THE STUDENT'S MANUAL OF COMMERCIAL CORRESPONDENCE

PART II

FOR COLLEGES & COMMERCIAL SCHOOLS

BY

HENRY C. C. HARRIS, B. A.
Lector at the University of Tartu (Dorpat)

J. G. KRÜGER, LTD, TARTU (DORPAT)
SOLE AGENTS

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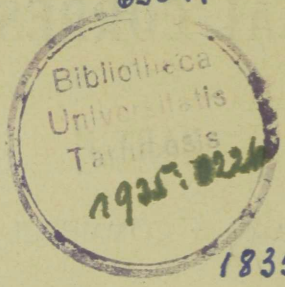
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K. Mattieseni trükikoda o-ü., Tartu 1934.

PREFACE.

My very great thanks are due to Mr. A. Uuehendrik, head of the Frederking Seebivabrik, Tartu, for his kindness in helping to prepare the vocabulary at the end of this book.

Henry C. C. Harris.

January 1935.
Tartu.

NOTE.

Owing to the introduction of the typewriter, the inside address of the commercial letter is now written as follows, with all the lines beginning at the same distance from the left edge of the paper, e. g.;

Messrs Smith, Brown & Co.
Exporters & Importers.
London. E. C. 4.

and not as formerly, with each line beginning a little more to the right than the preceding one.

Lesson 1.

CORRESPONDENCE WITH COMMISSION AGENTS & BROKERS.

Very frequently a trader has to employ the services of brokers or commission agents, and correspondence with these people must be as clear and definite as possible, the same points being paid attention to when requesting a broker to buy or sell goods on one's behalf as when one orders goods. (See Part 1, lesson 12). Price limits above which goods may not be purchased or below which they may not be sold should be stated clearly, without any possibility of misunderstanding.

Sometimes, in order to know whether the goods may be bought or sold at a profit, a **pro forma** invoice is asked for or sent. This is not a real invoice but an imaginary one; it is made out to show the inquirer what the probable cost of the goods and the charges will be. Sometimes **pro forma** invoices are made out to hand to the customs authorities. By this means, a merchant can make himself acquainted with the market price of the goods, the method and cost of packing, shipping, etc., the terms of payment and discount, and how much the whole order will cost. **Pro forma** invoices must be carefully made out as they are practically quotations, and

the real invoice, when the goods are shipped, will just be a copy of the **pro forma** invoice, not exceeding it in cost, unless some change has taken place in the shipping and packing charges, or unless it has been stated that the **pro forma** invoice is only good for a certain period. To repeat, the contents of the **pro forma** invoice are the same as that of a real invoice, except that the words **Pro Forma** are written at the top.

When the seller of goods sends his agent a **pro forma** invoice, he asks the latter to inform him whether the goods can be sold at the prices named. In this way he can see whether it will pay him to ship the goods to a certain market or not.

Of course, it is understood that the agent or broker will do everything in his power to guard the interests of the person employing him.

1

Chester Street.
Gloucester.
17th July 19..

Mr. Robt. Maloney.
Leadenhall Street.
London. E. C. 3.

Dear Sir,

Referring to your letter of the 17th inst., we beg you to be so kind as to buy for us the parcel of English oats mentioned at 20 sh. per quarter of 336 lbs., payable at one month. Please warehouse 50 qrs. and forward to us at the above address 50 qrs. by rail immediately. We shall also be obliged if you

will kindly insure the warehoused lot at purchase price plus 15%, and hold the grain at our disposal.

Awaiting receipt of your advices, we are,

Yours faithfully,

Wm. Hudson & Co.

2.

Leadenhall Street.
London.
25th July 19..

Messrs Wm. Hudson & Co.
Chester Street.
Gloucester.

Dear Sirs,

I beg to acknowledge receipt of your letter of the 17th inst., and to state that I am very glad you have taken the opportunity offered you. Owing to the continued drought, the price of oats, as well as of other grain, is bound to rise in the near future. Had your letter arrived a day later, it would have been impossible to effect the purchase, as buyers are eager and the market is very brisk, all offerings being snapped up immediately.

I have warehoused 50 qrs. according to your instructions and have forwarded 50 to you to-day by ordinary goods train.

Enclosed you will find the Consignment Note for the 50 qrs. forwarded, as well as my account amounting to £ 106.15.0. The insurance policy is with me.

I am,

Yours faithfully,

Robt. Maloney.

3.

Chester Street.
Gloucester.
3rd August 19..

Mr Robt. Maloney.
Leadenhall Street.
London. E. C. 3.

Dear Sir,

The parcel of 50 qrs. English oats forwarded by you on the 25th ult. has safely come to hand. We are very pleased with the quality and hope the remaining 50 qrs. warehoused by you are as good.

Enclosing a cheque for £ 106.15.0. in payment of your account enclosed with your letter of the 25th ult., and requesting the favour of an acknowledgment, we beg to remain,

Yours faithfully,
Wm. Hudson & Co.

4.

Chester Street.
Gloucester.
10th August 19..

Mr Robt. Maloney.
Leadenhall Street.
London. E. C. 3.

Dear Sir,

We have found a purchaser for the remaining 50 qrs., of oats warehoused by you and shall be obliged if you will despatch them immediately on receipt of this to Mr. Hurst Ottley,

Stafford Road, Wallingham, invoicing them at 25 sh. per quarter, delivery ex warehouse.

Kindly advise us when you have done so.

At the same time we beg you to keep us in mind and purchase for our account another parcel at a price not exceeding 26 sh. per qr. of 336 lbs. You may purchase Canadian or River Plate oats if you cannot get English, at correspondingly lower prices.

Thanking you for your prompt attention to and swift execution of our requests, we beg to remain,

Yours faithfully.
Wm. Hudson & Co.

5.

Leadenhall Street.
London. E. C. 3.
12th August 19..

Messrs Wm. Hudson & Co.
Chester Street.
Gloucester.

Dear Sirs,

Complying with your instructions of the 10th inst., I beg to state that I have forwarded to-day the 50 qrs. of oats warehoused for your account. I am enclosing a copy of my invoice to Mr Ottley as well as an account for forwarding, shipping and warehousing charges amounting to £ 3.6.8.

I have noted your request to purchase another lot of oats

for you and hope to advise you in the near future of my success.

Yours faithfully,
Robt. Maloney.

6.

6 Chowringhee.
Calcutta.
18th January 19..

Messrs Whitelaw & Co.
Commission Agents.
London. E. C.

Dear Sirs,

We have a parcel of Indian carpets for sale on commission and we shall be obliged if you would kindly fill in the customs duty, cartage, storage, brokerage, commission, and other charges on the accompaying **pro forma** invoice and return to us with your remarks, so as to enable us to see whether the goods can be disposed of at a profit or not.

Awaiting the favour of an early reply, we are,

Yours faithfully,
Gandhi & Co.

EXERCISES.

A.

1. Enumerate the points to which one should pay attention when giving instructions to one's broker. 2. What is a **pro forma** invoice? 3. Had Messrs Hudson & Co and Robt. Maloney been in contact before? 4. What proves it? 5. What

do Hudson & Co want to buy? 6. What instructions do they give their broker? 7. Why does Maloney think the price of grain will rise in the near future? 8. Would he have found it easy to fulfil his instructions if Hudson & Co's letter had arrived a day later? 9. Why not? 10. What has he done with the oats he has purchased for Hudson & Co's account? 11. What documents are enclosed in his letter? 12. Repeat the contents of Hudson's reply of the 3rd August. 13. Have Hudson & Co disposed of the warehoused oats at a profit or not? 14. Why are the prices of Canadian and River Plate oats cheaper than the prices of English oats? 15. For what does Maloney charge Hudson & Co £ 3.6.8? 16. Where and what is Calcutta? 17. What do Gandhi & Co enclose in their letter to Whitelaw & Co? 18. What do they want the latter firm to do? 19. Why is brokerage paid and to whom is it paid?

B.

Draft the following correspondence: —

1. The Northern Rubber Goods Co., manufacturers of automobile and bicycle tyres, Narva, Estonia, request Anderson & Co., Brokers, Moorgate, E. C., London, to buy for them 100 tons of Standard Sheet Rubber, for delivery Apl-June, at the best price obtainable. Their letter is dated 5th March.

2. Anderson & Co reply, date 15th March, 19.., that they have purchased the rubber according to specifications, at a price of 7d. per lb. for delivery at the time stated. They ask for instructions as to the disposal of the goods.

3. Reply to the above, telling them what to do with the rubber when it is delivered.

4. Lepp & Co., Tallinn, request Moore & Co., Liverpool, to

let them know the latest prices of cocoa, West African, for delivery June-July.

5. Moore & Co reply that June-July delivery, Accra G. F. cocoa, costs 26s. 6d. per 50 kilos., c. i. f., London. The freight to Tallinn and their commission of 2½% must be added to the price.

6. Reply to the above, ordering 5,000 kilos. Calculate the cost c. i. f. Tallinn, with freight and other charges at 10sh. per 1,000 kilos, and make out Moore & Co's invoice.

7. Joffe & Co. New York, offer their Tartu agents American turpentine. They enclose a **pro forma** invoice and ask whether a good market for the product can be found here.

8. Reply, stating that Estonia produces its own turpentine and that American prices are much too high.

Lesson 2.

THE TRAVELLING SALESMAN.

In order to sell their goods speedily, most merchants and manufacturers have to employ salesmen who travel from place to place to call upon prospective buyers in order to influence them to buy the goods of the firms they represent.

We need not enter into the qualifications of a salesman here beyond stating that he must be a good business man and possess the ability to make friends easily with all kinds of people.

The duties of a salesman are many. In the first place he has to take orders for the goods and make out the contracts. (These are now generally printed in books of forms, sometimes in duplicate, sometimes in triplicate. One copy is given to the

buyer, another sent to the head office, and a copy is sometimes retained by the traveller himself.) He must keep old customers and try his best to get new ones. He must look into and settle all complaints which buyers may make about the quality of the goods, mistakes in packing, shortage, etc. He must also collect all money due to the firm, and, where necessary, give an extension of time for payment. He must keep an eye on competitors and on the market and inform his principals of anything new that there is a demand for and be able to gauge the taste and buying power of the public.

The commercial traveller, as he is sometimes called, must send weekly reports to his head office. These reports must contain the following information: — 1. The number of the report, date and place from which he reports. 2. An enumeration of the places and customers visited since the last. 3. A list of orders taken. 4. A list of payments received. 5. A brief account of any complaints made, any allowances or extensions given or of goods returned by dissatisfied customers. 6. A report on those clients who are backward in their payments. 7. News regarding the financial status of old and new clients. 8. Anything else he would like to draw attention to.

There are many different systems of controlling travelling salesmen, but the one general rule is that all money received from clients must be remitted to the head office on the day of receipt.

It must not be forgotten that a travelling salesman is judged almost exclusively by results. The more orders he brings, the more he is appreciated: if his orders get fewer and fewer he soon becomes a candidate for employment with another firm.

7.

Cranbrook Road.
Ilford.
29th June 19..

Mr A. F. Nayler.
Woodford.

Dear Sir.

Referring to your application for the vacant commercial traveller's post in our firm, we shall be very much obliged if you will call to-morrow at any time between 10 a. m. and noon, with your references.

Yours faithfully,
The Rayon Silk Co.

8.

Cranbrook Road.
Ilford.
1st July 19..

Mr A. F. Nayler.
Woodford.

Dear Sir,

Referring to our conversation of yesterday's, we beg to state that we agree to appoint you our traveller on a salary of £ 250.— per annum, with a bonus to be given at our discretion, plus an allowance of 25sh. per diem while you are on the road.

We enclose a contract in duplicate and should be obliged if you would sign and return one copy to us, keeping the other for yourself.

We hope that you will be able to take up the duties of your appointment on the 15th inst., as agreed, and that our relations will always be of the most pleasant character.

Yours faithfully,

The Rayon Silk Co.

Encl. Contract.

9.

Contract of Service.

AGREEMENT between the Rayon Silk Co., Cranbrook Road, Ilford, on the one hand, and Mr A. F. Nayler, Woodford, on the other.

The Rayon Silk Co. agrees to give and Mr A. F. Nayler agrees to accept the appointment of commercial traveller in the abovenamed firm on the following conditions: —

1. Mr A. F. Nayler undertakes to visit the customers of the firm in the territory assigned to him not less than six times a year, and to go on any special trips that the company may require of him at any time.

2. The time taken by the trips referred to in the above paragraph is not to exceed eight months in any year.

3. Mr A. F. Nayler agrees to keep to the route laid out for him by the company and not to deviate from it except with the permission of the company.

4. In the intervals between his trips Mr A. F. Nayler agrees to do all such office work as may be given to him by the company.

5. The company hereby authorises Mr A. F. Nayler to accept orders on its behalf: to accept and acknowledge pay-

ments for goods sold: to make arrangements with customers: to take legal steps to recover any money due to the firm: to take over and dispose of goods returned by dissatisfied clients: provided that Mr A. F. Nayler in the discharge of all his duties guards the interests of the firm to the best of his knowledge and ability.

6. Mr Nayler engages to observe all reasonable care and diligence in booking orders from old and new customers and in giving credit.

7. Mr Nayler engages to remit on the day of receipt all money collected by him for the account of the firm and to report regularly from every town he stops at upon all business transacted.

8. The firm agrees to pay Mr A. F. Nayler a yearly salary of £ 250.— and to allow him the sum of 25sh. per day for each day of his journeys, this sum to cover all his expenses. The company further agrees to pay him an annual bonus, to be fixed at its discretion.

9. Mr A. F. Nayler engages to enter upon his duties with the firm on the 15th July 19..

10. Should either of the parties to this agreement wish to terminate it, three months' notice in writing must be given to the party of the other part.

11. Should Mr A. F. Nayler leave the firm, he promises not to enter the services of any competing firm for the period of three years from the date of his leaving. Should he do this, he binds himself to pay a penalty of £ 300.— to the Rayon Silk Co. or its assigns without demur.

Signed in duplicate this ...th. day of July 19...

Woodford.
7th July 19..

The Rayon Silk Co.
Ilford.
Cranbrook Road.

Dear Sirs,

I have the pleasure to return herewith, duly signed, one copy of the agreement forwarded with your letter of the 1st. inst., and to state that I shall be ready to take up my duties on the 15th as agreed.

Reciprocating the wish that our relations will always be of a most pleasant character, I am,

Yours faithfully,
A. F. Nayler.

EXERCISE.

1. Recapitulate the duties of a travelling salesman. 2. What information must his weekly reports contain? 3. What does the Rayon Silk Co. want Mr Nayler to do? 4. What does the company refer to in its second letter? 5. On what terms do they engage him? 6. According to the contract, what does Mr Nayler oblige himself to do? 7. What does the company bind itself to do for its part? 8. What powers does the company give Mr Nayler? 9. Can Mr Nayler or the company terminate the agreement at any time? 10. If so, on what conditions? 11. What does Mr Nayler promise to do in case he

leaves the company? 12. What guarantee has the company that he will keep this promise? 13. What has become of the other copy of the agreement which the company forwarded with its first letter? 14. With what words does Mr Nayler's letter close?

B.

Draft the following correspondence:—

1. A. Tikkopp, of Narva Mantee, Tallinn, hears that the Franklyn Vacuum Cleaner Co., Hanover Square, London, is looking for an agent to represent it in the Baltic States. He writes to the firm, stating that he has been in business in Tallinn for many years, that he deals in electric appliances for the household, that he has good premises on the best street and a good show-room, and that he has good business connections all over the country, and in Latvia and Finland as well. He states that he is well supplied with capital and refers them to the Northern Banking Co., Tallinn, for further information.

2. The Franklyn Vacuum Cleaner Co. writes to the Northern Banking Co., Tallinn, for information re Mr A. Tikkopp.

3. The bank replies, giving him a good character and praising his business ability and honesty; it states the amount of his capital and says he may be granted credit up to £ 1,500.—

4. The company referred to above answers Mr Tikkopp that it is willing to employ him as its agent for the Baltic States, provided he can satisfy it that he has facilities for displaying the goods in Riga and Helsingki equally as well as in Tallinn. It offers him 5% commission on the net amount of all orders he gets. Accounts are to be sent in monthly and all money due

by him is to be remitted by him at the same time by sight draft on London.

5. Mr Tikkopp replies that he is satisfied with the terms and asks the Company to send him a consignment of goods immediately. He is sure that he can begin to send in large orders as soon as he has the appliances on show.

7. The company informs him it has sent him 100 vacuum cleaners by the s. s. "Baltlinn", encloses B/L and invoice, and also copy of contract.

Lesson 3.

CORRESPONDENCE WITH THE TRAVELLING SALESMAN.

11.

Bristol.
1st August 19..

The Rayon Silk Co.
Cranbrook Road.
Ilford

Dear Sirs,

I arrived here last night and to-day have been looking up our old customers. The following orders are enclosed, Nos. 75, 76, 77, 78, 79, 80, to a total value of £ 3.000.—. Please pay special attention to order No. 78, as this is from a new customer, who seems to be doing a good business. I think it will pay us to keep him contented.

I had to make an allowance to Mr. Norton, of 57 Stratford Road, on a piece of blue silk that was very much discolour-

ed. He has agreed to accept a 50% reduction on the price, so please credit his account with £ 3.14.6 and send him the necessary credit note.

I have remitted to you to-day £ 150.— received from Mr. Smith, of 234 Mark Lane, in payment of his last account.

This night I leave for Exeter.

Yours faithfully,
A. F. Nayler.

Encl.

12.

Exeter.
3rd Aug. 19..

The Rayon Silk Co.
Cranbrook Road.
Ilford.

Dear Sirs,

Most of yesterday was spent in seeing that our claim on the estate of the late Mr. W. Burrows, of Torbay Road, who died bankrupt, was properly presented to the Official Receiver. This matter is now in order and it is expected that in a month or two creditors will be paid 5sh. in the pound. They will be lucky to get even so much, as his affairs were in a very bad condition when he died.

Messrs John Smollet and Fred. Joyce of Nos. 57 and 245 Bristol Road, respectively, are in arrears with their payments. They both complain of bad business owing to the competition of the co-operative association, which has opened a big shop in the middle, just between them. The former of these gentle-

men has paid in £ 75.- on account, and the latter £ 167.-. I have given each of them an extension of one month, which I trust will meet with your approval.

£ 1589.— were remitted to you yesterday by me, as per copies of receipts enclosed. Please credit the necessary accounts.

Yours faithfully
A. F. Nayler.

Encl.

13.

Exeter.
3rd Aug. 19..

The Rayon Silk Co.
Cranbrook Road.
Ilford.

Dear Sirs,

In continuation of my previous letter of to-day's date, I beg to enclose orders Nos. 101-120, worth £ 4.500.-. Please see that these goods are despatched immediately and that careful attention is paid to packing and quality, as competition is severe.

I called in at the co-operative shop referred to in my first letter and was very much pleased with I saw. The premises are very light and airy and the goods were well displayed. They are selling some new sorts of artificial silk, called "Melanese" and "Estonese", in the latest fashionable shades of ink blue, cloud grey, bottle green and three tints

of beige. Their prices are 1/- and 1/6 per yard cheaper than ours, so I request your permission to reduce our prices accordingly, as otherwise our agents will be placed in a very difficult position.

To-night I leave for Taunton.

Yours faithfully,

A. F. Nayler.

Encl.

14.

ORDER.

Order No. 120. Exeter.

3rd August 19..

Mr William Barrett of Exeter orders the following silk goods from the Rayon Silk Co., Ilford, through their representative Mr A. F. Nayler:—

Quantity.	Kind.	Quality.	Price.
1,000 yards	crepe-de-chine	36 in. wide, various shades	3/11 per yd.
500 frocks,	artificial silk	various sizes and colours	25/- each.
1700 pairs art. knickers	With French legs, trimmed lace, elastic at waist	Shades-maize, sky, apple, pink, and white.	2/11½ each.
1700 art. silk vests.	knitted silk.	-do-	3/11 each.
750 pairs hose.	pure silk: sizes 8, 8½, 9, 9½, 10.	fine; shades-beige, pine cone, fawn, and grey	1/5 pair.
Delivery —	Immediately ly ra	il for buyer's account.	
Terms —	one month — cheq	ue.	
Signed: — A. F. N	ayler.	Signed: -	Wm. Barrett.

EXERCISE.

A.

1. From what city is Mr Nayler's first letter? 2. When did he arrive there? 3. How has he been occupied? 4. What does he enclose in his letter? 5. Why does he want special attention paid to order No. 78? 6. What arrangement did he come to with Mr Norton? 7. What was Mr Nayler doing on the 2nd of August? 8. Why must the claims of creditors be presented to the Official Receiver? 9. What is an Official Receiver? 10. Will the creditors get back all the money owed to them? 11. Why are John Smollett and Fred. Joyce in arrears? 12. Is competition in their trade severe? 13. In what manner has Mr Nayler made business easier for them? 14. Why is the co-operative business finding it easy to sell more goods than the Rayon Co's agents? 15. What recommendations does Mr Nayler make to his firm to enable his customers to meet competition? 16. For what is lace used? 17. Of what is elastic made? 18. What terms does Mr Barrett get?

B.

Draft the following correspondence:—

1. Julian Hartley sees the following advertisement and applies by letter:— "Man required, good references, smart appearance, well-educated and of good character, to be trained as travelling salesman. Our product is sold through well-known business houses. The position is permanent and offers early prospects for advancement. Apply, District Manager, 29 George St., Hanover Square, London." (In your draft you must give de-

tails in accordance with the requirements of the advertisement).

2. The firm replies, asking Julian Hartley to call.

3. The firm engages him at a salary of £ 300.- per annum, with 5% commission on all sales and 25/- a day travelling expenses. The engagement may be terminated by either side on three months' notice. A copy of the contract is enclosed.

4. Julian Hartley, on his first trip to Birmingham, sends in orders for 700 New Model Carburettors at 5/- each. He also sends in orders for 1,000 New Model Motor Lamps and 1,000 New Model Tyre Pumps. Make out the order.

5. Messrs Mott & Dickson want a new traveller. They advertise and Wm. Jones applies for the position. He is appointed after an interview. He goes on a trip and sends in his first report. Write all the letters necessary, including the testimonial enclosed with Jones's application.

6. Write a letter from a grain broker in London to a correspondent in Canada, informing him that no supplies of Russian wheat will arrive this year owing to a drought in the country, and that prices will undoubtedly rise. He advises his correspondent to buy all he can in view of the prospects.

7. On the 17th April, Chas. Stone, of Marlake, informs George Atkins of Nottingham that on inspection of his last consignment of gloves, 20 pairs were found to be spotted and unfit for sale. He returns them by the same post and requests that another 20 pair of kid gloves be sent him, but the goods must be faultless, as his clients are very particular.

Lesson 4.

THE AGENT.

Sometimes a firm, instead of going to the trouble and expense of opening a branch office or employing a travelling salesman to dispose of its goods, engages a local business man to act as its representative. This man is called its agent. If he is the only one in the country he is called the sole agent.

The agent does not get paid a salary by the firm but receives a commission on all orders sent from the town or country in which he resides. This commission is usually from 2 to 2½% on the amount of the invoice; in addition he is refunded all the money he expends for account of his principals, such as postage and telegraph charges, warehousing, tips, cartage, customs duties, etc.

The duties of the agent are very similar to those of the commercial traveller, except that he is independent, and, being a resident of the locality, he can keep in constant touch with customers.

The agent is allowed to give credit within the limits permitted him by his principals. Sometimes, of course, it happens that the people to whom he has given credit cannot pay. In such cases the principals lose their money. In order to avoid this the agent sometimes guarantees the collection of all money due to the firm, so that if a customer goes bankrupt, the agent has to pay the principals the money owed by the bankrupt customer. In order to reimburse the agent for the extra risk he undertakes, he is given an extra commission, varying from ½ to 1%. This extra commission, paid to an

agent for guaranteeing his principals against loss is called a **del credere** commission.

As a rule all arrangements for an agency are made by letters, but sometimes a special contract is drawn up and signed by both parties. Of course, it is understood that an agent must not accept the agency of a competing firm, e. g., he cannot be an agent for the sale of agricultural machines from a British and a German firm at the same time, unless this is agreed to by his principals.

15.

Brisbane.
8th July 19..

Messrs Walters & Co.
Worcester.
England.

Dear Sirs,

Having heard that you are looking for an agent in this city, I take the liberty of recommending my own agency business here as your sole representative for this country.

I have been established for the last seven years and represent several highly respectable continental firms, from Germany, Sweden, France and Italy. I am therefore well acquainted with all the local dealers in motor-cars and motor accessories, and have no doubt that I shall be able to introduce your motor-car and motor-cycle tyres to many of the largest firms.

My terms are two per cent commission, and if you wish

me to guarantee accounts, I should charge one per cent more **del credere**; all disbursements for your account, such as postage and petties, etc., are to be refunded on presentation of my accounts every three months, on the 31st. Oct., 31st, Jany., 30th. April, and 31st. July.

I have the pleasure to give you the following references:—

Donald Bradman & Co., Sydney.

Fleetwood, Kippax & Co., Adelaide.

Grimmet & Ebeling, Melbourne.

It goes without saying that I shall guard your interests to the best of my ability should I be entrusted with the representation of your firm.

Awaiting the favour of an early reply,

I am,

Yours faithfully

Bertram Woodful.

16.

Worcester.

2nd August, 19..

Bertram Woodful Esqre.,
Brisbane. Australia.

Dear Sir,

We are in receipt of your letter of the 8th ult., and on receipt of replies from your references shall communicate with you again.

Yours faithfully,

Walters & Co.

Worcester.
20th August, 19..

Bertram Woodful Esqre.,
Brisbane.

Dear Sir,

We have decided to let you have the representation of our firm for Australia on the conditions stated by you in your letter, and beg to request your agreement to the following additional conditions:—

All orders taken by you in our name and for our account shall be taken at the prices and on the conditions quoted by us. You will keep us regularly informed of the state of the market so as to enable us to meet competition. All complaints and claims are to be settled by you, and any goods refused by customers are to be disposed of by you to other customers. If a number of small orders are given, these will be combined into one shipment, which will be consigned to you direct, and you will undertake to attend to their proper distribution. Further, during the term of this agreement you must not represent any competing firm. Should either you or we desire to terminate this agreement, three months' notice in writing is to be given to the other side.

We, on our part, undertake to reimburse you for all your expenses on our behalf and to pay you a commission of three per cent, including the **del credere** commission. Settlements, as stated by you, are to be made every three months.

If you agree to these terms, please let us have your reply

as quickly as possible, when we shall send you a case of samples with prices etc.

Awaiting your reply, we are

Yours faithfully,
Walters & Co.

18.

Brisbane.
5th September 19..

Messrs Walters & Co.
Worcester. England.

Dear Sirs,

I am in receipt of your letter of the 20th ult., and beg to state that I am in full agreement with the terms and conditions laid down by you, and await the case of samples promised.

Thanking you for the confidence you have placed in me,
I beg to remain, Dear Sirs,
Yours faithfully,
Bertram Woodful.

19.

Nottingham.
10th October 19..

Mr. Charles Burton.
Stockholm. Sweden.

Dear Sir,

By this we regret to inform you that on the expiration of three months from the date of this letter, we shall terminate our agency agreement with you.

This step has not been caused by any fault or laxity on your part but exclusively by the fact that we are opening our own branch office in Stockholm, as we feel that our interests will be better served by having our own people on the spot.

Thanking you for the care and energy with which you have watched our interests for the last three years, and trusting that our mutual relations in the future will be of the most pleasant, we beg to remain, requesting an acknowledgment of this letter,

Yours faithfully,
W. R. Kippax & Co.

20.

Stockholm.
15th Oct. 19..

Messrs W. R. Kippax & Co.
Nottingham.

Dear Sirs,

I beg to acknowledge receipt of your letter of the 10th inst. informing me that our agreement will terminate on the 10th of January next. I am glad to note that you are satisfied with my activities on your behalf, so much so that owing to the demand for your goods here you are compelled to open your own branch office. I trust that you will continue to give me the usual agent's commission on all orders that I may bring to your branch office, and remain,

Yours faithfully,
Chas. Burton.

EXERCISE

A.

1. Why do firms employ agents? 2. How is the agent remunerated? 3. What is the difference between an ordinary commission and a **del credere**? 4. What does Bertram Woodful take the liberty of doing? 5. What qualifications has he? 6. On what terms is he willing to act as the firm's agent? 7. Do Walters & Co give him an immediate answer? 8. Why not? 9. What other conditions do Walters & Co want Bertram Woodful to agree to? 10. How long is the agreement to remain in force? 11. Of what do W. R. Kippax & Co inform Chas. Burton? 12. For what reason are they terminating their agency agreement with him? 13. Has the firm been satisfied with Burton? 14. What other words in English contain the same idea as the verb "to terminate"?

B.

Draft the following correspondence:—

1. Beckett & Thompson, who are manufacturers of jute bags in Calcutta, want to develop their trade in the Baltic States and Scandinavia and wish to appoint an agent for those countries. They have heard that Mr. N. Pedersen, Copenhagen, would be suitable. They write to him, inquiring whether he would like to have the sole agency.

2. Mr N. Pedersen replies in the affirmative.

3. Messrs Beckett & Thompson reply stating terms and conditions.

4. Mr N. Pedersen replies, that 2% commission is too little: He never does business under 2½% plus 1% for **del credere.**

5. Messrs Beckett & Thompson reply agreeing. They state that they have sent him a consignment of 5,000 bags, green stripe, at 6d. per bag and 5,000 bags, blue stripe, at 5d. per bag, and enclose invoice and B/L.

6. Make out the invoice for the abovenamed goods, adding freight on 5 tons, at 23/- Calcutta to Copenhagen, customs export duties at Calcutta 5% on the value, cartage to docks. £ 1.15.0., insurance at 5sh. 6d. per cent.

7. Mr Wm. Hornby, of London, writes to the Tartu Novelty Co. offering his services as selling agent in England for cigarette-lighters. He refers to Messrs Oscar Pukke and Co., Helsingfors, for whom he has acted in a similar capacity for the last six years.

8. The Tartu Novelty Co. writes to Oscar Pukke & Co., Helsingfors, asking for information about Mr Wm. Hornby.

9. Oscar Pukke & Co. reply favourably.

10. The Tartu Novelty Co. answer Mr Wm. Hornby that they are willing to give him the sole agency on the conditions stated in their letter. (State the conditions).

11. Make an inquiry into the market for jute bags in your town: state the wholesale and retail prices, whether the latter have fluctuated in the last month or not, and the monthly consumption of bags, naming the largest purchasers.

Lesson 5.

THE IMPORTATION OF GOODS.

When we buy goods from another country, we import them. Conversely, when we sell to other countries, we export. Most countries try nowadays to import as little and export as

much as possible in order to have the balance of trade in their favour. The balance of trade is the difference between the value of the imports and exports.

(Owing to the rise of economic nationalism after the war, all countries are now trying to reduce their imports as much as possible and have introduced quotas — that is, a fixed amount of import from any country — and restrictions on payments, which are generally made by B/E, by means of blocked accounts, the clearing system, etc. The clearing system enables a constant watch to be kept on the trade relations between any two countries, so that imports may be increased or decreased at will.)

Whenever a ship from another country enters a port, it must at once take on board a customs officer who must not allow any dutiable goods to be taken away from the ship or the customs warehouses until the duty has been paid. There are many customs formalities to be complied with, which are both troublesome and wearisome and cannot be learnt except by experience, so we shall not describe them here beyond saying that both specific and **ad valorem** customs duties must be paid before the importer can take delivery of his goods. A specific customs duty is a definite amount to be paid on a definite quantity, i. e., per lb., per gallon, per yard, etc. An **ad valorem** duty is a percentage of the value of the goods, e. g., 5% **ad valorem** means five per cent of the amount the goods are assessed at by the customs officers. Sometimes the same goods pay both a specific and an **ad valorem** duty. The latter is a mighty weapon, as, by raising or lowering it, imports of any goods can be permitted or prohibited at will.

Before delivery is obtained from the Customs, the importer

must pay all the shipping company's charges, such as freight etc., and return the Bill of Lading. In exchange for the B/L, he receives a delivery order addressed to the captain of the ship or to the dock company or other authority to whom the goods have been delivered by the ship. Sometimes when the goods have already been sold, the importer simply writes on the Bill of Lading the name of the person who has bought them and hands him the B/L. The buyer then must take the necessary steps to obtain delivery.

When goods are landed from the ship and warehoused, the importer is given a receipt for them. If he likes, the receipt may be in the form of what is called a Dock Warrant, i. e., a paper authorising him to obtain the goods from the dock. If there is a large quantity of goods, he may divide them into any number of parts and obtain a dock warrant for each, thus making it convenient to sell the goods in small lots. These dock warrants may be bought and sold, as they represent goods. Here is an example of a dock warrant:

DOCK WARRANT.

East India Docks Company.

No. 00897. Smith Street Warehouse.

Rotn. Nos. Customs 5432
Dock 6789 18th Feb. 1934.

Warrant for 100 Bales Tobacco

per s. s. "Leviathan", Master Armstrong from Bombay. Entered by W. Hudson & Sons, Ltd., on 17th Feb. 1934. Rent commenced 17th Feb. 1934.

Marks.	Nos.	Weight.	
		Gross.	Tare.
WHS	1 100	53. 2. 10 6. 2. 10 47. 0. 0. Net.	6. 2. 10.

Examined and entered in Ledger No. 16. Folio 225.

W. McKay.
Clerk

H. Gordon.
Ledger Clerk.

DELIVER the above goods to Messrs W. Hudson & Sons, Ltd., or assigns by endorsement thereon.

B. Jones.
Warrant Clerk

If no dock warrants have been issued, the goods will be delivered to anybody who presents a Delivery Order from the owner. A D/O may also be bought and sold in the same way as a dock warrant.

In order to get rid of the goods quickly, the importer generally requests a broker to sell them by auction. As soon as the auction is finished the broker sends the importer an account, called the Broker's Account Sales, giving full particulars of the amount received for the goods less the expenses of the sale. On receipt of this, the importer sends the dock warrants to the broker for delivery to the buyer. Sometimes this is done in advance of the sale, so that the broker may hand the dock warrant or delivery order to the buyer immediately on payment. The following is the kind of document received as an enclosure to the broker's letter:—

BROKER'S ACCOUNT SALES.

ACCOUNT SALES of 400 bales Indian tobacco ex s. s. "Leviathan" from Bombay, sold by auction on the 20th Feb., 1934, by order and for account of Messrs W. Hudson & Sons.

Lot.	Bales.	Marks.	Cwts.	Qrs.	Lbs.		
63	100	WHS	53.	2.	10		
			6.	2.	10	tare and draft.	
			47.	0.	0.	=5264 lbs à 11/6 per 1b	
							£ 3026.10.0.
			Sale expenses			£ 2.5.0.	
			Brokerage ½%			£ 30.5.4.	32.10.4.
							£ 2993.19.8.

London. 24th Feb. 1934.
Ward & Sons.

When the importer has received the Broker's Account Sales, he sends to his principal, the person who shipped him the goods from abroad, his own Account Sales, in which he credits the principal with the sum realised from the sale of the goods and debits him with all the expenses and his own commission. The balance left after deducting all the expenses represents the net proceeds. This is paid to the principal by cheque or draft, or if the parties have a running account, the sum is credited to the owner of the goods.

AGENT'S ACCOUNT SALES.

Account Sales of 100 Bales Indian Tobacco ex s. s. "Leviathan" from Bombay, sold by auction on the 20th Feb., 1934, for account of Messrs Patel & Sons, Bombay.

WHS		Cwts.	Qrs.	Lbs.			
1/100.	100 bales.	53.	2.	10.			
		6.	2.	10.	Tare and Draft.		
		47.	0.	0.	= 5264 lbs à 11/6 per lb		£ 3026.10.0.
Charges:—							
Freight on 5264 lbs à 3/8d and 10%						9.0.11.	
Fire insurance, £ 3000 à 1 0/00						3.0. 0.	
Dock dues						10.0. 0.	
Sale expenses						2.5. 0.	
Brokerage ½%						30.5. 4.	
Commission 2½%						151.6. 8.	205.17.11.
							£ 2820.12. 1.

London. 25th Feb. 1934.
W. Hudson & Sons.

The above sale, it will be noticed, was for the account of Messrs Patel & Sons, Bombay. Therefore, Messrs Patel & Sons are the owners of the goods, and Messrs W. Hudson & Sons their agents. This method of selling one's goods through an agent is called a Consignment Sale. In the above case, the shipper of the goods is the consignor, the agent is the consignee and the parcel of goods itself the consignment. When goods are shipped on consignment, a special invoice is sent with them. The difference between this Consignment Invoice and the ordinary invoice lies in the heading, which contains the following words in addition to the ordinary text:— "consigned to Messrs (agents) for sale on account and risk of (owners)." The rest of the invoice is the same as the usual invoice. The invoice, which is really a **pro forma** invoice as the goods still belong to the shippers, is sent for presentation to the customs office in order to make the entry and landing of the goods easy.

EXERCISE.

A.

1. What is the difference between export and import? 2. Define the expression "balance of trade". 3. Why have quotas and restrictions on payments between countries been introduced? 4. What is the duty of a customs officer? 5. Define specific and **ad valorem** customs duties. 6. Can the importer get his goods from the ship by merely paying the customs duties? 7. If not, what must he do to obtain them? 8. Explain how a B/L may be bought and sold. 9. What is a dock warrant? 10. In what manner are goods disposed of quickly? 11. How does the broker account for what he has done in the affair entrusted to

him? 12. How does the agent account to his principal for his actions? 13. What is the meaning of the expression "net proceeds"? 14. What is a consignment sale? 15. Define the terms "consignor", "consignee" and "consignment". 16. What is the difference between a consignment and an ordinary invoice?

B.

Draft the following correspondence:—

1. John Hoybee, Stockholm, offers to represent a Bradford firm and to push its woollen goods in Sweden. He names the Swedish Bank for Foreign Trade, Stockholm, as a reference.

2. The Bradford firm writes to the bank named above for information.

3. The bank replies favourably about Hoybee's capital, energy, and reputation.

4. The Bradford firm then sends Hoybee an agreement to be approved by him and returned with his signature, a copy being retained by himself.

5. Hoybee inquires of the Bradstreet Commercial Agency, London, about the Bradford firm.

6. The Commercial Agency replies that the Bradford firm is doing a very large business and enjoys a very high reputation. It is one of the leading firms in the trade, employing a large staff all the year round and has a capital of about £ 50.000.—

7. Hoybee agrees to the terms proposed by the firm and returns the agreement duly signed by him.

8. Date — 22nd April. T. Atkins reminds Sinclair & Co., of his letter of the 2nd inst., to which he has not received a reply nor has he received payment for his invoice for gloves, of the 2nd March. He now informs Sinclair & Co that he is

drawing upon them at sight and hopes that they will honour the draft on presentation.

9. On the 10th Dec., Stone & Co. acknowledge the receipt of a parcel of soap from the Frederking Soap Co., at Tartu. They state that they have credited the latter with the amount of the invoice and will send a B/E in a few days, less a discount of 2½%.

10. On the 15th Dec. Stone & Co. forward a B/E to the Frederking Soap Co.

11. On the 20th Dec. the Frederking Soap Co. acknowledges the receipt of the B/E.

Lesson 6.

21.

Foochow.
19th June 19..

Messrs Jordan & Co.
Mincing Lane.
London.

Dear Sirs,

This is to inform you that we have shipped to-day per the s. s. "Nanshan" 200 cases of Green Tea to your address to be sold by auction.

We enclose herein B/L for the goods and consignment invoice, and trust that you will be able to get us a good price for the consignment. Awaiting your advices, we are,

Yours faithfully,
Randrup & Co.

22.

Mincing Lane
London.
1st August 19..

Messrs Grey & Co.
London.
Dear Sirs,

We enclose herein four dock warrants for 200 c/s Green Tea ex s. s. "Nanshan", and shall be obliged if you will kindly auction the tea in lots of fifty c/s.

Thanking you for your prompt attention to this matter, we are,

Yours faithfully,
Jordan & Co.

23.

London.
10th Aug. 19..

Messrs Jordan & Co.
Mincing Lane.
London.
Dear Sirs,

In reply to your letter of the 1st inst., we beg to enclose herewith our Broker's Account Sales for 200 c/s Green Tea sold by us for your account, as well as our cheque for £ 736. 17. 8, receipt of which please acknowledge.

Trusting you are satisfied with the prices, which were just a shade under the best obtained this year, we are,

Yours faithfully,
Grey & Co.

ACCOUNT SALES.

Account Sales of 200 c/s Green Foochow Tea ex s. s. "Nanshan" from Foochow sold by auction on the 9th August, 19.. by order and for account of Messrs Jordan & Co., Mincing Lane.

Lot No.	Marks.	Cwts.	Qrs.	Lbs.	
53	Jorco	5 0	1	10	
54	,,	5 0	0	27	
55	,,	5 0	1	5	
56	,,	5 0	2	0	
		201	1	14	
		1	1	10	Tare & draft.
		200	0	4 = 22,404	lbs à 8d per lb. £ 746. 16. 0.
		Sale expenses		£ 2. 10. 0.	
		Brokerage ½%		7. 9. 4.	9. 19. 4.
					£ 736. 16. 8.

London. 10th Aug. 19..
Grey & Co.

24.

Mincing Lane.
London.
15th August 19..

Messrs Randrup & Co.
Foochow.

Dear Sirs,

Referring to your letter of the 19th June, 19.., informing us that you had shipped two hundred cases of Green Tea for sale by auction, we have the pleasure to enclose herein our Account Sales for the same and our draft for £ 659. 16. 6. on the Hongkong & Shanghai Banking Corporation, the net proceeds of the sale.

Trusting that you are satisfied with the results and that we shall hear from you again in the near future, we are,

Yours faithfully,
Jordan & Co.

25.

Fenchurch Street.
London.
23rd Sept. 19..

Messrs O'Neal & Co.
Yokohama, Japan.

Dear Sirs,

We have received your letter of the 5th inst. in which you inform us that you have shipped us 50 c/s shellac, mark HC, per the s. s. "Tokoimaru". We regret that you did not ask us by cable whether the market was suitable. As it is,

there has been a great fall in prices and we hardly think that you will be able to cover your cost price at the present rates. We, therefore, have decided to warehouse the goods until a more favourable opportunity presents itself. Trusting that this course of action meets with your approval, we beg to remain,

Yours faithfully,
Sanford & Merton.

EXERCISE.

A.

1. What have Randrup & Co. shipped to Jordan & Co.? 2. Where is Foochow? 3. What other kinds of tea can you name? 4. What do the shippers enclose in their letter? 5. What do Jordan & Co. do after paying the customs duties and landing the goods? 6. How will the tea be sold and by whom? 7. What will the buyers receive in return for the money they have paid? 8. How will they be able to obtain the tea which they have purchased? 9. What were the net proceeds of the sale by Grey & Co.? 10. What did the latter enclose in their letter to Jordan & Co.? 11. Were the prices obtained good or bad? 12. For what amount do Jordan & Co. enclose a draft to Randrup & Co.? 13. Why is there such a difference between what they have received from Grey & Co. and the sum they remit? 14. Of what have Sanford & Merton been informed? 15. Will they do what their correspondents request them to do? 16. Why not? 17. What have they decided to do? 18. When will they auction the goods? 19. What do they require of O'Neal & Co?

B.

1. Make out Jordan & Co's Account Sales, taking into consideration the following figures:— Gross amount received, £ 746. 16. 0. Sale expenses, £ 2. 10. 0.: Brokerage £ 7. 9. 4.: freight, £ 33. 10. 0.: Fire insurance £ 0. 17. 6.: Dock dues £ 6. 6. 0.: Commission. 2½%, £ 37. 6. 8.

2. Messrs J. W. Neville, of Calcutta, send to Messrs Derry & Benson, London, a parcel of 5,000 goat skins, for sale by auction. The goods were shipped by the s. s. "Nagpur" on the 7th Oct. Invoice and B/L are enclosed in the letter.

3. Messrs Derry & Benson apply to Messrs Barker, Liverpool St., London, to sell the goods by auction.

4. Their request is complied with. Messrs Barker sell the goods in lots of 1,000, and obtain the very highest price possible, viz., 10/— per skin. They ask Messrs Derry & Benson to send them the dock warrants or delivery orders.

5. Messrs Derry & Benson send one D/O to Messrs Barker and ask them to take the necessary steps to deliver the goods to the purchasers.

6. Messrs Barker enclose their Account Sales. The expenses amount to £ 15. 9. 8. and brokerage at ½% to £ 12. 10. 0. Make out the Account Sales.

7. Messrs Derry & Benson inform Messrs J. W. Neville of the results, enclosing their Account Sales, and state that the net proceeds have been credited to their account.

8. Make out Messrs Derry & Benson's account sales. Amount realised from sale, £ 2,500. Net amount from broker, £ 2,472. 10. 4. Freight, £ 44. 5. 0.: fire insurance, £ 1. 17. 6.: dock dues, £ 10. 10. 0.: commission at 2½% on gross amount received.

8. Messrs J. W. Neville acknowledge receipt of Messrs Derry & Benson's letter. They are very satisfied with the results and inform their correspondents that they have shipped another parcel of 10,000 goat skins per the s. s. "Midnapur" for sale by auction as soon as the goods arrive.

Lesson 7.

THE EXPORTATION OF GOODS.

Orders received for goods to be exported are generally called indents. Very often they are received by cable and, of course, confirmed in writing. The indent contains a complete description of the goods, their assortment, packing, shipment, insurance, marks, method of payment and port to which they are to be shipped. Generally the export firms are commission agents, representing a number of manufacturers to whom they pass on the orders they receive. Thus, one firm may represent manufacturers of woollen and cotton goods, wines, spirits, rugs, carpets, hardware, etc., and may have agencies in more than one country to which they export the kind of goods needed. Very often they have a special brand for each country, though the goods may be one and the same.

It is not necessary to give an example of an indent here for we have already had one in lesson 13, page 86, part 1. The only difference is that instead of the word "order", the word "indent" is used, and a few more details given, according to the customs of the country. Thus, textiles for India have to be specially packed and labelled with fancy labels representing some Indian god or goddess or hero or scene; cigarettes

for China have to be packed in boxes on which something Chinese is represented.

The goods are generally packed in cases or bales which are made waterproof so that the goods will not be damaged by sea-water during the voyage. Some goods are packed in tin-lined cases, others are wrapped in linen covers, then in brown paper, then in canvas after which comes a sheet of waterproof material — oil-cloth or tarpaulin — and then again in canvas. The bales are then compressed in a hydraulic press and hooped with iron, after which the marks, numbers, weights and measurements of the package are painted on the outside by means of a stencil. Tea is generally packed in cases of ply-wood lined with lead to preserve the aroma. Sugar, flour, etc., are packed in bags. Preserved food is generally packed in tins at so many dozen to the case, while salt fish is packed in barrels. Whenever possible, the exporter tries to pack in bulk, i. e., in large packages as small packages cost more money and add to the freight.

If a firm is large enough, it has its own men to attend to all the customs and shipping formalities, put the goods on board, get the bills of lading, etc. But if it is not, then the goods for export are generally sent to a shipping agent with an Advice Note giving the name of the ship by which they are to be sent, the port of destination, the measurements and weight of the packages and the value of the goods. All these details are necessary in order to enable the shipping agent to fill up the customs forms. The following is an example of an Advice Note:

ADVICE NOTE.

To Messrs Goodyear & Co.	From Jordan & Co.
Shipping Agents.	Petticoat Lane.
Newcastle.	London. 24th Nov. 19..

We have this day forwarded the goods as below, per carrier, to the Royal Albert Docks for shipment per s. s. "Mayflower" to Tallinn. Bills of Lading to our order.

Marks.	Nos.	Pkgs.	Contents.	Yds.	Value.
(Jorco)	1	1	Coatings	600½	£ 83.5.4.
T'allinn.	Measurements.			Weight.	
	3 ft. 1 in. × 2 ft. 9 in. × 1 ft. 8 in.			27.2.19.	

On receipt of this Advice Note, the shipping agent attends to the customs formalities, puts the case on board, and obtains the B/L. This he forwards to the exporter with a Freight Note on which are given all his charges such as cartage, carriage, dock dues, B/L. and his commission for attending to the matter. If the exporter requests the shipping agent to insure the goods, the insurance premium is also entered in the list of charges.

FREIGHT NOTE

London. 27th Nov. 19..

Messrs Jordan & Co.
Petticoat Lane.
London.

DR to Goodyear & Co.
Shipping Agents.

Marks.	Particulars.	Measurements.	Weight.	Rate.	£.	s.	d.
(Jorco)	1 case	14ft.2in.		30/— & 10%	—	11.	8.
1		Carriage					6.
Tallinn.		Cartage					8.
		Dues					8.
		Bills of lading				1.	6.
		Commission				2.	0.
					£-	17.	0.
3 B/L enclosed							

Of course, the shipping agent has also to write a few notes and letters while shipping the goods, but these things do not concern us here. Our main interest is with the exporter.

Freight on goods is charged in various ways. If the goods occupy a large space, they are charged by measurement, 40 cub. ft. being equal to a ton. If they are heavy, they are charged by weight. Putting it another way, if the goods weigh over a ton to the 40 cub. ft., they are charged by weight: if they measure more than 40 cub. ft. to the ton weight, they are charged by measure. Sometimes, they are charged per bushel, per package, per bag, etc. The usual quotation is "weight" or measurement, ship's option", i. e., as the ship likes. In this way, the ship earns more money.

To calculate the amount of freight on any number of packages, the cubic measurements of one package are multiplied by the total number of packages and the result divided by 40. This gives the number of tons which is then multiplied by the rate of freight. Almost all shipping companies add 10% primage to the freight. This primage was originally an allowance to the skipper for the use of the tackle and gear in loading and unloading the cargo, but it is now a general charge and freight is quoted at, e. g., 20/- and 10%. Thus, if the cargo weighs one ton, weight, or 40 c. ft. measurement, the freight would be 20/- plus 2/- or 22/- in all. Ocean freight means the freight from one port to another; through freight may be from port of shipment to any place inland, including transhipping charges and carriage by railway or otherwise.

To insure the goods, the cost must be increased by the addition of freight, commission and other charges plus a further amount of 10—15% to cover estimated profit. The total is generally taken to the nearest 5 above the actual amount; thus, if the total cost comes to £ 238, the cargo would be insured for £ 240.—; if the cost is £ 233.—, the insurance would be for £ 235.—. The marine insurance policy must be stamped.

Some countries require a Certificate of Origin when goods are exported to them. These certificates are in the language of the country where the goods are going and are generally obtained from the Chamber of Commerce. The certificate shows in what country the goods have been produced or manufactured. Other countries demand a Consular Invoice, issued by their own consuls in the exporter's country. This

serves the same purpose as the Certificate of Origin, and at the same time it shows when, from whom, where the goods have been purchased, the actual cost and all charges on them, and all the discounts that have been given. In this manner the government of the country to which the goods have been exported is enabled to keep an eye on its own importers, and calculate the import duties to be paid on certain classes of goods. These Consular Invoices are generally made out in triplicate, one copy being kept by the consul issuing them, one copy being handed to the exporter and the third going to the customs authorities at the port of destination.

When a ship does not go direct to the port of destination, the goods must be transhipped at some intermediate port. In this case, one B/L may be taken out as far as the intermediate port and another from there to the port of destination. But nowadays this trouble is avoided by the issue of a through B/L, the shipping company taking upon itself all the trouble of transhipping the goods from one ship to another, the one B/L serving for the goods from port of shipment to port of destination.

EXERCISES.

A.

1. From what countries do we import the largest percentage of goods and to what countries do we export the largest percentage of our goods? 2. Of what are the imports and exports of your country mainly composed? 3. What is the difference

Ex libris Univ. Tart.

between an indent and an order? 4. How are goods intended for export packed? 5. How does a small firm get its export goods shipped? 6. What is an advice note and what details are given on it? 7. Why? 8. What does the shipping agent do after he has attended to all the formalities and put the goods on board? 9. How is the freight charged? 10. How is it calculated? 11. Calculate the freight on 10 bales of flax, 4' 10" × 3' 4" × 2' 3" à 30/- and 10%. 12. For what amount are goods generally insured? 13. What are certificates of origin? 14. What is the difference between certificates of origin and consular invoices?

B.

Draft the following correspondence: —

1. a) Draw in your name a B/E on your teacher, for £ 60.—, dated to-day, three months after date. b) Write a letter enclosing the B/E for acceptance. c) Accept the bill payable at the N. S. Bank. d) Write a letter returning the B/E. e) State who is the holder and the date it would become due. f) A few days before the B/E becomes due, of what must the acceptor inform his bank? g) Write the letter referred to in (f).

2. Write a circular to your customers informing them that Mr. John Raudsepp, who has been your travelling salesman for the last seven years, is no longer in your employ. Give reasons. Inform them, at the same time of the name of your new traveller, who will call upon them shortly with samples.

3. Date— 15th Feb., 19.. Writers — Leonard & Co., Hendon. Addressees— Smith Bros., Leeds; state Mr. Hart has

applied for the position of book-keeper with them and has referred them to the addressees, with whom he has been for the last five years. Writers beg the favour of an early reply with information regarding Mr. Hart's capabilities, character, and trustworthiness.

4. Writers — Smith Bros., Leeds. Addressees — Leonard & Co., Hendon. Date — 17th Feb., 19.. Reply favourably.

5. Write a telegram from Peter Nielsen, Copenhagen to Robinson & Co., London, asking the latter for an immediate consignment of 1 cwt. nutmegs, medium size, at 3/— per lb.

6. Leppik & Co., Tartu, enquire of the Elephant Underwear Co., London, the prices of heavy woollen underwear, gentlemen's, pants and vests, for winter. They want a c. i. f. quotation and promise big orders if prices and goods suit.

Lesson 8.

THE EXPORTATION OF GOODS. (Contd.)

The next thing the exporter has to do after shipping the goods is to obtain payment for them. If he has acted as a merchant, he is entitled to retain all the discounts, trade and cash, that may be allowed on the goods. If he has acted as agent only, he must credit all the discounts to his buyer, charging only the usual 2½% commission on the total amount of the invoice, that is, the cost of the goods plus all the charges.

Export invoices generally have different headings from the ordinary invoices. They are usually made out in triplicate or quadruplicate, as very often the importer has to submit

a copy of the invoice to the customs authorities. Therefore, great care has to be exercised in making them out, as any mistake or any discrepancy between the invoice and the goods may lead to the payment of a fine by the importer, repayment of which he will demand from the exporter. The latter will thus be faced with a loss.

We are already acquainted with most of the terms used in the quotation of prices to clients abroad, but in order to refresh our memories, we shall repeat them. **Loco** terms mean the cost of goods at the factory, i. e., the local cost of the goods; if the goods are packed and placed on board the ship, the terms are F. O. B.; if the freight to the port of destination be added to the cost of the goods, the cost of the packing, the cost of carriage to the ship and the cost of placing the goods on board, the terms are C. & F. (cost and freight); if to the above charges the cost of marine insurance be added, the terms are cost, insurance and freight, generally abbreviated to C. I. F. and spoken of as **siff** terms; if the seller quotes a price which includes all possible charges, including import customs duty, up to the buyer's door, the terms are Franco. This last is open to misinterpretation, as very often the buyer understands one thing and the seller another thing by it, so it is always wise to state the place where the goods are to be delivered when quoting franco terms, e. g., franco your warehouse, or franco port of destination, because the word franco is often taken to be the equivalent of the expression C. I. F.

LOCO INVOICE.

INVOICE of goods shipped by Bright & Co., Leeds, to Mons. Berthet, Antwerp per s. s. "Pole Star" from Grimsby.

30th October 19..

Marks & Nos.					£.	sh.	d.
	60 pcs. Black Jeanettes.						
	30/66, 20/66½, 5/67, 5/67½ = 3982½ yds. à 6½ d. per yd.				107.	17.	9.
L. B. 1/2.	3% discount				3.	14.	9.
2 c/s.					104.	3.	0.
	Charges: —						
	Packing	0.	14.	0.			
	Carriage to Grimsby		6.	0.			
	Freight		17.	6.			
	Shipg. Chges.		2.	6.			
	B/Lading		1.	6.			
	Insurance		2.	9.	2.	3.	3
					106.	6.	3.
	Commission 2½%				2.	16.	2.
				£.	109.	2.	5.

This invoice is complete after the deduction of the discount, but as the buyer is abroad, the seller takes it on himself to ship the goods and enter all the charges on the invoice. Had the buyer wished an F. O. B. invoice, it would have been as follows:—

F. O. B. INVOICE.

INVOICE of 2 cases goods shipped by Bright & Co., Leeds, to Mons. Berthet, Antwerp, per s. s. "Pole Star" from Grimsby.

30th October 19..

L. B. 1/2.	60 pcs. Black Jeanettes, 3982½ yds. à 6¾ d. f. o. b.	£ 112. 0. 2.

The question arises, why is the price 6¾d per yd.? The extra ¼d. per yd. is due to the charges which the exporter has to pay and which he recovers from the buyer by adding to the cost of the goods. The buyer has this advantage that he knows exactly how much the goods cost him when put on board. The method of calculation is as follows:—

3982½yds à 6½d. = £ 107.17.9. less discount at 3%, i. e., £ 3.14.9. = £ 104.3.0. To this must be added:— Packing charges, 14/—, carriage to Grimsby, 6/—, shipping charges, 2/6, total, £ 1.2.6., making a total cost of £ 105.5.6. The exporter's commission at 2½% on this sum = £ 2.12.8. If we add this amount to the £ 105.5.6., we get a grand total of £ 107.18.2. From this amount we must subtract the net cost of the goods, i. e., £ 104.3.0. This leaves a balance of £ 3.15.2. representing the amount of the charges. Now we multiply £ 3. 15. 2. by 20 and 12 to get pence and divide the result by the number of yards. Our calculation is as follows:— £ 3.15.2. × 20 × 12 = 902d. ÷ 398½ = ¼d. in round figures. 6½d + ¼d. gives us 6¾d. per yd. which is the f. o. b. price shown in the invoice. The freight and marine insurance will be paid by the buyer at destination before he takes delivery of the goods.

In a cost and freight invoice, the freight will be included in the charges. The total charges will then be divided by the number of yards, etc., to get the extra C. & F. price per unit of goods. The following is an example of a Cost and Freight invoice, the loco terms being 4-5/8d. per yd.:—

C. & F. INVOICE.

INVOICE of 3 bales Cotton Goods shipped by Mark & Co., Leeds, to Moir & Co., Lisbon, per s. s. "Mersey" from Liverpool.

28th Feb. 19..

3 Bales Cotton Goods.

M. C. & F. Lisbon.

46/48 No. 46—58 pcs. 1392 yds.
Lisbon. ,, 47—57 ,, 1368 ,,
,, 48—57 ,, 1356 ,, = 4116 yds. à $4^{7}/_{8}$ d. per yd.
£ 167.4.3½.

Measurements.	Weight.
No. 46. 2′ × 2′ × 3′	Gross 206. Net. 198 kilos.
No. 47. 2′ × 2′ × 3′	,, 204. ,, 196 ,,
No. 48. 2′ × 2′ × 3′	,, 204. ,, 196 ,,

The price is calculated as follows:— Freight on 36 cub. ft. at 52/6 and 10% per ton of 40 cub. ft. = £ 2.11.11.: Packing — £ 1.4.0.: Carriage to Liverpool — 13/6: Patterns — 3/—: Tickets — 2/6: Total = £ 4.14.11. or 1139d. which divided by the number of yards gives 0.27d. per yd. more or ¼d. in round figures. This added to the loco price of $4^{5}/_{8}$d. per yd. gives the C. & F. price. In this case, the exporters are acting as merchants so that no commission is added.

In order to make the above a C. I. F. invoice, all that has to be done is to add the insurance premium to the charges and divide by the total number of yards to get the C. I. F. price. C. I. F. invoices are generally made out in the currency of the country to which the goods are being exported, so that the foreign merchant knows exactly how much the goods will cost him landed at one of his own ports. He can then easily add the import duties and other charges. This is a great convenience to merchants who live inland. A still greater convenience is a franco quotation in which all measures are converted into metres and kilogrammes, all charges are taken into consideration, and the merchant informed how much the goods will cost landed at his own door. He is then saved the trouble of making any calculations. As a rule, British firms do not give franco quotations. A franco invoice differs only in the figures from the examples given above.

In order to encourage export and to develop industry, some governments guarantee their exporters a certain price or they pay them a certain sum of money per unit. This payment is called a bounty. Nowadays, when free trade, i. e., unrestricted trade between nations, has been replaced by protection, i. e., the opposite of free trade, bounties are being given in almost every country on the production and export of agricultural products. Thus in England at present, farmers are being given a bounty on every bushel of wheat they produce, beet-sugar factories are given a bounty on every ton of sugar they make, while in Estonia, a bounty is paid on every kilogramme of butter produced. This enables exporters and producers to compete on an equal basis with more favoured countries.

EXERCISE.

A.

1. In what case may an exporter retain all cash and trade discounts received on the goods he exports? 2. What is the exporter's usual commission when he acts as agent? 3. How do export invoices differ from ordinary invoices? 4. Why should great care be exercised in making them out? 5. Name and define the terms used in the quotation of the prices of goods for export. 6. What is the difference between the Loco invoice and the F. O. B. invoice shown in the lesson? 7. How is the extra quarter of a penny on the price obtained? 8. What would you do to change the F. O. B. invoice into a C. & F. invoice? 9. In what currency are C. I. F. invoices generally made out? 10. Of what advantage is this to the buyer? 11. Define a bounty. 12. Are any bounties paid in your country, and if so, how much and on what? 13. Why does the government of your country pay this or these bounties? 14. What is the difference between free trade and protection? 15. Is the country in which you live a free trade country? 16. What effect has a bounty on the production and export of goods?

B.

1. Change the C. & F. invoice given in the lesson into a C. I. F. invoice. Insurance at 5/6% on £ 160.—.

2. Make a loco invoice for the following goods shipped by R. North & Co Manchester, to Seaman Bros., New York,

per s. s. "Titanic" from Liverpool, in one case marked S. B. 824; 20 pcs. black cotton linings, 1400 yds., à 10d. per yd. Freight — 12/6d. and 10% per ton, measurements 3'2" × 2'4" × 1'10"; shipping charges and B/L— 3/4; marine insurance at 3/6%; commission— 2½%.

3. Make an F. O. B. invoice for the same.

4. Make a C. I. F. invoice for the same goods, delivered in Bombay, in rupees, at the rate of lsh. 8d. per rupee.

5. Make a Franco invoice for the same goods franco Stockholm, import duty and charges 120 Kronor. Exchange 20.35.

6. What meaning attaches to the word "ton" in shipping? Explain "primage" and find the freight on 10 c/s, each 5' × 6' × 4' at 35sh. and 10% per ton.

7. Draft the following correspondence:— a) H. Williams, Handsworth, to Watts & Co., Manchester, stating that he wishes to open an account with them, and giving George & Co., Bull Street, Birmingham, with whom he has done business, as a reference. b) Watts & Co., to George & Co., asking for information regarding the business standing of Williams and stating that the answer will be considered confidential. c) Reply, stating that they cannot recommend giving Williams credit, as there has been much difficulty in obtaining payment of his accounts. d) Reply to "a" stating that an account cannot be opened with him, but that all orders accompanied by a remittance will receive prompt attention.

Lesson 9.

THE EXPORTATION OF GOODS. [Contd.].

26.

Athens.
20th March 19..

Messrs Graham & Co.
Queen's Road.
London. E. c.

Dear Sirs,

We enclose herein our indent No. 89 for cotton goods and shall be glad if you will ship with all possible speed.

Please attend to insurance yourselves and draw on us as usual through our bankers, the Greco-British Banking Co., London & Athens.

Yours faithfully,
Pistofidis & Co.

Enc. 1.

INDENT.

Indent No. 89. Athens, 20th March 19..

To Messrs Graham & Co.
London. England.
From Pistofidis & Co.

Gentlemen,

Please ship to us the undermentioned goods.

Goods .... 50 pcs. White ducks, 60/65 yds. each.
50 pcs. White Twill Shirting, 60/65 yds. each.

Price..... Ducks— 1/-per yd.; shirting— 8d. per yd.

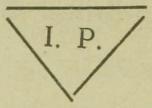
Patterns .. ½ yd. each.

Delivery .. 2 weeks.

Packed ... 2 cases, tin-lined.

Make-up. . Each piece in cotton tillots, coloured tickets.

Invoices .. In triplicate.

Marks.... 

72/73, Athens, (measurements marked on cases).

Insurance . Effected by you.

Shipment.. By steamer from Liverpool.

Payment.. D/P through the Greco-British Banking Co., London.

27.

London.
24th March 19..

Messrs Pistofidis & Co.
Athens. Greece.

Dear Sirs,

We beg to acknowledge with thanks receipt of your indent No. 89 enclosed with your letter of the 20th inst., and to state that your instructions have been carefully noted. The goods will be shipped in a few days.

Trusting that they will arrive safely and that you will be pleased with the quality, we are, Yours faithfully,

Graham & Co.

28.

Advice Note.

To	From	27th March
Messrs O'Brien & Co.	Graham & Co.	19..
Shipping Agents.	Queen's Road.	
Liverpool.	London. E. C.	

We have this day forwarded the goods as below per S. W. Rly. to your address for shipment per the s. s. "Majestic" to Athens. B/L to be made to our order.

Marks.	Nos.	Pkgs.	Contents.	Yds.	Value.
I. P. Athens.	72/73	2	Cotton Goods	6,000	£ 300.—

Measurements.	Weight.
No. 72. 5′ × 4′ × 3′	Gross — 200. Net — 196 kilos.
No. 73. 5′ × 4′ × 3′	,, — 202. ,, — 198 ,,

Please insure for £ 300.—.

29.

Messrs O'Brien & Co. London. 27th March 19..
Shipping Agents.
Liverpool.

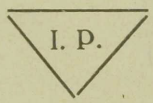
Dear Sirs,

We beg to advise having forwarded this day per *S. W. Rly.* carriage paid *2* cases *cotton goods* consigned to your care for shipment per s. s. *"Majestic"* to Athens on account of *ourselves.* Please insure for £ 300.—.

Please issue *three* stamped Bills of Lading in our name consigned to *order* and send same to us here, together with prepaid freight account.

Kindly take up despatch with Customs immediately on arrival.

We are, Dear Sirs,
Yours faithfully,
Graham & Co.



Athens.

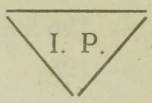
30.

Messrs Montgomery & Co. Liverpool.
Insurance Brokers. 28th March 19..
Liverpool.

Dear Sirs,

Please effect the following insurance per s. s. "Majestic" from Liverpool to Athens, £ 300.— 2 c/s cotton goods, at current rates.

Yours faithfully,
O'Brien & Co.



Athens.

31.

Liverpool.
29th March 19..

Messrs O'Brien & Co.
Shipping Agents.
Liverpool.

Dear Sirs,

We beg to advise that we have declared on your open policy No. 000987, dated 31st Jan., 19.., £ 300.— on 2 c/s cotton goods per s. s. "Majestic" from Liverpool to Athens. This leaves open £ 700.—. D/N enclosed.

Yours faithfully
Montgomery & Co.

32.

Shipping Note.

Liverpool, 29th March 19..

To the
Superintendent of the Liverpool Docks.
Please receive and ship per s. s. "Majestic" for Athens.

Marks.	Nos.	Quantity and Description of Goods.
I. P.	72/73	2 c/s Cotton goods.
Athens.		5′×4′×3′ each. Weight- Gross 404, Net- 394 kilos.

O'Brien & Co.
Shipping Agents.

Charges to our Deposit A/C.

33.

Liverpool.
31st March 19..

Messrs Graham & Co.
Exporters.
Queen's Road. London. E. C.

Dear Sirs,

Referring to your Advice Note of the 27th inst., we beg to enclose herein three stamped B/L Consular Invoices in triplicate, Insurance Policy for £ 300.— and our Freight Note for £ 4.18.8., which amount we ask you to be so kind as to credit to our account in your books.

Thanking you for this business and assuring you that all your commands shall have our prompt attention, we beg to remain,

Yours faithfully,
O'Brien & Co.

Encl.

Freight Note.

Liverpool, 31st March 19..

Messrs Graham & Co.
Queen's Road.
London. E. C.

Dr. to O'Brien & Co.
Shipping Agents.

Marks.	Particulars.	Measurements	Weight.	Rate.	£.	sh.	d.
	2 c/s.	120 c. ft.		10/6 & 10%	1.	14.	8.
I. P.		Insurance				16.	6.
Athens. 72/73		Cartage to docks				14.	0.
		Dock dues				16.	0.
		Consular charges				10.	0.
		B/L				1.	6.
		Commission				6.	0.
					£. 4.	18.	8.

EXERCISE.

A.

1. What do Pistofidis & Co. enclose in their letter? 2. How will the exporters of the goods reimburse themselves? 3. For what purpose do the importers ask for patterns in their indent? 4. How must the goods be made up and packed? 5. What do the exporters do after having packed the goods in accordance with instructions? 6. What do they request in their Advice Note to the shipping agent? 7. How many B/L do they want? 8. In whose name are the B/L to be made out? 9. At what rates will the goods be insured and for how much? 10. If the insurance rate is 5/6%, how much will the premium on £ 300.— amount to? 11. From the shipping note can you tell the ton

measurement of the goods? 12. Do O'Brien & Co. pay the Superintendent of the Docks cash? 13. If not, how is payment made? 14. What do O'Brien & Co. enclose in their letter to Graham & Co.?

B.

1. Draw up in proper style and form an A/C Sales for the following produce shipped from Jamaica, by Arnolds Bros & Co., per s. s. "Kingstown", and consigned to Messrs Jones & Struthers, Bristol, viz.:— 25 cwt. Ginger, "Good" à 65/—: 1200 lbs. Pimento, "Good, clean" à 2½d.: 50 cwt. Bees Wax, "Ordinary" à 155/—: 200 lbs. Sarsaparilla, "Medium" à 1/3: 200 tons Logwood, "straight", à 85/—: 50 tons Fustic, à 60/—: Charges:— Warehousing and wharfage, £ 10.5.0.: Advertising £ 5.13.0.: Brokerage 1%: Commission 1½%.

2. Imagine yourself a local importer of American boots and shoes. State the various charges that would be incurred on a purchase made at F. O. B. prices, Boston, U. S. A., up to its arrival at your warehouse.

3. Draw up in proper style and form the following invoice:— Manchester, 30th August, 19.. Shipped by Wm. Trueman & Co., to Casseres & Co., Penang, 10 B/s Cotton Goods, marked and numbered "C. & Co." 15/24 Penang. 500 pcs. 31" Grey Shirtings, 37½ yds., à 7/9— £ 193.15.0. Commission, 1¼% = £ 4. 17. Total = £ 198.12. 0. Weights, each Bale — 4 cwts. 1 qr. 10. lbs. Dimensions— 3′ × 1′ × 2′. Charges:— Packing — 10/—: Stamping, ld. per pc.: Fire insurance — 5/6: Carriage to Liverpool — 10/— per ton (weight): Dues — 9/—: Freight to Penang — 40/— per ton measmt. and 10%: Marine Insurance £ 250.— à 7/6.

4. Exchange £ 125.16.0. into the currency of your country at current rates of exchange.

5. A shipment of produce is being made by a firm in Argentina to a firm in London. The terms are cash against documents. Describe a) What the documents referred to would be. b) How they would reach the London firm. c) What course would the London firm adopt to get possession of the cargo?

6. Show examples in full of. a) Shipping Advice Note. b) Freight Note.

7. State what is meant by: a) Documents against Acceptance. b) Documents against Payment. c) Cash against Documents.

Lesson 10.

THE EXPORTATION OF GOODS. [Contd.].

34.

Queen's Road.
London.
2nd April 19..

Messrs Pistofidis & Co.
Athens. Greece.

Dear Sirs,

In continuation of our letter of the 24th ult., we beg to hand you herewith copy of invoice for 2 c/s cotton goods shipped to your care per s. s. "Majestic". which sailed from Liverpool on the 1st inst.

The amount of the invoice has been drawn for at sight in accordance with your instructions through the Greco-British Banking Co., to whom all the documents have been handed.

Trusting the goods will open up to your satisfaction and hoping to be favoured with your further orders in the near future,

We are, Dear Sirs,
Yours faithfully,
Graham & Co.

Encl.

INVOICE of goods shipped by Graham & Co., London, to Messrs Pistofidis & Co., Athens, per s. s. "Majestic" from Liverpool. 2nd April 19..

I. P.
Athens.
72/3

				£.	sh.	d.
50 pcs. white ducks, 60 yds each, 3000 yds. à 1/— per yd.				150.	0.	0.
50 pcs. white twill shirting, 60 yds. each, 3000 yds. à 8 d. per yd.				100.	0.	0.
				250.	0.	0.
$2^1/_2$% discount				6.	5.	0.
				243.	15.	0.
Charges: —						
Packing	0.	17.	6.			
Carriage to Liverpool	0.	10.	9.			
Cartage to L'pool docks	0.	14.	0.			
Dock dues	0.	16.	0.			
Freight, 3 tons à 10/6 & 10 %	1.	14.	8.			
Insurance à 5/6% on £ 300.—	0.	16	6.			
Consular fees	0.	10.	0.			
B/Lading	0.	1.	6.			
Commission	0.	6.	0.	6.	6.	11.
				250.	1.	11.
Commission $2^1/_2$%				6.	5.	0.
			£	256.	6.	11.

35.

Queen's Road.
London. E. C
2nd April 19..

The Greco-British Banking Co.
Gracechurch Street.
London. E. C. 3.

Dear Sirs,

Enclosed please find bills in duplicate for collection with documents attached, drawn as under, proceeds of which, on receipt, kindly remit to us in London. In the event of the refusal of the drawees to pay, please warehouse goods, insure against fire and advise us by **mail.**

Yours faithfully,
Graham & Co.

Name	Address.	Usance.	Documents to be surrendered to drawees upon	Bank Ch'ges to be debited to	Amount		
					£	s.	d.
Pistofidis & Co.	Solon Square Athens.	Sight.	Payment	Drawees	256.	6.	11.

DOCUMENTS ON PAYMENT DRAFT.

(Enclosed with the above letter together with invoice, B/L, consular invoice, and marine insurance policy, all in duplicate, except the last.).

Documents on Payment.

London 2-nd April 19 ....



EXCHANGE for £ 256. 6. 11.

At ..... *sight* ..... pay this ..... *first* .....
of exchange ..... (second unpaid) to the order
of ..... *ourselves* .....

Two hundred and fifty-six pounds, six shillings and eleven pence plus all collecting charges.

Value *received, proceeds* of which place to Account.

To Pistofidis & Co.
Solon Square.
Athens. Greece.

Graham & Co.
Geo. Graham.
Managing Director.

In Case of Need
Apply to
Venizelos & Co.
Athens.

36.

Gracechurch Street.
London. E. C. 3.

Messrs Graham & Co.
Queen's Road.
London. E. C.

Dear Sirs,

We beg to hand you herewith cheque on the Overseas Bank, Ltd., for net proceeds of Bill collected on your account as follows, receipt of which please acknowledge.

Particulars.

Drawer *Yourselves* drawee *Messrs Pistofidis & Co.*			
Payable at *Athens* dated *2/4/19* ... Amount	£ 256.	6.	11.
Add interest for ..... days at ..... % p. a.	—	—	—
Together	£ 256.	6.	11.
Less our commission 1/4%			
Postage charge on bills under £ 100.—			
Bill Stamps required abroad			
Paid for presentation in			
Cheque enclosed herewith	£ 256.	6.	11.

Yours faithfully,
Montagu Thompson.
Manager.

Enclosure.

37.

Victoria Street.
London.
5th July 19..

The Manager.
The Chartered Bank of India.
Hongkong.

Dear Sir,

Re 100 c/s Hardware shipped to Messrs Yuan Shi Kai & Co., Hongkong, per s. s. "Tokio Maru", from London.

Herewith we beg to hand you draft for £ 535. 6. 8. at 90 d/s on Hongkong (second to follow) together with documents of a consignment

YSK Nos. 1/100, 100 c/s hardware,

shipped from London on the 4th inst., per s. s. "Tokio Maru" of the Mitsu Bishi Kaisha Line.

Kindly hand the documents attached to this draft to the drawees, Messrs Yuan Shi Kai & Co., on their acceptance, and on receipt of the money, please remit same to us in London by cheque, less your charges for collecting.

Thanking you for your kind attention to this business, we are,

Yours faithfully,
Armstrong & Co.

(The draft referred to in this letter differs from the draft attached to letter No. 35, only in the time set for payment and the words "Documents On Acceptance" written on the face instead of "Documents On Payment". The other details are the same. As this is a consignment, the exporter gives his agent time to sell the goods and make them pay for themselves, hence the 90 days.
The words "second to follow" mean that only the originals are enclosed with this letter. The copies of the draft and documents will follow a week later by another mail, so that in case the first letter is lost, the goods can be obtained by means of the second. On the copy of the draft the words "first unpaid" will be written, whereas on the original the words "second unpaid" appear. Both these expressions are in brackets).

EXERCISE.

A.

1. Of what do Graham & Co. inform Pistofidis & Co.? 2. How will Graham & Co. reimburse themselves for the value of the goods they have shipped? 3. Into whose hands have the documents relating to the consignment been given? 4. What will the consignee of the goods have to do to obtain them? 5. What kind of an invoice do Graham & Co. enclose in their letter? 6. What charges would you add to the price in order to obtain a C. I. F. invoice? 7. If the import duty and charges at Athens amount to 350 Drachma, what will be the price per yd. franco? 8. Supposing that by the time the goods reach Athens, Pistofidis & Co, are not in a position to take up the draft, what will the bank do with the goods? 9. What kind of a draft is enclosed in Graham's letter to the bank? 10. Is this the first or the second of exchange? 11. If the draft were the second of exchange, what alterations would there be in the wording? 12. What is the usance of the draft? 13. Who will take up the draft in case Pistofidis & Co. do not? 14. Is the draft mentioned in letter No. 37 a D. O. P. or a D. O. A. draft? 15. What is the difference between them? 16. In what manner do exporters and banks guard against the loss of important documents by post?

B.

Draft the following correspondence:— (a) Jackson & Co., Furnishers, Boston, U. S. A., to Carter & Sons, London, asking for sole agency for the latter's Patent Expanding Bookshelves in the U. S. A. Reference, the National City Bank, Boston. (b) Carter & Sons to National City Bank, Boston, requesting information about Jackson & Co. (c) Reply favourably. (d) Carter & Sons to Jackson & Co. offering agency on following terms — 20% off list price, and all shipping and other charges for a/c of agent, consignments to be paid for by 90 d/s drafts. (d) Jackson replies agreeing and ordering 7 doz. complete sets of the shelves by indent. (e) Make out the indent from the following details:— Price per shelf — $ 40.— less trade discount of 20%, marks — J&Co., Boston, quality — as per catalogue, measurements — standard, packing — usual export, shipment — as quickly as possible. (f) Carter & Sons reply acknowledging indent and enclosing agency agreement: state that goods will be shipped in a week's time. (g) Jackson replies, returning signed agreement and hoping soon to receive goods. (h) Carter to Shipping agent, requesting shipment of 5 bales Wooden Goods, measurements — 5′ × 3′ × 1½′ each, value — £ 674.— etc., Insurance for the same amount plus 10%. (k) Shipping Agent to Dock Superintendent requesting shipment. (l) Shipping Agent to Insurance Broker requesting insurance on his open policy of £ 1000.— No. XXX31. (m) Reply from Insurance Broker, enclosing policy and D/N for £ 1. 1. 9., premium à 5/—% and 6d stamp. (n) Shipping Agent to Carter & Sons enclosing freight note with following charges:— freight — £ 2. 8. 0. per steamer ton and 10% pri-

mage, Cartage to docks — 18/6, B/L and stamp — 1/6, insurance — £ 1. 1. 9., Commission — 2/—per ton, dock dues 15/—, American Consular Invoices — £ 1. 1. 0. (p.) Carter & Sons to Jackson & Co., Boston, enclosing invoice, with following charges added — packing and carriage to Southampton — £ 2.6.8. (q) Carter & Sons to National City Bank, London, enclosing D. O. A. draft with invoices, at 90 d/s. (r) National City Bank, London to Carter & Sons, three months later, enclosing cheque for the amount.

Lesson 11.

FORWARDING GOODS BY LAND.

There are various ways of of forwarding goods — by messenger, by local-carrier, by parcel companies, by railway companies, and by aeroplane.

Most firms employ one or more people to carry the goods purchased by their clients to the clients' houses. If the firm is very large it has its motor-van or vans to distribute the goods purchased. In any case, the person who undertakes the delivery has to give the buyer a Delivery Note, showing what articles are delivered. Delivery Notes are usually made in books containing duplicates, so that copies are kept for reference. When taking delivery the buyer must sign the D/N as a proof that he has received the goods bought. It is always wise to check the articles and see that they are in good order and condition when delivered, as otherwise the buyer can make no claim for faulty delivery.

DELIVERY NOTE.

Delivery Note. 7th May 19.. No. 1234. Delivered to Messrs Grocer & Co. 3 c/s Macaroni, "Bell" Brand. 1 doz. bots. 3 Star Brandy. 6 doz. tins Cherry Jam. per . . . van . . . Seller & Co. (This Counterfoil kept in office).	Delivery Note. 7th May 19.. No. 1234. Received by Messrs Grocer & Co. 3 c/s Macaroni, "Bell" Brand. 1 doz. bots. 3 Star Brandy. 6 doz. tins Cherry Jam. per . . . van . . . Grocer & Co. per Wm. Stockman. (This is signed & returned to the man who delivers the goods).

Of course, these Delivery Notes vary in form according to the needs of the company using them. The above is one of the simplest. Shipping Agents and Forwarding Agents may, and do, use other forms, but it is not necessary to make acquaintance with all the variations of the D/N. The man who delivers the goods to the buyers must return to the office a signed copy of the D/N for every lot he has delivered.

Local carriers are those people who undertake to deliver goods in the place or in the surrounding country. They generally visit these places regularly and are very convenient as they reach places where there is no railway. Nowadays local carrying is done by motor-lorry and in many countries this

method of transportation is taking away much business from the railway companies. The local carrier is now being replaced by the parcels company which operates over a large area and has a fleet of motor vans so that it can operate at a much lower cost than the single man. When forwarding goods by railway, the sender must fill in and deliver to the railway company a form containing the address and name of the consignee, and the number, description, weight, etc. of the packages together with the goods. One should also state whether the carriage is to be paid by the consignor or by the consignee. In the former case, the carriage is said to be "prepaid"; in the latter it is said to be „forward". This form is called a Consignment Note and is the contract between the consignor and the railway company for the transport of the goods. On arrival of the goods at destination, if the railway company does not deliver them at the house, it sends the consignee an Advice Note, warning him to take delivery within 48 hours, after which period it will charge him for warehousing the goods or fine him. This extra charge for not taking away the goods in time is called Demurrage.

When taking delivery of goods from the railway company, they should always be examined in the presence of one of its representatives, as otherwise the railways do not hold themselves responsible for any loss or damage. If the damage is caused by the consignor, for example, through faulty packing, the company will not admit any claim, nor will it admit claims for damage caused by:— (1) Acts of God, i. e., any natural phenomenon such as an earthquake or lightning, flood, etc. (2) Acts of the enemies of the State, i. e., the military or naval forces of a country with which the

State is at war. (3) What is called inherent vice of the goods, e. g., their tendency to spoil quickly. Fruit, vegetables, meat, fish, and some other goods suffer from transportation and the transport companies do not answer for any claims made on this ground.

Goods may be sent by passenger train or by goods (luggage) train. In the former case, they are transported more quickly but the costs are greater. In the latter case, more time is consumed in transport but the cost is lower. Very often it is cheaper to forward through one of the large private forwarding agents as these people have special contracts with the railways and can give a cheaper rate. When goods are sent by parcels post or by aeroplane there are certain limits to the weight and size of the packages, but there is no limit to the weight or size in case goods are forwarded by railway.

It should be remarked that when goods are sent by land they are said to be forwarded, when sent by water they are shipped.

For shipping on rivers inland, either river steamers or barges are used.

After the goods have been delivered to the transporting agents the invoice is sent to the consignee with a covering letter in the usual way.

38.

Park Road.
Hampstead.
19th Oct. 19..

The Garden Vegetable Co.
Covent Garden.
London.

Dear Sirs,

On receipt of this please send me by local carrier the following:—

1 doz. crates Cabbages.
1 cwt. beetroot.
2 cwts. Estonian potatoes.
2 cwts. French plums

and debit the cost to my account.

Yours faithfully,
Wm. Ross.

39.

Covent Garden.
London.
9th Oct. 19..

Mr Wm. Ross.
Greengrocer.
Park Road. Hampstead.

Dear Sir,

In reply to your order of to-day's date, we beg to enclose invoice of the goods ordered and to state that they

will be delivered to you by the London Motor Delivery Co. The charges have been debited to your account as requested.

Thanking you for this business, we are,

Yours faithfully,

The Garden Vegetable Co.

40.

DELIVERY NOTE.

Nr. 555. Date..... 9th Oct. 19. Received from The Garden Vegetable Co. the following in good condition, viz: — *1 doz. crates cabbages.* *1 cwt. beetroot.* *2 cwts. Estonian potatoes.* *2 cwts. French plums.* Forwarded *per London Motor Delivery Co.* *Signed: — Wm. Ross.*	Nr. 555. The Garden Vegetable Co. Covent Garden. London. 9th Oct. 19.... Mr Wm. Ross. Park Road. Hampstead. Please receive herewith in good condition the following: — *1 doz. crates cabbages. 1 cwt. beetroot. 2 cwts. Estonian potatoes. 2 cwts. French plums.* Forwarded *per London Motor Delivery Co.* *(This copy will be kept by the buyer.)*

41.

Leeds.

11th Nov. 19..

Messrs Louis Dufour & Co.

Havre. France.

Dear Sirs,

We beg to advise you that we have consigned to you to-day 300 bundles yarn f. o. b. Liverpool.

The insurance will be effected by our shipping agents, Messrs G. Shaw & Co.

We enclose an invoice amounting to £ 103. 2. 6. for which amount we have drawn on you at 30 day's date.

Trusting the goods will arrive safely and awaiting your further orders, we are,

Yours faithfully,
R. Beckwith & Co.

Enclosure:—

Invoice.

Leeds.
11th Nov. 19..

Messrs Louis Dufour & Co.
Havre. France.

Bought of R. Beckwith & Co. Flax Spinners.

7A.	300 bundles 12 tow yarn	6/10½	£ 103.	2.	6.
LD.					
Havre.	Insured by and forwarded to Messrs G.	Shaw&Co.	Live	rpo	ol.

42.

Leeds.
11th Nov. 19..

Messrs G. Shaw & Co.
Shipping Agents.
Liverpool.
Dear Sirs,

We beg to advise having this day sent by the — Rly to your address, carriage paid, the goods specified below.

Please ship same by first available steamer to Messrs Louis Dufour, Havre.

We beg to request you to insure the goods and debit the consignees with the premium as well as the freight.

Yours faithfully,

R. Beckwith & Co.

Marks.	No of Pkges	Contents.	Value.	Net Weight.
LD. Havre	300	Tow yarn.	£ 103.2.6.	375 kilogrammes.

EXERCISE.

A.

1. Name some ways of delivering goods purchased. 2. What evidence does the firm get that the goods have been delivered? 3. What are local carriers? 4. By what is the local carrier being replaced nowadays? 5. Define a consignment note and state when it is used. 6. How is the consignee informed that goods have arrived for him? 7. Do railway companies and other carriers answer for all the damages to the goods transported? 8. In what cases do they refuse to take the responsibility? 9. What is the difference between transporting goods by passenger train and by goods train? 10. In what cases are the sizes and weights of packages limited? 11. How are goods shipped on rivers and lakes inland? 12. In what manner does Wm. Ross want his order delivered? 13. Who will hand Wm. Ross Delivery Note No. 555 dated 9th Oct.? 14. For what is yarn used? 15. What is tow? 16. In what

way do Beckwith & Co send the goods to their customers? 17. Who will pay the insurance premium and freight? 18. How will the shipping agent reimburse himself for the money he spends on the insurance and freight?

B.

1. If you have ever sent anything by railway, post, or ship, describe in detail all the steps you took in order to forward the parcel.
2. Mr Raudsepp, Tallinn, wants to forward some iron goods packed in four cases, each weighing 10 cwt., by railway to Riga. Draft a letter to the Estonian State Railways asking for the freight rate on the goods named above.
3. On arrival of the goods at Riga, Mr. Berzin, the consignee, finds that one case has been badly damaged, the machines being perfectly useless. He writes to the Latvian State Rlys. claiming the value of the goods, viz., Lats 450.—.
4. The company answers that it does not admit any liability.
5. Mr Berzin replies that he will take legal steps to recover in case the Rly. Co. does not compensate him for the damage.
6. The Rly. Co. replies, offering 50% of the amount claimed.
7. Mr Berzin replies, demanding 75%.
8. The company agrees and forwards a cheque for the amount.
9. Mr Berzin acknowledges, stating in his letter that he has no further claim to make on the company.
10. Make out an order note for the following goods:— John Dawson, London, to Smith, Brown & Co., London. 2 pcs. 56″ coating, 50 yds. each, à 6/3 per yd.; 1 pc. 28″ trousering,

No. X274, à 4/9 per yd. to be delivered immediately. Cost & charges to be debited to a/c.

11. The goods are delivered by Smith & Brown's own motor van. Make out the Delivery Note.

Lesson 12.

THE SHIPPING OF GOODS.

The shipping of goods by sea is a very complicated and highly specialized business, which only those who have spent a life-time in learning can ever hope to master, but there are certain things which everybody ought to know and it is the object of this chapter to explain them.

Goods which occupy a small space in proportion to their value are generally shipped by steamer, while goods which occupy much space but which are not so valuable are occasionally shipped by sailing vessels which give cheaper rates of freight. So, for instance, a good deal of wheat is still shipped from Australia to England in sailing ships.

In order to ascertain whether a vessel is seaworthy or not one must consult Lloyd's Register of British and Foreign Shipping. All the ships named therein have been examined by Lloyd's experts and classified according to their report.

Goods may be shipped in two ways, either by a charter or by a bill of lading. In the former case, a whole ship or a part of a ship is engaged upon special terms, the contract in which these terms are set down being called a Charter Party. The Charter Party must contain the following particulars:— 1. The name of the ship. 2. The registered tonnage of the

same. 3. The name of the charterer. 4. The names of the ports at which she will load and unload. 5. A list of the cargo to be shipped with numbers, weights, marks, etc. 6. The payment for the carriage of the goods. 7. The number of days to be occupied in loading and unloading These days are called lay days. 8. The demurrage or fine to be paid for any days over and above the lay days agreed upon. 9. The time for the voyage. A charter may be a time charter, by which a ship is hired for a specified period, or it may be a voyage charter, by which she is hired only for a certain voyage. Vessels are only chartered when the quantity of goods is so great that it pays the shipper to charter, otherwise the goods are sent by a general ship, that is, one that takes cargo from separate shippers at different ports. In these cases, the contract for the transport of the goods is called a bill of lading, which is a document given by the owner, master or broker of a vessel stating the terms and conditions upon which goods are to be carried and acknowledging the receipt of the goods to be shipped. The B/L must contain the following details:— 1. Name of the skipper. 2. Nationality of the vessel. 3. Name of the shipper. 4. Name of the person to whom the goods are shipped. 5. The names of the ports to and from which the goods are shipped. 6. The rate of freight and primage. 7. A description of the goods according to quantity, weight, marks, numbers, etc. 8. The date and place where the B/L was made out, and 9. The number of copies made out.

A **clean** B/ L is one on which there are no remarks about the packages of goods — whether they are broken, wet. or otherwise damaged; a **through** B/L is one for the

carriage of goods from one place to another by several ships or railway companies. B/L are generally made out in triplicate, each of which must bear a revenue stamp. The original is sent to the consignee by post, the second by the ship which carries the goods and the third is kept by the shipper for reference. In addition a fourth copy, without a stamp, is made out and handed to the captain for his information.

Bill of Lading.

Revenue Stamp. 6 d.

Tallinn
10 c/s
numbered
1 to 10.

Charges: —

£

Shipped in good order and condition by Messrs Brown & Co., London, upon the good steam-ship "Baltano" whereof James Smith is Master for this present voyage now lying at Hull, and bound for Tallinn, ten cases leather goods, being marked and numbered as in the margin, and are to be delivered in the like good order and condition at the aforesaid port of Tallinn or so near thereto as she can safely get (the act of God, &c. excepted), unto Messrs Kingisepp & Co., or to their assigns, they paying freight for the said Goods Three pounds, ten shillings and ninepence, with primage and average accustomed, and charges as stipulated. In witness whereof the Master or Agent of the said ship has signed three Bills of Lading, of this Tenor and Date, one of which being accomplished the others to be void. Dated in Hull, 17th May, 19... Weight and contents unknown.

James Smith.

The above is a simple form of B/L. Most B/L have the whole of the reverse side printed with exceptions to cover every possible case of injury, so that the ship cannot be held

responsible for anything at all by the shipper, but it is not necessary to make the acquaintance of all these exceptions unless one is in the shipping business. Here we have a clean B/L. If any of the packages had been broken, or otherwise damaged, the fact would have been noted on the B/L which would then have been called a **foul** B/L. In order to get a clean B/L, the shipper or his agent sometimes gives the captain of the ship a letter clearing him of all responsibility in the matter. This letter is called a Letter of Indemnity, and is kept with the captain's copy of the B/L.

The goods are received on board by one of the ship's officers and a receipt, called the M a t e's R e c e i p t, is given in exchange. The Mate's Receipt is the basis on which the B/L is made out and is exchanged for it.

Sometimes, when the voyage is rough and the ship in difficulties the captain is forced to jettison cargo, that is, throw some of the cargo overboard in order to save the rest, or to pour water on cargo that has taken fire, or to pay for warehousing and loading and unloading at some intermediate port into which the ship has been forced by stress of circumstances. In these cases, the loss is proportionately divided among all the shippers and the contribution made is called General Average (G/A). Putting it another way, any loss incurred for the common good must be paid for by everybody concerned. Should the damage or expenditure be on account of one person only, then only that person pays for the loss. This is called Particular Average (P/A). Of course, in all these cases the insurance company makes good the loss to the shipper unless the goods have been insured F. p. a. (free of particular average) or F. a. a. (free of all average), when the insurance

companies do not pay for any partial loss suffered by the shipper. Naturally, the premium is reduced because the risk taken by the insurance companies is also reduced, as they are then responsible for a total loss only.

Freight is the money paid to the owner of a ship or barge for the transport of goods by water. Sometimes the word "freight" is used instead of the word "cargo". As stated before, it is usually calculated on a ton weight or ton measurement basis and is generally paid at destination on delivery of the goods, unless otherwise agreed, in which case it is called Advanced Freight. Sometimes a merchant thinks he can make a profit by hiring a whole ship at a fixed sum. When a transaction of this kind takes place, the money paid is called Lump Freight because it is paid in a lump sum. Dead Freight is money paid for space that has not been occupied, the shipper being responsible for hiring the space, even though he has not succeeded in filling it. The owner of a ship has a Lien, i. e., a right, upon the goods until the freight has been paid.

When one ship assists another at sea, the helping ship has a right to be compensated. The amount of compensation is generally settled by a court and is called Salvage. When a ship has been deserted by everybody on board it is called a Derelict. Should the master or any of the crew on board a ship steal, desert, or sink the ship fraudulently or pilfer any of the cargo, the offence is called Barratry.

Before a ship enters or leaves a port, she has to obtain a certificate from the Customs that everything is in order. This document is called a Clearance and the process of obtaining this certificate is termed clearing a vessel. The

description of the vessel, the route she will follow and the list of cargo which the captain must hand to the Customs is called the ship's Manifest. A Captain's Protest is a declaration made on oath by the captain and members of the crew before a Notary Public. This is usually done when some damage to the ship or cargo has occurred and it is necessary to make a note of the circumstances in which the injury referred to happened. Primage has already been defined in a previous lesson.

EXERCISE.

A.

1. How would you ship wheat or coal, tea or gold? 2. Where can the details of a ship's construction and her condition be found out? 3. What is the document by which a ship is hired called? 4. Explain the difference between a time charter and a voyage charter. 5. What should a Charter Party contain? 6. Define the terms lay days and demurrage. 6. If you have not enough cargo to make it worth while chartering a ship, how would you send your goods? 7. In this case, what is the contract for the transport of the goods called? 8. What details must be shown in the B/L? 9. What is the difference between a clean B/L and a foul one? 10. How many copies of the B/L are generally made out? 11. What becomes of them? 12. Define Letter of Indemnity and state when it is used and to whom it is given. 13. What document does one get after putting one's goods on board? 14. What is meant

by jettisoning cargo? 15. How is the loss incurred paid for? 16. What is the difference between G/A and P/A? 17. What is meant by the following:— "please insure these goods F. p. a."? 18. Define freight, advanced freight, lump freight. 19. What is meant by clearing a ship? 20. What is a ship's manifest?

B.

1. Make out an Account Sales of 50 Bbls. Coffee ex s. s. "Coriander" from Kingston, Jamaica, sold by Barnes & Batwing, Liverpool, on a/c. of Messrs James Sheard & Co., Kingston. Gross weight — 96 cwts. 2 qrs. 8 lbs. Tare — 9 cwts. 2 qrs. 12 lbs. Draft — 2 cwts. 1 qr. 8 lbs. Sold at 68 sh. per cwt. Charges:— Entry, Dock & Town Dues — 13/—. Marine insurance on £ 350.— à 10/—% and stamp. Freight on 96 cwts. 2 qrs. 8 lbs. at 47/6 per ton of 20 cwts. Cartage and porterage — £ 1. 3. 6. Consolidated Rate — £ 4. 17. 3. Fire Insurance — 6/—. Auction expenses — 8/4. Bank Commission and interest on charges — 9/—. Commission and del credere — 2½%.

2. Convert £ 25. 16. 6. into Ekr. at exchange 18.35.
   ,, Ekr. 5,660 into £. s. d. at exchange 18.15.
   ,, 6,000 yards into metres
   ,, 6,000 metres into yds (1 yd. = 0.9144 metres & 1 metre = 1.0936 yds.).
   ,, 50 tons into kilogrammes (1 lb. = 0.4536 kilogrammes).
   ,, 1,000 kilogrammes into tons, cwts. etc. (1 kilo. = 2.2046 lbs.).

3. Geo. Harris & Co., Adelaide, have purchased from Knowles & Co., Birmingham, hardware to the value of £ 120. 10. 0. which is forwarded in 3 c/s per s. s. "Lowther Castle" from London. Payment is to be made by a documentary draft, the documents to be surrendered on payment. Draw the first of exchange and enumerate the documents to be attached.
4. Advise Geo. Harris & Co. that the goods have been shipped, enclosing copy of the invoice and stating that a documentary draft for the amount has been drawn on them, which draft you are negotiating through the Australian Commercial Bank, Ltd.

Lesson 13.

THE SHIPPING OF GOODS.

43.

London.
10th June 19..

Messrs Montgomery & Co.
Ship-Brokers.
London.

Dear Sirs,

We shall be much obliged to you if you will kindly charter for us enough tonnage to transport 1.260.000 c. ft. of timber from Helsingfors to Hull in November. The freight should not exceed 10/— per ton of 42 c. ft. but we hope that you will succeed in getting us better terms. About a week will be taken at each end to load and unload, but we think you had better

make some allowance for unforeseen delays, taking a minimum of 21 lay days.

Loading will commence at Helsingfors on the 15th November, by which date the ship ought to be there ready to load.

Please send us copy of the Charter Party and oblige.

Yours faithfully,
Bateman & Co.

44.

London.
12th June 19..

Messrs Bateman & Co.
Timber Merchants.
London.

Dear Sirs,

In reply to your letter of the 10th inst., we have the pleasure to state that we have chartered the s. s. "Hans Andersen", a Norwegian tramp steamer, 10,000 tons burthen, Captain P. Nielsen, to convey your timber from Helsingfors to Hull. The freight is 1/— per ton, which is 3/— less than the sum you have named.

In consideration of the fact that the freight rate is so low, we have promised the captain a premium of 10% over and above the freight should the cargo be delivered in time and in good order and condition. Payment for each lot of 10.000 tons is to be made on delivery, less any claims etc., which are to be settled on completion of the third and last voyage.

Enclosing Charter Party and our D/N for the commission on the freight at £ 1.—%, which we request you kindly to credit to our account, we are,

Yours faithfully,
Montgomery & Co.

Encl. 2.

45.

London.
15th June. 19..

Messrs Montgomery & Co.
Ship-Brokers.
London.

Dear Sirs,

In reply to yours of the 12th inst., we beg to state that we are quite satisfied with the terms you have arranged for the shipment of our timber from Helsingfors. We shall later on give you a letter to the captain containing instructions.

Your commission as per C/N enclosed has been passed to your credit on our books.

Thanking you for your prompt attention to this matter,

We are, Dear Sirs,
Yours faithfully,
Bateman & Co.

Encl.

46.

London.
15th Oct. 19..

Captain P. Nielsen.
s. s. "Hans Andersen".
Hull.

Dear Sir,

Referring to the Charter Party of the 12th June, by which you agreed to transport our timber, we request you on receipt of this to leave for Helsingfors so as to be there on the 15th prox. ready to load 10.000 tons of timber from Messrs Nurmi & Co's Wharf.

As soon as you have taken the cargo on board, you will please proceed to Hull, where you will apply to our branch office, 78 King Edward Street, concerning discharge.

Wishing you a safe and prosperous voyage, with the minimum of delay and bad weather, we are,

Yours faithfully,
Bateman & Co.

47.

London.
15th Oct. 19..

Messrs Bateman & Co.
78 King Edward Street.
Hull.

Dear Sirs,

The first 10.000 tons, or 420.000 c. ft. of timber from Finland will leave Helsingfors on or about the 25th prox. and

should reach you about a week later, per the s. s. "Hans Andersen", Captain P. Nielsen.

We hope you will do your best to give Capt. Nielsen a speedy discharge to enable him to return and ship the next lot as quickly as possible.

We shall send further instructions as to the disposal of the cargo on hearing from you that the ship has arrived.

Yours faithfully,

Bateman & Co.

48.

London.
7th Aug. 19..

Messrs Masterman & Co.
Ship-Brokers.
London.

Dear Sirs,

We shall be much obliged if you would be so kind as to charter a small schooner of about 300 tons to take a small party, plus the necessary equipment, on a pleasure cruise to the Galapagos Islands. The voyage will last about one year, out and in.

Hoping soon to hear from you, we are,

The Kidd Pleasure Co.

49.

London.
8th Aug. 19..

The Kidd Pleasure Co.
London. E. C.

Dear Sirs,

In reply to yours of the 7th inst., we beg to state that at present it would be very difficult to charter a vessel of the kind and for the purpose you name, as the recent boom in shipping has raised freight rates by 25% and given all idle ships plenty to do.

If you can let us know when you would like to start on your pleasure cruise, we shall try to satisfy you.

Awaiting your further advices, we are,

Yours faithfully,
Masterman & Co.

50.

London.
10th Aug. 19..

Messrs Masterman & Co.
Ship-Brokers.
London.

Dear Sirs,

In reply to yours of the 8th inst., we beg to inform you that we shall not be ready to start before the 15th December next. If the schooner could be ready by that time, we shall

be satisfied. As we are not very familiar with the details of the shipping business, we request you to settle with the captain for a lump sum payment not exceeding £ 100.— per month, all port charges etc. to be for our account.

Thanking you for your attention to this matter, we are,

Yours faithfully,

The Kidd Pleasure Co.

EXERCISE.

A.

1. What is Montgomery & Co's business? 2. What do Bateman & Co. want to engage? 3. How many tons measurement do they want to ship? 4. How many lay days do they stipulate for? 5. On what terms did Montgomery & Co. charter the ship? 6. What is the tonnage of the ship chartered? 7. What instructions do Bateman & Co. give the captain of the ship? 8. What is meant by the expression a "speedy discharge"? 9. What do the Kidd Pleasure Co. want? 10. Why cannot Masterman & Co. satisfy the demands of the Kidd Pleasure Co.? 11. In what way will payment for the schooner be made?

B.

1. Reply to the last letter, stating that a schooner, the "Ariel", of 350 tons, Capt. Prospero, has been chartered at a price of £ 80.— per month plus port charges. Commission — 1%, to be credited to a/c.

2. Write a letter of instructions to the captain of the schooner abovenamed, asking him to be ready at Southampton by the 15th December to take 10 passengers and their baggage aboard. The stores for the voyage will follow about the 18th or 19th of the same month.

3. Clark & Co. of Melbourne want to ship 10.000 tons of wheat in bulk. They write to Vigor & Co., Ship-brokers, asking for freight rates to London by sailing vessel.

4. Vigor & Co. reply that sailing vessels are available, and they recommend the "Hertzoginia Cecilia" for the voyage. The rate will be 6/— per ton, plus a premium to the captain of £ 10.— on satisfactory completion of the voyage.

5. Reply to above accepting terms and asking Vigor & Co. to charter space for 20.000 tons of wheat in bulk.

6. Reply, stating that the transaction has been concluded and enclosing C/P and D/N for the usual £ 1% commission.

7. Write a letter of instructions to the captain of the sailing vessel named above, telling him when and where the cargo will be loaded and unloaded. Give him the name of the agents to whom he must apply at the port of discharge.

8. Write a letter from Messrs Smithers & Co. to Messrs Johnson & Co. stating that they cannot find a suitable vessel of about 400 tons burthen to take a cargo of machinery from Liverpool to Shanghai at a rate of 15/— per ton; the lowest rate they can get a ship for is 20/— per ton. If they are satisfied, Smithers will charter the vessel. Give particulars, such as name of vessel, captain's name etc.

Lesson 14.

CORRESPONDENCE WITH THE FORWARDING AGENT.

Owing to the various means of communication and the complexity of tariffs — some railways have eight or more different classes of goods — it very often happens that a trader loses money in paying extra freight. So, a certain kind of business man has appeared who specializes in the forwarding of goods. Owing to his intimate knowledge of tariff rates. routes, etc., he is enabled to save the merchant time, trouble and money. He collects the goods from the shipper, warehouses them when necessary, and forwards or ships them by the nearest route and the cheapest way, making out all the necessary documents and fulfilling formalities. This man is called a forwarding agent.

The whole world is covered with a net of forwarding agents who act as one another's agents and do everything to deliver the goods at their destination. They clear goods from the customs, make their passage over frontiers easy, insure the goods against all risks, and very often collect the amount of the invoice from the consignee. For these services they charge a commission or sometimes include their commission in the transport charges so that a merchant knows exactly how much the conveyance of the goods will cost him. In case of damages etc., the forwarding agents make all claims in the name of their principals and try their best to settle the matter to the satisfaction of the latter.

51.

Victoria Road.
London. W. 1.
8th August 19..

Messrs Carter Neale & Co.
Forwarding Agents.
East India Docks Road.
London.

Dear Sirs,

We shall be very much obliged if you will kindly let us know whether you can undertake the forwarding of 6 cases of chemical goods to Bucharest, Roumania, and what the cost will be.

Thanking you for an early reply, we are,

Yours faithfully,
Ewing & Co.

52.

East India Docks Road.
London. E. C.
9th Aug. 19..

Messrs Ewing & Co.
Victoria Road.
London.

Dear Sirs,

In reply to your letter of the 8th inst., we beg to state that we undertake the forwarding of goods to any part of the world in the quickest and shortest time and in the cheapest manner. Owing to our large and expert staff and our extensive connec-

tions with continental forwarding agents, we are enabled to offer our clients unrivalled possibilities in the avoidance of delay and risks.

Enclosed you will find our special railway and shipping tariffs, from which you will see that we offer through rates to any part of the world, thus placing you in a position to quote your customers a firm price, as the transport costs are definite.

Awaiting your further commands which shall have our immediate attention,

We beg to remain,
Yours faithfully,
Carter Neale & Co.

53.

Victoria Road.
London. W. 1.
10th Aug. 19..

Messrs Carter Neale & Co.
Forwarding Agents.
East India Docks Road.
London.

Dear Sirs,

In reply to yours of yesterday's date, we beg to state that we have forwarded to you to-day, per our own van,

6 cases chemical goods, Nos. 48/53,

consigned to Roumanescu & Co., Bucharest.

Please forward these goods immediately, charging all costs to us, and insure against all risks, for £ 500.—. Delivery

is to be made to the consignee's warehouse, the address of which is marked on the packages.

Awaiting your further advices, we are,

Yours faithfully,
Ewing & Co.

54.

East India Docks Road.
London. E. C.
15th Aug. 19..

Messrs Roumanescu & Co.
Bucharest. Roumania.

Dear Sirs,

We beg to advise having forwarded to you to-day per ship and railway 6 c/s chemical goods on behalf of Messrs Ewing & Co., of Victoria Road, London. Our agents, Messrs Ivanescu & Co., of Bucharest, will communicate with you on arrival of the goods and deliver them at your warehouse.

Trusting that the goods will arrive safely, we are,

Yours faithfully,
Carter Neale & Co.

55.

Victoria Road.
London. W. 1.
10th September 19..

Messrs Carter Neale & Co.
East India Docks Road.
London. E. C. 1.

Dear Sirs,

We are in receipt of a telegram from Messrs Roumanescu & Co., Bucharest, stating that one of the six cases of chemical

goods which we forwarded to them through you on the 10th ult., has arrived in such a bad condition that they have refused to take delivery. Will you please take this matter up with the insurance company and get a refund for the damages?

Thanking you in anticipation, we are,

Yours faithfully,
Ewing & Co.

56.

East India Docks Road.
London. E. C.
20th September 19..

Messrs Ewing & Co.
Victoria Road. London.

Dear Sirs,

In reply to your letter of the 10th inst., we beg to state that we have been in communication with our agents at Antwerp, Messrs Berthet & Co., who state the damage was caused by the rough handling the cases received while being loaded into trucks on the Belgian Railways. We have instructed them to make the necessary claim and hope to advise you in a short time.

We regret the accident, but assure you that it could not be helped, as railway porters are notoriously careless in the handling of baggage.

Yours faithfully,
Carter Neale & Co.

EXERCISES.

A.

1. What is a forwarding agent? 2. Of what special use is he to the trader? 3. Quote the terms of Messrs Ewing & Co's letter. 4. Why do Carter Neale & Co. think they are well qualified to serve their client's interests? 5. Are the goods shipped by Ewing & Co. sold franco or not? 6. How do you know that? 7. Are porters careful in the handling of baggage? 8. On whom will a claim for the damaged goods be made? 9. How many kilogrammes can one load into a truck on the railways of your country?

B.

1. Write an essay describing in detail how you would ship 100 barrels of salt herring from Tallinn to (a) Warsaw. (b) Budapest.

2. Messrs M. Lang & Co., forwarding and shipping agents, London, offer their services to Messrs S. Holmes & Co. They can ship to any part of the world. Write the letter.

3. The same firm of forwarding agents inform Mr. W. Sutherland, Winchester, that they have received instructions from the New Zealand Meat Co. to receive ex the s. s. "Southern Cross" 1500 carcases of New Zealand mutton to be held at

his disposal. The carcases are marked WS and numbered 1/1500. Gross weight — 46 tons 17 cwt. 2 qrs. The ship is expected at the end of the month. They ask for instructions.

4. Mr. Sutherland replies asking Messrs Lang & Co. to forward immediately on arrival 750 carcases, putting the remainder into cold storage. He asks them when forwarding to see that the goods are put into refrigerating cars so that they will not be spoilt by the heat on the trip; carriage forward.

5. Messrs Lang & Co., inform Mr. W. Sutherland, Winchester, that 50 carcases fell into the water during the unloading of the ship. It seems that the chain holding the carcases was badly fixed and slipped from the crane. As the accident occurred before delivery was taken, the buyer is not responsible but, in the opinion of the forwarding agents, the responsibility rests with the captain. They will forward the other goods as instructed, and store the rest. They ask for instructions regarding the 50 carcases.

6. Mr. W. Sutherland replies and encloses copy of his letter to the Austral Insurance Co. City, London, claiming damages. (Write both letters.)

7. The insurance company replies to Sutherland that the carcases have been examined by their expert, and as the latter reports the meat is unfit for consumption and therefore a total loss, they offer to pay compensation at the rate of 6d. per lb. on 3,500 lbs.

8. Mr. Sutherland replies agreeing to accept the insurance company's offer.

Lesson 15.

CORRESPONDENCE WITH THE FORWARDING AGENT.

57.

East India Docks Road.
London. E. C.
25th September 19..

Messrs Ewing & Co.
Victoria Road.
London.

Dear Sirs,

In continuation of our letter of the 20th inst., we beg to hand you herewith cheque for £ 96.— the balance of the cost of the chemicals in the damaged case consigned to Messrs Roumanescu & Co. of Bucharest. We regret the delay in forwarding the money, as the Belgian Railways at first refused to admit our claim and it was necessary to threaten them with legal measures before they decided to pay.

Trusting that this matter has been settled to your satisfaction and enclosing our account, we beg to remain.

Yours faithfully
Carter Neale & Co.

East India Docks Road.
London. E. C.
25th September 19..

Messrs Ewing & Co.
Victoria Road.
London.

Dr. to Carter Neale & Co.
Forwarding Agents.

Marks & Nos.	Particulars.	Consignee.	Destination	Weight.
Roum. Co. Bucharest. 48/53.	Chemical Goods.	Roumanescu & Co.	Bucharest.	1000 kilos.

London. —	Quay porterage & quay rent	£ 1.	5.	9.
	Through freight to Bucharest	£ 10.	10.	0.
	Marine and fire insurance	£ 1.	5.	0.
	Interest on freight & charges		3.	3.
	Total	£ 13.	4.	0.
Antwerp. —	Loading into trucks at Antwerp. . .		5.	0.
Bucharest. —	Unloading and delivery, Bucharest		15.	0.
		£ 14.	4.	0.
	Received from Belgian Rly. Co. . . .	£ 110.	4.	0.
	Balance enclosed	£ 96.	0.	0.

59.

Victoria Road.
London. W. 1
26th Sept. 19..

Messrs Carter Neale & Co.
East India Docks Road.
London.

Dear Sirs,

We beg to acknowledge with thanks receipt of your cheque for £ 96.— with your letter of yesterday's and to state that we are very well satisfied with the prompt manner in which you have handled this business.

Enclosing formal receipt and thanking you again, we are,

Yours faithfully,
Ewing & Co.

60.

Manchester.
25th March 19..

Messrs Howland & Co.
Forwarding Agents.
London. E. C.

Dear Sirs,

We enclose herein B/L for 150 bags wax ex the s. s. "Ocean Queen" which is due to arrive shortly from Pernambuco and shall be much obliged if you will kindly take delivery of the cargo and hold it at our disposal.

Thanking you in anticipation, and awaiting your advices,

Yours faithfully,
Frank McKay & Co.

61.

London.
7th April 19..

Messrs Frank McKay & Co.
Manchester.

Dear Sirs,

We beg to advise the arrival of the s. s. "Ocean Queen" from Pernambuco and to state that we have taken delivery of the cargo and warehoused same.

Two of the bags, net weight 3 cwts. 3 qrs., were damaged on the voyage. We have had them examined in the presence of the insurance company's representative and have had the damage assessed at 50%; the undamaged portion will be separated and re-bagged in our warehouse. The rest of the cargo was in first-class condition.

Enclosing copies of our correspondence with the insurance company and awaiting your instructions, we beg to remain.

Yours faithfully,
Howland & Co.

62.

London.
4th April 19..

The Secretary.
The World Insurance Co.
City. London.

Dear Sirs,

We beg to state that two bags of bees' wax, shipped from Pernambuco per s. s. "Ocean Queen" by Shenstone & Co., and

insured by them with you, have been damaged in transit. We shall be much obliged if you will send your representative to the Victoria Docks to examine the said wax and assess the damage before we take delivery on behalf of the consignees, Messrs Frank McKay & Co., Manchester.

Yours faithfully,
Howland & Co.

63.

London.
5th April 19..

Messrs Howland & Co
London. E. C.

Dear Sirs,

In reply to your letter of the 4th inst., re damaged wax ex s. s. "Ocean Queen" from Pernambuco, we beg to state that we are in possession of our expert's report, according to which the damage amounts to 50% of the net weight. We understand that your representative who was present at the examination of the two bags referred to agreed to this.

We therefore offer you £ 9.19.4½, the cost of 1 cwt. 3 qrs. 14 lbs. of damaged wax, at 105/— per cwt., in full settlement of all claims. We should advise you to accept this offer, as you will thereby be saved the expense of hiring an average adjuster, whose fees are always heavy.

Awaiting your reply, we are,

Yours faithfully,
The World Insurance Co.

64.

London.
5th April 19..

The Secretary.
The World Insurance Co.
City. London.

Dear Sirs,

In reply to your letter of even date, offering to indemnify us to the extent of £ 9.19.4½ for wax damaged on the voyage from Pernambuco, we beg to state that we accept the offer and await your cheque.

Yours faithfully
Howland & Co.

65.

Manchester.
9th April 19..

Messrs Howland & Co.
Forwarding Agents.
London.

Dear Sirs,

In reply to your letter of the 7th inst., we beg you to forward to our address per railway the 148 bags wax received ex s. s. "Ocean Queen" from Pernambuco.

As regards the damaged wax, please take away the spoiled parts and pack the remainder into one bag. This you may forward together with the above lot, if you are ready in time. If not, please forward separately. The freight and charges are

for our account and we shall be obliged if you will kindly charge them forward.

We approve of what you have done with regard to the damaged wax and await your further advices with interest.

Yours faithfully,

Frank McKay & Co.

66.

London.

11th April 19..

Messrs Frank McKay & Co.
Manchester.

Dear Sirs,

We beg to advise having forwarded to your address today per railway 149 bags of wax, gross weight 236 cwts. 1 qr., in two truck loads. One of the bags, the one containing the damaged wax, is marked FMC/D, so as to enable you to separate it from the rest.

We beg to enclose our account and remain,

Yours faithfully,

Howland & Co.

EXERCISE.

Draft the following correspondence, referring to the exercise on the previous lesson:—

1. Messrs Lang & Co. inform Mr W. Sutherland, Winchester, that they have forwarded 750 carcases of New Zealand frozen mutton to his address by rail. The gross weight of the consign-

ment is 23 tons. 8 cwt. 3 qrs. The goods have been loaded into 3 refrigerator cars. They enclose their account for freight & charges, amounting to £ 15.—, The remainder of their charges will follow on delivery of the remaining 750 carcases. The charges are as follows:— freight on three waggon loads London-Winchester, £ 9.—. Loading and other railway charges — £ 2.10.0. Unloading charges paid in advance — £ 2.10.0. Commission — £ 1.0.0. Make out the account.

2. Mr Sutherland, Winchester, informs Messrs Lang & Co. that to his great surprise, only 700 carcases were delivered by the railway, weight 20 tons. 6 cwt. 1 qr. 12 lbs. The weight of the goods corresponds to the weight marked on the Rly. Co's loading receipt. He thinks that Messrs Lang & Co's people have made a mistake in despatching. He thinks that Lang & Co. should pay the freight on the missing 50 carcases as they will only occupy part of a waggon and will therefore pay more freight.

3. Messrs Lang & Co. reply that to their regret a mistake was made by their shipping clerk. They have forwarded the missing 50 carcases by that day's train and have paid the carriage themselves. They apologise to Mr Sutherland for the error.

4. Write a short market report on the meat trade in your town.

Lesson 16.

MARINE INSURANCE.

Marine insurance is a contract between two parties by which one obligates itself to indemnify the other against a partial or total loss of a ship or cargo, freight, or profits

expected, or against any other loss or injury for a certain sum of money called the premium. The contract in which the terms of insurance are embodied is called the policy, and the dangers against which the insurance is taken are called risks.

The greatest market for marine insurance is London, where through a marine insurance company or through Lloyd's one can insure against any kind of risk. The members of Lloyd's corporation are called underwriters, because each of them writes his name under the policy for the amount which he is willing to pay in case of loss. Thus, if a ship be insured for £ 5000.—, there may be five underwriters, each of whom declares himself responsible for £ 1000.— worth. In this manner the total risk is spread over a large number of people.

Not everybody can insure a ship or cargo. Only the following classes of people have this right. 1. The owners of the ship and the owners of the cargo to the extent of their interest. 2. A person to whom either the ship or cargo is mortgaged, i. e., a mortgagee, to the extent of his interest. 3. A person who mortgages the ship or cargo or portion thereof, i. e., a mortgagor. But such a person can insure to the full value of his property. 4. A person who insures the ship or cargo. 5. A person who holds a mortgage on the ship called a Bottomry Bond for as much as he has advanced on his bond. 6. The person to whom the freight is to be paid, i. e. he may be a charterer of the whole or part of the ship.

The amounts payable for insurance, i. e., the premia, vary according to the season and the voyage, the kind of cargo, etc. For instance, ships sailing to the Baltic Sea in Winter have to pay an extra premium on account of risks from storms and ice, ships going to China or India during the monsoons have to

pay extra premia on account of storms, typhoons, hurricanes, etc. The cargo also must pay an extra premium as it is carried in the ship and is exposed to the same dangers. Cargo which consists of explosives, e. g., dynamite, gunpowder, etc., must pay more, just as cargo which gets spoiled easily, as the underwriter takes a greater risk of loss in such cases.

When insuring at Lloyd's it is usual to employ a broker. He is given a memorandum containing full particulars of the cargo, the voyage or the time for which the cargo is to be insured and the particular risks against which the trader wants protection. The broker then goes from underwriter to underwriter each of whom notes on the slip the amount for which he holds himself responsible and initials it. After this the insurance policy is made out and the underwriters sign it in full.

There are different kinds of policies. An *open policy* is one in which the value of the things insured is not stated. In case of a loss, the amount to be paid is assessed by an expert. A *valued policy* is one in which the amount to be paid in case of total loss is agreed upon. If the loss is only partial, the amount to be paid must be assessed as with an open policy. A *floating policy* is one in which the name of the ship carrying the cargo is not stated, as the merchant frequently ships goods to well-known ports. After he has shipped the goods he informs the insurance company or the underwriters of the name or names of the ships and the amount for which the cargo on each is insured. These particulars are then endorsed on the policy. A *voyage policy* is one which insures goods for a specified voyage or voyages, the insurance coming into force from the date of sailing and ending with

the ship's arrival. A time policy insures goods for a certain period, which must not exceed a year, except when the ship is at sea at the time the insurance expires. In such cases, by a special clause, the insurance is extended till the ship's arrival. A mixed policy is one in which the voyage and the time are specified, e. g., London to Tallinn, one week.

Sometimes special conditions are inserted in the policy. These special conditions are called warranties, and must be fulfilled if the insurance is to hold good. One generally finds in the policy the following warranties expressly stated: 1. That the ship sails on a given day. 2. That the vessel is safe at some special time. 3. That the vessel sails with a convoy in time of war. 4. That the ship is neutral (in time of war). 5. That the goods are neutral (in time of war). There are other warranties that are not stated in so many words but are understood. These are: 1. That the ship will hold the course laid down for her without going aside or delaying. 2. That the ship is seaworthy. 3. That nothing is left undone to protect the cargo and ship against risks. 4. That the business on which the ship is engaged is a lawful one and will be carried out in a lawful manner. This last warranty prevents a smuggler from insuring his cargo or his ship. If he does insure, he will have to do so by misinforming the underwriters, who will at once declare the insurance null and void on being informed of the true circumstances. Or if anything happens to the cargo, they will refuse to pay compensation.

Losses are classified according to whether they are total or partial. The latter is also called an average loss. A total loss may be absolute total loss or constructive total loss. The first expression is used when the matter of the insurance is

absolutely destroyed or damaged to such an extent as to make its recovery impossible, e. g., the sinking of a ship, the burning of a ship and cargo etc. The second expression, constructive total loss, is only used when the subject-matter of the insurance is not completely destroyed, but is in danger of being destroyed at any moment. In the first case, the underwriter is responsible for the whole amount of the risk he has taken upon himself. In the latter, he is only responsible when the insurer gives him reasonable notice that he will abandon the ship and/or cargo, when the abandoned object becomes the property of the underwriter.

All assessments, settlements, etc. between the underwriter and the insurer are called adjustments, and are usually made by brokers. When an insurer gives up all his rights in a damaged ship or cargo, he is said to abandon it, and the act is called abandonment.

If a ship deviates from its course, i. e., goes out of its proper course, the underwriter is freed from his liability from the moment of deviation, even though the ship may go back to her proper course afterwards and though the loss was not caused by the deviation.

EXERCISE.

A.

1. What is marine insurance? 2. Define the term "underwriter". 3. Give instances of people who have the right to insure a ship or cargo. 4. By what are the rates of premium for marine risks governed? 5. Through whom is insurance at Lloyd's generally effected? 6. What information must the

insurer give the underwriter? 7. Describe the different kinds of marine insurance policies. 8. Define a warranty. 9. Give examples of express and implied warranties. 10. Will a smuggler of alcohol be able to insure his ship and cargo against loss? 11. Why not? 12. What is the difference between absolute total loss and constructive total loss? 13. Explain what is meant by adjustment and abandonment. 14. What effect would the leaving of her course by a ship have upon the insurance contract?

B.

1. Refer to letters Nos. 60—66 in the previous lesson and make out the forwarding agent's account from the following details:— Entry, Dock and Town Dues — £ 2.6.6.: Freight on 13 tons. 3cwts. 2 qrs. 16 lbs. net à 30/— per ton of 20 cwts.: Quay porterage — 18/6: Cartage & housing — £ 1.6.10.: Rent — 10/5: Fire Insurance — 13/6: Mending and cleaning damaged portion, and supplying bag and twine — 15/10: Bank commission and interest on charges — 3/1. Forwarding agent's commission — £ 1.10.0. Freight to Manchester on 149 bags of wax — £ 9.14. 6.

2. Write a letter from Chas. Hockett of Bradford to Thos. Hillson & Sons, Goole, advising them that 5 bales of woollen goods have been forwarded to them for shipment per s. s. "Clarence" to Antwerp and asking them to effect insurance and to take out three B/L to the order of the consignors. Add any other particulars which you may think necessary.

3. Make out a freight account from Robt. Hoppen & Sons, Liverpool, to S. A. Holmes, Keighley, for ten bales shipped per

s. s. "Hercules" from Liverpool to Hongkong. Each bale measures 3'2" × 2'6" × 2'8". The rate of freight is 27/6 and 10% per ton of 40 c. ft. Other charges are Marine insurance— 18/6; B/L — 4/6; Commission — 8/—.

4. Assume that you are the manager of a boot shop and that you are opening a branch shop in your town. a) Draft an advertisement suitable for insertion in the local newspaper. b) Draft a circular letter to be sent to prospective clients.

5. Philip Reeder & Sons of Leeds forward to Marriott & Co. of London 10 bales of woollen goods for shipment per s. s. "Kenrickson" to Durban, South Africa. Make out the Advice Note.

6. Reply, stating goods have been shipped and enclosing B/L and account.

7. Reply, enclosing cheque in payment of account.

Lesson 17.

MARINE INSURANCE.

67.

Manchester.
17th May 19..

Messrs Talbot & Co.
London.

Dear Sirs,

Please insure for us 150 bags wax shipped from Pernambuco on the 15th inst. to our address per the s. s. "Ocean Queen", value £ 1,500.—. You will find the ship entered in Lloyd's Register as A. 1. The consignors are Shenstone & Co.

The cargo is to be insured against all risks.

Hoping that you will be able to effect the insurance at the lowest possible rates, and requesting you to debit our account with the charges, we are,

Yours faithfully,
Frank McKay & Co.

68.

London.
19th May 19..

Messrs Frank McKay & Co.
Manchester.

Dear Sirs,

In compliance with your instructions, dated 17th inst., we have insured the 150 bags wax which were shipped on the 15th inst. from Pernambuco by the s. s. "Ocean Queen" at the rate of 5/6%, which you will notice is a very low rate indeed.

Enclosing the insurance policy and our account for £ 4.7.6., with which we have debited your account, and trusting soon to be favoured with your further commands, we are,

Yours faithfully,
Talbot & Co.

69.

London.
15th June 19..

Messrs Talbot & Co.
London.

Dear Sirs,

We would request you to be so good as to insure our motor-ship the "North Star", of 5,000 tons burthen, at present

lying in Southampton. The vessel is built of the best Indian teak and is five years old; her engines are of the new Diesel pattern and were only put in last year. All other particulars you will find in the shipping register. We value the ship at £ 8,000.— and would like her to be insured against all risks.

We do not limit you as to the rates of premium but trust you will be able to get us a favourable rate. We may add that she has just returned from Calcutta and will probably be leaving again for the East within a week or two.

Awaiting your advices, we are,

Yours faithfully,
Mackenzie & Co.

70.

London.
19th June 19..

Messrs Mackenzie & Co.
London.

Dear Sirs,

In reply to yours of the 15th inst., we beg to inform you that insurance rates to the East have gone up considerably owing to the danger of war between China and Japan. The lowest rate we can obtain is 5%. As this seems to us rather high, we should like your approval before closing with the offer. The company is a very old and reliable one, viz., the Atlas Insurance Co., whose name we are sure is well-known to you.

Awaiting your reply by return of post, we are.

Yours faithfully,
Talbot & Co.

71.

London.
21st July 19..

Messrs Jones & Co.
Durham.

Dear Sirs,

We regret to advise you that the s. s. "Southern Cross", which has on board 100 bales of wool for you, has sustained average on account of which the greater part of her cargo has been damaged.

As soon as we receive further particulars, we shall give you immediate information as to the state of affairs.

Yours faithfully
Graham & Co.

72.

Durham.
23rd July 19..

Messrs Graham & Co.
London.

Dear Sirs,

We are sorry to learn from yours of the 21st inst., that some cargo arriving for us is damaged. We shall be much obliged if you will keep us in constant touch with the matter and do your best to minimize the loss. Thanking you, we are,

Yours faithfully,
Jones & Co.

73.

London.
27th July 19..

Messrs Jones & Co.
Durham.

Dear Sirs,

In reply to your letter of the 23rd inst., we beg to inform you that 20 of the bales of wool consigned to you are so severely damaged that they will have to be sold for the account of the Austral Insurance Co. with which they were insured. The remaining 80 bales have been forwarded to you to-day per goods train.

The damaged wool will be sold by auction next week, after which we shall send you a statement of account.

Yours faithfully,
Graham & Co.

74.

London.
3rd August 19..

Messrs Jones & Co.
Durham.

Dear Sirs,

In continuation of our letter of the 27th ult., we beg to inform you that the damaged 20 bales of wool were sold by auction on the 1st inst.

As per statement enclosed you will see that the net proceeds of the sale were . . £ 160. 13. 5.
Received from the underwriters £ 53. 0. 0. = £ 213. 13. 5.
Our charges . . . . . 4. 6. 7.

Balance £ 209. 6. 10.

for which amount we enclose a cheque, receipt of which we beg you to acknowledge.

Trusting that you are satisfied with our management of this affair, we beg to remain.

Yours faithfully,
Graham & Co.

Encl.

EXERCISE.

A.

1. Where is Pernambuco? 2. For what value will the wax named be insured? 3. Against what risks will the cargo be insured? 4. Who will pay the insurance premium? 5. Where is the cargo at the moment the letter is written? 6. At what rate does the agent succeed in insuring the cargo? 7. What is the difference between a motor-ship and a steam-ship? 8. Why does the insurance-broker not insure the ship in accordance with his instructions? 9. Of what do Graham & Co. advise Jones & Co.? 10. What does the £ 53.— shown in example No. 74 represent?

B.

1. Draft a reply to example No. 70, requesting Talbot & Co. to wait a week before insuring. This will show whether the danger is as great as it is supposed to be.

2. Reply after a week that rates have dropped and that insurance can now be effected at 3¾%.

3. (a) Reply by telegram instructing them to insure. (b) Confirm the telegram by letter.

4. Write a letter from Howard & Co., to Digby & Co., insurance brokers, Lloyd's, London, asking them to insure a cargo of wheat from Russia. Port of embarkment — Riga, destination — London, quantity — 20,000 tons, shipped per s. s. "Hiumaa" and "Tartumaa", each of 10,000 tons burthen and both flying the Estonian flag. Both the ships are registered at Lloyd's. The captains are Messrs Paius and Sepp, both steady and reliable seamen, and both well-experienced. Shipt — Oct.-Nov.

5. Reply that owing to the severe storms that are expected to rage in the Baltic at that time, and the pessimistic weather forecasts no broker will look at the insurance under 8%.

6. Reply, stating 8% is rather high; ask brokers to wait a little and find an underwriter who will take the risk at 7½%.

7. Reply three days later that rates are rising still higher; that it is now impossible to insure at 8%, as previously offered: the lowest rate is 9%. Advise immediate compliance, as it is feared rates will go still higher.

8. Reply instructing to insure at 9%.

9. Answer, enclosing policy and account, for which the brokers would like to have a cheque. Work out the amount of the account, broker's commission being 5% on the premium, stamp — 4/6.

Lesson 18.

MONEY.

In a previous lesson we learnt that payment for goods may be made in various ways — by paying cash, or by giving a debtor a cheque or draft or acceptance, or by transferring negotiable instruments etc. to him. We shall now proceed to make acquaintance with the correspondence relating to payments, but before we do that it is necessary to know something about money and its substitutes.

Anything may be used as money, but in the civilized world it has been the custom to prefer one or other of the precious metals, e. g., gold or silver, on account of six qualities that they possess. These qualities are:— 1. Acceptability. 2. Durability. 3. Portability. 4. Divisibility. 5. Uniformity. 6. Stability. This last quality has been somewhat shaken of recent years.

The money that circulates in a country, its currency, may be and generally is of two kinds — stamped metallic coins of a certain fineness and weight, called specie, and paper money. The metallic coins are coined in a place called the mint. The paper money or bank-notes are printed and issued by the central bank of the country, and represent the amount of money printed on the face of the notes. When paper money

can be exchanged for metal to the value shown on its face, it is convertible currency, when it cannot be exchanged freely, it is inconvertible paper currency. Nowadays, most countries have an inconvertible paper currency. Inconvertible paper money is always at a discount when it becomes a question of paying a foreign country. The expression "at a discount" means that it is accepted at a rate below the value of the metal it is supposed to represent. This discount is called an agio or premium, i. e., it is the difference in value between real and nominal money.

Formerly, most countries used to be on what is called the gold standard, i. e., the currency consisted of gold coin and the central bank of the country bought and sold gold freely in unlimited quantities at a fixed price. Nowadays, owing to economic conditions, England, America, and a great many other countries have abandoned the gold standard. The monetary system of these countries with one standard of value is called monometallism; those countries in which the standard of value is based on a fixed ratio between two metals (gold and silver) both of which circulate freely practise bimetallism.

The metal currency of a country consists of standard money and token money. The first is that in which the metal used is the standard metal, of the required fineness and weight. The second is composed of coins in which the metal is not worth the amount stamped on them. The value of the first may rise and fall according to fluctuations in the price of the precious metal of which they are made. The value of the second does not so rise and fall because its nominal value is fixed by the government. Therefore, only standard money

is called legal tender, i. e., that which may be lawfully offered in full settlement of a debt. Token money is legal tender only up to a certain amount, e. g., in England, silver coins up to forty shillings only and bronze coins up to one shilling only can be offered in liquidation of indebtedness. If more is offered the payee has a right to refuse the excess and demand standard money. Paper money to any amount is legal tender. Negotiable instruments, such as shares, bills of lading, dock and warehouse warrants, mortgages, cheques, bills of exchange, may be offered but their acceptance is a matter of agreement.

75.

Grimsby.
15th July 19..

The Central Bank.
Threadneedle Street.
London. E. C.

Dear Sirs,

We shall be much obliged if you will kindly despatch at once on receipt of this £ 10.000.— in bank notes, and debit our account.

This is the season when the fishing boats return with their catch and the money is needed for the payment of wages, repairs, the purchase of stores, etc., before the boats put to sea again.

Please insure against all loss.

We are,
Yours faithfully,
The Grimsby Co-operative
Bank, Ltd.

76.

Threadneedle Street.
London. E. C.
16th July 19..

The Grimsby Co-operative Bank, Ltd.
Grimsby.

Gentlemen,

In accordance with the request contained in your letter of yesterday's date, we have sent you to-day, per registered package, £ 10.000.— in bank notes.
with which amount, plus 12/6 insurance fee and 2/6 postage, we have debited your account. We are, Gentlemen,

Yours faithfully,
The Central Bank.

77.

London.
5th Jan. 19..

Messrs Edwardson & Co.
King Street. London.

Dear Sirs,

In full settlement of your invoice dated the 23rd ult., we beg to hand you herewith,

Cash	£	94.	19. 4.
Postage			8.
	£	95.	0. 0.
Discount, 5%		5.	0. 0.
Total	£	100.	0. 0.

receipt of which please acknowledge and oblige,

Yours faithfully,
Henson & Co.

78.

Glasgow.
10th Feb. 19..

Mr. Wm. Brown.
Edinburgh.

Dear Sir,

Enclosed please find cheque for £ 377. 10. 0. which, together with our last remittance of £ 50.— and £ 5. 5. 0. for goods returned, balances your account dated 31st ult.

Please acknowledge receipt.

Yours faithfully,
Kelly & Sons.

79.

Hull.
19th March 19..

The National Bank. Ltd.
Newcastle.

Dear Sirs,

On receipt of this, please remit to The Atlas Insurance Co., London, £ 420.— and debit my account.

I am,
Yours faithfully,
Robt. Newman.

Newcastle.
20th March. 19..

Robt. Newman Esqre.
Hull.

Dear Sir,

In accordance with your instructions, we have to-day remitted the Atlas Insurance Co., London, £ 420.—, which, plus postage, we have debited to your account. We shall forward you the insurance company's receipt in due course.

Yours faithfully,
The National Bank, Ltd.

EXERCISE.

1. Name the different ways in which one may pay one's debts. 2. For what reason are the precious metals preferred as money? 3. Of what does a country's currency consist? 4. Is there a mint in this country? 5. Where is it? 6. Explain the terms convertible currency and inconvertible currency. 7. What is agio or premium? 8. Define the gold standard. 9. What is the difference between monometallism and bimetallism. 10. Name a country which has a bimetallic standard. 11. Explain standard money and token money. 12. What coins in standard money and what coins in token money have you in this country? 13. What is legal tender? 14. On what conditions is a dock warrant legal tender?

B.

Draft the following correspondence:—

1. The Union Bank, Ltd., Narva, writes to the Central Bank, Tallinn, stating that the harvest will soon be in and its stocks of ready money must be replenished. It sends B/E to the value of 16,000 EKr. and requests the Central Bank to forward it EKr. 20,000.— in exchange.

2. The Central Bank replies, stating the money has been forwarded by registered letter. Insurance costs — EKr. 200.—, postage- EKr. 25.— have been debited.

3. The Union Bank replies, acknowledging receipt, and forwards another remittance of EKr. 6,000.— in B/E, which is to be credited to its a/c. It protests against paying the postage. (State some imaginary reasons why it protests.)

4. The National Bank, Newcastle, remits £ 420.— to the Atlas Insurance Co., London, and encloses duplicate receipt for signature.

5. The Atlas Insurance Co. replies, returning signed receipt.

6. The National Bank, Newcastle, forwards the insurance company's receipt to Robt. Newman, Esqre., Hull, with a covering letter.

7. Bagehot & Co., Edinburgh, write to Hazlitt & Co., Newark, complaining about delay in receiving their cheque for £ 250.— in payment of invoice dated 1st inst.

8. Hazlitt & Co. reply, enclosing cheque.

9. Bagehot & Co. forward the cheque to their bankers, the Scottish Banking Co. for collection.

10. The Scottish Banking Co. return the cheque to Bagehot & Co.

after some days, stating that it has been dishonoured and returned to them marked N/S.

11. Bagehot & Co. write and ask Hazlitt & Co., Newark, for an explanation.

12. Hazlitt & Co. reply, making excuses which you must invent and ask Bagehot & Co. to present the cheque again, when it will be met.

Lesson 19.

In Lesson 16, Part 1, of this book, we have already learnt something about B/E, but there are a few expressions more that should be known to the commercial correspondent. **To renew** a bill is to take a new bill in exchange for one which the drawee or acceptor is unable to pay at maturity. This is always done at the request of the payer, i. e., the drawee or acceptor. The usual condition is that the latter must pay for the bill stamp. The words "in case of need" are sometimes added to a bill when the drawer is not sure that the drawee will accept, or after accepting, pay when the time comes. The person named "in case of need" guarantees the payment of the bill if the person who should pay cannot or does not. The purpose of this is to save a firm's reputation, as it might be to its discredit to have it known that one of its drafts was dishonoured. It is usual to ask the person who will intervene in case of need for permission to use his name.

Foreign B/E, like export B/E, are generally drawn in sets of two or three in order to prevent any inconvenience in case

of loss in the post. Each one is called a **via** and the text is somewhat as follows:—

Via Foreign Bill.

No. XYZ. EXCHANGE FOR EKr. 4,566.75.

London. 15th August 19..

Revenue Stamp.

Sixty days after sight pay this first of exchange (second and third of the same tenor and date unpaid) to the order of Hugo Puusepp, the sum of four thousand, five hundred and sixty-six Estonian crowns and seventy-five cents, value received, and charge the same to our account.

Henderson & Co.

To

The Anglo-Baltic Trade Society.
577. Narva Maantee. Tallinn.

On the first via, the words are "second and third unpaid"; on the second, the words are "first and third unpaid"; on the third the words are "first and second unpaid". But only one of the three is stamped. Generally, the currency of the country where the bill is to be paid is named on it. In the case of the bill shown above, the stamped copy would be sent to Hugo Puusepp with a covering letter and at the same time the drawees would be informed by letter that a B/E for the sum shown above has been drawn on them in favour of the person named on it. The words "after sight" are used to equalize the differences in interest arising from distance. Therefore, the payee

should present the bill for acceptance as soon as it reaches his hands. The acceptance would read as follows:—

Accepted 20th August 19..
Payable at the Credit Bank, Tallinn.
Due 23rd October 19..
p/p The Anglo-Baltic Trade Society.
John Smith.

The acceptance would, of course, be written across the face of the bill in the usual manner. When the time comes to pay, payment will be made at the bank named on the bill. In this way, the drawers, Messrs Henderson & Co. make their own debtors, The Anglo-Baltic Trade Society, pay their creditor, Hugo Puusepp, without going to the trouble and expense of remitting money through a bank.

Letters which deal with transactions of this sort refer to the collection of B/E, discounts, the buying and selling of foreign B/E, the presentation of B/E for acceptance, the noting and protest of dishonoured B/E, etc. These communications usually contain the following particulars:—

1. Advice of remittance. 2. Full particulars regarding amount, due date, names of drawee, payee, domicile, etc. 3. Why the remittance is being sent, and 4. A request for an acknowledgment.

When naming a person as referee in case of need, one must 1, Write to him for permission. 2. Receive his reply. 3. Advise him when his name has been used giving full particulars of the B/E. 4. Receive his reply, acknowledging your letter and promising to intervene for your honour if necessary.

81.

Dublin.
21st August 19..

Messrs Kelly & Co.
Londonderry.

Dear Sirs,

We take the liberty of inquiring whether you would allow us to use your name in case of need on our drafts on firms in Londonderry. The bills are usually for amounts between one and two hundred pounds, seldom exceeding this amount. If they do, and if your intervention be necessary, we shall immediately provide you with sufficient security.

Always at your service in similar matters, we are,

Yours faithfully,
De Valera & Co.

82.

Londonderry.
23rd August 19..

Messrs De Valera & Co.
Dublin.

Dear Sirs,

In reply to yours of the 21st, we are quite willing to permit you to use our name on drafts on firms in this town, and shall be pleased to protect your signature should the necessity arise.

Yours faithfully,
Kelly & Co.

83.

Dublin.
2nd Sept. 19..

Messrs Kelly & Co.
Londonderry.

Dear Sirs,

We beg to inform you that we have permitted ourselves the liberty of naming your house in case of need on our draft for—

£ 365.10.9d. per 2nd Nov., on John O'Shea, of your city,

Thanking you and trusting that the necessity provided for will not arise, we are,

Yours faithfully,
De Valera & Co.

84.

Londonderry.
25th Oct. 19..

Messrs De Valera & Co.
Dublin.

Dear Sirs,

My acceptance for £ 67.10.7. falls due on the 5th prox. As I have been seriously ill, and my assistant has had charge of the business for the last month, receipts have fallen off to some extent. I beg, therefore, that you will be so kind as to give me an extension till the 5th December, this year, when I shall take up the bill without fail.

Thanking you and awaiting your favourable reply, I am,

Yours faithfully,
M. Malone.

Mr Michael Malone.
Londonderry.

Dublin.
30th Oct. 19..

Dear Sirs,

In reply to your letter of the 25th inst., we beg to state that we are quite willing to grant you an extension of time for payment till the 5th December, owing to your illness.

Trusting you have quite recovered, and enclosing the renewed bill, which we would ask you kindly to accept and return, we are,

Yours faithfully,
De Valera & Co.

EXERCISE.

A.

1. Explain the meaning of the expression "to renew a bill". 2. In what cases does one write "in case of need" on a bill? 3. What is necessary before one names a person as referee in case of need? 4. Why are foreign bills drawn out in sets? 5. What is the difference in text between the first via and the third? 6. Why are the words "after sight" instead of "after date" used on foreign bills? 7. Who will intervene if De Valera & Co's bills on Londonderry are not accepted? 8. Will the intervener be responsible for the payment of the bill?

B.

Draft the following correspondence:—

1. Messrs Kelly & Co., Londonderry, inform Messrs De Valera & Co., Dublin, that owing to John O'Shea's having

refused to accept their draft for £ 365.10.9. per 2nd Nov., the writers have intervened for the honour of their correspondents.

2. De Valera & Co. reply, thanking Kelly & Co.

3. Daniel O'Connor writes to Maloney & Co. asking for an extension of time to pay £ 50.—, owing to a fire having broken out in his shop and put him to some loss.

4. Maloney & Co. reply that they regret the loss he has sustained and at the same time regret they cannot give him the extension he asks. Give reasons why they refuse the request.

5. Robt. Anderson, London, writes to the Kensington Bank advising them that he has issued a cheque for £ 500.— in favour of James Smythe. He asks them to pay the cheque and debit his account.

6. The Kensington Bank replies that a man called James Smyth has presented the cheque and inquires whether it will be in order to pay this man.

7. James Smyth writes to Anderson stating that the Bank has refused to pay him and asks for an explanation.

8. Anderson replies to James Smyth on the same day, sending him a copy of his letter to the Bank. He apologises for his mistake in spelling Smyth's name and requests him to present the cheque again.

9. Anderson replies to the Bank that he made an error in his letter in spelling Smyth's name. The bearer of the cheque is the one to be paid.

10. The Bank advises Robt. Anderson that the cheque has been presented and paid and that it has debited his a/c with the amount.

CORRESPONDENCE ABOUT BILLS OF EXCHANGE.

86.

Aberdeen.
13th Dec. 19..

Messrs Mackay & Co.
Glasgow.

Dear Sirs,

In accordance with your request, we beg to state that we have drawn on you to-day for:—

£ 75.—, order our own, per 15th March 19..

We are enclosing draft for your acceptance and return.

Yours faithfully,
Skinner & Co.

87.

Glasgow.
15th Dec. 19..

Messrs Skinner & Co.
Aberdeen.

Dear Sirs,

We have received your letter of the 13th inst., enclosing draft for:—

£ 75.— to your order, per 15th March 19..

which we have duly accepted and return herewith.

Yours faithfully,
Mackay & Co.

88.

Stowe.
20th Jan. 19..

Messrs Atkinson & Co.
London.

Dear Sirs,

In continuation of our letter of the 10th inst., we beg to advise you that we have drawn upon you for the amount of our invoice of the date abovementioned in a draft for:—

£ 89.19.6. to our own order at sixty days' date.

We enclose the bill and request you to accept and return it at your earliest convenience.

At the same time we enclose our latest catalogue of new gramophone records and hope to be favoured with your commands when you are again in the market.

Yours faithfully,
The Popular Gramophone Co.

89.

Macclesfield.
9th April 19..

The International Bank.
Gloucester.

Dear Sirs,

We enclose herewith draft for:—

£ 500.—, per 9th July, on Wm. Evans of your city and shall be obliged if you will kindly get it accepted.

Should the drawee refuse protection, kindly take the necessary steps to have the bill protested for non-acceptance and return to us, together with your charges, which shall be paid immediately.

Yours faithfully,
Newton & Co.

90.

Gloucester.
12th April 19..

Messrs Newton & Co.
Macclesfield.

Dear Sirs,

In reply to your letter of the 9th inst., we beg to state that the drawee refused to take up the bill for lack of advice. However, as we had your definite instructions to protest in case of non-acceptance, we had no alternative but to comply with your request, and return the bill herewith together with our debit note for charges, which please remit.

Yours faithfully,
The International Bank.

Note of Charges for £ 500.—, per 9th July on this city:—

	£.	s.	d.
Notarial charges	—	12.	6.
½% commission	2.	10.	0.
Postage, etc.	—	—	9.
	3.	3.	3.

91.

Manchester.
10th May 19..

The Cheapside Bank.
London.

Dear Sirs,

We request you to be so kind as to draw on Messrs Smith & Sons, Stowe, for £ 56.10.0., per 15th July, and to credit our account with the proceeds. Thanking you, we are,

Yours faithfully,
H. Curtis & Co.

92.

Manchester.
10th May 19..

Messrs Smith & Sons.
Stowe.

Dear Sirs,

Hereby we beg to advise you that we have permitted ourselves to instruct the Cheapside Bank, London, to draw on you for our account for:—

£ 56.10.0, the amount owing to us, per 15th July.

We shall be much obliged if you would be so kind as to honour the draft on presentation.

We beg to remain, Dear Sirs,
Yours faithfully,
H. Curtis & Co.

93.

London.
11th May 19..

Messrs Smith & Sons.
Stowe.

Dear Sirs,

On the instructions of Messrs H. Curtis, Manchester, we have this day drawn on you for:—

£ 56.10.0. per 15th July

and request you to accord our draft due protection when presented. Please debit the account of the firm abovementioned.

Yours faithfully,
The Cheapside Bank.

94.

Nottingham.
8th June 19..

Messrs Boxall & Co.
London.

Dear Sirs,

Enclosed we beg to hand you a foreign bill, value Fin. Marks 70,000.— at 30 d/s on Helsingfors.

Kindly convert same into sterling at the most favourable rate of exchange and hold the proceeds at our disposal.

Awaiting your advices, we beg to remain,

Yours faithfully,
Wilgress & Co.

London.
10th June 19..

Messrs Wilgress & Co.
Nottingham.

Dear Sirs,

We are duly in receipt of your letter of the 8th inst. enclosing foreign bill for Fin. Mks. 70,000.— at 30 d/s on Helsingfors. We have realised at the rate of 227¼ plus interest at 3%. We have, therefore, credited you with £ 308.0.7, which amount we are holding at your disposal.

Awaiting your further commands, we are,

Yours faithfully,
Boxall & Co.

Draft the following correspondence:—

1. Wm Evans, of Gloucester, writes to Newton & Co., Macclesfield, protesting against their not having advised him of their draft for £ 500.— per 9th July. He states that he has refused to accept it for lack of advice.
2. Newton & Co. reply, apologising for the oversight. They would like to know when Wm. Evans intends to pay the amount, which has been outstanding for some time.
3. Wm. Evans replies that he has heavy claims to meet in the near future but if they will draw at 6 months' date he will take up the bill without fail.
4. Newton & Co. advise Evans that they have drawn on him at 6 m/s and sent the bill through the International Bank for acceptance. They crave protection of their signature.

5. The International Bank replies to Newton & Co. returning the accepted draft for £ 500.— on Wm. Evans, per 9th October.
6. Messrs Smith & Sons, Stowe, reply to the Cheapside Bank, London, returning an accepted draft for £ 56.10.0. on themselves, per 15th July.
7. The Cheapside Bank. London, informs Messrs H. Curtis & Co., Manchester, that Messrs Smith & Sons, Stowe, have accepted the draft for £ 56.10.0.
8. Messrs Kipsaar & Co., Narva, enclose a draft on New York for 5,000 $ and request Messrs Leppik & Co., Tallinn, to convert it into EKr. at the best rate possible.
9. Messrs Leppik & Co. reply, stating that they have converted at the rate of 1 $ = EKr. 370. The proceeds have been credited to Messrs Kipsaar's a/c. (Please convert the amount and show in the letter how much Messrs Kipsaar have placed to Messrs Leppik's credit).
10. Messrs Kipsaar request Messrs Leppik to pay the Eesti Radio Company EKr. 2,500.— for their account, under receipt.
11. Messrs Leppik & Co. comply with the request, enclosing duplicate receipt in their letter to the Eesti Radio Co., Tallinn.
12. Messrs Leppik & Co. enclose signed duplicate receipt from the Eesti Radio Co. to Messrs Kipsaar & Co., Narva.
13. Messrs Kipsaar & Co. acknowledge with thanks Messrs Leppik's quick fulfilment of their instructions. They request immediate remittance of the remainder of the money to their credit and enclose a foreign bill on London for £ 345.— to be credited at the best rate.
14. Reply— amount converted at exchange 18.35. (Show how much in EKr.).

CORRESPONDENCE ABOUT BILLS OF EXCHANGE.

96.

Helsingfors.
8th Sept. 19..

The Co-Operative Bank.
Tallinn.

Dear Sirs,

We should like to know whether you would agree to let us domicile our Estonian drafts at your bank and on what terms.

The drafts drawn upon us are usually for sums not less than EKr. 1,000.— and the turnover per annum amounts to about EKr. 20,000.— or EKr. 25,000.—.

We are quite willing to give you security should you so desire.

Thanking you for an early reply, we are,

Yours faithfully,
The Finnish Co-Operative
Association.

97.

Tallinn.
11th Sept. 19..

The Finnish Co-Operative Association.
Helsingfors.

Dear Sirs,

Your letter of the 8th inst. has duly come to hand. In reply we beg to state that we are willing to permit you to

domicile *) your Estonian drafts at our bank. Our terms are as follows:—

1% commission.
4% interest on credit balances.
6% ,, ,, debit ,,
Postage free.
Security — goods or negotiable instruments up to 60%.

Trusting that you will find these terms acceptable, we are,

Yours faithfully,
The Co-Operative Bank.

98.

Helsingfors.
15th Sept. 19..

The Co-Operative Bank.
Tallinn.

Dear Sirs,

In reply to yours of the 11th inst., we beg to inform you that we agree to the terms proposed and at the same time to advise you that we have domiciliated the following drafts at your bank:—

EKr. 2,500.— by the Narva Cheese Co-Operative Co., per 1st Oct.
EKr. 3,000.— by Paide Co-Operative Co., per 10th. Oct.
EKr. 1,578.— by Elva Butter Co-Operative, per 10th. Oct.

(* **To domicile a draft** anywhere means to make it payable at that place).

as security for which we enclose herein one bond of the Estonian Loan, 1918, worth $ 500.—, receipt of which please acknowledge.

It is possible that we might forget sometimes to advise you of the maturity of a draft. In this case we beg you to take up the draft for our account, under advice to us, and we shall immediately provide you with security, should you be uncovered.

Yours faithfully,

The Finnish Co-Operative Association.

99.

London.
1st Oct. 19..

The Commercial Bank.
Tallinn.

Dear Sirs,

We beg to enclose herewith our D/A draft No. ZZZ, to which are attached Certificate of Origin, invoice, and Consular Invoice, together with B/L, for ten c/s machinery, value £ 975.— for the Tallinn Woodworking Company. Please deliver the documents to the drawees against their acceptance and oblige.

Yours faithfully,

Arnold & Co.

100.

Tallinn.
5th Oct. 19..

Messrs Arnold & Co.
London.

Dear Sirs,

We are in receipt of your letter of the 1st inst. together with your D/A draft No. ZZZ and documents attached.

Owing to certain restrictions on the export of foreign exchange from this country, we beg to inform you that the drawees must first obtain an export licence for the draft. In order to do this, they must make an application to the Exchange Controller, accompanying their petition with the necessary proofs. We have so informed them and immediately on receipt of the permission we have no doubt that they will accept the draft.

Yours faithfully,
The Commercial Bank.

101.

London.
20th Oct. 19..

The Commercial Bank.
Tallinn.

Dear Sirs,

Referring to your letter of the 5th inst., will you please inform us how the matter stands? We have not yet received the acceptance mentioned in our letter of the 1st inst.

Yours faithfully,
Arnold & Co.

102.

Tallinn.
25th Oct. 19..

Messrs Arnold & Co.
London.

Dear Sirs,

In reply to yours of the 20th inst., we beg to state that the application has been made to the Exchange Controller by the drawees but so far they have not received an answer.

Yours faithfully,
The Commercial Bank.

103.

Tallinn.
31st Oct. 19..

Messrs Arnold & Co.
London.

Dear Sirs,

In continuation of our letter of the 25th inst. we now beg to advise that the Exchange Controller has refused the application of the Tallinn Woodworking Co. for an export licence for your draft No. ZZZ for £ 975.—

Awaiting your instructions, we are,

Yours faithfully,
The Commercial Bank.

104.

London.
6th Nov. 19..

The Commercial Bank.
Tallinn.

Dear Sirs,

We have received your letter of the 31st inst. and now beg you to return the documents, together with your charges.

Yours faithfully,
Arnold & Co.

105.

Manchester.
10th Nov. 19..

The Virumaa Bank, Ltd.
Tallinn.

Dear Sirs,

We enclose herein our B/E, No. 5678, for £ 875.— on Messrs Kingisepp & Co., for collection. Please remit the proceeds to us by approved banker's cheque on London.

Yours faithfully,
Bantock & Co.

106.

Tallinn.
16th Nov. 19..

Messrs Bantock & Co.
Manchester.

Dear Sirs,

In reply to yours of the 10th inst. we beg to inform you that our Exchange Controller will only allow the transfer of

sterling through the Blocked A/c of the Bank for International Settlements, Basle.

If you agree to this please advise us.

Yours faithfully,
The Virumaa Bank, Ltd.

107.

Manchester
22nd Nov. 19..

The Virumaa Bank, Ltd.
Tallinn.

Dear Sirs,

In reply to your letter of the 16th inst., we beg to state that we agree to have the amount paid through the Blocked A/c of the Bank for International Settlements, Basle.

Yours faithfully,
Bantock & Co.

EXERCISE.

Draft the following correspondence:—

1. Matthew Arnold & Co. send to Arnold Bennett & Sons, Ltd., London, six B/E on various firms for acceptance and return.

2. Arnold Bennett & Sons, Ltd., reply, enclosing four accepted bills. The other two have been refused acceptance, one in default of advice, and the other because the drawee has bankrupted.

3. The Midland Machinery Co. inform Jos. Stetson, Winchester, that they have put his name as case of need on a bill for £ 65.— on W. Scott of his city.

4. On the 17th Oct., Peter Blake Hampstead, London, encloses a B/E for £ 300.— on Wm. Bacon, Stratford, in a letter to the Stratford Bank, and asks the latter to present the B/E for payment and remit the proceeds to him after deducting their expenses.

5. John Longfellow asks the Cheshire Bank for conditions on which he may deal with them on an "open" a/c.

6. The Bank replies:— deposit of clients' or other B/E or securities up to 60%; interest to be paid 4 times a year, 2% on credit balances and 4% on debit balances; commission on drafts paid — 1%.

7. Longfellow agrees and sends B/E to the Bank worth £ 1,000.—.

8. The Bank returns B/E for £ 400.— as unreliable and asks for better ones in exchange.

9. Longfellow complies with the Bank's request, sending the B/E of more solvent merchants.

10. After 6 months. The Bank asks Longfellow for more security to cover his overdraft amounting to £ 453.—, and encloses D/N for interest overdue for £ 1. 10. 9.

11. Longfellow replies, enclosing cheque for the overdraft and interest and requests the Bank to let him have a statement as he wishes to close this a/c.

12. Reply to above, sending statement, showing that all accounts have been paid by both parties.

Lesson 22.

STOCKS & SHARES.

Shares in a company are equal portions into which the capital of the company is divided; thus, a company having £ 10.000.— capital may have 1,000 shares each worth £ 10. Stock is the worth of the shares as a whole. A man may have 50 shares in the abovenamed company, but he would have £ 500.— stock. Stock also means money lent to governments at a fixed rate of interest.

The capital of a company may be divided into several parts which are called according to the purposes for which they are intended or according to the manner in which they are obtained. Thus, the Authorised, Registered, or the Nominal Capital of a company is the amount which it is allowed to ask the public to subscribe, say, 1,000 shares of £ 10.— each. The directors of the company may think that half that amount would do for a start. Therefore, £ 5,000.— would be asked for at first. This is called the Issued or Subscribed Capital. The other £ 5,000.— would be called Unissued Capital. But, even of the issued capital, the directors may want only a half, say, £ 5.— a share to be paid. This amount, £ 2,500.— is called the Called-up Capital. Supposing that all the subscribers do not fulfil their obligations, and only 400 of the shares sold have been paid for. This gives 400 × £ 5 = £ 2,000.—, actual cash which the company has obtained to carry on its business. This sum, actually paid in cash, is called the Paid-up Capital. The Working Capital is the money the company has in hand to carry on business with. It includes the Paid-up Capital plus any other assets the company may have.

Stocks and shares of all kinds are bought and sold on the Stock Exchange through people called brokers, who charge a commission for their services. The people who buy stocks and shares may be either investors or speculators. The former buy the shares of some enterprise or the stock of their own or some foreign government in order to obtain a regular and steady income. The latter buy anything, hoping that the shares, stocks, etc., will either rise or fall in a short time, and enable them to to sell or buy at a profit. If they buy in the hope that the stocks will rise shortly, they are called "bulls"; on the other hand, if they sell shares they have not got in the hope that they will soon be able to buy at a lower price and deliver what they have sold, they are called "bears". To put it shortly, a "bull" is an optimist and a „bear" is a pessimist. A "corner" is made when all the shares or stocks of something have been bought by somebody who forces the price up.

108.

Manchester.
1st Feb. 19..

Messrs Forbes & Co.
Stock & Share Brokers.
London.

Dear Sirs,

As I want to invest about £ 1,000.— in English railway stock, I shall be much obliged if you will kindly let me know at what price Great Western Rly. shares are at present.

Awaiting your early reply, I am,

Yours faithfully,
Albert Noble.

109.

Albert Noble Esqre. London.
Manchester. 2nd Feb. 19..

Dear Sirs,

In reply to your letter of the 1st inst. we beg to enclose the latest Exchange quotations, from which you will see that G. W. Rlys. 100 £ ordinary shares stand at 50—51. To this you must add our commission and charges, which, however, do not amount to very much.

Awaiting your commands, we are,

Yours faithfully,
Forbes & Co.

110.

Messrs Forbes & Co. Manchester.
Stock & Share Brokers. 3rd Feb. 19..
London.

Dear Sirs,

I request you to be so kind as to purchase for me 20 G. W. R. shares. Yours faithfully,
Albert Noble.

111.

Albert Noble Esqre. London.
Manchester. 5th Feb. 19..

Dear Sir,

We have this day bought by your order and for your account 20 G. W. R. shares at 51, as per statement enclosed. The shares will be sent to you per registered post immediately on completion of the transfer formalities.

Awaiting your remittance, Yours faithfully,
Forbes & Co.

BOUGHT NOTE.

7 Threadneedle Street.
London.
5th Feb. 19..

Forbes & Co.
Stock & Share Brokers.

Telegrams: "Forbes London"
Telephone — 1234
To Albert Noble Esqre.

We have this day bought by your order and for your account, subject to the rules and regulations of the London Stock Exchange

		£.	s.	d.
20 Great Western Rly. ordinary shares à 51 . . .		1020.	0.	0.
Commission, ½%	5. 4. 0.			
Govt. Transfer Duty	5. 0. 0.			
Govt. Contract Stamp	— 3. 0.			
Registration Fee	— 2. 6.	10.	9.	6.
		£ 1030.	9.	6.

For Settlement
15th Feb. 19..

Stamp. 3/-
Contract Note.

Forbes & Co.
Members of the Stock Exchange.
London.

113.

Glasgow.
6th Feb. 19..

Messrs MacFarlane & Co.
Stock and Share Brokers.
Edinburgh.

Dear Sirs,

I beg to enclose herewith £ 5,000.— in 50 shares of the Edinburgh Electric Supplies Company, Ltd., with the request that you will sell the same at the best price, but not under 96, and credit my a/c with the proceeds.

Awaiting your advices, I am,

Yours faithfully,
Archie Roberston.

114.

London.
15th Feb. 19..

Messrs Schipai & Co.
Tallinn.

Dear Sirs,

I enclose herein ten coupons of the Estonian Loan of Freedom, 1918, with the request that you will kindly obtain the interest on same and remit to me here in London.

Awaiting your remittance, I am,

Yours faithfully,
Wm. Simons.

EXERCISE.

A.

1. What is the difference between shares and stock? 2. Into how many parts may the capital of a joint-stock company be divided? 3. Explain the difference between called-up capital and paid-up capital. 4. What is the working capital of a company called? 5. Where are stocks and shares bought and sold? 6. Explain the difference between "bulls" and "bears". 7. If a man sells in advance shares which he has not got at a price of 70/—, hoping to buy them at 60/— when the time comes to fulfil his bargain, is he a "bull" or a "bear"?

B.

Draft the following correspondence:—

1. Reply to letter No. 113, stating that the shares have been sold at 97½, and asking for instructions. (State how much the proceeds amount to).

2. In reply to letter No. 114, state that the proceeds, amounting to $ 180.—, cannot be remitted without the permission of the Exchange Controller, and request Wm. Simons to make application to him, c/o The State Bank.

3. Wm. Simons replies, enclosing copy of his application to the Exchange Controller.

4. Schipai & Co. reply, stating that the Exchange Controller has granted permission to remit through the Anglo-Estonian Clearing House, to which they have handed the money. They enclose D/N for £ 1. 10. 0., commission and charges, which Wm. Simons is to pay to their a/c with the Overseas Bank, Ltd., London.

5. Geo. Roberts asks McNeill & Co., Brokers, London, to buy for him £ 1.500.— worth of English 3% Victory Loan at 85 or better.

6. McNeill & Co. reply, stating they have bought at a price of 82½. (Show how much they have spent, and what their commission is at ½%, stamp fees, etc., £ 2. 10. 0., registration fee — 5/—).

7. Geo. Roberts replies, enclosing cheque, and asking them to transfer the bonds to the name of his wife, Mrs Anna Roberts, to whom all dividend warrants are to be sent, c/o The Monte Carlo Bank, Monte Carlo.

8. Rich. Talbot wants to invest some money and asks McNeill & Co. to send him the prospectuses of new companies in which they think it is good to invest money.

9. McNeill & Co. reply, sending him prospectuses of the N. W. Rly. Co., the London Omnibus Co., the Gen. Gas Co., etc., and recommend the first as a good speculation; a rise in the shares is expected to take place soon. The other two are recommmended as steady investments, bringing in a clean 6% per annum on the sum invested. They await instructions.

10. Talbot replies, asking them to buy £ 500.— worth of the N. W. Rly. Co. and £ 2,000.— worth of the Omnibus & Gas Cos', half and half.

Lesson 23.

ACCOUNTS CURRENT.

An Account Current (A/C) is a statement of account between two parties for a certain definite time. It is generally copied from the ledger and contains a full statement of all the

transactions that have taken place during the period in question, showing the interest charged or allowed upon each item. These statements are generally rendered every three months, six months, or every twelve months. Correspondence relating to A/C must contain:—

1. The date to which the A/C has been made up.
2. The balance due to or owing by the addressee.
3. A request to check the correctness of the A/C.
4. The usual polite ending.

The reply states whether the A/C is correct or incorrect, and states that the balance has been credited and/or debited, or perhaps a cheque is enclosed.

115.

Tallinn.
21st Aug. 19..

The Commercial Bank.
T a r t u.

Dear Sirs,

As I have a large amount of business with Tartu, I shall be much obliged if you would kindly let me know on what conditions you would be willing to open an Account Current with me, allowing me an open credit of EKr. 2,500.—.

I beg to refer you to the gentlemen named below and await your reply with interest.

Yours faithfully,
M. Kallas.

Mr. X. Narva.
Mr. Y. Tallinn.
Mr. Z. Tartu.

116.

Tartu.
27th Aug. 19..

M. Kallas, Esqre.
T a l l i n n.

Dear Sir,

In reply to yours of the 21st inst., we beg to state that we shall be very glad to open an account with you and grant you the open credit of EKr. 2,500.— requested, on the following terms:—

6% interest on our advances.
8% „ „ your debit balance.
1% commission.
Postage & petties for your a/c.
Security to the amount of 60%, either in B/E or other negotiable instruments.
Accounts to be rendered quarterly.

If you find these terms acceptable, we shall be pleased to begin business with you.

Yours faithfully,
The Commercial Bank.

117.

Tallinn.
31st Aug. 19..

The Commercial Bank.
T a r t u.

Dear Sirs,

Thanking you for your letter of the 27th. inst., I beg to enclose herein B/E to the amount of EKr. 1.500.— as the security demanded by you. Please acknowledge receipt.

Trusting that our connection will prove a long and mutually profitable one, I am,

Yours faithfully,
M. Kallas.

118.

Tartu.
2nd Sept. 19..

M. Kallas, Esqre.
T a l l i n n.

Dear Sirs,

We beg to acknowledge receipt of your letter of the 31st. ult., enclosing B/E to the amount of EKr. 1,500.—.

Herewith we beg to return you the following B/E:—
EKr. 600.— on K. Puusepp at 3 mos.
,, 250.— ,, V. Kettonen at 60 d/s.
,, 100.— ,, M. Kalinin at 30 d/s.

Our credit department advises us against the acceptance of these bills, as they are not considered good risks. We would request you, therefore, to supply us with the B/E of more solvent traders.

Awaiting your reply, we are,

Yours faithfully,
The Commercial Bank.

119.

Tallinn.

The Commercial Bank. 5th Sept. 19..

T a r t u.

Dear Sirs,

In reply to yours of the 2nd inst., I beg to enclose herein the following B/E as security:—

EKr. 300.— on J. Hamburg, Tartu, at 2 mos.

EKr. 650.— on the Co-Operative Bank, Ropka, at 90 d/s.

At the same time I beg to hand you a draft for EKr. 175.— on Elva which you will please collect and place to my credit.

Besides the above, I have drawn on you in favour of K. Lilli, Otepää, for EKr. 268.— at 30 d/s. Please take up this bill at maturity.

Please also draw on Vilhelm Adamson, Viljandi, for EKr. 89. 10. at 30 d/s. for my account, crediting me with the proceeds.

Yours faithfully,

M. Kallas.

120.

Tartu.

M. Kallas, Esqre. 5th Dec. 19..

T a l l i n n.

Dear Sir,

Herewith we beg to hand you a statement of your A/C made up to date, showing a balance in your favour of EKr. 762.15. Please examine same and advise if found correct.

Yours faithfully,

The Commercial Bank.

121.

Tallinn.
6th Dec. 19..

The Commercial Bank.
T a r t u.

Dear Sirs,

I have examined the statement forwarded with your letter of the 5th. inst. and find it in order.

Yours faithfully,
M. Kallas.

122.

Tallinn.
6th Dec. 19..

The Commercial Bank.
T a r t u.

Dear Sirs,

On examining the statement of a/c forwarded with your letter of the 5th inst., I found that you have not credited me with the proceeds of B/E No. PQR, for EKr. 89.— on Bros. Bunin, Pangodi, per 7th Nov., although you confirmed receipt of the bill for collection in yours of the 30th Oct.

I therefore return the statement herewith requesting you to correct same and make the necessary alterations in your books.

Yours faithfully,
M. Kallas.

123.

Tartu.
7th Dec. 19..

M. Kallas, Esqre.
Tallinn.

Dear Sir,

We regret that the amount of EKr. 89.— was omitted from your credit. We now send amended statement, showing a balance of EKr. 851.15 in your favour and hope the a/c is correct. The necessary corrections in our books have been made. Apologising for the error, we are,

Yours faithfully,
The Commercial Bank.

124.

Tartu.
1st June 19..

M. Kallas, Esqre.
Tallinn.

Dear Sir,

We beg to inform you that the overdraft on your Account Current now amounts to EKr. 4.000.—. We shall be obliged, therefore, if you will kindly take steps to reduce it, or, in the alternative, furnish us with further cover. At the same time we beg to draw your attention to the enclosed D/N for EKr. 67.— for overdue interest.

Awaiting your advices, we are,

Yours faithfully,
The Commercial Bank.

Tallinn.
3rd June 19..

The Commercial Bank.
T a r t u.

Dear Sirs,

In reply to yours of the 1st inst., I beg to enclose herein cheque for EKr. 67.— in payment of interest and beg to apologise for the delay which was due to an oversight on my part.

At the same time I beg to enclose a mortgage in your name on my house No. 786, Kopli Maantee. as further cover for overdrafts on my a/c.

Requesting you to acknowledge receipt, I am,

Yours faithfully,
M. Kallas.

EXERCISE.

Draft the following correspondence:—

1. The Bank of Oslo informs H. Hansen that it is obliged to increase the rate of interest on his A/C from 5 to 6%, owing to the increasing scarcity of money. He is not obliged to accept the terms if he does not want to, but may close his A/C at the end of the month.

2. H. Hansen informs it that he will close the A/C and requests statement.

3. The Bank of Oslo sends statement, showing a balance of N. Kronor 432.— in his favour, for which it encloses a cheque.

4. The International Motor Bank, Ltd., London, informs Wm. Bates that it is closing his credit of £ 1.000.— seeing that for the last three months he has not had any dealings with it.

5. Wm. Bates replies, requesting the Bank not to do so: he has been away on the Continent, on urgent business, and therefore had no opportunity of communicating with it. He encloses 3 B/E for various amounts for collection, and has drawn B/E on the Bank:— £ 175.— at 3 mos., £ 50.— at 4 mos., and £ 75.— at 6 mos., and requests the Bank to honour the drafts at maturity. (Supply the names & addresses of the drawees).

6. The Bank replies, agreeing.

Lesson 24.

FOREIGN EXCHANGE.

Payment between countries by exchanging the money of one country for its equivalent in the money of another is called exchange. The usual method of doing this is by purchasing a B/E on the country in which the creditor resides, the idea being to reduce the shipment of gold back and forth to a minimum.

London is the greatest foreign exchange market in the world. The people who form the market are the leading banks, the dealers and the brokers. The dealers specialise in supplying one or a group of foreign currencies, the brokers act as middlemen between the banks and dealers and the banks sell direct to the public. The rates of exchange, i. e.

prices, at which the money of one country can be exchanged into that of another, are published in the daily papers. Here is part of a table of the daily exchange rates published in the "Observer" of the 1st July, 1934:—

	Par of Exchange.	June 30.	June 23.
Amsterdam, sight (florins to 1 £)	12.107	7.43 3/4-7.44 1/4	7.42 3/4-7.43 1/4
Berlin (Rm. to £ 1)	20.43	13.07-13.10	13.17-13.19
Brussels, cheques (Belga to £ 1)	35	21.62-21.64	21.57-21.59
Copenhagen, sight (kroner to £ 1)	18.159	22.38 1/4-22.39 1/4	22.38 1/2-22.39 1/4
Estonia (kr. to £ 1)	18.159	17 3/4-18 3/4	17 3/4-18 3/4
Helsingfors, sight (marks to £ 1)	193.23	226 1/2-227	226 1/2-227
New York, cable (dollars to £ 1)	—	5.04 1/2-5.04 5/8	5.03 1/2-5.03 5/8
etc.	etc.	etc.	

At the present moment, owing to the fact that a large number of countries has left the gold standard, the control of foreign exchange in most countries is vested in the hands of the central banks, who dole out the exchange according to circumstances. The controlling agent is sometimes a single person, called the Exchange Controller, and sometimes a committee, called the Exchange Control Committee. The exchange rates are generally published in the banks in the morning as soon as news has been received from London.

The par, or parity, of exchange — sometimes mint par of exchange — shows how much of another country's money one can purchase in one's own money. It is based upon the weight

and fineness of the metal contained in the standard coins of the countries concerned. From the above table we see that it will take 18.159 EKr. or Danish kroner to buy 1 English sovereign or as much gold as is contained in the sovereign. There can only be a mint par of exchange between countries on the same standard. There cannot be a mint par of exchange if one country is on a gold and the other on a silver standard.

Of course, the mint par of exchange operates only as long as a country is on a gold standard. The moment it leaves the gold standard, the exchange falls more or less according to circumstances. These fluctuations are due to various causes — the trade balance of a country, its budget, its resources, the confidence other countries have in its solvency, etc., but most of all, the fluctuations are caused by the laws of demand and supply in normal times, that is, the actual amount of payments being made at any time by a country.

This demand for the currency of a country may be so great that it rises in price. When it rises so high that it becomes more profitable to buy and ship gold to that country, we get what is called a **gold point**. There are two gold points — the export and the import gold point. For example, if there is a sudden demand in London for Estonian money, the latter becomes dearer until the banks quote, let us suppose, a rate of 18.149 EKr. per £. As the mint par is 18.159, the English merchant will find it better to buy gold and send it to Estonia, as then he will get EKr. 18.159 for his £, that is, .10 more. The opposite will be the case in Estonia, as the Estonian merchant will have to pay less for the £. Of course, it is only when countries are on a gold standard that we have an import and an export gold point. At present this is impossible, except

in the few countries still remaining on the gold standard, and in most of those the import or export of gold is so hedged around with restrictions that for practical purposes the points do not exist.

The Bank Rate is the rate at which the central bank of a country will discount, i. e., buy cheaper than the face value, bills of exchange. It is by raising or lowering the bank rate that the central bank controls the money market. The Market Rate is the rate at which brokers discount B/E. It is generally a little more favourable than the Bank Rate, as the broker's idea is to attract business and make a profit.

As soon as a country leaves the gold standard, its money is not worth more than it will bring in the open market. If the world loses confidence in a country, its exchange will fall. In order to prevent the exchange falling too much or rising too high, owing to the activities of speculators, what is known as "pegging the exchange" is resorted to. That is, the government of a country buys or sells its own money when it fears that the exchange is falling too low or **vice versa.** By this means the exchange is kept fairly constant. In order to do this, a government must have what is known as an Exchange Equalisation Fund, i. e., a great sum of money set aside for the particular purpose of supporting the exchange of a country in the exchange markets of the world.

Reference has already been made to the restrictions imposed by various countries on the purchase or sale of foreign exchange or the export of gold. These restrictions are too various to specify. As stated above, the foreign exchange is controlled by the central bank of a country and payments are made by it through blocked accounts, the clearing system, etc.

In case of payment through a blocked account, the foreign seller does not receive any money at all. It is paid into his account in some bank in the country which owes him the money, and he is forced either to spend it in the same country or to wait for better times. Such a balance is called a "frozen" balance. By the clearing system, the exports and imports of two countries are balanced and only the difference paid in cash, the foreign seller having to recover the value of his goods from his own government or his own country's banks. For example, Estonian exports to France are balanced against French exports to Estonia, and only the difference is paid in gold.

EXERCISE.

A.

1. What is the usual means of paying debts between countries? 2. By whom is the course of foreign exchange dictated? 3. What are the functions of the dealers, the brokers and the banks in the purchase and sale of foreign exchange? 4. Define mint par of exchange. 5. In whom is the control of foreign exchange now vested in most countries? 6. Why? 7. On what is the mint par of exchange based? 8. What happens to the parity of exchange when a country leaves the gold standard? 9. To what are these fluctuations due? 10. Define export and import gold points. 11. What is the bank rate? 12. By what means do countries keep their paper currency fairly stable? 13. How is an exchange equalisation fund operated? 14. Name some of the restrictions imposed on the export of exchange from countries nowadays. 15. What is a blocked account? 16. Explain the clearing system. 17. What are "frozen" balances?

B.

Draft the following correspondence:—

1. The Baltic Trading Bank, London, to Wm. Sykes & Co., London.: states that the latter's draft for D. Kroner 750.- per 15th Oct., on H. Nielsen, was presented for acceptance according to instructions: acceptance was refused without any reasons being given. The Bank now wants instructions from Sykes & Co.— shall it protest the draft or not?

2. Wm. Sykes & Co., London to H. Nielsen, London: refers to previous correspondence- briefly gives contents of Bank's letter- states that Sykes & Co. had warned Nielsen in their letter of 1st Oct. -cannot understand his reasons for refusal- he should have written — they have instructed Bank to present bill again — hope that this time he will afford protection to their signature — if he does not they must have cash.

3. Wm. Sykes & Co., London, to the Baltic Trading Bank, London; cannot say why H. Nielsen refused to accept: beg Bank to present B/E again — if protection refused, the B/E must be returned to them, without being protested.

4. The Baltic Trading Bank, London, to Wm. Sykes & Co., London, states that H. Nielsen has accepted their draft for D. Kroner 750.— per 15th Oct.

5. Abell & Co., Stock & Share Brokers, London, send John MacMillan, Glasgow, the prospectus of a new gold-mining company and inform him that a great rush for the shares is expected. They strongly advise him to buy — directors are all well-known men in the financial world — gold rising in price — etc.; inquire whether he is willing to invest £ 10.000.—

6. John MacMillan replies stating that he is not interested at present as his available funds are all well invested.

7. George Smith, Oxford, asks Jordan & Co., London, to send him an abstract of his A/C up to and including 31st Dec., as he wishes to balance his books to that date.

8. Jordan & Co., London. reply, enclosing A/C, showing a balance of £ 31.6.8. in their favour and requesting remittance.

9. Smith replies, that there are two mistakes — one of £ 5.— not entered on 17th. Oct., and another of £ 3.10.0. on 30th Nov. He returns statement for correction.

10. The Commercial Bank of Viljandi replies to K. Lellep, Viljandi, stating that his request for further credit cannot be granted. The security he offers — a mortagage on his house in Paide Street, and his life insurance policy — is not enough. If he can put up further security, the Bank will consider the matter.

11. K. Lellep replies, enclosing a mortgage on his farm of 5,000 ha.

12. The Commercial Bank of Viljandi replies accepting the security and opening him a further credit of EKr. 10.000.—

13. Write to the General Manager of your bank in Tallinn, explaining why you allow the mayor of your town to have a heavy overdraft.

14. Write to your bank complaining that your bank pass-book is not being properly written up; also state that your clerk has to wait every time he goes to the bank.

15. The bank replies, acknowledging your letter and giving reasons. It ends the letter with an apology.

CORRESPONDENCE WITH GOVERNMENT OFFICIALS.

Letters to government officials differ very little from ordinary commercial letters. The usual style of address is "Sir" instead of "Dear Sir", and the complimentary close is as follows:—

"I (we) have the honour to be,
Sir,
Your obedient servant (servants)
John Smith. (or John Smith & Co)."

Unless the writers are trying to obtain some information from the government, most of their letters will be protests against what they consider to be over-assessments of one of the following:— (a). Customs Duties. (b). Excise Duties. (c). Income Tax. To these might be added (d). Complaints to the Post Office about the non-delivery of letters, the loss of parcels through the post, etc.

126.

London.
15th May 19..

The Commissioner of Excise.
London.

Sir,

Referring to Customs Warehouse Receipt No. OOXXZZ, dated 17th April, for 6,000 gallons Irish Whisky, in Customs Bonded Warehouse No. 79, we beg to state that we consider

the excise duty of 2/— per gallon excessive. The whisky, although described as "Irish", was manufactured in England, from English grain, and with English labour, according to the recipe for Irish whisky. Therefore, it is not liable to the duties imposed on imported liquor. In our opinion, the whisky should not be assessed under paragraph .., § .., Schedule "A", of the Excise Act, but under paragraph ..., § ..., of Schedule "B", which means a duty of not more than 9d per gallon.

Awaiting a reply at your earliest convenience,

We have the honour to be,
Sir,
Your obedient servants.
Johnny Walker & Co.

127.

London.
16th May 19..

Messrs Johnny Walker & Co.
London.

Gentlemen,

In reply to your letter of the 15th of this month, protesting against the assessment of your 6,000 gallons of Irish Whisky in Customs Bonded Warehouse No. 79, under paragraph ..., § ..., of Schedule "A", of the Excise Act, I have to state that the assessment was correctly made. You have evidently overlooked the new regulations issued in January of this year and published in No. 88 of the government gazette, page 654, by which the Excise duty on imported liquors was raised to 4/—

per gallon, while the duty on liquor manufactured in this country from local materials was fixed at a uniform rate of 2/— per gallon.

I have the honour to be,
Gentlemen,
Your obedient servant,
Wm. Winston.
H. M. Commissioner of Excise.

128.

Brighton.
17th Aug. 19...

H. M. Inspector of Taxes.
Brighton.

Sir,

I am in receipt of Notice of Assessment, No. ..., informing me that my income for the years 1932—33, has been assessed at £ 1,000.—

I find that you have not taken into consideration the heavy insurance premia I am paying, nor have you deducted the loss of income owing to my six months' illness.

If these things are taken into account, I should be assessed at £ 750.— only, and I protest against the over-assessment.

I have the honour to be,
Sir,
Your obedient servant,
Robt. West.

129.

Scarborough.
9th Oct. 19...

The Postmaster.
Scarborough.

Sir,

I must protest against the scandalous way in which my correspondence has been delivered of late. Instead of the letters being delivered punctually at 8. a. m., as hitherto, deliveries take place at all times of the day, from 10. a. m. to 5 p. m. I have more than once in the last two weeks been forced to leave home without having been able to read the morning paper. This, you must admit, is a disgrace to a civilized country such as ours is supposed to be.

In the hope that you will immediately put a stop to this infamous state of affairs,

I have the honour to be,
Sir,
Your obedient servant,
John Burton.
Colonel.

EXERCISE.

Draft the following correspondence:—

1. The Postmaster, Scarborough, to Col. John Burton, Scarborough; apologises for the delays; states that the P. O. has been trying a new man on the round, and that the deliveries

have been delayed owing to his ignorance of the town; the old postman will be put back on the round immediately; hopes that Colonel Burton will be able to read his morning paper punctually in future.

2. The Inspector of Taxes, Brighton, replies to Robt. West, stating that the assessment of his income tax has been made in accordance with the regulations. Robt. West may appeal if he likes.

3. Robt. West encloses copy of his letter to the Inspector of Taxes, Brighton, in a protest addressed to the Secretary, The Board of Inland Revenue, London, asking for a revision of the assessment of his income tax.

4. The Secretary to the Board of Inland Revenue replies to Robt. West requesting him to appeal to the Local Commissioners of Taxes, Brighton.

5. West writes to the Local Commissioners of Taxes, Brighton, enclosing copies of the previous correspondence.

6. The Local Commissioners reply, stating that in their opinion he has been rightly assessed.

7. Crowther & Co. write to the Commissioner of Customs, Hull, protesting against an **ad valorem** duty of 5% on cotton imported from Africa.

LIST OF ABBREVIATIONS, PHRASES, ETC.

Al	First Class (of ships).
A/C.	Account Current.
a/d.	After date.
Ad val.	Ad valorem.
Agt.	Agent.
Amt.	Amount.
A/S.	Account Sales.
A/s.	At sight.
B/,	Bale or bag.
Bal.	Balance.
b/d.	Brought down.
Bls.	Bales.
B. of E.	Bank of England.
B/O.	Branch Office.
Bona fide	Good faith.
B/P.	Bills Payable.
B/R.	Bills Receivable.
B/S.	Balance Sheet.
c/d.	Carried down.
Chq.	Cheque.
Com.	Commission.
Con, contra	Against.
Cp.	Compare.
C. R.	Company's Risk.
Dept.	Department.
D/O.	Delivery Order.
D/W.	Dock Warrant.
D/y.	Delivery.
E. E.	Errors Excepted.
E. & O. E.	Errors & Omissions Excepted.
Fo., Fol.	Folio.
F. P. A.	Free of Particular Average.

Fr't.	Freight.
F'wd.	Forward.
G/A.	General Average.
G. P. O.	General Post Office.
H. M.	His Majesty's.
Insce.	Insurance.
Mem., Memo.	Memorandum
M. S.	Manuscript. Plural.— MSS.
O. R.	Owner's Risk.
$^0/_{00}$	Per mille, per thousand.
P/av., P/A.	Particular Average.
p. c.	Post Card.
Per ann.	Per annum, by the year.
Per contra	On the other side.
Pro forma.	For form's sake, as a matter of form.
Pro tem.	For the time being.
P. S.	Postscript.
P. T. O.	Please Turn Over.
Re.	In the matter of, about.
Recd.	Received.
Regd.	Registered.
Secy.	Secretary.
Stg.	Sterling.
T. O.	Telegraph Office.
T. T.	Telegraphic Transfer (of money).
U. K.	United Kingdom.
U. S. A.	United States of America.
Vice versa	Contrariwise, the reverse, the terms being exchanged.
X. D.	Without the dividend.
§	Section.

KEY-WORDS FOR ENGLISH PHONETIC SYMBOLS.

(From "An English Pronouncing Dictionary" by Daniel Jones, M. A., 1922.)

Consonants.

g	as in	**g**ive
ŋ	" "	lo**ng**
θ	" "	**th**in
ð	" "	**th**en
ʃ	" "	**sh**ip
ʒ	" "	mea**s**ure
j	" "	**y**es
t	" "	**ch**in
d	" "	**j**am

Vowels.

i:	as in	s**ee**
i	" "	**i**t
e	" "	g**e**t
æ	" "	c**a**t
a:	" "	f**a**ther
ɔ	" "	h**o**t
ɔ:	as in	s**aw**
o	" "	m**o**lest
u	" "	p**u**t
u:	" "	t**oo**
ʌ	" "	**u**p
ə:	" "	b**ir**d
ə	" "	chin**a**, cath**e**dr**a**l

Diphthongs.

ei	as in	d**ay**
ou	" "	g**o**
ai	" "	fl**y**
au	" "	h**ow**
ɔi	" "	b**oy**
iə	" "	h**ere**
ɛə	" "	th**ere**
uə	" "	t**our**

Other Signs.

: indicates that the sound represented by the preceding symbol is long.

ˈ indicates that the following syllable has strong stress.

ˌ indicates that the following syllable has secondary stress.

Symbols printed in italics represent sounds which are sometimes inserted and sometimes omitted.

VOCABULARY.

(N. B. Only the more unfamiliar words are given here.)

A.

Abandon, to (ə'bændən) — teise kätte andma, kellegi hooleks jätma — abandonnieren, überlassen.

-ment (-mənt) — loobumine — Abandonnierung, Überlassung.

Acceptability (ək,septə'biliti) — vastuvõetavus, sobivus — Annehmbarkeit.

Account Current (ə'kaunt'kʌrənt) — kontokorrent — Kontokorrent.

Account Sales, Agent's (-seilz) — Agendiaruanne — Kommissionärs-Verkaufsrechnung.

Account Sales, Broker's — Makleriaruanne — Maklers-Verkaufsrechnung.

Act of God ('ækt ɔv'gɔ:d) — Force majeure — Höhere Gewalt, Naturereignis.

Add, to (æd) — kokku arvama, juurde lisama — addieren, beifügen.

-ition (ə'diʃən) — kokku arvamine, juurdelisamine — Addierung, Beifügung.

Adjust, to (ə'dʒʌst) — korda seadma, korraldama, navariid arvestama — anordnen, e-n Seeschaden berechnen.

-ment (-mənt) — korraldus — Anordnung, Havarie-Berechnung.

Ad valorem ('ædvæ'lɔ:rem) — hinnast, toll väärtuse järele — Nach dem Werte, Wertzoll.

Advancement (əd'va:nsmənt) — edasijõudmine, avansseerimine — Avancieren.

Agent, Shipping & Forwarding ('ʃipiŋ ənd 'fɔ:wədiŋ) — speditöör — Spediteur.

—, Sole (—soul) — ainuesindaja — Alleinvertreter.

—, Commission (—kə'miʃən) — komisjonäär — Kommissionär.

Agio ('ædʒou) — paberiraha ja kullaväärtuse vahe — Agio.

Arrears (ə'riəz) — maksmata olev raha — Rückstand.

Assess, to (ə'ses) — hindama, takseerima — taxieren.

Assign, to (ə'sain) — teisele ära andma, nimetama, indosseerima — an-überzuweisen.

-s, (—z) — õigustatud vastuvõtja — Empfangsberechtigter.

Average ('ævəridʒ) — avarii — Havarie.

—, Adjuster (— ə'dʒʌstə) — avariihindaja — Dispacheur, Seeschadenberechner.

—, General (— 'dʒenərəl) — suur avarii — grosse Havarie.

—, Particular (— pə'tikjulə) — väike avarii — besondere (kleine) Havarie.

Avoid, to (ə'vɔid) — vältima, hoiduma — umgehen, vermeiden.

— ance (ə'vɔidəns) — hoidmine, vältimine — Umgehung, Vermeidung.

B.

Bag, to (bæg) — kotti panema, pakkima — einpacken.

Balance of trade ('bæləns əv ˌtreid) — kaubabilanss — Handelsbilanz.

Bank rate ('bæŋkreit) — diskontoprotsent — Bankdiskont.

Beetroot ('bi:tru:t) — suhkrunairis — Zuckerrübe.

Behalf of, on (bi'ha:fəv) — kellegi nimel, kellegi kasuks — zugunsten von: in Namen von.

Bill (bil) — arve, veksel — Rechnung, Wechsel.

—, to honour, a, (tu:'ɔnərə—) — maksma vekslit — Wechsel honorieren, bezahlen.

—, to meet a, (tu:'mi:tə—) — maksma vekslit — Wechsel honorieren, bezahlen.

—, to protest a, (tu: prou'testə—) — protesteerima vekslit — Wechsel protestieren.

—, to take up a, (tu: 'teik ʌpə—) — maksma vekslit — Wechsel honorieren, einlösen, bezahlen.

Blocked Account ('blɔkt ə'kaunt) — kinnine arve — Sperrkonto.

Bonus ('bounəs) — Preemia, gratifikatsioon — Prämie, Gratifikation.

Bottomry bond ('bɔtəmri 'bɔnd) — laen laeva vastu, võlatäht — Bodmereibrief.

Bounty ('baunti) — ekspordi juurdemaks, väljaveo juurdemaks — Ausfuhrprämie.

Broker ('broukə) — maakler — Makler.

-age ('broukəridʒ) — maakleritasu — Maklergebühr, Courtage.

Bulk (bʌlk) — lahtine laevakoorem, pakkimata — Loseladung.

Burthen ('bə:ðən) — laevakandevõime — Tragfähigkeit.

Buying power ('baiη ˌpauə) — ostujõud — Kauffähigkeit.

C.

Canvas ('kænvəs) — purjeriie, puldan — Pack Leinwand.

Capital, authorized ('kæpitl, 'ɔ:θəraizd) — põhikapital — genehmigtes Stammkapital.

—, called-up (—kɔ:ldʌp) — esialgne nõutud põhikapital — gekundigtes Stammkapital.

—, issued (—'isju:d) — emiteeritud põhikapital — Emissions Stammkapital.

—, nominal (—'nɔminl) — registreeritud põhikapital — Stamm-Grund-kapital.

—, paid-up (—'peidʌp) sissemaksud (aktsia) põhikapital — volleingezahltes Stammkapital.

—, registered, (—'redʒistəd) — registreeritud põhikapital — eingetragenes Stammkapital.

—, reserve (—'rizə:v) — tagavara põhikapital — Reserve Fonds, reserve Stammkapital.

—, subscribed (—səb'skraibd) — emiteeritud põhikapitalid — gezeichnetes Stammkapital.

—, unissued (—ʌn'isju:d) — emiteerimata põhikapitalid — nicht gezeichnetes Stammkapital.

—, working (—'wə:kiη) — tegevus põhikapital — Betriebs-Geschäfts-Stammkapital.

Čarcase ('ka:kəs) — tapetud loomad — geschachtetes Vieh.

Carpet ('ka:pit) — vaip — Teppich.

Carriage ('kæridʒ) veoraha — Transport, Fracht.

Carrier ('kæriə) — voorimees, kandja — Frachtführer, Fuhrmann.

Cartage ('ka:tidʒ) — vankriveoraha — Fuhrlohn, Rollgeld.

Catch (kæt/) — kalasaak — Fischfang, Fischbeute.

Certificate (sə'tifikeit) — tunnistus — Zeugnis, Zertifikat.

— of origin (—ɔv'ɔridʒin) — päritolu tunnistus — Ursprungszeugnis.

Chamber of Commerce ('t/eimbər əv 'kɔməs) — kaubanduskoda — Handelskammer.

Charter Party ('t/a:tə ˌpa:ti) — prahileping — Verfrachtungsvertrag.

Cheque, approved banker's (t/ek,

ə'pru:vd bæŋkəz) — vastutus pealkirjaga tšekk — Bankwechsel.

Cigarette-lighter (ˌsigə'retlaitə) — tulemasin (välgumihkel) — Feuerzeug.

Clearance (ship) ('kliərəns) — tollimaksmine, laevade klaarimine — Zollabfertigung, Klarierung.

Clearing House ('kliəriŋ haus) — arveõiendamispank — Abrechnungsgestelle des Bankiers.

Coatings (koutiŋz) — kuueriie — Rockstoff.

Cold storage ('kould 'stɔ:ridʒ) — külmetusel olev kaup — Die Ware im Kühlraum.

Consign, to (kən'sain) — kaupa saatma — senden, konsignieren.

-ee (ˌkonsai'ni:) — kaubavastuvõtja — Warenempfänger.

-ment (kən'sainmənt) — kättesaatmine — Überweisung.

-nor (kən'sainə) — kaubaärasaatja — Übersender.

-ment invoice (—'invɔis) — komisjonile antud kaubaarve — Konsignations Faktura.

-ment sale (—seil) — komisjonile müümine — Kommissionsverkauf.

Consumption (kən'sʌmpʃən) — äratarvitamine — Verbrauch.

Conversely ('kɔn'və:sli) — vastuoksa, selle vastu — im Gegenteil.

Convert, to (kən'vət) — muutma — verwandeln, umändern.

Convertible (kən'vərtəbl) — muutlik — ver-umwandelbar.

Convoy, to (kɔn'vɔi) — konvoeerima, relvastatud kaitse — schützend begleiten, Schutzbegleitung.

Course, in due (ˌkɔ:s, in'dju:) — õigel ajal — rechzeitig.

Crave, to (kreiv) — paluma, nõudma — erbitten, bitten um.

Currency ('kʌrənsi) — ringkäigus olev raha, kursseeriv raha — kursierendes Geld.

D.

Default (di'fɔ:lt) — hooletusse jätma, puuduma — Unterlassung, Vernachlässigung, Ermangelung.

Delivery Order (di'livri 'ɔ:də) — üleande pealkiri, kaubasaamise order — (aus) Lieferschein, Bezugsschein.

Demur, to (di'mə:) — vastuvaidlema, kahtlema — Einwenden, beanstanden.

Demurrage (di'mʌridʒ) — seisu ehk hoiuraha — Überliegegeld (v. Schiffen), Standgeld (v. Waggons).

Deposit, to (di'pɔzit) deponeeri-

ma — deponieren, hinterlegen.

Derelict ('derilikt) — tormi rikutud laev, laeva logudik — Wrack.

Deviate, to ('di:vieit) — kõrvale kalduma, põiklema — abweichen, abgehen von.

-ion (ˌdi:vi'ei∫ən) — kõrvale kaldumine, kursist kõrvale sõitmine — Fahrtabweichung.

Dimension (di'men∫ən) — suurus, mõõt — Umfang, Mass.

Disbursement (dis'bə:smənt) — ära maksmine, väljaminek — Auszahlung, Vorschuss.

Discharge v. & n. (ship) (dis't∫a:dʒ) välja laadima, vabastama, väljalaadimine — Die Dampfer löschen, Ladung löschen.

Discretion (dis'kre∫ən) — äranägimine — Gutdünken, Belieben.

Display, to (dis'plei) — näitama, väljapanema — zur Schau stellen.

Divide, to (di'vaid) — jagama — teilen.

Divisibility (diˌvizi'biliti) — jagatavus — Teilbarkeit.

Dock (dɔk) — dokk — Dock.

-dues ('—dju:z) — dokkimaks — Dockkosten.

-warrant ('—'wɔrənt) — kaubalaotäht tolliaiast — Lagerschein.

Dole, to (doul) — jaotama — verteilen.

Draft (dra:ft) — kaaluvahe, kahju, manko — Gewichtsverlust, Manko.

Draw up, to ('drɔˌʌp) — kokkuvalmis-seadma — abfassen, aufsetzen, aufstellen.

Drought (draut) — põud — Dürre.

Durability (ˌdjuərə'biliti) — kestvus — Dauerhaftigkeit.

Dutiable ('dju:tiəbl) tolli alla kuuluv — Zoll-Steuerpflichtig.

Duty, Customs ('dju:ti, 'kʌstəmz) — tollimaks — Zoll.

E.

Elastic (i'læstik) — kummipael Gummiband.

Entry ('entri) — laeva sisse klaarimine — Einfuhranmeldung, Zollanmeldung.

Enumerate, to (i'nju:məreit) — spetsifitseerima, täpselt üles lugema, loetlema — aufzahlen.

Estate (is'teit) — pärandustomp — Erbschaft.

Exchange, v. & n. (iks't∫eindʒ) — vahetama välisraha, valuuta — austauschen, auswechseln, Valuta.

— controller (—kən'troulə) — välisrahakontrolöör — Valutakontrolleur.

— Equalisation Fund (—ˌi:k-

wəlai 'zeiʃən ˌfʌnd) — vääringu tasakaalustamise fond, stabiliseerimise fond — Stabilisierungsfond.

Expiration (ˌekspi'reiʃən) — maksu tähtpäev — Ablauf, Zahlungsfrist.

Explosives (iks'plousivz) — lõhkeained — Sprengstoff.

Eye, to keep an — jälgima — beobachten, verfolgen.

F.

Facilities (fə'silitiz) — kergendus — Erleichterung.

Forecast, v. & n. (fɔ:'kast) — etteütlema, — kavatsema, etteütlemine, ettekavatsemine — vorhersagen, Voraussage.

Franco (fræŋko) — franko — Franko.

Free trade ('fri:'treid) — kauplemisvabadus, vabakaubandus — Freihandel.

Freight (freit) — veoraha — Frachtgeld.

—, advanced (—, əd'va:nst) — ettemakstud veoraha — Frachtvorschuss.

—, lump (—, lʌmp) — korragamakstud veoraha — Pauschalfracht.

—, ocean (—, 'ouʃən) — ookeani prahiraha — Seefracht.

—, through (—, θru:) — veoraha sihtkohani — Durchfracht.

Frock (frɔk) — nais ülikond — Frauenkleid.

Frozen balance ('frouzn 'bæləns) — kinnikülmanud bilanss, laenud — eingefrorenes Guthaben.

Fustic ('fʌstik) — fustikpuu — Fustik od. Gelbholz.

G.

Gauge, to (geidʒ) — mõõtma — messen.

Gear (giə) — tarberiistad — Getriebe, Treibwerk.

Ginger ('dʒindʒə) — ingver — Ingwer.

Goat (gout) — kits — Ziege.

-skin (—skin) — kitsenahk — Ziegenfell.

Gold point ('gould ˌpɔint) — kulla punkt — Goldpunkt.

Gunpowder ('gʌnˌpaudə) — püssirohi — Schiesspulver.

H.

Hardware ('ha:dwɛə) — metallriistad, rauasaaduste kaubad — Eisenwaren.

Hoop, to (w. iron) (hu:p) — vitsutama — mit Eisenreifen beschlagen.

Hose (houz) — sukad — Strümpfe.

Hurricane ('hʌrikən) — orkaan, torm — Orkan, Sturm.

I.

Inconvertible (ˌinkən'və:təbl) — muutmatu — unkonvertierbar.

Indemnify, to (in'demnifai) — kahju tasuma — entschädigen, Schaden ersetzen.

Indemnity, letter of (in'demniti) — garantii — Garantiebrief.

Indent — tellimisekiri — Bestellung.

Independent (indi'pendənt) — iseseisev — unabhängig, selbstständig.

Inherent (in'hiərənt) — loomulik, kaasasündinud — von Natur gehörig, angeboren.

— vice (— vais) — loomulik, kaasasündinud puudus, sünniviga — Originalfehler, eigene mangelhafte Beschaffenheit.

Intermediate (ˌintə'mi:diət) — vahepealne — dazwischenliegend.

Intervene, to (ˌintə'vi:n) — vahele astuma — dazwischenkommen, intervenieren.

-tion (ˌintə'venʃən) — vahele astumine — Dazwischenkunft, Intervention.

Invoice, to ('invɔis) — kauba arvet kokku seadma — fakturieren.

—, Consular (—, 'kɔnsjulə) — konsulaar faktuur — Konsulatsfaktura.

—, pro forma ('prou 'fɔ:mei) — pro forma arve — Pro forma, fingierte Faktura, Scheinverkauf.

J.

Jettison, to ('dʒetisn) — üleparda viskama — überbordwerfen.

Jute (dʒu:t) — India kanep — Jute.

K.

Kid(skin) — glassee nahk, pehme läikiv nahk — Ziegen-fell-leder.

Knitted (nitid) — trikoo — gestrickt.

L.

Lay days ('lei 'deiz) — lastimispäevad — Liegetage, Liegezeit.

Laxity ('læksiti) — lohakushooletus — Nachlässigkeit.

Ledger ('ledʒə) — pearaamat — Hauptbuch.

Legal tender ('li:gəl 'tendə) — sunduslik maksuvahend — gesetzliches Zahlungsmittel.

— steps — seaduslikud sammud, käigud — Gerichtliche Schritte.

Licence ('laisəns) — ametlik sisseveoluba, litsents — amtliches Einfuhrerlaubnis, Erlaubnisschein.

Lien ('li:ən) — pandiõigus — Pfandrecht.

Line, to (lain) — vooderdama — füttern.

Loco ('loukou) — kohalik — loko-, lokal.

Logwood ('logwud) — kampešpuu — Kampescheholz.

Look up, to — üles vaatama, tõusma — aufschauen, steigen.

Loss (lɔ:s) — kahju, kaotus — Verlust, Schaden.

—, absolute total (—, 'æbsəlu:t 'toutl) — täielik, kogu kaotus — Totalverlust.

—, constructive total — (—, kən'strʌktiv—) osaline kaotus — Teilverlust.

M.

Mail (meil) — kirjapost — Briefpost.

Manifest (ship's) ('mænifest) — lastimisnimestik, laadimisnimestik — Ladungsverzeichnis, Manifest.

Market rate ('ma:kit ˌreit) — era diskont — Privatdiskont.

Mate's receipt ('meitsri'si:t) — kapteniabi kviitung — Steuermannsquittung.

Maturity (mə'tjuəriti) — maksutähtp. vekslitähtpäev — Fälligkeit, Verfallzeit Ablauf.

Minimize, to ('minimaiz) — vähendama — vermindern.

Mint — rahapada — Münzstätte, Prägewerk.

Monsoon (mən'su:n) — passaattuul — Passatwind.

Mortgage, to ('mɔ:gidʒ) — hüpoteegiga koormama — verpfänden, hypothekarisieren.

-ee (ˌmɔ:gə'dʒi:) — hüpoteegi laenu andja — Pfandgläubiger.

-or (ˌmɔ:gə'dʒɔ:) — hüpoteegi laenu võtja — Pfandaussteller.

Motor-lorry, van ('moutə 'lɔri) veo-auto — Last-Fracht-Auto.

Multiply, to ('mʌltiplai) — korrutama — vermehren, vervielfältigen.

N.

Negotiate, to (sell) (ni'gouʃieit) — ära müüma — verhandeln, verkaufen.

Note, to (BE) (nout) — protesteerima vekslit — Wechsel protestieren.

Note, advice — teadaanne, teatekiri — Meldung, Bericht.

—, Delivery — laotäht, laotunnistus, kauba saamiskiri — Ablieferschein, Frachtbrief.

—, freight — veo-arve — Frachtrechnung.

Null & void ('nʌlnd 'vɔid) — tühistatud, annuleeritud — Null & nichtig.

Nutmeg (nʌtmeg) — muskaatpähkel — Muskatnuss.

O.

Official Receiver (ə'fiʃəl ri'si:və) — konkursivalitsuse esimees — Konkursverwalter.

Oil-cloth ('ɔil-klɔ:θ) — vahariie — Wachsleinwand.

Option ('ɔpʃən) — valimisõigus — Optionsrecht, Wahl.

Overdraft ('ouvədra:ft) — ülekrediidi — Überziehung, Debetsaldo.

Overdue ('ouvədju:) — tähtpäev möödunud — überfällig, verfallen.

Overlook, to (ˌouvə'luk) — läbi laskma — nicht beachten.

Oversight ('ouvəsait) — eksitus — Irrtum, Fehler.

P.

Pants (pænts) — aluspüksid — Herren Unterhose.

Par of exchange (pa:r əv iks'tʃeindʒ) — pariteet — Parikurs.

Parcel ('pa:sl) — pakk, osa, partii — Partie, Paket.

Parity ('pæriti) — pariteet, võrdsus — Parität, Umrechnungskurs.

Pass-book ('pa:sbuk) — hoiuraamat — Bankontobuch.

Pattern ('pætən) — eeskuju, kaubaproov — Muster, Probe.

Peg the exchange, to — püsival tasemel hoidma —stabilisieren, den Kurs stützen.

Petties ('petiz) — väikesed kulud, — kleine Spesen.

Pimento (pi'mentou) — Jamaika pipar, nelgi pipar — Jamaika, Nelkenpfeffer.

Plywood ('plaiwud) — vineer — Fournier.

Portability (ˌpɔ:tə'biliti) — kõlbulik transpordiks — Tragbarkeit.

Porterage ('pɔ:təridʒ) — kandjapalk — Trägerlohn.

Prepaid ('pri:'peid) — ettemakstud — vorausbezahlt.

Primage ('praimidʒ) — veoprotsent kaptenile — Primage, Frachtzuschlag.

Proceeds, net ('prousi:dʒ) — puhas sissetulek, puhaskasu — Nettoertrag.

Produce (prə'dju:s) — Põllumajanduse saadused — Landwirtschaftliches Produkt, Getreide.

Prospectus (prəs'pektəs) — prospekt — Prospekt.

Protect, to (prə'tekt) — tolliga kaitsma, veksleid vastu võtma — Wechsel honorieren, durch Schutzzoll schützen.

Protection (prə'tekʃən) (opp. of free trade) — kaitsekaubandus — Schutzzollpolitik.

Protection (BE) — veksli vastuvõtmine — Aufnahme, Akzept e-s Wechsels.

Push, to — agarasti turustama — energisch befördern, auf den Markt bringen.

Q.

Quay (Ki:) — kallas, kai — Kai.

Quota ('kwoutə) — kontingent — Kontingent.

R.

Rage, to (reidʒ) — möllama — stürmen.

Rate (reit) — maks, kurss — Preis, Taxe, Tarif, Kurs.

—, bank — Panga diskontokurss — Bankdiskont (Satz).

—, market — eradiskont — Privatdiskont.

—, local (—, 'loukəl) — omavalitsusmaks — Gemeindesteuer.

Ratio ('reiʃou) — vahekord — Verhältnis, Mass.

Realise, to ('riəlaiz) — realiseerima, rahaks tegema — realisieren, verkaufen.

Reasonable ('ri:znəbl) — mõistlik, mõõdukas — mässig, vernünftig.

Recapitulate, to (ˌri:kə'pitjuleit) — kokkuvõetult kordama — wiederholen.

Recipe ('resipi) — retsept — Rezept.

Recover, to (ri'kʌvə) — tagasi saama, võtma — wieder finden, wiedergutmachen, wiedererlangen.

Refrigerating car (ri'fridʒəreitiŋ ka:) — isotermiline vagun, külmetusvagun — Kühlwagen.

Remunerate, to (ri'mju:nəreit) — tasuma, teenitud palka maksma — belohnen, vergelten, vergüten.

Renew, to (ri'nju:) — uuendama, pikendama vekslit — erneuern, Tratte verlängern, prolongieren.

Restriction (ris'trikʃən) — kitsendamine — Be-einschränkung.

Revenue ('rəvinju:) — tulu, sissetulek — Einkommen, Einkünfte.

Rotation number (rou'teiʃən) — jooksev number — laufende Nummer.

Route (ru:t) — veotee — Weg, Route.

Rubber ('rʌbə) — tooreskummi — Gummi, Kautschuk.

S.

Salvage ('sælvidʒ) — päästmine, päästeraha — Bergung, Bergegeld.

Schedule ('ʃedju:l) — nimekiri, sedel, register — Zettel, Liste, Tabelle, Verzeichnis.

Seaworthy ('si:ˌwə:ði) — meresõidukõlbuline — Seefest, seetüchtig, seemässig.

Security (si'kjuəriti) — kindlustus, garantii, väärtpaberid (m-s.) — Unterpfand, Kaution, Wertpapiere (pl.).

Shade (ʃeid) — värvitoon — Nuance, Farbe.

— under, a — natukene vähem — e-e Kleinigkeit niedriger.

Share (ʃɛə) — aktsia — Aktie.

Shellac ('ʃelæk) — shellak — Schellack.

Siff terms — C. I. F. tingimused — cif Bedingungen.

Snap up, to (snæp) — napsama, haarama — schnappen nach, schnell ergreifen.

Spotted (spotid) — määritud, plekitud — befleckt, besprenkelt.

Stability (stə'biliti) — kestvus — Standfähigkeit, Solidität.

Stencil ('stensl) — vormilaud, mudel — Schablone, Matrize.

Stocks (stɔks) — riigipaberid, aktsiad — Staatspapiere, Aktien.

Storage ('stɔ:ridʒ) — ladusse hoiule panema, laduraha — Lagern, aufspeichern, Lagermiete.

Stress — rõhk, raskus — Nachdruck, Betonung.

Stripe (straip) — triip, riba, joon — Streif, Strich, Tresse.

Subtract, to (səb'trækt) — maha arvama — abziehen, subtrahieren.

Sustain, to (səs'tein) — kahju kannatama — Schaden, erleiden.

T.

Tackle ('tækl) — laeva taaklus — Takel, Takelage.

Tarpaulin (ta:'pɔlin) — puldan, present, vihmakate — Persenning, wasserdichte Decke.

Teak (ti:k) — Tiiki-puu — Tiek-Baum, Indische Eiche.

Tenor ('tenə) — tähendus — Sinn, Inhalt.

Ticket ('tikit) — sedel, etikett — Warenetikette, Preiszettel.

Tint — värv, värvitoon — Färbung, Schattierung.

Tip — jootraha — Trinkgeld.

Tonnage ('tʌnidʒ) — laevakandejõud, tonniraha — Tonnengehalt, Hafen-Tonnengeld.

Tow (tou) v. & n. — puksee-

rima, pukseerimine — Tauen, bugsieren.

Tramp steamer ('træmp'sti:mə) — mitte kindlalt sõiduliini pidav laev — unregelmässig fahrendes Schiff.

Transfer, v. & n. (træns'fə) ('trænsfə) — üleviima, ülekandma, transporteerima, -mine — übertragen, übergeben, Übertragung.

Tranship, to (træn'ʃip) — ümberlaadima — umladen.

Trim, to — kaunistama, ilustama — schmücken.

Truck (trʌk) — kauba platvorm — offener Güterwagen.

Typhoon ('tai'fu:n) — taifun, orkan.

Tyres ('taiəz) — auto-jalgrattakummid — Radreifen.

U.

Underwear ('ʌndəwɛə) — aluspesu, alusriided — Unterkleider.

Underwriter ('ʌndə,raitə) — kinnistusevõtja — Versicherer, Assekurdeur.

Uniformity (ju:ni'fɔ:miti) — ühetaolisus, sarnasus — Einförmigkeit.

Unrivalled (ʌn'raivəld) — võistlemata — unkonkurenzfähig.

Usance ('ju:zəns) — vekslitähtaeg — Usance.

V.

Van, motor (væn) — veo-auto Lastauto.

Vest — aluspesu — Unterhemd,

Vest in, to — kasusid kaitsma, valdamisele andma — einsetzen, verwalten.

Via (BE) ('vaiə) — välistratte (kolmes eksemplaris) — Wechsel in drei Exemplaren.

Vice (vais) — puudus — Fehler.

Void (vɔid) — tühine, mitte maksev — nichtig, leer.

W.

Warehouse, to ('wɛəhauz) — kaupu ladusse koguma või panema — einlagern.

Warranty ('wɔrənti) — tingimus, kindlustus — Bedingung, Befugnis.

Watch (wɔtʃ) — valve — Wache.

Weapon ('wepən) — relv — Waffe.

Wharfage ('hwɔ:fidʒ) — sillavõi sadamamaks — Kaigeld, Kaigebühren.

Wrap, to (ræp) — sisse pakkima — einwickeln, verpacken.

Y.

Yarn (ja:n) — lõng, niit — Garn.