines, which must be delivered not later than the 1st August.

Should your price suit us, and the machines prove satisfactory, we may be able to give you further orders, as we shall need some more machines to complete our factory plant.

Yours truly,

Thompson & Jones.

(See No. 29)

### EXAMPLE 22—INQUIRY FOR PRICE OF SUGAR

King's Road,  
Portsmouth.  
7th Oct., 19..

Messrs. Minardo & Sons,  
Leadenhall Street,  
London, E.C.3

Dear Sirs,

Kindly let us know at what price per cwt. and upon what conditions of payment you are able to deliver quantities of

#### BEST REFINED LOAF SUGAR.

If your quotation is suitable we propose to cover all our requirements for the winter through you.

Thanking you,

We are,

Yours faithfully,

Eade & Co.

(See Nos. 23 and 27.)

### EXAMPLE 23—REPLY

(See No. 22.)

Leadenhall Street,  
London, E.C.3  
8th Oct., 19..

Messrs. Eade & Co.,  
Grocers, Portsmouth.

Dear Sirs,

We are in receipt of your letter of the 7th October, and in anticipation of large orders are quoting you for Best Refined Loaf Sugar for delivery during the present month at 33s. per cwt. with 2% discount for payment within 14 days from date of invoice. Delivery f.o.r. Waterloo Railway Station.



For delivery next month, we have to quote 2d. per cwt. more. Trusting you will be able to accept our offer, which will be kept open against a reply by wire,

We are,

Yours faithfully,

John Minardo & Sons.

(See No. 27.)

#### EXAMPLE 24—CONFIRMATION OF TELEGRAPHIC INQUIRY

Bolton Road, Farnworth,  
near Bolton.

3rd Sept., 19..

Mr. T. Oliver,  
Manchester.

Dear Sir,

I now confirm my telegram of to-day's date as follows—

“At what lowest price can you quote for 100 bales good middling Texas for October?” and I await your lowest offer.

Yours faithfully,

James Rothwell.

(See No. 25)

#### EXAMPLE 25—REPLY

(See No. 24.)

Bank Chambers,  
Cross Street,  
Manchester.

4th Sept., 19.

Mr. James Rothwell,  
Farnworth.

Dear Sir,

In reply to your telegram which you confirmed by letter on the 3rd inst., I now find that it is possible for me to offer you good middling Texas cotton in quantities of 100 bales at 5½d. per lb., deducting the weight of the hoops, and 4% for tare. Delivery in October ex warehouse here.

The terms of payment would be three months net or 1½% discount for cash on the total invoiced amount inclusive of all expenses.

Thanking you for your inquiry,

I am,

Yours faithfully,

Thomas Oliver.

(See No. 38.)

## EXAMPLE 26—INQUIRY FOR CATALOGUE

Portland Street,  
Manchester.

8th Nov., 19..

Messrs. John Samuels & Son,  
Hightown,  
near Manchester.

Dear Sir,

I am on the point of making a large export consignment of various goods, and it is my intention to include a selection of toys in it.

As your firm has been mentioned to me as one of the best in the manufacture of these articles, I conclude that your stock is very varied, and in order to gain some idea of it, I shall be glad if you will send me your catalogue together with quotations for large quantities. Please mention also the time you would require to effect delivery and the conditions of payment.

I send herewith the names of several firms as references, and hope that you will facilitate business by quoting me rock-bottom prices, and oblige,

Yours faithfully,

William Jones.

## References—

R. Smith & Co.,  
28 York Street, Manchester.

T. Wilkinson & Son,  
Broad Street, Pendleton.

(See No. 33.)

## TEST PAPER IX

Draft the following letters—

1. John Brown requests the Waverley Co. to send him their price list with samples of pen nibs.
2. Glaister & Co. applied to the Northern Rubber Works for their illustrated catalogue of garden tents, together with prices for all sizes, kinds and qualities.
3. Batt & Sons ask Robinson & Co. to send them cuttings of the latest dress materials for the Spring Season, with details as to width and prices.
4. On the 1st Jan., A confirms his telegram to B: "Please quote lowest price for one cwt. best Cylindrical Corks."
5. B requests D & Co. to send him their lowest quotation for essential oils.

6. Davis & Co. ask Rolands Bros. for a quotation for their Centrifugal Drying Machines of various sizes.

7. Booth & Co., of Capetown, inquire from a Bradford firm their lowest prices of Half Hose Cashmere Socks in assorted colours; as to packing they propose cardboard boxes in strong wooden cases 15" × 10" × 3".

8. Bradley & Co., of Leadenhall Street, London, inquire from Barlow, Jones & Co., of Manchester, after the price of best Damask Cloth in accordance with patterns No X/3865. The order would be for 450 pieces.

9. Write a letter from Thomas Green & Co., Ltd., Jam Manufacturers, Ely, to the Ferndale Collieries Co., Ltd., Ferndale, asking for a quotation for a supply of coke and coal for the twelve months following, namely, from 1st May, 1937, to 30th April, 1938. The probable requirements are 450 tons of coal and 50 tons of coke, to be delivered as required.

10. Mr. H. Brown, Gentlemen's Tailor and Outfitter, 27 Kingsway, Cardiff, on the recommendation of Mr. T. Davies, Tailor, Newport, writes to the Scottish Tweed Co., Peebles, Scotland, for patterns and quotations. He desires to complete his spring range of tweed cloths suitable for a middle-class trade.

## CHAPTER II

### OFFERS AND QUOTATIONS

THE trader who wishes to extend the sphere of his activities must seize every opportunity of offering his goods to likely customers. Where an offer has to serve for a large number of customers, the letter must be couched in general terms so that it may assume the form of a printed circular, whilst specific offers must be restricted to the article in question. If the terms and conditions are already known to the inquirer, they may be omitted in the offer. The object of making an offer is either to open up new business relations or to place on a sounder basis an already existing but rather feeble connection. As confidence, through the medium of correspondence, can be gained only by the maintenance of a strict code of honesty and the satisfactory treatment of customers, letters of this description must be drafted with the greatest care, and any particulars, such as, for instance, pointing to the existence of small stocks, increased demand, the prospect of poor harvests, excellent quality or the probability of a rise in price, must be strictly in accordance with the actual facts. The chief points in making an offer are—

(1) The *nature of the goods*. This must be described in such a manner as to leave no doubt in the mind of the prospective customer as to the quality.

(2) The *measure or weight* constituting the unit of the goods offered or quoted.

(3) The *currency* in which payment is expected to be made.

(4) The *terms of payment, i.e.*, whether for cash, on credit, or against acceptance.

(5) The *mode and place of delivery, i.e.*, whether ex warehouse, f.o.b., or franco, etc. It should also be stated whether the goods are to be conveyed by rail, post, or carrier; by ordinary goods train, passenger or express train; whether by lighter, steamer, sailing vessel, or tug.

(6) The *time of delivery* should be stated with particular care, after allowing for any possible delays. This is especially important in the case of goods which have to be manufactured to order or

obtained elsewhere, and where a fine is imposed if the time stipulated is exceeded.

(7) The *charge for packing* is usually included in the quotation, but in the case of specially durable packing, such as is used in the export trade, an extra charge is made (*e.g.*, waterproof canvas, and tin-lined cases).

In some cases a *firm offer* is made. This signifies that an order will be accepted at the price named, and on the conditions stated, only within a specified time. On the other hand, the offer may be made *without engagement*, in which case the seller does not bind himself to accept an order at the price stipulated without further negotiation.

If it is desired to make an offer to a wide circle of consumers, an advertisement may be inserted in the local newspaper, or circulars may be sent out to a large number of people. In recommending the goods offered, it is unwise to run down competitors, or to make false or exaggerated statements, as such a course may have disagreeable consequences.

Moreover, the risk involved in the granting of credit must not be forgotten, and it is very difficult to arrive at the happy medium between giving too much or too little credit.

### EXAMPLE 27—OFFER OF SUGAR

(See No. 22)

Telegraphic Address: **Minardo, London.**

Telephone: 1876 Central.

**JOHN MINARDO & SONS, Wholesale Grocers**

Leadenhall Street,  
London, E.C.3  
8th Oct., 19..

Messrs. Eade & Co.,  
Grocers, Portsmouth.

Dear Sirs,

We thank you for your inquiry of the 7th October, and can offer you Best Refined Loaf Sugar at 33s. per cwt., with 2% discount against cash in 14 days ex railway station here, delivery

on the 15th November. For delivery on the 15th December the price would be 2d. per cwt. more.

This offer will remain open until the receipt of your wire per return.

We are,

Yours faithfully,

John Minardo & Sons.

(See No. 28.)

**EXAMPLE 28—REPLY BY TELEGRAM**

(See No. 27.)

Minardo		London		
Accept	240	cwts	at	33/-
immediate	delivery			
				Eade

**EXAMPLE 29—SUBMITTING QUOTATION**

(See No. 21.)

Manchester.

5th May, 19..

Messrs. Thompson & Jones,  
Leicester.

Dear Sirs,

I am in receipt of your letter of the 3rd May, informing me that you are thinking of placing your order for three pumping machines with me. I can deliver by the 1st August, although the term is very short.

I should be able to supply the three pumping machines as per drawings sent as follows—

No. 1 at £145

No. 2 at £140

No. 3 at £130

ex works, Manchester, net cash against three months' acceptance.

I have quoted you so low that another firm will scarcely be in a position to make you a more favourable bid, and deliver faultless workmanship. I trust, therefore, you will pass me the order, and, as the time is short, let me have your reply immediately.

Yours faithfully,

John Dowson.

(See No. 36.)

## EXAMPLE 30—OFFER OF VEGETABLES

6 Covent Garden,  
London, W.C.2  
26th Jan., 19..

Mr. John Buckingham  
Greengrocer, Hampstead, N.W.3

Dear Sirs,

Having bought large stocks of peas and beans, we are pleased to offer you ex warehouse here, and for delivery until February, as follows—

Large Peas . . . . .	187/- per ton
Small Peas . . . . .	166/- per ton
Fodder Peas . . . . .	148/- per ton
White Haricot Beans . . . . .	26/6 per cwt.

The minimum quantity for peas is one ton, and for beans half a ton.

We shall be glad to make you special offers for orders of not less than a truck load at a time.

Trusting to receive your orders,

We are,

Yours faithfully,

The Garden Produce Supply Co.

(See No. 31.)

## EXAMPLE 31—REPLY

(See No. 30.)

Park Road,  
Hampstead, N.W.3  
28th Jan., 19..

The Garden Produce Supply Co.,  
Covent Garden, W.C.2

Dear Sirs,

In reply to your circular offer of the 26th inst., I am willing to purchase 2 tons of Large Peas if you can reduce the price to 185/- per ton against cash.

Awaiting the favour of your early reply,

I am,

Yours truly,

John Buckingham.

**EXAMPLE 32—REDUCTION OF PRICE**

(See No. 31.)

6 Covent Garden,  
London, W.C.2  
30th Jan., 19..

Mr. John Buckingham,  
Greengrocer, Hampstead, N.W.3

Dear Sir,

In reply to your letter of the 28th inst., we regret that it is impossible for us to supply you with Large Peas in the quality of the Sample quoted, at 185/- per ton.

However, in order to meet you, we are prepared to reduce the price to 186/3 against cash, a quotation from which we cannot budge.

We hope that you will see your way to grant us your order, and assure you in advance of its most careful execution.

Yours faithfully,

The Garden Produce Supply Co.

(See No. 37.)

**EXAMPLE 33—CATALOGUE AND QUOTATION FORWARDED**

(See No. 26.)

Station Road,  
Hightown.  
10th Nov., 19..

Mr. Wm. Jones,  
Portland Street,  
Manchester.

Dear Sir,

We are in receipt of your letter of the 8th inst., and are sending you by this post catalogue containing quotations for large orders taken from our existing stock. You will also find the times of delivery and the terms of payment indicated therein. Export packing will be charged at the lowest possible prices, but there is no charge for the packing of the separate articles.

We recommend the catalogue to your careful perusal and await your orders.

Yours faithfully,

John Samuels & Son.



## TEST PAPER X

1. Frank Andrews, in Wigan, offers by advertisement Camel Hair Rugs, best quality, in various sizes, and prices ranging from 7s. 6d. to 23s., against cash less 4 per cent discount. Draw up the advertisement.

2. John Hall offers on the 12th Feb. mattresses in the following sizes, covered with striped tick and filled with various substances, net cash—

No. 53.	Wool & Fibre	20/-	22/-	24/-	26/-	36/-
„ 55.	Straw & Wool	24/-	25/-	27/-	31/-	40/-
„ 57.	Hair & Wool	33/-	37/-	43/-	46/-	62/-
„ 59	Best Horse Hair	83/-	96/-	113/-	120/-	155/-
	Size in feet:	6 × 2½	7 × 2½	7 × 3½	7 × 3½	7 × 4

Draft the letter.

3. Langland & Co., Ltd, offer to supply screws, nuts, and parts of machinery in iron, steel, brass, copper, etc, for all industrial purposes Write the letter containing this offer.

4. Woolley Bros., of Huddersfield, advertise their medicated cotton wool and lint bandages (5 and 10 yds. long) to chemists and hospitals All antiseptic, and packed in neat cardboard boxes either at so much per yard or by weight. Draw up the advertisement

5. The Bridgwater Colliery Co, Worsley, send price list from pit mouth to the Manchester Engineering Co., Ltd., and promise exceptional facilities, especially in nuts suitable for smelting purposes. Draft the letter.

6. John Richards, having received a large consignment of raw skins from South Africa, informs Arthur Owen thereof, stating that he has been able to secure them at the average rates realised at the last auction sales, and that there is a probability of an early rise. It would therefore be in A. O.'s interest to purchase at once. Write the letter.

7. Arthur Owen replies stating that he will pay a visit to J. R.'s warehouse on purpose to view the skins and make a selection. Draft the letter.

8. The Scottish Tweed Co., Peebles, Scotland, reply to Mr. Brown, of 27 Kingsway, Cardiff, enclosing patterns and quoting prices for thirty cloths; they also make an offer of artistic window cards to accompany these cloths Draft the letter.

9. You are employed by Messrs. Jones & Co., Broad Street, St. Helens, Manufacturers of British-made Carpet Sweepers. Write a letter to Messrs. Smith & Co., High Street, Coventry, saying that you have received their inquiry about your sweepers and that you will send a representative to give a demonstration.

10. E. L. Jackson, Esq., "The Knoll," Ridgeway, Exeter, has applied for a copy of *The Gardeners' Annual*, published by J. Wren & Co., Ltd., Ludgate Hill, London, a firm in which you are employed. Mr. Jackson has enclosed a postal order for 1s. 6d. and has requested immediate delivery. The book, however, is priced at 3s. 6d. Write to Mr. Jackson, acknowledging receipt of his letter and postal order, pointing out the error and requesting further payment.

## CHAPTER III

### ORDERS

WHEN giving an order, the wishes of the person granting the order should be carefully stated, especially in regard to such matters as the kind, quantity, quality, colour, packing and price of the goods, the terms of payment, the mode of transport, the time of delivery, insurance, etc. This should be the case even though, by virtue of previous correspondence, some such points have already been made clear to the person receiving the order. Any doubt in regard to any one of these points may lead to a further inquiry, thus entailing loss of time and possibly the loss of the market. For purposes of safety it is customary to send a sample along with the order, thus showing the quality, colour, or texture of the article to be supplied. If it is a question of a repeat order for goods which are well known, in most cases it is sufficient simply to indicate the quality by a number or in some similar way. Where only a few kinds of goods are ordered the details are usually given in the body of the letter, but in case a large variety of goods is required they are often enumerated at the foot of the letter or even on a separate sheet. Where an order is urgent and is therefore telegraphed, the telegram should be immediately confirmed by a letter in which the context of the communication is given. Large firms frequently use printed order forms or post cards, so that it is only necessary to fill in the particulars of the order in the space allotted.

If the person ordering the goods is not the consignee himself, but requires them to be sent to a third party, he may nevertheless ask for a sample of the goods in order to be able to deal with any subsequent claim. Where the person ordering the goods has indicated a certain price or stipulated a price limit, the party receiving the order must not exceed this limit without first entering into communication with the buyer. Arbitrary changes in the execution of an order, whether in the buyer's favour or not, need not be accepted by him. When the buyer has great confidence in his agent, he sometimes allows him a free hand, and simply expresses the wish that the goods be supplied at the lowest possible prices.

The main points to be stated in a letter containing an order may be stated briefly as follows—

(1) The quantity and quality of the goods ordered—their kind, colour, degree of fineness, number, etc. Where an exact description is impracticable, or where no sample or pattern has been received, it is advisable to send a sample or pattern.

(2) The price of the goods ordered or the price which the buyer is prepared to pay for them. The price may either be limited, in which case the person ordering mentions a figure which must not be exceeded, or be left to the discretion of the party to whom the order is given. In the latter case it is usual to express the expectation that the lowest possible prices will be charged.

(3) The time allowed for delivery and the conditions of payment. The former varies according to the size of the order. The latter may be for cash; on credit with mention of discount for earlier payment; or against remittance, draft, or acceptance.

(4) The mode of carriage to be adopted. Instructions are given as to whether the goods are to be sent by carrier, railway, or by water.

Finally, any special points should be mentioned which the buyer wishes to have observed, such as the nature of the packing, insurance, the payment of customs duty, etc.

#### EXAMPLE 34—ORDER FOR LAMPS

Telephone: 18,762.

### THOMAS BLACK, Gas and Electric Fittings

Oldham Road,  
Rochdale.  
5th Oct., 19..

The British Lighting Co., Ltd.,  
Victoria Bridge, Manchester.

Dear Sirs,

Referring to your letter of the 20th September, I shall be glad if you will let me have as samples 4 Lamps of each of the various sizes, and suitable for streets, hospitals, restaurants, schools, and offices. Kindly let me have these at your lowest possible price, and oblige,

Yours faithfully,  
Thomas Black.

**EXAMPLE 35—ORDER FOR DRY GOODS**

(See No. 20.)

Commercial Road,  
 Portsmouth.  
 14th Feb., 19.

Messrs. John Horton & Sons,  
 Dry Goods Merchants, London.

Dear Sirs,

I have received your price-list, and shall be glad if you will send me by rail as early as possible—

2 cwt.	"Guayaquil" Cocoa	at 50/-	per cwt.
2 "	"Ceylon" Cocoa	at 70/-	" "
2 "	"Caracas" Cocoa	at 80/-	" "
1½ "	Smyrna Figs	at 24/-	" "
1 "	Sweet Bari Almonds	at 52/-	" "
1 "	Sweet Avola Almonds	at 57/-	" "
¼ "	Bitter Sicilian Almonds	at 54/-	" "

I hope you will be able to reduce the above prices somewhat, and that you will take care that the goods are carefully packed. Insurance will be effected by myself.

You may draw upon me for the amount of the invoice, at the same time advising me that you have done so.

I am.

Yours faithfully,  
 Thomas Edwards.

**EXAMPLE 36—ORDER FOR MACHINES**

(See No. 29.)

Leicester.  
 7th May, 19..

Mr. John Dowson,  
 Engineering Works,  
 Manchester.

Dear Sir,

We acknowledge receipt of your letter of the 5th May, and request you to take in hand the construction of three pumping machines described in detail in ours of the 3rd May, at the prices fixed by you, viz.,

£145 for No. 1.  
 £140 for No. 2.  
 £130 for No. 3.

As you make no mention of the guarantee usually given when delivering machines, we would point out to you that we must stipulate for a two years' guarantee, during which period you engage to make good any necessary repairs free of charge. Moreover, to ensure a prompt delivery of the machines on the 1st Aug., you bind yourself to pay us a compensation of £2 (two pounds) for each day over and above the date fixed for delivery.

Requesting you to acknowledge acceptance of our order, and to confirm conditions stated above,

We remain,

Yours faithfully,

Thompson & Jones.

(See No. 44)

### EXAMPLE 37—ORDER FOR PEAS

(See No. 32)

Park Road,  
Hampstead, N.W.3  
2nd Feb., 19..

The Garden Produce Supply Co.,  
Covent Garden, W.C.2

Dear Sirs,

With reference to your letter of the 30th ult., together with samples, I accept your quotation of 186/3 per ton of Large Peas carefully sifted, and shall be glad if you will forward a consignment of two tons, in accordance with your sample.

Although I am accustomed to buy carriage free, I consent to pay the freight in this instance, but in consideration of this you will no doubt make me an allowance of 2% discount.

On receipt of the consignment, I shall cover you for the amount of the invoice.

Yours faithfully,

John Buckingham.

(See No. 42)

### EXAMPLE 38—ORDER FOR COTTON

(See No. 25.)

Bolton Road,  
Farnworth.  
6th Sept., 19..

Mr. T. Oliver,  
Manchester.

Dear Sir,

I have just received your letter of the 4th inst., and, in accordance with your offer, I am willing to take 100

Bales of good middling Texas at 5½d. per lb.—delivery in October.

Kindly make note of this order and oblige,

Yours faithfully,

James Rothwell.

(See No. 48.)

### EXAMPLE 39—ORDER FOR SUGAR

(See No. 28)

King's Road,  
Portsmouth.  
9th Oct., 19..

Messrs. John Minardo & Sons,  
Leadenhall Street,  
London, E.C.3

Dear Sirs,

We are in receipt of your letter of yesterday's date, and confirm our reply by telegram as follows—

“Accept 240 cwts. at 33/—immediate delivery.”

Please take note of our order, and kindly advise us when you dispatch the goods.

Yours faithfully,

Eade & Co.

(See No. 46.)

### EXAMPLE 40—ORDER FOR BROOCHES AND BRACELETS

Bishop's Road  
Stockport.  
6th Feb., 19..

Messrs. Lewis & Co., Ltd.,  
Market Street,  
Manchester.

Dear Sirs,

I thank you for the samples you sent me on the 30th ult., and shall be glad if you will execute as early as possible the order for

6 Doz. Brooches and Bracelets,

as specified on the enclosed order sheet.

Please let me have a confirmation of this order, and oblige,

Faithfully yours,

John Yates.

## ORDER SHEET

Order No. 319 from JOHN YATES

To Messrs. Lewis &amp; Co., Ltd.

3 doz. Brooches—

No.	2116	2128	2132	2145	2148	2150
-----	------	------	------	------	------	------

@	19/6	20/6	21/-	22/-	23/-	25/- per doz.
---	------	------	------	------	------	---------------

3 doz. Bracelets---

No.	2305	2312	2324	2332	2340	2348
-----	------	------	------	------	------	------

@	20/6	21/3	21/8	23/-	24/-	25/6 per doz.
---	------	------	------	------	------	---------------

## EXAMPLE 41—ORDER FOR CIGARS

1 Compton Street,  
Ashton-under-Lyne.

23rd June, 19..

Mr. Theophilus Stubbins,  
8 High Street,  
Manchester.

Dear Sir,

On the receipt of your offer of the 18th June, I was engaged in Stock-taking for the purpose of preparing my final accounts. I found that, owing to slackness of business, my stocks of the various brands of cigars were fairly large. It is for this reason that the interruption has taken place in our business relations, which I regret as much as you do yourself.

My requirements in cigars at the present moment are not very large, and I shall therefore be obliged if you will send me the following by rail, well packed in a case—

2,000	Imitation Havana	at 25/-	per 100
2,000	Mild Brema	at 27/6	„ „
500	Cuba	at 30/-	„ „
500	Friendship	at 45/-	„ „
500	Victoria	at 60/-	„ „
500	Imported Havanas	at 90/-	„ „
<u>6,000</u>			

For the amount of your invoice you may cover yourself by drawing upon me at three months from the date of the invoice.

I am,

Yours truly,

William Hartley.

## TEST PAPER XI

Draft the following letters—

1. On the 6th May, T. Minardo orders from Frank Andrews 6 Camel

56" × 76" 60" × 80" 64" × 90"

Hair Rugs. Two each of  $\frac{7/6}{10/-} \frac{12/6}{}$  per rug

He asks for an early execution of the order.

2. On the 18th Feb., Frank Jackson, of Oldham, orders from John Hall, of Manchester—

8 mattresses of various sizes (two of each size and similar stuffing), giving the exact sizes, numbers, and prices in accordance with the offer contained in Test Paper X, Q. 2 On receipt of the goods he promises to send half payment in cash and the balance 30 days later

3. On the 26th Oct, John Grocer & Son confirm by letter their telegram of the same date, referring to the immediate consignment of 1,600 cwt. prime Refined Loaf Sugar @ 33/- per cwt., with 2% discount against cash.

4 On the 10th Sept., Wm Eaves, of Swinton, requests Williams & Co, of Manchester, to send (by parcels post) 20 ½-lb. tins of Sardines in Oil at 10d. and 20 ½-lb. tins of Lobster at 11d. as a trial order, and in doing so he refers to their price-list. Terms: cash on receipt of goods.

5. John Knight, Portsmouth, gives Philip Robinson, on 6th Feb., an order for 5,000 doz. White Cotton Handkerchiefs—24" square, hemmed, quality P, @ 3/6 per doz. Delivery within 30 days since they are for export.

6. T. Whittle Bros. order from Wm. J. Bertie, 2 casks of Brown Amber Varnish of the same quality and at the same price as the last consignment. Delivery by rail per return.

7. On the 8th May, George Cousins, of Pendleton, orders from Baxendale & Co., Manchester—

2 doz. sets of Knives and Forks with horn handles, No. 86, @ 9/- per doz.

10 doz. sets do. with ebony handles, No. 98, @ 8/- per doz.

6 doz. Forks with four prongs, No. 766, @ 10/-.

4 doz. Dessert Knives and Forks, No. 777, with ebony handles, @ 4/6 doz.

3 doz. Vegetable Knives, No. 518, @ 9d.

He promises to pay cash less 2% on receipt of the goods

8. Mr. Brown, of 27 Kingsway, Cardiff, sends a trial order for twelve suit lengths, namely, one of each of the following patterns: M161, M162, M163, M164, M165, M166; L25, L26, L27, L28, L29, L30. He encloses a cheque for £14 8s. 0d.



## CHAPTER IV

### CONFIRMATION, EXECUTION, OR REFUSAL OF AN ORDER

ACCORDING to the custom of traders in England, a person who has received an order is expected to confirm it without delay, and it is taken for granted that he has accepted the order unless he gives a refusal of it within a reasonable time. Where a trader has received an order either in the course of an already existing connection, or in response to an offer made by him, he is obliged to give an immediate reply or his silence is regarded as equivalent to an acceptance of the order. In practice, however, such a reply is sent only where—

(a) The order cannot be executed at once owing to the goods not being in stock.

(b) An immediate delivery has not been demanded.

(c) The order has been received by telegram or on the telephone.

If the order can be executed at once no confirmation is necessary.

As the person receiving an order is expected to execute delivery whether he sends a confirmation or not, he must ascertain whether he is really in a position to deliver in accordance with the terms of the order, and whether the party giving the order is able to pay the corresponding price. If there is any doubt as to the standing of the customer, the trader must obtain information concerning him, or ask for payment in advance or on delivery, as the case may be.

In acknowledging the receipt of an order it is customary to express thanks for it, and to repeat the essential points such as quantity, quality, nature of the goods, price, time of delivery, etc., in order to avoid any kind of mistake. If an order is declined or cannot be executed, it is usual to state the reasons.

If the person ordering the goods is known to be insolvent or one with whom it is undesirable to enter into business relations, it is better to offer some pretext for declining the order so as to avoid any unpleasantness. An advice of the consignment of goods is usually sent to the buyer, stating the manner and date of dispatch, and at the same time the invoice for the goods is forwarded. If a part only of the order has been executed, the reasons for this part delivery should be explained in order to avoid unnecessary claims being made.

Where the mode of payment has not been stipulated, it is

inadvisable to draw upon the customer without first obtaining his sanction, for the non-payment of a draft entails expense and unpleasant consequences.

Letters advising the execution of orders usually accompany the invoices announcing the dispatch of goods ordered and contain—

- (1) A reference to the receipt of the order.
- (2) Information as to the execution of the order.
- (3) Information as to the dispatch of the goods.
- (4) A statement of the amount of the invoice.

(5) Mention of the manner in which the party who has executed the order intends to reimburse himself, viz., either by debiting his correspondent with the amount of the invoice, or by drawing on him according to his instructions.

The letter usually concludes by a solicitation for further orders.

#### EXAMPLE 42—CONFIRMATION OF ORDER FOR PEAS

(See No. 37.)

Telegrams: Produce.

Telephone: Central 89.

### THE GARDEN PRODUCE SUPPLY CO.

Covent Garden, W.C.2  
4th Feb., 19..

Mr. John Buckingham,  
Park Road,  
Hampstead, N.W.3.

Dear Sir,

We received your letter of the 2nd inst., and thank you for your order for—

2 tons of Clean Sifted Large Cooking Peas  
at 186/3 per ton.

Our best attention has been given to the execution of this order, and we have forwarded the peas to-day by road. We are prepared to allow you a special discount of 2% against cash, although the price has already been fixed very low.

We shall be glad if you will again avail yourself of our services in the event of further requirements.

Awaiting the receipt of your remittance,

We beg to remain,

Yours faithfully,

The Garden Produce Supply Co.

Enclosure—

## INVOICE

COVENT GARDEN.  
4th Feb., 19..

Mr. JOHN BUCKINGHAM,  
Park Road, Hampstead, N.W.3

Bought of THE GARDEN PRODUCE SUPPLY CO.

1321/60	40 Sacks Large Cooking Peas.	Clean Sifted—						
			Tons	cwt	qrs	lbs		
	Gross Weight	.	2	0	2	18		
	Tare	.			2	18		
	Net	.	2	0	0	0		
	@ 186/3 a ton	.			£18	12	6	
	Less 2% disc't.	.				7	3	
					18	5	3	£18 5 3
	40 Sacks @ 6d.				1	0	0	1 0 0
	Amount due 4th Feb.				19	5	3	£19 5 3

Consigned by road at consignee's risk.

(See No. 49.)

**EXAMPLE 43—REQUESTING EXTENSION OF PERIOD OF DELIVERY**

Oxford Street,  
London, W.1.  
10th Feb., 19..

Mr. John Knight,  
Portsmouth.

Dear Sir,

I am in receipt of your letter of the 8th inst., and regret having to inform you that it is impossible for me to deliver the 5,000 doz. White Cotton Handkerchiefs within the next thirty days, as my factory is fully employed for some time to come.

If you are in a position to extend the time of delivery to six weeks, I could execute your esteemed order by that time. If you accept these terms of delivery, kindly let me know by return of post, and oblige,

Yours faithfully,  
Philip Robinson.

**EXAMPLE 44—ACKNOWLEDGMENT OF ORDER**

(See No. 36)

Manchester.

9th May, 19..

Messrs. Thompson & Jones,  
Leicester.

Dear Sirs,

I am in receipt of your letter of the 7th May, with order for the delivery of three pumping machines, which I herewith acknowledge with best thanks. You may be assured I shall use my best endeavours to execute the order to your satisfaction.

The omission of the customary guarantee in my letter of the 5th inst., was an oversight on my part, for which please accept my apologies. I hereby guarantee the three pumping machines ordered for the space of two years, during which period I am prepared to repair, free of charge, any defects in the machines arising from faulty material. I likewise bind myself to deliver the three machines by the 31st July next, failing which to pay a compensation of 40/- (forty shillings) for every succeeding day of delay.

Yours faithfully,

John Dowson.

(See No. 45.)

**EXAMPLE 45—INVOICE SENT**

(See No. 44.)

Manchester.

28th July, 19..

Messrs. Thompson & Jones,  
Leicester.

Dear Sirs,

The three pumping machines ordered on the 7th May were dispatched yesterday to your address. Please book the amount of the annexed invoice, £415, to my credit.

I trust the machines will reach your town on the 31st inst. Should you have them removed immediately they can be erected and be ready for work on the evening of the 1st August, as my two fitters leave for Leicester to-morrow to make the requisite preparations.

I do not doubt that the machines will prove satisfactory, and I hope you will likewise entrust to me the manufacture of the remaining plant formerly mentioned.

Yours faithfully,

John Dowson.

(See No. 53.)

**EXAMPLE 46—CONFIRMATION OF ORDER FOR SUGAR**

(See No. 39.)

Leadenhall Street,  
 London, E.C.3  
 10th Oct., 19..

Messrs. Eade & Co.,  
 Portsmouth.

Dear Sirs,

We confirm herewith your telegraphic order of the 8th inst., for 240 cwt. Best Refined Loaf Sugar at 33/3—delivery in November, which we have booked for execution. The goods will be forwarded by rail within the first ten days in November, unless you should give contrary instruction in the meantime.

We beg to remain,

Yours faithfully,

John Minardo & Sons.

(See No. 67.)

**EXAMPLE 47—CONFIRMATION OF ORDER FOR LAMPS**

(See No. 34.)

Victoria Bridge,  
 Manchester.  
 7th Oct., 19..

Mr. Thomas Black,  
 Rochdale.

Dear Sir,

We acknowledge the receipt of your letter of the 5th inst., and thank you for the order you have given us.

We have booked this order in accordance with your instructions, and shall forward the Inverted Lamps (of which we are at present sold out) as soon as they have been manufactured, which will be before the 15th inst., charging you the lowest price possible.

In the hope that this trial order will lead to an enduring connection with you,

We remain,

Very truly yours,

The British Lighting Co., Ltd.,

J. Brown, \*

Secretary.

**EXAMPLE 48—ADVISING DELIVERY OF COTTON**

(See No. 38)

Bank Chambers,  
Cross Street,  
Manchester.  
10th Oct., 19..

Mr. James Rothwell,  
Farnworth.

Dear Sir,

In thanking you for your order of the 6th October, I am pleased to say that it has this day been executed.

Please find enclosed the invoice for 100 Bales Good Middling Texas Cotton, delivered f.o.r. for your account.

I am taking the liberty of drawing upon you for the amount of the invoice at one month, and trust you will meet the bill on presentation.

I am,  
Yours faithfully,  
Thomas Oliver.

## INVOICE

Mr. James Rothwell  
Farnworth

Dr. to THOMAS OLIVER

10th Oct., 19..

100 Bales Good Middling Texas—

	Tons	cwts.	qrs.	lbs.
Gross	22	0	1	0
595 Hoops		6	2	9
	21	13	2	19
4% Tare		17	2	19
Net	20	16	0	0

@ 5½ lb.

£ s. d  
1,067 14 8

Checked and weighed  
by E. Jones.

## TEST PAPER XII

Draft the following communications—

1. Baxendale & Co. confirm by post card on the 10th May the order received from George Cousins. They regret that the execution of the order cannot take place immediately, as the Knives and Forks with ebony handles are not in stock in sufficient quantity for the moment. The delay will amount at the most to 5 or 6 days

2. On the 25th June, Theophilus Stubbins thanks Wm. Hartley by letter for his order for 6,000 Cigars, which he has booked for execution and delivery on the due date. He intends to forward the invoice along with the consignment, and will cover himself by draft at three months as per instructions.

3. On the 10th Feb, Lewis & Co., Ltd., confirm with thanks the order of John Yates, of the 6th inst., for 6 doz Rolled-Gold Brooches and Bracelets, which they have executed at once and in the most careful manner. They enclose the invoice for the goods which have been sent by parcel post, and ask the customer to credit them with the amount of the invoice, which is payable on 10th April

4. On the 8th May, Frank Andrews sends to T. Minardo the six Camel Hair Rugs by post, and encloses the invoice with his letter.

5. W. J Bertie informs Whittle Bros of the execution of their order; that is, of the forwarding by rail of two barrels of Brown Amber Varnish. He encloses the invoice and asks the customer to credit him with the amount.

6. Charles Baker acknowledges with thanks the order which F. Charlton gave to his traveller on the 3rd inst, which he has booked exactly in accordance with the customer's instructions, and which he will execute to the satisfaction of the customer. He encloses a new price list, asks for its perusal, and awaits other orders in the event of further requirements.

7. On the 20th Feb, John Malpas forwards 150 Sacks of Flour, No. 0, @ 14/9 ex mill, which York Bros. ordered on 12th Feb. The weight is 12 tons 16 cwt. Terms of payment: 2 months net or 1½% discount for cash in 14 days.

8. The International Leather Co inform Johnson & Co. by letter accompanying invoice of the execution of their order given ten days previously for the forwarding by rail of genuine RUSSIA LEATHER UPPERS IN ONE CASE MARKED ~~XX~~ 786, containing 10 pairs each of the following—

Length of Uppers:	18"	20"	22"	24"	26½"	28"
Price per Pair:	6/-	6/6	7/-	7/6	8/6	9/6

Terms of payment: 2 months net or 2% discount against Cash; 4/- to be charged for the Case.

9. The British Lino Manufacturing Co., at Runcorn, inform Mr. John Penny, Widnes, on the 6th Jan., by letter of the execution of his order of the 4th inst. forwarded by rail, and they ask for the amount of the invoice to be credited to them. They thank him for his order, and hope for the continuance of his patronage. Terms of payment: Three months acceptance, or Cash within 15 days, less  $1\frac{1}{2}\%$  discount. The particulars of the lines are as follows—

	Quality	Pattern No.	Thickness in inches.	Weight per sq. yd.	Price per yd.
					<i>s. d.</i>
50	D	526	$\frac{1}{8}$	3 lbs.	1 6
60	C	347	$\frac{3}{16}$	4 lbs.	1 10
40	A1	479	$\frac{3}{16}$	7 lbs.	3 0
50	Excelsior	603	$\frac{3}{16}$	8 lbs.	3 6



## CHAPTER V

### ACKNOWLEDGING RECEIPT OF GOODS AND MAKING PAYMENT

THE buyer (*i.e.*, the debtor) usually sends to the seller (*i.e.*, the creditor) an acknowledgment of the receipt of the goods, except where the goods have been consigned along with a delivery note. If the goods have not been bought on credit, the amount of the invoice should be paid soon after the receipt of the goods.

The mode of payment depends upon the arrangement between the buyer and the seller, and it may be prompt cash, credit for a certain period, or against acceptance. Thus,

“ Net Cash ” means that no discount or allowance will be made;

“ 2½% for Cash ” means that a discount of 2½% will be allowed for prompt payment;

“ 5 per cent within a month ” means that if payment is made within one month discount at the rate of 5% will be deducted.

In the wholesale trade, on account of the expense, payments are rarely made in cash, but are mostly made by cheque or bill of exchange. As the postal authorities pay a maximum indemnity of only £5 for an ordinary registered letter which has been lost, larger amounts than that ought not to be sent in this manner unless an extra registration fee is paid, and even then the limit of compensation is £400 for a maximum fee of 1s. 10d. It is, therefore, better to transmit large amounts by means of cheques or bills of exchange, as, owing to the indorsement which is required, it is not so easy for an unauthorised person to obtain payment. Although the money is due at the seller's place of business and as, for that reason, the buyer has to bear the cost of sending the money, the expense of postage is occasionally deducted from the amount of the invoice without remonstrance on the part of the seller. It should be noted that the Post Office receipt for the registered letter does not stand for a receipt of the addressee.

Where the debtor and the creditor have each a banking account, payment is very frequently effected by transferring the amount from one account to the other. A creditor may collect the amount of his outstanding debts in the following manner —

- (1) By drawing a bill of exchange on the debtor.
- (2) By receiving cash on delivery (C.O.D.).

A firm sending out travellers frequently uses their services in the collection of accounts outstanding, but this is not a very satisfactory arrangement. Where a trader makes it a condition that the amount of his invoice shall be paid to him by means of a bill of exchange, he will advise the buyer of his draft at the time the invoice is sent, but he will not present the draft for acceptance until sufficient time has elapsed to give the buyer an opportunity to examine and approve of the goods. In letters advising drafts each should be separately indicated, and the amount, the due date, and the person to whose order it is payable, should be stated.

**EXAMPLE 49—ENCLOSING CHEQUE IN SETTLEMENT**

(See No. 42)

**JOHN BUCKINGHAM, Greengrocer**

Park Road,  
Hampstead, N.W.3  
6th Feb., 19..

The Garden Produce Supply Co.,  
Covent Garden, W.C.2.

Dear Sirs,

I acknowledge the receipt of the two tons of Cooking Peas, the consignment of which you advised me by your letter of the 4th inst., and which I have found to be in order.

In payment of your account, I enclose cheque for £19 5s. 3d., and shall be glad if you will acknowledge its receipt and credit me with the amount.

I beg to remain,  
Yours faithfully,  
John Buckingham.

(See No. 50.)

**EXAMPLE 50—REPLY: ACKNOWLEDGMENT OF RECEIPT**

(See No. 49.)

Mr. John Buckingham,  
Hampstead, N.W.3.

Covent Garden, W.C.2  
7th Feb., 19..

Dear Sir,

We received your letter of yesterday, enclosing cheque for £19 5s. 3d., for which we thank you. This amount has been passed to your credit in settlement of your account.

Trusting to be favoured with your further orders,

We are,  
Yours faithfully,  
The Garden Produce Supply Co.

**EXAMPLE 51—SETTLEMENT BY BILL OF EXCHANGE**

(See No. 48.)

Bolton Road,  
Farnworth.  
18th Oct., 19..

Mr. Thomas Oliver,  
Manchester.

Dear Sir,

I acknowledge receipt of your letter of the 10th inst., as well as of the 100 Bales of Texas Cotton which reached here in good condition on the 15th inst.

Your draft enclosed herewith has been accepted by me, payable at my bank on 13th November, and I shall not fail to honour it in due course.

Believe me,  
Yours faithfully,  
James Rothwell.

**EXAMPLE 52—SETTLEMENT BY CHEQUE**

Rochdale Road,  
Oldham.  
22nd Mar., 19..

The Bolton Spinning Mills,  
Halliwell, Bolton.

Gentlemen,

In payment of your invoice of the 10th inst., for Linen Yarn amounting to £28 12s. 6d. less 2½% discount, i.e., £27 19s., I enclose cheque in settlement, and shall be glad if you will acknowledge its receipt by return of post.

Yours faithfully,  
Stanley Gill.

(See No. 54.)

**EXAMPLE 53—ADVICE OF BILL DRAWN**

(See No. 45.)

Manchester.  
1st October, 19..

Messrs. Thompson & Jones,  
Leicester.

Dear Sirs,

According to our agreement, I advise you that I have drawn upon you for £415 dated 30th September, to settle the amount of my invoice of the 28th July last.

Requesting you to take up my draft on presentation,

I remain, dear Sirs,  
Yours faithfully,  
John Dowson.

## EXAMPLE 54—ACKNOWLEDGMENT OF RECEIPT

(See No. 52 )

Halliwell,  
Bolton.  
24th March, 19..

Mr. Stanley Gill,  
Oldham.

Dear Sir,

We acknowledge, with thanks, the receipt of your letter of the 22nd March, enclosing cheque for £27 19s., which we shall place to your credit in settlement of your account.

Please remember us in case of any further requirements, and oblige,

Yours very truly,  
per pro. The Bolton Spinning Mills,  
T. Sykes,  
Secretary.

## TEST PAPER XIII

Draft the following communications—

1. (a) On the 5th Jan., Geo. Penny & Co. acknowledge the receipt of a consignment from the British Lino Works at Runcorn. They state that they have credited them with the amount of the invoice for which they will send them a bill of exchange within a few days, deducting a discount of  $1\frac{1}{2}\%$ .

(b) The transmission of the bill of exchange on the 10th Jan., together with a covering letter.

(c) Write the acknowledgment of receipt of the bill of exchange.

2. (a) On the 25th of Feb., by registered letter, Messrs. Malpas & Co., of Southsea, inform the Flour Milling Co., at Gosport, that they received on the 20th inst., the 150 Sacks of Flour No. 0, and that they have found the weight and the invoice correct, and express satisfaction with the quality. They enclose cheque for £183 6s., representing the invoice amount less  $1\frac{1}{2}\%$  discount. They ask for acknowledgment of receipt

(b) Draft the letter containing the acknowledgment of receipt.

3. (a) On the 20th Jan., Henry Dunn acknowledges the receipt of one case containing 60 pairs of Uppers consigned per rail by the Bolton Tanning Co., and says that he will credit them with the amount of the invoice which he has found correct.

(b) Two months after the date of the invoice, Henry Dunn sends to the Bolton Tanning Co. the amount of their account by cheque.

(c) The Bolton Tanning Co. acknowledge receipt of the cheque.

4. On 10th Nov., J. Rostron Bros, Leeds, request T. Dodd, of Wakefield, to remit to them the amount of their account by paying George Hunter, who resides at the same place as him, and to advise them when he has done so. They say they have instructed George Hunter to collect the amount at Dodd's place of business, and enclose their latest price list.

5. On 10th Nov., J. Rostron Bros. write to Geo. Hunter, informing him that they have instructed T. Dodd to pay him the amount of £60 which is outstanding against him, and they request Hunter to collect this amount at Dodd's place of business. At the same time they enclose a cheque for £19 2s 6d., which together with the above £60, will balance his account. They also state that his last consignment has given complete satisfaction, and promise further orders in the event of any requirements.

6. On 13th Nov., T. Dodd advises J. Rostron Bros. that, in accordance with their request he has paid to Geo. Hunter the amount of £60, and encloses a duplicate of the receipt in proof thereof. He asks them to credit him with the amount against their invoice of the 8th June. He also thanks them for their price list, and promises to avail himself of their services in case of future requirements.

7. On the 13th Nov, Geo Hunter acknowledges the receipt from J. Rostron Bros. of their letter of the 10th inst., enclosing cheque for £19 2s. 6d, as well as of the amount of £60 paid by T. Dodd, which two amounts he has placed to the credit of Rostron Bros.' account in settlement. He says he is pleased to hear that the last consignment has given satisfaction, and that any further orders from them will receive his best attention.

8. Write a letter to Messrs. Jones & Co., High Street, Liverpool, saying that you have received their letter, that the goods they order will be dispatched immediately, that you would welcome an acknowledgment of the receipt of the goods, and that you thank them for the order.

9. A firm in Birmingham is asked to submit prices to a firm in Cardiff for certain goods, and obtains the order. State in proper sequence, and briefly explain, the commercial documents which would pass between the parties from the opening of the transaction to its completion by payment for the goods one month after delivery.

## CHAPTER VI

### CANCELLATION OF AN ORDER

THE cancellation of an order may be caused by various unforeseen circumstances, and the person cancelling the order is obliged to state the reasons for so doing at a sufficiently early date, to prevent the execution of the order. If it is impossible to cancel the order in time by letter, it will have to be done by telegram, and in this case a confirmation should be sent at the same time by letter. In practice, the cancellation of an order is always accepted if the party receiving the order suffers no damage, and if prospects for future orders are held out to him. An undue delay in the execution of an order (*e.g.*, exceeding the time of delivery) is often an excuse for the cancellation of an order. In like manner and in similar circumstances, an offer may be withdrawn or an order may be refused.

#### EXAMPLE 55—CANCELLING ORDER

##### DONALD TAPLIN, Retail Provision Dealer

---

30 Birkenhead Road,  
New Brighton,  
Cheshire.

12th Sept., 19..

Messrs. Timson & Brown,  
Liverpool.

Dear Sirs,

Yesterday I gave your traveller, Mr. Murgatroyd, an order for two cases, each containing 48 tins of Ox Tongue, and three cases each containing 12 tins of Corned Beef, to be delivered on the 20th inst. However, as I have just had the bankruptcy stock of a provision dealer here offered to me at an extremely low figure, I have decided to accept this offer.

The consequence is that my requirements will now be fully covered for some time to come, and I therefore greatly regret having to cancel my order with you. As soon as my stock needs

replenishing, which may occur in two or three months' time, I shall have the pleasure of making good to you the loss of this order.

I am,  
Yours very truly,  
Donald Taplin.

(See No. 56.)

#### EXAMPLE 56—REPLY

(See No. 55.)

370 Station Road,  
Liverpool.  
14th Sept., 19..

Mr. Donald Taplin,  
New Brighton.

Dear Sir,

We acknowledge the receipt of your letter of the 12th inst., in which you cancel the order given to our traveller.

Your remarks have been duly noted, and we look forward to your further orders in the event of any requirements. Our traveller will have pleasure in calling upon you on his next visit to your town and will be glad if you decide to favour him with an order.

We are,  
Yours faithfully,  
Timson & Brown.

#### EXAMPLE 57—TELEGRAPHIC CANCELLATION OF AN ORDER

"Learol," Genoa (Telegraphic address  
of The Southern Oil Co.)

Cancel	yesterday's	order	for	Olive	Oil
				Greenfield	

(See No. 58.)

#### EXAMPLE 58—LETTER CONTAINING CONFIRMATION OF TELEGRAM

(See No. 57.)

Dear Sirs,

I gave you an order yesterday for 2 Barrels of Olive Oil, Quality C, at £3 10s. per cwt., carriage paid, delivery at the end of October, but very much regret having had to send you the following telegram—

"Cancel yesterday's order for Olive Oil"

This I felt myself compelled to do, since, according to the latest market reports, the price of Olive Oil has dropped considerably in consequence of abundant yields.

In order to indemnify you for the loss of this order, I shall be glad if you will send me, as early as possible, 4 cases of Malaga Lemons containing 700/750 at 28/-; 600/650 at 30/-; 350/375 at 14/3; and 300/325 at 15/3; F.o.b. Liverpool; terms as usual.

Thanking you in advance,  
I am,  
Yours faithfully,  
John Greenfield.

#### EXAMPLE 59—CANCELLING ORDER

Nottingham Road,  
Birmingham.

25th Mar., 19..

The British Portland Cement Co., Ltd.,  
City New Road, London, E.C.1

Dear Sirs,

To-day I requested you to send me by 1st April,  
50 Tons of Portland Cement.

To my great regret the buyer of these goods has just cancelled the order, a fact which compels me likewise to cancel my order with you, especially as business in the building line does not promise to be active during the approaching Spring.

I shall, therefore, be glad if you will abstain from consigning the goods, but I shall not fail to indemnify you in the event of future requirements.

I am,  
Yours faithfully,  
John Watts.

(See No. 60)

#### EXAMPLE 60—REPLY: OFFERING LOWER QUOTATION

(See No. 59)

City New Road,  
London, E.C.1

26th Mar., 19..

Mr. John Watts,  
Nottingham Road,  
Birmingham.

Dear Sir,

We are in receipt of your two letters of yesterday's date, one of which contained an order for 50 Tons of Portland Cement,



to be delivered by the 1st April, which was cancelled by your second letter. We very much regret that you have decided upon cancellation owing to the retirement of your customer from the contract.

We are of opinion that in your town, with its favourable position on the river, there should always be some demand for Cement, which is also a requisite in other industries. Owing to our very large contracts, we are in a position to supply this article at extremely low prices, and we are content ourselves with the smallest possible profit, relying solely upon a speedy turnover. We have, however, decided to reduce the price for you by a further 5%, charging you 26/2 per ton only, instead of 27/6, payment against cash, and on the understanding that you renew your order by return of post.

We are,

Yours faithfully,

per pro. The British Portland Cement Co., Ltd.,

M. Hilton, Secretary.

#### TEST PAPER XIV

Write the following letters—

1. (a) On the 20th Feb., John Knight, of Portsmouth, cancels his order for 5,000 doz. Cotton Handkerchiefs given to Philip Robinson, since he has learned in the meantime that his Brazilian customer has gone bankrupt.

(b) Philip Robinson regrets the cancellation of the order, and recommends himself in case of further requirements.

2. On the 9th Oct., Thomas Black cancels the order for Inverted Lamps, which he gave to the British Lighting Co., Ltd., on the 5th Oct., stating as the reason the fact that his business premises have since been destroyed by fire, and he is therefore compelled to find other premises. Owing to the scarcity of suitable business premises, however, this might not be so easy, so that he does not require any more stock just at present. He promises to place an order with them as soon as he has found suitable premises.

3. On the 5th March, T. Simpson ordered from Lawton & Co., Seeds to be delivered on the 5th April, but he has received neither the goods nor a letter. He therefore cancels his order on the 20th April, owing to the expiration of the time of delivery, and he says that he will be obliged to refuse the goods should they arrive, since the date fixed for their sale is past.

4. V. Collinge ordered lace on the 2nd Jan. from the Wholesale Lace Co. for delivery on the 15th Jan., but on the 4th Jan. he received a letter saying that delivery could not be effected before 10th Feb., as the manufacturer was full up with orders, and had absent on sick

leave several of his most skilful workmen. V. Collinge therefore cancels his order on the 5th Jan, as he is unable to wait so long, and says that he is obliged to place the order elsewhere so as to be able to maintain competition with other traders

5. On the 10th April, L. Garner is compelled to cancel the order for Essential Oils, which he gave on the 5th April to Thompson & Co., alleging that he is obliged to announce his bankruptcy owing to extensive business losses, and the pressure of his creditors. He says that he has always been well satisfied with their deliveries, and promises that, after the crisis, he will place further orders with them.

6. Write a letter to the Cambrian Transport Company, Mill Street, Cardiff, complaining that over a week ago you dispatched a package that has not reached its destination, and asking for immediate attention to the matter. State to whom the package was addressed, where and when, and give a description of it.

7. Write a reply to the above stating that the package was delivered to the wrong address. It has just been returned to the Company, and will be delivered without further delay. It was through no negligence of the Company, but it was an accident that might occur any time. Some reasons why packages go astray are: (i) incomplete address; (ii) failure to write clearly; (iii) address becoming defaced in transit.

## CHAPTER VII

### CLAIMS IN CONNECTION WITH GOODS DELIVERED

IN spite of preceding arrangements and the settlement of the terms and conditions of the contract in writing, differences of opinion frequently occur during the transaction of business and these often lead to tedious disputes. Of course any reasonable person will abstain from making a claim if the defects are insignificant; and only when there are substantial discrepancies between the goods and the stipulations of the order will a trader ask for an indemnity, or place the goods at the disposal of the sender. This should be done at once, or, in any case, within the time stipulated on the invoice. Meanwhile the buyer assumes responsibility for the temporary warehousing of the goods forming the subject of the claim.

The seller will probably defend himself against the claim as far as possible, but if any defects are proved, it should be his endeavour to settle the matter amicably. The tone of his correspondence should remain polite and ought never to degenerate into abuse, as unfortunately is sometimes the case. It is to the advantage of both parties to effect an amicable settlement either by exchanging the goods or by making an allowance. This is preferable to taking the matter into court.

#### EXAMPLE 61—REFUSAL TO ACCEPT GOODS

(See No. 41.)

#### WILLIAM HARTLEY, Tobacconist

---

Compton Street,  
Ashton-under-Lyne.  
30th June, 19..

Mr. Theophilus Stubbins,  
High Street,  
Manchester.

Dear Sir,

The cigars ordered from you on the 23rd June, came to hand yesterday, but to my regret I have to inform you that the four

half boxes of Brema are not according to order. I stipulate that they should be light and mild, but instead two of the boxes are Colorado and two Madoura, i.e. very dark in colour and strong in flavour. It is impossible for me to make use of these, especially as I am still well stocked in dark colours, and in fact have more than I can dispose of.

I am extremely sorry to have to place these 2,000 cigars at your disposal, and shall be glad if you will substitute light colours for them as early as possible.

I am,

Yours faithfully,

William Hartley.

(See No. 62.)

#### EXAMPLE 62—REPLY: OFFERING SPECIAL ALLOWANCE

(See No. 61.)

High Street,  
Manchester.

2nd July, 19 .

Mr. William Hartley,  
Ashton-under-Lyne.

Dear Sir,

It is with great regret that I learn from your letter of the 30th June, that a portion of my consignment of cigars is not to your satisfaction.

I was away travelling and must ask you kindly to excuse the mistake of my forwarding clerk. The consignment of light colours in substitution of the four boxes refused by you will leave here in a few days, as, unfortunately, they are not in stock at the moment, and will first have to be made. If you can possibly keep the four faulty boxes, I shall be pleased to make you a special allowance of 5%, and no doubt you would be able to find a customer for them.

Trusting that you will accept my proposition, and that the mistake which has occurred will not deter you from placing your further orders with me,

I remain,

Yours faithfully,

Theophilus Stubbins.

PRINCIPLES AND PRACTICE OF  
EXAMPLE 63—CLAIMING ALLOWANCE

Moorside Road,  
Swinton,  
near Manchester.  
5th Oct., 19..

Messrs. John Williams & Co.,  
Manchester.

Dear Sirs,

To-day one of my customers returned three tins of lobster to me, the contents of which, owing to the leakage of the tin, had become unfit for consumption.

Though this is an unfortunate occurrence when it is a question of a trial order, I am willing, nevertheless, to abstain from blaming you for the mistake, but suggest that you give me credit for their value, viz., 2/10, which may be deducted from my future payments to you.

I am,  
Yours truly,  
William Eaves.

(See No. 64.)

EXAMPLE 64—GRANTING ALLOWANCE

(See No. 63.)

76 Shudehill,  
Manchester.  
7th Oct., 19..

Mr. William Eaves,  
Swinton.

Dear Sir,

We received your letter of the 5th inst., and greatly regret that three faulty tins of lobster were included in our last sample consignment.

We trust that you have not incurred any disagreeable consequences thereby, and have credited you with the amount of 2/10 as requested. Representations will be made to our supplier in order that the recurrence of such an event may be avoided.

Yours faithfully,  
John Williams & Co.

**EXAMPLE 65—RETURNING DEFECTIVE GOODS**

High Street,  
Widnes.

10th Jan., 19..

Mr. Frank Andrews,  
Wigan.

Dear Sir,

Your consignment of Camel Hair Rugs of the 8th inst. has not been at all satisfactory. Their finish is decidedly bad, for in no way do they feel smooth and soft, but the hair is very rough—a fact which is very much against the appearance of the rugs—and thus repels the buyer. *unsatisfactory*

I am unable to offer any such goods to my customers, and am therefore returning them in the hope that you will let me have goods of a better appearance.

Yours faithfully,

T. Minardo.

(See No. 66.)

**EXAMPLE 66—REPLY : PROMISING SATISFACTORY GOODS**

(See No. 65.)

Frog Lane,  
Wigan.

12th Jan., 19..

Mr. T. Minardo,  
Widnes.

Dear Sir,

From your favour of the 10th inst., I learn with regret that you are not satisfied with the execution of your order of the 8th inst. The defects which you point out were noticed by me before the dispatch of the goods, but I ascribed the bad appearance of the rugs to the damp weather which has prevailed of late, and hoped that firm packing would soon rectify the defect. Moreover, I was unable to send you any other rugs as these were the last of my stock.

As soon as further stock comes to hand, I shall forward you a supply of smooth, well-finished articles to take the place of the defective goods, and I trust that these will be to your satisfaction.

I am,

Yours faithfully,

Frank Andrews.

(See No. 69.)

## TEST PAPER XV

Write letters from the following particulars—

1. On 15th May, George Cousins, of Pendleton, acknowledges receipt of the consignment of Knives and Forks sent by Baxendale & Co. of Manchester, and finds fault with six pairs with horn handles, which are somewhat loose in the handle, and can easily be pulled out. He returns these defective goods by post, and asks them to substitute better ones

2. Baxendale & Co acknowledge receipt of the letter of the 15th May from Geo Cousins, in Pendleton, saying that they regret the dispatch of defective goods, and attribute the defects to the texture of the horn which frequently occurs in that particular substance. They send six other pairs of knives and forks to substitute the faulty goods, and tender their apologies

3 Whittle Bros complain of the consignment of Varnish received from W. J. Bertie, in Leeds, alleging that it was too thick, and not sufficiently liquid—a fact which was very disadvantageous and detrimental to its use They offer to retain the goods, however, on condition that an allowance of 5% is made in the price, failing which they suggest that Bertie should dispose of the goods.

4. W. J Bertie attributes the condition of the Varnish to the fact that it has been in stock for a long time However, he says the defect can easily be removed by slightly heating a portion before its immediate use—a process which would liquefy the varnish and restore it to its original condition He says that in his opinion there is no ground for a claim, nor any reason to return the Varnish. Nevertheless, in order to meet the customer, he will make them an allowance of 2%, but is unable to do more

5. On the 13th March, F Charlton, in Accrington, advises Charles Baker, in Manchester, that on inspecting the consignment of Kid Gloves received on that day, he discovered that 18 pairs manifested small stains in the leather which, unfortunately, were easily discernible. He states that they are unsaleable, and that he will return them by the following post. He asks for the goods to be supplied in the same colours and numbers, but in faultless goods.

6. Charles Baker accepts Charlton's statement in regard to the defect in the goods, and tenders his apologies, saying that the mistake was due to an oversight of the sorters, who mixed some second grade gloves with the first grade. He also notifies Charlton that 18 pairs of the finest quality, in the same colours and numbers, had been sent on the 15th March, and hopes that the matter will thereby have been satisfactorily settled.

## CHAPTER VIII

### REMINDERS CONCERNING PAYMENT

THE want of punctuality of many debtors and the desire of the creditors to obtain their money at the proper time, induce the latter to send out reminders. Owing to the possession of large stocks, sellers often make exceptional offers or grant extended periods of credit, and this sometimes creates the idea amongst buyers that the stipulations as regards terms of payment will not be insisted upon, and if the buyer experiences some trouble in re-selling the goods, he considers that he is entitled to further concessions from the seller. If the latter works with an inadequate amount of capital, or if he has embarked upon transactions the results of which cannot be foreseen, he may soon find himself in difficulties. In some cases the seller may obtain the money invested in the goods only after the lapse of a whole year. His efforts to shorten the terms of payment and his endeavour to insist energetically upon payment may be perfectly justified, but in these endeavours he is not always successful, so that combined action has sometimes to be taken through a trade association.

The method of reminding the debtors of payment may be varied according to circumstances. Apart from the personal characteristics of the debtor, the circumstances of the case have also to be taken into consideration. To a small trader whose customers are in the habit of paying quarterly or half-yearly, long terms of credit must be granted. More successful results can be achieved in a friendly way than by rough treatment, which is advisable only in the case of unwilling debtors.

The mildest form of reminder is a statement, whilst a more severe form is the threat to collect the debt by means of a draft. The stipulation of the acceptance of a bill of exchange is a good means of obtaining punctual payment. The only retort a debtor can make to a reminder is either to pay or to ask for an extension of the period of credit for which he should be duly grateful. Any other



reply would reveal him in the light of a person who was unworthy to receive credit.

The first application for payment should always be worded considerably. It sometimes forms part of a letter dealing with other matters, but more frequently accompanies a statement of account rendered at the close of a month, or other period.

The second application should be couched in a somewhat sharper tone, especially if the debtor has left the previous application unanswered or failed to keep a promise to pay.

Care should be taken, however, not to treat a debtor who usually pays promptly and chances to find himself in a temporary difficulty, in the same way as one known to be untrustworthy.

#### EXAMPLE 67—REMINDER CONCERNING PAYMENT

(See No. 46.)

Telegraphic Address: Minardo, London.

Telephone: 1876 Central.

### JOHN MINARDO & SONS, Wholesale Grocers

---

Leadenhall Street,  
London, E.C.3  
30th Nov., 19..

Messrs. Eade & Co.,  
Portsmouth.

Dear Sirs,

We regret that since our last letter of the 9th inst., enclosing an invoice for £400 payable on the 23rd Nov., we have not received any communication from you.

We shall be pleased to receive your cheque, and, in the event of your further requirements, we shall be glad if you will remember our firm, and therefore enclose our latest price list for your perusal.

We are,

Yours faithfully,

John Minardo & Sons.

(See No. 68.)

**EXAMPLE 68—ENCLOSING CHEQUE IN SETTLEMENT**

(See No. 67.)

King's Road,  
 Portsmouth.  
 2nd Dec., 19..

Messrs. John Minardo & Sons,  
 London.

Dear Sirs,

We received your letters of the 9th and 30th Nov., and enclose cheque for £400 in payment of your invoice of the 9th Nov.

Owing to alterations to our premises, we regret having overlooked the due date of your invoice, and shall be glad if you will excuse the omission.

Believe us,  
 Yours faithfully,  
 Eade & Co.

**EXAMPLE 69—CALLING ATTENTION TO UNSETTLED ACCOUNT**

(See No. 66.)

Frog Lane,  
 Wigan.  
 12th Aug., 19..

Mr. T. Minardo,  
 Widnes.

Dear Sir,

In looking through my books I find that my invoice of the 8th May for £3 is still unsettled, and shall be glad to receive your early remittance.

At the same time I take this opportunity of drawing your attention to my large stock, and shall be glad to receive your further orders.

I am,  
 Yours faithfully,  
 Frank Andrews.

(See No. 70.)

**EXAMPLE 70—FURTHER REMINDER**

(See No. 69.)

Frog Lane,  
 Wigan.  
 27th Aug., 19..

Mr. T. Minardo,  
 Widnes.

Dear Sir,

I am still without reply to my letter of the 12th inst., and no remittance has yet come to hand in settlement of your account

for £3. Should I not have received a remittance by the 5th Sept., I shall take the liberty of drawing upon you at sight.

Yours faithfully,

Frank Andrews.

(See No. 71.)

#### EXAMPLE 71—THREATENING TO TAKE STRONGER MEASURES

(See No. 70.)

Frog Lane,  
Wigan.

15th Sept., 19 .

Mr. T. Minardo,  
Widnes.

Dear Sir,

To my astonishment you have allowed my draft of the 5th Sept. to be returned, and I therefore find myself compelled to request you to send to me without fail, on or before the 22nd inst., the amount of £3 owing.

In the event of your refusing to comply with my request, I shall be obliged to resort to other measures.

I am,

Yours faithfully,

Frank Andrews.

(See No. 72.)

#### EXAMPLE 72—ASKING FOR POSTPONEMENT OF PAYMENT

(See No. 71.)

High Street,  
Widnes.

16th Sept., 19..

Mr. Frank Andrews,  
Wigan.

Dear Sir,

I am in receipt of your letter of yesterday, and shall be pleased if you will excuse my delay in settling your outstanding account.

Unfortunately the extremely hot summer has been very detrimental to business, and the demand for Camel Hair Rugs has been so small that half of your consignment is still unsold, despite the fact that it is nearly the end of the season. In other articles, too, business has been very slack.

I shall, therefore, be glad if you will kindly allow your account to stand over until the 1st Nov.

Trusting you will comply with my request,

I am,

Yours faithfully,

T. Minardo.

(See No. 73.)

**EXAMPLE 73—REPLY: ENCLOSING DRAFT**

(See No. 72.)

Frog Lane,  
Wigan.

18th Sept., 19

Mr. T. Minardo,  
Widnes.

Dear Sir,

Your letter of the 16th September was received, and in consideration of its contents I am willing to allow the postponement of payment on condition that you return to me, duly accepted, the enclosed draft for £3 1s. 6d., the 1s. 6d. representing the expenses of noting the dishonoured bill.

In consideration of the low price of the rugs, I regret that it is necessary to grant this extension of credit, but trust you will not fail to meet the draft at the date of maturity.

I am,

Yours faithfully,

Frank Andrews.

(See No. 74.)

**EXAMPLE 74—FURTHER REQUEST FOR ACCEPTANCE**

(See No. 73.)

Frog Lane,  
Wigan.

25th Sept., 19..

Mr. T. Minardo,  
Widnes.

Dear Sir,

In confirmation of my letter of the 18th inst., enclosing draft for £3 1s. 6d., payable on the 1st Nov., I must once more request you to return the draft duly accepted.

If this matter is not settled to my satisfaction within a few days, I shall be obliged to have recourse to other measures in order to obtain payment.

I am,

Yours faithfully,

Frank Andrews.

## TEST PAPER XVI

Draft the correspondence of which the following are particulars—

1. On the 10th June, Charles Baker reminds Fred Charlton that the latter's acceptance for £6 10s in payment of a consignment of Gloves falls due on the 13th inst. He adds that in no circumstances will he agree to a prolongation of the bill, and that he will have to hold Charlton responsible for the consequences of the non-payment of the same.

2. (a) On 1st May, Lewis & Co, Ltd., in Manchester, remind John Yates, of Stockport, that an amount of £1 10s was due on the 10th April.

(b) On the 15th May, not having received a reply, they request him to make a remittance on or before the 22nd inst ; otherwise they will be compelled to draw upon him at sight.

(c) On the 18th May, John Yates, of Stockport, tenders his apology, and ascribes his delay in payment to illness. He encloses bank notes in settlement of his account, and adds that he has no further orders for their goods for the present, since the sale of these articles has been bad.

3. On the 24th Feb., John Hall, of Manchester, sent the mattresses ordered to Fred Jackson, of Oldham, together with a letter and invoice for £23. On the 1st March he received a cheque for £13, and as the balance has not come to hand on the 1st April he reminds Jackson, on the 16th April, of the promise given with his order, and requests him to remit the balance of £10 by the 1st May at the latest, as in view of the low prices of the goods he cannot extend the terms of payment.

4. On the 5th May, John Hall informs the debtor, who ignored his previous letter, that he will be compelled to bring an action against him unless the amount is paid by the 15th inst.

5. John Hall, not having had his account satisfied on the 15th May, writes a letter to his solicitor on the 16th, asking him to claim from Fred Jackson payment of the balance of £10 plus costs. In the event of non-payment he instructs the solicitor to take legal action without any further delay.

6. On the 15th Feb. E. Jenks reminds Chaplin & Co., of his letter of the 25th Jan., in which he asks for settlement of his invoice of the 20th Nov., but has received neither reply nor payment in response. Owing to this fact he is issuing a draft payable at 10 days from date, and confidently hopes that Chaplin & Co will honour it on presentation.

## CHAPTER IX

### LETTERS TO BROKERS AND COMMISSION AGENTS

THE correspondence with the various middlemen engaged in trade is of no less importance than that with the customers themselves. The letters dealing with the purchases or sales to be effected by these middlemen require great care and exactness in expression since any abstruse statement frequently creates a misunderstanding or causes loss of time, and thus a loss of money. Very often ambiguous instructions place the agent in a difficult position. When giving instructions for the purchase of goods, the following points should be clearly stated—

- (1) The quantity and quality of the goods.
- (2) The price limit which must not be exceeded.
- (3) The conditions of shipment, forwarding, or warehousing the goods purchased.
- (4) Particulars concerning the nature of the insurance to be effected.
- (5) The terms of payment.

In the case of sales, the price below which the goods must not be sold has likewise to be stated, or else instructions have to be given that the goods may be sold at the highest possible price in consideration of the circumstances of the time and place.

Very often the shipper of goods will precede the shipment by a *pro forma* invoice, asking the agent to let him know whether the prices contained therein are likely to be obtained in his selling area, thus safeguarding against the danger of having to dispose of the goods at ridiculously low prices. It is incumbent upon the commission agent to exercise every reasonable care, and to use his best endeavours to satisfy his principal.

## EXAMPLE 75—ACCEPTANCE OF OFFER

JAMES TAYLOR, Retail Tobacconist

Bingley Road,  
Birmingham  
10th March, 19..

Mr. Winston Ricketts,  
Leadenhall Street,  
London, E.C.3.

Dear Sir,

I am in receipt of your letter of the 8th March, and shall be glad if you will buy for my account the quantity of Sumatra Tobacco mentioned by you at 11s. 7½d. per lb., payable at 3 months, and send me about one-third of it by rail, warehousing the remainder. Please effect insurance against fire at purchase price plus 20%, and hold the goods at my disposal.

Awaiting the receipt of your account,

I am,

Yours faithfully,

James Taylor.

(See No. 76.)

## EXAMPLE 76—ENCLOSING INVOICE

(See No. 75.)

Leadenhall Street,  
London.  
15th March, 19..

Mr. James Taylor,  
Bingley Road,  
Birmingham.

Dear Sir,

I am glad that you have accepted my offer, and have decided upon the acquisition of this parcel of Sumatra Tobacco. Owing to the great demand, I had some trouble in receiving the option on this parcel until receipt of your reply. I hope you will be satisfied with the quality in consideration of the price, and assure you that in any future business it will be my endeavour to guard your interests.

Herewith you will find my account. To-day 27 bales of the tobacco have been forwarded for your account and risk by ordinary goods train, whilst the remainder has been warehoused as per your instructions. The insurance policy is in my keeping.

I am,

Yours faithfully,

Winston Ricketts.

1 Enc.

(See No. 77.)

Enclosure—

## INVOICE

15th March, 19..

Mr. JAMES TAYLOR,  
Bingley Road, Birmingham.

Dr. To WINSTON RICKETTS,  
Commission Agent.

12457/568	112 Bales of Sumatra Tobacco—			
	No. 809, 27 Bales.			
	Gross Weight	Tons	cwts.	qrs. lbs.
	Tare	„	„	„
	Net	„	„	„
	No. 810, 85 Bales.			
	Gross Weight	„	„	„
	Tare	„	„	„
	Net	„	„	„
	<hr/>			
	112 Bales.	Tons	cwts.	qrs. lbs.
	Gross Weight	„	„	„
	Tare	„	„	„
	Net	„	„	„
		@ 11/7½d. a lb		

## EXAMPLE 77—GIVING INSTRUCTIONS

(See No. 76.)

Bingley Road,  
Birmingham.

24th March, 19..

Mr. Winston Ricketts,  
Leadenhall Street,  
London, E.C.3

Dear Sir,

The 27 bales of Sumatra Tobacco which you consigned to me by ordinary goods train on the 15th inst. have come to hand. The quality is satisfactory, as is the fact that the larger quantity warehoused contains fewer spots than the consignment just received.

I have already found a buyer for part of the remaining 85 bales, viz., Mr. Thomas A. Reid, of Edgbaston, who has purchased 5 bales. Kindly forward these to him on my behalf, invoicing them at 11s. 10½d. per lb., delivery ex St. Pancras Station, and advise me when you have done so.

Yours faithfully,  
James Taylor.



## TEST PAPER XVII

Draft correspondence referring to the following transactions—

1. Mr. John Cadman, of Melbourne, having heard from his friend, Mr. Wm. Bailey, of Bolton, that Messrs. Bradbury & Co., Ltd., of Bolton, are on the look out for an agent in Australia, makes them an offer of his services. He says he does a considerable business in all kinds of office appliances; having been established in Melbourne for about seven years he has numerous valuable connections throughout the Australian Commonwealth; his show-rooms in Melbourne are commodious and well situated, and he can make excellent arrangements for the display of Messrs. Bradbury's goods in Sydney, Brisbane, Adelaide and other centres. He would like to be informed at their early convenience whether they will accept his offer, and on what terms. They can obtain any information they require as to his financial status and reputation from the Central Banking Co., at Melbourne.

2. Reply, offering to appoint Mr. Cadman sole Australian agent for twelve months from June 1st next, paying him 5 per cent commission on net amount of all orders secured by him. He must render an account of his sales each month and remit balance due to them by cheque or sight draft on London. If he agrees he has to cable "satisfied" when they will at once ship him a case of samples.

3. Mr. Cadman confirms his cable accepting terms offered, promises to do all in his power to push the sale of Messrs. Bradbury & Co.'s goods, and confidently expects to begin mailing them orders soon after the arrival of the promised samples.

4. Write a letter as from a cotton broker in Liverpool to a correspondent in New Orleans, giving details of the arrival of American cotton in Liverpool and the consequent fall in prices. Advise him to make large purchases in view of the probable revival of business in the near future.

5. The North West Fruit Brokers sold 10,000 cases of Valencia oranges at the Fruit Exchange last Tuesday. Trace briefly the whole transaction from the time of the receipt of advice of shipment from Valencia.

## CHAPTER X

### THE COMMERCIAL TRAVELLER

IN rare cases only will a merchant or manufacturer be likely to succeed in placing his goods by means of correspondence or advertising, so that he is obliged to visit his customers, and to influence them personally. He will have to submit to them samples of his products, at the same time pointing out the advantages and disadvantages of the various qualities and must become acquainted with the wishes and requirements of the consumers. In addition, he will have to exercise a careful supervision over the whole circle of his customers. All this, however, cannot be done from the office, but regular calls will have to be made and journeys undertaken. If the principal cannot undertake these journeys himself, he appoints a traveller for the purpose, who acts as the representative of the house, and who therefore has to be equipped with far-reaching authority. The position of the traveller is not an easy one. In the first place, he has to take orders and to make out, in the name of the principal, the necessary contracts of sale. In doing this work it is essential that the quality and the particular shade of the goods ordered be in accordance with the wishes of the customer, and these should be accurately described.

On the one hand, a thorough knowledge of the goods, and on the other hand, an unerring judgment as to the requirements of the customers are the principal characteristics necessary in a traveller. Should he represent a manufacturing concern, he must be acquainted with all the secrets of the manufacturer. He must try to maintain the old customers; regain such as have been lost, and must continually endeavour to enlarge the circle of the firm's customers by the acquisition of new ones—a task which demands much trouble, knowledge, and experience. Connected with this is the supervision of the old customers and the correct estimation of the new ones in regard to their credit and solvency; and the avoidance of threatening losses, and the prosecution of doubtful debtors. A commercial traveller not only has to attend to new orders but has also to see to the execution of those which have already been received. This remark applies chiefly to the collection of outstanding debts from

the customers. He therefore carries with him statements of the customers' accounts, and is entitled to accept payments and give legal receipts for them, unless there is an arrangement to the contrary.

The traveller, therefore, is also the perambulating cashier of the firm, and thus occupies an important and responsible position. Should trouble arise with the customers in consequence of complaints as to goods delivered, or should these goods be refused, the traveller is authorised to settle such claims either by convincing the customers of the unreasonable nature of their complaints, or by allowing them a reduction or promising to substitute better goods for the faulty ones. For this settlement of complaints, too, special talent and great business acumen is required. If a traveller wants to do more than the mere fulfilment of his ordinary duties and if he desires to become a true guardian of the interests of his firm, plentiful opportunity is generally afforded him. He may watch the actions and measures of competitive firms, the fluctuations of the market, the alterations in taste and fashion and the changes in the consumers' requirements. Further, he may discover new needs and wishes of his customers, and report such observations to his firm; if necessary, he will draw his firm's attention to mistakes committed in the treatment of customers or in the selection and manufacture of the goods. A good traveller, therefore, must unite all the advantages of an able and honourable business man with attractive personal qualities. In him should be combined wide experience and knowledge of men, with a thorough grasp of his business. He must be polite and courteous in his relations with his customers, and have the gift of accurate and quick perception in order to be able to judge of the particular circumstances of a case; he must be moderate in pressing his goods, and in his endeavours to influence the customers, and should possess a good knowledge of the language and customs of the country in which he is travelling. Moreover, he must possess an honourable character, be strong against temptations of various kinds, and have a good constitution capable of withstanding the noxious influences of travelling.

The appointment of a traveller is, therefore, an important question even for an old-established and highly respected firm. It was, therefore, the duty of Mr. John Hamilton, the head of Messrs. Hamilton & Martin, to select a suitable person for the position of

traveller. For this purpose a letter was written counterfoil for the to a gentleman whose acquaintance he had made in Examples 79 and 80 contain further correspondence in reference to the appointment, and Example 81 contains the contract of security between the traveller and the firm.

**THE TRAVELLER'S REPORT.**—The letters which the traveller sends regularly to his firm constitute more or less complete reports of his doings. Since they continually refer to the same topics they are often drawn up on a printed form, and contain the following essential points—

- (1) The number, place and date of the report;
- (2) A statement as to the places and customers visited since the last report;
- (3) The nature of the orders booked;
- (4) A list of the payments received;
- (5) A statement of the complaints raised, allowances made, or of the goods returned;
- (6) A report concerning those customers who are in arrears with their payments, mentioning any part payments, or the granting of any extension of credit;
- (7) Information regarding the financial status of new and, if necessary, old customers;
- (8) Any general remarks in regard to new experiences or observations made by the traveller.

**THE ORDER.**—The order received by a traveller from his customer assumes the form of an offer to buy. If then a traveller simply enters the order in his pocket-book and fails to hand over anything in writing to the customer, as was formerly often the case, this leads to all kinds of trouble, complaints, claims, and disputes. Owing to this fact, an order is nowadays always booked in the form of a contract and drawn up in duplicate—the customer receiving one copy containing the traveller's signature, and the traveller retaining the other copy signed by the customer. The traveller then either sends the latter in the original to his firm or makes out a copy which he transmits to them.

In order to save time and labour in writing out the orders, printed forms are used which only require filling in. The book in which the forms are bound usually contains about 100 pages numbered consecutively, each of which consists of the order form and a

## PRINCIPLES AND PRACTICE OF

the customers. The latter can be torn off. For each order the customers' are on a page, the context of the order and the counterfoil legal reverse same. The order form is signed by the customer, and the counterfoil by the traveller, who hands it over to the purchaser.

It is not necessary for the traveller to copy the orders from the book, for he can tear out the originals and send them to his firm. Should the traveller wish to keep a duplicate of the order, each page must contain three sections, viz., the order itself and two counterfoils, so that the contract must then be copied three times. This repetition of the same writing may be avoided by the use of carbon sheets.

**THE FINANCIAL CONTROL OF THE TRAVELLER.**—From the reports of cases which come before the Courts, it can easily be seen that the defalcation on the part of travellers of moneys paid to them by customers is unfortunately very frequent. Sometimes the fault is not to be attributed exclusively to the traveller, but is partly due to the principal, in so far as he was not sufficiently careful in the selection of his traveller, or that he pays him inadequately, or finally, that the principal does not exert sufficient control. It is a fact that the temptation to defalcate is the greater, the poorer the supervision which is exercised. A proper and conscientious system of control is, therefore, of the utmost importance to every business man, and it might even be called a duty of self-preservation.

The principal of a firm can exercise in various ways a financial control over his travellers who collect moneys from his customers, for instance—

(a) The customers may be advised to pay only against receipt in duplicate, one copy being sent directly to the firm. However, this procedure is somewhat troublesome to the customer, and is also unreliable, since the customer may omit to send in the receipt.

(b) The traveller may be furnished with a properly bound book of receipt forms, each of which is numbered consecutively, and bears the firm's stamp. Each page contains the actual receipt and the counterfoil. The traveller hands to the customer his receipt; and notes the amount received on the counterfoil. These counterfoils are then used by the principal as a means of check. However, this method is not perfect, since there is the possibility of the traveller inserting smaller amounts on the counterfoils than he has actually given receipt for. This difficulty may be overcome by

arranging with the customer to sign on the counterfoil for the amounts he has paid.

(c) Under all circumstances a regular weekly settlement by the traveller is necessary, thus affording the principal an opportunity to check the names of the customers who have not paid or who have paid only in part. In the event of doubt arising as to the honesty of the traveller, the principal will communicate with the customers who are in arrears either by calling upon them to pay or by confirming the extension of credit granted to them by the traveller. If a customer who receives such a letter has paid, he will naturally communicate immediately with the firm to that effect.

**EXAMPLE 78—OFFERING THE POSITION OF TRAVELLER  
TO A FRIEND**

Telegrams: Tontin.

Telephone: Central 8600.

Code:

A. B. C. 5th Edition

**HAMILTON & MARTIN,  
Wholesale Provision Merchants**

9 Basinghall Street,  
London, E.C.2.  
3rd Sept., 19..

James Taylor, Esq.,  
641 Market Road,  
Manchester.

Dear Sir,

At the instance of our Mr. Hamilton, who made your acquaintance some time ago in Manchester, we write to inform you that the position of traveller is to be filled in our firm. We have pleasure in offering you this appointment, and shall be glad to know whether you feel inclined to enter into correspondence with us with the object of accepting the situation.

The sphere of operations would be mainly restricted to the Southern part of Wales, and the customers would have to be visited four times a year. The total time occupied by these four journeys would be about five to six months. The salary would be £15 per month, and in addition there would be travelling expenses on a liberal scale to be fixed at some future date. Moreover, like all our employees, the traveller would be in receipt of an annual bonus, the extent of which would be left to our discretion.

We should like the position to be taken up on the 1st October, but, if necessary, we might manage to get along until the 1st November.

Your early reply will oblige,

Yours very truly,

Hamilton & Martin.

**EXAMPLE 79—REPLY: CONDITIONAL ACCEPTANCE OF  
THE OFFER**

(See No. 78)

641 Market Road,  
Manchester.

4th Sept., 19.

Messrs. Hamilton & Martin,  
9 Basinghall Street,  
London, E.C.2.

Dear Sirs,

It has given me great pleasure to learn from your letter of the 3rd inst. that Mr. Hamilton, whose acquaintance in Manchester has since been very valuable to me, is now partner in your firm, and that you do me the honour of offering me the position of traveller in your house.

However gladly I might accept your offer, I am not in a position to do so without further consideration. In my present position, I am in receipt of a salary of £200 per annum, and as the conditions of life in your city entail greater expense than is the case in a provincial town, the acceptance of your offer would be a retrograde step for me. I trust, therefore, that in consideration of this fact you will see your way to increase the salary to £20 per month, and beg to add that an amount of 22s. per day is sufficient for me as travelling expenses. I should be at liberty to start my new duties on the 15th October.

Please let me know your decision as early as possible, and oblige,

Yours respectfully,

(See No. 80.)

James Taylor.

**EXAMPLE 80—LETTER COVERING CONTRACT OF SERVICE**

(See No. 79)

9 Basinghall Street,  
London, E.C.2.

5th Sept., 19 .

James Taylor, Esq.,  
641 Market Road,  
Manchester.

Dear Sir,

We are in receipt of your letter of yesterday's date, and have the pleasure to inform you that we accept your conditions, and give you the appointment as traveller in our firm. The particulars of the conditions you will find in the enclosed form of agreement, which we are sending you in duplicate, and ask you to return one copy duly signed by yourself.

In the hope that our mutual relations will always be of a pleasant character,

We remain,

Yours faithfully,

Hamilton &amp; Martin.

(See No. 81.)

**EXAMPLE 81—CONTRACT OF SERVICE**

(See No. 80.)

**AGREEMENT** between the firm of Messrs. Hamilton & Martin, in London, on the one hand, and Mr. James Taylor, in 641 Market Road, Manchester, on the other.

It is this day agreed that Mr. James Taylor be appointed traveller by Messrs. Hamilton & Martin under the following conditions—

1. Mr. Taylor undertakes to visit the customers in his particular territory four times per annum, and that the total time covered by the journeys shall not exceed six months of each year. He further engages not to deviate from the prescribed route except under unavoidable circumstances.

2. Mr. Taylor is hereby authorised to receive orders on the firm's behalf; to acknowledge receipt of payments for goods supplied; to enter into arrangements with customers; to take legal proceedings for the recovery of debts; to take over and dispose of goods placed at the firm's disposal by the customers, and he undertakes to protect the interests of the firm in all his actions to the best of his ability.

3. In booking orders, accepting new customers, and in granting terms of credit, he undertakes to proceed with all reasonable care and diligence.

4. Mr. Taylor has to report regularly (in any case not less than twice a week) upon all his business transactions, and at the same time to remit all moneys collected by him.

5. During the period when Mr. Taylor is not travelling, he undertakes to attend to the office work which is entrusted to him.

6. Messrs. Hamilton & Martin agree to pay Mr. Taylor a monthly salary of £20, and in addition to allow him for each day upon which he travels, expenses amounting to 22s. per day—this sum including all the expenses of the journey. In addition, Mr. Taylor is entitled to an annual bonus, the extent of which is to be determined by Messrs. Hamilton & Martin.

7. The duties are to be taken up on the 15th October, 19.., and the termination of the appointment is subject to three months' notice on either side.

8. Should Mr. Taylor leave the firm, he engages not to accept a position with a competitive firm in London for a period of three years next following. The contravention of this clause is subject to a penalty of £200, which Mr. Taylor, in such eventuality, agrees to pay without demur.

Drawn up in duplicate and signed—

Hamilton & Martin.



**EXAMPLE 82—ORDER**

(See No. 81.)

Cardiff.

20th Nov., 19..

Order No. 72.

Mr. John Williams of Cardiff hereby orders the following Goods from Hamilton & Martin of London, through their traveller, Mr. James Taylor—

Quantity.	Kind of Goods.	Quality.	Price.
3 Bags	Sugar	Granulated	18/3
9 doz.	Marmalade	1 lb.	4/6
4 doz.	Jellies	Strawberry	3/9
4 Sides	Bacon	English	2/-

Time and Method of Payment : One Month—Cheque.

Date of Delivery : Within one week.

Special Remarks : \_\_\_\_\_

Traveller's Signature :  
James Taylor.

Buyer's Signature :  
John Williams.

(See No. 83)

**EXAMPLE 83—THE TRAVELLER'S REPORT**

(See No. 82.)

25th Nov., 19..

From James Taylor, Cardiff.

To Messrs. Hamilton & Martin,  
Basinghall Street,  
London.

I. DESCRIPTION OF THE ROUTE. I received your letter of the 16th inst., and confirm my last report from Newport on the 14th inst. In the interim, I have visited the towns of Monmouth, Swansea, Merthyr, and Cardiff.

II. ORDERS. I enclose orders No. 61 to 85—a total of 25.

III. COLLECTIONS. According to the enclosed receipt forms Nos. 45-68, I have collected 24 items amounting altogether to £136, which I have remitted to you as follows—

£40 on the 17th inst. from Avonmouth ;

£40 on the 19th inst. from Monmouth ;

and to-day I am sending you :

£56, which kindly credit to my account.

**IV. CUSTOMERS IN ARREARS.** The following firms have either not paid at all or paid in part only. George Reynolds, of Swansea, is in arrears to the extent of £6 6s. He complains about bad trade, and the severe competition caused by the newly established Co-operative Society. I have granted him an extension of time, as the man is perfectly solvent.

Henry Johnson, of Merthyr, paid £8 on account of the £16 15s. owing by him. He is willing to give a two months' bill for the balance. In this case there is no fear of risk, and I advise you to accede to his wish.

**V. CLAIMS.** I had to make an allowance of 12s. to Williams & Co., of Cardiff, as a portion of their order has not been executed in accordance with sample—a fact of which I was convinced.

Andrew Clark, of Cardiff, refuses to keep one of the casks of Sesame Oil, H. & M., No. 713, from our last consignment, alleging that the oil is not clear. I have transferred this cask to the Cardiff Warehousing Co., and shall try to place it elsewhere. Please give credit to Clark for the value of this cask amounting to £5 16s.

**VI. INFORMATION CONCERNING OLD AND NEW CUSTOMERS.** In Monmouth, a certain Mr. Walter Landau has opened a new business. He comes from a good family, is an able and experienced business man, and possessed of approximately £1,600 worth of capital. I have visited him, and have booked a considerable order (No. 78). Please serve this man as well as possible in order to secure him as a regular customer.

According to hearsay, the firm of John Richards & Co., of Cardiff, is in difficulties owing to large losses during last year's sugar speculation. They owe us a small account of £14, and I propose to see them to-morrow in order to get something on account from them. Of course, I shall not book any new orders for this firm.

Further remarks about customers I have noted on the back of the order forms.

**VII. GENERAL REMARKS.** Our competitors offer Sugar and Sultanas at lower prices than we do, and I shall therefore be glad if you will authorise me to offer sugar at 42s. and Sultanas at 27s., as I cannot do any business with our present prices.

I have noticed that a new article has come much into vogue, viz., American Oatmeal. Whether its consumption will be maintained or not I am unable to say, but it is a fact that at the present moment there is a great demand for it. The general agents for this article in this country are Messrs. Noden & Son, in London, and in my opinion you ought to introduce this article.

## TEST PAPER XVIII

1. What are the essential qualifications of a capable commercial traveller ?

2 Reproduce from memory the specimen letter in Example 78, and the form of contract in Example 81

The student should select other firms and conditions, as for instance: A cloth manufacturer wants a traveller, and this has become known to an applicant who offers his services. He encloses a letter of recommendation from his former employer, who has given up business. The manufacturer replies and asks for a personal call. The applicant is appointed on the basis of a contract. The traveller afterwards sends a report of his travels on the pattern of the report given in Example 83.

3 Draw up an order on the basis of Example 82 from the following particulars—

On 1st July René Fox, in Berne, buys from James Taylor, traveller of Hamilton & Martin, London—

5 pieces of Cheviot of about 60 yds. each, according to pattern No. 412/6, @ 4/- per yd

4 pieces of Buckskin of 60 yds each, pattern 2786, to be delivered in the course of October, carriage paid, @ 5/- per yard

Payment against acceptance at three months, less 5% discount.

On the back of the order which the traveller sends to his firm he makes the remark that the customer was not satisfied with the last delivery, and that he, the traveller, had guaranteed that this time the goods would be faultless. He, therefore, requests the firm to do their best in order to retain this customer, who is represented as being very important and perfectly solvent.

4. Messrs. Dench & Co., Lace Manufacturers, wish to engage a commercial traveller. Mr. John Hester applies for the post, forwarding a testimonial from his former principals, Messrs. George Pritchard & Son, Leeds, now in liquidation. D. & Co. grant a personal interview to Mr Hester, and subsequently engage him as their commercial traveller. He goes on journeys and sends his first traveller's report. Draft the necessary correspondence in connection with the above transactions

5. Write a letter from H. Smith, Esq., High Street, Newport, a commercial traveller, to his firm, William Sellers & Co., 35 New Street, Birmingham, Soap and Perfume Manufacturers, reporting on the future of trade in Newport, and suggesting that, in the circumstances, three months' credit should be granted to customers.

6. Your firm's representative, Mr. William Robinson, has visited a customer (Mr. A. J. Butler, Central Stores, Park Road, Cardiff) and taken down an order from his dictation. The goods have been delivered. Mr. Butler writes an angry letter to say that they are not what he ordered. You know from past experience that Mr. Robinson is entirely reliable and that Mr. Butler is usually confused. Draft your reply to Mr. Butler.

Your firm is Messrs. Williams & Jones, Wholesale Provision Merchants, Bristol.

## CHAPTER XI

### CORRESPONDENCE WITH LOCAL AGENTS

A TRAVELLER on commission is not an employee of any one firm, but is usually the representative of several concerns, and his remuneration for business transacted consists of a commission. His position is essentially different from that of a traveller appointed as a member of the permanent staff. As a rule, his business is finished when he has taken the order and transmitted it to his firm. The collection of moneys is undertaken by the firm direct, and the customers have to be informed of the fact by a remark on the invoice to the effect that payments may be made only direct to the firm, since the traveller is not authorised to give a receipt. It stands to reason that a traveller on commission cannot represent several firms in one and the same article. Travellers on commission generally represent such firms as are unable to employ a regular traveller on their staff owing to their business being on too small a scale.

**THE LOCAL AGENT.**—A local agent is the representative of one or several firms in a certain district whose duties are as follows—

(1) He has to visit regularly the customers of a firm who reside in his district and make offers to them, and, if necessary, supply them with samples. As a rule his duties are finished when he has booked their orders. The firm which he represents sends the goods, not to the agent but direct to the customer. Payment of the invoiced price likewise takes place direct, and the agent is not authorised to receive payments and to give receipts for the firm which he represents, unless such authority has been specially granted to him.

(2) He has to watch and control the execution of the orders taken by him, and for that reason the invoices are not sent direct to the customers but to the agent, who makes a note of them and hands them over to the customers.

(3) He has to undertake various other services for his firm, such as ensuring the acceptance of the bills of exchange drawn upon his customers; the settlement of disputes; the disposal of goods refused by the customers; the making of status inquiries; the acquirement of new customers; the representation of his firm in legal actions and

in bankruptcy proceedings, as well as the drawing up of periodical reports.

Thus his duties are similar to those of the commercial traveller, but since he is resident in the town or district where the business is transacted, he can visit the customers with much greater regularity than a traveller, and he is in a position to inform his firm of anything that takes place in his locality. Even in cases where the district is visited by the staff traveller, his services are often found to be necessary. Hence any firm desirous of coping with competitors and wishing to maintain regular business intercourse with a certain district will do well to appoint a local agent.

(4) The local agent generally receives for his services a commission calculated at so much per cent on all the business transacted by him. Moreover, his disbursements for postages, telegrams, tips, etc., which he expends in the interest of his firm, are refunded to him, an account being rendered by him either quarterly or half-yearly.

(5) An agent is not allowed to enter into competition with the firm which he represents, and is therefore prohibited from representing more than one firm in the same article. It is in his interest, however, to represent as many firms as possible in different articles.

(6) In booking orders the agent is compelled to adhere strictly to the prices and conditions given to him by his principal. Within these limits the orders he takes are binding on the firm he represents. This is not the case, however, if he deviates from the stipulated conditions. In order that the customer, who is unable to judge whether or not the agent is acting within his legitimate scope, may know how he stands, he usually asks for a confirmation of the order direct from the firm.

(7) An agent has often to risk whether he will receive his right amount of commission. It is for this reason that his services, in some cases, are enlisted only in the acquisition of new customers. The temptation for customers to dispense gradually with the agents' services in the hope of receiving the benefit of the commission saved, is very great. A respectable firm, however, will credit the commission to an agent in the event of orders being received direct from his customers.

**DEL CREDEBE COMMISSION.**—As is clear from the foregoing

remarks, a local agent has neither goods nor money entrusted to him; therefore, he does not require any credit or capital for the conduct of his business. Hence young, energetic, and capable business men who lack the necessary capital for doing business on their own account are essentially suitable for this work. The risk of credit is borne, not by the agent, but by the firm he represents. If the firm sustains a loss through a business transaction concluded by the agent, the latter loses only his commission. From this it is evident that a principal should not rely solely upon the information received from the agents, and for the sake of precaution information should be obtained direct.

Another means of guarding against losses is to be found in the fact that an agent may himself take over the guarantee for all business done by him, *i.e.*, if a customer does not pay his account, the agent must be responsible for the money thus lost to the firm. This guarantee on the part of an agent, traveller, or commission dealer is called *del credere*.

The same term is also applied to the commission which the agent receives for furnishing this guarantee. As a rule, the *del credere* commission amounts to between  $\frac{1}{2}$  per cent and 1 per cent, and is calculated on all invoices which pass through the hands of the agent. The *del credere* is of value to a firm only where the agent possesses sufficient means to make good the losses incurred. On the other hand, an agent can assume the responsibility only if he does possess the necessary money.

**SIGNIFICANCE OF THE SUPPLEMENTARY NOTE TO AGENT'S AGREEMENT.**—It is very convenient to draw on local agents for amounts which would not come in until later at uncertain dates, and possibly not until legal proceedings have been taken. There is, however, a certain amount of risk for the creditor to have several outstanding debts from a number of customers centred in one person, *i.e.*, the agent. In the place of many debtors he has thus only one. If the agent is honourable and solvent, the risk that he may collect the moneys from the customers without redeeming the respective drafts is not very great, especially if it is a question of small amounts. Johnson & Martineau will, therefore, make use of the conditions in the supplementary note of Example 86, only should they consider it necessary, and so long as they are fully convinced of the solvency of their agent.

## EXAMPLE 84—PROPOSAL TO ACT AS LONDON AGENT

CHARLES JONES, Dealer in Fats and Oils

Leadenhall Street,  
London, E.C.3.  
19th Oct., 19..

Messrs. Johnson & Martineau,  
Manchester.

Gentlemen,

I am indebted for your address to a common friend, Mr. George Hooson, of our city, who was kind enough to inform me that so far you have no representative in London. I, therefore, have pleasure in recommending my agency business here, which has been established for five years, and at the same time offer my services to act as your local agent.

As my speciality is fats, and as I represent several highly respected firms in Holland, Belgium, and Denmark, I am well acquainted with the customers who cover their requirements in English and Irish Cheese, and I am convinced that I should succeed in introducing your firm to some of the most important houses here. My terms are 2% commission, and the refund of all my disbursements. I am also prepared to take over the *del credere* should you so desire, for which I should charge a commission of 1%.

For references you may apply to the following firms—

George Hooson, London ;  
Antony Jurgon & Co., Rotterdam ;  
T. Alexander & Co., Copenhagen.

Should you decide to entrust the representation of your firm to me, I would make it my business to guard your interests to the best of my ability.

Awaiting the favour of a reply,

I am,

Yours respectfully,  
Charles Jones.

(See No. 85.)

## EXAMPLE 85—REPLY: ACCEPTING AGENT'S PROPOSAL

(See No. 84.)

Mr. Charles Jones,  
Leadenhall Street,  
London, E.C.3.

26th Oct., 19..

Dear Sir,

We are in receipt of your letter of the 19th inst., and have decided to entrust to you our agency for your city. We have

embodied the conditions, including the commission and the suggested *del credere*, in a formal agreement duly signed by us, which is sent herewith. If the terms of this agreement meet with your approval, we shall be glad if you will return to us the copy duly signed by yourself.

In the hope that the agreement will receive your consent, we beg to quote you our present prices as follows—

Prime English Cheddar Cheeses, well matured, weighing 60-120 lb., at 90s. per cwt.

Best Irish Cheese, well matured, weighing 100-180 lb. each, at 95s. per cwt.

Both carriage paid to Euston Station. Payable within 30 days, less 2% discount, or at 90 days net against our draft.

The firms of your city with whom we have already had business relations are—

Messrs. Wonnacott & Co., Cheapside ;  
Jones Bros., 9 Moorgate ; and  
Claydon & Sons, Highgate.

We shall inform these people that you have been appointed as our agent, and await the favour of your reply.

Yours truly,

Johnson & Martineau.

(See No. 86.)

#### EXAMPLE 86—FORM OF AGREEMENT ON THE APPOINTMENT OF AN AGENT

(See No. 85.)

We, the undersigned, Johnson & Martineau, have appointed Mr. Charles Jones, of Leadenhall Street, London, as our local representative for London and suburbs, under the following conditions—

1. Mr. Charles Jones undertakes to collect orders for English Cheddar and Irish Cheese in our name and for our account, confining himself to the prices and conditions quoted by us.

2. Mr. Charles Jones accepts the *del credere* for all orders transmitted to us direct by him, giving Messrs. Johnson & Martineau the right to use his firm as "Case of Need," on all our drafts which we issue on our customers in London and suburbs. Mr. Jones undertakes to intervene in cases of protest for non-payment, and to waive his right of redress against the drawers Messrs. Johnson & Martineau, whilst on the other hand, Messrs. Johnson & Martineau undertake to have the said bills accepted



through Mr. Jones, and not to put into circulation any drafts unless accepted through him. If the latter is forced to intervene he will enter into all the rights of the drawers as towards the acceptance.

3. Mr. Jones undertakes to keep Messrs. Johnson & Martineau regularly informed of the market conditions as far as British Cheese is concerned, to settle any complaints or claims of his customers to the best of his ability, and with due regard to the interests of our firm, and to place elsewhere any goods which are refused by the customers.

4. If several small consignments can be combined into one, this must be addressed direct to Mr. Jones, who will arrange for their due distribution to the various customers.

5. Mr. Jones undertakes not to represent any competitive firm of ours during the validity of this agreement.

6. Messrs. Johnson & Martineau undertake to reimburse Mr. Jones for all expenses resulting from this representation, such as postages, telegrams, warehouse charges, costs of repair, travelling expenses, tips, stamps, brokerage, etc., and to allow him on the invoiced amounts of all orders transmitted either directly or indirectly by him, a commission of 3%, including the *del credere*, settlements to take place every 6 months on the 30th June and on the 31st December.

7. The contract becomes valid on the date of the signature, and runs for an indefinite period subject to three months' notice.

Manchester, 26th Oct., 19..

Johnson & Martineau.

London, 29th Oct., 19..

Charles Jones.

#### SUPPLEMENTARY NOTE

8. Mr. Jones concedes Messrs. Johnson & Martineau the right to draw on him direct for the invoices of such customers who refuse to settle by acceptance under the proviso that he is entitled to collect such amounts, and that the drafts should not be put into circulation before Mr. Jones has accepted them.

London, 29th Oct., 19..

Charles Jones.

Manchester, 31st Oct., 19..

Johnson & Martineau.

(See No. 87.)

**EXAMPLE 87—FINAL ACCEPTANCE OF THE CONDITIONS**

(See No. 86.)

Leadenhall Street,

London, E.C.3.

29th Oct., 19..

Messrs. Johnson & Martineau,  
Manchester.

Dear Sirs,

Your letter of the 26th inst., containing the form of agreement in regard to the agency proposed by me, has duly reached me. I thank you for the confidence you are showing me, and shall endeavour to justify the same. As the conditions formulated by you meet with my approval, I beg to return herewith the copy of the formal contract duly provided with my signature.

The manner in which you make use of the *del credere* by stipulating my intervention in case of non-payment without the right of redress on my part to yourselves as the drawers, thus avoiding the return of any unpaid drafts, is quite new to me. However, only such drafts come into consideration as have been accepted by the customers, and my intervention will thus be necessary only if the acceptor in question refuses to honour his acceptance, in which case I would, of course, be responsible in any circumstances. It would, therefore, be clearly to my advantage to enter at once into possession of the protested bill, and to maintain without delay my rights under the law referring to bills of exchange. It seems to me, therefore, that the way you suggest to make use of the *del credere* is the right one for both parties.

I must draw your attention, however, to the fact that in our city many customers on principle do not allow themselves to be drawn upon, but either remit the money or request that the amounts of the invoices be collected from them. To facilitate business with these customers, I authorise you to draw upon me direct for such amounts at the pre-arranged due date, and on the other hand expect you to authorise me to collect these moneys and to notify the customers accordingly.

In each individual case, I take it, you will send me the bill of exchange, together with the invoice, so that I may present your draft for acceptance after the arrival of the goods.

As regards the invoices to such customers as refuse to accept, you will simply issue a draft on me, and send it along with the invoice; as soon as the customer has received the goods without demur, I would accept the draft and return it to you.

Seeing that the further conditions are embodied in a formulated agreement, I have inserted on the duplicate which is herewith returned to you, the foregoing stipulations, and shall be glad to receive a duly signed copy of the latter.

To-morrow, on the first results of my endeavours on your behalf, I shall probably send you a few orders.

I am,

Yours faithfully,

Charles Jones.

### TEST PAPER XIX

1. Reproduce from memory the specimen letters given in the examples, but selecting other firms and conditions; for example, a manufacturer of aniline dyes desires an agent in Manchester, and for this purpose applies to Messrs. Dillon & Sons, Commission Agents, in Manchester, who decline the proposition, as they already have a representation in this article. At the same time, however, an offer comes to hand from an agent who has hitherto done business exclusively in drugs, and who wishes to add aniline dyes to his articles, seeing that nearly all his customers deal in this article. He gives certain references and says he is prepared to accept a commission of 3% and 1% for *del credere*. On receipt of favourable information the firm of manufacturers of aniline dyes enters into negotiations with the agent, the result of which is a contract on the pattern of Example 86. A formal contract is not absolutely necessary, and the arrangement is valid if the correspondence contains an offer and an acceptance. However, a properly drawn-up contract duly signed and embracing all the conditions is for evident reasons to be preferred. The duplicate may be provided in such a manner that one party sends a signed agreement, and the other party returns a signed copy of it. Samples, together with a price list mentioning all the conditions, are sent. The dyes are sold according to numbered samples. The price is quoted in shillings and pence per lb. The goods are packed in tin boxes of 1-5 lb., and 10 lb. tins; delivery free to station of dispatch. Payable at sixty days plus 5% discount against draft. Prices are quoted in the enclosed price list.

2. You have been sent to investigate the Glasgow district as a market for your Company's products. Write your report on the conditions and prospects, and include your proposals as to the best method of working the district.

3. (a) John Newman offers to represent a Coventry firm and to push its goods in Cape Town. His bankers are the South African Banking Co., Ltd.

(b) The Coventry firm applies to the above mentioned bank for information.

(c) The bank replies favourably as to Newman's means and energy.

(d) The Coventry firm transmits to Newman an Agreement, a copy of which has to be returned, duly signed, if the terms are approved by him.

(e) Newman inquires through an Information Bureau about the Coventry firm.

(f) The Bureau replies to the effect that the firm in question is doing an extensive business and enjoys the best repute. Being one of the leading firms, it employs a staff of about 200 all the year round, and is in possession of a capital of not less than £40,000.

(g) Newman agrees to the proposed terms and returns a copy of Agreement duly signed by him.

You are requested to draw up the above correspondence.

4. The firm A. Smith & Son, of Lagos, wished to purchase 1,000 barrels of potatoes in England and have them shipped direct. The transaction was arranged by John Brown, Commission Agent, Tower Street, London. Trace by means of the correspondence involved, the main features of the transaction from the time of the receipt of the order from abroad, until the departure of the vessel.

## CHAPTER XII

### THE IMPORT AND EXPORT TRADE

GREAT BRITAIN takes the first place in the world's shipping, and regular steamship lines have been instituted between this country and almost every other part of the world. In many cases subsidies have been granted by the Government to the mail steamship lines, and gigantic harbour works, docks and artificial waterways (*e.g.*, the Manchester Ship Canal) have been built, and in various other ways the trade and navigation with overseas places has been considerably accelerated and improved. The foundation of colonies in every part of the globe, the arrangement of commercial treaties, and the establishment of the consular service have greatly extended the export trade. In recent years British merchants have renewed their efforts to increase and to extend the import and export trade, so that the shipowners and traders at all the large ports have succeeded in opening up closer relations with North and South America and the West Indies, and they have largely made use of the facilities for trade offered by the Suez Canal in the development of new markets for the sale of British goods in India, China, Japan, and in all the colonies.

Our highly developed system of manufactures, with its well-equipped workshops, perfected machinery and efficient workmen, must be constantly endeavouring to satisfy the requirements and special wishes of customers across the seas, for in this way more rapid headway may be expected. Already the world of finance has actively supported the efforts which have been made by the foundation of branch banks in almost every part of the world. It is now the supreme duty of Great Britain to maintain its leading position in the world's commerce for the benefit of the people of the British Empire, and further to extend the same. For this purpose, however, a wide knowledge of, and a constant attention to, the rapidly changing political and commercial conditions of the world is indispensable, together with coolness of judgment and tenacity of purpose.

If the *exporter* wishes to avoid risk, he must not let the title to the

goods pass out of his hands until he is covered either by means of an acceptance or by cash, for legal protection abroad is not always very strong, and sometimes the laws are lax and ambiguous, as well as loosely administered. Moreover, legal proceedings are tedious, costly, and do not always yield the desired success to the plaintiff.

Shipments on consignment which are recommended by foreign commission agents, are to be manipulated with the utmost care. The tendency of the agent is to represent the opportunities of a lucrative sale in too favourable a light, and it should be remembered that the commission agent does not incur any risk of loss and is always covered for his disbursements by the value of the goods.

Export on one's own account can be carried on successfully only by such firms as have their own branches abroad. Export commission agents work for the account of others, and undertake the purchase of goods for overseas firms or the sales to such firms in return for a fixed commission, and by placing the orders of several firms collectively, they are in a position to grant large orders to the manufacturers at home, and thus save expense to both the parties for whom they are acting. Samples should be got up in a pleasing form, and must be of such a size that they clearly show the good features of the goods offered as well as their advantageous prices. Further, they must fulfil the requirements of the market in question, and if not quoted free to destination (*i.e.*, franco), the prices must at any rate include all charges up to the port of exportation (*i.e.*, F.O.B.).

In the dispatch of the goods, attention must be paid to the tasteful appearance and durability of the packing (*e.g.*, parchment paper, oil-cloth, tin lining, etc.). No names or marks on the cases should betray their source of origin or of manufacture, but on the other hand the shipper's marks and numbers must be placed on both ends of the cases, and in some cases the dimensions of the packages have to be shown on the outside. All documents such as invoices, consignment notes, bills of lading, etc., are to be made out in duplicate or even in triplicate. The rates of freight, conditions of insurance, and the mode of payment are subjects for special arrangement.

The *importer* receives goods in large quantities from abroad either on consignment or for his own account. In the former case,

he is the selling commission agent for the firm which consigns the goods to him, and generally opens a credit to the latter of one-half or three-quarters per cent of the probable proceeds of the sale, a fact which materially assists the consignor. In order to save warehouse rent or loss of interest which would materially decrease the profits, the selling commission agent tries to sell the goods during their period of transit, or else he arranges for a sale by auction immediately on arrival. From the gross proceeds he deducts all expenses for transport, insurance, warehousing, auction fees, brokerage, commission, etc., and then remits the net proceeds to the consignor. Dutiable goods, for which there is no immediate sale, are stored in bonded warehouses, and the duty is not paid until the goods have been sold.

#### TRANSACTION IN THE EXPORT TRADE

In the following transaction the Standard Tobacco Co., Ltd., London, receive from Messrs. Tai Tung & Co., of Shanghai, an indent for a consignment of 150,000 cigarettes, with instructions to ship them as early as possible. As these two houses are in constant business relations with each other, a quotation is not asked for, but the receipt of the order is acknowledged and immediately placed into execution. When ready, the cigarettes are packed in three cases, and forwarded to the Royal Albert Docks for shipment to China. A shipping advice note is sent by post to the shipping agents, who undertake the necessary duties of taking out bills of lading, effecting insurance, making out customs documents, etc. These formalities having been completed, the bills of lading and insurance policy, together with an account of charges, are sent to the Standard Tobacco Co., Ltd., who are then in a position to make out the invoice. These documents, together with the bills of lading and insurance policy, are enclosed with a letter to the buyer advising shipment. The cases having been dispatched in due course the exporters draw upon the Hong-Kong and Shanghai Banking Corporation for reimbursement.

**EXAMPLE 88.**—This consists of a letter covering an indent from the Chinese correspondents, Tai Tung & Co., together with the indent itself, which constitutes the enclosure. "Indent" is the term used for an order received from abroad, and usually directs the receiver

of it to forward the various goods named, and gives the necessary instructions as to marks, numbers, means of forwarding, insurance, and the means to be taken by the sender to reimburse himself for his outlay. The example here given contains an order for one kind of goods only, and is therefore a very simple form of indent.

**EXAMPLE 89.**—Before acknowledging the order, if any doubt exists it is necessary to make inquiries as to whether business has been conducted previously with the customer, and if not, an investigation would have to be made into his financial standing. In the present example, this is unnecessary, as the status of the Chinese firm is well known to the exporter.

An entry would be made into an Indents Received Book in which particulars of the order would be entered. This might be kept in the form of a loose-leaf binder. It would be necessary to enter any particulars concerning discount to be allowed or special packing arrangements.

**EXAMPLE 90.**—The order giving the packing instructions is sent from the office of the Standard Tobacco Co., Ltd., to its factory, together with instructions concerning the preparation of the order and the date fixed for its execution.

**EXAMPLE 91.**—When the order is ready, advice is given to the office to that effect, and it is then dealt with as follows. The details of the order are entered by the office into an Export Rough Book, stating the name of the steamer by which the goods are to be shipped, together with marks and measurements. This is made out in duplicate by the office, and the original is sent to the factory as an order to the warehouseman to deliver the goods to the dispatch department. The duplicate is written in the Carbon Export Rough Book, and is kept for future reference. It would also be necessary to enter into this book the charge made for packing cases, if this is customary in the particular business, and the gross and net weights of the consignment, when they have been ascertained.

**EXAMPLES 92 AND 93.**—On the goods being handed over to the dispatch department, they are inspected by a Customs officer. In the meantime the respective Customs documents are prepared, and form the basis of the claim for "*drawback*," since the goods have been imported as raw material, and duty has already been paid upon them as such. This amount of duty can now be reclaimed,



and is known as the drawback. The documents to be prepared for this purpose are—

(a) The Shipping Bill;

(b) The Customs Buff Form, which is really a covering letter for the shipping bill.

The Customs officer, having checked the papers and the goods, authorises the cases to be sealed under his personal supervision. Prior to this, however, a sample is usually drawn for the purpose of reference in case of any future dispute. Drawback is also allowed by the Customs on such samples.

**EXAMPLE 94.**—This is an example of a *Shipping Note*. When the goods leave the dispatch department of the factory, they may be shipped either—

(1) From the adjoining port, *i.e.*, Port of London in the present case; or

(2) From an out-port (*e.g.*, Liverpool, Southampton, etc.).

In the latter case a railway consignment note would have to be filled up, and a forwarding agent engaged at the out-port to see that the goods are submitted to the Customs and shipped. (It should here be noted that the papers given to the Customs officer at the factory are dispatched by him to the Customs official at the port of shipment. In the case of London, the papers would be forwarded to the Custom House.)

In the present case, since the goods are being shipped from the immediate Port of London, they have to be accompanied by a *Shipping Note*, and the bonded carman would be required to collect the goods from the dispatch department of the factory, and convey them to the Port of London depôt ready for delivery to the docks.

**EXAMPLE 95.**—When the goods are sent down to the docks, the shipbroker is advised of the full particulars of the shipment, and is requested to issue the requisite number of bills of lading, and also to take up the dispatch with the Customs.

**EXAMPLE 96.**—Full particulars of the shipment are next entered into what is known as the *Shipping Book*. This book plays an important part inasmuch as it shows at a glance to what stage the shipment or transaction has been taken. This is kept in the office of the export manufacturer.

**EXAMPLE 97.**—The *Port Rates Form* contains the charge made by the Port of London Authority for the use of the dock, and this

charge is in the nature of an f.o.b. charge which must be borne by the exporter. There is also a further charge made for dock dues.

**EXAMPLE 98.**—The *invoice* is made out as fully as possible, and gives the particulars concerning marks, name of steamer, measurements, and weights. Export invoices are usually written in a specially prepared ink which enables them to be reproduced easily by means of a gelatine surface on to one or more additional invoice forms.

**EXAMPLE 99.**—It is customary for each shipping company to issue its own form of *Bill of Lading*, which varies slightly in wording. In some cases the shipper has the option of obtaining the blank bills of lading and filling them in himself, and then presenting them for signature to the shipbroker. In this way no charge would be made for the preparation of the bill of lading except for the printed form itself and the 6d. stamp. On the other hand, the shipbrokers themselves may insist upon issuing the bills of lading, in which case a charge is made for the work entailed, usually 1s. 6d. or 2s. The information for the making out of the bills is received by them from the Dock Authorities. When the bill of lading has been signed by the captain or his agent, the shipbroker issues a freight note.

**EXAMPLE 100.**—The *Freight Note* contains a charge for freight, which must be paid by the shippers (*i.e.*, the Standard Tobacco Co., Ltd.) in return for which they receive the signed bills of lading. It will be seen that a charge of 10% is made for primage, but in the case of many shipping companies to the East, a deduction of one half the primage is allowed from the freight note. It will be noted from the example in question that the shipbrokers are Messrs. Escombe, McGrath & Co., representing the P. & O. Steamship Co.

**EXAMPLE 101.**—Particulars of the shipment are next entered into a *Freight Rebate Book*, which shows the amount of rebate which will subsequently be claimed from the shipping company. The payment of rebates has arisen on account of the severe competition which has entered into the shipping business of late years. An attempt has been made by combinations of regular steamship lines to boycott the tramp vessels by offering a special allowance to permanent customers in the shape of what is known as a *rebate*. At the end of a certain period the total amount of rebate which can be claimed is arrived at, and a special claim form is applied for on which these particulars are copied from the *Freight Rebate Book*.

**EXAMPLE 102.**—It will be seen from the form of application for rebate that, in the case of China, the shipowners pay one-half the claim for rebate at the expiration of the period and the balance after six months. In the majority of cases, however, the total rebate is paid in one sum after the lapse of six months.

**EXAMPLE 103.**—The Standard Tobacco Co., Ltd., next arrange the important matter of insurance by giving instructions to a firm of brokers to insure upon an open policy. This is much the same as a floating policy, and is taken out when the particulars of the goods and the name of the vessel are not definitely known to the person insuring. The declaration is made as soon as the necessary details are ascertained.

**EXAMPLE 104.**—Upon receipt of the above instructions the brokers would then acknowledge having declared on the open policy for the consignment of cigarettes, and would provide the firm effecting the insurance (*i.e.*, the Standard Tobacco Co., Ltd.) with a duly signed insurance certificate.

**EXAMPLE 105.**—This is a copy of the insurance certificate, and is sent to the customer abroad along with the other documents.

**EXAMPLE 106.**—This is a copy of a Lloyd's Policy. The method of the brokers in effecting the insurance at Lloyd's is to fill up a form known as an Insurance Slip, which sets forth the nature and details of the goods to be insured. The brokers then take the slip to various underwriters, who put down the amounts they are willing to underwrite or insure, and initial the slip. The policy is afterwards prepared, stamped as required by the revenue authorities, and then presented for the signatures of the underwriters who initialed the slip. The number of underwriters in this case who have taken a *line* is seven, their total risk amounting to £5,000.

**EXAMPLE 107.**—Being now in a position to arrive at the actual amount of indebtedness of the customer to the exporter, the latter now draws a documentary bill of exchange payable either at sight or at a fixed future time, the goods to be delivered either on payment or on acceptance of the bill (*i.e.*, D/P or D/A). It will be noticed that an "In case of need" slip has been attached which implies that in case the bill is not met immediately, it must be presented to the person mentioned on the slip. The collecting charges here mentioned are those made by the bank, and represent commission, which in this case will be borne by the drawee. This arrangement

enables the exporter to receive the net invoice value of the goods. The bill of exchange is made out in duplicate.

**EXAMPLE 108.**—The customer is then advised that the shipment has been effected and that the amount of the invoice has been drawn for. This letter of advice would be accompanied by a copy of the invoice.

**EXAMPLE 109.**—As a safeguard in case of one set of the documents going astray, it is customary to make them out in duplicate. The documents will be sent in duplicate to the bank for collection, and the banker will then transmit the documentary bill to his agent in Shanghai. This bill would include the following documents—

- (1) The bill of exchange;
- (2) The invoice;
- (3) The insurance certificate; and
- (4) The bill of lading.

Unless the customer is able and willing to meet the bill when presented by the bank in Shanghai, the bill of lading which represents the title to the goods, will not be handed over to him. This is naturally a safeguard to the exporter. The example gives the letter sent to cover this documentary bill.

**EXAMPLE 110.**—This is a copy of the entry in the Bills Receivable Book. These bills are arranged in the Bill Book under the month when the bill is expected to mature, so that the entry acts as a reminder when the bill is due.

**EXAMPLE 111.**—This letter covers the proceeds of the bill, and intimates that the amount has been received from the customer. A cheque would also be enclosed in the letter.

#### **EXAMPLE 88—LETTER COVERING INDENT**

### **TAI TUNG & CO., Importers and Exporters**

Nanking Road,  
Shanghai.

The Standard Tobacco Co., Ltd.,  
King Road,  
London, E.C.2.

12th Jan., 19..

Dear Sirs,

We send herewith our Indent No. 734 for 150,000 Cigarettes and should be glad if you would effect shipment with all possible speed.

Please attend to Insurance yourselves, and draw on us as usual through our bankers, The Hong-Kong & Shanghai Banking Corporation.

Yours faithfully,  
Tai Tung & Co.

(Enclosure)

INDENT

TAI TUNG & CO., Importers and Exporters,  
Nanking Road, Shanghai.

Date.....26. 1. 19..

Indent No. 734.

To The Standard Tobacco Co., Ltd.,  
King Road, London, England.

Please ship the undermentioned goods to this port with all possible speed—

150,000 White Lady Mild Cigarettes  
in tins of 50.

Price 15s. per thousand as per your price-list. Discount 5%. To be packed in strong tin-lined cases.

Tai Tung & Co.

**EXAMPLE 89—ACKNOWLEDGING RECEIPT OF INDENT**

King Road,  
London, E.C. 2  
26th Feb., 19..

Messrs. Tai Tung & Co.,  
Nanking Road,  
Shanghai,  
China.

Dear Sirs,

We are in receipt of your letter of 26th Jan, covering your indent No. 734, for which we thank you. Your instructions have been carefully noted, and we hope to have the cigarettes ready for shipment in the course of a few days.

Trusting the shipment will come safely to hand and open out to your satisfaction,

We are, dear Sirs,  
Yours faithfully,  
Standard Tobacco Co., Ltd.,  
F. R.

**EXAMPLE 90—PACKING INSTRUCTIONS TO FACTORY**

Binder Folio\_\_\_\_\_5439\_\_\_\_\_

Shipping Mark.

**EXPORT DEPT.****Packing Orders.** \_\_\_26th Feb., 19\_\_\_Date

\_\_\_\_\_Packing\_\_\_\_\_Dept.

Name, etc.

*Tai Tung and Co.,**Shanghai, China*

Quantity.	Description.	Packing.	Size and Description of Outer.	Remarks.
150,000	<i>White Lady Mild</i>	50 <i>Vacuum Tins</i>	<i>Card Outers of 1,000</i>	<i>With special Chinese Coupons</i>
<i>To be ready for shipment within seven days.</i>				
			<i>Checked, F. R.</i>	

## EXAMPLE 91—THE ENTRY IN THE EXPORT ROUGH BOOK

## EXPORT ROUGH BOOK

E. R. 419

Invoice made out by F. G. S.	Invoice checked by P. R.	Day Book folio. 73	Shipping Book folio. 81	Date—7th March, 19—
---------------------------------------	-----------------------------------	--------------------------	----------------------------------	---------------------

*Tai Tung and Co.,  
Nanking Road,  
Shanghai.*

s.s. "Nore,"  
R. A. D.

 1/3  
 SHANGHAI

3 Cases each 50 M.

= 150,000 *White Lady Mild Cigarettes* at 15s. £112 10 -

3 *Tin-lined Cases* . 2 17 -

*Freight* . 3 6 6

*Insurance* . - 7 -

*Bill of Lading* - 2 -

CASE  
No.

1 *Measrs.* 43 × 32 × 27 *Net* 1 : 0 : 23  
*Gross* 3 : 2 : 20 *Tare* 2 : 1 : 25

2 *Measrs.* 43 × 32 × 27 *Net* 1 : 0 : 23  
*Gross* 3 : 2 : 22 *Tare* 2 : 1 : 27

3 *Measrs.* 43 × 32 × 27 *Net* 1 : 0 : 23  
*Gross* 3 : 2 : 19 *Tare* 2 : 1 : 27

£119 2 6

*Discount* 5% = £5 12s. 6d.

EXAMPLE 92—CUSTOMS BUFF FORM

Customs No. 60.

Excise No. 126.

CUSTOMS AND EXCISE OFFICE,

-----London.-----

-----8th March, 19-----

SIR,

I beg to inform you that the undermentioned goods examined here for Drawback have this day been forwarded under Seal to your Port for Shipment as

\* Delete wording inapplicable.

\* { Merchandise to -----Shanghai-----  
 { Ship's Stores on -----

A Shipping Bill with duplicate is enclosed.

I am,


SIR,

Your obedient Servant,

-----Officer.

The Collector of Customs and Excise,

-----London-----

Mark and Description of Package.	Goods.	Weight.		Exporter.	
		Gross.	Net.		
 SHANGHAI	1	Cigarettes	3 2 20	1 0 23	<i>Standard Tobacco Co., Ltd.,                      King Road, E.C.2</i> Name of Agent at Port of Shipment.
	2		3 2 22	1 0 23	
	3		3 2 19	1 0 23	

Shipped

Date 8th March, 19 Time -----

-----Officer

Sec.  $\frac{2424}{1914}$




## EXAMPLE 94—SHIPPING NOTE

LONDON, E.C.2-----9th March, 19-----

The Supt. -----Royal Albert-----Dock

Please receive and ship on board  
 the----- "Nore"-----  
 for-----Shanghai-----the undermentioned  
 Goods, viz.:

Mark.	No.	Description.	
	1/3	3 Cases Cigarettes,	
			Cwts.    qrs.    lbs.
			3        2        20
			3        2        22
		3        2        19	
		<i>Standard Tobacco Co., Ltd.,</i>	
		<i>King Road,</i>	
		<i>London, E.C.2</i>	
<i>Debit Charges to our Deposit Account.</i>			

NOT TO BE SHIPPED UNTIL EXAMINED  
 AND PASSED BY CUSTOMS.

## EXAMPLE 95—INSTRUCTIONS TO SHIPBROKERS

EXPORT DEPT.  
**STANDARD TOBACCO COMPANY, LTD.**  
 King Road, E.C.2

Codes: A.B.C. (5th Edition).  
 .. Western Union  
    (Universal Edition).  
 .. Private Ordering Code.

Telephones: { London Wall.  
                   (4 Lines)  
 Telegrams: {  
 Cables: { Mercator, London.

REGISTERED IN  
 ALL COUNTRIES.

Dict.                    Sten.

LONDON, ----8th March, 19----

*Messrs. Escombe, McGrath and Co.,*

*3 East India Avenue, E.C.3*

Dear Sirs,

We advise having this day forwarded per-----our van-----  
 carriage paid, ---3---cases---of *Cigarettes*-----Under Bond to  
 ----*Royal Albert Docks*-----consigned to your care for ship-  
 ment per s.s. -----" *Nore* "-----to-----*Shanghai*-----  
 on account of-----ourselves-----

Please issue---2---stamped Bills of Lading in our name  
 consigned to---order-----and send them to us here, together  
 with prepaid freight account.

Kindly take up dispatch with Customs immediately on arrival.

We are, dear Sirs,

Yours faithfully,


STANDARD TOBACCO COMPANY, LTD.

T. R.


 1/3  
 SHANGHAI

EXAMPLE 96—ENTRY IN THE SHIPPING BOOK


SHIPPING BOOK

No. and Date of Order.	Export Rough Book folio.	Name and Address.	Mark.	Contents.	Gross Weight.	Date of Dispatch.	Ship and Dock.	Insurance effected.	Bill of Lading		Dock Charges, etc.	Remarks.									
									Lodged.	Posted out.											
1447 734, 26/1/19..	419	Tai Tung and Co., Shanghai		150,000 Cigarettes	<table border="0"> <tr> <td>3</td> <td>2</td> <td>20</td> </tr> <tr> <td>3</td> <td>2</td> <td>22</td> </tr> <tr> <td>3</td> <td>2</td> <td>19</td> </tr> </table>	3	2	20	3	2	22	3	2	19	8th Mar., 19..	Nore, R. A. D. London	16th Mar., 19..	13th Mar., 20th Mar., 19.. 19..		£ s. d. 1 1 3	
3	2	20																			
3	2	22																			
3	2	19																			

**EXAMPLE 97—PORT RATES FORM**  
**PORT OF LONDON AUTHORITY**

**PORT RATES ON GOODS. FOREIGN—OUTWARDS**

Ship "Nore" For Shanghai  
 Date Cleared 18/3/19 Exporter Standard Tobacco Co., Ltd.  
 Place of Loading London Address King Road, E C.2


Name and Address of Firm or Person on whose account Rates are paid.	Marks and Numbers.	PARTICULARS OF GOODS.	GROSS WEIGHT. Tons, Cwts. Qrs. Lbs.	RATE.	AMOUNT OF RATES. £ s. d.
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">                     Ourselves                      Computed by _____                      Cash recd. by _____                      Entd. in Cash Bk. by _____                      Exd. _____                      Examiner. _____                 </div>	 1/3 SHANGHAI	3 Cases Cigarettes	11 — 5	Ton. 2/3	1 3
Date <u>30th March, 19</u>					£
Tendered					£
Payable					£
Change					£



**EXAMPLE 100—FREIGHT NOTE**


---No. 417---

Messrs. Standard Tobacco Co., Ltd. LONDON, E.C.3, 18th March, 19  
King Road, E.C.2 FOR SHANGHAI.  
 Dr. to FREIGHT, &c., per P. & O. s.s. " Nore "

Marks.	Numbers.	Packages.	WEIGHT.					MEASUREMENT.			Rate of Freight.	£	s.	d.
			tons	cwt.	qrs.	lbs.	ft.	in.	ft.	in.				
 SHANGHAI	1/3	3	Cases					60	6	40/-	3	-	6	
	Primage 10 per cent.													
Less 1/2 Primage											£	3	6	6
												3	3	6

**ESCOMBE, McGRATH & CO.,**  
 Ship and Insurance Brokers, 3 EAST INDIA AVENUE.  
 N.B.—It is requested that any error in this Freight Note be notified within one week of its delivery.  
 Please remit here direct by Cheque crossed WESTMINSTER BANK, LTD.

**EXAMPLE 101—FREIGHT REBATE BOOK**  
**FREIGHT REBATE BOOK**  
**LINE P. & O. S. N. CO., CHINA**

Date.	Steamer.	B/Lading No.	Mark.	Port.	Measure-ment.	Freight.	Rebate.	Total amount claimed.	Claim sent in.	Settlement received.
18/5/19..	"Nora"	417		Shanghai	ft. in. 60 6	£ s. d. 3 - 6	£ s. d. 6 -		1/1/19..	6/1/19..

**EXAMPLE 102—FORM OF APPLICATION FOR REBATE**

CHINA LINE. OUTWARD.

To be signed by the Merchant owning the Goods.

To the P. & O. S. N. Co.,

122 LEADENHALL STREET, LONDON, E.C.3

\* 1st July, 19..

GENTLEMEN,

Annexed we beg to hand you a list of our shipments by the steamers of your line during the period from 1st January to 31st December, 19.., on the freight of which we are entitled to rebates of Ten per cent on shipments up to 30th June, 19.., less interim payment already made, and Five per cent on shipments from that date to 31st December, 19.., in accordance with your circular of 1st January, 19..


We have not made, nor been interested in, any shipments (Coal excepted) from the United Kingdom, Belgium and Holland to the Straits Settlements, Malay Peninsular, Siam, Philippine Islands, Hong-Kong, Kiaochow, Wei-hai-wei, China (including Manchuria), Japan (including Formosa), and Corea, during the above-named period by vessels other than those belonging to the "P. & O.," "O. S. S.," "M. M.," "N. Y. K.," "Glen," "Shire," "Ben," "Mutual," and "Mogul" Companies; shipments from Middlesbrough and/or Immingham to the Straits Settlements and Siam by the "East Asiatic Company," of Copenhagen, and the "Russian East Asiatic Steamship Company," of Leningrad, from Belgium and Holland by the "East Asiatic Company," of Copenhagen, the "Swedish East Asiatic Company," of Gothenburg, and the "Russian East Asiatic Steamship Company," of Leningrad, from Rotterdam and Amsterdam to the Straits Settlements by steamers of the Stoomvaart Maatschappij "Nederland" and cargo steamers of the Rotterdam Lloyd, and of general cargo by the "Compania Trasatlantica Line" (Larrinaga & Co., Agents), to the Straits Settlements and the Philippine Islands, being excepted.

Yours faithfully,

This declaration must be signed by a Partner of the Firm claiming the Rebate, or by someone holding the Firm's procuration.

NAME AND ADDRESS IN FULL. { Standard Tobacco Co., Ltd.,  
King Road, E.C.2  
F. R. Montagu,  
Director.

\* This Claim only valid if presented within three months of this date.

Steamer.	Date.	Port of Shipment.	Port of Destination.	No. on Freight Note.	Marks and Numbers.	Amount of Net Freight. £ s. d.	Amount of Rebate. £ s. d.
<p><b>NOTE.</b>—To facilitate checking these Accounts, it is essential that the Number shown on each Freight Note should be correctly inserted in the column for this purpose. Five per cent on shipments from 1st January rendered and approved to 30th June, 19... as per statement.</p>							
<i>Nore</i>	18/3/19..	<i>London</i>	<i>Shanghai</i>	417	S  1/3 L	3 - 6	3 - -

**EXAMPLE 103—INSTRUCTIONS TO INSURE**

-----16th March, 19---

No.-----

TALFORD & CO.,  
95 COPTHALL AVENUE,  
E.C.2.

Dear Sirs,

Please effect the following Insurance, Per---s.s. "*Nore*"---  
From---*London*-----to---*Shanghai*-----  
£---138-----on---our open policy 15/19759---



SHANGHAI

Yours truly,

-----*Standard Tobacco Co., Ltd.*  
F. R.

**EXAMPLE 104—ADVISING THE DECLARATION OF INSURANCE**

95 Copthall Avenue,  
(& at Lloyd's),  
London, E.C.2  
16th March, 19..

The Standard Tobacco Co., Ltd.,  
King Road, E.C.2.

Dear Sirs,

We beg to advise having declared on your open policy dated 22nd November, 19.., £138 on Cigarettes per s.s. "*Nore*" from London to Shanghai, leaving open £760

Yours faithfully,  
Talford & Co.



## EXAMPLE 105—INSURANCE CERTIFICATE

Telephone No.:      Telegraphic Address:  
 — London Wall.      "——, London,"  
   (2 Lines).

95 COPTHALL AVENUE,  
 AND AT LLOYD'S.

TALFORD & Co.,  
 INCORPORATED INSURANCE BROKERS.

LONDON, E.C.2----17th March,----19..

*The Standard Tobacco Co., Ltd.,*-----  
 -----*King Road,*-----  
 -----*E.C.2*-----


Dear Sirs,

In pursuance of directions from ---*The Standard Tobacco Co., Ltd.,*----- by whose order we effected policy-----of Insurance as below, we beg to inform you that we hold the same as far as regards the Declaration specified below as a security for you to protect your interest in the subject-matter thereof to the extent of £---138-----  
 (say---*One hundred and thirty-eight pounds*-----)

We remain,

Yours faithfully,

-----*Talford and Co.*-----

Declaration for £138-----  
 on  1/3 Cigarettes, F.p.a. and s.o.s.c. or w.p.a. in tin, ft. and insurance  
 ---SHANGHAI-----  
 per---*s.s. "Nora"*-----  
 from---*London*-----to---*Shanghai*-----  
 declared on Policy---No. 15/19759-----dated *27th November*,---19..

EXAMPLE 107—DOCUMENTS ON PAYMENT

EXCHANGE FOR [Redacted] Documents on Payment  
 London - 20<sup>th</sup> March, 19

To the order of [Redacted] — pay this First of Exchange —  
 (Second unpaid) to the order of ourselves —

[Redacted]  
 [Redacted]  
 [Redacted]

Value received proceeds of — which place to Harrow,  
 No. 10, Tai Tung 66. Standard Tobacco Cold  
 702 Montague  
 Samuel H. Wood  
 London

IN CASE OF NEED I am King of Shanghai  
 [Redacted] Shanghai

## EXAMPLE 108—ADVICE OF SHIPMENT

STANDARD TOBACCO COMPANY, LTD.

KING ROAD, LONDON,

ENGLAND.

Cable Address:

London.

 Codes used: { WESTERN UNION  
 (Universal Edition).  
 A.B.C. (5th Edition).  
 Private Ordering Code.

LONDON,-----20th March, 19---

Messrs. *Tai Tung and Co.*,  
*Nanking Road*,  
*Shanghai.*

Dear Sirs,

We have pleasure in sending herewith copy of invoice for  
 ---3---cases---shipped to your care per s.s.---“*Nore*,”-----  
 which sailed for---*Shanghai*-----on-----18th March, 19---

The amount as per invoice has been drawn for at---*sight*-----  
 -----through the---*Hong-Kong and Shanghai Banking*  
*Corporation*,-----to whom all documents have been  
 handed.

Hoping to be favoured with your further commands,

We are, dear Sirs,

Yours truly,

STANDARD TOBACCO COMPANY, LTD.

Mark and No.:

SHANGHAI

F. R.

**EXAMPLE 109—LETTER COVERING DOCUMENTARY BILL**

LONDON,-----20th March, 19---

Dict.                      Sten.

---Hong-Kong and Shanghai Banking Corpn., ---

-----London, E.C.3-----

Dear Sirs,

Enclosed please find bills in duplicate for collection, with documents attached, drawn as under, proceeds of which kindly remit to us when received in London.

Yours faithfully,

STANDARD TOBACCO COMPANY, LTD.

Name.	Address.	Usance.	Documents to be Surrendered to drawees upon.	Bank Charges to be debited to.	Amount.	
					£	s. d.
Tai Tung & Co.	Shanghai	Sight	Payment	Drawees	113	10
-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----
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-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----

**GENERAL INSTRUCTIONS.**

In the event of a D. O. A. or D. O. P. bill being refused acceptance after arrival of the relative goods, please warehouse same, insure against fire, and advise us by mail. In the event of an accepted D. O. A. bill being refused payment on maturity, please note and advise us by mail.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COMPANY.

**EXAMPLE 110—EXTRACT FROM BILLS RECEIVABLE BOOK**

**BILLS RECEIVABLE**

Date of Issue.	Date Dis- patched.	Date ack- nowledged by Bank.	On whom Issued.	Place.	Bank.	Usance.	When due.	Gross Amount.	Discount.	Amount of Bill.	Ledger folio.	Date proceeds received.	Cash Book folio.
20/3/19..	20/3/19..	21/3/19..	Tai Tung & Co.	Shanghai	H K & S B.	St. D.O.P.		£ 119 2 6	£ 5 12 6	£ 113 10 -	329	25/4/19..	35

**EXAMPLE 111—LETTER CONTAINING REMITTANCE IN SETTLEMENT**

Telegraphic Address:  
"Boniface, London."

ALL LETTERS TO BE ADDRESSED  
AND  
REMITTANCES MADE PAYABLE  
TO THE  
HONG-KONG & SHANGHAI BANKING CORPORATION,  
NOT TO INDIVIDUALS.

OUTWARD BILLS DEPARTMENT

HONG-KONG AND SHANGHAI BANKING CORPORATION,

9 GRACECHURCH STREET, LONDON, E.C.3

-----24th April,-----19--

*The Standard Tobacco Co., Ltd.,  
King Road, E.C.2*

Dear Sir/s,

We send you herewith a cheque on the Westminster Bank, Limited, for net proceeds of Bills collected on your account as follows, the receipt of which please acknowledge.

Particulars:

Drawer	<i>Yourselves</i>	Drawee	<i>Tai Tung &amp; Co.</i>			
Payable at	<i>Shanghai</i>	dated	<i>20/3/19</i>	Amount	£113	10 -
ADD Interest for		days @		% p.a.	—	- -
				Together	£113	10 -
Less Our Commission $\frac{1}{4}$ % (min. charge, 1/- per bill)						
Postage Charge (on documentary bills under £100)						
Bill Stamps required abroad						
Paid for presentation in						
Cheque herewith					£113	10 -

Yours faithfully,

-----*A. Baker*,-----

Manager.

Enclosure.

## TEST PAPER XX

Draw up the following documents and correspondence—

1. Horatio Curtis, the principal of a firm of importers in Mexico, writes on the 10th March, 19.., to John Hartley, Manufacturer of Preserved Food-stuffs, in Manchester—

Mexicans consume sardines in oil in large quantities. The figure for the imports of this article was £525,000. Spanish and German brands of inferior quality are almost exclusively imported, the sale prices in the retail trade being:

- $\frac{1}{2}$ -lb. tins, 25 centavos (*i.e.*, 1/1),
- 1-lb. tins, 45 centavos (*i.e.*, 2/-), and
- 2-lb. tins, 80 centavos (*i.e.*, 3/7).

The import duty on the oil, estimated at 10% of the gross weight, is 5 pesos per cwt. (*i.e.*, about £1). It is possible to sell a superior quality at a lower price and at the same time to retain a good profit. Will Mr. John Hartley make a trial? Hartley's mark has got a good reputation on the one hand, and Horatio Curtis knows the market very well on the other hand. If Hartley can quote advantageous prices, Curtis is willing to take on consignment a trial lot of about £500 worth, which he would order in accordance with the samples to be sent. Terms: On shipment of the goods Hartley would cover himself for half of the value of the goods by a documentary bill at three months on the British Bank of Central Mexico in London, where Curtis has a current account, and which bank would accept the draft. The balance would be payable in account current every three months, the first term to be the 30th July. Commission 5% and 6% for *del credere*, all expenses to be refunded, plus 5% on the advances. References: Boxhall Bros., London; Sebastian Cabot, Shipowner, Liverpool; José Aponté, Banker, of Mexico.

2. On the 24th March, 19.., John Hartley acknowledges receipt of the preceding letter, and thanks Horatio Curtis for his proposition, but regrets that he cannot give an immediate answer in the affirmative. He says he is afraid of being unable to cope with the numerous orders which flow in daily, but that he will reply definitely in a few days by cablegram in order to avoid any undue delay. He also promises to send on the following day by post a parcel containing—

(a) 2 lbs. Sardines in Oil, "Jockey Brand" (1 1-lb. and 2  $\frac{1}{2}$ -lb. tins),  
 (b) 2 lbs. Sardines in Oil, "Professional" Brand (1 1-lb. and 2  $\frac{1}{2}$ -lb. tins),

(c) 2 lbs. Sardines in Oil, "Nipper Brand" (1 1-lb. and 2  $\frac{1}{2}$ -lb. tins).

He states that he is also selling these brands in 2-lb. tins.

The prices ex factory, not including commission, are—

(a) 35/- net per cwt.

(b) 40/- " " "

(c) 45/- " " "

for the 2-lb. tins.

On these prices there is a supplementary charge of 5% if packed in 1-lb. tins, and of 10% if in  $\frac{1}{2}$ -lb. tins. After estimating the cost

of transport, insurance, duty, etc., at 25%, and the profit of the retail trade at 12% to 15%, the goods, which are of absolutely first-rate quality, could be placed upon the market at prices considerably below those actually prevailing, and the goods would still be profitable to the manufacturer and the commission agent. Hartley declares his readiness to accept the other terms of Curtis as to payment, and adds that the cablegram will arrive almost at the same time as the samples, etc.

3. On the same day John Hartley writes, asking for information about Curtis to the British Bank of Central America in London, to Sebastian Cabot in Liverpool, and to René Fougès in Havre. (The latter is a retired merchant captain, who has resided some years in Mexico. He is an intimate friend of Hartley, and the letter to him will, therefore, be couched in familiar terms, and will also contain a few words referring to the families of the two friends.)

4. On the 28th March, the reply from René Fougès arrives. It states that the writer has had no personal acquaintance with Curtis, but that he has heard nothing but favourable reference to him. Curtis was for several years Portuguese Consul in Mexico. (The letter is written on the same friendly lines as the foregoing.)

5. On the 29th March, the reply from Sebastian Cabot arrives, and it is found to be favourable. The student is expected to supply the details, and the same applies to the letter of the British Bank of Central Mexico, dated the 29th March, which is likewise favourable.

6. On the 10th April, 19... John Hartley calculating that his letter of the 25th Feb. has meanwhile reached Curtis, now cables his definite acceptance of the proposal made by Curtis.

7. On 12th April, 19... Curtis sends a firm order for the following—

(a) 40 cwts. " Jockey Brand " in $\frac{1}{2}$ -lb. tins	.	.	£144	0	0
40 cwts. " Jockey Brand " in 1-lb. tins	.	.	137	10	0
20 cwts. " Jockey Brand " in 2-lb. tins	.	.	—	—	—
(b) 10 cwts. " Professional Brand," $\frac{1}{2}$ -lb. tins	.	.	65	10	0
(c) 2 cwts. " Nipper Brand," $\frac{1}{2}$ -lb. tins	.	.	9	10	0
			<hr/>		
			£356	10	0
			<hr/>		

The two last-named brands are unknown to the market, but Curtis will make a trial as the samples have pleased him as well as his friends. The profit of the retail trade in Mexico and in the Mexican towns is frequently more than 25%, but even at that figure the return to the manufacturer is still sufficient. Curtis has no intention of squeezing down the price of the goods, and hopes that the reputation of the British products will be sufficient to attract customers, at prices barely lower or even similar. For the settlement of this order, he repeats the terms which have already been mentioned (*i.e.*, a documentary bill on the British Bank of Central America, etc.).

8. On the same date Curtis advises the above-mentioned bank of the draft which Hartley will present for their acceptance.



9. On the 24th April, Hartley advises Porter & Co., a firm of Forwarding Agents in Liverpool, that he has sent to his address to the Liverpool Station:

14 Cases H.C. 1/14, weighing gross 3 cwts each, and instructs him to ship these by the next steamer to the address of Horatio Curtis, if possible, by through bill of lading to Mexico, or at any rate to Vera Cruz. In the latter case will he advise Curtis in good time in order that the latter may take delivery on their arrival at Vera Cruz? Will Porter & Co. send him the bills of lading made out to the order of John Hartley without delay, even in the event of shipment not being possible at once, and will he send him per return the two negotiable copies? He also asks him to insure the cases for £400 plus cost of transport, and 10% for imaginary profit, and attach the policy to the bills of lading. John Hartley encloses a certificate of origin drawn up by the Chamber of Commerce in Manchester. Will Porter & Co. have it certified by the Mexican Consul in Liverpool, and attach it to the bill of lading accompanying the goods?

10. On the 29th April, 19.., Porter & Co. send direct to Hartley the through bills of lading and the insurance policy. The steamer is the *Swift*, Captain John Fryatt; departing 6th May, touching at the Bermudas and at the Greater Antilles; arriving at Vera Cruz about 1st June. They say they have carefully executed the instructions of Hartley, and render an account of their charges—

Cartage, 2/6 per case.  
Shipping formalities, 3/-  
Stamp on Bill of Lading, 6d  
Insurance, ½%.  
Commission, 3d. per cwt.

11. On the 30th April, in a registered letter, John Hartley sends to the British Bank of Central America a documentary bill for £ at three months' date to the order of Hartley; the documents are indorsed to the British Bank of Central America.

12. On the 4th May, in a registered letter, the bank returns the accepted draft.

13. On the same date, the bank sends to Curtis the documents which they have indorsed to his order, and advise him that they have accepted the draft as arranged, and that they will place it to the debit of his current account.

14. On the 8th May, Hartley advises Curtis of the shipment of the goods and of the acceptance of the draft

15. On the 19th May, Curtis advises the bank of the receipt of the documents.

16. On the 31st May, Curtis advises Hartley of the safe arrival of the goods.

17. On the 27th June, Curtis sends information that business is progressing favourably, and encloses a further order which the student should draw up for a total of about £60.

18. On the 16th July, Curtis sends the account sales of the first transaction.

## CHAPTER XIII

### MARKET AND EXCHANGE REPORTS

THESE reports are published daily in the principal newspapers of every country, and are found in great number and variety. In addition, large commercial houses are in the habit of sending from time to time to their clients reports concerning the state of the market prices, existing stocks, anticipated supplies, the extent of demand and supply, and these reports offer great facilities to the practical merchant. If these reports should prove too short, or if the merchant desires to know what prospects certain articles are likely to have in the near future at various places, or what prices may be prevalent after the next harvest in order to calculate his future requirements, he can easily get the requisite information through the various brokers, and other expert channels.

The compilation of such reports requires an extensive knowledge of commercial and local usages, a wide knowledge of commerce in general, the exercise of the greatest care and minute attention, and a judgment matured by long experience.

**BUYING COMMISSION AGENTS** at the large centres of trade like London, Liverpool, Amsterdam, Antwerp, etc., are of great importance in connection with the importation of goods from overseas countries, for through them colonial produce may be purchased, or it may be sold and forwarded to the wholesale dealers engaged in the home trade.

In the same way that they find connections with the producers abroad, so they try to find buyers for the goods in the home country by the appointment of agents. These buying commission agents are, therefore, as a rule, large and important firms with plenty of capital. In order to obtain customers amongst the wholesalers of the interior, they send out market reports which take the form of printed circulars, and give information about the various events occurring in the world's market which may have an influence upon price. The report contains statistical information about the quantity of the stocks accumulated in the various warehousing

centres; the extent of the weekly or daily turnover; the quantities delivered for consumption; the extent of probable future supplies. If possible, in these reports all the countries of production and consumption of the whole world are taken into consideration, thus furnishing an idea of the whole of the world's market. Of great importance are the prospective harvests, and those already brought in, as well as the estimates based upon them, although the personal view of the reporter and the interest which he has in the rise or fall of prices, plays some part. The Bull speculators expect a small, whilst the Bears expect a large harvest. Unless these reports are based upon official or reliable information, they have to be accepted with a certain amount of caution. The proceedings on the exchanges, likewise, must be followed with great attention, as nowadays the large speculators on the produce exchanges try to bring about a rise or a fall in prices by effecting large sales or purchases, or manipulating in any way which may lead to their benefit. The produce exchanges, therefore, exert a very prominent influence upon the determination of prices. The rings and syndicates of large speculators are in many respects similar in their aims to the operations on the exchanges. They endeavour so to command the total stocks of produce of a country or the whole of a market, that they may subsequently dictate their own prices. More dangerous, however, to the freedom of intercourse, and still more calculated to exploit the consumer, are monopolies.

Essential factors in determining the state of the market are also to be found in the political conditions of a country. The prospect of peace or of war, disturbances in the friendly relationships of States, or the gloomy forecast of a cabinet minister, have repeatedly affected prices. To this category also belong such political events as the conclusion or expiration of a commercial treaty; the introduction or abolition of fiscal regulations, the prohibition of the importation of certain goods, the introduction of State monopolies, and of export bounties.

Market reports have reference to all these phenomena and draw their conclusions therefrom, or they leave it to their customers to form their own judgment on the basis of the facts reported. It is obvious that the compilation of such market reports is one of the most difficult tasks of correspondence, for not only is skill in expression and complete mastery of the whole subject absolutely necessary,

but a knowledge of the chief occurrences in the world's market and a reserve of wordly wisdom and experience is required.

### EXAMPLE 112—MARKET REPORT

#### HOME COMMERCIAL MARKETS

LONDON (THE BALTIC EXCHANGE), Dec. 28.—WHEAT.—The cargo market was dull and quotations generally were reduced 3d. to 6d. per qr. owing to lower American markets yesterday. No. 1 Manitoba (Pacific), afloat, 53s.; No. 2, Manitoba, afloat, 52s. 3d.; No. 2 hard winter (Gulf), Dec.-half Jan., 47s. 6d.

MAIZE.—La Plata cargoes were neglected at about 3d. per qr. decline. Afloat, 29s. 9d.; Jan., 29s. 9d.; and Feb. 30., 3d., sellers.

BARLEY attracted little attention. Californian superior. Dec.-Jan., 35s. 3d. Feed descriptions were easy, but nominally unchanged, on large Danubian shipments.

OATS.—La Plata, Dec.-Jan., 17s. 3d., sellers. German, 17s. to 20s., according to sample.

LIVERPOOL, Dec. 28.—WHEAT.—C.I.F. parcels were quiet, with prices unchanged to 3d. per qr. lower. No. 1 Northern Manitoba, Jan., quoted 52s. 7½d. MAIZE.—C.i.f. parcels were quiet and 3d. per qr. lower. La Plata, afloat, 28s. 4½d. FLOUR.—Unchanged. OATS.—Dull. La Plata, f.a.q., Jan.-Feb., 17s. 3d. Chilean tawny, Jan.-Feb., 20s.; Feb.-Mar., 20s. 3d.

#### COTTON

LIVERPOOL.—Dec. 28.—Trading in spot cotton continued much restricted, spinners being as reluctant as ever to secure supplies until there is some improvement in the demand for the manufactured article. American growths were in limited request without quotable change. Middling, 9-51d. per lb. Brazilian sold slowly at previous rates. Peruvian fair, 9-16d. Only a small business transpired in Peruvian at steady prices. Good fair smooth, 10-16d. and good fair Tanguis, 10-46d. Egyptian were in moderate request at 5 points decline to 2 points advance. F.G.F. Sakellaridis, 14-15d. African was quiet at unchanged prices. Middling West, 9-51d. and good fair East, 10-06d. East Indian was dull at late rates. Fine M.G. Broach, 7-75d., and fine No. 1 Oomra, 7-10d. per lb.

American futures experienced a very dull market. With lower overnight advices from the United States prices opened 2 to 3 points easier, and there was little further change, some hedge selling and Continental liquidation being well absorbed by month-end trade calling. The market closed quiet 1 to 3 points down on the day.

In the Egyptian futures market the Sakellaridis contract opened 2 points easier, and after some irregularity the market closed quiet 3 points down to 5 points up on the day. The Upper contract closed quiet and unchanged to 7 points dearer. Closing values: Sakellaridis—Dec., 13-41; Jan., 13-46; Feb., 13-46; Mar., 13-64; April, 13-64; May, 13-84; June, 13-85; July, 14-00; Aug., 14-05; Sept., 14-05; Oct., 14-07; Nov., 14-09; Dec., 14-15.

## WOOL

LIVERPOOL, Dec. 10.—The eighth and last series of East India wool sales for this year came to a close on Friday last with offerings of 23,356 bales East Indian wool, 190 bales of Bussorah and Persian Gulf wool, and 206 bales of goat hair, and of which 14,822 bales, 109 bales, and 148 bales respectively were sold. Of the total of 15,079 bales sold it is estimated that the home trade purchased 11,532 bales, the Continent 2,820 bales, and America 727 bales. Importers' stock held over is 8,301 bales, including 59 bales of goat hair and 81 bales of Bussorah and Persian Gulf Wool. New arrivals amounted to 2,700 bales, and there are about 15,000 bales afloat. Compared with October quotations are as follows: Joria white, neglected and 10 per cent lower; Joria inferiors, 5 per cent lower; Vicancere superior white, 5 to 7½ per cent lower; average white, 7½ to 10 per cent lower; yellow, 10 per cent lower; Rajpootana white and yellow, 5 to 7½ per cent lower; Peshawar white and yellow, 5 per cent lower; Kandahar white, 7½ per cent lower; Harnai and Biburk white, 2½ to 5 per cent lower; Jesulmere and Beawar white and yellow, 5 to 7½ per cent lower; Marwar white and yellow, par to 5 per cent lower, grey (soft), unchanged; Karachi goat hair and Bussorah wools were in good demand at firm prices. As at present arranged the next series will begin on Jan. 14. On Friday, Dec. 20, 2,500 bales of new clip Buenos Aires and Monte Video Wools will be offered.

## EXAMPLE 113—MARKET REPORT

## COLONIAL AND FOREIGN PRODUCE

LONDON, Dec. 10. —SUGAR.—Home refined was in fair demand at late rates. Tate's London and Lyle's No 2 granulated, 22s. 9d.; T. L. granulated, 22s. 6d.; home-grown granulated, prompt, quoted 21s. 7½d. ex Ely, Cantley, and Ipswich (3d. less ex London); Anglo-Scottish, Dec., 22s. to 22s. 3d., ex factory; T. L., ex refinery, 22s. 1½d.; ex wharf, 21s. 9d.; West Indian crystallized, spot, quoted 21s. 3d. to 24s. 3d.; white Mauritius, spot, quoted 21s.; 99 per cent, Dec., 12s. 6d.; c. i. f.; white Java, Dec., quoted 11s. 9d., c. i. f. Europe; Dec., 11s.; Jan.-Mar., 11s. 1½d.; B. R. B. Dec., quoted 11s. 2½d.; Jan.-Mar., 11s. 4½d., c. and f. India; Czech granulated, prompt, spot, quoted 9s. 10½d., f.o.b., Hamburg; Dutch granulated, prompt, quoted 10s. 6d., f.o.b., Rotterdam; Polish crystals, prompt, quoted 9s. 7½d., f.o.b., Danzig. Raws were quiet; preferentials, 96 per cent, Dec., quoted 12s. 6d.; Peruvian, 96 per cent, Dec., quoted, 8s. 6d.; Brazil, 96 per cent, Jan., 8s. 7½d., value; Cuban, 96 per cent, Jan.-Feb., 9s., sellers; Brazil, 80 per cent, Dec.-Jan., 7s. 10½d., c. i. f.

COFFEE.—At auction 4,329 packages were offered and met a good demand. Fine sorts sold well at firm rates, but other kinds were irregular. Costa Rica, bold coloury, sold at 109s. to 129s.; medium, 78s. to 82s.; bold grey-greenish, 97s. to 102s. 6d.; peas, 97s. 6d. to 138s. 6d.; Honduras, bold grey-brownish, 73s.; Kenya, bold greenish, 140s. 6d. to 157s.; medium, 83s. 6d. to 110s.; small, 71s. to 89s. 6d.; Kilimanjaro, bold greenish, 91s. to 116s.; medium, 73s. 6d. to 82s.; small, 62s.; peas, 130s.; Arusha, bold coloury, 123s. 6d. to 130s.; medium, 100s.; small, 62s. to 78s. Futures nominal.

**COCOA.**—Accra was easier; fair fermented, Dec.-Feb., quoted 39s. 3d. per cwt; Jan.-Mar. sold from 39s. 9d. to 39s. 6d., f.o.b. Futures were dull; Dec., 1930, sold at 45s. 9d. Sales, 10 tons.

**TEA**—At auction 20,000 packages of Ceylon were offered. The Dutch agreement in principle with the policy of curtailment of excessive crops imparted a more confident tone, and prices, although irregular, were frequently firmer than last week. Quality was very uneven and consequently no change in quotations could be given, but, generally speaking, useful common sorts and good medium to fine broken orange Pekoe experienced the best prices of the week. Common broken Pekoe sold from 9½d. to 1s.; medium broken Pekoe from 1s. 0½d. to 1s. 4½d.; fine and finest broken Pekoe and broken orange Pekoe from 1s. 7d. to 2s. 8d.

#### EXAMPLE 114—MARKET REPORT

### ANDERSON & CO.'S FRUIT MARKET REPORT

Liverpool.

22nd July, 19..

#### Sultana Raisins, New Crop

The "Swan" arrived on the 26th ult., bringing 4,000 boxes, the first of the new crop; these were all sold to arrive at prices ranging from 56s. to 66s. The "Saracen" is due on the 28th, having on board about 26,000 boxes; of these a large proportion has been disposed of at from 52s. to 65s., showing a decline of 3s. to 4s. per cwt. The next steamer will be the "Corinthian" (reported to be bringing 50,000 boxes), due the 26th Aug., but no overland samples are yet to hand. It is expected, however, that there will be a good demand as the crop is of excellent quality, and the market is almost clear of the old crop.

#### EXAMPLE 115—PRO FORMA CONTRACT

### CONTRACT NOTE

Liverpool.

23rd July, 19..

### ANDERSON & CO., Dried Fruit Dealers

Mr. J. Calpathian,  
Smyrna.

We have this day sold of you to our principals on the terms and conditions of the Liverpool Dried Fruit Trade—

500 Boxes Sultana Raisins at 60s. per box  
Loss in weight not to exceed 1 per cent.

Any dispute which may arise in relation to this Contract

**EXAMPLE 116—ACCOUNT SALES**

ACCOUNT SALES of 500 Boxes *Sultana Raisins* received *ex s.s. "Corinthian"* at *Smyrna*, sold for account of *Mr. J. Calpathian* by *Anderson & Co.*

	Gross.				Tare.				Draft.				£	s.	d.				
	cwts.	lb.	qrs.	grs.	lb.	qrs.	grs.	grs.	lb.	qrs.	grs.	grs.				lb.			
Aug. 28	500	Boxes	3	4	12	3	10	124	3	22	1	6	123	2	6	60s.	370	13	3
<p align="center"> <i>Less Duty on 124 cwts. lbs. 0 25 @ 7% 43 11 8</i>  <i>Discount 2½% 6 3 7</i> </p>																			
<p align="center"><b>CHARGES.</b></p>																			
<p align="center"> <i>Freight on 137 cwts. 3 qrs. 4 lbs. at 25/- per ton + 10% Primage . . . . . 9 6 6</i>  <i>Entries—Dock and Town Dues . . . . . 18 1</i>  <i>Portage on Quay . . . . . 1 6 5</i>  <i>Cartage . . . . . 13 10</i>  <i>Warehousing, Stowing, etc. . . . . 13 —</i>  <i>Warehouse Rent for 2 months . . . . . 1 10 —</i>  <i>Fire Insurance . . . . . 4 —</i>  <i>Brokerage and Guarantee on £370 13s. 3d. at 1½% . . . . . 5 11 1</i> </p>																			
<hr/> <p align="right">20 2 11</p>																			
															<b>Net Proceeds</b>		300	15	1

<sup>1</sup>These charges would not be incurred if sold *ex quay*

to be settled here in the usual way by two Brokers or Merchants mutually chosen, or their umpire.

Payment by Cash within seven days after receipt of the Invoice, but in any case before the arrival of the vessel, allowing interest at 5 per cent per annum from date of payment to the expiration of 90 days from date of Bill of Lading.

### TEST PAPER XXI

Draft the following correspondence, etc.—

1. J. Calpathian, of Smyrna, inquires from Messrs. Anderson & Co., of Liverpool, about the prospects of the new crop of Sultana raisins. Before making any shipments, he requests them to furnish him with Market Reports, Contract Note, and *pro forma* Account Sales.

2. Anderson & Co. reply enclosing Report, Contract Note, and *pro forma* Account Sales; they advise J. C. to lose no time as prices will decline with increasing supply; moreover sales *ex quay* will become more difficult and further expenses would be incurred by warehousing.

3. A London Coffee firm utilises the following facts as the basis of a market report—

Market quiet. Lowest price limits exceeded by  $\frac{1}{4}$ d. No bulls existent, and further fall therefore possible. Bear party tries to maintain its position by every possible means. This party is no longer able to exploit for their own purposes the officially known figures of the new Brazilian harvest, and they therefore make use of the prospects of the coming year, and spread a report as follows: "Owing to the warm sunny weather, the coming Brazilian harvest is making good progress." As is well known, the time of bloom has not even arrived yet, and the report must therefore be considered a free invention of the bear speculators, when they talk of the progress of the new harvest. This circumstance proves that speculating for a fall is no longer possible, and another circumstance which confirms this assertion is to be found in the fact that this year coffee prices are threepence lower than in the past few years. It is quite likely that the bears will soon turn into bulls, and this forecast is borne out by the following figures—

It is general knowledge that the last Brazilian harvest amounted to 7,750,000 sacks; of this quantity 750,000 sacks have already been brought on to the market. Thus we have to reckon with the remaining 7,000,000 sacks. The other harvests, together with the balance of all stocks, are unanimously estimated at 4,500,000 sacks. *Thus, the whole of the world's stocks until the first of July next year amounts to 11,500,000 sacks.*

The world's consumption amounts to 11,000,000 sacks annually, and thus the world on the above date would have to reckon with the small surplus of half a million sacks. This insignificant surplus is not sufficient for the bears to maintain their position, and they therefore fall back upon the hoary expedient of prognosticating a large harvest



for the forthcoming year, which is not even yet in bloom. When the bulls enter into operation they will be able to calculate with authenticated figures, and they will not take the slightest notice of any prognostications. The world's stocks on the 1st July of the past nine years are of great interest.

	Sacks.			
This year	.	.	.	11,500,000
1. Last year	.	.	.	9,300,000
2. Year before	.	.	.	11,501,000
3. " "	.	.	.	9,202,000
4. " "	.	.	.	11,238,000
5. " "	.	.	.	11,858,000
6. " "	.	.	.	9,297,000
7. " "	.	.	.	8,658,000
8. " "	.	.	.	10,598,000

We thus find that in the harvest years (2), (4), and (5) the world's harvests were quite as large as this year, whilst at the same time the world's stocks were higher than they are at present, and prices were 2½d to 3d. higher. In these facts is to be found an important reason for a bull movement which the trade in futures will utilise.

According to the following statistics, the production of neither Rio nor Santos, nor the world's production during the last eight years has undergone any essential change.

Rio and Santos.		World's Production.	
<i>Sacks.</i>		<i>Sacks.</i>	
7 years ago	4,278,000	7 years ago	8,658,000
6 " "	5,308,000	6 " "	9,297,000
5 " "	7,386,000	5 " "	11,858,000
4 " "	6,195,000	4 " "	11,283,000
	<u>23,167,000</u>		<u>41,096,000</u>
Average	5,791,750	Average	10,274,000
3 years ago	4,307,000	3 years ago	9,202,000
2 " "	6,699,000	2 " "	11,501,000
1 year ago	5,480,000	1 year ago	9,390,000
This year	7,000,000	This year	11,500,000
	<u>23,486,000</u>		<u>41,593,000</u>
Average	5,871,500	Average	10,398,250

This steady progress of production has been considered in conjunction with a gradually increasing consumption.

Draw up the Market Report as it would appear when ready for dispatch to likely customers.

## SECTION III—BANKING AND FINANCIAL CORRESPONDENCE

### INTRODUCTION

THE English banking system is in the hands of some sixteen concerns of which the "Big Five" are outstanding in every respect. Among their main functions are included the receipt of deposits and the granting of loans, for which they are responsible for more than 80 per cent of the banking business of the community.

Money may be deposited with these banks on *current account* on the understanding that the depositor may withdraw the whole or part of the amount at any time without notice. The bank grants no interest as a rule, but makes no charge for working the account provided that the customer maintains a minimum balance. Money is also taken on *deposit account* and in this case it is withdrawable at notice and always yields interest.

A banker's loan may take the form of an *overdraft* on current account or of an advance on *loan account*. In the first case the banker allows his customer to overdraw his current account up to a specified limit and charges him interest on the amount overdrawn. In the second case, the full amount of the loan is entered to the credit of current account and the customer is debited in a separate loan account, and interest is charged on the full balance of the loan account, whether used or not.

Joint-stock Banks also act as agents for their customers in a variety of ways. They collect and pay coupons and dividends; transact stock exchange and foreign exchange business; act as correspondents for other banks; issue letters of credit; circular notes and traveller's cheques; and also act in such capacities as trustee, attorney and executor. In view of these varied activities it is apparent that the banker must be a skilled commercial correspondent.

**NATURE OF BANKING CORRESPONDENCE.**—Banking and financial correspondence is distinguished from that of ordinary trade by its greater conciseness, although it is as varied as the latter with regard to the kinds of letters and in the use of printed forms.

These latter need not be discussed here since they do not strictly belong to correspondence but to office routine. Through the agency of the banker a debt may be settled in any one of the following ways—

1. Cash remittance.
2. Paper remittance on the part of the debtor.
3. Draft on the debtor by the creditor.
4. Payment through a third person.
5. The granting of credit in contra account.

In each of these cases the debtor requests the creditor to give him credit for the amount remitted, and usually states whether the amount is in total or partial settlement of his account. If a bill of exchange is remitted, the amount, date of maturity, name of the drawee, and the place of payment are mentioned in the covering letter, whilst in the case of foreign bills the rate of exchange is usually mentioned. In some instances, however, it is left for the foreign drawer to credit to the drawee at the highest possible rate of exchange. In the case of a draft on the debtor or on a third person, the creditor receives from the debtor special instructions to draw either upon him or upon the third party. The latter should be advised without fail, and should be asked to honour the bill at the due date. Payment through a third party may take place in two different ways—

1. The third party may be instructed to remit the money to the creditor ; or
2. The creditor may be authorised to collect the money from the third party.

The latter method is frequently met with in the banking business.

For the sake of clearness and convenience, the letters in the banking and financial business may be divided into four groups, each of which will be treated in turn. These have reference to transactions dealing in—

1. Money and its substitutes.
2. Bills of Exchange.
3. Stocks and shares.
4. Accounts Current.

## CHAPTER I

### TRANSACTIONS IN MONEY AND ITS SUBSTITUTES

A **CONTRACT OF SALE** is an agreement in which goods are exchanged for a certain monetary consideration. The seller supplies the goods and the purchaser pays the price agreed upon. If the time of the exchange of the goods coincides with that of the payment it is known as a "cash sale"; that is, buyer and seller fulfil their obligation at the same time. As this method of executing a contract of sale is possible only where the buyer and seller both meet where the goods are being offered for sale, it is rarely met with in the wholesale trade. As a rule in this trade the payment for goods is not made at the time of their purchase, and this is largely due to the prevailing usages of trade. The seller either supplies the goods first and the consideration of the purchaser is given later; or the purchaser may pay the price in advance, whilst the seller supplies the goods at a subsequent date. This is known as a purchase against cash in advance. Obviously such a transaction is based upon credit relations; the purchaser who pays the price in advance without receiving immediately the goods is the creditor in this case, and runs the risk of losing the purchase price.

When a contract of sale is being concluded the two parties must come to an agreement as regards the method of payment, so that the time of payment forms a part of the contract. Where the contract of sale does not contain any terms of payment, it must be assumed that it is a cash transaction unless the customs of the trade or locality prescribe otherwise. Therefore, if the purchaser desires credit terms or if the seller wishes to have payment in advance, it must be expressly stipulated in the contract of sale.

**MODE OF PAYMENT.**—It is the usual custom in trade for payment to be made at the place of the seller; the debtor is therefore required to pay the purchase price to the creditor at the latter's office. Where the creditor resides at a distance from the debtor, the latter has to bear the expense of transmitting the remittance.

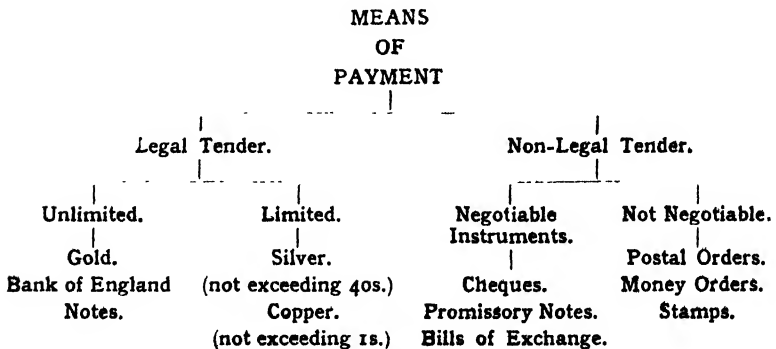
**TIME OF PAYMENT.**—The day on which a debt is due is called the *due date*. As a rule this date is fixed in the contract. The

debtor is expected to conform punctually to the due date, and if he does not fulfil his obligation his account is said to be in arrears. Every business man who desires to maintain his reputation and credit will endeavour to adhere punctually to the due date. Sometimes a debtor pays before the due date, in which case the creditor may make an allowance in the shape of discount. The debtor, however, has no legal claim to such a discount unless this has been agreed upon by the parties.

**MEANS OF PAYMENT.**—In the home trade metallic money serves as a means of payment and is divided into standard and token coins. The latter are legal tender only to a limited amount ; that is, silver to 40s. and copper to 1s. On the other hand, gold coins may be tendered up to any amount.

In regard to notes, Bank of England notes are unlimited legal tender. They are for 10s., £1, and £5, and for multiples of £5.

The chief forms of money used in the settlement of debt may therefore be distinguished as follows—



Letters containing documents of value such as bank notes, etc., can be registered at the Post Office, thus enabling the sender to prove delivery. The normal fee for registration is 3d. per packet in addition to the ordinary postage, though a graduated scale of fees is in operation providing for greater compensation in case of loss. When transmitting coin through the post special registration envelopes must be used, and these are obtainable at the Post Office.

**CASH PAYMENT IN ONE'S OWN LOCALITY.**—Where the creditor and the debtor reside in the same locality, payment may be made direct at the domicile of one or the other, and in this case an exchange of letters is not necessary. However, for the proper record of cash transactions, evidence in writing is required for every payment so that the party receiving payment must give a receipt to the party making the payment. In the settlement of an account the receipt may be written on the statement or invoice. A receipt consists of a written and duly signed declaration of the receiver that he has received the amount in question, the purpose for which payment is made, and the date of payment. Where the amount paid is £2 or over a twopenny stamp must be affixed and cancelled.

**EXAMPLE 117—REQUESTING BANK NOTES AGAINST BILL  
OF EXCHANGE**

Telegrams: "Union," Manchester.

Telephone: Central 3876.

***THE UNION BANK, LIMITED***

---

King Street,  
Manchester.  
29th July, 19..

The International Bank,  
Lombard Street,  
London, E.C.3.

Gentlemen,

We confirm our telegram of to-day's date as follows:

"Send £6,000 Bank Notes—effect insurance,"

and we are awaiting their early dispatch.

Enclosed you will please find bills of exchange for £4,670 on Liverpool, as per enclosed list, which kindly credit to our account.

We are,

Yours faithfully,

per pro. The Union Bank, Ltd.,

T. Jones,

Head Cashier.

**EXAMPLE 118—REPLY**

(See No. 117.)

Lombard Street,  
London, E.C.3  
30th July, 19..

The Union Bank, Ltd.,  
King Street,  
Manchester.

Gentlemen,

In accordance with your telegraphic instructions, we sent you yesterday by registered package £6,000 in Bank Notes, plus 7s. 6d. insurance fee, total £6,000 7s. 6d., which we have debited to your account and have to-day credited you with bills of exchange on Liverpool for £4,670 under the usual reservations.

We are,

Yours faithfully,

per pro. The International Bank,  
T. Williams,  
Secretary.

**EXAMPLE 119—INSTRUCTIONS TO REMIT CASH TO A  
THIRD PARTY**

Highland Road,  
Durban,  
Natal.  
10th Jan., 19..

Messrs. Edwards & Son,  
Cheapside,  
London, E.C.2.

Dear Sirs,

We thank you for your letter of the 4th Dec. and now take the liberty of asking you to remit to Messrs. Thompson & Co., of Leeds, a cheque for £150 and debit us with this sum.

Awaiting your early advice of the carrying out of this transaction,

We remain,

Yours faithfully,

per pro. Johnson Bros., Ltd.,  
T. Stead,  
Secretary.

## EXAMPLE 120—CASH REMITTANCE

Leamington.

16th July, 19..

Messrs. John Kellett & Co.,  
Manchester.

Dear Sirs,

In settlement of your account of £76 6s., dated 3rd July,  
I send you remittance as under—

	£	s.	d.
Cash . . . . .	75	2	5
Discount at $1\frac{1}{2}$ per cent. . . . .	1	2	11
Postage . . . . .			8
	<hr/>		
	£76	6	0

Please acknowledge receipt and oblige,

Yours faithfully,

Leonard Brooks

	£	s.	d.
Fifteen £5 Notes . . . . .	75	-	-
P. O. . . . .		2	5
	<hr/>		
	£75	2	5

(See No. 121.)

EXAMPLE 121—ACKNOWLEDGMENT OF RECEIPT, DEDUCTION  
FOR POSTAGE PROTESTED AGAINST

(See No. 120.)

Manchester.

19th July, 19..

Mr. Leonard Brooks,  
Leamington.

Dear Sir,

We are in possession of your remittance of the 16th July of—

	£	s.	d.
Cash . . . . .	75	2	5
Discount at $1\frac{1}{2}$ per cent. . . . .	1	2	11
Postage . . . . .			8
	<hr/>		
	£76	6	-

with which we have settled your account with thanks.



We would point out to you, however, that all our accounts are payable at Manchester, and, therefore, we cannot admit your deductions for postage in future.

Trusting to receive an early renewal of your orders,

We are, dear Sir,

Faithfully yours,

John Kellett & Co.

#### EXAMPLE 122—PAYMENT BY CHEQUE

London.

2nd June, 19..

Messrs. John Thompson & Sons,  
Liverpool.

Dear Sirs,

Enclosed please find Cheque for £250 8s., which, plus 3 per cent on £260 for Cash, and £3 2s. for 20 empties returned on the 25th ult., balances your account for 8th April.

Yours faithfully,

James Taylor.

(See No. 123.)

#### EXAMPLE 123—ACKNOWLEDGMENT OF RECEIPT

(See No. 122.)

Liverpool.

5th June, 19..

Mr. James Taylor,  
London.

Dear Sir,

Thanks for your cheque, value £250 8s., which has been placed to your credit, according to your instructions. We are looking forward to the arrival of the empties advised.

Trusting soon to have the pleasure of receiving a repetition of your orders,

We are,

Yours very truly,

John Thompson & Sons.

## TEST PAPER XXII

1. (a) On the 16th May, Harvey Crouch, Leeds, requests the British Bank for Foreign Trade in London to send him £1,500 in bank notes by insured registered letter, and per contra he sends bills of exchange on various places for £968 16s.

(b) On the 17th May, the British Bank executes this order charging 3s. 6d. for insurance and crediting the amount of the bills on the 19th May.

Draft the above letters.

2. (a) On the 8th August, E. W. Hall requests the National Bank, Leeds, to transmit to Williams & Co., Cardiff, £175 and to debit his account.

(b) On the 9th August the National Bank informs Williams & Co. that they have sent them the amount stated, and enclose two receipt forms for signature.

(c) Williams & Co. acknowledge receipt of the money on the 10th August.

(d) The National Bank sends E. W. Hall on the 12th August the receipt of Williams & Co.

Draft these letters—

3. Write a letter from Brown & Co., to J. Williams, Glasgow, apologising for delay in settlement of account, and enclosing cheque for £50 drawn on the Commercial Banking Co.

4. Write a letter from Lloyd's Bank to Brown & Co., Manchester, stating that the cheque for £50 has been returned to them dishonoured, marked R/D. Dishonoured cheque enclosed.

5. Draft a letter from J. Williams, Glasgow, to Brown & Co., stating the fact mentioned in No. 4, and asking for an explanation.

6. Write a letter from Brown & Co. to J. Williams, regretting the incident, and requesting that the cheque be again presented, when it will be duly met.

7. Enumerate the chief forms of remittance in use by a trader in the settlement of his accounts.

## CHAPTER II

### TRANSACTIONS IN BILLS OF EXCHANGE

LETTERS of this kind refer to the collection of bills of exchange, the discounting of acceptances, the purchases and sale of foreign bills, advices of drafts, the presentation of bills for acceptance, lodgment of bills, noting and protesting dishonoured bills, obtaining regress, etc. It is here presumed that the student has a knowledge of the law concerning bills of exchange.

Letters accompanying remittances of bills usually contain—

- (1) Intimation that a remittance is being made ;
- (2) Statement of the amount and the date of maturity of the bill ; further, the name of the drawee, in the case of a local draft, and the name of the place where the bill is payable in other cases.
- (3) Statement as to the purpose of the remittance such as the payment of a debt.
- (4) Request for an acknowledgment of receipt.

In case of refusal to accept a draft, the person to whom it was sent for presentation for acceptance has usually to have the bill noted or protested by a notary public, and then return the dishonoured draft to the person for whom he is acting.

To ensure the honouring of a bill of exchange, the words " in case of need " are sometimes written on the face of the bill by the drawer or one of the endorsers. Reference is made to the name and address of a person or firm residing at the place of payment of the bill who is prepared to intervene, *i.e.*, to accept or pay the bill in case of non-acceptance or non-payment by the drawee. The party thus called upon to intervene if necessary, the addressee " in case of need," is said to accept or pay " for the honour " of the drawer or endorser, or to honour the bill " under protest " or " supra protest."

The correspondence arising out of the addition of an addressee "in case of need" consists of the following letters—

(1) Letter asking permission from the addressee to use his name as a reference "in case of need."

(2) The addressee's reply.

(3) Letters advising the addressee without delay whenever his name has been thus used.

(4) The addressee's reply acknowledging receipt of advice, and, as a rule, promising his intervention if required.

Of these letters the first two are necessary only when permission has not previously been obtained to use the addressee's name when desired. The third must contain a full description of the bill as well as instructions as to the manner in which the addressee is to reimburse himself for his intervention.

#### EXAMPLE 124—ADVICE OF BILLS DRAWN

Telegrams: "Design."

Telephone: 399.

### W. DRAKE & SONS

#### Cotton Lace Manufacturers

High Street,  
Nottingham.

1st Oct., 19..

Messrs. Thompson & Sons,  
Crewe.

Dear Sirs,

According to our agreement we now advise you that we have drawn upon you for—

£165 order our own, per 31st October,  
to settle the amount of our invoice of the 28th July last.

Requesting you to take up our draft on presentation,

We are,

Yours faithfully,

W. Drake & Sons.

**EXAMPLE 125—ADVICE OF A DRAFT FOR ACCOUNT OF A  
THIRD PARTY**

London.

1st Dec., 19..

Messrs. D. Halliwell & Sons,  
Manchester.

Dear Sirs,

We are pleased to advise you that we have taken the liberty of instructing the National Bank of Salford to draw on you for our account for

£326 15s. per 28th Feb. next,

the amount due to us, and request you to have the kindness to honour the draft to our debit.

We are dear Sirs,

Yours faithfully,

Thomas Simpson & Co.

(See No. 126.)

**EXAMPLE 126—DRAWER OF BILL ADVISED BY THE ABOVE  
LETTER WRITES TO DRAWEE**

(See No. 125.)

Salford.

3rd Dec., 19..

Messrs. D. Halliwell & Sons,  
Manchester.

Dear Sirs,

By order of Messrs. Thomas Simpson & Co., of London, we have this day drawn on you for—

£326 15s., per 28th February,

and request you to accord our draft due protection when presented to the debit of our correspondent.

Yours truly,

The National Bank of Salford.

**EXAMPLE 127—ENCLOSING BILL FOR ACCEPTANCE**

Maidstone.

7th May, 19..

Messrs. J. Sykes & Co.,  
Leeds.

Dear Sirs,

Referring to my letter of the 26th April, I now advise you that I have drawn on you for the amount of my invoice in a draft for—

£66 10s. to my order at 3 months' date.

I send the bill herewith and request you to accept the same and return it at your earliest convenience.

You will find under same cover my latest price-list, and I trust to be favoured with your orders when you are in the market.

Yours faithfully,

John Simons.

**EXAMPLE 128—DIRECT APPLICATION FOR ACCEPTANCE**

Bristol.

17th March, 19.

Mr. Thomas Makin,  
Huddersfield.

Dear Sir,

In accordance with your wish we have drawn on you this day for—

£150 to our order, per 16th June.

We are enclosing draft, which you will please furnish with your acceptance and return.

Yours faithfully,

J. R. Russell & Co.

(See No. 130.)

**EXAMPLE 129—PROCURING ACCEPTANCE THROUGH A BANKER**

Hull.

2nd April, 19..

The South Coast Bank, Ltd.,  
Dover.

Gentlemen,

We should be obliged by your procuring acceptance of the enclosed draft, value £87, per 1st June, on T. Green, of your place.

In case drawee refuse protection, kindly have the bill protested for non-acceptance, and return together with protest and your charges, which we will settle immediately.

We are,  
Yours faithfully,  
Harold Nash & Son.

**EXAMPLE 130—BILL ACCEPTED AND RETURNED TO DRAWER**

(See No. 128.)

Huddersfield.  
19th March, 19..

Messrs. J. R. Russell & Co.,  
Bristol.

Dear Sirs,

I am in receipt of your letter of the 17th inst., with draft for—  
£150 to your order, per 16th June,  
which I have duly accepted, and return herewith.

I am,  
Yours faithfully,  
Thomas Makin.

**EXAMPLE 131—ACCEPTANCE REFUSED**

(See No. 128.)

Huddersfield.  
19th March, 19..

Messrs. J. R. Russell & Co.,  
Bristol.

Dear Sirs,

I have received your letter of the 17th inst., enclosing draft value—

£150 per 16th June

for my acceptance. To my regret I cannot accept for the time stated, as I have other heavy claims to meet by that date. However, if you will make the bill payable a month later, I shall be happy to accept it.

Trusting you will accommodate me in this matter, I return your draft herewith, and remain,

Yours faithfully,  
Thomas Makin.

**EXAMPLE 132—ASKING FOR THE USE OF FIRM NAME IN  
CASE OF NEED**

Manchester.

1st April, 19..

Messrs. Dean & Dawson,  
Liverpool.

Dear Sirs,

We are taking the liberty of inquiring whether you would permit us to mention your house in case of need on our bill for—

£69 10s. 8d. per 4th May, on T. Brown & Co.,  
Ltd., Liverpool.

Should your intervention be necessary, we would immediately provide you with security.

Always ready to reciprocate,

We remain,

Yours faithfully,

James Gorvin & Co.

(See No. 133.)

**EXAMPLE 133—REPLY**

Liverpool.

4th April, 19..

Messrs. James Gorvin & Co.,  
Manchester.

Dear Sirs,

In response to your letter of the 1st April, we are quite willing to allow you to name us on your draft for—

£69 10s. 8d. per 4th May, on T. Brown & Co., Ltd., of this town, in case of need.

Should the necessity arise, we shall protect the draft for your account.

Yours faithfully,

Dean & Dawson.



**EXAMPLE 134—ASKING FOR PERMISSION TO DOMICILIATE  
BILLS AT A BANK**

Nottingham.  
15th April, 19..

The British Banking Association, Ltd.,  
Birmingham.

Dear Sirs,

We beg to inquire whether you would allow us to domiciliate our drafts at your Bank, and, if so, on what terms.

It would be a question of an annual turnover of some £6,000. The separate drafts drawn on us are always for considerable sums, very rarely below £100 and never under £50.

We should always provide you with security some days before maturity.

Awaiting your reply,

We remain,  
Yours faithfully,  
Thomas Greenfield & Co.

(See No. 135.)

**EXAMPLE 135—REPLY**

(See No. 134.)

Birmingham.  
17th April, 19..

Messrs. Thomas Greenfield & Co.,  
Nottingham.

Dear Sirs,

In reply to your letter of the 15th inst., we beg to inform you that we are willing to allow you to make your drafts payable at our Bank.

For an annual turnover of £6,000 promised us, payable in sums of not less than £50, we should charge you only 1% commission, your discharged drafts being returned post free.

Trusting that these favourable terms will prove acceptable, and awaiting your reply,

We remain,  
Yours faithfully,  
The British Banking Association, Ltd.

(See No. 136.)

**EXAMPLE 186—ASSENTING TO TERMS AND ADVISING BILLS**

(See No. 135.)

Nottingham.

20th April, 19..

The British Banking Association, Ltd.,  
Birmingham.

Dear Sirs,

In response to your letter dated 17th April, we beg to express our agreement with the terms laid down by you, and, at the same time, to advise you that we have domiciliated the following drafts at your Bank—

£75, 1st June, by Thompson & Co., Leeds ;

£216, 15th June, by J. Bridge, Bolton ;

£300, 1st July, by John Burns, Shrewsbury ;

for which we shall provide security in due course.

Our drafts are drawn regularly on the 1st and 15th of the month, and should it happen that, now and then, a small bill between £50 and £100 mature without your being covered, it would be agreeable to us if you would discharge it, allowing us to meet payment for same—with interest of course—on the next amounts becoming due.

Yours faithfully,

Thomas Greenfield &amp; Co.

(See No. 137.)

**EXAMPLE 187—ENCLOSING REMITTANCE**

Nottingham.

28th May, 19..

The British Banking Association, Ltd.,  
Birmingham.

Dear Sirs,

We beg to remit you herewith £75 1s. 6d. as per statement below, to discharge our domicile drawn by Thompson & Co., Leeds, value £75 and your commission 1% ; total £75 1s. 6d.

We are,

Yours faithfully,

Thomas Greenfield &amp; Co.

	Statement	£	s.	d.
6 £10 Notes	. . .	60	-	-
3 £5 Notes	. . .	15	-	-
Stamps	. . .		1	6
		<hr/>		
		£75	1	6
		<hr/>		

(See No. 138.)

**EXAMPLE 188—REPLY**

(See No. 137.)

Birmingham.  
3rd June, 19..

Messrs. Thomas Greenfield & Co.,  
Nottingham.

Dear Sirs,

We duly received your letter of the 28th May, containing notes and stamps to the value of—

£75 is. 6d.

Per contra we have discharged your acceptance	£	s.	d.
drawn by Thompson & Co., Leeds, for	75	-	-
and have booked for our commission at 1%		1	6
	£75	1	6

We are sending you the draft herewith, and shall in future be willing to take up your bills, value up to £100, without previous security. You will then please send your payments with the next amounts becoming due.

Yours faithfully,  
The British Banking Association, Ltd.

**EXAMPLE 189—FOREIGN BILL FOR SALE**

Southampton.  
2nd July, 19..

Messrs. Anstice & Co.,  
London.

Gentlemen,

Enclosed we are sending you a Foreign Bill value  
Fracs. 80,000 at 60 d/s on Paris.

Kindly convert same at the most favourable rate of exchange,  
and hold the proceeds at our disposal.

Looking forward to your account hereof,

We are,

Yours faithfully,

John Triebel & Sons.

(See No. 140.)

## EXAMPLE 140—REPLY

(See No. 139.)

London.

4th July, 19..

Messrs. John Triebel & Sons,  
Southampton.

Dear Sirs,

Your letter of the 2nd July, covering Foreign Bill for  
Fracs. 80,000 at 60 d/s on Paris,  
came duly to hand. We have realized at the rate of Exchange  
of frs. 125.75 with interest at  $4\frac{1}{2}$  per cent. You have therefore  
been credited with £609 9s. 1d., which amount, agreeably to  
your orders, we are holding at your disposal.

We have annexed latest Exchange-list, and trust soon to  
receive your further commands.

Yours faithfully,

John Anstice &amp; Co.

## EXAMPLE 141—DOCUMENTARY DRAFT SENT

50 Leadenhall Street,

London, E.C.3

3rd July, 19..

The Manager,  
East Indian Bank,  
Calcutta.

Dear Sir,

Re Documents of 50 Cases Wine shipped to Messrs.  
Lincoln Bros., Calcutta, per s.s. "Majestic."

Herewith I am sending you draft for £138 at 90 d/s on  
Calcutta (second to follow), together with Documents of a  
consignment

L.B. # 2024/73, 50 Cases Wine,

shipped from London on the 2nd inst., per s.s. "Majestic"  
of the P. & O. Line.

Have the kindness to hand the documents attached to this  
draft to the Drawees, Messrs. Lincoln Bros., after same has  
been accepted. Please remit me the amount of the draft less  
your charges per cheque payable in London.

Yours faithfully,

Leonard Boxall.

**EXAMPLE 142—INQUIRY CONCERNING PROTEST FOR  
NON-ACCEPTANCE**

Sunderland.

7th July, 19..

Messrs. V. E. Collinge & Co.,  
Preston.

Dear Sirs,

Your draft for £133 16s. per 1st September on R. Hooson, of this town, was presented by us for acceptance, which, however, was refused by the drawee without any reason being given.

Please let us know whether you wish us to protest the bill for non-acceptance, or whether you have special instructions for us in the matter.

Looking forward to your reply,

We remain,

Yours faithfully,

The National Bank of Commerce.

(See No. 143.)

**EXAMPLE 143—REQUEST TO DRAWER TO ACCEPT BILL  
ON SECOND PRESENTATION**

(See No. 142.)

Preston.

8th July, 19..

Mr. R. Hooson,  
Sunderland.

Dear Sir,

We wrote you on the 4th July advising you that we had drawn on you in a bill for £133 16s. per 1st September, to the order of the National Bank of Commerce.

The Bankers have just informed us that you refuse to accept our draft, and do not even give a reason. We wrote you on the 25th June, informing you that we should draw on you per 1st Sept. for the amount of our account, if we heard nothing from you within a week. You returned no reply, and therefore we fail to understand why you refuse acceptance of our draft. Had you preferred some other mode of settlement, or were the due date inconvenient, you ought to have written us to that effect.

We have instructed the bankers to present the draft once more, and trust that you will this time afford the same due protection, failing which we may surely expect you will let us have a cash settlement, or, at least, state the reason of your refusal.

Yours faithfully,

V. E. Collinge & Co.

(See No. 144.)

**EXAMPLE 144—REPLY**

(See No. 143.)

Preston.

10th July, 19..

The National Bank of Commerce,  
Sunderland.

Dear Sirs,

We are in possession of your letter of the 7th July, and thank you for the information contained therein. We cannot account for Mr. R. Hooson's refusing to accept our draft, which was duly advised. You would oblige us by presenting the bill a second time, and should protection be refused, you will please not have it protested, but return it to us.

Yours faithfully,

V. E. Collinge &amp; Co.

(See No. 145.)

**EXAMPLE 145—BILL FINALLY ACCEPTED**

(See No. 144.)

Sunderland.

12th July, 19..

Messrs. V. E. Collinge & Co.,  
Preston.

Dear Sirs,

Replying to your letter of the 10th July we are now in a position to inform you that the drawee, Mr. R. Hooson, has accepted your draft for £133 16s. per 1st Sept. on this town.

Yours faithfully,

The National Bank of Commerce.

**EXAMPLE 146—REQUEST TO HAVE BILL RENEWED**

Cardiff.

15th June, 19..

Mr. James Taylor,  
Bristol.

Dear Sir,

Your draft for £78 16s., due 15th June on T. Williams & Co., of this town, has not been taken up by the Drawee, who desires to have it renewed until 1st August. We shall be glad to know whether you are willing to grant him the renewal, or whether we shall get the bill protested.

Awaiting your reply by return,

We remain,

Yours faithfully,

per pro. The Midland Banking Co.,

John Brown,

Cashier.

(See No. 147.)

**EXAMPLE 147—RENEWAL GRANTED**

(See No. 146.)

Bristol.

16th June, 19..

The Midland Banking Co.,  
Cardiff.

Dear Sirs,

I note from your letter of yesterday's date that the drawee of my bill value £78 16s., per 15th June, desires to renew the draft until 1st August. I agree to grant him a renewal until the time stated, and enclose the renewed bill.

Yours truly,

Enclos.

James Taylor.

**EXAMPLE 148—PROTEST FOR NON-PAYMENT**

Leeds.

2nd May, 19..

Messrs. J. Stitson & Co.,  
Birmingham

Dear Sirs,

We have to inform you that the bill for £74 12s. per 1st May on J. Thompson & Co., of this City, handed us for collection on the 16th ult., has been protested for non-payment. We are enclosing draft and protest for our discharge.

The charges amount, as per statement below, to 12s., which please remit by return.

Yours faithfully,

The Leeds Banking Co., Ltd.

Note of Charges for £74 12s. per 1st May on this town—

	s.	d.
Notarial Charges . . . . .	7	6
¼ per cent. Commission . . . . .	3	9
Postages, etc. . . . .		9
	<hr/>	
	12	-
	<hr/>	

## TEST PAPER XXIII

Draft the following correspondence—

1. On the 16th May, H. Gillibrand, of Bolton, sends to the Provincial Bank of Bolton a bill of exchange for £220 due 20th May, with a request for them to present the same for payment and remit the amount after deduction of the expenses.

2. On the 24th September, Peter Atherton, of Wigan, advises Alfred Gee of his draft for £1,260 for 24th November to the order of Matthews & Co.

On the 25th September, Alfred Gee replies and debits Peter Atherton per 24th November.

3. On the 5th May, William Fielding, of Wakefield, draws a bill for £260 at two months to the order of himself, and for £540 per end of July to the order of John Archer on the National Bank, and advises the bank thereof.

4. A sends to B four bills payable by persons residing in B's district, asking him to have them accepted and return them. Draft the letter as it would appear in practice.

5. B returns three bills, duly accepted, and keeps one back, stating that acceptance has been refused in default of advice.

6. John Strong of Cardiff takes the liberty of writing the name of Penny & Co., London, as "Case of need" on a bill of exchange for £78 drawn by T. Walsh, Swansea, on W. Tupper, London, and endorsed by him, to Mr. John Black, Leeds. The bill will be due on the 2nd prox. He requests the favour of intervention in case of non-payment at maturity.

7. Penny & Co. take note of contents and are prepared to intervene for the honour of John Strong.

8. The Brighton Building Co., Ltd., have an opportunity of building a block of warehouses for the Hove Estate Co., Ltd., provided they will take as payment Bills of Exchange at 3 months against the architects' certificates. The contract being for £50,000, the Brighton Building Co., Ltd., will only be able to finance the contract provided their Bankers, the Commercial Bank of Sussex, Ltd., will discount the bills. Write a letter to the Manager of the Bank on behalf of the Brighton Building Co., Ltd., inquiring whether they will discount the bills and, if so, upon what terms.



## CHAPTER III

### DEALINGS IN STOCKS AND SHARES

THE transaction of business on the Stock Exchange is regulated by the Committee for General Purposes which consists of thirteen members. This Committee, which has very wide powers, makes rules and regulations, and is responsible for the government of the members. The Committee also elect the Members, who are divided into two classes, namely, Brokers and Jobbers; and who may act either as individuals or in partnership with other members, but not in both capacities.

In the transaction of business, a broker who has an order to execute asks a jobber for a price. The jobber quotes two prices, one for buying and the other for selling. If the quotation is satisfactory, the broker closes at the price for the transaction, and the jobber is bound to abide by his quotation even though he may suffer loss before settlement is effected. The broker forwards to his client a signed and stamped Contract Note specifying all charges for commission, stamps and transfer fees, in addition to the price of the stock and other particulars.

Among the many transactions in stocks and shares may be briefly mentioned the following—

1. The purchase and sale of stocks and shares.
2. The receipt of dividend warrants and interest coupons.
3. The collection of foreign coupons.
4. The receipt of applications for shares or debentures.
5. Advancing loans against stocks and shares.
6. The receipt of stocks and shares for safe keeping.

**EXAMPLE 149—INQUIRY RE PRICE OF STOCK**

Portsmouth.

29th April, 19..

Messrs. Henry Russell & Co.,  
London.

Dear Sirs,

Having the intention of investing £200 in French Gold Rente, I shall be glad if you will inform me at what price you could purchase this Stock for me at the present moment in London.

I am,

Yours faithfully,

John Nelson.

(See No. 150.)

**EXAMPLE 150—QUOTING PRICE**

(See No. 149.)

London.

30th April, 19..

John Nelson, Esq.,  
Portsmouth.

Dear Sir,

In reply to your inquiry of the 29th April, we write to inform you that we can supply you with French Gold Rente at the rate of 96 clear of charge.

We enclose latest exchange quotations, and look forward to the receipt of your orders.

Yours faithfully,

Henry Russell &amp; Co.

(See No. 151.)

**EXAMPLE 151—INSTRUCTIONS TO BUY STOCK**

(See No. 150.)

Portsmouth.

1st May, 19

Messrs. Henry Russell & Co.,  
London.

Dear Sirs,

Acting on your information of the 30th April, I now send you enclosed £200 in 10 Notes of £20 each in return for which

I request you to buy and send me Frs. 25,000 French Gold Rente at the price of 96.

Kindly credit me with the cash balance in account current and oblige,

Yours truly,  
John Nelson.

(See No. 152.)

**EXAMPLE 152—ORDER EFFECTED**

(See No. 151.)

London.

2nd May, 19..

John Nelson, Esq.,  
Portsmouth.

Dear Sir,

Your cash remittance of £200 of the 1st May came duly to hand and per contra we have purchased

Frs. 25,000 French Gold Rente,

which we send you enclosed. As per annexed account you handed us £200. The Stock cost £192 16s. 4d., thus leaving a balance of £7 3s. 8d., which we have passed to your credit in account current.

Trusting you will avail yourself of our services on future occasions,

We remain,  
Yours faithfully,  
Henry Russell & Co.

**EXAMPLE 153—INSTRUCTIONS TO SELL SHARES**

Worsley,

near Manchester.

18th June, 19..

Messrs. S. Berry Bros.,  
Manchester.

Dear Sirs,

I am sending you herewith £300 in Manchester Corporation Tramway Shares, which you will please sell to best advantage, but not under the price of 94, holding the proceeds at my disposal.

Awaiting your reply,

I remain,  
Yours faithfully,  
Edwin Timperlake.

(See No. 154.)

## EXAMPLE 154—ADVICE OF SALE

(See No. 153.)

Manchester.

21st June, 19..

Edwin Timperlake, Esq.,  
Worsley.

Dear Sir,

We received your letter of the 18th June, enclosing £300, in Manchester Corporation Tramway Shares, which we have sold at 94½ clear of charges, and have credited you with £283 10s., concerning the disposal of which we are awaiting your orders.

In case you desire to re-invest your money in shares, we can recommend the North Eastern, with price steadily rising, as a safe investment.

Enclosing latest quotations,

We remain,

Yours faithfully,

Enclos.

S. Berry Bros.

## EXAMPLE 155—INSTRUCTIONS TO PROCURE COUPON SHEETS

London.

25th Jan., 19..

Messrs. Leon Armand & Co.,  
Paris.

Dear Sirs,

As per enclosed list I am now sending you 5 certificates of renewal for the 4½ per cent State Loan, and request you to procure the new coupon sheets.

You will also find annexed, as per list, 16 different coupons of the total value of Fcs. 587.50, with which please credit my account and oblige,

Yours faithfully,

Leonard Garner

(See No. 156.)

**EXAMPLE 156—REPLY**

(See No. 155.)

Paris.

29th Jan., 19 . .

Leonard Garner, Esq.,  
London.

Dear Sir,

We received your letter dated 25th January, enclosing 5 certificates of renewal for the  $4\frac{1}{2}$  per cent State Loan, and will procure you the new coupon sheets as early as possible.

We have credited you with Fcs. 587.50, the sum total of the 16 different coupons received at the same time.

Yours faithfully,

Leon Armand &amp; Co.

## TEST PAPER XXIV

Write the following letters—

1. Richard Neill writes to a firm of Stock and Share Brokers for a prospectus of a new transport company which is about to be floated, and asks whether it would be possible for him to secure shares in this company from them.

2. In reply to No 1, the firm of brokers enclose prospectus of new company, and remark that as a great rush for these shares is most likely to occur, the higher the amount he applies for, the greater will be the likelihood of an allotment ; finally they ask whether Neill would be inclined to invest to the extent of £6,000.

3. Alfred Alexander hands his brokers an order to purchase for his account five hundred pounds' worth of Victory Loan. The brokers inform their principal that they have carried out the order, and request a cheque in settlement. The Bought Note is enclosed, but the securities will be handed over in due course.

4. Harry Dean instructs his solicitors, Messrs. Sydney Berry & Co , to have the Consols standing in his name transferred and registered in the name of his wife, Laura Dean, and all dividend warrants pertaining thereto are in future to be sent to her address, Stockwell House, Lincoln Road, Harrogate.

## CHAPTER IV

### ACCOUNTS CURRENT

AN Account Current is a statement giving the particulars of the transactions which have been carried on between two persons or firms for a certain definite period. The term is in general applied to the copy of a personal account contained in the Ledger, sent to the person with whom the account is running, showing the exact state of the account between the parties. All the items of the account, together with the respective interest charges are stated in detail.

The correspondence arising out of the preparation of Accounts Current consists usually of the letter accompanying the Account Current and the reply thereto. The covering letter must contain—

- (1) Reference to the enclosed statement of account ;
- (2) Mention of the date to which the account is made up ;
- (3) Mention of the balance, *i.e.*, of the amount owing by or to the addressee ;
- (4) The request to check the account and to report whether it is found to be correct.

The letter concludes with a polite salutation, which may be preceded by an offer of further services, thanks for past favours, or, if necessary, a request for a remittance.

The reply of the party to whom the Account Current is sent depends upon whether he finds the account correct or incorrect. In the former case he confirms its correctness and advises his correspondent that he has accordingly carried forward the balance to the new account ; in the latter case he gives details of the errors he has discovered, and asks the correspondent to make the necessary corrections in his books and to alter accordingly the balance carried forward.

Account Current transactions are based upon agreements, the close observance of which will obviate any differences. To those customers with whom they have a large turnover, some banks send a statement of their Account Current at frequent intervals

(*i.e.*, monthly, or even fortnightly), in order that any mistakes might be discovered at an early date.

The checking of an Account Current should include a comparison of the amounts, the due dates, the interest charged, and any discrepancies must be cleared up as soon as possible.

#### EXAMPLE 157—INQUIRY RE OPENING OF AN ACCOUNT CURRENT

Southampton.

22nd June, 19..

Messrs. Yeaxley & Co.,  
London.

Gentlemen,

Already, on several occasions, I have availed myself of your services for the purchase of bills, and now beg to inquire whether you would be inclined to open an Account Current with me, granting me an open credit of £875. I can promise you brisk business with a large turnover.

If, after making inquiries concerning me, you are prepared to accept my proposals, I should be pleased to be informed of your conditions.

Your attention is drawn to the references given below, and I await the receipt of your reply.

I am,

Yours faithfully,

Strachan Holme.

#### References—

A. Williams & Son,  
York Street, Bristol.

John Malpas,  
High Street, Portsmouth.

Wm. Browning,  
London Road, Southampton.

(See No. 158.)

**EXAMPLE 158—FAVOURABLE REPLY**

(See No. 157.)

London.

28th June, 19..

Strachan Holme, Esq.,  
Southampton.

Dear Sir,

We acknowledge the receipt of your letter of the 22nd June, and shall be happy to number you among our clients by opening you an Account Current and according the Open Credit demanded.

Our conditions of business on an Account Current basis are—

- 5 % interest on our advances, and
- 4 % interest on your account ;
- $\frac{1}{2}$  % Commission ;
- 1 % Brokerage ;

Reimbursement of outlay for stamps and postage.

Should you approve of these conditions, we shall be glad to commence business with you.

We are,

Yours faithfully,

Thos. Yeaxley &amp; Co.

(See No. 159.)

**EXAMPLE 159—CONDITIONS ACCEPTED**

(See No. 158.)

Southampton.

1st July, 19..

Messrs. Thos. Yeaxley & Co.,  
London.

Dear Sirs,

I beg to tender my best thanks for the confidence evinced towards me by your letter of the 28th June, and am ready to agree to the conditions laid down therein.

It is my intention to begin operations in a few days and, in the anticipation that our connection will prove of long duration and to our mutual advantage,

I remain,

Yours very truly,

Strachan Holme.

(See No. 160.)



**EXAMPLE 160—SENDING AND DRAWING OF BILLS IN  
ACCOUNT-CURRENT**

(See No. 159.)

Southampton.

4th July, 19..

Messrs. Thos. Yeaxley & Co.,  
London.

Dear Sirs,

Referring to my letter of the 1st July, I now send you annexed a draft for

£31 18s., per 1st August, on Birmingham,  
which amount you will please collect.

I likewise request you to draw on my account for £18 17s. 10d. 30 d/s on William Yates, London, and pass net proceeds to my credit.

Furthermore, I take the liberty of drawing on you as under—

£175 on T. Sykes at 3 months ;  
£40 on W. Laphorn & Sons, at 4 months ;  
£25 on D. Wordall, at sight ;

£240, which you will kindly take up at maturity.

I am,

Yours faithfully,

Strachan Holme.

(See No. 161.)

**EXAMPLE 161—ENCLOSING STATEMENT OF ACCOUNT**

(See No. 160.)

London.

4th August, 19..

Strachan Holme, Esq.,  
Southampton.

Dear Sir,

Herewith we are sending you a Statement of your account up to the 31st July, showing a balance in your favour of £389 7s.

Have the kindness to examine this statement and to advise us if found correct.

Annexing the latest Exchange list,

We remain,

Yours very truly,

Thos. Yeaxley & Co.

(See No. 162.)

**EXAMPLE 162—STATEMENT FOUND CORRECT**

(See No. 161.)

Southampton,  
5th Aug., 19..Messrs. Thos. Yeaxley & Co.,  
London.

Dear Sirs,

I received your letter of the 4th inst., enclosing a Statement of my account up to the 31st July, showing a balance of £389 7s. in my favour. I have examined it and found it correct.

I am,

Yours faithfully,

Strachan Holme.

(See No. 163.)

**EXAMPLE 163—STATEMENT NOT IN ORDER**

(See No. 162.)

Southampton.  
5th Aug., 19..Messrs. Yeaxley & Co.,  
London.

Dear Sirs,

On examining the statement of my account handed me by your letter of the 4th Aug., I find that a small error has crept in.

I wrote you on the 14th July enclosing various coupons to the value of £9 16s., which amount you have failed to credit me with, although I received confirmation of their receipt by yours of the 17th July.

I therefore return you the statement herewith, requesting you to have it rectified.

Yours faithfully,

Strachan Holme.

(See No. 164.)

Enclos.

**EXAMPLE 164—REPLY**

(See No. 163.)

London.  
7th Aug., 19..Strachan Holme, Esq.,  
Southampton.

Dear Sir,

We find that your statement of the 5th August, regarding the non-entry in our Extract of your Account of £9 16s., remitted

us in various coupons on the 14th July, is correct. We have accordingly added this amount to your credit, and our Statement, which we return enclosed, now shows a balance of £399 3s. in your favour up to the 31st July.

Please accept our apologies for this oversight and oblige,

Yours faithfully,

Thos. Yeaxley & Co.

(See No. 165.)

**EXAMPLE 165—RATE OF INTEREST INCREASED**

(See No. 164.)

London.

21st Sept., 19..

Strachan Holme, Esq.,  
Southampton.

Dear Sir,

The Rate of Interest having advanced in consequence of the steadily increasing scarcity of money, we shall likewise be obliged from the 1st October to raise our interest from 5 per cent to  $5\frac{1}{2}$  per cent for business operations in Account Current.

Should these terms not suit your convenience, it is at your option to withdraw your account with us at the end of this month.

We are,

Yours faithfully,

Thos. Yeaxley & Co.

(See No. 165.)

**EXAMPLE 166—CREDIT WITHDRAWN**

London.

16th Nov., 19..

Strachan Holme, Esq.,  
Southampton.

Dear Sir,

Seeing that you have had no dealings with us for the last 6 months, we are obliged to withdraw the credit accorded you, and request a settlement of our account at an early date.

We are,

Yours faithfully,

Thos. Yeaxley & Co.

## TEST PAPER XXV

1. What is an Account Current ?

2. Mr. Fred Fairbank acknowledges the receipt, by this day's post, of his Account Current to 30th June, 19... As he finds it correct, he sends Messrs. Clapham, Morris & Co. a bill on the National Bank for the amount of £115 12s. He begs them to acknowledge receipt. Draft the letters.

3. Mr. George Greenfield, of Ealing, asks Messrs. Jones & Co., of London, to send him an abstract of his Account Current up to and including 25th December, as he wishes to balance his books to that date. Write the letter.

4. Write a letter saying that you are in receipt of Messrs. Jones & Co.'s letter enclosing Account Current. You find mistakes in two items. The difference is £6 5s. in your favour. Tell them that you have drawn on them for the amount (£74 15s.) at one month's date, of which they will be good enough to take note.

5. Imagine you are a bank clerk. Write a letter to the correspondents of your bank in Morocco, introducing a valued customer, who intends to stay there for some months, and who may decide to buy or build a villa in the neighbourhood.

6. Write a letter to a customer of your bank regretting that his request for further accommodation cannot be granted. The security consists of a mortgage of his shop premises, the freehold of which belongs to him, and an insurance policy on the borrower's life, his age being 42.

7. A firm writes to a bank to complain of the unsatisfactory way in which their Pass Book has been written up of late, and to point out that their messenger, when sent for the book, is often kept waiting. Write a letter of apology on behalf of the bank, giving present time reasons.

8. The Mayor of the town keeps his private account with your branch bank, and is frequently overdrawn. He also has a standing loan against security, which offers no margin for the overdraft. Write to your General Manager, who has called attention to the matter, giving your reasons for recommending that the privilege should not be withdrawn.

9. Write a letter to the Head Office in explanation of a decrease of £30,000 in the deposits of your branch bank.

10. Mr. John Robson, a tradesman in a neighbouring village, keeps a small account with you, on which a credit balance of £20 to £30 has been maintained. A cheque for £100, however, drawn on the account, was presented a few days ago through the Country Clearing, which, if paid, would have caused an overdraft of £70. You have no knowledge of the means of John Robson, and no arrangement for an advance

having been made, you returned it with the answer "Refer to Drawer." To-day you receive a letter from him expressing surprise at your action, and stating that he has banked with you for fifteen years, that he owns property worth £1,000, that he has no debts, that he would have placed the account in credit within a week, and that he intends to close the account forthwith. Write the letters concerned.

11. For various reasons you are justified in believing his statement as to means, and though he has been unreasonable, you wish to retain the account. Write to him.

12. A firm of house agents in Harrow have written to your bank calling attention to premises in the town of which they have the disposal, and which they consider suitable for a branch bank. They are of opinion that there is an opening for another bank in the place. Your directors decide to do nothing. Write a letter to the firm in your capacity as secretary of the bank.

## SECTION IV—TRANSPORT AND INSURANCE

### INTRODUCTION

UP to the present, the reader has been dealing with the manner in which a business man buys and sells goods, and pays for them in specie or in some other way provided by the banking and financial system. In the following chapters of this section, the student will study the manner in which goods are transported from the places of production into the great warehouses of the trader or into the different localities of consumption. On land, goods are transported by rail or by road vehicles. On the water, they are sent sometimes on the sea in vessels, and at others on the rivers and canals in boats. In both cases, as soon as they cross the frontier of one State into another, or when they enter into consumption, they are subject to customs or revenue formalities. In the course of transit the goods are liable to risks of accidents, involving a pecuniary loss, against which the interested parties protect themselves by means of insurance. Finally, as the trader is unable to attend to the transport of the goods himself, he will probably avail himself of the services of a specialist (*i.e.*, a forwarding agent).

The most frequently used means of transport in these days is still the railway, but mechanical road traction is becoming more and more general every day. This latter mode of transit has received a great impetus during the last few years ; and, for both long and short distances, traders are finding it a most satisfactory and economical means of conveyance.

## CHAPTER I



### FORWARDING GOODS BY RAIL

A RAILWAY company is obliged to accept goods for delivery from and to all stations on its system provided that the consignor of the goods submits to the transport regulations, and on condition that the goods in question are not prohibited by the regulations of the company, and that they are suitable for transport. A distinction is drawn between—

- (a) Goods traffic;
- (b) Passenger traffic;

the rates charged for goods sent by the former method being much lower than in the case of the latter.

**MARKING THE GOODS.**—Each package should be so marked and numbered so as to distinguish it, and the place of destination should also be clearly stated thereon. This is especially important in regard to goods intended for shipment abroad. Examples of such markings are—

H  C  
1205      and      R  K  
LONDON                      CALCUTTA

Frequently the consignor's initials are selected for the marks, whilst the name of the place is that of destination.

If it appears necessary that the packages should be handled carefully, they are usually marked—

“ With Care,”  
“ Breakable,” or  
“ This Side Up.”

**THE CONSIGNMENT NOTE.**—When goods are delivered to a railway company, they require a consignment note to be filled in and handed to the carter or other agent of the company. A copy of such a note is shown in Example 169. The consignment note forms the basis for the contract of carriage, which is considered as completed as soon as the goods, together with the consignment note, have been accepted by the station of departure.

The consignment note contains—

(1) The exact address of the consignee and the railway station to which the goods are to be sent, if they are to be called for.

(2) The description of the goods, marks and numbers, quantity, and gross weight.

(3) The place and date of dispatch.

(4) The name of the consignor.

(5) A remark as to whether the charges have to be prepaid or charged forward.

(6) Whether the goods are to be sent at owner's risk or company's risk.

There are now standard terms and conditions of carriage for all British railways.

**LIABILITY OF THE RAILWAY COMPANY.**—The railway company is liable only for loss caused by the felonious acts of its servants, where such acts have occurred through the company's negligence. However, the railway company is not liable for damage brought about through any fault of the consignor, nor for—

(1) Acts of God (*i.e.*, acts of nature of an extraordinary kind), *e.g.*, lightning.

(2) The King's enemies (*i.e.*, the naval or military forces of a State with which the country is at war).

(3) *Inherent vice* of the goods, such as their natural deterioration, or bad packing.

If defects are discerned by the consignee in the goods when delivered, he should immediately intimate the fact to the railway company.

**SENDING THE INVOICE WITH A COVERING LETTER.**—The invoice, showing the charges made for freight by the railway company, is usually sent through the post, and when the consignments are of considerable value there is generally sent with the invoice a letter containing the following points—

(1) The manner in which the order has been given (*i.e.*, whether by letter, telephone, or through a traveller).

(2) Expression of thanks for the order.

(3) The amount of the invoice.

(4) A request for the amount to be credited.



(5) A recommendation for future occasions.

Many railway companies have printed forms for the letters which accompany their invoice.

### EXAMPLE 167—ORDER FOR WIRE

Rouen.

20th April, 19..

Messrs. Thompson & Son,  
Halifax.

Dear Sirs,

I shall be glad if you will execute as early as possible the following order at our special prices, free shipping port.

- × 72. 70 kilograms of Iron angle wire No. 17.  
120 " " " " " 19.
- × 73. Black hardened and tempered steel card wire,  
Nos. 23, 24, and 29, about 125 kilograms each.
- × 74. 125 kilograms of } Bright hardened { No. 34.  
95 " " } and tempered { " 33.  
65 " " } steel card wire { " 35.

The insurance is to be effected by you, but to our charge, casks to be marked as usual.

Yours faithfully,

Philippe Alexander.

### EXAMPLE 168—DELIVERY NOTE

#### DELIVERY NOTE.

30th April, 19..

No. 79.

Messrs. Pickford & Co.

Please receive from Thompson & Son in good order and condition the undermentioned goods, viz.,

3 Casks marked P.A. Rouen,  
72/74

Thompson & Son,  
per A. Parker.

#### DELIVERY NOTE.

30th April, 19..

No. 79.

Messrs. Pickford & Co.

Received from Thompson & Son in good order and condition, the undermentioned goods, viz.,

3 Casks marked P.A. Rouen,  
72/74

Received by George Jackson,  
Carman.

EXAMPLE 100—RAILWAY CONSIGNMENT NOTE

LONDON AND NORTH EASTERN RAILWAY Pro. No.

CONSIGNMENT NOTE FOR THE CARRIAGE OF MERCHANDISE (other than Dangerous Goods and Merchandise for which Terms and Conditions specially provided) BY MERCHANDISE TRAIN subject to the Standard Terms and Conditions of Carriage.

To the LONDON AND NORTH EASTERN RAILWAY COMPANY Halifax Station, 30th April, 19...

Receive and forward the undermentioned Merchandise.

Full Name of Sender Thompson & Son Full Address Albion Works, Halifax

In certain instances alternative Company's Risk and Owner's Risk rates are available. In such cases state whether the Merchandise is to be carried at the Company's

Risk rate or Owner's Risk rate Company's

Owner and Wagon No.	To what Station to be sent and if to Wait Order so state.	Consignee. Full Name and Full Address.	These Columns to be filled in by Sender.				For Railway Coy's use.		
			No. of Packages.	Description of Merchandise and Marks.	Weight (inclusive of packing) T. c. g. lb.	State if charges are payable by Sender or Consignee.	Rate	Paid on	Total Charges.
		N. Clifford & Co.,	3	Wire	17 3 14	Sender			
		Pomona Docky		P.A.					
		Grimshy		Rouen					
				72/74					

Traders are requested when consigning goods "Carriage Paid" to endorse the address labels or tallies "Carriage Paid" or "Carriage Paid Home."

Name of Company's Carman Van Number Received by

Loaded by State here if Carted by Sender.



## EXAMPLE 170—RAILWAY ADVICE

London and North Eastern Railway,  
Pomona Dock Station,  
Grimsby.

3rd May, 19 .

## ADVICE OF GOODS

essrs. J. Williams & Co.

The undermentioned goods, consigned to you, having arrived this station, I shall be glad to have instructions as to their removal hence as soon as possible, as they remain here to your order, and failing immediate removal will be held by the Company as carriers, but as warehousemen, subject to the usual warehouse or wharfage charges.

Any objection as to weight or charges must be made within three days from the date of the delivery of this note.

For the London and North Eastern Railway Company,  
(Signature) W. Clarke.

Invoice No.	From.	Description of Goods.	Marks.	Weight. cwt. qr. lbs.	Rate.	Total to pay.
	<i>Thompson &amp; Son</i>	<i>3 Casks Wire</i>	<i>P.A. Rouen 72/74</i>	<i>17/3/14</i>		

THIS NOTICE MUST BE PRODUCED WHEN THE GOODS ARE  
APPLIED FOR.

## EXAMPLE 171—ADVICE TO FORWARDING AGENT

Halifax,  
30th April, 19..

Messrs. J. Williams & Co.,  
Grimsby.

Dear Sirs,

We advise you that we have to-day sent by the L. & N.E. Railway to your address, carriage paid, the goods specified below which please forward by next steamer available to Mr. Philippe Alexander, Rouen.

We request you to effect insurance on the merchandise, the cost of which, as well as the freight, are to be debited to the account of consignee.

We are,

Yours faithfully,

Thompson & Son.

Mark.	No. of Package.	Contents.	Value.	Net Weight.
			£ s. d.	
<i>P.A.</i>	72	<i>Iron angle Wire</i>	11 1 0	195 <i>kilogrammes</i>
<i>Rouen</i>	73	<i>Steel Card Wire</i>	16 5 0	375     "
	74	"   "   "	20 19 7	285     "

## EXAMPLE 172—ADVICE TO CUSTOMER

Halifax.  
30th April, 19..

Mr. Philippe Alexander,  
Rouen.

Dear Sir,

We advise you that we have consigned to-day to your address three casks × 72/74 free on board Grimsby.

The insurance thereon will be effected by our shipping agents, Messrs. J. Williams & Co.

We enclose an invoice amounting to £45 10s. 4d., for which amount we have drawn on you at sixty days' date.

Trusting the goods will arrive safely and soliciting your further favours,

We remain,

Yours faithfully,

Thompson & Son.

Enclosure—

INVOICE

-----Halifax-----

-----30th April-----19---

Mr. Philippe Alexander, Rouen-----

Bought of----- Thompson & Son, Wire Manufacturers--

Terms—

			£	s.	d.
P.A. Rouen	72	11 stone 1 lb. No. 17 Iron Angle at 6/9	3	14	10
		20 „ 2 lb. „ 19 „ „ „ 7/3	7	6	2
	73	20 stone No. 23 Steel Black at 5/-	5	-	-
		20 „ „ 24 „ „ „ 5/1	5	1	8
		20 „ „ 29 „ „ „ 6/2	6	3	4
	74	20 stone No. 34 Steel Bright at 9/4	9	6	8
		15 „ „ 33 „ „ „ 7/9	5	16	3
		10 „ „ 35 „ „ „ 11/8	5	16	8
			48	5	7
Less 25% disc on × 72, £11 1s.			2	15	3
			45	10	4
<p>Insured by and forwarded to Messrs. J. Williams &amp; Co., Grimsby.</p>					

## TEST PAPER XXVI

1. Draft a memo. from Thompson & Son, Halifax, to Philippe Alexander, Rouen, stating that they are in receipt of orders Nos. 72/74, which shall have their best attention.

2. What is the purpose of a consignment note ?

3. State the liability of a railway company as a carrier.

4. Alfred Draper, in Manchester, inquires of the Goods Manager of the L.M. & S. Railway, what would be the rate for forwarding three cases, each 7 cwt. to Dover. Draft the letter.

5. A receives a damaged parcel by railway carrier. A writes to the railway company claiming an amount for damage. The company replies refusing to accept liability. A replies hinting at legal proceedings. The company replies offering smaller amount in settlement, which A accepts. Draft the letters.

## CHAPTER II

### FORWARDING BY CARRIER

THE various kinds of carriers may be divided into—

(1) Local carriers, whose business is to connect small villages with neighbouring towns.

(2) Railway carriers who act as forwarding agents to the different railway companies (*e.g.*, Carter Paterson).

(3) Special carriers, who restrict their operations to particular trades (*e.g.*, fish, meat, etc.).

**LOCAL TRAFFIC.**—John Grocer covers his requirements of sugar locally, buying from A. Merchant & Co. in Leadenhall Street. He gives his order either on the telephone or by means of a written Order Note as in Example 173.

As Messrs. A. Merchant & Co. have a van of their own, they deliver the goods themselves. When delivering the goods the carter brings with him an already filled-up Delivery Book, which is ruled as in Example 174.

The counterfoil shown on the left should contain precisely the same particulars as the delivery note in regard to—

- (1) Marks and numbers;
- (2) Number of packages;
- (3) The nature of the packing;
- (4) Description of the goods; and
- (5) Weight.

The delivery note is handed to the receiver of the goods, whilst the counterfoil is taken back by carter after the goods have been examined and signed for. This counterfoil serves the seller as confirmation of the correct delivery of the goods.

**RAILWAY CARRIERS.**—Messrs. A. Merchant & Co. use their own van only for the delivery of goods to local customers, and those residing in the immediate suburbs, but when consignments have to be made by rail they utilise the services of one of the railway carriers, such as Carter Paterson, Pickford, Sutton, etc.



**THE DELIVERY SHEET.**—The delivery sheet of the railway carrier must contain—

- (1) Place and date.
- (2) Name and address of the carrier.
- (3) The name of the sender.
- (4) The description of the goods.
- (5) The quantity, nature of packing, contents and weight.
- (6) Name and address of the consignee.

**EXAMPLE 173—ORDER NOTE**

ORDER NO. 68.

<p><i>From</i> JOHN GROCER, South End Road, Hampstead.</p>	<p><i>To</i> _____10th Jan., 19____ A. MERCHANT &amp; Co., Leadenhall Street, London, E.C.3</p>
------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------

Below I give you an order to be executed in strict conformity with the particulars given, any deviation from which will be at your own risk, unless referred to and authorised by me.

10½ Cases Best Granulated Sugar.

To be delivered within a week from date of order.

JOHN GROCER.

**EXAMPLE 174—DELIVERY BOOK**

<p>No. X 187. Date__11th Jan., 19____</p> <p>RECEIVED from Merchant &amp; Co. the following goods, in good condition, viz.— 10½ Cases Best Granulated Sugar.</p> <p>(Signed) JOHN GROCER.</p>	<p>No. x 187. A. MERCHANT &amp; Co., Leadenhall Street, E.C.3 --11th Jan., 19____</p> <p>Mr. John Grocer, South End Road, Hampstead.</p> <p>Please receive herewith in good condition, the following— 10½ Cases of Best Granulated Sugar.</p>
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**EXAMPLE 175—DELIVERY SHEET**  
**THE LONDON PARCELS DELIVERY COMPANY**

OXFORD STREET, LONDON, W.1

12TH JANUARY, 19..

Name and Address of Consignee	Description of Goods	Contents	Weight Cwt. Qr Lb	Name and Address of Sender	To Pay	Received in Good Order and Condition by
T. Brown, 19 West Street, N.W.3	Box	Books	- 2 3	J. Harding, 14 Lord Street, Liverpool	£ s. d - 3 6	T Brown
W. Jones & Sons, 26 High Street, N.4	Sack	Sugar	2 3 11	H. Newton, 402 Dock Road, E.C.4	- 9 2	W Clarke
Benn Bros., 287 Strand, W.C.2	3 Cases	Cutlery	1 1 16	V. Sharp, Edge Works, Sheffield	- 8 4	J Benn
A. Grocer, 63 High Road, N.W.6	1 chest	Tea	2 3 14	J. Merchant, 42 Leadenhall Street, E.C.3	- 7 5	G Grocer

## TEST PAPER XXVII

1. Make out in proper form an order note containing the following particulars—

*Sellers* : Thomas Merchant Bros.,  
Oxford Street,  
Manchester.

*Buyer* : John Smallman,  
Manchester Road,  
Swinton.

*Date* : 1st of June, 19...

*Order* : 1 cwt. of Best Loaf Sugar @ 22/- per cwt.

2. Enter up the Delivery Book of the Excelsior Linoleum Co., Tottenham Court Road, London, from the following particulars—

*Date* : 8th June, 19...

*Buyer* : Mrs. Harmer,  
Parliament Hill Road,  
London, N.W.5.

*Order* : 2 Skin Door Mats @ 4/9;  
1 Roll Linoleum, 20 yds., @ 1/2,  
3 Cocoanut Mats @ 2/9.

3. Make out the Carter's Delivery Sheet from the following particulars—

*Date* : 3rd June, 19...;

*Seller* : The Grain Supply Co.,  
Manchester.

*Buyer* : John W. Cooke,  
Bolton Road,  
Walkden, near Manchester.

*Order* : 2 cwt. Pearl Barley No. 0, @ 42/-.  
2 cwt. of Indian Corn, Qual. 3A, @ 25/-.

## CHAPTER III

### SHIPPING BUSINESS

**THE SELECTION OF THE VESSEL.**—In selecting a vessel for the transport of goods by sea, its size and qualities have to be taken into consideration. If it is a question of the shipment of bulky goods or those of small value (raw cotton, saltpetre), sailing vessels are sometimes utilised, since they offer cheap rates of freight and sufficient cargo capacity. For goods of small dimensions but of high value (*e.g.*, tea, indigo), and for general merchandise, steamers are utilised.

The size and nature of a vessel can be seen by consulting Lloyd's Register of British Shipping, etc. The institutions engaged in the classification of ships have experts in almost every port, and on the basis of their examination and report, the annual shipping registers are issued. The most important of these institutions are the British Lloyd's in London, and the Bureau Veritas in Paris.

**THE CHARTERING OF A VESSEL.**—When chartering a vessel or a considerable portion of it, it is customary to address a written inquiry to the shipowner or to a ship-broker. In such a letter the following particulars should be given—

- (1) Size of the cargo.
- (2) Nature of the cargo.
- (3) Place of loading and place of discharge.
- (4) The time necessary for these operations.
- (5) Date when the ship must be ready to take in the cargo.

The freight may be stipulated in a total sum as a charge for the use of the entire vessel, or the charge may be made for a certain quantity of goods. When the contract has been effected the loading of the vessel may begin.

**THE LOADING OF THE VESSEL.**—Where the entire vessel has been chartered the shipper has to give notice to the charterer when he is ready for taking in the cargo. On the day following this notice the period of loading begins, for which no special payment has to be made. For any *lay* days in excess of the stipulated period of loading, however, an extra charge is made which is known as

*demurrage*. The charterer has a lien on the goods for his freight and any other charges.

Where the vessel as a whole, or a considerable part thereof, has been chartered, the charterer can demand from the shipowner a written document of the contract known as the charter party.

**THE CHARTER PARTY.**—This word comes from the Latin *charta Parteta* (*i.e.*, divided paper), and derives its name from the old custom of having several copies of the chartering contract on one sheet, these being subsequently cut apart from each other in such a manner that it could easily be proved whether they were *bonâ fide* copies.

This procedure is still in use in England at the present time. The charter party, which is made out at least in duplicate, contains—

- (1) The name of the vessel.
- (2) Its registered tonnage.
- (3) The name of the charterer and the shipper.
- (4) The ports of loading and of discharge.
- (5) A list of the cargo, specifying the goods by number, weight and marks.
- (6) The freight agreed upon.
- (7) The time required for the voyage, lay days, etc.

**BILL OF LADING.**—For small consignments of goods, the bill of lading is used as the contract of affreightment. After the goods have been loaded the shipper gives the sender of the goods, or the forwarding agent who represents him, a bill of lading. This contains the following particulars—

- (1) Name of the shipper.
- (2) Nationality of the vessel.
- (3) Name of the consignor.
- (4) Name of the consignee.
- (5) Port of loading.
- (6) Port of discharge.
- (7) Description of the goods according to quantity, marks, numbers, and contents.
- (8) Rate of freight.
- (9) Place and date of the drawing up of the bill.
- (10) Number of copies made out.

The shipper has to give to the consignor as many copies of the bill as he may require. All the copies of the bill of lading must be

of the same date and have the same contents. As a rule, four copies are made out, one of which is retained by the shipper, whilst the consignor takes three copies in order to send two to the consignee. For greater safety these two copies are posted by different mails.

**EXAMPLE 176—ORDER TO CHARTER A VESSEL**

Prince & Co.,  
Charterers.

Manchester,  
6th June, 19..

Mr. John Wilson,  
Liverpool.

Dear Sir,

We shall be glad if you can charter for us a first-rate vessel of about 300 tons burthen to convey a cargo of Agricultural Implements from Liverpool to Lagos. The freight should not exceed 40/- per ton at most, but we trust you will succeed in getting easier terms. Please forward us charter party. We must stipulate for at least 20 days for loading and discharging.

We should add that the vessel must be lying at the Liverpool Docks on the 20th June, ready to ship the cargo.

Yours faithfully,  
Prince & Co.

**EXAMPLE 177—CHARTER PARTY SENT**

Liverpool.  
9th June, 19..

Messrs. Prince & Co.,  
Manchester.

Gentlemen,

In reply to yours of the 6th June, I have pleasure in advising you that I have succeeded in chartering a vessel on the conditions laid down by you. She is the three year old schooner "Swallow," Captain F. Wardley.

As you will see from the enclosed charter party, I was able to obtain terms somewhat below the figure you fixed, but, on the other hand, have guaranteed the captain, a steady and capable seaman, a premium of £5 10s. should he deliver the cargo to the satisfaction of the consignee.

Requesting you to pass the usual 1% Commission on the freight to my credit, and always at your service,

I remain, Gentlemen,  
Yours faithfully,  
John Wilson.

## EXAMPLE 178—REPLY

Mr. John Wilson,  
Liverpool.

Manchester,  
11th June, 19..

Dear Sir,

We have received your letter of the 9th June, and approve of the terms arranged by you. Enclosed we are sending you a letter with the necessary instructions for Captain F. Wardley, which you will have the goodness to hand to that gentleman.

Your Commission amounting to £28 10s. has been placed to your credit.

We are, dear Sir,  
Yours faithfully,  
Prince & Co.

Enclosure—

## LETTER TO CAPTAIN OF CHARTERED VESSEL

Manchester,  
11th June, 19..

Captain F. Wardley, of the Schooner "Swallow,"  
Liverpool.

Dear Sir,

From a letter just received we learn that Mr. John Wilson, of Liverpool, has chartered your vessel on our behalf to convey a cargo to Lagos. We shall load her with Agricultural Implements at Liverpool on the 20th June, and as soon as she has taken her cargo on board, you will proceed to Lagos, where you will apply to Messrs. Wilkins & Co. concerning the discharge of same.

We wish you a prosperous voyage, and trust you will earn the premium held out to you.

Yours faithfully,  
Prince & Co.

## EXAMPLE 179—ADVICE TO CONSIGNEE

Messrs. Wilkins & Co.,  
Lagos.

Manchester,  
20th June, 19..

Dear Sirs,

The cargo of Agricultural Implements advised by ours of the 11th June was shipped from Liverpool on the 28th June, by the Schooner "Swallow," F. Wardley, Captain, as per documents enclosed.

Trusting the goods will reach you safely, we await your good news, and remain,

Yours faithfully,  
Prince & Co.

## TEST PAPER XXVIII

Draft the following correspondence—

1. Johnson & Son write to the British Shipping Syndicate, London, to see if they can find them a ship bound for the Argentine that could call at Cardiff to take in about 300 tons of pig iron, and, if so, on what terms.

2. The British Shipping Syndicate reply stating that there is no such ship to be found at the moment in London, but that the *Swallow* of Liverpool, en route for Buenos Ayres would be the right ship, as she will not go out of her way. They also state that the freight would not exceed 11s. per ton.

3. Masterman & Sons, Calcutta, write to Hooper & Co., London, referring to a letter received some time ago in which H. & Co. suggested a good shipment of Indian carpets on consignment; they say they have now shipped them 200 of fine quality; they enclose B/L and list of lowest prices they care to take, and hope H. & Co. will sell at a considerable advance on these.

4 In reply to No 3, Hooper & Co. say it is true some months ago they inquired for carpets on consignment, but in the interval business in Indian carpets has become very dull; they say they can scarcely hope to get anything like the prices M. & Sons expect, but they will do their best; they ask if M. & Sons will accept 25 % off list.

5. Messrs. T. Jones & Co., of Bute Street, Cardiff, are exporters. On their behalf write a letter to the Midland Electrical Supply Co., Ltd., inquiring their most favourable shipping terms and point out that a large trade may result if these are satisfactory.



## CHAPTER IV

### THE FORWARDING AGENT

THE forwarding agent acts as intermediary between the trader who wants to transport goods and the carrier, using the latter term in its widest sense. From his office, he directs the collection of the goods from the warehouse of the consignor, their transmission to the different intermediaries, and finally their delivery to the consignees. He frequently has recourse to the assistance of other forwarding agents in the case of a long voyage where the goods require to be transhipped. His experience of transport, his knowledge of railway rates and shipping tariffs, and his extensive relations make him a useful auxiliary to the trader as well as to the general carrier.

Nevertheless, mention may here be made of the fact that the most important transport companies endeavour nowadays to eliminate him by establishing direct relations with the consignors.

The liability of the forwarding agent to the consignor for loss or damage to his goods is exactly the same as that of the carrier. Where the carrier is liable for the damage, the forwarding agent enjoys in turn all the rights recognised as being due to the consignor.

Sometimes the forwarding agent charges up his outlay for the transport to the consignor and adds a percentage for his commission; at other times he quotes an inclusive price which, when paid, frees the consignor from any further liability. This second method is generally preferred by business men in so far as it enables them to calculate exactly the cost of the transport. For this purpose the forwarding agent will draw up *pro forma* invoices, which he sends to his clients in the form of offers of service.

The costs of transport are paid sometimes by the consignor in advance and sometimes by the consignee. In the latter case the forwarding agent does not deliver the goods to the consignee until his charges and commission have been paid.

When several intermediaries assist in the transport they hand over the goods from one to the other, at the same time passing on the charges, and the one who delivers the goods is responsible for their final payment.

Where the forwarding agent has frequent relations with a reliable

business firm, he often opens an account current with it. Frequently the forwarding agent undertakes to collect in the name of the consignor the invoice price of the goods which he transports. In this case he may not deliver the goods except against payment of the receipted invoice which has been confided to him. This is known as Cash on Delivery (C.O.D.).

If, in the course of transport, the goods have to pass a frontier, the forwarding agent undertakes to carry out the customs' formalities in the name of his customer. Generally it is the forwarding agent who insures the goods confided to him on a floating policy.

Frequently a forwarding agent has, near his office, extensive warehouses where he stores, for a certain fee, the goods which have been entrusted to him. He delivers to his customer the warehouse warrant, which is transferable by indorsement, the possession of which entails the right to dispose of the goods.

The forwarding agent receives his instructions either from the consignor or from the consignee, and therefore has to correspond with one or the other.

He is in continual relations with the carriers, railway and steamship companies in order to obtain favourable rates of transport. He also carries on an active correspondence with the traders in the particular branch which he represents and who represent him. When he has prepared his tariff and has completed his arrangements, he offers his services to the customers either for transport in general or for a certain route, and the nature of his trade implies numerous claims and complaints. Finally, he is called upon to make out the various documents which accompany the shipments such as consignment notes, bills of lading, customs declarations, insurance policies, etc.

#### EXAMPLE 180—OFFER OF SERVICES

P. Vanderbilt & Co.,  
Forwarding Agents.

London Bridge Road,  
London, E.C.1  
10th Jan., 19..

Mr. Thomas Smith,  
Commission Agent,  
London.

Dear Sir,

Mr. Blomley, one of our oldest business friends, and a customer of yours of long standing, has given us your address, authorising

us to use his recommendation with you. We beg to offer you our services as forwarding and customs agents, and should you decide to avail yourself of them, you may rest assured that we should always act to the best of your interests.

Long years of varied experience have enabled us to acquire the widest possible knowledge of all matters concerning transport, and we have agents and correspondents in all countries and in all the large commercial centres. An excellent organisation and a well-trained staff of employees permit us to effect Customs formalities with the least possible delay, avoiding any loss of time and any difficulty to our clients.

Special arrangements with large transport institutions put us in a position to offer you considerable reductions for large shipments. Isolated consignments will, likewise, be executed with the greatest attention and the utmost rapidity. We would call your special attention to our grouped traffic, which is carried out between the capital and the various large towns of Great Britain several times per week on fixed days. This organisation enables us to realise the maximum regularity, promptitude, and economy.

We shall be glad if you will take note of the enclosed tariffs, and trust soon to be honoured with your orders.

Yours faithfully,

P. Vanderbilt & Co.

(See No 181.)

#### EXAMPLE 181—FORWARDING AGENT HOLDS GOODS AT THE DISPOSAL OF A PERSON

(See No. 180.)

London Bridge Road,  
London, E.C.1

12th Jan., 19..

Mr. Robert Grenville,  
Spinner,  
Rochdale.

Dear Sir,

We have received from Mr. Thomas Smith, of London, instructions to take delivery in London, and to hold at your disposal—

50 Bales Australian Wool, numbered JJV 1/50, total weight 10 tons 4 cwt.,

which is expected to arrive in London about the end of this month by sailing vessel "Mary," of Southampton, Capt. Roberts.

If you wish these goods to be forwarded immediately, they shall be unloaded direct from the vessel into the trucks. We await your instructions in this matter and remain,

Yours faithfully,

P. Vanderbilt & Co.

(See No. 182.)

**EXAMPLE 182—INSTRUCTIONS TO THE FORWARDING AGENT  
TO DISPATCH THE GOODS**

(See No. 181.)

Leeds Road,  
Rochdale.

14th Jan., 19..

Messrs. P. Vanderbilt & Co.,  
London.

Dear Sirs,

In reply to your letter of the 12th inst., I shall be glad if you will forward, addressed to me at the Rochdale Station, the 50 Bales of Australian Wool, and shall be pleased if you will advise me as soon as they come to hand.

Of course, you will verify the state of the goods at the time of unloading, and make the necessary reservations in case of damage. Please put on the rail only such goods as are in perfect condition so that I may not have to experience any difficulties here, and in order that the liability of the Railway Company may be indisputable, should I be obliged to refuse the delivery of one or more bales on account of damage.

As the charges from London to Rochdale are to be borne by me, will you kindly pay the same and charge them forward to my account? The cartage in London is to be charged to the account of Mr. Smith. I believe the weight of each bale is approximately 4 cwt., so that you will be able to forward the goods in a full truck load.

Relying upon you to do your best in my interests,

I remain,

Yours faithfully,

Robert Grenville.

(See No. 183.)

**EXAMPLE 183—THE FORWARDING AGENT GIVES NOTICE OF  
AN ACCIDENT**

(See No. 182.)

London Bridge Road,  
London, E.C.1

21st Jan., 19..

Mr. Thomas Smith,  
Commission Agent,  
London.

Dear Sir,

We have just received from London an advice saying that the vessel "Mary," of Southampton, Capt. Roberts, arrived in the port on the 18th inst., in the evening, and the unloading of the 50 bales of Australian Wool which you instructed me to take delivery of, took place on the 20th inst. Unfortunately during the process of unloading a chain of the steam-crane became detached, and one of the bales of wool marked JJV 36 fell into the sea. However, the sailors were able to pull it out before it was quite soaked with water, and before it went under. As the accident occurred before we took delivery of the goods, we are not responsible. In our opinion, the liability rests with the Captain, whose men were engaged on board fastening the packages when feeding the crane, and who fixed the chain with negligence. At the request of the Captain, we have put the damaged bale into a bonded warehouse, since we did not wish to receive it without consulting you. Please let us have your instructions upon the subject. We advised Mr. R. Grenville before the arrival of the goods, and have received his instructions. We shall forward the consignment to him with the exception of Bale JJV 36.

	£	s.	d.
We have paid—			
Quay Charges at 1d. per bale . . . . .		4	2
Warehousing of damaged bale . . . . .		1	-
Loading into Trucks at 3d. per bale . . . . .		12	6
Our Commission for executing Customs Formalities, etc. . . . .		2	6
		<hr/>	
<b>Total . . . . .</b>	<b>£1</b>	<b>-</b>	<b>2</b>

which we have placed to the credit of your account.

We are,

Yours faithfully,

P. Vanderbilt & Co.

(See No. 184.)

**EXAMPLE 184—GIVING ADVICE OF AN ACCIDENT TO THE  
INSURANCE COMPANY**

(See No. 183.)

Leadenhall Street,  
London, E.C.3  
23rd Feb., 19..

The Secretary,  
The British Marine Insurance Co.,  
London.

Dear Sir,

I have just learned that one of the bales of Australian Wool, part of the 50 Bales shipped last November from Sydney, Australia, per sailing vessel "Mary," of Southampton, Capt. Roberts, has suffered average during unloading in London, and is rendered unfit for spinning. You will probably remember that I took out an insurance policy with you in regard to this consignment in a series of £100 with 5% franchise, dated 18th November, and now claim indemnity for the loss which has been sustained.

It appears that the Captain of the sailing vessel is responsible for the accident.

Enclosed please find copy of the invoice of my seller in Sydney, from which it appears that the damaged bale JJV 36 had a net weight of 3 cwts. 98 lbs., and a value of £23 12s. od., to which must be added 10% for the Insurance

inclusive of the imaginary profit . . . . .	£2 18 -
plus 3% increase according to the stipulation in your insurance policy . . . . .	17 6

The Total Claim being . . . . .	£27 7 6
---------------------------------	---------

The damaged goods are in Dock Company's Warehouse in London. Messrs. Vanderbilt & Co., Forwarding Agents, of London Bridge Road, will give you all details regarding the matter.

I am,

Yours faithfully,

Thomas Smith.

## EXAMPLE 185—ADVICE OF DISPATCH

(See No. 184.)

London Bridge Road,  
London, E.C.1  
25th Feb., 19..

Mr. Robert Grenville,  
Spinner,  
Rochdale.

Dear Sir,

We have pleasure in informing you of the dispatch from King's Cross Goods Station of

49 Bales Australian Wool, 1/35 and 37/50,  
the gross weight being 10 tons 14 cwts.

The goods have been loaded into a single truck of the London and North Eastern Railway, bearing the number 10,080, to be forwarded to your address from the Rochdale Station in due course.

The bale JJV 36 met with an accident during the unloading in London, and we are therefore unable to forward it. You have received or you will receive an advice from Mr. Thos. Smith upon this subject.

We have debited you with our charges amounting to £4, particulars of which we send herewith.

Yours very truly,

P. Vanderbilt & Co.

Enclosure—

## FREIGHT AND CHARGES ACCOUNT

Full truck-load from London to Rochdale—	£	s.	d.
Special rate . . . . .	3	-	-
Loading Charges and Railway Terminal Charges at 1s. 6d. per ton . . . . .		15	-
Our Commission . . . . .		5	-

£4 - -

E. & O.E.

(See No. 186.)

**EXAMPLE 186—THE INSURANCE COMPANY REFUSES TO INDEMNIFY FOR THE TOTAL VALUE OF THE GOODS INSURED**

(See No. 185.)

Holborn, London, E.C.1.

27th Feb., 19..

Mr. Thomas Smith,  
Commission Agent,  
London.

Dear Sir,

Your letter of the 23rd inst. came duly to hand, and we sent our experts to the Dock Company's Warehouse to examine the bale of wool, JJV 36, which met with an accident during the unloading on the quay.

According to the report which they have submitted to us, and upon examination of the samples of wool which they have extracted, we do not think that the damage incurred amounts to  $\frac{3}{4}$  of the value of the insured object. There is, therefore, no question of a complete loss, and we are of opinion that your claim for total indemnity of the value is altogether too large.

By this post we are sending you two samples taken in the presence of the Warehouse Agents and the agents of Messrs. P. Vanderbilt & Co.—one taken from the outside and the other from the centre of the damaged bale. You will find that the latter has not been touched by the sea-water, and has in no way suffered. The quantity of wool that has not been damaged is about 2 cwts. As regards the remainder, which we have given instructions to dry immediately, we estimate the loss in value at  $\frac{3}{4}$ th of its value, and we are prepared to indemnify you to that extent.

Thus we are giving you the largest possible benefit and are of opinion that it is to your advantage as well as ours, to accept this compromise and thus avoid making yourself liable for the costs of the services of an average adjuster which are always heavy.

Awaiting the favour of your reply,

We remain,

Yours faithfully,

The British Marine Insurance Co.,

L. Brooks,

Secretary.

(See No. 187.)



**EXAMPLE 187—A CUSTOMER MAKES A CLAIM ON A FORWARDING  
AGENT FOR A PACKAGE WHICH HAS BEEN MISCARRIED**

(See No. 185.)

Rochdale,  
3rd March, 19..

Messrs. P. Vanderbilt & Co.,  
London.

Gentlemen,

I have this day received an advice from the Railway Company announcing the arrival of the consignment of Australian Wool, of which you acquainted me in your letter of the 25th Feb.

After examining the goods myself, I was very much surprised to find only 48 bales in the truck, instead of 49, as per your advice. After a closer examination of the loading receipt, I ascertained in conjunction with the railway employees, that it mentions only 48 packages and gives as the total net weight of the truck-load 9 tons 16 cwts. (instead of 10 tons, as mentioned in your letter). The weight of the truck corresponds with the particulars on the loading receipt. I am, therefore, compelled to assume that an error has been committed on the part of your staff on the dispatch of the goods from your warehouse. Nevertheless, I have decided to accept delivery of the consignment as it is, and have paid the charges of delivery. The missing bale bears the mark JJV 18, and I shall be glad if you will make a search for it and send it along without delay.

I must also draw your attention to the fact that this bale should have reached me in the full truck-load, and that no additional charge for carriage should be made to me since the goods have been left behind. Hence it is only fair that the bale JJV 18 be sent to me free of all charges to Rochdale Station.

Awaiting the favour of your reply,

I am,

Yours faithfully,

Robert Grenville.

**TEST PAPER XXIX**

Draft the following correspondence—

1. On the 1st Feb., 19.., Mr. Thomas Smith sends the following reply. (See Example 180.) If Vanderbilt & Co. are in a position to effect the Customs formalities at the London Docks, Robert Grenville, of Rochdale, would be willing to hand over to them all goods arriving for him by sea. Terms: 5% reduction on the tariff rates which they sent to him, advance of the customs and warehouse charges and insurance premium, etc., settlement by means of an account current on the 10th and 25th of each month, with interest at 5%.

2. On the 4th Feb., 19. ., Vanderbilt & Co. accept the above terms, including the reduction of 5% on consignments of complete truck-loads of ten tons. For smaller consignments or for fractions in excess of the 10 tons they cannot allow the reduction.

3. On the 7th Feb., 19. ., Mr. Thos. Smith intimates his consent to the counter offer. He encloses a bill of lading and insurance policy for 50 Bales of Australian Wool—10 tons 4 cwts.—which will arrive by sailing vessel (*Marguerite*, of Glasgow, Capt. Fryatt) in London towards the end of February. Will Vanderbilt & Co. take possession of this shipment, pay any charges, and hold the consignment at the disposal of Mr. Robert Grenville, Spinner, of Rochdale?

4. On the 23rd Feb., Robert Grenville asks Vanderbilt & Co. to forward the 49 undamaged bales to Rochdale, advising him of an accident to bale JJV 36, and also instructing him to hold the latter at the disposal of the insurance company.

5. On the 25th Feb., Thos. Smith advises Robert Grenville of the accident which has occurred, and asks him to debit his account current with the value of JJV 36, @ 1/6 per lb., unless he prefers to receive an equal quantity of Spanish wool, equivalent in price and quality.

6. On 26th Feb., Vanderbilt & Co. send Thos. Smith a statement of his account current, showing a balance of £120. (Give imaginary items.)

7. On the 29th Feb., Thos. Smith accepts the proposal of the Insurance Company in Example 186.

8. On the same day he acknowledges by registered letter to Vanderbilt & Co. the receipt of their statement of account current with which he agrees, and sends the remittance in bank notes and postal orders. Thos. Smith gives instructions to pay the warehousing charges on JJV 36, and to make two bales of it—one of the damaged wool and another of the good wool, and to send them along to him by rail.

9. On the 4th March, Vanderbilt & Co. acknowledge receipt of the remittance sent by Thos. Smith. They also advise their intention to dispatch on the following day the two bales JJV 1 and 2 by rail, together with the Freight Note.

10. On the 5th March, Vanderbilt & Co. reply to Robert Grenville, that there has actually been an error on the part of their staff. They tender apology, and advise the dispatch of the bale which had been left behind. All charges are paid to Rochdale.

## CHAPTER V

### MARINE INSURANCE

THE centre of marine insurance business is London, where transactions are effected either with members of Lloyd's Corporation or with one of the large Insurance Companies. The contract of marine insurance is an arrangement by which one party (the underwriter) agrees in return for a "premium" to compensate the owner of a ship or cargo for complete or partial loss or destruction at sea. The premium varies considerably according to the nature of the voyage, the season of the year, the character of the ship, and the kind of cargo. The contingency insured against is called the risk and the contract between the underwriter and the insured is the policy. Policies are divided into various classes—

(1) Voyage policies, in which property is insured for transit from one place to another.

(2) Time policies where the property is insured for a certain period of time.

(3) Valued policies where the value of the insured object is definitely stated at the time of drawing up the contract.

(4) Open policy where the value of the subject insured is left to be determined at the time of loss.

(5) Named policies in which the name of the vessel on which the risk is taken is definitely stated.

(6) Floating policies in which the wording is wide enough to cover the insured property by whatever ship it may be conveyed.

A policy may, of course, partake of several of these characters; for example, it may be a named and valued policy, open and floating, or valued and floating.

In effecting a policy of insurance an insurance broker is often employed, who states the necessary particulars upon an insurance slip, and applies to the various underwriters "to take a line"; until the policy is drawn up and signed by the underwriters, the broker issues a cover note or letter of insurance. For his trouble the insurance broker receives a brokerage of 5 per cent on the premium. This brokerage is payable by the underwriters. The

latter also usually allow a discount of 10 per cent on the premium to the insured.

**EXAMPLE 188—ORDER TO INSURE CARGO**

Manchester.

30th June, 19..

Mr. T. Langford,  
London.

Dear Sir,

Please insure against all risks £1,500, value of a cargo of Agricultural Implements shipped on the 28th June for our account, on board the schooner "Swallow," Capt. F. Wardley, bound from Liverpool to Lagos, and to debit us with the charges, handing us your account of same.

The charter party is annexed.

We do not limit you as to Premium, but request you to do your best to effect the insurance at the best possible terms.

Yours faithfully,

Prince & Co.

(See No. 189.)

**EXAMPLE 189—INSURANCE ADVISED**

(See No. 188.)

London.

2nd July, 19..

Messrs. Prince & Co.,  
Manchester.

Dear Sirs,

Pursuant to your instructions dated 30th June, I have insured your shipment of Agricultural Implements, which left Liverpool for Lagos per schooner "Swallow," Capt. F. Wardley, on the 28th June, at the low rate of 2 per cent., as per Policy enclosed. I beg leave to hand you herewith my account for £31 7s. 6d., which amount you will please pass to my credit.

Assuring you of my zeal in the careful execution of your orders, and trusting soon to be favoured with a repetition of your commands,

I remain,

Faithfully yours,

T. Langford.

(See No. 190.)

**EXAMPLE 190—ORDER TO INSURE VESSEL AND CARGO AT  
A SPECIFIED RATE**

(See No. 189.)

Manchester.

1st July, 19..

Mr. Robert Crawford,  
Liverpool.

Dear Sir,

The schooner "Swallow," F. Wardley, Captain, chartered by us, set sail from Liverpool on the 28th June, with a cargo of Agricultural Implements for Lagos.

We should thank you to have the ship, a three-year old, oak-built vessel, insured for £1,250, and the cargo for £1,500, against all risks, and to let us have your account.

We must, however, limit you to a Premium of  $1\frac{1}{2}\%$  for the vessel, and  $2\%$  for the cargo, and trust you will be able to effect insurance at these rates, seeing that the vessel has a good name, and the captain is known as an experienced and steady seaman.

Yours faithfully,  
Prince & Co.

(See No. 191)

**EXAMPLE 191—INSURANCE IMPOSSIBLE AT RATES STIPULATED**

(See No. 190.)

Liverpool.

3rd July, 19..

Messrs. Prince & Co.,  
Manchester.

Gentlemen,

Your order for insurance of the 1st July is to hand. I regret to say that it is impossible to insure at the rates specified. None of the Companies here will look at the two insurances on the conditions you lay down, and I must therefore request you to raise your limit. The Globe Marine Insurance Co. is willing to insure the vessel at  $1\frac{3}{4}\%$  and the cargo at  $2\frac{1}{4}\%$ .

I should advise your acceptance of this offer, the more so as this Company is the best in Liverpool.

Awaiting your reply by return,

I remain,

Yours faithfully,

Robert Crawford.

(See No. 192.)

**EXAMPLE 192—ORDER TO INSURE AT HIGHER PREMIUM**

(See No. 191.)

Manchester.

4th July, 19..

Mr. Robert Crawford,  
Liverpool.

Dear Sir,

In response to your letter dated 3rd July, we request you to cover insurance on the vessel at  $1\frac{3}{4}\%$  and on the cargo at  $2\frac{1}{4}\%$ , with the Globe Marine Insurance Company, and to remit us the account.

Yours faithfully,

Prince &amp; Co.

(See No. 193.)

**EXAMPLE 193—INSURANCE ACCOUNT SENT**

(See No. 192.)

Liverpool.

7th July, 19..

Messrs. Prince & Co.,  
Manchester.

Gentlemen,

In compliance with your orders of the 4th July, I have effected the insurance with the Globe Marine Insurance Company at the Premiums already mentioned. Copy of Policy is enclosed.

You will oblige me by remitting the amount of the annexed account, £140, per cheque.

Please command my services and oblige,

Yours faithfully,

Robert Crawford.

**EXAMPLE 194—PROVISIONAL ADVICE OF AVERAGE**

Sunderland.  
6th June, 19..

Messrs. Sutcliffe & Co.,  
Durham.

Gentlemen,

From advice just received the s.s. " Swift " with 50 chests Indigo on board for you has sustained Average, and will land the greater part of her cargo in a damaged condition. We shall transmit you full particulars concerning the state of the Indigo on arrival.

In the meantime,

We remain,

Yours faithfully,

Jackson & Jones.

(See No. 195)

**EXAMPLE 195—FURTHER PARTICULARS RE AVERAGE ADVISED**

(See No. 194.)

Sunderland  
10th June, 19..

Messrs. Sutcliffe & Co  
Durham.

Gentlemen,

We informed you by ours of the 6th June that the s.s. " Swift " would land her cargo in a damaged condition.

We are now able to inform you that, of the 50 chests Indigo belonging to you, 35 are so much damaged that they will have to be sold for the account of the Sunderland Insurance Company, which has undertaken the insurance. We have warehoused the remaining 15 uninjured chests, and await your orders.

The damaged goods will be sold by auction on Monday, the 13th inst., and we shall wait on you with a settlement in due course.

Yours faithfully,

Jackson & Jones.

(See No. 196.)

**EXAMPLE 196—REPLY**

(See No. 195.)

Durham.  
12th June, 19..

Messrs. Jackson & Jones,  
Sunderland.

Gentlemen,

We acknowledge receipt of your two letters dated 6th and 10th June, and request you to let us have the undamaged chests Indigo forthwith. We look forward to your settlement of damaged goods, and remain

Yours faithfully,  
Sutcliffe & Co.

(See No. 197.)

**EXAMPLE 197—SETTLEMENT OF AVERAGE SENT**

(See No. 196.)

Sunderland.  
18th June, 19..

Messrs. Sutcliffe & Co.,  
Durham.

Gentlemen,

In accordance with your letter of the 12th June, we have this day forwarded to your address per Goods Train the 15 undamaged chests Indigo.

As per statement enclosed the net proceeds realised by the sale of the 35 damaged chests amount to

Collected from Underwriters	£408	7	5
	204	2	7
	<hr/>		
	£612	10	-
Our charges	8	5	6
Total	£604	4	6

in settlement of which we enclose herewith a cheque for the amount.

Trusting you are satisfied with the way we have managed this business,

We remain, Gentlemen,  
Yours faithfully,  
Jackson & Jones.



## TEST PAPER XXX

1. Write a letter instructing a firm of insurance brokers to insure a consignment of Manchester goods, from Liverpool to Bombay, for the amount of £2,800.

2. The firm of brokers that has been asked to cover this cargo write to say that very heavy storms are expected to rage in the Indian Ocean at a very early date, and that, owing to the unfavourable nature of the weather forecasts, no insurance can be effected under 7 per cent. Draft the letter.

3. Reply to Q. 2, stating that you regard the figure as being rather high; ask them to try and find an underwriter at  $6\frac{1}{2}$  per cent; if this is impossible, then they must use their discretion in the matter.

4. Neill & Sons, Jaffa, ship a cargo of oranges value £900 to Messrs. Grant & Co., Covent Garden Market, London. Write a letter to Messrs. Simpson & Son, 30 Wool Exchange, London, requesting them to insure. Give particulars.

5. Zorn & Co., Riga, write to Messrs. Simpson & Son, 30 Wool Exchange, London, requesting them to insure 200 barrels of tar, leaving their port for London in three days' time per s.s. *Baltic*, value £450. They explain that the cargo will be above the hatches, and desire to insure "a.a.r." at the lowest rate.

6. Simpson & Son reply stating that no one will insure except "f.p.a.," and explain the reason for this.

7. A is a shipowner; B a shipping agent; C, a merchant wishing to export goods; D, a merchant in Africa to whom goods are being sent; E, the Captain of the vessel; F, the Insurance Company; G, the average stater.

The vessel left London on the 20th May last, and was driven on a rocky reef of the West coast of France, eventually becoming a total wreck.

Write the following letters—

- (a) Requesting the chartering of a suitable vessel.
- (b) Advising dispatch of goods.
- (c) Notifying damage to vessel.
- (d) Making claim.

Head your letters A to B, or B to C, as the case may be.

# SECTION V—CORRESPONDENCE WITH THE STATE

## INTRODUCTION

THE correspondence dealt with in the preceding sections of this book has reference to the relations of one trader with another or to his auxiliaries. Without the protection and assistance of the State, however, commerce is incapable of making any great development, or of assuming a steadiness conducive to a permanent spirit of enterprise.

As the most highly developed form of social organism, the State creates through the authority of its legislative enactments a state of security which is essential for the continuous and systematic production of wealth. Whilst the State assists in the development of the home and foreign trade it nevertheless apportions to each member of its wonderful organism such a measure of freedom that, by the discreet use of its power, the individual members of the State are not hindered in their various activities. Moreover, the State is not merely the wise legislator but also the untiring executor of the existing law.

However, like any other subject of the State, a merchant is sometimes placed in the position where he has to appeal to the State for the protection of his rights when they have been violated by his fellow-men; and, on the other hand, he may have to insist upon the fulfilment of those duties which the State itself, as entrepreneur, has undertaken. If a person has a good knowledge of his rights and duties he will be better able to guard successfully against any encroachment of them, and then only will he know what is due to others. He should, therefore, make himself familiar with the legal regulations within the provisions of which he has to keep in the execution of his correspondence, if he is to obtain his rights. The limit is drawn, however, at the line where the law requires him to have legal assistance, or where he is no longer able to follow in person the threads of the case.

## CHAPTER I

### THE TRADER AND THE POSTAL AUTHORITIES

THE important advance made by the Postal System has been due to the development of the railways, telegraphs, and telephones, all of which have been brought in an increasing measure into the service of the Post Office. The step, however, which has had the most far-reaching consequences in the gigantic development of the Postal System took place in 1840, when Rowland Hill introduced his reforms. At his suggestion the penny post was introduced by Parliament for letters of not more than one ounce weight within the British Isles, and in order that letters might be pre-paid stamps and stamped envelopes were first used. In this way the transmission of letters increased in an unthought-of manner, not only in England, but in all civilised countries where the English system was adopted.

**THE INTERNATIONAL POSTAL UNION.**—Every country of the civilised world now belongs to the International Postal Union, which was established in 1878. Within the area of this Union, uniform rates of postage and postal regulations are in force without distinction of the country of dispatch or of delivery. In the subsequent congresses various improvements of this extraordinary work of civilisation have been made.

**COMMUNICATION AND THE STATE.**—At all times a large amount of correspondence has had to be conducted with what might be termed collectively “the transport institution.” Every form of transport pre-supposes the power and means of mobility. The former is supplied by animals and human beings as well as steam, electricity, etc., whilst the latter embraces roads, railways, passes, caravan routes, rivers and canals, lakes and oceans.

Whether it is a question of the transmission of letters or of the countless thousands of packages of goods, without their transportation trade and commerce would be at a standstill.

It is chiefly for this reason and not on financial grounds that most modern states have taken over the control of the postal, telegraph and telephone systems as well as, in some cases, the

railways and canals, in order to afford the highest possible guarantee to transportation.

As servants of mankind the various organs of the transport system are responsible for the services they render in return for the remuneration which is paid to them, and they can usually be made liable for any damage caused by them. This liability is enforced by Shimmin & Co., in Example 198, under the following conditions. They receive on the 10th Sept. from John Smith a communication that the *Vanilla* they forwarded to the latter through the post has not arrived. Smith requests them to execute forthwith his order, failing which he will have to place the order with another merchant. As Shimmin & Co., according to their postage book, forwarded the goods on the 4th Sept., the non-arrival of the package must be due to some fault on the part of the postal authorities. In order to clear up the matter they therefore apply to the postal authorities. On receipt of the letter in Example 198, the Postmaster will issue a circular search note.

Probably with no other public institution has the trader so much intercourse as with the Post Office, and for this reason he should aim at making himself acquainted with the postal regulations.

**LIABILITY OF THE POST OFFICE FOR MATTER SENT THROUGH THE POST.**—All inquiries or complaints on Post Office subjects should be addressed to the head postmaster of the district in which the applicant resides, and should be prepaid in the ordinary way.

The Postmaster General is not legally liable for any loss or inconvenience which may arise from the loss, damage, delay, non-delivery, or mis-delivery of anything sent by post, and he does not, in any circumstances, pay compensation in respect of unregistered letters, post cards, book packets, sample packets, or newspapers. But, subject to certain rules, he pays compensation voluntarily, and, as an act of grace, for correspondence of the following descriptions—

- (1) Registered correspondence (including parcels).
- (2) Unregistered parcels.
- (3) Express correspondence.

For registered correspondence the fees payable vary from a minimum of 3d. to 1s. 11d., and the limits of compensation from

£5 to £400. Compensation in respect of money of any kind (coin, notes, orders, cheques, etc.) will be given only in those cases in which the money is enclosed in one of the registered letter envelopes sold by the Post Office, and the packet is tendered for transmission by Registered Letter Post. The compensation given in respect of coin, which must be packed in such a way that it cannot move about, will in no case exceed £5.

Compensation for damage to a packet sent by Registered Letter Post will be given only in those cases in which the packet is conspicuously marked with the words "Fragile, with care."

In the case of the entire loss of foreign letters or packets whilst in the custody of the Post Office, the Postmaster-General undertakes to pay an indemnity of £2, except in cases beyond control (*e.g.*, tempest, shipwreck, earthquake, and war). No compensation, however, is payable except in the case of the loss of the entire letter or packet; and no claim will be admitted if made more than a year after the letter or packet was posted.

For **unregistered parcels** the maximum limit of compensation is £2. No compensation is given in respect of money of any kind sent by Parcel Post, whether registered or unregistered, or in respect of jewellery sent by Parcel Post unregistered.

In order to secure compensation in respect of the loss of a parcel, a Certificate of Posting should be obtained by the sender when the parcel is posted.

The Postmaster-General also gives compensation not exceeding £1 for uninsured parcels sent by Parcel Post between the United Kingdom and most British possessions and foreign countries, when loss or damage takes place while the parcels are in his custody, and does not arise from any fault or neglect of the senders or from the nature of the contents.

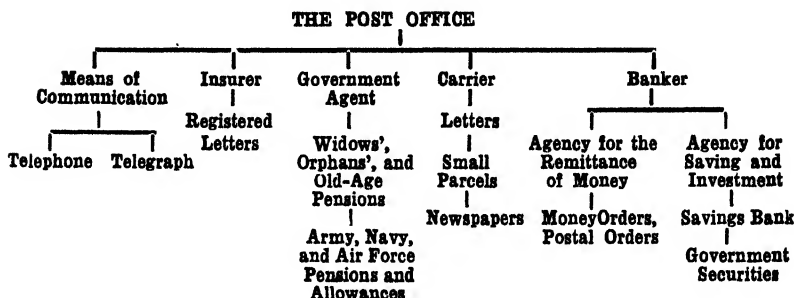
For **express correspondence** conveyed by special messenger throughout its whole course, compensation up to £2 is paid for the loss or damage to all unregistered packets (other than those containing money or jewellery).

Without prejudice to any of the preceding rules, the Postmaster-General will, if he thinks fit, refuse to give compensation for loss or damage on any ground on which a common carrier might in like case claim exemption from legal liability.

Postal rates, both inland and foreign, must be ascertained from

the official Postal Guide, which is a veritable mine of information for the commercial aspirant.

The various functions of the Post Office are shown in the diagram below.



**TREATMENT OF PACKAGES ON DELIVERY.**—On delivery of postal packages, it is advisable to take note of their external appearance. In the case of damage or loss of contents, the packet should be retained for inspection as nearly as possible in the state in which it was delivered. If complaint be made that the contents of a packet have been abstracted, the cover must be produced. A claim for indemnity should always be made by the sender of a postal packet, and it is therefore the duty of the receiver of a damaged packet to advise the sender thereof immediately.

#### EXAMPLE 198—POSTAL INQUIRY RE PARCEL

Queen's Road,  
Blackburn.

11th Sept., 19..

To the Postmaster,  
The Central Post Office,  
Blackburn.

Dear Sir,

On the 4th Sept., between 10 a.m. and 11 a.m., we forwarded from your office a small parcel in grey packing paper, containing vanilla, and addressed to Mr. John Smith, 96 Halliwell Road, Bolton. On the 10th Sept., our customer advised us that the above-mentioned parcel had not yet arrived, and we shall

therefore be glad if you will make the necessary inquiries in regard to this parcel, and let us know the result thereof.

Thanking you in anticipation,

We are,

Yours faithfully,

per pro. Arnold Shimmin & Co.,

Joseph Cousin.

#### EXAMPLE 199--NOTIFICATION OF A LOST PARCEL

290 Walkden Road, Worsley,  
Near Manchester.

25th Sept., 19..

Miss Martin,

Postmistress,

The Post Office, Worsley.

Madam,

A parcel which was handed to you on the 12th Sept, between 6 and 7 p.m., and addressed to Phythean Monks, Esq., The Laurels, Green Lane, Farnworth, according to an advice received from the latter, has not so far reached its destination, and we are therefore forced to the conclusion that it has been lost. From the enclosed copy of the invoice you will see that the parcel had a net weight of 8 lb., with a value of £3 15s.

As the parcel was not insured, we now make application for the maximum compensation of £2, as mentioned in the postal regulations concerning unregistered parcels.

We are,

Yours faithfully,

per pro. Hall & Stephenson,

Joseph Hall.

#### TEST PAPER XXXI

1. Evans & Co., in Manchester, inform the Post Office that a parcel of goods dispatched by Mr. T. Reece, of Leeds, on the 4th June was not delivered to them until the 12th June. Owing to the delay the contents of the parcel are spoilt to such an extent that they have become quite useless. They immediately place the package at the disposal of the Postal Authorities, and make application for indemnity to the amount shown on the enclosed copy of invoice. Draft the letter.

2. On 27th Jan., T. Siddall, of Hull, informs the Postmaster of his town that a registered letter containing goods of the value of £7 5s. 6d., and handed in on the 20th Jan., has not yet been delivered, and he therefore claims compensation. Write the letter.

3. Dean & Co., of Paddington, make application on the 10th June to the Postmaster of their town, asking for the refund of £2 2s. as compensation for a registered letter addressed to Tom Sykes, of Newcastle, which, according to information received from the addressee, has not been delivered, and must therefore be regarded as lost. Draft the letter.

4. In what ways does the Post Office encourage the public

- (a) to provide for old age ?
- (b) to make investments ?
- (c) to save small amounts ?

5. What is meant by the International Postal Union ?

6. What kinds of banking operations are *not* undertaken by the Post Office ?

7. Trace briefly the passage of a registered letter from the moment it is sealed to its receipt by the business man to whom it is addressed.

8. Alfred Jones wishes to send 7s. 6d. to John Roberts in another town. Jones knows nothing about Postal Orders, and he does not think that Roberts does.

Write careful instructions so that Jones reading them will know what a Postal Order is, how to obtain one, what to do with it and what to tell Roberts, so that the latter may receive the money.



## CHAPTER II

### THE TRADER AND THE LEGAL AUTHORITIES

**THE TRADER'S PROCEEDINGS AT LAW.**—On the 1st August Messrs. Hamilton & Martin purchase from Ambrose Cataneo & Co., in Naples, a truck-load of 5 tons of prunes @ 24s. per cwt.—immediate delivery—c.i.f. London, to be sent through Van Oppen & Co. (*i.e.*, Forwarding Agents). The goods are to be well dried, and of good quality, and packed in cases of about 1 cwt., payable at three months by acceptance.

On the 10th August the buyers receive the invoices amounting to £192. On the 1st Sept. the goods reach Manchester. The consignees pay in freight and duty £34. On the 2nd Sept. a few cases are opened for the purpose of examination. The prunes prove to be maggot-eaten to such an extent that they are quite unfit for consumption. They inform the sellers by telegram of the bad condition of the goods, and place them at the disposal of the sellers with the request to dispose of them in some other way, and refund the £34 disbursed for freight and duty. By their letter of the 3rd Sept., Ambrose Cataneo & Co. intimate that they are not going to receive the goods back, saying that they had packed the prunes carefully and in accordance with arrangements made, and in packing, the goods were nice and dry and without warmth, facts which they could prove by means of six witnesses. If the goods arrived in an unsatisfactory condition, this must be due to the heat and damp they were subjected to during the voyage. They point to the fact that the goods had been sold c.i.f. London, and for that reason they ought to have been examined on behalf of the buyer either in Naples or at the latest in London, and that for damage incurred during the transport the buyer, and not the seller, is responsible.

On receipt of this letter the buyers obtain expert opinion on the state of the goods, Mr. John Smart, a member of the Manchester Chamber of Commerce being appointed as expert. In giving his

opinion this gentleman confirms the bad condition of the goods, and points out that, even assuming that the maggots had only developed during transport, the eggs must have been in the prunes before the packing took place, as it was impossible for the insects, which laid the eggs, to penetrate the thick side of the cases during transport.

Hamilton & Martin notify the sellers of the result of this expert opinion, and demand that they should immediately dispose of the goods otherwise, failing which the goods would be sold by public auction.

Ambrose Cataneo & Co. reply that they maintain their standpoint, and that the buyers could do what they thought fit; since they would have the matter settled by the Commercial Court in Naples. Thereupon Hamilton & Martin apply to have the goods publicly sold, of which they notify the sellers. The sale takes place, and the prunes are sold to a distiller for £67 15s., and the proceeds, after deduction of the costs, are handed over to Hamilton & Martin. The latter notify the sellers, placing the above amount less £34 disbursed as freight and duty at their disposal.

In the meantime Ambrose Cataneo & Co. have not remained inactive. They bring an action against the buyers before the Commercial Court in Naples, which declares itself competent in the matter as the legal place of delivery is Naples and not Manchester. Hamilton & Martin are summoned before the Commercial Court in Naples, and as the defendants refuse to acknowledge the competency of the Court at Naples, judgment in default is pronounced against them, and they are ordered to pay the invoice amount of £192 plus the cost of the proceedings amounting to £7 15s. On the basis of this judgment the Naples firm brings proceedings against Hamilton & Martin in Manchester, and instruct a solicitor in Manchester to this end. The latter in his plaint demands that the execution of the judgment of the Commercial Court of Naples be admitted in Manchester, or alternately judgment for the payment of the invoice should be pronounced by the Court in Manchester. Thereupon Messrs. Hamilton & Martin also instruct their solicitor: the action is tried and the judgment is entered against the plaintiff. However, Messrs. Hamilton & Martin would have to pay to the plaintiff the net proceeds of the compulsory sale of the prunes less their disbursements.

## EXAMPLE 200—THE ORDER

Market Street,  
Manchester.

1st Aug., 19..

Hamilton & Martin,  
Fruit Merchants,

Messrs. Ambrose Cataneo & Co.,  
Naples.

Dear Sirs,

We are in receipt of your offer of the 28th July, and have pleasure in giving you an order for 5 tons of Prime Prunes, well dried and of nice quality, in accordance with the sample sent us at 24s. per cwt. c.i.f., London, per Messrs. Van Oppen & Co., in London, for re-forwarding to us. Payable against our acceptance at 90 days, packed free of charge in good wooden cases—delivery at once.

We particularly request you to ship only perfectly dried goods, as otherwise the transport during the present hot season would be risky.

Awaiting shipment in accordance with the sample,

We remain,

Yours truly,

Hamilton & Martin.

(See No. 201)

## EXAMPLE 201—LETTER COVERING THE INVOICE

(See No. 200.)

Naples.

9th Aug., 19..

Messrs. Hamilton & Martin,  
Manchester.

Dear Sirs,

We have pleasure in sending you enclosed the invoice for the goods kindly ordered by your letter of the 1st inst. Please credit us with the amount of the invoice, i.e., £192 per 8th Nov., payable against our draft.

In accordance with your instructions we have shipped the goods c.i.f. London to Messrs. Van Oppen & Co., to be held for your order, and we are sending you a duplicate of the bill of lading.

We have executed your order with the greatest care, and have selected well-dried goods of good quality only. We trust, therefore, that our shipment will meet with your full approval, and that you will remember us in case of any future requirements.

We are,

Yours faithfully,

Ambrose Cataneo & Co.

**EXAMPLE 202—TELEGRAPHIC COMPLAINT**

(See No. 201.)

TELEGRAM FROM HAMILTON & MARTIN TO AMBROSE  
CATANEO, NAPLES

To.....	<i>Cataneo</i> .....	<i>Naples</i>	
<i>Prunes</i>	<i>greatly</i>	<i>maggot</i>	<i>eaten</i>
<i>unmerchantable</i>	<i>acceptance</i>	<i>refused</i>	<i>Place</i>
<i>at</i>	<i>your</i>	<i>disposal</i>	<i>Letter</i>
<i>follows</i>			
FROM <i>Hamilton &amp; Martin</i> .....			

(See No. 202.)

**EXAMPLE 203—CONFIRMATION OF TELEGRAM**

(See No. 202.)

Market Street,  
Manchester.

2nd Sept., 19..

Messrs. Ambrose Cataneo & Co.,  
Naples.

Dear Sirs,

The 100 Cases of Prunes invoiced to us on the 9th August reached us yesterday, and were immediately examined, but we regret our inability to accept the goods. We ordered well-dried goods of good quality, but you have sent us prunes totally unmerchantable and unfit for consumption, most of them being in a very maggoty state, and in many cases there are large fat maggots crawling out of the half-rotten fruit. For this reason we telegraphed to you to-day as follows—

“ Prunes greatly maggot-eaten ; unmerchantable. Acceptance refused. Place at your disposal. Letter follows.”

We confirm our telegram, and request you to dispose of the goods at once, and refund to us our disbursement of £34 for freight from London to Manchester and duty, and oblige,

Yours faithfully,

Hamilton &amp; Martin.

(See No. 204.)

**EXAMPLE 204—REPLY: DECLINING LIABILITY**

(See No. 203.)

Naples.

7th Sept., 19..

Messrs. Hamilton & Martin,  
Manchester.

Dear Sirs,

To our astonishment we learn from your telegram and the subsequent letter, both dated the 2nd inst., that you refuse to accept the 100 Cases of Prunes invoiced to you on the 9th August, alleging that the goods are maggoty and unfit for consumption.

To this we beg to reply that we do not accept your complaint, but on the contrary insist upon the strict fulfilment of our contract, and demand you to acknowledge the amount of the invoice without any deduction, for the following reasons—

(1) We have selected the Prunes in accordance with your order, in best perfectly dried goods, and for the sake of precaution, we asked several impartial witnesses to be present at the packing. These can certify that the goods were faultless. If your complaint is based upon facts, it is evident that the damage occurred during transport.

(2) For damage incurred during transport we are not responsible. The legal delivery of the goods took place in Naples, and without any doubt the Prunes were in perfect condition here. The responsibility for any damage incurred during the transport, in so far as it has been brought about by inherent decay, has to be borne by yourself, and we should never have taken this risk during the hot weather which prevailed at the time of shipment, and actually have not done so. We, therefore, decline any liability for an indemnity.

(3) As we delivered the goods c.i.f. London, it was in your interest to have the goods inspected at Naples, or at the latest in London, where they passed into your possession. We decidedly object to an inspection in Manchester or to the attempt to saddle us with the responsibility of the result of such examination.

We sincerely regret that you should have occasion to complain, but if you carefully consider the matter and weigh up the conditions from a legal standpoint, you will come to the conclusion that you are not justified in trying to make us responsible for the damage, since according to the contract of purchase, you have undertaken this responsibility yourself.

We are,

Yours faithfully,  
Ambrose Cataneo & Co.

(See No. 205.)

**EXAMPLE 205—THE BUYER ENLISTS EXPERT OPINION**

(See No. 204.)

Market Street,  
Manchester.

9th Sept., 19..

The Secretary,  
The Chamber of Commerce,  
Manchester.

Dear Sir,

A firm in Naples has sent us a truck-load of Prunes with which we find fault on account of bad quality, and have placed the goods at the disposal of the sellers. As the latter, whom we advised of the facts, refuses to admit our claim, and as the matter therefore will have to be settled in Court, we beg to ask if you will kindly appoint an expert to examine the goods in question, and deliver an opinion which will hold good in law.

We shall be glad if you can grant our request without delay, and remain,

Yours faithfully,  
Hamilton & Martin.

(See No. 206.)

**EXAMPLE 206—THE OPINION OF THE EXPERT**

(See No. 205.)

**REPORT**

At the request of the Secretary of the Manchester Chamber of Commerce, I went this day, the 9th Sept., to the warehouse of Messrs. Hamilton & Martin, of this City, to examine a consignment of Prunes.

Mr. Martin conducted me into the warehouse where, in a cool room, to which the sun had no access, I found 100 cases A. C. & Co., No. 101 to 200.

By reference to the Consignment Note of Van Oppen & Co., in London, and the invoice from Ambrose Cataneo & Co., of Naples, of the 9th August, I convinced myself that it was a question of the shipment of the latter firm.

The external appearance of the cases left nothing to be desired, since they were made from solid timber, well closed, and strongly fastened up without any external damage.

I now had opened 30 cases taken at random from the whole shipment and emptied, whereupon I examined the contents according to my best ability and conscience. As a result of this examination, I came to the following conclusions—

(1) The prunes are not well dried, and a large number of them are maggoty. For thirty years during which I have been engaged in the prune trade, I have never set eyes upon

such faulty goods, and I consider them absolutely unfit for consumption.

(2) It is probable that the maggots have only developed during transport, but it is unthinkable that the insects which laid the eggs from which the maggots have developed should have penetrated the thick sides of the cases in the course of transport, and without doubt the maggot eggs were already in the prunes before they were packed. This is the more likely as such eggs are very difficult of discovery by a superficial examination of the goods.

(Signed) John Merchant.

Manchester.

10th Sept., 19...

(See No. 207.)

**EXAMPLE 207—THE BUYERS SEND THIS EXPERT OPINION TO  
THE SELLERS AND EXPLAIN THEIR STANDPOINT**

(See No. 206.)

Manchester.

10th Sept., 19..

Messrs. Ambrose Cataneo & Co.,  
Naples.

Dear Sirs,

On receipt of your letter of the 7th inst., we immediately applied to the Manchester Chamber of Commerce for the appointment of an expert, a copy of whose report is enclosed for your perusal.

With reference to this report, we give you the following reply to your letter—

1. You have not executed our order in accordance with our instructions, and instead of dry goods of nice quality you have sent us maggoty prunes, only half dried. If these have suffered damage during the transport it is due to the fact that you have caused this damage by your own negligence in allowing maggoty prunes to be packed. If, therefore, your witnesses talk of faultless goods, this only proves that these witnesses were proceeding in the same superficial manner as your employees.

2. We bought the goods c.i.f. London to be forwarded to us by Messrs. Van Oppen & Co., and you, therefore, knew that the goods had to travel right through to Manchester. We, therefore, possess the right to examine the goods here and make our complaint subsequently. Whether the place of fulfilment is Naples or London is quite immaterial in the present case. The deciding factor is that, both in English and in Italian

Law, the examination of the goods has to take place on arrival at their destination, and not at the place of fulfilment of the order.

Thus your objections break down completely, and for the last time we must ask you to dispose of the goods and to refund to us our disbursements, on or before the 20th inst. If by that time you have not complied with our request, we shall have the goods sold publicly, and shall place the net proceeds less our costs, at your disposal. As the prunes become worse from day to day, it will be in your own interest to dispose of them as quickly as possible.

We are,  
Yours truly,  
Hamilton & Martin.

(See No. 208)

#### EXAMPLE 208—THE SELLERS PERSIST IN THEIR STANDPOINT

(See No. 207.)

Naples.

15th Sept., 19..

Messrs. Hamilton & Martin,  
Manchester.

Dear Sirs,

We learn from your letter of the 10th inst., that in spite of our arguments, you persist in maintaining your standpoint. The same remark applies to ourselves. The expert opinion of which you send us a copy is in no way conclusive, since we do not acknowledge the competency of the Manchester Chamber of Commerce in this matter. Moreover, the expert himself admits that the maggots may have developed during transport, and it is therefore quite plain that the damage has to be borne by the person who has accepted the risk of the transport, and this person is plainly yourself and not us, seeing that we have sold and shipped the goods at the buyer's risk.

The reproach that we were negligent in the packing of the goods in so far that we did not discover that some of the prunes had maggot eggs in them, is totally unjustified, as we cannot be expected to examine each prune microscopically.

We also maintain our previous contention that Naples is the place of fulfilment. For that reason, Italian law and Italian law courts alone are competent, and we shall therefore appeal to the Commercial Court here, of which fact you will kindly take note.

You may do with the goods whatever you think fit, as they are your property, and we, therefore, are unable to dispose of them.

We are,  
Yours faithfully,  
Ambrose Cataneo & Co.



On receipt of this letter, the buyers received a summons to appear before the Commercial Court in Naples on the 25th September. Hamilton & Martin reply that they do not acknowledge the competency of the Commercial Court in Naples, and refuse to be represented at the hearing of the action.

(See No. 209.)

**EXAMPLE 209—GIVING INSTRUCTIONS TO SELL THE GOODS  
BY AUCTION**

(See No. 208.)

Market Street,  
Manchester.

21st September, 19..

The Secretary,  
The Manchester Chamber of Commerce.

Dear Sir,

By our letter of the 9th inst., we notified you of a case in dispute with a firm in Naples concerning a shipment of prunes, and we asked you to appoint an expert. The latter delivered his report to the effect that the fruit was unfit for consumption. We have acquainted the senders of this opinion, but in spite of it they refuse to dispose of the goods. As the prunes become worse from day to day, we shall be glad if you will at once give instructions to have them sold by public auction. For your guidance we enclose copies of the letters so far exchanged with the firm in question, and from these you will see that there is no way out of the dilemma other than the public sale which we desire.

Believe us,

Yours faithfully,

Hamilton & Martin.

(See No. 210.)

**EXAMPLE 210—RESULT OF THE PUBLIC AUCTION**

(See No. 209.)

Manchester.

30th Sept., 19..

Messrs. Hamilton & Martin,  
Market Street, Manchester.

Dear Sirs,

In response to your letter of the 21st inst., we have ordered the sale by public auction of the truck-load of prunes refused by you :

A. C. & Co. 100 Cases,  
101/200

and we place at your disposal the proceeds, less the costs of the auction, viz., Sixty-six pounds sterling.

Yours faithfully,  
The Manchester Chamber of Commerce,  
W. Speakman,  
Secretary.

(See No. 211.)

**EXAMPLE 211—ADVICE TO THE SELLERS**

(See No. 210.)

Market Street,  
Manchester.

1st Oct., 19..

Messrs. Ambrose Cataneo & Co.,  
Naples.

Dear Sirs,

In reply to our letter of the 10th Sept., we received yours of the 15th Sept. As we had not received your instructions regarding the shipment of prunes by the 20th Sept., we applied for their sale by public auction. The net proceeds of this sale amount to £66, from which we deduct our disbursements for freight and duty £34, leaving £32, which we hold at your disposal.

We are,

Yours faithfully,

Hamilton & Martin.

(See No. 212.)

**EXAMPLE 212—NOTIFICATION OF THE JUDGMENT OF THE COURT AT NAPLES**

(See No. 211.)

Naples.

5th Oct., 19..

Messrs. Hamilton & Martin,  
Manchester.

Dear Sirs,

We confirm our letter of the 15th Sept., and inform you that we have submitted our case to the Commercial Court here, who pronounced judgment in our favour on the 25th ult., sentencing you in default to the payment of our invoice amounting to £192, plus the costs of the action £7 15s., total £199 15s., as you may see from the enclosed copy of the judgment.

We shall be glad to learn whether you acknowledge the validity of this judgment and if not, we shall appeal to the Court in Manchester to give effect to the judgment.

Yours faithfully,

Ambrose Cataneo & Co.

(See No. 213.)

**EXAMPLE 218—THE SELLERS INSTRUCT THEIR SOLICITOR**

(See No. 212.)

Naples.

5th Oct., 19..

Sydney Berry, Esq.,  
Solicitor, Brazennose Street,  
Manchester.

Dear Sir,

We are indebted for your address to the Italian Consul of your city, and wish to make use of your services by instructing you to enter an action against Messrs. Hamilton & Martin, of your city, concerning the recovery of a claim for £199 15s.

You will learn the precise facts from the enclosed documents, but for your better understanding we make the following comments and explanation of our instructions—

Please obtain by an action the execution of the judgment of the Commercial Court here, dated the 25th Sept., and thereupon obtain payment of our claim of £199 15s., either amicably or forcibly.

If the Court of Manchester should declare the judgment of the Naples Court incapable of execution, we shall be glad if you will bring a fresh action for recovery of the amount of the invoice only, i.e., £192.

In support of our claim, we beg to draw your attention to the following points—

I. The place of payment is Naples, although we have sold the goods c.i.f. London, c.i.f. meaning cost, insurance, and freight. This c.i.f. delivery, however, implies only that the seller bears the cost of transport, but it in no way changes the place of transfer of legal ownership.

From this it follows—

(a) The risks of transport, in so far as they have not been transferred to a third person by insurance, are to be borne by the buyer, and not by the seller.

(b) The examination of the goods and the objections raised thereto ought to have taken place in Naples and not in Manchester, and the opinion of the expert appointed by the Chamber of Commerce, therefore, does not in any way concern us.

(c) The settlement of this dispute is subject to Italian law, and the Italian Courts, and the latter have pronounced judgment in our favour.

II. If the Court in Manchester should hold that the judgment in question cannot be executed and that a fresh action has to

take place, it must be taken into consideration that the goods were in a perfectly sound and good condition at the time of shipment, a fact which can be proved by six witnesses. If then the shipment manifested considerable defects on arrival in Manchester, these have occurred during transport owing to the great heat and dampness. As, however, in accordance with English law, the buyer is responsible for the risks of transport, the Court in Manchester will be bound to give judgment in our favour.

III. The opinion of the Manchester expert, apart from the fact that it is invalid for reasons afore-mentioned, must be opposed on points of fact. In the first instance, examination was not made in due time, considering that the goods arrived in Manchester on the 1st Sept., and the expert's report is dated the 10th Sept. It is a well-known fact that such goods have to be examined, unpacked and aired immediately on arrival. The buyers have omitted to do this, and they thus have not acted with the care of a proper merchant, but have made themselves responsible for the defects in question.

Furthermore, the examination must be regarded as an unsatisfactory one, as only thirty cases were examined, and there is no proof that the remaining seventy cases showed the same defects.

IV. The expert himself asserts that the maggots must have developed during transport, and this is of great importance for us. When he argues that the maggot eggs were already present in the goods at the time of packing, and from this draws the conclusion that the senders did not exercise sufficient care in packing, this is a very remarkable suggestion. In order to discover these minute eggs which lie hidden in the interior of the fruit, it would be necessary to examine each prune microscopically—work which would take years to do.

For the rest we leave this matter in your hands, fully confident that you will carry the action through successfully.

If you require any further particulars we shall be glad to furnish them on application.

In the inclosure, in addition to the power of attorney signed in blank, you will find a cheque for £8, which kindly use to pay the expenses of the action.

Please acknowledge receipt of this immediately on arrival and keep us informed of the progress of the case.

We are,

Yours faithfully,

Ambrose Cataneo & Co.

**EXAMPLE 214—INSTRUCTIONS TO THE DEFENDANTS'  
SOLICITOR**  
(See No. 213.)

Market Street,  
Manchester.  
10th Oct., 19..

J. Pheathean Monks, Esq.,  
Solicitor,  
Bolton.

Dear Sir,

In view of the fact that, in course of a conversation with our Mr. Martin, you expressed your willingness to represent our interests in the action against Ambrose Cataneo & Co., of Naples, we beg to hand you the documents referring to this case, at the same time giving you our views on the matter.

(1) The request of the plaintiff to obtain execution of the judgment of the Commercial Court in Naples must be opposed as, in accordance with English law, the defendant has to be summoned before the proper judge at his place of residence. This right of the British citizen is bound to protect us against the judgment of the Naples Court.

(2) As regards the application by the plaintiff for a new trial in Manchester, two questions have to be considered—

(a) Were we within our rights in not examining the goods until they reached Manchester, or, are the plaintiffs right in their assertion that the examination of the goods and the objection thereto, ought to have taken place in Naples? and,

(b) Has it been proved that the defects of the goods already existed in Naples, or, have they arisen during transport without any fault of the sellers?

As regards the first query, there is no doubt that examination of and objection to a shipment may take place at the destination. This is not only in the nature of the matter itself, but it is a general commercial usage. The place of delivery is the place where the goods are at the moment of sale, and where they pass into the ownership of the buyer. If, however, they are to be shipped to a buyer who lives a considerable distance away, it is natural that the right of examination must be reserved to the buyer who can exercise these rights only at the place where he receives the shipment, i.e., at the place of destination.

Moreover, the contract of sale stipulates that the prunes should be forwarded via London to Manchester, and thus the sellers were quite aware of the fact that Manchester was the place of destination. They therefore have no claim to dispute our right to examine the goods here.

In our opinion the second question has been decided by the expert's report, which shows that the prunes were not well dried and of good quality, and that the eggs from which the maggots developed must have been present in the fruit already at the time of dispatch. The contrary testimony of six persons in Naples is capable of being upset, as the evidence of these witnesses has not been given officially. Quite possibly they have been bought, otherwise they could not assert that the goods were faultless, in view of the fact that it has been proved that they were already maggoty, undried, and infected with eggs. The assertion of the plaintiff that the eggs could be discovered only by microscopic examination, cannot be upheld, as the eggs of blue-bottles of which it is a question are so large that they can be discovered without microscope or without magnifying glass.

(3) We expressly ordered well-dried prunes of good quality, but have received badly dried, maggoty, uneatable goods, and we are, therefore, perfectly within our rights to cancel the contract and place the goods at the disposal of the sellers.

(4) As you can see from the documents, all steps which we have taken in this matter have been taken under proper observation of the legal requirements and formalities. We immediately advised the sellers by telegram of the result of the examination; we had the expert appointed by the Chamber of Commerce, and also the sale of the goods supervised by them; and at each step we have advised the sellers, at whose disposal we have finally placed the net proceeds of the sale.

Our behaviour in this matter, therefore, has not only been perfectly straightforward, but it has also been loyal; for in consideration of the great loss incurred by the sellers, we have waived our claim to any indemnity or to the delivery of the proper goods.

We shall, therefore, be glad if you will make application to the Court to decline the request of the plaintiff, and to pronounce judgment that our liability should be restricted to the payment of £32, i.e., the proceeds of the sale less our disbursements.

We are,

Yours faithfully,

Hamilton & Martin.

*Inlosures.*—Documents and evidence.

(See No. 215.

**EXAMPLE 215—ADVICE OF JUDGMENT BY LETTER FROM  
PLAINTIFF'S SOLICITOR**

(See No. 214.)

Manchester.  
14th Oct., 19..

Messrs. Ambrose Cataneo & Co.,  
Naples.

Dear Sirs,

In accordance with my letter addressed to you on the 7th inst., your action against Messrs. Hamilton & Martin was heard on the 12th inst., and I am sorry to say the judgment is not favourable to you. The Court declined your request to have the judgment of the Commercial Court at Naples executed, and, likewise, it also threw out your application for payment of the invoiced amount. The defendants are obliged to hand over to you only the net proceeds of £32, and you have to bear the costs of the action as well as those of the plaintiff's solicitor, amounting altogether to £12.

Herewith I give you the principal points in support of this judgment—

(1) According to English law, it is not admissible that a British citizen resident in Manchester should be cited before a foreign Court of law and there sentenced in his absence, and the judgment subsequently be legalised in Manchester. Every British citizen has to be cited before the judge in his place of residence. The Court of law competent in the present dispute is, therefore, the Court in Manchester and not that in Naples.

(2) From the contract of sale it is clear that Naples is the place of delivery. The condition c.i.f. London does not alter the place of delivery, but only expresses the consignor's liability to pay the charges for freight and insurance to Liverpool. For this reason, as far as the material question is concerned, the case is subject to judgment according to the Italian law, whilst for the action itself the Manchester Court is competent.

(3) Where goods are purchased at a distance, the Italian law grants the buyer the right to examine the goods at the place of destination, and to make complaints in reference thereto. The defendants had thus no obligation to examine the goods in Naples, and the opinion of the Manchester expert holds good.

(4) The objections to this expert's opinion on the part of the plaintiff, alleging that the examination did not take place at the proper time and was superficial, cannot be upheld. If a shipment consists of a large number of packages containing, according to the invoice, the same kind of goods as was the case here, it is neither necessary nor customary to examine each individual package.

(5) The question as to whether the defects were already present at the time of shipment or whether they arose during the journey, has been settled by the expert's opinion. The maggots must have developed from eggs originating from flies, which could not have penetrated the thick sides of the cases, and therefore the cause of the alleged defects must have been present at the time the goods were dispatched from Naples, and it might have been discovered by the exercise of due care.

(6) The contrary statement of six persons in Naples cannot controvert the fact that the prunes must have contained maggot eggs. At the most these persons can certify that they have not seen any maggots or maggot eggs, but this testimony does not by any means prove that maggot eggs were not present.

(7) Even according to Italian law, the seller is responsible for any defects in the goods which existed at the time of dispatch, unless it is proved that these defects were known to the buyer, or that he should have discovered them by the exercise of ordinary prudence. This latter case would arise if the samples, on the basis of which the sale was concluded, showed the same defects as the goods. This is not alleged, however, even by the plaintiff.

(8) From the beginning the buyers have taken the measures prescribed by law, and their application is therefore to be granted and the plaintiff's case is to be rejected.

I abstain from making any comment in regard to the judgment given, or to the validity of the foregoing arguments, but at the same time I assure you that I have used my best endeavours to convince the Court of the justification of your plaint.

The question now arises whether you want to carry the case to the Court of Appeal or not. In the event of your wish to appeal, you must notify me by return as the term of appeal expires on the 22nd December. It is my duty, however, to inform you that, in my opinion, there is very little hope of obtaining a revision of the judgment already given.

Awaiting the favour of your reply,

I remain,

Yours faithfully,

Sydney Berry

(See No. 216.)

**EXAMPLE 216—THE REPLY OF THE PLAINTIFF TO HIS SOLICITOR**

(See No. 215.)

Sydney Berry, Esq.

Naples.  
17th Oct., 19..

Dear Sir,

We have duly received your letter of the 14th inst., advising us of the unfortunate issue of our action against Messrs. Hamilton & Martin. It is far from us to make any reproach



to you in the matter, yet we consider the judgment of the Manchester Court as an unjust one. As you doubt the success of an appeal, however, we shall abstain from carrying the matter any further, and authorise you to collect the amount in question from Messrs Hamilton & Martin, and let us have your statement of account.

Kindly remit us the balance of our credit by cheque and oblige,

Yours faithfully,

Ambrose Cataneo & Co.

(See No. 217.)

**EXAMPLE 217—SUBSEQUENT ATTEMPT TO MAKE A  
COMPROMISE ON THE PART OF THE PLAINTIFF**

(See No. 216)

Messrs. Hamilton & Martin,  
Manchester.

Naples.  
17th Oct., 19..

Dear Sirs,

Having received advice of the unfavourable issue of our action against you, we now appeal to your sense of fairness, and ask you, in view of the great loss incurred by us through this unfortunate transaction, which exceeds the sum of £200, to grant us a voluntary contribution of £60.

In making this request we will abstain from useless criticism of the judgment which to us appears unjust, and will merely draw your attention to the fact that the judgment of the Commercial Court of Naples holds good in law. This being the case, we have a claim upon you for the amount of £199 15s., which throughout the whole kingdom of Italy is indisputable, and we have the right to place an arrest upon all goods which may lie here in Italy as your property, or which may happen to be in transit here, as well as on all your claims in our country, and to indemnify ourselves from the proceeds as far as our claim is concerned. You will probably understand that we shall endeavour to make use of this right where and when we have an opportunity. In this case we are as well within our right as yourselves, when under the protection of your own Courts, you refuse to pay our claim.

It stands to reason that we shall avail ourselves of this right very unwillingly, and we therefore make you a proposal by which an amicable settlement may be reached. If you accede to our reasonable request, we undertake to renounce our right to any further steps in the matter.

Awaiting your favourable reply,

We remain,

Yours faithfully,

Ambrose Cataneo & Co.

(See No. 218.)

**EXAMPLE 218—REJECTION OF THE PLAINTIFF'S PROPOSAL**

(See No. 217.)

Manchester.  
20th Oct., 19..Messrs. Ambrose Cataneo & Co.,  
Naples.

Dear Sirs,

We received your letter of the 17th inst., but very much regret to be unable to accede to your suggestion to pay you a voluntary contribution of £60 for the damage incurred by you.

Seeing that the Court has given judgment, we consider the matter as definitely settled, and therefore take no notice of your threat, the execution of which undoubtedly would not be supported by any Court.

The appeal to our sense of fairness we consider unjustified, as we have in no way caused this loss, which is to be attributed entirely to the careless execution of our order.

Considering the loss—direct and indirect—and the annoyance, cost, and trouble of all sorts which have accrued from this transaction, we think we have paid dearly enough for the pleasure of doing business with you, and we now consider the correspondence closed.

Yours faithfully,  
Hamilton & Martin.

## TEST PAPER XXXII

1. Summarise the letters given in the examples.
2. Construct a series of transactions on the basis of those given in the examples, and giving instructions to the solicitors as in Example 214.
3. A firm in Manchester sends to two customers Linseed Oil of the same quality. One of the customers is satisfied, but the other places the goods at the disposal of the consignors. The latter offers a small reduction in price, but the customer wants to have the price reduced still further. The consignors refuse to acquiesce in this, and meanwhile sell the goods to another customer. Draft the letters embodied in the above remarks.
4. In the transaction described in the last question, the consignors, Thomas Makin & Co., refuse further delivery of the 20 casks of Linseed Oil, and claim an indemnity of £20 for the customer's refusal to take delivery. The customer, René Fonzes, of Marseilles, in order to enforce re-delivery, and to bring an action against the consignors, deposits £20 with the district Court in Marseilles through his solicitor, to whom he gives detailed instructions. He sends to his solicitor a duplicate of the sample which he gave to Makin & Co. at the time of giving the order, and this sample is examined by an expert and compared with the quality of the 20 casks. The expert's opinion is to the effect that the sample is of the same quality as the whole shipment. Draw up the correspondence between René Fonzes and his solicitor in Marseilles.

## CHAPTER III

### THE TRADER AND THE PATENT OFFICE

**THE PROTECTION OF TRADE MARKS.**—A trader or manufacturer has a natural desire to maintain the confidence in regard to his goods which he has obtained in the course of years amongst his customers. It is, therefore, obvious that he should wish to make his goods or their packing easily distinguishable from those of his competitors. Originally the firm-name or the name of the trader was selected as the mark for the goods, but for reasons of greater suitability illustrative marks or signs were gradually adopted. These usages in trade and manufactures, however, are of value only if they are protected by the law, and most countries therefore have enacted laws for the protection of trade marks. In England the Trade Marks Acts, 1905–1919, contain the law upon the subject.

**THE REGISTRATION OF TRADE MARKS.**—Any business man who wishes to use a trade mark in order to distinguish his goods from those of others, can register this mark with the comptroller at the Patent Office; and notice of a trade mark has to be given in writing. An application form can be obtained at all the chief Post Offices for the sum of 10s. The application (*see Example 219*) must give a description of the kind of business in which the trade mark is to be used, a list of the goods to which it is to be applied, together with a plain illustration and, if necessary, a description of the trade mark. Protection is granted in the first instance for a period of fourteen years, but at the end of that time the registration may be kept in force for another fourteen years upon payment of a renewal fee of £1, and so on from time to time at the expiration of each period.

**RIGHTS CONFERRED BY THE REGISTRATION OF TRADE MARKS.**—The registration of a trade mark has the effect of conferring upon the person registering it, the exclusive right to employ the same on his goods or upon their packing, and thus to bring them into the market. It also gives him the exclusive right to use the trade mark on any circulars, parcels, business letters, or on any other kinds of stationery.

The violation of those rights entails the liability to indemnification and the liability of prosecution.

The rights obtained by the registration of a trade mark pass on to the legal representatives of the person having so registered them, and the rights may also be transferred by contract or by will to other persons.

The registration of a trade mark may be cancelled at any time on the application of its possessors, whilst, on the other hand, cancellation by the Patent Office takes place—

- (a) If the period for which the fee has been paid has expired, and,
- (b) If reasons are discovered why the registration ought not to have been granted.

**PATENTS.—The Protection of a Patent.** For any invention which a business man makes, purchases, or inherits, and which admits of commercial exploitation, he may obtain the exclusive right to manufacture the article in question, to bring it into the market, exhibit it for sale or in any other way use it, by having the invention registered as a patent at the Patent Office under the Patents and Designs Acts, 1907 to 1932.

**The Patent.** Notice of any individual invention has to be given in writing, and forms of application are obtainable at any Money Order Office. This form is sent, along with his Provisional Specification or Complete Specification, to the Comptroller-General at the Patent Office and must contain—

- (1) A short but exact description of the article forming the subject of the invention.
- (2) A declaration that a patent should be granted for the article described.
- (3) The name, address, and occupation of the applicant.
- (4) A list of the various enclosures with the application.

**The Procedure.** The Patent Office examines the claims of the article to protection, and in the event of finding that the title has been established, the application is advertised in the *Official Journal (Patents)*. This gives provisional legal effect to the patent.

Any objection to the granting of a patent has to be sent in within a period of two months from the date of the advertisement of the acceptance of the Complete Specification, and the patent which is

subsequently granted is entered on the patents roll, giving the class, the number, the object and the commencing date of the patent, as well as the name and place of residence of its possessor. For any improvements on the patent, the inventor thereof may acquire a supplementary patent. In England a patent is granted for a period of sixteen years, and is maintained in force by payment of annual renewal fees after the end of the fourth year. A patent may be cancelled if any reasons are discovered why it should not have been granted; for instance, the fact that the invention was not a new one.

EXAMPLE 219—APPLICATION FORM

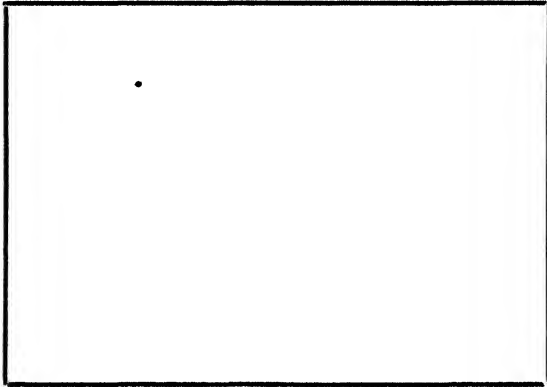
Official Form. No Charge.

Form TM No. 2.

**TRADE MARKS ACTS, 1905-1919.**

**TRADE  
MARKS,  
10s.**

**Application for Registration of Trade Mark  
(other than Cotton Mark).**



One representation to be fixed within this square, and four others to be sent on separate Forms TM No. 3.

Representations of a larger size may be folded, but must then be mounted upon linen and affixed hereto.

Application is hereby made for Registration of the accompanying Trade Mark in Class....., in respect of (a).....

(a) Only goods contained in one and the same class should be set out here. A separate application form is required for each separate class.

.....of [Address and description]..... trading as.....

(b) Here insert legibly the full name, address and description of the individual, firm, or company. Add trading style (if any).

.....who claims to be the proprietor thereof (c).

.....do not claim the registration of this Trade Mark under the special provisions of paragraph 5 of Section 9 of the Trade Marks Act, 1905, in regard to names, signatures, or words.

(c) Alter to "claim to be the proprietors thereof" in the case of a firm or company.

(Signed) .....

Dated the.....day of.....19..

To the Registrar,

*Patent Office, Trade Marks Branch,  
25 Southampton Buildings, Chancery Lane,  
London, W.C.2*

(REVERSE SIDE OF TRADE MARKS APPLICATION FORM).

## Extract from the Trade Marks Act, 1905.

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### SECTION 9.

Registrable  
trade marks.

9. A registrable trade mark must contain or consist of at least one of the following essential particulars:—

- (1) The name of a company, individual, or firm represented in a special or particular manner;
- (2) The signature of the applicant for registration or some predecessor in his business;
- (3) An invented word or invented words;
- (4) A word or words having no direct reference to the character or quality of the goods, and not being according to its ordinary signification a geographical name or a surname;
- (5) Any other distinctive mark, but a name, signature, or word or words, other than such as fall within the descriptions in the above paragraphs (1), (2), (3), and (4), shall not, except by order of the Board of Trade or the Court, be deemed a distinctive mark;

Provided always that any special or distinctive word or words, letter, numeral, or combination of letters or numerals used as a trade mark by the applicant or his predecessors in business before the thirteenth day of August one thousand eight hundred and seventy-five, which has continued to be used (either in its original form or with additions or alterations not substantially affecting the identity of the same) down to the date of the application for registration shall be registrable as a trade mark under this Act.

For the purposes of this section "distinctive" shall mean adapted to distinguish the goods of the proprietor of the trade mark from those of other persons.

In determining whether a trade mark is so adapted, the tribunal may, in the case of a trade mark in actual use, take into consideration the extent to which such user has rendered such trade mark in fact distinctive for the goods with respect to which it is registered or proposed to be registered.

## ENCLOSURE

No Charge for the Form.

Form TM No. 3.

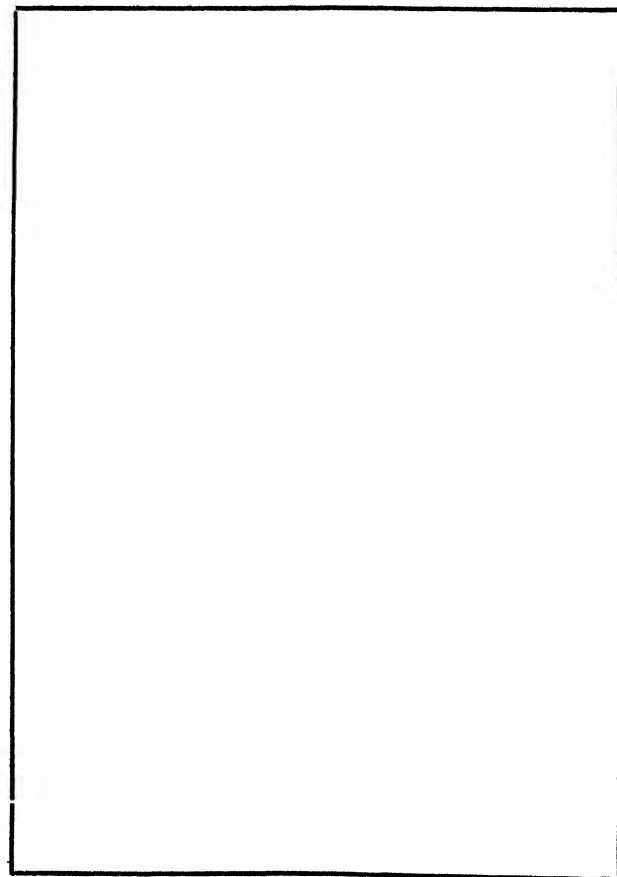
TRADE MARKS ACTS, 1905-1919.

**Additional Representation of Trade Mark, to accompany  
Application for Registration (other than Cotton Mark).**

One representation  
of the trade mark to  
be affixed within this  
square.

It must correspond  
*exactly*, in all respects,  
with the representation  
affixed to the Applica-  
tion Form.

Any representation  
of a larger size than  
shown may be folded,  
but must then be  
mounted upon linen  
and affixed *in retro*.



FOUR of these ADDITIONAL REPRESENTATIONS of the  
Trade Mark must accompany *each* Form of Application.



**EXAMPLE 220—APPLICATION FORM**

No Charge for the Form.

Patents Form No. 1.

<p><b>PATENT</b></p> <p><b>£1</b></p>
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**PATENTS AND DESIGNS ACTS, 1907**  
**to 1932.**

(To be accompanied by two copies of Patents Form No. 2, or of Patents Form No. 3.)

**Application for Patent.**

(a) Here insert (in full) name, address and calling of applicant or applicants.

(a) I (or we)-----  
-----  
-----  
-----  
-----

(b) Here insert title of invention.

-----, do hereby declare that I am (or we are) in possession of an invention the title of which is (b)-----  
-----  
-----

(c) In the case of more than one applicant, state here who is or are the inventor or inventors.

that (c)----- claim to be the true and first inventor-----thereof; and that the same is not in use by any other person or persons to the best of my (or our) knowledge and belief; and I (or we) humbly pray that a patent may be granted to me (or us) for the said invention.

Dated the-----day of-----19-----

(d) To be signed by applicant or applicants. In the case of a Firm, each member of the Firm must sign.

(d)-----  
-----  
-----  
-----

**NOTE.**—One of the two forms on the back hereof, or a separate authorisation of agent, should be signed by the applicant or applicants.

*To the Comptroller,  
The Patent Office, 25 Southampton Buildings,  
Chancery Lane, London, W.C.2.*

(1) *Where application is made through an Agent (Rule 9).*

\_\_\_\_\_

I (or We) hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
to act as my (or our) Agent \_\_\_\_\_ in respect of the within applica-  
tion for a Patent, and request that all notices, requisitions and  
communications relating thereto may be sent to such Agent \_\_\_\_\_  
at the above address.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_

<sup>1</sup> To be signed by applicant <sup>1</sup> \_\_\_\_\_  
or applicants. \_\_\_\_\_  
\_\_\_\_\_

(2) *Where application is made without an Agent (Rule 8).*

\_\_\_\_\_

I (or We) hereby request that all notices, requisitions, and  
communications in respect of the within application may be sent  
to \_\_\_\_\_  
at \_\_\_\_\_

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_

<sup>2</sup> To be signed by applicant <sup>2</sup> \_\_\_\_\_  
or applicants. \_\_\_\_\_  
\_\_\_\_\_



ENCLOSURE

No Charge for the Form.

Patents Form—No. 3.

PATENT  
£3

PATENTS AND  
DESIGNS ACTS,  
1907 to 1932.

Where provisional specification or specifications have been left, quote No. or Nos. and date or dates.  
No. \_\_\_\_\_  
Date \_\_\_\_\_

COMPLETE SPECIFICATION.

(To be furnished in Duplicate—one unstamped.)

(a) Here insert title verbally agreeing with that in the application form.

(a) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) Here insert (in full) name, address and calling of applicant or applicants as in application form.

(b) I (or we) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(c) Here begin full description of invention. The continuation of the specification should be upon wide-ruled paper of the same size, on one side only, with a margin of one inch and a half on the left-hand part of the paper. The completion of the description should be followed by the words: "Having now particularly described and ascertained the nature of my (or our) said Invention, and in what manner the same is to be performed, I (or we) declare that what I (or we) claim is:". After which should be written the claim or claims numbered consecutively.

do hereby declare the nature of this invention and in what manner the same is to be performed, to be particularly described and ascertained in and by the following statement:—

(c) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The specification and the duplicate thereof must be signed at the end and dated (thus): "Dated the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_"

NOTE.—In the preparation of the claim or claims careful attention should be paid to the terms of Rule 14 of the Patents Rules, 1920. Any unnecessary multiplicity of claims or prolixity of language should be avoided. This Rule is as follows:— The statement of the invention claimed, with which a complete specification must end, shall be clear and succinct as well as separate and distinct from the body of the specification.

## TEST PAPER XXXIII.

1. On the 15th Nov., 19... Messrs. Knowles & Sons, of Bolton, forward to the Patent Office four designs of the drawing of a loom which they desire to have registered as a trade mark in connection with the firm's cotton goods. A cheque in payment of the registration fee is enclosed. Write an application for the registration of the trade mark.

2. What are the rights conferred by the registration of a trade mark ?

3. Explain the procedure in the registration of a trade mark.

4. What do you know of the Patents and Designs Acts, 1907 to 1928 ?

5. What is the procedure necessary in the registration of a patent ?

## CHAPTER IV

### THE TRADER AND THE REVENUE AUTHORITIES

THE idea and nature of the public revenue are closely connected with the functions and aims of the State. The State is the largest social unit and is the representative of the prevailing moral ideas. To it the citizen belongs with his possessions and, if necessary, his life, and in return for the duties he performs, the State confers upon him certain privileges known as rights. The power of the State as the supreme authority is intimately connected with our social conditions. The acknowledgment of the right of the State to exist, however, immediately entails a duty on the part of the subjects to furnish the necessary means for the maintenance of the State, *i.e.*, the subjects have to pay taxes. These taxes are the compulsory contributions of the wealth of the citizens which it is their duty to make in order to establish and maintain the State economically. In this country taxation is either local or imperial, direct or indirect, and its incidence is based sometimes on ability, or fancied ability to pay, and at other times on value or services received.

The chief sources of the British revenue are as follows—

(1) The Income Tax, which is the most important of the direct forms of taxation.

(2) The Customs Duties. These are taxes on commodities as they pass the frontier, whether inwards or outwards.

(3) The Excise Duties. These are taxes on commodities made within the country, and are generally levied whilst the commodity is being produced.

(4) The Post Office, which is the one Imperial source of revenue which is paid according to results, *i.e.*, per unit of service rendered.

(5) Stamps on documents, etc.

(6) Legal Fees and Penalties.

(7) Crown Lands.

(8) Suez Canal Shares.

(9) Miscellaneous Licences.

The great bulk of the trader's correspondence in regard to the State's revenue has reference to the first three of these sources.

**EXAMPLE 221—APPLICATION FOR ASSESSMENT**

76 Tooting Road, S.W.17  
22nd May, 19..

The Collector of Taxes,  
(Mr. B. Adams),  
42 Kingston Street, S.W.17

Dear Sir,

In forwarding my Income Tax Return for the year 19..-19.., I wish to inform you that I desire the assessment to be made by the Special Commissioners of Income Tax and not by the Local General Commissioners.

Yours faithfully,

J. Thomson.

(See No. 222.)

**EXAMPLE 222—REPLY**

(See No. 221.)  
42 Kingston Street, S.W.17  
24th May, 19..

J. Thomson, Esq.,  
76 Tooting Road, S.W.17

Dear Sir,

In reply to your letter of the 22nd May, I beg to state that I have referred the matter to H.M. Inspector of Taxes, to whom all inquiries and communications regarding assessments should be addressed.

Yours faithfully,

B. Adams.

(See No. 223.)

**EXAMPLE 223—NOTICE OF ASSESSMENT UNDER SCHEDULE E**

(See No. 222.)  
Government Buildings,  
The Broadway, S.W.17  
28th May, 19..

J. Thomson, Esq.,  
76 Tooting Road, S.W.17

Dear Sir,

In reply to your letter of the 22nd May, addressed to the Collector of Taxes, I beg to inform you that as an employee of a

Limited Liability Company you are assessable under Schedule "E." The Special Commissioners of Income Tax have no legal authority to make assessments under that Schedule, and you will therefore fall to be assessed in the ordinary way by the Local General Commissioners.

Yours faithfully,

F. Smith,

H.M. Inspector of Taxes.

(See No. 224.)

**EXAMPLE 224—DISPUTING THE CORRECTNESS OF THE  
ASSESSMENT**

(See No. 223.)

76 Tooting Road, S.W.17

10th October, 19..

H.M. Inspector of Taxes,  
Government Buildings,  
The Broadway, S.W.17

Dear Sir,

I have received the Notice of Assessment informing me that I have been assessed at £500 for the year 19..-19.. Kindly note that my return was for £490, and that so far as I am aware it was in order. The difference between us is that no allowance has been made for my travelling expenses.

Yours faithfully,

J. Thomson.

(See No. 225.)

**EXAMPLE 225—JUSTIFYING THE ASSESSMENT**

(See No. 224.)

Government Buildings,

The Broadway, S.W.17

15th October, 19..

J. Thomson, Esq.,  
76 Tooting Road, S.W 17

Dear Sir,

In reply to your letter of the 10th inst., I beg to inform you no allowance is made in respect of travelling expenses incurred



between your private residence and place of business, and that the assessment appears to be in order.

Yours faithfully,

F. Smith,

H.M. Inspector of Taxes.

(See No. 226.)

**EXAMPLE 226—APPLICATION FOR ALLOWANCE FOR  
TRAVELLING EXPENSES**

(See No. 225.)

76 Tooting Road, S.W.17

18th October, 19

The Secretary,  
Board of Inland Revenue,  
Somerset House, W.C.2.

Dear Sir,

I enclose a copy of the correspondence between myself and the local Inspector of Taxes. You will observe that the Inspector of Taxes refuses to make any allowance in respect of my travelling expenses. These are incurred during my evening employment under the local Education Committee, and have no connection with my ordinary daily occupation. I shall be obliged if you will give instructions for my request to be acceded to.

Yours faithfully,

J. Thomson.

(See No. 227.)

**EXAMPLE 227—REPLY**

(See No. 226.)

Inland Revenue Department,

Somerset House, W.C.2.

24th October, 19.

J. Thomson, Esq.,  
76 Tooting Road, S.W.17

Sir,

I am directed by the Board of Inland Revenue to acknowledge the receipt of your letter of the 18th inst., and in reply to inform you that any objection to your assessment is a matter for determination by the Local General Commissioners of Income

**Tax.** Facilities will be given you should you wish to appeal to those Commissioners.

I am, Sir,  
Your obedient servant,  
C. G. Spry,  
Assistant Secretary.

(See No. 228.)

**EXAMPLE 228—OFFERING RIGHT TO APPEAL**

(See No. 227 )

Government Buildings,  
The Broadway, S.W.17  
24th December, 19..

J. Thomson, Esq.,  
76 Tooting Road, S.W.17

Dear Sir,

I cannot trace any communication from you with reference to the letter of the Board of Inland Revenue dated 24th October, 19... If you wish to appeal to the Commissioners will you kindly let me know.

Yours faithfully,  
F. Smith,  
H.M. Inspector of Taxes.

(See No. 229.)

**EXAMPLE 229—REFUSAL OF OFFER**

(See No. 228.)

76 Tooting Road, S.W.17  
1st January, 19..

H.M. Inspector of Taxes,  
Government Buildings,  
The Broadway, S.W.17

Dear Sir,

In reply to your letter of the 24th ultimo, I feel that some allowance should be made regarding travelling expenses incurred in connection with my evening employment. I have since ascertained that it is not the usual practice to make any allowance in respect of such expenditure, and I therefore see that no purpose will be served by appealing to the Commissioners on this matter.

Yours faithfully,  
J. Thomson.

## TEST PAPER XXXIV.

1. Stanley R. Heddon, of Manchester, traveller of the firm of L. S. Butt, Sons & Co., appeals on the 8th March against an excessive assessment. His income, according to the evidence he produces, does not amount to £410, but only to £390. He, therefore, asks that the assessment should be amended. Write the letter

2. Alfred W. Bridger, a partner in the firm of Messrs. Temple & Painter, of Portsmouth, has declared his income for the new financial year at £456. However, on the 10th Feb., his father died suddenly, and owing to this fact he has become responsible for the maintenance of his invalid mother as well as of his lame 25-year old sister. He, therefore, makes application on the 26th Feb. to the Revenue Authorities, that in consideration of his greatly reduced economic condition, the figure of his taxable income should be reduced. Draft his letter.

3. Enumerate the chief sources of revenue obtained by the British Government.

4. State, as briefly as you can, the substance of Examples Nos. 221 to 229.

# SECTION VI—THE COMPOSITION OF ENGLISH

## INTRODUCTION

It has already been seen that composition, or the art of expressing one's thoughts in words can, to a certain extent, be acquired through the medium of commercial correspondence, although the subject should be more systematically studied for the purpose of attaining a good style of essay-writing. The student should endeavour to express his meaning with clearness and due force, in appropriate language, free from grammatical error. In short, he should be trained to use proper words in proper places. The power to do this depends chiefly on—

- (1) Clearness of thought;
- (2) Adequacy of vocabulary;
- (3) Acquaintance with the right forms of speech.

No one can make his meaning plain unless it is, first of all, plain to himself, nor can he express his meaning effectively unless he has the right words at his command, nor avoid errors of speech unless he has some acquaintance with the rules of grammar. Whilst there is plenty of scope for direct instruction in using the right words in the right places, success, no doubt, is mainly the result of practice in imitation of good models rather than of attention to set rules.

Four conditions must be fulfilled in this training and cultivation—

- (1) Read carefully and systematically all kinds of good literature.
- (2) Reflect upon, and endeavour to grasp the meaning of what you read.
- (3) Practise yourself in the art of writing.
- (4) Carefully criticise and revise what you have written.

Practice in the composition of English will now be afforded in the following chapters through the medium of indexing and précis writing, and the construction of essays.

## CHAPTER I

### INDEXING

INDEXING is the art of presenting briefly the essentials of a letter in a tabulated form. In a few business houses all the incoming letters of the firm are opened by a junior every morning, and then read by one of the heads, who dictates the essential point or points of each letter, which are then entered in a book known as the "Index Book," which is always kept in the General Office. When the incoming letters have been distributed to their respective departments, reference to the Index Book (*see* Example 230) will provide a bird's-eye view of the correspondence of any particular day, thus avoiding the necessity of hunting for the letters from one department to another.

The index should contain the date of each letter, the names of the persons by whom and to whom it was written, and, in as few words as possible, the subject of it. The merits of such an abstract are—

- (a) To give the really important point or points of each letter, omitting everything else;
- (b) To do this briefly;
- (c) Distinctly; and
- (d) In such a form as readily to catch the eye.

**HINTS ON INDEXING.**—The student will find the following hints useful in the practice of indexing—

(1) Glance through the letters to get a conception of the whole correspondence.

(2) Note in each letter the dominant idea.

(3) Arguments are usually summed up. Often the index of one letter may be gathered from the first paragraph of a letter in reply. Look for such.

(4) In official correspondence dealing with foreign powers look at the letter from the point of view of the British Government.

(5) Never merely acknowledge receipt of letters unless this is the entire subject-matter of the letter, since the reply is itself an acknowledgment.

(6) Note the official relations of correspondents, as it will

govern the opening phrase, *e.g.*, A Consul would *report* to the Foreign Secretary, the latter would *instruct*, *direct*, or *concur*.

(7) Never use "Referring to" or similar phrases, and remember to state the subject-matter of the letter, and not to say what the matter is about, *e.g.*, "Referring to the movement of the British force to a more suitable camping ground," is different from "Stating that the British force has moved to a more suitable camping ground."

(8) Where there is more than one subject in the letter, deal with each point separately, but in co-ordinate sentences.

(9) Aim at clearness and conciseness, but do not make jerky sentences. Although superfluous words are worse than useless, yet the words "to" and "the" improve the style, while they do not take much time to write. Be careful to observe sequence of tenses.

(10) Take a letter, read it carefully, then write the pith of it, see if you can abbreviate or use more appropriate words, and whether your index would convey the correct sense to another.

**INITIAL WORDS.**—The index should begin with a present participle, and care should be taken to use a word appropriate to the relation existing between the correspondents. These words may be classified as follows—

(1) *For letters conveying information to equals or subordinates.* Acquainting, announcing, affirming, apprising, communicating, denying, drawing attention to, informing, mentioning, observing, reminding, replying, and stating.

(2) *For letters conveying information to superiors.* Reporting, stating, saying.

(3) *For letters of advice.* Advising, proposing, recommending, submitting, suggesting, urging, and warning.

(4) *For letters of instruction.* Commanding, directing, instructing, ordering.

(5) *For letters of request.* Asking, calling on, craving, desiring, praying, pressing for, and requesting.

(6) *For letters of protest.* Complaining of, demurring to, dissenting from, opposing, protesting against.

(7) *For covering letters.* Acknowledging receipt of, allowing, approving, concurring in, granting, noting, observing, offering, sanctioning, etc.

For the purpose of working exercises in indexing, the student should take a sheet of foolscap paper, and divide it vertically into four columns, viz., two narrow columns for the number and date respectively, a wider one for the names of the correspondents, and a still wider one for the subject-matter.

**EXAMPLE 230—SPECIMEN RULING OF AN INDEX BOOK**

No. of Letter.	Date.	From.	Enclosures.	Department. <sup>1</sup>	Subject.
1	Oct. 10	<i>Jones &amp; Co., Bolton</i>	<i>Cheque</i>	<i>Cashier</i>	<i>Remitting cheque for £5 10s., and asking for speedy delivery of order given on the 2nd inst.</i>

<sup>1</sup> The letters would be distributed to the departments concerned after having been indexed.

**EXAMPLE 231—WORKED INDEX OF THE BUSINESS LETTERS  
CONTAINED IN EXAMPLES 21, 29, 36, 44, 45, AND 53**

No.	Date.	Correspondents.	Contents.
1	3rd May, 19..	Thompson & Jones to John Dowson	Including drawings of 3 pumping engines, and asking for quotation, and when they can be delivered if order is placed.
2	5th May, 19..	John Dowson to Thompson & Jones	Quoting prices of three pumping machines as £145, £140, and £130 respectively, and promising delivery by 1st August.
3	7th May, 19..	Thompson & Jones to John Dowson	Granting order for the three pumping machines on condition that a two years' guarantee be given with the machines.
4	9th May, 19..	John Dowson to Thompson & Jones	Accepting order for three pumping machines, and apologising for the omission of the customary guarantee.
5	28th July, 19..	John Dowson to Thompson & Jones	Advising the dispatch of three pumping engines, and enclosing invoice for £415.
6	1st Oct., 19..	John Dowson to Thompson & Jones	Stating that he has drawn upon them in payment of his account for £415.



**EXAMPLE 232—WORKED EXERCISE IN INDEXING OF THE CORRESPONDENCE IN EXAMPLE 235, SET AT STAGE II ROYAL SOCIETY OF ARTS EXAMINATION, IN “INDEXING AND PRÉCIS.”**

**CORRESPONDENCE RESPECTING THE CONGO STATE.**

**INDEX.**

No. of Letter.	Date, etc.	Names of Correspondents.	Subject-Matter.
No. 1	Brussels, 24th June, 19..	Sir A. Hardinge to Sir Edward Grey	Enclosing copy of a note to M. de Cuvelier respecting the acquisition of new sites in the Congo State by British Protestant Missionary Societies.
Inclosure in No. 1	Brussels, 24th June, 19..	Sir A. Hardinge to M. de Cuvelier	Supporting the application made by certain British Missionary Societies for sites for mission stations, and pointing out that one site already owned has been taken by the State.
No. 2	Coq-sur-Mer, 14th Aug., 19..	Sir A. Hardinge to Sir Edward Grey	Transmitting copy of reply from M. de Cuvelier to Inclosure in in No. 1.
Inclosure in No. 2 (translation)	Brussels, 13th Aug., 19..	M. de Cuvelier to Sir A. Hardinge	Stating that the land asked for cannot be sold before the receipt of information from the local Administration, but advising the missions to apply for land which the Government must annually let or sell; and denying the appropriation spoken of in Inclosure in No. 1.
No. 3	Foreign Office, 4th Feb., 19..	Sir Edward Grey to Sir A. Hardinge	Asking whether a reply has been received concerning the sites available in the Congo Free State for mission stations.
No. 4	Brussels, 13th Feb., 19..	Sir A. Hardinge to Sir Edward Grey	Communicating the Congo Government's intention not to sell any land before the annexation of the State by Belgium, unless that be postponed; and considering that Government's past action in refusing these mission lands a violation of Treaty Rights.
No. 5	Brussels, 22nd Feb., 19..	Sir A. Hardinge to Sir Edward Grey	Transmitting copy of a reply from M. de Cuvelier to recent inquiries concerning mission sites in the Congo.
Inclosure in No. 5 (translation)	Brussels, 21st Feb., 19..	M. de Cuvelier to Sir A. Hardinge	Stating the Congo Government's intention not to sell any lands until after the passage of the Annexation Bill through the Belgian Parliament; in which Bill provision is made for land for missions.

No. of Letter.	Date, etc.	Names of Correspondents.	Subject-Matter.
No. 6	Foreign Office, 2nd Mar., 19..	Sir Edward Grey to Sir A. Hardinge	Approving of his attitude towards the Congo Government, and asking that a promise be obtained from it not to delay further the sale of the site asked for if the Annexation Bill be not passed by May.
No. 7	Brussels, 16th Mar., 19..	Sir A. Hardinge to Sir Edward Grey	Transmitting copy of a note sent to the Congo Government concerning mission sites in the Free State.
Inclosure in No. 7	Brussels, 16th Mar., 19..	Sir A. Hardinge to M. de Cuvelier	Asking for a formal assurance that the Congo Government will not further delay the sale of the mission sites asked for if annexation does not take place by May.
No. 8	Brussels, 28th Mar., 19..	Sir A. Hardinge to Sir Edward Grey	Enclosing the Congo Government's reply to Inclosure in No. 7.
Inclosure in No. 8 (translation)	Brussels, 28th Mar., 19..	M. de Cuvelier to Sir A. Hardinge	Giving the assurance asked for, but pointing out that the Anglo-Congolese Treaty of 1884 only gave British subjects the right to purchase land in the Free State; it did not compel the Government to sell any.
No. 9	Brussels, 6th Apr., 19..	Sir A. Hardinge to Sir Edward Grey	Transmitting copy of the reply to Inclosure in No. 8.
Inclosure in No. 9	Brussels, 4th April, 19..	Sir A. Hardinge to M. de Cuvelier	Stating that the Congo Government in claiming most of the Free State and then refusing to sell any of the land to British Missions nullifies the rights given the latter in the 1884 Treaty.

## TEST PAPER XXXV.

## 1. Index the letters given in the following—

- (a) Examples 12, 13, and 14.  
 (b) " 19, 20, and 35.  
 (c) " 21, 29, 36, 44, 45, and 53.  
 (d) " 22, 23, 27, and 28  
 (e) " 24, 25, 38, 48, and 51.  
 (f) " 41, 61, and 62.  
 (g) " 65, 66, 69, 70, 71, 72, 73, and 74.  
 (h) " 78 to 83.

## 2. Draw up an index of the correspondence on pages 270 to 273.

## 3. Index the Society of Arts paper given on page 286, and compare your attempt with example.

## CHAPTER II

### PRÉCIS-WRITING

THE word *précis* is a French word signifying summary, abstract, abridgment, epitome, all of which have practically the same meaning. Précis-writing is the process of selecting and arranging in a narrative form the salient points of a passage, a series of letters, or other important documents, so that their meaning can be quickly and easily gathered. To do this successfully, the student must master thoroughly the contents of the matter that has been submitted to him, so that he may readily put others in possession of all the *essential* facts.

**HINTS ON PRÉCIS-WRITING.**—The following hints will be of help to the student in drawing up a précis—

(1) Read the extract or letters through from beginning to end, marking in pencil the points which seem to be essential to the narrative, and, if necessary, repeat this process until you are sure that you have a firm grasp of the matter in hand.

(2) Prepare a skeleton précis by putting down in their natural order all the points you have previously marked for inclusion.

(3) Develop the skeleton précis into continuous prose form, avoiding all superfluity of wording, but at the same time making sure that you have written clear, straightforward English prose, and not a succession of loosely connected sentences each containing one or more isolated facts. The précis, when finished, should look like an original piece of composition.

(4) Write the précis in the *past* tense, but do not mix past tenses with present tenses in the précis.

(5) Give the date of the beginning of the subject of the correspondence, but the date of each letter must not be given. One or two dates in addition to the first are all that are required. Any long lapse of time, however, or break in the correspondence ought to be noted.

In précis-writing, it cannot be too strongly emphasised that the correspondence has a *connected* story or account to give, and that

this must be given as a story or account connectedly and clearly. The reader of the *précis* does not want an account of letters sent and received; but he wants to know what happened, what was said, what was thought or what was decided.

#### EXAMPLE 233—EXTRACT FROM A SPEECH

Give a short summary, or *précis*, of the following extract from a speech—

“ We rest in the confident belief that England, in despite of her burdens and her disadvantages, will maintain her commercial pre-eminence among the nations of the world, provided only she can also maintain, or rather also elevate, the moral and spiritual life of her own children within her borders. Her material greatness has grown out of her social and religious soundness, and out of the power and integrity of individual character. It is well to talk of our geographical position; but this does not alone make a nation great in industrial pursuits. There is our mineral wealth; not, probably, so much greater than that of other lands as earlier extracted and employed; and whence proceeded that earlier extraction and application? There is our capital, the fruit of our accumulated industry; why does this exceed the capital of other nations, but because there was more industry, and therefore more accumulation? There are our inventions; they did not fall upon us from the clouds; they are the index and the fruit of indefatigable thought applied to their subject-matter. It is in the creature Man, such as God has made him in this island, that the moving cause of the commercial pre-eminence of the country is to be found; and his title to that pre-eminence is secure if he can in himself but be preserved, or even rescued from degeneracy.

#### SHORT SUMMARY OR PRÉCIS.

The commercial pre-eminence of England is due to the industry, inventions, and character of her people, and it will be secure if they are preserved from degeneracy.

#### EXAMPLE 234—BUSINESS CORRESPONDENCE

Write a summary or *précis* of the following correspondence—

(1)

Leicester,  
3rd May, 19...

Mr. John Dowson,  
Engineering Works,  
Manchester.

Dear Sir,

We are indebted for your address to Mr. A. Taylor, and send you enclosed drawings of 3 pumping machines, requesting you to inform us by return for what price and in what time you can deliver them. We would mention that we are in a hurry for the machines, which must be delivered not later than 1st August.

Should your prices suit us, and the machines prove satisfactory, we may be able to give you further orders, as we shall need some more machines to complete our factory plant.

Yours truly,

Thompson & Jones.

(2)

Manchester.

5th May, 19...

Messrs. Thompson & Jones,  
Leicester.

Dear Sirs,

I am in receipt of your letter of the 3rd May, informing me that you are thinking of placing your order for 3 pumping machines with me. I can deliver by 1st August, although the term is very short.

I should be able to supply the three pumping machines as per drawings sent as follows—

No. 1 at £145.

No. 2 at £140.

No. 3 at £130.

ex works, Manchester, net cash against three months' acceptance.

I have quoted you so low that another firm will scarcely be in a position to make you a more favourable bid, and deliver faultless workmanship. I trust, therefore, you will pass me the order, and, as the time is short, let me have your reply immediately.

Yours faithfully,  
John Dowson.

(3)

Leicester.

7th May, 19...

Mr. John Dowson,  
Engineering Works,  
Manchester.

Dear Sir,

We acknowledge receipt of your letter of the 5th May, and request you to take in hand the construction of the 3 pumping machines described in detail in ours of the 3rd May, at the prices fixed by you, viz.—

£145 for No. 1.

£140 for No. 2.

£130 for No. 3.

As you make no mention of the guarantee usually given when delivering machines, we would point out to you that we must stipulate for a two years' guarantee, during which period you engage to make good any necessary repairs free of charge. Moreover, to ensure a prompt delivery of the machines on the 1st August, you bind yourself to pay us a compensation of £2 (two pounds) for each day over and above the date fixed for delivery.

Requesting you to acknowledge acceptance of our order, and to confirm conditions stated above, we remain,

Yours faithfully,  
Thompson & Jones.

(4)

Manchester.

9th May, 19...

Messrs. Thompson & Jones,  
Leicester.

Dear Sirs,

I am in receipt of your letter of the 7th May, with order for the delivery of three pumping machines, which I herewith acknowledge with best thanks. You may be assured I shall use my best endeavours to execute the order to your satisfaction.

The omission of the customary guarantee in my letter of the 5th inst. was an oversight on my part, for which please accept my apologies. I herewith

guarantee the three pumping machines ordered for the space of two years, during which period I am prepared to repair, free of charge, any defects in the machines arising from faulty material. I likewise bind myself to deliver the three machines by the 31st July next, failing which to pay a compensation of 40/- (forty shillings) for every succeeding day of delay.

Yours faithfully,  
John Dowson.

(5)

Manchester.

28th July, 19..

Messrs. Thompson & Jones,  
Leicester.

Dear Sirs,

The three pumping machines ordered on the 7th May were dispatched yesterday to your address. Please book the amount of the annexed invoice, £415, to my credit.

I trust the machines will reach your town on the 31st inst. Should you have them removed immediately they can be erected and be ready for work on the evening of the 1st August, as my two fitters leave for Leicester to-morrow to make the requisite preparations.

I do not doubt that the machines will prove satisfactory, and I hope you will likewise entrust to me the manufacture of the remaining plant formerly mentioned.

Yours faithfully,  
John Dowson.

(6)

Manchester.

1st October, 19..

Messrs. Thompson & Jones,  
Leicester.

Dear Sirs,

According to our agreement, I now advise you that I have drawn upon you for £415 dated 30th September, to settle the amount of my invoice of the 28th July last.

Requesting you to take up my draft on presentation,

I remain, dear Sirs,

Yours faithfully,  
John Dowson.

### PRÉCIS.

On the 3rd May, Messrs. Thompson & Jones, of Leicester, who required three pumping machines, wrote to Mr. John Dowson, of Manchester, asking for the prices and date of delivery of the three machines, the drawings of which were enclosed. The machines were required no later than the 1st August, and further orders were probable. John Dowson stated the prices to be £145, £140, and £130 net cash against three months' acceptance, and promised to deliver the machines, if ordered, by the 1st August. His quotation was accepted on the understanding that he guaranteed the machines for two years, and bound himself to pay £2 per day after 1st August if the machines were not then delivered. John Dowson agreed to the stipulations, and at the same time tendered his apologies for the omission of the guarantee in his former letter. On the 29th July, Messrs. Thompson & Jones received a letter informing them of the dispatch of the machines, together with an invoice for £415. The machines were expected to be ready for work on the 1st August. On the 1st October, John Dowson informed Messrs. Thompson & Jones that he had drawn on them for £415, and requested them to take up his draft on presentation.

## EXAMPLE 235—OFFICIAL CORRESPONDENCE

## CORRESPONDENCE RESPECTING THE CONGO STATE

No. 1.

SIR A. HARDINGE to SIR EDWARD GREY.

(Extract.)

Brussels,  
24th June, 19...

I to-day addressed to M. de Cuvelier a note, of which I have the honour to inclose copy herewith, respecting the acquisition of new sites by the British Protestant Missionary Societies in the Independent Congo State.

Inclosure in No. 1.

SIR A. HARDINGE to M. DE CUEVELIER.

Brussels,  
24th June, 19...

M. le Chevalier,

I am directed by His Majesty's Secretary of State for Foreign Affairs to approach the Government of the Congo Independent State on the subject of the desire of certain British Protestant Missionary Societies, engaged in evangelistic work in its territories, to acquire several new sites for Mission stations.

Two of these Societies, the Congo Balolo Mission and the Baptist Missionary Society, have applied to the Local Administration with a view to the acquisition of such sites, but have, so far, been unable to obtain from the latter any definite replies.

As it appeared possible that the local authorities might have felt a certain reluctance to move in the matter without previous authorisation by the Central Government, the Societies concerned have thought that the speediest way of obtaining a favourable decision on behalf of their respective Missions in the Congo would be to ask His Majesty's Government to assist them by the exercise of its good offices at Brussels, and Sir Edward Grey has accordingly instructed me to recommend and support their applications.

The Congo Balolo Mission desire to obtain a site at Monpona, in the A.B.I.R. Concession, occupying a fairly elevated position, and about 10 acres of ground, with sufficient river frontage.

The Baptist Missionary Society are anxious to secure two new Mission sites, beyond Stanley Falls, on the Lualaba River—

(1) In the neighbourhood of the town of Mbondo, on the east bank of the river, and about 5 miles south of Kilundu, 36 miles up stream from Ponthierville.

(2) In the neighbourhood of the town of Waika, on the west bank of the river, 35 miles north of the northern terminus of the Kindu-Katanga Railway.

Both Societies are prepared to pay a reasonable price for the purchase of sites in these districts, and I have the honour to request you, on behalf of His Majesty's Government, to be good enough to indicate any plots in the neighbourhood of the above-mentioned localities which may be available, due regard being had both to their suitability for such stations and to their fitness for human habitation.

Convinced that the Congo Government, which, even if the provisions of Articles V and VI of the Berlin Act had not recommended Christian Missions of all denominations to its special and impartial protection, has spontaneously expressed in your own recently published Report to the King-Sovereign its warm appreciation of their value as agencies in the work of civilisation, alike moral and material, and its desire to co-operate with them, will gladly take

this new opportunity of assisting and forwarding their efforts, I transmit these applications to you, M. le Chevalier, with the certainty of an early and favourable reply, and I beg you to accept on this occasion, with my anticipated thanks, the assurance of my high consideration.

(Signed) ARTHUR H. HARDINGE.

P.S.—I should not omit in this connection to remind you that a site formerly granted to the Baptist Missionary Society, one of the two Societies on whose behalf I am making this request, and for which it still holds the title-deeds, at Mundungu, on the Himbiri River, was occupied by the Congo State, and that, notwithstanding promises of compensation or the granting of another site in exchange, they have secured no redress.

A. H. H.

No. 2.

SIR A. HARDINGE to SIR EDWARD GREY.

(Extract.)

Coq-sur-Mer,  
14th Aug., 19...

I have the honour to transmit herewith, with reference to my dispatch of the 24th June, a copy of a note which I have just received from the Congo Government on the subject of new sites for British Missions in its territory.

Inclosure in No. 2.

M. DE CUVELIER to SIR A. HARDINGE.

(Translation.)

Brussels,  
13th August, 19...

M. le Ministre,

The Government of the Congo State has carefully considered the note which your Excellency addressed to me on the 24th June last in support of the application of the Congo Balolo Mission and the Baptist Missionary Society, with a view to the purchase of sites, by the former at Mompono, and by the latter at Ubondo and Waika.

The application of the missions does not state whether the land in question is private property; if it is, the missions can communicate with the owners with a view to the acquisition of the sites; in this respect, the right of the missions to acquire landed property is guaranteed them by Treaty, and the Government is not concerned with the lawful exercise of this right by the missions.

If the land belongs to the State, the Government is not in a position to decide whether it should, in fact, assent to the sale of the said land until it has obtained the necessary information on the subject from the local Administration.

Apart from this question, the reference which your Excellency makes to the provisions of Articles V and VI of the Berlin Act would lead one to suppose that the said provisions are interpreted by the missions as giving them a right to acquire any sites they may consider desirable.

The Government of the State is unable to take this view. Article V provides that foreigners shall enjoy, without distinction, in acquiring personal or real property, the same treatment and the same privileges as the subjects of the Congo State. Article VI lays down that the Powers shall protect, and shall assist without distinction of nationality or creed, all religious institutions and undertakings; that Christian missionaries and their escort shall also be entitled to special protection; lastly, that the free and public exercise of every religion, the right to erect religious buildings, and to organise missions belonging to any religion whatever shall be unrestricted and untrammelled.



We should look in vain in these Articles, or, indeed, in the whole Berlin Act, for any trace of a right accorded to missions of any sect to occupy, possess, or acquire land in any but the legal manner of so doing. The Berlin Act did not create in this respect any privileged position for the missions, and the terms "favoriseront ou protégeront les missions" in Article VI cannot be interpreted in the sense of giving them the right to compel the owners to cede or sell to them their property. They may freely exercise their right to purchase, subject to the assent of the seller, like any other individual, whether a subject of the Free State or a foreigner.

These points are still further brought out in the Protocols themselves of the Berlin Conference. Not only do these Acts not impose upon the Powers with possessions in the Congo Basin any obligation of the kind, but actually show that by employing the terms "favoriser" or "protéger," instead of the word "aider," which was originally proposed, the Powers intended to limit to its natural meaning the duty which they assumed in regard to missions. The protection due to missions, a duty the fulfilment of which rests with each Power in its own territory, is understood to entail the measures necessary for guaranteeing the person and property of missionaries, for insuring the free exercise of religion, even for according missionary establishments favourable treatment in regard, for instance, to fiscal charges, but such measures are for each Power interested to decide for itself.

Belgian and foreign juriconsults whose opinion has been asked as to the bearing of the Berlin Act on this point have come to the same conclusions in the consultations which they have held.

If, M. le Ministre, the Government has thought it necessary to emphasise the disinterested and benevolent character of its policy towards the missions, more particularly in regard to the adjudication of land to the missionaries, it also has to observe that it has given proof of these sentiments in regard to the two missionary societies of which your Excellency spoke to me. These missions do, in fact, possess numerous establishments in the State. Those of the Congo Balolo Mission are situated at Banza-Loanga, Lulanga, Bongandanga, Bonginda, Ikau, and Leopoldville; those of the Baptist Missionary Society at Gombe Lutete, Kinshasa, Lukolela, Bolobo, Monsembi, Bopoto, Mundungu, Yakusu, Natadi, Tumba, and Yalamba.

I may add that the sympathy of the Congo Government cannot be extended to all the Protestant missions equally, as the agents of some of them have adopted in regard to the Chief of the State an attitude of opposition, which has assumed a most reprehensible form and method of expression; members of the two missions which are the subject of your Excellency's note have publicly alluded to the King Sovereign as an "inhuman monster," a "devil incarnate," and have accused him of the most odious crimes. The Government cannot but ask itself whether persons animated by such sentiments are precisely those best qualified to inculcate in the natives the respect they owe to established institutions while teaching them the precepts of Christian charity.

I shall ask the local authorities to furnish their opinion and views as to the application for land which your Excellency has made on behalf of the two missions in question. It would seem simpler, however, if the missionaries desire to obtain fresh sites, that they should acquire such sites in those lands which by the terms of the Decree of the 3rd June, 1906, the Government is bound annually to sell or let.

With regard to the sites at Mundungu (Itimbiri), of which mention is made in the postscript of your Excellency's note, the Financial Department has informed me that the said site is still the property of the Baptist Missionary Society, and that it is unaware that the State has promised to compensate the said Association or to cede to it any other site in exchange.

I have, etc.,

(Signed) CH. DE CUVELIER.

No. 3.

SIR EDWARD GREY to SIR A. HARDINGE.

Foreign Office,  
4th February, 19..

Sir,

I shall be glad if you will ascertain from M. de Cuvelier if he has received a reply from M. Droogmans on the subject of the sites available in the Congo Free State for mission stations

I am, etc.,

(Signed) E. GREY.

No. 4.

SIR A. HARDINGE to SIR EDWARD GREY.

(Extract.)

Brussels,

13th February, 19

I have the honour to report that I have had two interviews with M. de Cuvelier since the receipt of your dispatch of the 4th instant on the subject of sites for Missions in the Congo State.

He has informed me that, in view of the impending annexation of the Congo State to Belgium, the Congo Government does not now intend to offer for sale any lands under the Decree of the 3rd June, 1906, its reasons being that it deems it inexpedient to modify during the discussion of the annexation question the statement of its assets and liabilities annexed to the Treaty of the 28th November.

I told M. de Cuvelier very plainly that you would not, in my belief, be satisfied with this answer; that it was absurd to contend that the sale of a few acres in the Province Orientale to British Missionary Societies, which had been pressing for them in the face of systematic obstruction for nearly four years, could be deemed a modification of the statement of assets and liabilities, since the Congo Government would have in cash a sum equal to the value of the properties sold, which, moreover, would be turned from waste to occupied and cultivated lands; and that its attitude was equivalent to a confession of unfriendliness to British missionary work.

M. de Cuvelier strongly deprecated any such interpretation, and wished me, in reporting this conversation to you, to say that he entirely repudiated any want of sympathy with our missionaries. I said these were mere phrases which were contradicted by the acts of the Congo Government. I must remind him that nearly two years ago he had received a very courteous letter from the General Secretary of the Baptist Missionary Society, requesting information as to the mode of applying for new sites, to which, notwithstanding repeated reminders, no answer had been sent; and I felt bound to say that the manner in which the Congo Government had dealt, and was dealing, with this whole question constituted, in my opinion, a practical disregard of our Treaty rights.

He said that his jurists had been unanimous in advising him that the Berlin Act did not compel any State in the Conventional Basin to alienate lands to missionaries. I replied that I was not now talking of the Berlin Act, though the latter undoubtedly pledged its Signatories to assist Christian mission work in their African possessions within the Conventional Basin, but of the Anglo-Congolese Treaty of 1884, which secured to all British subjects the right of buying lands in the Congo State. If the Congo Government first declared itself the proprietor of the whole territory, and then refused to sell to an Englishman a single acre of the land thus appropriated, it was nullifying and therefore violating Article II of our Treaty. M. de Cuvelier, whilst contending that the Treaty secured to British subjects the right of settling and buying property

but without creating any obligation for the State to sell its domain lands, observed that as a matter of fact it was only a question of waiting two or three months, by which time the question of annexation would presumably have been solved, since this delay involved no danger to the Protestant Missions, which, as the Appendices to the Treaty of Transfer showed, had obtained numerous sites for their stations. I said we could none of us say how much longer annexation might be delayed, and he promised, if events were to indicate that it was again to be postponed, that the Congo Government would reconsider their decision not to offer any State lands for sale.

No. 5.

SIR A. HARDINGE to SIR EDWARD GREY.

Brussels,  
22nd February, 19..

Sir,

I have the honour to transmit herewith, in continuation of my dispatch of the 13th instant, a copy of M. de Cuvelier's written reply, which I have just received, to my latest inquiries respecting sites for British Missions in the "Province Orientale."

I have, etc.,  
(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 5.

M. DE CUEVELIER to SIR A. HARDINGE.

(Translation.)

Brussels,  
21st February, 19..

M. le Ministre,

I had the honour to receive the note which your Excellency was good enough to address to me after our interview on the 11th instant, to ask me, as your Excellency had already done during that interview, what were the intentions of the Financial Department with regard to the sale or leasing of State lands.

I have not forgotten, M. le Ministre, the correspondence which passed between us on the 24th June, and the 13th August, 1907, on the subject of the desire of two British Missions to buy land, nor our interview on the 28th October, at which I informed you that the Financial Department was engaged in collecting the necessary information for deciding what land the Government intended to put up to public auction.

But as I had the honour, M. le Ministre, to inform your Excellency on the 11th ultimo, the Government, on account of the provisional situation now existing in consequence of the Treaty of Cession of the 28th November, is not for the time being selling land. The Government, in fact, has enumerated in that Treaty, now submitted to Parliament, the concessions in property made to private persons, Companies, or Missions, and is of opinion that it is unable to alter the state of things thus settled and duly recognised.

This decision, which is merely provisional, is of a general kind, and has been taken from these considerations alone. As I have informed your Excellency, the Government of the State is not actuated in this case any more than in other cases by feelings of hostility to Protestant missionaries, although there are among them persons whose attitude towards the Congo State is not above criticism.

has, etc.,  
(Signed) DE CUEVELIER.

No. 6.

SIR EDWARD GREY to SIR A. HARDINGE.

Foreign Office,  
2nd March, 19..

Sir,

I have received your dispatch of the 13th ultimo on the subject of sites for Protestant missions in the Congo State.

I approve the language used by you in your conversation with M. de Cuvelier, as reported in that dispatch.

You should address a note to his Excellency, requesting the Congo Government to give an assurance in writing that, should annexation not be voted by Parliament before the end of May, they will without further delay sell to British missionaries suitable sites in or near the localities indicated by them.

I am, etc.,

(Signed) E. GREY.

No. 7.

SIR A. HARDINGE to SIR EDWARD GREY.

Brussels,  
16th March, 19..

Sir,

I have the honour to transmit herewith, copy of the note which I have addressed to the Congo Government on the subject of mission sites in the Independent State.

I have, etc.,

(Signed) ARTHUR H. HARDINGE.

Inclosure No. 7.

SIR A. HARDINGE to M. DE CUELIER.

Brussels,  
16th March, 19..

M. le Chevalier,

I duly transmitted to His Majesty's Secretary of State for Foreign Affairs the note which you did me the honour to address to me on the 21st ultimo respecting sites for British Christian missions in the Independent Congo State, and I reported to him the verbal exchange of views which had taken place between us on this question.

Sir Edward Grey has approved of the stress laid by me on the rights to the acquisition of landed property in the Congo State guaranteed by it to British subjects, under Article II of the Convention of 1884, between Great Britain and the International Association of the Congo; but in view of the considerations set forth by you, he has merely instructed me to require from the Congo Government a formal assurance that, if the Annexation Bill, now before the Belgian Parliament, is not passed before the close of its session in May next, that Government will, without further delay, sell to the British Missionary Societies concerned sites in or near the localities which they have indicated.

I should be grateful, M. le Chevalier, for a reply at your earliest convenience to this note, to which I have the honour to annex a translation, and I avail, etc.,

(Signed) ARTHUR H. HARDINGE.

No. 8.

SIR A. HARDINGE to SIR EDWARD GREY.

Brussels,

28th March, 19..

Sir,

I have the honour to inclose herewith, with reference to my dispatch of the 16th instant, copy of a note from M. de Cuvelier, embodying the Congo Government's reply to my note respecting sites for Missions in the Congo State.

I have, etc.,

(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 8.

M. DE CUVELIER to SIR A. HARDINGE.

(Translation.)

Brussels,

28th March, 19..

M. le Ministre,

I have the honour to acknowledge the receipt of the note which your Excellency was good enough to address to me on the subject of the intentions of the Government of the Independent State of the Congo in regard to the sale or lease of domain lands in the event of the Annexation Bill now before the Belgian Parliament not being passed before the close of the Session in May next.

In our previous interviews, when your Excellency contemplated the possibility of annexation being delayed, I gave a spontaneous assurance that, in such case, the Congo Government, the present circumstances being thenceforth modified, would of course have to examine the measures to be taken for giving effect to the Decrees of the 3rd June, 1906, dealing with the sale or lease of domain lands, without further delay.

I should, M. le Ministre, make reserves as to the interpretation given in your note of the Treaty of 1884 between Great Britain and the International Association of the Congo, of which Article II, allowing to British subjects "the right to dwell and to settle" in the territory of the Association as well as "the right to purchase and lease lands, buildings, mines, and forests there," does not constitute an obligation on the State to sell to private persons any land which it may suit them to select.

I have, etc.,

(Signed) CHEVALIER DE CUVELIER.

No. 9.

SIR A. HARDINGE to SIR EDWARD GREY.

Brussels,

6th April, 19..

Sir,

I have the honour to transmit herewith a copy of the reply which I have sent to M. de Cuvelier's note of the 28th ultimo on the subject of sites for British missions in the Congo State.

I have, etc.,

(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 9.

SIR A. HARDINGE to M. DE CUVELIER.

Brussels,

4th April, 19.

M. le Chevalier,

I have the honour to acknowledge the receipt of your note of the 28th ultimo respecting the sale of sites for British Christian missions in the Congo, and to add that I have forwarded a copy of it to His Majesty's Secretary of State for Foreign Affairs.

Pending the receipt of Sir Edward Grey's further instructions, I will merely venture to observe, with reference to paragraph 2 of your note, that I have not claimed that our Treaty bound the Congo State "to sell to private British subjects such lands as the latter might find it convenient to select." All I have maintained is that, inasmuch as the Congo Government has appropriated the greater part of the lands available for sale within its territories, its refusal, persisted in for several years past, to alienate any portion of such lands to British Protestant Missionary Societies has, by making it impossible for the latter to use the rights secured to them by Article II of the Treaty of 1884, practically nullified these rights as a direct result of the State's own action.

I avail, etc.,

(Signed) ARTHUR H. HARDINGE.

## PRÉCIS.

On 24th June, 1907, Sir A. Hardinge, British Representative at Brussels, addressed to M. de Cuvelier, the Congo Government Representative, a note in support of the application made by certain British Missionary Societies for sites for mission stations in the Congo Free State. M. de Cuvelier replied that no land could be sold before information respecting it had been received from the Local Administration. He suggested, however, that it would be simpler for the Societies to apply for land which the Government was bound to sell or let annually. He afterwards informed Sir A. Hardinge that his Government did not intend to sell any lands until the Annexation Bill had been passed by the Belgian Parliament, as in this bill the question of lands for Missions was gone into. In response to the British Representative's objections, however, he promised that the Government would not further delay the sale of the lands asked for should the Bill be not passed by May, 1908. In subsequent correspondence this assurance which had been given in an interview, was repeated in writing at the request of the British Government. M. de Cuvelier at the same time stated that the Anglo-Congolese Treaty of 1884 only gave British subjects the right of purchasing land in the Congo; it did not compel the Congo Government to sell any. While admitting this, Sir A. Hardinge pointed out that since the Congo Government had laid claim to most of the Free State and had then refused to sell any of the land, it practically violated the Treaty.

## TEST PAPER XXXVI.

I. (a) Supply a title for the following passage.

(b) Express the substance of it in about a third of its present length.

Climate influences labour not only by enervating the labourer or by invigorating him, but also by the effect it produces on the regularity of his habits. Thus we find that no people living in a very northern latitude have ever possessed that steady and unflinching industry for which the inhabitants of temperate regions are remarkable. In the more northern countries the

severity of the weather, and, at some seasons, the deficiency of light, render it impossible for the people to continue their usual out-of-door employments. The result is that the working classes, being compelled to cease from their ordinary pursuits, are rendered more prone to desultory habits, the chain of their industry is, as it were, broken, and they lose that impetus which long-continued and uninterrupted practice never fails to give. Hence there arises a national character more fitful and capricious than that possessed by a people whose climate permits the regular exercise of their ordinary industry. Indeed, so powerful is this principle that we perceive its operations even under the most opposite circumstances. It would be difficult to conceive a greater difference in government, laws, religion, and manners, than that which distinguishes Sweden and Norway, on the one hand, from Spain and Portugal on the other. But these four countries have one great point in common. In all of them continued agricultural industry is impracticable. In the two southern countries labour is interrupted by the dryness of the weather and by the consequent state of the soil. In the two northern countries the same effect is produced by the severity of the winter and the shortness of the days. The consequences is that these four nations, though so different in other respects, are all remarkable for a certain instability and fickleness of character.

2. Summarize the correspondence contained in Examples 12, 13, and 14.

3. Write in your own words the substance of the following—

(a) Examples 19, 20, and 35.

(b) " 41, 61, and 62.

(c) " 75, 76, and 77.

4. Work the following exercises on précis—

(a) Examples 21, 29, 36, 44, 45, and 53.

(b) " 22, 23, 27, and 28

(c) " 24, 25, 38, 48, and 51.

(d) " 65, 66, 69, 70, 71, 72, 73, and 74.

(e) " 78 to 83.

(f) " 84 to 87.

(g) " 134 to 138.

5. Précis the following correspondence—

30 Cheapside,  
London, E.C.2.  
1st Jan., 19. .

Dear Sir,

May we draw your attention to the enclosed statement of your account with us? While appreciating past favours from you, we feel sure that the fact that several of the items are extremely overdue has escaped your notice, and we shall be glad to receive your cheque in settlement at your earliest convenience.

Yours faithfully,  
SELLERS & SONS.

Alfred Smallman, Esq.,  
50 Newport Road,  
Cardiff.

50 Newport Road,  
Cardiff.

3rd Jan., 19. .

Dear Sirs,

In reply to your letter of the 1st inst., I much regret not having remitted for the September items before this. I have been out of the country for some

time and unfortunately some of my letters had not been re-directed as arranged.

I enclose cheque for £150 in full settlement of my account.

Yours faithfully,

A. SMALLMAN.

Messrs. Sellers & Sons,  
30 Cheapside,  
London, E.C.2.

30 Cheapside,  
London, E.C.2.  
4th Jan., 19 . .

Dear Sir,

We acknowledge the receipt of your cheque for £150 for which accept our best thanks.

We hope to be favoured with your further esteemed orders which shall always receive our most careful attention.

Yours faithfully,

SELLERS & SONS.

Alfred Smallman, Esq.,  
50 Newport Road,  
Cardiff.

Lloyds Bank,  
London.  
6th Jan., 19 . .

Dear Sirs,

The enclosed cheque drawn by A. Smallman on the National and Provincial Bank has been returned to-day marked "Effects not cleared."

We propose to present again on receiving your further instructions.

Yours faithfully,

p.p. Lloyds Bank Ltd.,  
HARRY WINKS,  
(Manager).

Messrs. Sellers & Sons,  
30 Cheapside,  
London, E.C.2.

30 Cheapside,  
London, E.C.2.  
7th Jan., 19 . .

Dear Sir,

We have to inform you that the cheque received from you on 4th inst. has been returned to us "Effects not cleared." As you are an old esteemed customer of ours, we naturally conclude that some misunderstanding has arisen, and we shall be glad to hear from you re this matter.

Yours faithfully,

SELLERS & SONS.

Alfred Smallman, Esq.,  
50 Newport Road,  
Cardiff.

50 Newport Road,  
Cardiff.  
8th Jan., 19 . .

Dear Sirs,

I am in receipt of your letter of yesterday's date, and am very sorry that you should have had my cheque returned.

Having some large contracts running, the instalments for which have not been paid so promptly as usual, I find that my account at the bank had become



much lower than I thought. Several instalments have now been received, but I am afraid I quite overlooked the fact that without these remittances your cheque could not be met, though the proceeds of these instalments should have been credited to my account before your cheque was presented.

I have written strongly to the Bank in the matter of returning your cheque under such circumstances, and I shall be glad if you will kindly re-present it.

Again expressing my regret at this unfortunate occurrence,

I am,

Yours faithfully,

A. SMALLMAN.

Messrs. Sellers & Sons,  
30 Cheapside,  
London, E.C.2.

## CHAPTER III

### ESSAY WRITING

IN this chapter an attempt will be made to offer some suggestions with regard to the construction of an essay or short composition on a given subject. These suggestions will have special, and, indeed, exclusive reference to such exercises in composition as are required of candidates at the various examinations in commercial subjects. It is not, of course, intended to instruct those who are already practised and educated writers, but the object is to facilitate the preparation of that large class of students reading for commercial examinations whose education has, in this important matter, been more or less neglected.

**THE STRUCTURE OF SENTENCES.**—The ability to write clear, well-formed sentences, is the very foundation of good essay-writing. The word "Sentence" signifies a complete thought expressed in words, and must begin with a capital letter and end with a full stop. The art of constructing sentences consists in making the meaning quite clear, so that the reader must of necessity understand what is meant; and also in keeping the parts of the sentence in proper relation to each other, bringing forward the principal parts and keeping the subordinate in the background.

In studying examples and in working the exercises which follow, in order to ensure clearness the student is advised to bear in mind the following hints—

(1) Choose short sentences rather than long, and use plenty of full stops.

(2) Keep your sentences compact. Do not have loose straggling additions to the sentences after they are really finished, and do not overcrowd them with either words or ideas.

(3) Place all qualifying words and phrases as close as possible to the words they qualify, and never leave the reader in doubt as to what word in the sentence they really belong.

(4) Bring all qualifying and dependent clauses well forward in the sentence.

(5) See that each sentence is grammatical. Every sentence

must contain a subject and a predicate. The predicate must consist of a finite verb. The infinitive mood, or the participle, cannot alone form a predicate.

**HOW TO WRITE AN ESSAY.**—An essay is a short complete composition upon some given subject. The merits of an ordinary essay, generally speaking, may be grouped under three heads—

- (1) Subject-matter.
- (2) Arrangement.
- (3) Vocabulary.

With regard to No. 1, the student should have good, clear, and just ideas on the subject upon which he is writing. The ideas must be good, and of some value, or it is a waste of time to write them down. They must be clear, for he cannot hope to make plain to others what is not clear to himself. They must be just; for fairness is a very important element in essay-writing. Arguments have to be advanced and both sides of a question carefully considered, in order that rash statements and unjust conclusions may be avoided.

The student cannot evolve ideas of any great value from his inner consciousness, and, before he can really write well, he must gather ideas. Indeed, no student, however great his powers of expression may be, or however acute his logical faculty, can write a satisfactory essay on a subject of which he knows nothing. It is, therefore, important to the commercial student that he should acquire sound ideas on the essential branches of business knowledge. If he is to be prepared for the various kinds of essays set at commercial examinations, the student must have some knowledge of Economic and Commercial History, Theoretical and Social Economics, the Theory and Practice of Commerce, Economic Geography, Commercial Law, as well as a good knowledge of general and literary subjects. Types of such essays are given in the examples.

With regard to the *arrangement* or the way in which the ideas should be expressed, a certain amount of practice is necessary. All the ordinary rules of grammar and composition are of great importance in essay-writing. Besides this, the essay specially demands unity of structure, careful arrangement of parts, and an absence of any forms of tautology or repetition of words and ideas.

An essay is said to have unity of structure when it reads as one complete composition, so that there must be no stringing together of disjointed vague ideas, but one must grow out of the other so naturally that there seems one main thread or course of ideas running through the whole.

With regard to *vocabulary*, it must be admitted that much of the clearness and beauty of language depends on the right and due choice of words, *i.e.*, style.

In order to use words successfully, two things are essential—

- (1) A clear understanding of the meanings of words;
- (2) A large stock of words from which to choose.

For the first condition, study and effort are required. The student should never pass a word in the reading of which he does not know the meaning. He should, therefore, constantly refer to the dictionary, and should notice the special sense in which a word is used.

The second condition will be fulfilled almost unconsciously by the fulfilment of the first. The student should never use a word of whose meaning he is uncertain, and should choose simple words rather than long ones.

**HINTS ON ESSAY-WRITING.**—(1) Acquire the necessary information requisite to deal with the essay-subject either by observation or by the reading of books. Make notes of anything which strikes you in your reading.

(2) After thinking over all you know about the subject, draft out a scheme either mentally or on paper. Do not attempt to write without a definite plan.

(3) See that your essay has a beginning, a middle, and an end. To ensure this, it will be necessary to take a comprehensive survey of the topic to be dealt with, so that the essay may contain a complete and systematic view of it.

(4) Write as if you were trying to instruct someone who is ignorant of the subject.

(5) Arrange your facts in their natural sequence. The subject-matter of an essay may often be grouped under three headings—

- (a) The definition or main proposition;
- (b) The exposition or elucidation of the subject;
- (c) The student's conclusions or deductions.

(6) Read the essay over carefully and correct all mistakes in grammar or composition. Change the order of the wording if in any case it seems to be an improvement, and be specially watchful to avoid tautology.

The student should make sure that the sense of the essay is clear before making his final copy. As in commercial correspondence, it is well to practise essay-writing at first with the aid of books; secondly, to write from memory after having prepared the subject; finally, to write on a subject without any previous preparation.

#### EXAMPLE 236—THE STRUCTURE OF SENTENCES

Combine the following into two sentences, omitting all superfluities and redundancies of expression, and avoiding the word *and*—

Tobacco is merely a "weed." It plays no part whatever in the nourishment of mankind. It contains an acrid and dangerous poison. Next to the few leading food cereals, it plays the most important part in the life of mankind. With this exception, no other article of vegetable growth plays quite so important a part in the life of mankind. It is extensively used by millions upon millions of the human race throughout the world. A very large portion of the revenue is derived from taxes imposed on this particular substance in civilised countries.

#### ANSWER

Although it is merely a "weed," and plays no part whatever in the nourishment of mankind (indeed, it contains an acrid and dangerous poison), yet, next to the few leading food cereals, there is no article of vegetable origin that plays quite so important a part in the life of mankind as Tobacco. Not only is it extensively used by millions upon millions of the human race throughout the world, but in civilised countries a very large and growing portion of the revenue is derived from taxes imposed on this particular substance.

#### EXAMPLE 237—THE USE OF WORDS

Construct sentences to illustrate the use of the following words—

Eminent, imminent; continuous, continual; ingenious, ingenuous; presentment, presentiment; predict, predicate; entire, complete.

#### ANSWER

- (1) The *eminent* sailor was in *imminent* danger of a ducking.
- (2) Before the introduction of *continuous* brakes, accidents were of *continual* occurrence.
- (3) It seems strange that such an *ingenious* excuse should be put forward by an *ingenuous* child!

(4) When he gazed upon the artist's *presentment* of that beloved place, he felt a *presentiment* that he would never visit it again.

(5) We *predict* that he will come to a bad end, though it must be admitted that courage is a quality that may safely be *predicated* of him.

(6) The lady had an *entire* house to herself, yet not one apartment was *complete*.

### EXAMPLE 238—ESSAY ON A GENERAL SUBJECT

#### THE IMPORTANCE OF NAVAL SUPREMACY

The Great War has shown us to a great extent in what directions have been our national shortcomings in the past, and also in what ways we have pursued the proper course. In this latter category may be placed our naval policy. This question is naturally of more importance to an island nation than it is to a land power, and therefore it is from this aspect that the subject will receive our chief consideration.

On account of her situation, an island is, unless she is self-contained, at a much greater disadvantage than a land power. Her produce must come from over the seas, and if her ships carrying that produce were not adequately protected from an enemy, her people would soon starve, whereas a land power may obtain all the food she requires from neighbouring states, without any danger from her island enemy, who would be powerless in the matter.

It is only necessary to consider for a moment the respective positions of Great Britain and Germany to realise the importance of naval supremacy to an island power. With a navy superior to our own, Germany could have reduced this country to starvation, or had she wished, could have landed an invading army upon these shores. Fortunately for us, our navy was stronger, and we were able to carry on trade with neutral countries almost in the same way as if things were normal. Moreover, we could prevent food-stuffs and other commodities from entering Germany, and could also transport our troops across the seas to the various theatres of war. In addition, our battleships could assist our land operations whilst the inferior German Navy, still recovering from its defeat in the Jutland Battle, lay helpless in the Kiel Canal. Our naval supremacy enabled us to clear the seas of every enemy vessel, and the consequence was that enemy trade with neutral nations ceased.

It is, therefore, hardly necessary to illustrate further what our naval supremacy meant to us, and, on thinking what might have been if things had been reversed with a superior German navy, we are justified in believing that the navy was a deciding factor in the Great European War.

### EXAMPLE 239—ESSAY ON A LITERARY SUBJECT

"Not once nor twice in this rough island story,  
The path of duty was the way to glory."

These beautiful lines were written by Tennyson in his poem entitled "Ode to the Duke of Wellington," and were no doubt inspired by that great commander's devotion to duty.

All through the pages of history runs the thread of duty, for we find many records of men who have fought king, government, and country in order to obey the dictates of duty. Langton, opposing King John, and Becket against King Henry II, were types of men who sacrificed worldly ambition on the altar of political duty. Again we find in the sphere of war that duty has ever been the watchword. Nelson, in his devotion to duty, gave his life and left a grateful

nation mourning. Wellington crushed the power of Napoleon on the field of Waterloo, not for the sake of military glory (though he gained thereby a name that will never die), but for duty's sake.

Coming to the present day, where shall we find nobler examples of the call to duty than have been evidenced in the recent Great European War? Many are they who voluntarily left sound financial positions for the scant pay and the hard and dangerous life of a soldier. Our gallant sailors in their lone watch on the seas, amidst torpedo and submarine perils, the brilliant feats of our airmen, and the toiling millions at home who worked with unabated vigour to turn out the horrible materials of war earned the admiration of the whole world.

Did not our women, too, answer the call of duty as bravely as did Florence Nightingale and Grace Darling in the past? Yes, for we find that they left the shelter of the home in order to do the rough work left by the men, and ministered to the wounded and dying in our hospitals. Indeed, they gave all that is dearest and sweetest in life that their country might live!

But let us not forget that duty does not always lead to glory, but that often it is a long, hard road with neither beauty nor fame to illumine it. Our home life is typical of this. The brave father toiling long hours at monotonous work that his children may not want; the fond mother giving up her few pleasures and luxuries that they may have a better education than she had; and the courageous young son resigning his dreams of a glorious career that he may maintain his widowed mother, are examples of duty nobly done without regard to fame. Why, when we reflect a little we find that the world is full of silent heroism. But though fame and glory do not come our way, let us continue to answer duty's call wherever it may be. Let us find happiness in the knowledge that we are making the path of life a little easier and brighter for the generations that shall come, and thus leave unsullied the glorious heritage of heroism and self-sacrifice bequeathed us by our forefathers.

### EXAMPLE 240—ESSAY ON AN HISTORICAL SUBJECT WITH SCHEME

#### THE INDUSTRIAL REVOLUTION

Scheme—

- I. State of England before the Revolution :
  - (a) in agriculture,
  - (b) in manufactures.
- II. Agents of the Revolution :
  - (a) inventions,
  - (b) coal.
- III. Effects of the Revolution :
  - (a) on agriculture,
  - (b) on manufactures,
  - (c) on transit—roads, canals, railways, and ports.

I.—In order to appreciate fully the immense changes brought about between 1760 and 1830 by the Industrial Revolution, we must examine briefly the conditions, both of agriculture and of manufactures, which existed before it took place.

(a) Agriculture had, of course, existed from the earliest times in a more or less primitive state; but, though improvements had taken place, the farming of the eighteenth century was carried on, as regards both corn-growing and cattle-breeding, on unscientific and wasteful lines. It was the age of the peasant proprietor and the village system, when the common field was divided

up into lots and cultivated by its temporary owners single-handed. Gradual changes had, however, long been taking place, and the Industrial Revolution only gave the final blow to the old system. New methods were being introduced by such men as Townshend, who discovered the principle of the rotation of crops, and Bakewell, the first really scientific sheep-breeder. Capitalists were beginning to turn their attentions towards agriculture; the old common fields were being abolished; common lands were being enclosed. Sure, if slow, progress was thus being made, and in agriculture the transition between old and new was, therefore, not so abrupt as was the case with manufactures.

(b) Before the Industrial Revolution, the manufactures of England were carried on under the domestic system, the chief being the spinning and weaving of wool. The master workman who was often a (workman) farmer as well, or was at least connected closely with agriculture, would work in his own home, making up the products of his own district, assisted in his work by members of his own family, or possibly by a few apprentices or journeymen. This system became in time rather more complicated, the craftsmen began to specialise more, and a master manufacturer would give out the rough wool to be spun in one village, receive back the yarn, and distribute it among the weavers of another locality, and finally send it to a third centre for dyeing. All this led to a great loss of time, especially when we consider the bad state of the roads. However there were advantages to the system, and as the demand was not overpowering, and the workman always had agriculture to fall back upon, the loss of time did not have a very bad effect. The weavers lived in healthy country surroundings, and they knew for what type of market they were working, and this with the leisurely method of manufactures, led to their turning out excellent work.

II.—However, the growth of population in our own country, and the increased demand from our colonies and from the continent necessitated a greater and more rapid output. This was achieved largely by the help of four inventions, and also by the use of coal to work them.

(a) In 1770 Hargreaves invented his spinning jenny, by which eight spindles, instead of only one, were fed by machinery, so that many threads might be spun at once. In 1771, Arkwright invented the water frame, by which water-power was used to facilitate the process of spinning. This invention is very important, as marking the first use of any motive power other than that of the workman, and, though the use of water for this purpose did not long continue, yet it was a step towards the employment of steam. A few years later, Crompton's mule, so called because it combined the processes of Hargreaves and Arkwright, superseded them both. All these inventions had improved spinning only, and so the possibilities of a larger output were checked by the backwardness of the weaving trade, and the consequently still small demand for yarn. This state of affairs was remedied by Cartwright, with his invention, in 1785, of the power loom, which, though it had to undergo many improvements before it could be used, was gradually introduced into one mill after another, slowly superseding the old hand-loom. Water power was at first used to work these inventions, but this made it necessary for mills to be built in mountainous, out-of-the-way regions; and a great impetus was given to the use of machinery, when, in 1769, James Watt took out his patent for a steam engine. His invention was a stationary engine worked by steam, and was at first used for pumping water out of mines. In 1785 it was first used in a factory, but it came into general use very slowly, owing largely to the prejudice of the hand-workers.

(b) This invention of Watt's was very important with regard to its effect on coal. The Government had, from very early times, set its face against the cutting down of the timber of such regions as the Weald or the Forest



of Dean, though at first this prohibition had been important only in so far as it affected the iron-smelting industry. When the introduction of steam-power had been made, however, manufacturers looked towards the coal-fields of the north, and happily the same invention which had necessitated the sinking of the mines also afforded the means of draining them in the shape of the steam pump.

III.—We will now consider the effects of the Revolution brought about by such factors as those indicated above. Generally speaking, the immediate results to the workers of all classes were disastrous, though all benefited in the long run. It seems a pity, however, that the change could not have been brought about more gradually, especially with regard to manufactures.

(a) It has already been mentioned that an alteration in the methods of agriculture had slowly been taking place. With the sudden advent of the factory system, however, the country districts were almost depopulated, the people crowding together in the new manufacturing towns which were springing up. This was the opportunity of the capitalist, who bought up large tracts, and cultivated them with the help of gangs of labourers—men, women, and children, who might almost be termed slaves, so badly were they treated and so poorly were they paid. In other cases, stretches of corn-land were turned into cattle farms, as less labour was needed to cultivate the latter. In short, whatever may have been the progress of the science of farming—and great progress certainly was made—the degradation of the people was extreme, and rarely have the conditions of country life been worse than immediately after the Industrial Revolution.

(b) The effects of the various inventions on the manufactures of England were very great. New factories were built to house the machinery, and rows of small, unhealthy cottages were hastily run up to house the unfortunate workpeople. Such was the sudden increase in the demand for the machine-made fabrics that the hours were exceedingly long, and even children were engaged for the work. Thus the people suffered at first, as in the country, though this could scarcely be avoided, considering the magnitude of the change. The industries themselves increased by leaps and bounds—the cotton output trebled itself in fifteen years—and the quality of the goods rose in proportion with the demand for them. The market was no longer limited to the immediate neighbourhood of the mills, or even to the United Kingdom itself; England became the “workshop of the world,” and practically monopolised its manufactures.

(c) The growth of our internal trade brought about the improvements in roads and the cutting of canals, and the rise of our great ports and shipping is due to our increased imports and exports. A much-needed reform in our roads was brought about by the efforts of Telford and Macadam; Brindley built the first of a long series of canals when, in 1758, he constructed the Bridgewater Canal from Worsley to Manchester. The “Puffing Billy,” of Stephenson, was a development of Watt’s steam-engine, and the reign of the railway inaugurated by it gave a great impetus to our foreign commerce.

### EXAMPLE 241—ESSAY ON AN ECONOMIC SUBJECT

#### ORGANISATION OF A NEWSPAPER PUBLISHING OFFICE

The ramifications of a modern newspaper extend over the whole world. Every important movement or event in social, political and industrial circles is recorded in its columns. Information under these headings is obtained through the medium of numerous press agencies, correspondents and reporters, and is transmitted by them to the head office of the paper for correction and subsequent

publication. Press agencies abound in every land and in every city, and without them the scope of a modern journal would be considerably restricted.

The vast and complex organisation needed to collect and bring together all this independent information, to cause it to appear in print in the form of a newspaper and to circulate efficiently these newspapers not only throughout Great Britain but to every principal city in Europe, and to innumerable towns and places elsewhere, is a task requiring more efficiency of organisation than is necessary for any other existing undertaking.

Unlike all other commodities, the articles in which the newspaper deals, that is, its news matter or subject matter, are produced in every land under any circumstances. Climatic conditions are of little if any account. There can be no world price for news; its value depends on the interest it can arouse, and some papers will pay extravagant and even totally unreasonable prices for exclusive pieces of information, or "scoops," as they are better known to those in the trade.

Press agencies and reporters make it their business in life to hunt for news. The latter wander into all the odd places of the earth in search of it; they seek it as diligently as ordinary humans wealth and power, but the reporter's joy is in his work. His is a life devoted to the service of mankind, but, with few exceptions his reward is not great.

Information obtained by reporters and correspondents is communicated either direct to the head office or to the branch office, from whence it is forwarded to the headquarters of the paper. Every paper is served by a number of free lances, who write for any and every paper; among these may be included the leading personages of the day. The duty of writing the leading and most important article usually falls to the lot of the editor, but special men are often engaged for this work. The regular reporters cover important meetings, parliamentary debates, social and political functions, write market reports, etc., all of which happenings afford very interesting reading to the contributors, but the value of a paper always corresponds to the amount of exclusive information it can publish for its readers' benefit, and such choice pieces of information or "scoops" are nearly always obtained by that class of free-lance journalists who are not definitely attached to any particular paper at a fixed salary, but come to an understanding with the management that they shall give that paper the first refusal of any news they obtain. They are usually paid according to the value of their output. Some publications often head news thus received with "By our Special Correspondent."

The sub-editor's work consists of "subbing" or revising the copy sent in through the various sources of supply. Faults of style and grammar are corrected and any surplus matter deleted. When an "exclusive" is obtained, these people invariably "feature" or "boom" it. This process has developed into one of the fine arts. The circulation of the paper is of course increased by these little mannerisms on the part of some editors, and rival publications are made to appear incompetent and inefficient.

The Editor is for all practical purposes the final authority on what has to be published and what omitted, but the bulk of the work falls to the share of the sub-editor, in consideration of which he is given three weeks' holiday per annum instead of the regular two weeks.

The compositors are the men who print the papers. Like all the other factors of production they carry a certain responsibility as careless or slovenly setting may mar the good reputation of a journal. The linesmen and foremen are mainly responsible but they cannot check every letter. After the type has been set, proofs are run out for inspection and correction by the editor and sub-editor; it is only when these have been satisfactorily corrected that the paper goes to press. This usually happens in the early hours of the morning.

The statistical department furnishes all the facts and data needed by the editorial department on which the articles and leaders are based. This particular branch of activity is in the majority of newspapers a part of the editorial

department. Diaries are kept of every event of importance since the foundation of the paper and the statistics contained therein are invaluable to the persons who write regularly for the paper.

One of the most important attributes of a modern publication is the advertising department, without which the newspaper would rarely be a paying concern. The news matter determines whether the circulation is large or small, but it is equally certain that the circulation determines whether the advertisements are many or few. A good newspaper will always contain a fair number of advertisements. If there are too many, the value of the paper gradually diminishes as the public generally purchases papers for the news contained therein, while, on the other hand, if the advertisements are few it usually happens that the circulation is a poor one and the financial position not over satisfactory. A clerical staff of this department deals with accounts and circularises all big businesses in the hope of securing advertisements, whilst the travellers make it their duty to pay personal visits to any and every potential advertiser.

All large concerns or undertakings contain a publicity department and the newspaper is no exception to this general rule. The work of this branch consists in effectively advertising the paper itself. They repeatedly bring to the notice of the general public the fact that there exists a certain newspaper which is by way of being by far the best publication of its kind. If a paper has any particular qualification or characteristic—real or imaginary—the world is informed of the fact; as, for instance, "Truth for a penny," the slogan of a certain London newspaper. Posters, bills and placards are to be found everywhere. In trains, in trams and buses, at every street corner and on every available piece of hoarding they are to be seen, and some journals not only advertise in their own paper but also in other and less prosperous publications whose impecuniosity prevents them turning down the substantial rates usually offered.

Then, when all the various departments have each contributed its quota towards the successful publication of the newspaper, comes the task of distribution. At the works, a special night staff is employed whose duty it is to carry out this work. Contracts are entered into with the railway and steamship companies who agree to carry the papers from place to place at a reduced rate of freight. Sometimes papers are taken to various parts of the country and across the seas to other countries by aeroplanes. The trains, boats, or aeroplanes are met by sales agents or branch office representatives, who either sell the papers direct to the public or else distribute them to the numerous retailers. Few people appreciate the fact that owing to the efficient organisation, the cost of a leading London daily is no higher at, say, John O'Groats or Land's End, than is the case outside the printing office.

The General Post Office is another important medium through which papers are distributed to their readers. A specially reduced fee is charged on all registered newspapers sent by post both for foreign and inland delivery, the advantages of which to both readers and proprietors being too obvious to need an explanation.

It will thus be seen that the publication and distribution of a leading daily newspaper are tasks which, either directly or indirectly, provide employment for thousands of men and women. Highly efficient organisation is needed, and at least as far as the editorial and printing staffs are concerned, the success of a paper is largely dependent upon the individual units. Nothing of a doubtful character is allowed to appear in print, and each reporter has to use his discretion when sending in matter relating to delicate and controversial points. England has a free press, but there are limits to this freedom beyond which no paper which values its good name may pass. The press has enormous power, but it is kept in control and only used to further the interests of and to benefit the human race in general. The game is played according to the rules, and the standard of honour is high. Black sheep there are in every flock, but pressman to pressman is brother the world o'er.

## TEST PAPER XXXVII

1. Combine the following detached statements into not more than three complex sentences—

I was walking on a wild moor in Yorkshire. A tramp suddenly appeared. He begged : said he was " an honest tradesman off his job." I put twopence in his dirty palm. He smiled bitterly. He remarked: " That ain't no use to me!" I put them back in my pocket. I went on my way. I thought he might follow. Bad language alone pursued me.

2. State the distinction between—

- (a) A herd, a flock, a crowd, and a swarm.
- (b) Economical and miserly.
- (c) A council and a counsel.
- (d) To hope and to expect.

—(L. & C.)

3. Show the distinction between the following words by using each in a suitable sentence—

- (a) A copy, a model, a sample, and a specimen.
- (b) Farther and further.
- (c) To lay and to lie.

—(L. & C.)

4. Re-write six of the following sentences, filling the blanks correctly —

- (a) Every man must bear \_\_\_\_\_ own punishment.
- (b) He will never succeed \_\_\_\_\_ he works harder.
- (c) She divided the apple \_\_\_\_\_ her two children.
- (d) Did he say \_\_\_\_\_ the Committee elected as chairman ?
- (e) \_\_\_\_\_ it seem strange that we should now meet like this again ?

- (f) Neither John \_\_\_\_\_ his brother recognised me.
- (g) The bag with its precious contents \_\_\_\_\_ never recovered.

—(L. & C.)

5. Make two lists, each of fifteen nouns; the first denoting the various appliances used in an office, the second denoting the various parts of a steamship.

6. Write essays on the following general subjects—

- (a) The Influence of our Daily Surroundings.
- (b) Competitive Examinations as a Test of Merit.
- (c) " Peace hath its Victories no less renowned than War."
- (d) The Future of the White Race.
- (e) What is a Gentleman ?
- (f) The Study of Modern Languages
- (g) The growth of Militarism.

7. Write essays on the following social and economic subjects—

- (a) The tendency towards Specialisation in the Economic System
- (b) The Problem of Poverty.
- (c) The Duties of Citizenship.
- (d) The chief factors of modern civilisation.
- (e) The Political and Social aspects of the Nineteenth Century.
- (f) The Future Employment of Women.
- (g) Socialism.

8. Write essays on the following commercial subjects—

(a) The Development of English Industries and Commerce.

(b) The Progress of Commercial Education in England.

(c) 'Small Profits, Quick Returns.'

(d) The Uses of the Newspaper in Commerce

(e) Markets and Market Organisation.

(f) The State in Relation to Commerce.

(g) The Organisation of a Modern Office.

(h) The Relation of Banking to Commerce.

(i) Insurance.

(j) The Functions of the Retailer.

(k) The Tendency towards the Elimination of the Middleman.

9. Write essays on the following geographical subjects—

(a) The Distribution of Races, their Characteristics and Achievements.

(b) The Causes of the Differences in Climate within the United Kingdom.

(c) Ocean Currents.

(d) The Chief Seaports of Great Britain.

(e) The Future of the British Empire.

(f) The Influence of Climate on Industrial Pursuits.

10. Give a complete and accurate description of the business undertaking in which you are employed and with which you are thoroughly conversant. The sources of supply of raw materials and the markets and conditions of sale should be indicated, as well as the methods of arriving at the cost price of the article or articles in question.

11. Draw up a complete series of business transactions covering about a month and dealing with the various events in the conduct of a commercial or manufacturing undertaking.

12. Imagine that you have to instruct a newly engaged clerk in such a manner that he is able to do your work without any further assistance.

13. Write a short monograph on some individual article of commerce or of manufacture with which you are acquainted, giving a full description of its production, distribution and sale. It should deal with the formation of the price of the article and its position in the world's markets; the statistics of the quantities of production and the causes of fluctuations during the past few years; and any peculiar commercial customs or usages in connection with the article.

14. Give a description of the business operations involved in the import and export trade covering the domain of forwarding, insurance, warehousing, etc. Introduce as far as possible the documents used in such trade.

15. Give a survey of some interesting business experiment, process of production, or method of distribution, in connection with the introduction of new articles of commerce, or of manufacture, or in the opening up of new business relations abroad. The essay should contain a precise description of all details.

Questions 10 to 15 are more difficult and involve a certain amount of research work in the execution of which the student should be thrown upon his own initiative.

## TERMS USED IN CORRESPONDENCE

**Abandonment.**—This term is met with in law and in marine insurance, in the former case, it is used in connection with actions when either a plaintiff or a defendant desires to put an end to legal proceedings. In marine insurance, the term refers to the transfer from the owner to the underwriter of a ship and of all his property or interest in it, with all claims that may arise from its ownership, and all the profits that may accrue. When a ship is reduced to a wreck and its cargo is so damaged as to be utterly useless, the insured may abandon the vessel or goods to the underwriter and claim to recover on his policy as for a total loss.

**Abatement.**—An allowance or reduction.

**A B C Code.**—One of the well-known codes used in telegraphing. Code language is that which is composed of words not forming intelligible phrases, and the A B C Code consists of extensive alphabetical lists of key-words, each word having a special meaning and representing a sentence or part of a sentence. The use of codes thus effects a very considerable saving in the charges for cablegrams.

**Abrasion of Coin.**—Loss of weight resulting from the continued use of coins.

**Acceptance.**—In connection with bills of exchange, acceptance means the signification by the drawee to the order of the drawer. When accepted, a bill of exchange is often known as an "acceptance."

**Accommodation Bill.**—A bill of exchange which is drawn, accepted, or indorsed, without any value having been given for it, on the understanding that the drawer will provide funds to meet it when due.

**Account Current.**—A statement, drawn out in *Dr.* and *Cr.* form, containing an account of the transactions which have taken place between two parties during a certain time. Accounts Current are usually rendered on the termination of any adventure, or at intervals, as previously agreed upon, and are invariably made up with the interest charged or allowed upon each item.

**Account Sales.**—A document sent by an agent or broker to a principal for whom he has sold goods. Such a document must indicate: (a) The weight, gauge, measure, etc., of the goods sold; (b) the price obtained per unit, and the total price, or gross proceeds; (c) any expenses, such as freight, dock charges, insurance, etc., paid by the agent; (d) the charges of the agent for brokerage or commission; (e) the net proceeds (*i.e.*, the balance remaining after deducting expenses and the agent's charges, from the gross proceeds).

**"Ad Valorem."**—(According to value.) An *ad valorem* charge is one based on the value of certain articles, and not on their weight or quantity.

**Addressograph.**—A machine for addressing envelopes, wrappers, etc., automatically. In small firms the machine is usually operated by a junior clerk or office boy.

**Advice, Letter of.**—A written communication wherein one person informs another of something done, or about to be done, on his account.

**Affidavit.**—A written declaration, given on oath, before a person of authority, as a consul, mayor, magistrate, notary public, or solicitor who has been appointed a Commissioner for Oaths.

**Agio.**—A term used to express the difference between the value of the metallic and the paper currency in a country, or between the metallic moneys of different countries.

**Allonge.**—A slip of paper attached to a bill of exchange, providing space for additional indorsements when the back of the bill itself is full of names. It is regarded as a part of the original bill.

**Amanuensis.**—A person who writes, from dictation, letters, articles, literary work, etc.

**Articles of Association.**—The rules and regulations which specify the mode of conducting the business of a joint-stock company, the number and qualification of the directors, and generally the whole internal organization of the company.

**At Sight.**—A term written on bills of exchange or promissory note signifying that they are payable on demand or as soon as "sighted."

**Auditor.**—A clerk who is employed in the audit department of a bank or insurance office, friendly society, trade union or other business having a number of branches, to visit a branch, examine the accounts, compare vouchers, etc., with entries in the cash book, ledgers, etc., and to submit a report in proper form.

**Backwardation.**—A Stock Exchange term used to represent the rate of interest, either of so much per share or so much per cent, charged or allowed for carrying forward a "bear" transaction to the next settlement.

**Ballast.**—Every kind of gravel, sand, and soil and every commodity or thing commonly used for the ballasting of vessels.

**Barratry.**—A marine insurance term signifying an unlawful or fraudulent act, or very gross and culpable negligence, of the master or crew of a vessel in violation of their duty as such, and directly antagonistic to the interests of the owner and without his sanction.

**"Bear."**—A term applied on the Stock Exchange to a person who, having sold stock or shares which he does not possess, is anxious that such securities should decline in value, so that when the settling day, or the time for the delivery of the stock or shares, arrives, he may be able to buy the same at a lower price and so realize a profit.

**Black List.**—The name given to printed lists of bankrupts, suspensions, bills of sale, and similar matters issued for the private guidance of the trading community.

**Board of Trade.**—The Government department which superintends all matters relating to the mercantile marine, and to some extent exercises supervision over the commerce and industry of the United Kingdom.

**Bond.**—A writing of obligation, under seal, to pay a sum of money, or to perform a contract.

**Bonded Goods.**—Goods which are deposited in a Government or bonded warehouse until the duty upon them has been paid. Such goods are said to be "in bond," a bond having been signed on behalf of the owners that the duty will be paid when the goods are removed for consumption.

**Bottomry Bond.**—A contract in the nature of a pledge, whereby the "bottom" or whole of a ship is charged or made liable (or, as it is called, "hypothecated"), for the repayment of money borrowed for the necessary requirements of the ship in order to enable the voyage to be brought to a satisfactory conclusion.

**Broker.**—A person whose business it is to negotiate or make sales and purchases for a commission on behalf of other persons.

**"Bull."**—The name given to a speculator on the Stock Exchange who buys stock or shares with a view to selling the same at a higher price when the day of settlement arrives. The hoped-for difference is the anticipated profit which will accrue.

**Bullion.**—Gold and silver, considered simply as merchandise in distinction to specie or coin.

**Carat.**—The twenty-fourth part of the weight of any pieces of pure gold, pure gold being divided into an imaginary standard of twenty-four carats. So many "Carats fine" means that so many parts out of the twenty-four are pure gold.

**Carrying Over.**—A Stock Exchange term, signifying the postponement of the settlement of an account from one settling day to another, allowances, contango or backwardation, being made for the accommodation.

**Case of Need.**—This is an indorsement sometimes put upon a bill of exchange, naming a person who will guarantee payment for the honour of the drawer, or one of the indorsers "in case of need," should the bill not be met at maturity.

**Cashier.**—The person in charge of all cash transactions in a business. He pays wages, keeps petty cash accounts, receives any cash that comes with orders or in payment of accounts and enters it in the cash book.

**Cash against Documents.**—A term signifying that payment must be made for goods at the time documents of title to them are handed over.

**Certificate of Incorporation.**—This is a certificate issued by the Registrar of Companies to the effect that a company has been duly registered.

**Certificate of Origin.**—The certificate giving the place of manufacture or growth of certain articles.

**Certificate of Registry.**—A document containing the name and description of a vessel and other particulars, granted at the port of registry.

**Charges Forward.**—A term signifying that the carriage and other charges are to be paid by the buyer upon receipt of the goods.

**Charter.**—A grant from the Crown conferring some special rights, powers, or privileges upon public companies, corporations, institutions, and the like, upon certain stipulated conditions being fulfilled. The term is also used to mean the hire of vessels, the contract of hire being known as a charter party.

**Chartered Secretary.**—A fellow or an associate of the Chartered Institute of Secretaries (F.C.I.S. or A.C.I.S.), who is holding or has held office as a secretary of a joint-stock or other public body.

**Charterer.**—The person who charters or hires a ship, or a part of one, under a charter party.

**Circular Notes.**—Letters of credit payable by, and addressed to a number of houses at different foreign towns, issued for the convenience of travellers, and accompanied by letters of introduction. Their object is to avoid the necessity of carrying large sums of money from place to place.

**Clearing House, Bankers'.**—An institution established to simplify the means of collection of the enormous number of cheques used for the settlement of accounts in business. All cheques eventually find their way to the London Clearing House (except such as are "cleared" locally in large towns), and here the representatives of the various banks meet, exchange each other's cheques, and strike a balance. Even this balance is not paid over in coin. Each member of the Clearing House keeps an account at the Bank of England, and differences are settled by means of drafts on that bank.

**Closing Prices.**—The prices of stocks and shares which rule at the close of the day's business on the Stock Exchange.

**Code.**—An arrangement by which words are made to represent a sentence or phrase, used both for secrecy and for cheapening the cost of telegraphing.

**Collateral Security.**—Any secondary or indirect security. The name is generally applied to the deposit of documents conveying a right to property, so that in the event of a default in the repayment of a loan, or in the fulfilment of some other obligation, there may be something available for the creditor without the necessity of taking legal proceedings.

**Commission.**—The mode of remuneration for services rendered by agents in commercial transactions, generally taking the form of a percentage on the amount of business done.

**Composition.**—A payment of something less than the full amount owing, made by a person who is insolvent or bankrupt, to settle the claim; the payment is usually at so much in the £.



**Consols.**—A Stock Exchange abbreviation for "Consolidated Stocks," the term applying to various Government stocks which have been consolidated or amalgamated.

**Consul.**—A public officer appointed by a Government to reside in some foreign country, in order to facilitate and protect the commercial relations between his own country and that to which he has been sent.

**Contango.**—The sum paid by a buyer to a jobber on the Stock Exchange for the privilege of carrying over, until the next settlement day, the amount owing for stock purchased.

**Correspondence Clerk.**—One who types, usually from rough drafts prepared by the head of a department, replies to customers. This person also opens and sorts incoming correspondence and may himself reply in routine cases.

**Customs Declaration.**—A form which it is necessary to fill in when sending parcels abroad, the particulars required being an accurate statement of the nature and value of the contents of the parcel, net weight, etc.

**Dead Freight.**—An agreed sum to be paid in respect of space in a vessel not filled according to charter, or damages provided for by a charter in the event of the freighter not loading a full cargo.

**Debenture.**—A certificate for a loan to a company, giving the holder a lien on the real property, and carrying a first charge on all the undertaking and assets of the concern, and therefore being entitled to the payment of its interest before the payment of dividend on the share capital.

**"Del Credere."**—A *del credere* commission denotes an additional premium charged by a factor or agent, in consideration of which he guarantees the solvency of the purchaser, and becomes personally liable for the price of the goods sold. Such an agent is known as a *del credere* agent.

**Demurrage.**—(1) The detention of a vessel beyond her specified time of sailing; (2) the compensation claimed or allowed for such delay; (3) a charge made by railway companies for detention of trucks, wagons, etc.

**Discount.**—An allowance made on a bill, or any other debt not yet become due, in consideration of present payment.

**Dishonour of Bill.**—Dishonouring a bill of exchange means a drawee refusing to accept a bill, or an acceptor failing to pay it when due.

**Dock Dues.**—Tolls charged on vessels and their cargoes when entering or leaving docks. These dues are charged to cover the cost of keeping the docks in order, etc.

**Drawback.**—A term used to signify the sum paid back by the Government upon certain classes of goods exported, on which duty has been paid already. The object of this repayment is to enable the exporter to compete in foreign markets on an equal footing with merchants of other nations.

**Dry Goods.**—A name given to such goods as drapery material as distinguished from groceries.

**Dunnage.**—Pieces of wood, planks, matting, and every other kind of article, used for the purpose of stowing and protecting the cargo of a vessel, and also for the protection of the vessel itself.

**Embargo.**—A Government prohibition of ships from leaving a port for a certain time, or a stoppage of trade between certain ports by authority. The prohibition is generally imposed by belligerent States in time of war.

**Estimating Clerk.**—One who works out quantities and prices of materials from current quotations to assist in the preparation of tenders for contracts.

**Excise.**—An inland tax on certain articles produced and consumed in the country.

**Ex-Warehouse.**—When the price of goods is stated to be ex-warehouse, the purchaser must provide for their conveyance from the warehouse.

**Floating Policy.**—A policy of insurance for a certain amount, insuring goods which are not all in one place, but spread over a certain district or area, so that the goods, wherever they may be deposited, are covered, either

wholly or in part, according as their aggregate value may happen to be either under or above the sum insured.

**Forward Delivery.**—This term means that goods are sold for delivery within a future agreed period.

**Forwarding Agents.**—Persons who undertake the forwarding of goods.

**Founders' Shares.**—The shares granted to the originator of a joint-stock company as a reward for services rendered in floating the concern, or to other persons, such as promoters and underwriters, who have interested themselves in procuring the necessary capital.

**Free Alongside Ship.**—This term is an indication that the price of the goods includes free delivery alongside the ship, but that the cost of taking such goods on board must be borne by the purchaser.

**Free of Particular Average.**—A term used in marine insurance for the purpose of limiting the liability of the insurer in case of any loss or damage to the subject insured. The term *particular average* is used to denote every kind of partial loss happening to either ship or cargo from any cause whatever. In other words, particular average is an accidental loss on the ship, cargo, and freight.

**Freight.**—(a) Charges made for carrying goods by sea; (b) the cargo of a ship.

**Hire-purchase System.**—This is an arrangement by which it is agreed that the property in goods is to be transferred in consideration of a certain number of periodical payments. Until all the payments have been made, the title to the goods does not pass to the purchaser.

**Hollerith Operator.**—One who operates and controls a Hollerith Tabulating Machine by inserting cards in a punching machine and punching them according to the particulars required to be tabulated; the cards are then placed in a sorting machine.

**Indent.**—An order for goods from an agent or correspondent abroad, with full particulars and conditions as to price, etc.

**Interim Dividend.**—A dividend declared by a company in the "interim," that is, before the end of the year or before the whole amount of the profits for any period has been ascertained.

**Inventory.**—Any list of articles; a catalogue of furniture or goods.

**Jettison.**—The throwing overboard of part of the cargo or anything on board a vessel, or the cutting or casting away of masts, spars, rigging, sails, or other furniture with the object of lightening or relieving the vessel in case of emergency or necessity.

**Jobber.**—A dealer in stocks and shares, who acts on his own account with other jobbers on the Stock Exchange, and indirectly with the public through stockbrokers, the latter only buying and selling on account of their clients.

**Joint Stock.**—Stock held jointly as in a joint stock company.

**Keel.**—The lowest part of the frame of a vessel.

**Lac.**—A term signifying 100,000, used in the computation of money in the East Indies. A lac of rupees (100,000 rupees) is written R. 1,00,000.

**Lay Days.**—That time allowed to the master of a ship for loading and unloading the ship.

**Letter of Credit.**—An order given by a banker or other person, at one place, to his agent in another place, authorizing the latter to pay to a particular individual a certain sum of money.

**Lien.**—A legal claim or hold on property as security for a debt or charge.

**Lighterage.**—The charge made for the conveyance of goods by the large open boats used in loading and unloading ships.

**Lloyd's.**—The well-known marine insurance association, the members of which are devoted to the business of marine insurance, or matters subsidiary thereto.

**Lloyd's Register.**—*Lloyd's Register of British and Foreign Shipping* is a book, published annually, containing the names and description of all British ships, and of such foreign ships as have been built under the inspection of Lloyd's surveyors, the owners paying fees for their admission to the Register.

**"Locus Sigilli."**—(The place for the seal.) When copies of documents under seal are made, the place where the seal has been affixed to the original is indicated by a circle containing the two letters "L.S."

**Manifest.**—A document which contains the description, marks, numbers, etc., of the various packages comprised in the cargo of a ship. It is one of the documents included in the ship's papers, and is required for delivery to the Customs House authorities at the port of destination.

**Mate's Receipt.**—The document given by the mate of a ship acknowledging that he has received certain specified goods on board.

**Mint.**—The name of the place where the money of the country is coined.

**Moratorium.**—An extension of time allowed under exceptional circumstances by the Government of a country for the payment of debts. The expression is sometimes used commercially, and it then signifies that a creditor has granted to his debtor—particularly with respect to bills of exchange—an extension of time for payment, in order that the latter may collect the necessary funds to meet his engagements.

**Mortgage.**—A mortgage is a disposition of property by a borrower, called the mortgagor, in favour of a lender, called the mortgagee, as security for the repayment of money borrowed, together with interest.

**Negotiable Documents.**—Documents such as bills of exchange, which, on being transferred *bond fide* from one person to another, convey to the transferee a legal right to the property named therein, free from the claims of any other person whatsoever.

**Not Negotiable.**—The addition of these words to a negotiable instrument, such as a bill of exchange or a cheque, limits the rights of a holder, and destroys the negotiable character of the instrument. But the words in no way prohibit the transfer of the documents.

**Notary Public.**—An official whose duties are to certify deeds and other documents, note the non-acceptance or non-payment of bills of exchange, etc.

**Open Policy.**—A marine insurance term for a policy in which the value of the goods, etc., carried is not fixed, but a certain amount provisionally insured, leaving the declaration of the goods and their value to be named subsequently.

**Particular Average.**—See *Free of Particular Average*.

**Pass Book.**—A book supplied by banks to those of their customers who have current accounts with them, and which contains an account of the amounts paid into and withdrawn from the bank by those persons.

**Perils of the Sea.**—One of the risks insured against in a contract of marine insurance. The phrase includes all marine casualties resulting from the violent action of the elements, as distinguished from the silent, natural, gradual action of the elements upon the vessel itself: casualties which *may*, and not consequences which *must*, happen.

**Poste Restante.**—A French phrase written upon letters and parcels sent through the post when they are to remain at the post office until the addressee calls for them.

**Prices Current.**—A list or pamphlet issued by merchants to their customers, showing the various articles dealt in, and the current market price of each.

**Primage.**—A toll or tax payable to the master or mariners of a ship or vessel—to the master for the use of his cables and ropes to discharge the goods of the merchant; to the mariners for loading and unloading in any port or haven.

**Private Secretary.**—One who assists a managing director of company, a Member of Parliament or other person in a position of responsibility with personal correspondence and accounts. She is usually a competent stenographer.

**Pro formâ.**—(As a matter of form.) *Pro formâ* documents are drawn up after a prescribed model to satisfy some legal requirements or some trading custom.

**Prompt Payment.**—This term means payment practically as soon as goods are delivered. In actual practice, it allows time to examine the goods.

**Protest.**—The attestation by a notary public of an unpaid or an unaccepted foreign bill of exchange.

**Qualified Acceptance.**—A signification by the drawee of his qualified assent to the order of the drawer of a bill of exchange.

**Re.**—(Relating to.)

**Re-insurance.**—A second insurance. When an insurer, or an insurance company, has taken a considerable risk as to any particular matter, it is the general custom to re-insure with other persons or other companies so that the possible loss may be widely distributed.

**Salvage.**—In maritime law, the expression "Salvage" signifies an allowance or compensation to which particular persons are entitled by whose gratuitous exertions vessels, goods, or merchandise have been saved from the dangers of the sea. The term also refers to that which is recovered from shipwreck, or fire; anything saved from destruction.

**Scrip.**—A Stock Exchange term contracted from "subscription." It is the provisional certificate of a person's shares in a joint-stock company or in a Government loan.

**Ship's Papers.**—The papers and documents necessary for the exhibition of the ownership and national character of a vessel and her cargo, and to show her compliance with the Revenue and Admiralty laws of the country to which she belongs. A ship's papers are of two kinds: First, those required by the law of the particular country to which the ship belongs, as *e.g.*, the certificate of registry, the licence, the crew list and shipping articles, clearance, etc.; secondly, papers proving that certain vessels are neutral, as *e.g.*, charter party, bills of lading, passports, etc. Every ship must be provided with the necessary papers, and these must be handed over on a change of master.

**Short Bills.**—Bills of exchange which have less than ten days to run.

**Sinking Fund.**—A fund provided in order to cover an eventual loss or claim.

**Sleeping Partner.**—A partner who invests his money in a business, but takes no active part in the working of the concern.

**Specie.**—Coined money of any description. The term is used to distinguish coins from paper money.

**Stenographer.**—A clerk who is wholly engaged in taking down letters, statements, memoranda, etc., in shorthand from the dictation of another and in transcribing them on the typewriter.

**Stevedores.**—Experienced men who superintend the stowage of a ship's cargo, which, usually being of such a mixed nature, requires great care in stowing, so as not to shift or get damaged during the voyage.

**Stock.**—Raw material from which anything is made; goods in store and kept for sale; the capital represented by shares of a bank, or manufacturing or trading company or corporation held by individuals; a fund consisting of a capital debt due by Government to individual holders who receive a rate of interest.

**Stores Clerk.**—A clerk in a warehouse whose main duty is to keep a record of kind, grade and quantity of goods entering and leaving a warehouse.

**Tale Quale.**—"According to sample." Referring to grain and other produce, the term means that the cargo of a ship is held to be the same as the sample submitted, the buyer taking the risk of any damage that may be afterwards sustained by the cargo.

**Tare.**—An allowance made to the purchaser, by deducting from the gross weight the weight of the case, cask, bag, or chest in which the goods are packed.

**Tender.**—A written offer to supply certain goods or to perform certain work upon specified terms.

**Tonnage.**—(a) A custom or impost paid to the King for merchandise carried out or brought in ships, or other vessels according to a certain rate on every ton; (b) the capacity of a ship or vessel; (c) the duties paid on the tonnage of a ship. This term is more usually applied to the capacity of a vessel in tons as determined by the legal method of measurement.

**Trade Mark.**—A particular mark, stamp, or device affixed or attached to manufactured goods, indicating to the public generally that the goods have been manufactured or otherwise dealt with by the person or persons who have affixed or attached the mark.

**Tramp Steamer.**—A vessel plying irregularly, and whose service is regulated by the quantity of goods available for transport.

**Ullage.**—(1) The waste in casks or bottles of liquids owing to leakage, breakage, evaporation, or racking; (2) the difference between the full capacity of a cask, etc., and the quantity it actually contains.

**Ultimo.**—(The last month.)

**Underwriter.**—A marine insurer, so-called because he underwrites or subscribes his name to each policy in which he is concerned, as a guarantee that, in case of loss, he will be answerable for the amount subscribed by him. The term is also applied to a person who enters into an agreement, when a public company is formed but before its shares are brought before the public, that in the event of the public not taking up the whole of them, or the number mentioned in the agreement, the underwriter will, for an agreed commission, take an allotment of such part of the shares as the public has not applied for.

**Upset Price.**—In auction sales the lowest fixed price at which a vendor is willing that his property shall be started and sold if no higher bids can be obtained.

**Voucher.**—Any material thing such as a writing that serves to attest an alleged act, especially that which serves to attest the payment of money; a receipt.

**Wholesale Dealer.**—A trader who supervises the conduct of a business distributing commodities to other wholesalers or retailers or directly to large consumers.

**Yen.**—The unit of value in Japan. It is represented by both gold and silver coins.

**York-Antwerp Rules.**—A set of rules in accordance with which underwriters agree to act in the adjustment of marine insurance losses. These rules have been drawn up at conferences of underwriters, the most recent one being held in 1924.

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