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SHIPPING

A GUIDE TO THE ROUTINE IN CONNECTION WITH THE EXPORTATION AND IMPORTATION OF GOODS AND THE CLEARANCE OF VESSELS INWARDS AND OUTWARDS

WITH NUMEROUS REPRODUCTIONS OF ACTUAL SHIPPING FORMS

BY

ARNOLD HALL, F.I.S.

AND

FRANK HEYWOOD, A.C.I.S.

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PREFACE

THE work in connection with the Shipping Trade may be divided into three distinct parts, as follows:—

(*a*) The work of the Exporter who receives the orders for goods from abroad, and who has to see to the placing of the orders with the various firms who are to supply the goods, and also to give careful instructions with regard to their shipment.

(*b*) The work of the Importer who receives cargoes from abroad either on consignment or against orders. In this branch the regulations of the Customs authorities require special attention.

(*c*) The work of the Ship-broker, who at the Custom House, Shipping Office, and elsewhere transacts business connected with the carriage of cargoes from one port to another, and without whom the business would not be carried on satisfactorily.

This little work deals with the subject in the order here named, and as the authors have had many years of practical experience in the business they describe, their explanations may be taken as absolutely reliable and trustworthy.

It may be well to point out that the necessary particulars to be given in Custom House papers must be written in by *hand* and in ink—not typewritten or in pencil—and the writing must be neat and legible.

CONTENTS

SHIPPING

PART I

THE WORK OF THE SHIPPER

CHAPTER I

INDENTS, ETC.

In this section it is proposed to treat matters from the point of view of the person who has received orders for goods from abroad, and who wishes to forward them to his customers. For this purpose, we shall assume that we have received the two following indents; the first from Bombay for machinery, the second from Valparaiso for soft goods. We shall also assume that the shipper is not employing the services of a forwarding agent, but is himself attending to all matters in connection with the shipment.

1st Indent.

Bombay,
20th August, 19..

Messrs. Bradbury, Forbes & Co.,
Liverpool.

Dear Sirs,

Please supply us with the following:—20 28″ *Reedspace Looms, exactly as your specification dated*

18th May, 19.., for the sum of £360 net, packed in strong cases and delivered F.O.B. Birkenhead.

Cases to be Marked $\frac{JMC}{Bombay}$ *and numbered consecutively*

Insurance: *£440 F.P.A.*
Time of delivery: *As soon as possible.*
Payment: *Bill drawn on us at 30 days' sight.*

Yours faithfully,

2ND INDENT.

Valparaiso,
23rd July, 19..

Messrs. Bradbury, Forbes & Co.,
Liverpool.

Gentlemen,

Indent No. 2001.

30 cases, 60 pieces each 35" White Shirtings, exact quality and finish as Indent No. 1545, at 12/- per piece C.I.F. Valparaiso.
Make up as before.
Ticket. Flying Eagle.
Packed in tin-lined cases marked J. & Co., Valparaiso.
Shipment before the end of November, 19..
Payment:—Bill at 60 days' sight.

Yours truly,

Notice that the machinery is bought F.O.B. (free on board) Birkenhead, which means that all expenses incurred until the goods are placed on board the vessel at Birkenhead are included in the price mentioned,

and are payable by the shipper on this side. Also notice that the soft goods are bought C.I.F. (cost, insurance, and freight) port of destination, which implies that the goods must be insured and forwarded free to Valparaiso for the price named; *i.e.*, all charges incurred until the goods arrive at port of destination are payable by the shipper.

PLACING OF ORDERS.—On receipt of these indents, the first step is to place the orders with the suppliers of the articles specified, sending each supplier a formal order note, giving full particulars of the goods required, together with price, discounts, terms of payment, time of delivery, and, where necessary, mode of packing, marks to be put on cases, etc.

With the actual packing of the machinery we are not concerned, as this will be done by the maker; but the soft goods will be delivered at the warehouse unpacked.

As the time for delivery draws near, it is well for us to send a note to the supplier asking when delivery may be expected, as it is important that the goods should be shipped according to the contract time, and it is necessary to reserve space in the steamer beforehand to avoid the risk of the packages being shut out.

On learning that the machinery will be ready in a few days, we call in the local agent of the steamship company by whose line we purpose to ship the goods, and ask him to reserve space for so many packages that we expect to have ready for a certain steamer. He will also be prepared to tell us if cargo is coming forward freely, and if there is much possibility of the steamer's closing being pre-dated, *i.e.*, if she will stop receiving cargo before the date advertised in the sailing list. Having obtained all the information relative to the steamer's sailing, we instruct the maker to forward the cases of machinery to our order to the particular dock in which

the vessel is berthed. The instructions read somewhat like the following :—

Liverpool,
25th Oct., 19..

Messrs. Johnson & Sons.

Gentlemen,

With reference to our order No. 325, *which is ready for shipment, please forward the cases per L. & N. W. Ry. Co., to our order to Morpeth Dock, Birkenhead, for shipment per s.s. "City of York," sending us full particulars as to marks, gross and net weights, measurements, and contents of each package.*

Yours truly,

Bradbury, Forbes & Co.

In reply to the above note, we shall receive an advice as follows :—

Blackburn,
28th Oct., 19..

Messrs. Bradbury, Forbes & Co.

Gentlemen,

We beg to inform you that we have this day forwarded per L. & N.W. Ry. Co.;

40 *cases Machinery marked* $\frac{JMC}{Bombay}$ *and numbered* 1-40 *to Morpeth Dock, Birkenhead, to your order. Measurements, weights and contents of each case as specification herewith.*

Yours faithfully,

Johnson & Sons.

Immediately on receipt of this information we make out and forward to the wharfinger at the dock a Shipping Note, like the following :—

Liverpool and Bombay Steamers.
Birkenhead, 28th Oct., 19..

Received from *Messrs. Bradbury, Forbes & Co.*, for shipment, provided there be room, on board the Steamer *City of York*, for *Bombay*, subject to the conditions contained herein,

Gross Weight
20*c/s Machinery JMC* 1/20 *T*8-10-0-0
Measurements, each case, 5′ 6″×4′ 8″×3′ 10″
20*c/s Machinery JMC* 21/40 *T*1-18-0-0
Each case, 2′ 6″×3′ 4″×1′ 9″

Signed.....
.....*Wharfinger.*

Each package must be marked by shipper with port of destination. This receipt is given and accepted on the express understanding that the production thereof shall be sufficient authority to the shipowner to deliver up the B/L to the person presenting it.

Gross weights and contents of packages must be given in all cases, and all pieces and packages weighing 30 cwts. and over must have the gross weights marked on them, and the said separate weights must also be declared on the shipping note. If shippers fail to give these particulars, they will render themselves liable for all consequences.

When the packages vary in size and weight, the separate measurements and weights should be given in the Shipping Note; but when the size of the cases is uniform and there is no great variation in the weights, it is only necessary to give the measurement of one case and the total gross weight.

The stating of the separate weights is particularly necessary when the packages are of weights exceeding 30 cwts., because freight on such packages is chargeable at a higher rate than on those below this weight, and also because it is necessary for the wharfinger to make proper arrangements for the handling of these heavy cases.

It may be well to mention here that when such things as boilers are to be shipped, ample notice should be given to the steamship company, who should also be supplied with the dimensions of the boilers. These particulars are important because they help to insure:—

1st. Safe shipment, owing to proper appliances being at hand.

2nd. Reservation of sufficient space in the particular part of the vessel used for the reception of heavy and bulky merchandise.

As before mentioned, the Shipping Note is sent to the wharfinger at the dock. He will then look out for the goods mentioned therein, and, on arrival, attend to their being put on board. The Shipping Note will be signed by him, and the shipper should either call for it, or arrange for it to be returned to him.

Being in possession of the signed Shipping Note, the shipper is practically certain that the goods will be forwarded by the steamer named, and he may proceed to make out the Bills of Lading.

Before doing this, we will follow the fortunes of the soft goods to the point reached by the machinery, *i.e.*, till they are placed on board; and then attend to the Bills of Lading.

The soft goods having been delivered to the warehouse unpacked, the first thing to do is to examine them to see that they are according to contract. This having been done, they are ready for making up. This refers

to the way in which the goods are folded, stitched at ends, ticketed, stamped, papered, etc., and put in condition for selling to the customer.

Different markets have various modes of making-up, and one must be very careful to get full information on this important point from the places dealt with. Some markets prefer finished goods "face out," others, "face in"; some prefer make-up in folds of a metre, others in ells, and again others in yards. As much depends on the way the goods are made up, the greatest care must be exercised in this matter.

CHAPTER II

PACKING THE GOODS, ETC.

THE goods are now ready for packing. Under this head comes the baling, trussing, or casing of goods. The packing of goods destined for foreign countries requires careful consideration, some of the points to be considered being: the nature of the goods, the manner in which the Custom House duties are levied at the port of destination, and the prevention of pilfering.

The most expensive mode of packing is casing; and if this mode is required, it is necessary to call in a packing-case maker, who usually does this work for the shipper, or the measurements of the cases required must be transmitted to him. Previous to his calling, the goods should be piled up as compactly as possible, in exactly the way they are required to lie in the case. The packing-case maker will then measure the length, breadth, and depth, and calculate the total quantity of wood required; and in a short space of time, he will deliver the necessary number of cases of the exact size suitable for the goods. Hardware and machinery are generally packed in strong cases. Goods for some markets (*e.g.*, Paraguay and Chile) are packed in cases fastened with strong safety clamps. This is to prevent pilfering, which often takes place unless measures are taken to obviate it.

Where expensive goods are in question, or where the appearance of them is of the highest importance, it is preferable to have the wooden cases lined with zinc. As the inner lining of zinc is carefully soldered all round, the case becomes air-tight, and to a certain point, unbreakable, so that the goods inside are practically insured against damage. Although this is an expensive

mode of packing, there is an advantage in the immunity from risk thereby given to the contents of the package; and consequently the need for insurance against particular average (to be explained later) ceases to exist.

Another advantage of this method of packing is that it is only necessary to wrap the goods roughly in paper, before placing them in the case; whereas plain wooden cases require oil cloth or patent packing inside, and the usual brown paper to envelop the whole contents. Further, the zinc may often be disposed of advantageously in foreign countries, and this, added to the advantages named above, makes zinc lining preferable. For most of the markets east of Suez, nearly all textiles are packed in zinc-lined cases.

Baling is another method of packing. The materials used for baling for long distances are oil cloth, patent packing, brown paper, tarpaulin, canvas.

Of these, oil cloth is often dispensed with and tarpaulin alone used. Sometimes patent packing is used instead of oilcloth and paper. The packing is done in a water or steam-worked press; metal hoops are fastened round the bale while it is held tightly in the press; holes are made in the joining ends of the hoops, and rivets fastened through these holes.

There is a good deal of what is called "Springing" in very tightly pressed bales, which leads sometimes to the hoops giving way at the fastenings; or the bales may swell to such an extent that the goods are damaged by the hoops. This method of packing is *generally* used for goods of an inferior quality, and for goods which are not very susceptible to damage.

On account of the Custom House duties being charged on the gross weight of the packages—not on the actual weight of the goods—nearly all textiles for the Central American markets are packed in bales, even though,

if the same goods were sent to other markets, they would be packed in cases.

There is a uniform tax on all packages, whether large or small, shipped to the Cuban markets. This has led to the packing of goods in very large packages, some of which weigh upwards of 2 tons. Goods for the near Continental markets are frequently packed in trusses, which are made up almost like bales, but without hoops.

The packing being completed, it only remains for the packages to be marked prior to their dispatch. The marking is done by means of stencils, and care must be taken to see that this is correctly done, and that all packages are port-marked, *i.e.*, are marked with the name of the port of destination.

When it is known that goods will be ready for a certain steamer, we proceed, as in the matter of the machinery, to call in the local agent for the steamship company, who will ask how many packages are expected, and what is their total cubic measurement.

The cubic measurement is arrived at in this way. Suppose a case measures in length, width, and depth 4′ 2″, 3′ 6″, 3′ 0″ respectively; these measurements must be multiplied together; thus,

```
  4′ 2″
  3′ 6″
 ------
   2 1
  12 6
 ------
  14 7
     3
 ------
 43′ 9″= cubic measurement of 1 case.
```

We inform the agent that each case measures about 44 feet, and that there are about 30 cases = 1,320 cubic feet, for which he will reserve room. The agent who

knows his work, however, will be able to form a good idea of the space required by the number of packages for any particular market, as soft goods for certain markets are generally made up in bales or cases of uniform size.

It may be well to mention here the method of arriving at the superficial contents of a case. In practice, most firms would use a ready reckoner for this purpose, but it is as well to know how to arrive at the result when such a book is not available. If measurements are given to the case-maker, they should be the inside measurements. To each of these inside measurements he would add (according to a custom of the trade) 2 in.; consequently the case, the inside measurements of which are 2 ft. 10 in. × 2 ft. 1 in. × 1 ft. 7 in., would be charged for as 3 ft. × 2 ft. 3 in. × 1 ft. 9 in. If the case were lined with zinc, the charge for the lining would be based on the same measurements as the wood.

The calculation is based on the following formula :—

length × breadth
breadth × depth
depth × length

Add together these three results and multiply by 2, *e.g.* :—

L × B . .	3′ 0″ × 2′ 3″ =	0′	9″	0‴
		6	0	0
B × D . .	2′ 3″ × 1′ 9″ =	1	8	3
		2	3	0
D × L . .	1′ 9″ × 3′ 0″ =	5	3	0
		15	11	3
As there are two of each measure, multiply by 2				2
		31′	10″	6‴

CHAPTER III

FORWARDING AND INSURING THE GOODS

THE packing being completed, the packages require to be dispatched to the railway station, or to the dock from which they are to be transported. It is customary for the townsman of the carrier or carter to call at the warehouse daily, for the purpose of ascertaining if there will be any packages for him; and if so, at what hour they will be ready, so that he may send the conveyance at the proper time. This is one of the small but important items of everyday work in a shipping warehouse, and neglect of it has often led to the late arrival of goods and the consequent missing of the steamer, thus involving a considerable delay, and perhaps refusal on the part of the customer to accept the goods. Careful note should also be taken of the latest hour for receiving goods at the different stations, so that the carter may take the packages from the warehouse in time to arrive at the station before the specified time for closing.

Cartage is usually charged on the weight of the packages; but the carrier has a right, in the case of bulky goods, to charge by measurement instead of by weight, because, as may easily be imagined, goods, though light in weight, may be very bulky, and so take up a considerable amount of space. It is obvious that the carrier could convey fewer of these bulky packages than of smaller ones, and so his profit would be considerably diminished, if he did not resort to this method of charging according to measurement.

If the goods have to be carried by rail to the docks, the usual railway consignment note must be made out.

The goods having been dispatched to the docks, the Shipping Note must be sent, as previously explained; the number of packages, marks, contents, measurements, and gross weight being stated therein. On the return of this Shipping Note signed by the wharfinger, we may attend to the insurance of the goods, and the making out of the Bill of Lading. There are different ways of insuring goods, the choice being determined according to their nature. For those packed in tin-lined cases, and for those which would not easily spoil by damp, exposure, or rough handling, it is generally considered sufficient to effect insurance F.P.A. (free of particular average), which implies, that small or slight damage will not be paid for by the insurance company, but only total loss, in case the goods are thrown overboard in stress of weather, or burnt or sunk. On the other hand, merchandise which is likely to deteriorate, or become damaged by exposure, damp, or from any other cause, should be insured W.P.A. (with particular average), or, as it is sometimes called, A.A.R. (against all risks), for which a higher rate of premium is charged.

Various kinds of policies are used, as follows:—(1) The policy which covers one special shipment only; (2) Open policy for a round sum, against which declarations of insurance may be made respecting several shipments; and (3) Floating policy, or round policy, according to which insurances may be effected both outwards and homewards, of course at different rates, the difference being adjusted when the total amount of the policy is finally exhausted by declarations.

When an insurance is in view, it is well to obtain rates from several of the leading insurance companies, and to inquire about Lloyd's rate from some London agent,

and also to obtain all other information that can be acquired, as custom and routine play an important part in this department.

The lowest possible rate and the best discounts having been obtained, a Provisional Note should be taken out. This is a printed form on which it is stated that insurance to such an amount has been effected provisionally, or in open policy, as it is called. We are then quite safe, provided the note is signed by the manager of the insurance company; and the detailed declarations may be delayed longer than would be the case if no such note were taken out, although it is always well to declare before the steamer sails. The declaration would run as follows:—

The Marine Insurance Company, Ltd.

Gentlemen,

Kindly effect insurance F.P.A., according to the following particulars, against Open Policy No. 21865, *held by us, leaving a balance still undeclared of* £540. *Please acknowledge receipt in the usual way.*

Yours truly,

Mark.	J M & Co. Valparaiso.
Numbers.	1-30.
Packages.	30 cases.
Description of goods.	Bleached cotton goods.
Value insured.	£1,200.
Steamer.	Clyde.
Port of Departure.	Southampton.
,, ,, Destination.	Valparaiso.

In arriving at the amount of the insurance value, the shipper should add to the cost of the goods all charges

until delivery in the warehouse of his customer; and in addition the amount of expected profit, in order that the amount insured shall represent the value of the goods in a sound condition at the customer's warehouse.

In places where volcanic eruptions are frequent, such as certain ports on the West Coast of South America, it is customary to insure inclusive of the "Earthquake Clause," for which a little more premium has to be paid. There are also risks in long inland journeys, where, there being no railways, goods are carried on the backs of mules driven by natives. In such cases where the journeys lie in mountainous districts and along narrow precipitous paths, it is no uncommon occurrence for a mule and its load to disappear over a precipice. This is a risk well known to underwriters, and has its fixed price.

It is of the highest importance that the assured should see that these risks on arrival at destination are covered by a specially inserted clause in the policy, applying to each particular risk, as certainly the "all risks" clause goes no further than arrival at port of destination. For example:—

> "Including all risks during 30 days after arrival of goods at port of destination while they are in the Custom House."
>
> "Including all risks while conveyed on mule back to final destination."

In policies covering particular average, there is a clause warranting damage of only 3%, free from payment. This means that underwriters are not called upon to pay for damage which does not exceed 3% of the total value, as this is considered too small an item to justify the expense arising from (*a*) inspection of the damage, (*b*) the drawing up of surveys and other legal documents,

and also the expense attendant upon selling the goods abroad; as all these expenses might easily amount to considerably more than the compensation for damage.

While the necessary policies are being prepared by the insurance company, we may make out the invoices and also the very important documents, the Bills of Lading.

A Bill of Lading is a document signed by the agent of the steamship company, or by the captain of the ship, acknowledging the receipt, on board the vessel named, of certain packages marked as shown in the margin of the bill, and undertaking to deliver them, on certain conditions, at the particular port named, to the person specified, or "to order."

The forms may be obtained from certain stationers, or from the offices of the various steamship companies, each company having its own special form.

Bills of Lading are made out in sets of two or more according to requirements. They may be made out ordering the goods to be delivered to a specified person, or they may be made out "to order." In the latter case, the bills must be *endorsed* (that is, signed—generally on the back—) before they are forwarded. Transfer of ownership of the goods is effected by endorsement and delivery of the bills to the transferee. Each bill in the set must be stamped with a 6d. stamp, which must be impressed before the bill is signed. In addition to these stamped copies, the steamship company requires at least one unstamped copy, on which the shipper calculates the amount of freight payable on the goods specified in the Bill of Lading.

Freight is usually payable either on the gross weight of the packages, or on their measurement, whichever is the greater; and the rates vary according to the nature of the goods which are being shipped. A shipping company will always quote a rate of freight on

ed by He
Navigation C

after it is known that the goods are on board, so that no delay may arise in sending the bills abroad.

No.

Shippers are requested to note particularly the terms and conditions of this Bill of Lading with reference to the validity of their insurance upon their goods.

Shippers may by paying a higher rate of Freight ship their goods under Bill of Lading (known as the Red Bill of Lading) under which the Company take responsibilities not imposed by this Form.

Shippers are cautioned against shipping goods of a dangerous or damaging nature as by so doing they become responsible for all consequential damage and also render themselves liable to penalties imposed by Statute.

PENINSULAR & ORIENTAL STEAM NAVN COMPY — QUIS SEPARABIT

Shipped in good order and well-conditioned by Henry Brown & Co in the **Peninsular & Oriental Steam Navigation Company's** STEAM SHIP Rewa whereof is Commander for this present Voyage and now riding at Anchor in LONDON

Two Hundred & one Bundles Steel Hoops.

being marked and numbered as in the margin and to be delivered subject to the exceptions and conditions at foot hereof in the like good order and well-conditioned at the Port of

unto ORDER

or to his or their Assigns on. Freight for the said Goods being paid in LONDON by the SHIPPERS as per margin Ship lost or not lost.

In Witness whereof the Commander of the Ship hath affirmed to three Bills of Lading all of this tenor and date one of which being accomplished the others to stand void.

Dated in LONDON August 3rd 1913.

N

BOMBAY

201 B'dles steel Hoops.

Freight on

at ℔

The following are the Exceptions and Conditions above referred to :—

Weight Measure Contents and Value unknown.

The Act of God the King's Enemies restraint of Princes Rulers or Peoples restriction of Quarantine Pirates Robbers or Thieves by Sea or Land Loss by Thefts or Robberies by Sea or Land and whether by persons directly or indirectly in the employment or service of the Company or otherwise Accidents Loss or Damage from Vermin Barratry Fire Jettison Collision Machinery Boilers Steam or Defects latent or otherwise in Hull Tackle Boilers or Machinery or their appurtenances and all Perils Dangers and Accidents of the Seas Rivers Land Carriage and Navigation of what kind soever and accidents loss damage delay or detention from any Act or default of the Egyptian Government or the Administration of the Suez Canal or arising out of or consequent upon the employment of the Company's Vessels in or assistance rendered by them in the performance of His Majesty's Mail Service or loss delays or any other consequences arising from combinations of workmen or others whether ashore or afloat strikes or civil commotion or any Act neglect or default whatsoever of the Pilot Master Mariners or other Servants or of the Agents of the Company or from transhipment or warehousing or from obliterations of marks or numbers or from leakage breakage insufficiency of packages or sweat or rust or injurious effects of other Goods or from Ships not having room at Port of Transhipment are all excepted.

Whenever through Bills of Lading are granted by the Company and shipment transhipment carriage or delivery of the goods is to be performed or partly performed by the Vessels or Agents or Servants of other Shipowners all the exceptions and conditions in this Bill of Lading shall apply to such other Owners' Vessels Agents or Servants as well as to the Company their Vessels Agents or Servants.

The Ships are to be at liberty to sail with or without Pilots and to tow and assist Vessels in all situations and also to deviate from the Voyage for any purpose or to touch and stay at other Ports either in or out of the way.

A written Declaration of the Contents and Value of Goods must be delivered by the Shippers to the Company with the Bills of Lading and an untrue Declaration shall release the Company from all responsibility and shall entitle the Company to charge double Freight on the real value.

All Goods must be distinctly marked with the Marks Numbers and Port of Destination otherwise the Company will not be responsible for detention or mis-delivery.

The Company shall have the option of making delivery of Goods either over the Ship's side or from Lighters or a Store Ship or Hulk or Custom House or Warehouse or Wharf or Dock or Quay at Merchant's risk. In all cases their liability is to cease as soon as the Goods are free from the Ship's tackles.

Consignees or their Assigns must be ready to take delivery of Goods as soon as the Ship is ready to discharge them otherwise the Company shall be at liberty to land and warehouse or discharge them into a Store Ship or Hulk or Lighters at the Merchant's risk and expense and shall have a lien thereon for such expense.

Specie deliverable in London will be landed at a Port in England and conveyed to the Bank of England at the Company's expense but at the Merchant's risk. All liability of the Company is to cease as soon as the Specie is free from the Ship's tackles.

In case of Quarantine the Goods may be discharged into Quarantine Depôt Hulk or other Vessel as required for the Ship's despatch. Quarantine expenses upon the Goods of whatsoever nature or kind shall be borne by the Owners of the Goods.

The Company are to be at liberty to carry the said Goods to their Port of Destination by the above or other Steamer or Steamers Ship or Ships either belonging to the Company or to other persons proceeding either directly or indirectly to such Port and in so doing to carry the Goods beyond their Port of Destination and to tranship or land and store the Goods either on shore or afloat and reship and forward the same at the Company's expense but at Merchant's risk.

In cases where the ultimate destination at which the Company may have engaged to deliver Goods is other than the Steamer's Port of Discharge the Company reserve the right to forward such Goods by Rail. The Company act as forwarding Agents only from that Port and in all cases their liability is to cease as above provided.

Goods carried on deck are carried solely at the Merchant's risk.

Not accountable for Money Documents Gold Silver Bullion Jewellery or Precious Stones nor for any other Goods the value of which exceeds £100 for any one package unless the Value be expressed on the Bills of Lading.

Any claim that may arise in respect of Goods shipped by the Company's Steamers must be made at the Port of Delivery.

James Robinson

For Commander.

(1340) *bd. pp.* 16 *and* 17.

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nature of the goods which are being shipped. A shipping company will always quote a rate of freight on

application. In the first case, a certain rate per ton of 20 cwt. is charged; and in the second case, the rate is generally per ton of 40 cubic feet. For instance, in the case of a package measuring 80 cubic feet, and weighing 30 cwt., freight would be charged on the measurement; but if the weight of this package had exceeded 40 cwt., the freight would have been charged on the weight.

If the rate were 17/6 per ton, in the first instance the freight would be 80 cubic feet at 17/6 for 40 = £1 15s. 0d. and in the second instance it would be, say 45 cwts. at 17/6 for 20 = £1 19s. 4d. The customary percentage of primage would be added to the amount of the freight.

Primage was originally a gift to the captain of the vessel, but is now part of the freight, and in quoting rates of freight, it is usual to quote the rate plus a certain percentage for primage, as 17/6 and 10% primage. In many cases a portion of this primage is returned to the shipper as "rebate." The making out of the Bill of Lading is quite simple, but care must be taken in describing the goods, and in stating the marks correctly. The amount of the freight being calculated and shown on the unstamped copy of the Bill of Lading, the full set of bills, together with the signed Shipping Note and the shipping specification sent by the supplier, are taken to the offices of the steamship company, where the weights, measurements and calculations are checked. If these are correct, the Bills of Lading are signed by the agent of the steamship company, and handed to the shipper in exchange for the Shipping Note and a cheque for the amount of the freight, unless a credit account has been arranged. The Bills of Lading should be made out and the signature obtained as soon as possible after it is known that the goods are on board, so that no delay may arise in sending the bills abroad.

The following table may be found helpful in arriving at the amount chargeable for freight :—

Per cubic foot or ton weight.		*Per cubic foot.*		*Per cwt.*		*Per cubic foot or ton weight.*		*Per cubic foot.*		*Per cwt.*	
s.	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d*	*s.*	*d.*	*s.*	*d.*
60	0	1	6	3	0	30	0	0	9	1	6
55	0	1	4½	2	9	27	6	0	8¼	1	4½
52	6	1	3¾	2	7½	25	0	0	7½	1	3
50	0	1	3	2	6	22	6	0	6¾	1	1½
47	6	1	2¼	2	4½	20	0	0	6	1	0
45	0	1	1½	2	3	17	6	0	5¼	0	10½
42	6	1	0¾	2	1½	15	0	0	4½	0	9
40	0	1	0	2	0	12	6	0	3¾	0	7½
37	6	0	11¼	1	10½	10	0	0	3	0	6
35	0	0	10½	1	9	7	6	0	2¼	0	4½
32	6	0	9¾	1	7½	5	0	0	1½	0	3

As examples of the use of the above table, suppose we require the freight on (1) 575 ft. 9 in. @ 27s. 6d. ; (2) 16 cwt. 2 qrs. 21 lb. @ 25s. per ton.

(1) 27s. 6d. per cwt. ton = 8¼d. per cwt. ft.
∴ 575′ 9″ @ 8¼d. = £19 15s. 10d.

(2) 25s. per ton weight = 1s. 3d. per cwt.
∴ 16 cwt. 2 qr. 21 lb. @ 1s. 3d. = £1 0s. 10d.

Many shipping merchants prefer to put their shipments in the hands of a shipping agent, who, for a small charge of so much a package, or so much a ton, undertakes to attend to shipments. As such agents may have special arrangements with the steamship companies, and as they relieve the merchant of practically all the routine work in connection with the shipment of goods, it is generally to the advantage of the

merchant to have his shipments dealt with in this way. The agent would see that proper space was reserved in the ship; he would make out the various shipping documents, attend to the insurance of the packages, and pass the Customs entry, etc. From time to time, the agent issues sailing lists giving the name of the steamer, the loading berth, and the last day for receiving cargo. If a merchant wishes goods to be forwarded by a certain steamer, all he has to do is to dispatch the goods to the dock at which the ship is loading and advise his shipping agent on a form similar to that shown on page 22.

If, however, goods are in the hands of the supplier, who is waiting for forwarding instructions, the following advice may be used :—

*Manchester*_____ 19__

Messrs. John Spencer & Co.

Send forward your goods to the order of Messrs. Bullard, King & Co.

14 *St. Mary Axe, London, E.C.*

For shipment per s.s._____, loading in East India Dock, Blackwall, marked :—

XYZ 1234/5.
Natal.

On no account must other than the above numbers be used.

If more are required, apply to us.

Advise consignees of contents and value and gross weight of each package.

---------- Copies of invoice to Manchester. Each copy to have all trade and cash discounts deducted in ink in the same hand or typewriting, and must also state gross weight and measurements of each package. Invoices rendered otherwise will be returned, and supplier held responsible for any loss or fines caused by delay in clearing Customs owing to absence of documents.

The Order No. and Indent No. must be shown on all invoices, and the invoices must be accompanied by two certificates of origin on the regulation form, stating the net value.

Please distinctly note on invoices, alongside the total amount, whether the goods are carriage forward, carriage paid, F.O.B., or F.O.R. only.

If the carriage to port is paid by the suppliers, the amount of such carriage must be stated at the foot of the invoice and certified by the firm's signature. If this is omitted, we shall be compelled to debit you with duty on the amount of the carriage.

Johnson, Arthur & Sons.

Immediately the supplier has dispatched the goods to the steamer, he forwards the invoices to the merchant. The merchant would also advise the shipping agent of the marks and numbers, number of cases and packages, contents in detail, gross weight, amount, and town of dispatch; and would attach to his advice-note a slip giving the necessary consignment instructions, *e.g.*:—

Consign to Johnson, Arthur & Sons, Durban, Natal, one copy Bill of Lading direct to consignees, two copies Bill of Lading, and two copies Freight Accounts to our address.

The agent would clear the goods outwards, pay all dock dues, and all charges for cartage on the goods

sent carriage forward, and would debit the merchant with the freight and all amounts paid on his account. The following is a specimen of a Freight Account sent by a shipping agent to a shipping merchant :—

LONDON, E.C.,

2nd February, 19...

MESSRS. JOHN BROWN & CO.

To A. Royle & Willan

for Freight and Charges as detailed below.

On D C 1 one case.

MADRAS.

	£	s.	d.
To Customs Entry per s.s. *Ozarda* . .	0	1	6
,, Dock Due, 1s. 2d. ; Cartage, 2s. .	0	3	2
,, Bills of Lading	0	2	6
,, Freight and Primage as per B/L .	0	13	3
,, Port Rate and Entry	0	0	3
,, Insurance on £22 @ 8/9% and stamp	0	2	0
,, War Risk Insurance £22 @ 15/- .	0	3	4
,, Attending to Shipment . .	0	1	6
	£1	7	6

SHIPPING INSTRUCTIONS.

MESSRS. ALFRED ROYLE AND WILLAN,
73, QUEEN VICTORIA STREET, LONDON, E.C. ____*2nd Feby.*,____, 19..

Please ship on board the____*s s.* " *Ozarda* "____for____*Madras*____.

Mark and Nos.	Packages.	Gross Weight. Cwts.	qrs.	lbs.	Contents.	Measurements.	How lined.	Invoice Value.
D C 1 *Madras*	*One Case* . .	2	1	10	*Books*	23″ × 20″ × 17″	*Oil*	£22

If to be Insured__*Yes : including War Risk*__
Freight to be paid by_____*Ourselves*_____
Charges to be paid by_____ ,, _____

Date of Dispatch____*2nd Feby.*, 1915.____
From____22 *Chapel St., E.C.* _____
How sent_____ *Your van*_____
If carriage paid_____*No* _____

To be consigned to_____ *Doshabry & Co.*, _____
_____*Madras* _____
Supplier's Name and Address_____*James Brown & Co.* _____
_____22 *Chapel St., E.C.* _____

N.B.—When Bills of Lading are required to be drawn to ORDER it must be so stated.

CHAPTER IV

INVOICING AND TELEGRAPHING

THE preparation of the invoices requires the greatest care in order that mistakes may be avoided, as these not only lead to confusion and disputes, but often involve the customer in financial loss, as in many cases the invoices have to be produced to the Custom House officials abroad, before the goods are delivered; and should there be any discrepancy between the particulars of the goods as shown by the invoice, and the goods themselves, a fine is imposed. The terms on which the goods are sold should also be carefully noted, in order that the right charges may be included in the invoice.

It is usual for a shipper when quoting, to state a price which may be for the goods alone, or which may include charges up to a certain point, and among the terms usually met with are the following :—

(A) Loco. From this it is understood that the price given is simply for the goods delivered at the place mentioned, all additional charges such as packing, carriage, freight, etc., being chargeable to the buyer. *E.g.* Loco Manchester, Loco Leeds.

(B) F.O.R. Free on Rails. In this case the price quoted includes the cost of the goods, packing, and any other charges until the goods are put on the railway wagon at the station named. *E.g.*, F.O.R. Blackburn Station.

(C) F.O.B. Free on board. As previously mentioned, F.O.B. prices cover, in addition to the cost of the goods, all charges until the goods are actually placed on board the vessel.

(D) C. & F. Cost & freight. This quotation is not greatly used, but it will be seen that it covers the items included in the F.O.B. quotation, plus the freight.

(E) C.F. & I., or C.I.F. Cost, freight and insurance. This has been previously explained, and includes the cost of the goods, packing, carriage, freight, insurance, in fact all charges on the goods until they are put overside the vessel at the port of destination.

(F) Franco=Free, which implies that the price quoted is for the goods delivered free at the place specified, and therefore includes the items covered by the C.I.F. quotation, also landing charges, duties, carriage, etc. *E.g.*, Franco domicile, *i.e.*, customer's warehouse. Franco Lyons.

When goods are sold on "franco" terms, it is usual for the invoices to be made out in the weights and currency of the country to which the goods are shipped. The charges usually found on shipping invoices are, Freight, Insurance, Bills of Lading, Postages and Bill Stamps, Telegrams, Packing, Shipping charges, Patterns and Commission, these varying of course with the terms on which the goods are sold.

Invoices for goods shipped to the U.S.A. must be in triplicate, and each copy certified by one of the American Consuls at the various British ports or by the Consul in London. One copy is returned to the merchant, one is sent out to the customer and one is retained by the Consul. These invoices, as well as those for South Africa, and a few other countries, contain a certificate on the back declaring the place of origin of the goods specified in the invoice. This declaration must be signed by a member of the exporting firm.

When, as sometimes happens, it is difficult to get full particulars of the charges for freight, some shippers prefer to send off the invoices in an incomplete state,

with a note "Remaining charges to follow," or simply "Freight to follow." This is done to avoid delay, and the customer can calculate for himself the amount to be added and so ascertain approximately the total amount of the invoice. He is thus enabled to fix his selling price for the goods which are on their way, and possibly effect sales before they are landed.

LONDON,

24th February, 19...

INVOICE of 1 case Goods shipped by JAMES BROWN & Co. per s.s. *Ozarda* from *London* to *Madras*, by order and for account and risk of *Messrs. Doshabry & Co., Madras.*

		£	s.	d.
D C 1 Madras 23″ × 20″ × 17″	1 Case Books, as per your order 1262	15	0	0
	Charges.			
	Customs Entry . . .	0	1	6
	Dock Dues and Cartage .	0	3	2
	Bill of Lading	0	2	6
	Freight and Primage . .	0	13	3
	Port Rate and Entry . .	0	0	3
	Insurance: £22 at 8s. 9d. % and Stamp	0	2	0
	War Risk Insurance: £22 @ 15/-	0	3	4
	Attending to Shipment . .	0	1	6
	Case and Lining . . .	0	4	9
		£16	12	3

E. & O. E.

When goods are sent out on "consignment," *i.e.*, when they are sent by the shipper to his agent abroad, to be sold at the risk of the shipper at the best market price, it is usual to send an invoice to the agent. This invoice is called a "Pro Forma" invoice, and is sent for the purpose of enabling the agent to see what the goods are worth, in order that he may arrange his selling price.

When goods are shipped to South America and certain other countries, a Custom House Invoice is required, certified in England by the Consular representative of the particular country to which the goods are being shipped. This invoice (known as a *Consular Invoice*) is necessary in order to facilitate the clearing of the goods from the foreign Custom House, and also that the right amount of duty may be levied.

Many of these invoices have to be written in the language of the country to which the goods are being shipped; and the drawing up of these documents requires the greatest care, inasmuch as the slightest deviation from the rules prescribed by the different foreign governments with respect to these documents may cause the shipper considerable losses in the shape of fines; and as the subdivision of similar goods, each paying a different rate of duty, is very great, it is well for the shipper to study the Custom House Tariff of each country with the greatest care.

An experienced merchant will see to it that the customers themselves give him the description or heading under which they wish their goods to be declared, so that, if any trouble arises, the customers will be responsible, and the merchant will not be liable for fines owing to wrong descriptions. The Consular Invoice is sent out with the Bill of Lading. (See next page.)

Another document that is required when goods are shipped to certain countries, as Canada and South Africa, is a *Certificate of Origin*. Certificates of Origin are often issued by the Chambers of Commerce. They must be in the form required by the government of the country to which the goods are going, and must also be signed by the authority named by such government.

The object of these certificates is to show in what country the goods have been produced or manufactured,

CONSULAR INVOICE FOR CHILE. LIVERPOOL.

(*Name of Shipper.*)

FACTURA de efectos embarcados por_____*R. Bulman y Ca.*_____
Invoice of Goods shipped by

abordo del____*vapor "Orcoma"*_____de____*Liverpool*_____
on board the *of*

por cuenta y riesgo de____*L. Hurtado y Ca.*_____de____ *Valparaiso* _____
for account and risk of *of*

y consignados á____*L. Hurtado y Ca.*_____de____ *Valparaiso*_____
to the consignment of (*Name of Consignee.*) (*Name of Port of Destination.*)

Valor total de £__121__s.__19___d.__0__
Total value of

MARCA *Marks of Packages.*	Nos. *Number.*	BULTOS (*Packages*) Cantidad *Number in words*	Clase *Class of Package*	CONTENIDO *Contents*	Valor en moneda inglesa *Value in English Money*			Kilógramos *Net Gross (Weight) each Package*	Origen *Origin of Merchandise*
L. H. & C.	318	(1) *un*	(2) *Fardo*	(4) *Pañuelos, de algodón para la mano*				186 204	Inglaterra
Valparaiso ,,	319	*un*	*Fardo*		121	19	0	189 206	
		(3) *Dos*	*Fardos*		£121	19	0	375 410	
				Valor total, £121 19s. 0*d.* *Liverpool,* 1° *Diciembre,*	*de* 1	9_	_		
				(5) Declaramos que en c tenido, esta factura e cado por nosotros en	uant xpre est	o sa a	á fi fe	valo r, pe elmente cha	so, y con- lo embar-

(1) one; (2) bale; (3) two; (4) cotton handkerchiefs; (5) We declare as regards weight, value, and contents, this invoice expresses faithfully what has been shipped by us on this date.

so that the correct amount of duty may be charged, as, in many cases, the goods of one country are subject to a higher duty than those produced in another.

CERTIFICATE OF ORIGIN.

I,____*Arthur Sandiford*,____hereby certify that I am ____*Chief Clerk*____of James Bowden & Sons, Ltd., the manufacturers of the articles included in this invoice, and that I am duly authorised to make and sign this certificate on behalf of the said manufacturers, James Bowden & Sons, Ltd.

I have the means of knowing and I do hereby certify that this invoice from the said James Bowden & Sons, Ltd., to____*Messrs. F. Macdonald & Co., of Capetown*, amounting to____*Twenty-six pounds five shillings*____ ____is true and correct, and that all the articles included in the said invoice are *bonâ fide* the growth, produce or manufacture of the United Kingdom, and that a substantial portion of the labour of that country has entered into the production of every manufactured article included in the said invoice to the extent in each article of not less than one-fourth of the value of every such article in its present condition, ready for export to the Union of South Africa.

____*Arthur Sandiford*____

Dated____*London*,____this____*fourteenth*____day of ____*March*,____19__.

Telegraphing

As much of the business of a shipper is conducted through the medium of the telegraph, and as the cost of telegraphing is usually a very serious item in his expenditure, a few remarks on this matter are necessary. In order to reduce the cost to a minimum, telegraphic "codes" are used. These usually consist of key words

or figures, each word or group of figures representing a complete sentence, which is understood by both parties using the code. Very often the code used is a private one specially constructed to suit the needs of the particular business, but there are several printed codes in general use, the best known probably being the A.B.C. & Liebers.

Telegrams must be written in legible writing on the forms provided by the Post Office, or the various Cable Companies. The latter supply them free of charge in books, which contain a blank leaf after each form, on which a carbon copy of the telegram may be taken. If sent through the Post Office, the route by which the message is desired to be forwarded must be inserted, and it should be noted that the Post Office officials are not allowed to recommend any particular route. The message must be written in plain language, code or cypher.

(1) Plain language is language composed of words, figures, or letters which offer an intelligible meaning. These must be written in Roman characters in any of the principal European languages, though, in some cases, other languages are admitted.

(2) Code language means real words not forming intelligible phrases ; or groups of letters having the appearance of words, and which must be formed of syllables capable of pronouncement. Any word or group of letters must not exceed ten letters in length and must be in any of the following languages, viz., English, French, German, Italian, Spanish, Portuguese, Dutch or Latin.

(3) Cypher language consists of groups of Arabic figures having a secret meaning ; or groups of letters having a secret meaning, though letter and figure cypher must not be combined in one telegram.

Telegrams are charged for at a rate per word, and in telegrams written entirely in plain language, the

maximum length of a word is fifteen letters. In code language, the maximum length of a word is ten letters, and in cypher telegrams, groups of figures or of letters are counted at the rate of five to a word.

It should not be overlooked that there is a difference in time between the places in the United Kingdom and those of other countries, and that in places east of Greenwich the time is earlier than at Greenwich, and in those to the west the time is later, the difference being four minutes for each degree of longitude. The following table shows approximately the difference in time between Greenwich and the places named :—

East To be added to Greenwich time.	hrs. min.	West To be subtracted from Greenwich time.	hrs. min.
Adelaide ..	9–30	Barbadoes ..	3–58
Aden	3–0	Brest	0–18
Alexandria ..	2–0	Buenos Ayres ..	4–16
Berlin	1–0	Chicago ..	5–50
Bombay ..	5–21	Honolulu ..	10–31
Cairo	2–0	Lisbon.. ..	0–36
Cape Town ..	2–0	Mexico.. ..	6–36
Christchurch, N.Z.	11–30	New Orleans ..	6–0
Hong-Kong ..	8–0	New York ..	4–56
Melbourne ..	10–0	Pernambuco ..	2–20
Paris	0–10	Philadelphia ..	5–1
Shanghai ..	8–0	Porto Rico ..	4–26
Singapore ..	6–55	Quebec ..	4–42
Petrograd ..	2–1	San Francisco .	8–8
		Trinidad ..	4–6

CHAPTER V

OBTAINING PAYMENT FOR THE GOODS

We are now in possession of the signed Bills of Lading which are to be forwarded to the consignee. After the arrival of the ship, the consignee presents the Bills to the agent of the steamship company, who orders the goods to be delivered.

If the Bills of Lading are sent direct to the consignee, it is usual to send one copy, along with the invoice, insurance policy, and Bill of Exchange, by the first out-going mail, and the second copy by the next succeeding mail; or if there are alternate routes, one is sent by each route. This is done in order that there may be as little delay as possible in case the first miscarries. A letter of advice would accompany these documents, such advice reading somewhat as follows:—

Gentlemen,

We have pleasure in enclosing shipping documents and invoice No. 216, *amounting to* £1,080 *for prints. For this amount we have drawn upon you in our draft at* 60 *d/s through the Bank of South America, and we shall thank you to protect the draft on presentation.*

Yours truly,

Another way of dealing with the shipping documents is to *hypothecate* them with a banker as security for an advance. Many shippers would not be able to carry on business but for the facilities offered by the banks. It can easily be imagined that a considerable time must elapse before the Bills of Lading reach their destination,

and before the remittance in payment of the goods reaches home. Consequently, it would require an enormous amount of capital to finance a business carried on in this way. Instead of this, however, arrangements can generally be made with a banker to make advances against shipments. The advance may be the full value of the shipment, or a percentage, say 80% or 90%. As stated above, the security given to the bank against these advances consists of the shipping documents, viz., the full set of Bills of Lading, insurance policy, and invoice, to which is attached a Bill of Exchange, drawn on the consignee, for the value of the goods represented by the Bill of Lading. From this it will be seen that the banker, being in possession of the Bill of Lading, has control over the goods. This procedure is known as the hypothecation, or pledging, of shipping documents.

Before the banker will undertake to make advances against documents, the shipper may be required to sign a *Letter of Hypothecation*, which is a printed letter obtained from the bank, in which the shipper authorises the banker to sell the goods advanced against, if the Bill of Exchange is dishonoured, and also agrees to pay any deficiency there may be between the amount of the advance and the proceeds of the goods.

The documents (Bills of Lading, insurance policy, invoice and Bill of Exchange) being ready, are forwarded to the banker with a letter requesting that the agreed percentage be advanced against the shipment which they represent. On receipt of them, the banker will credit the account of the shipper with the amount of the advance, on which amount interest will be charged.

The documents are then forwarded by the banker to his agent abroad, who presents the Bill of Exchange to the person on whom it is drawn. When the Bill of Exchange is accepted or paid, as may have been

previously arranged, the agent will surrender the shipping documents to the acceptor of the Bill of Exchange. The London office of the bank will be advised of the acceptance, or payment of the bill, and then the account of the shipper will be credited with the margin, *i.e.*, with the difference between the amount of the bill and the amount advanced. Thus, suppose the machinery referred to is invoiced at £400 including freight, and the banker agrees to advance 90% against the documents; these would be forwarded with a letter in the following terms:—

Gentlemen,

We enclose documents as per particulars below, against which please advance as arranged.

Yours truly,

Amount of invoice.	*Bill drawn on.*	*Goods.*	*Steamer.*	*Documents.*
£400	*Eadie Bros. Bombay.*	40 *cases Machinery*	*City of York.*	1st & 2nd *Exchange* 3 *B/L Insurance policy Invoice.*

By return of post, an advice note would be received by the shipper stating that the sum of £360 had been credited to his account. After a lapse of a few weeks, and assuming the Bill of Exchange had been taken up (that is to say, duly honoured), a statement would be sent by the bank informing the shipper that the margin of £40, (less interest on the amount advanced, from the date of the advance to the date of the arrival of the remittance in London), had been credited to his account.

There are many other ways in which shipments are financed, but it is not necessary to deal with them in an elementary book.

CHAPTER VI

CUSTOMS FORMALITIES

For statistical purposes, a record of all goods exported is required by the Custom House officials at the port from which the goods are dispatched. The particulars must be given on the special forms supplied for this purpose, which may be obtained from certain commercial stationers. The return must be delivered to the proper Officers of Custom within six days from the time of the final clearance of the ship. The particulars required are as follows:—Marks, numbers and description of the packages, description of goods, net weights or quantities, F.O.B. value, final destination of the goods. At the foot of the form a declaration must be signed by the exporter or his agent, to the effect that the particulars given are correct. There is no difficulty in filling in the form, but care must be taken in describing the goods, as the description must be in accordance with the Official Export List issued by the Custom House authorities, which gives the appropriate headings under which goods must be placed. This list is also procurable at commercial stationers. A white form is used for British and Irish goods, and a pink form for foreign goods.

There are certain charges known as *dock dues* made by the Docks Authorities on all goods passing through the docks. These charges are often included in the railway rate for carriage. Where, however, the dock dues are paid separately by the shipper, the official fo m issued by the Docks Authorities must be filled in, giving particulars of the goods and of the amounts payable. Varying rates are charged on different classes

*SPECIFICATION FOR BRITISH AND IRISH GOODS ONLY

H. M. CUSTOMS

Port of__*Liverpool* Ship's Name__" *City of Glasgow*"
__*Smith*__Master, for__*Madras*___
Date of Final Clearance of Ship__*22nd Dec.*, 19-

* The Specification of Goods exported must be delivered to the proper Officers of Customs within six days from the time of the final clearance of the Ship, as required by the Customs Laws.

Marks.	Nos.	Number and Description of Packages.	Description of British and Irish Goods in accordance with the requirements of the Official Export List.	Net Weights or Quantities.	Value[1] (f.o.b.)	Final Destination of the Goods.
				c. q. lb.		
D. & Co. / *Madras*	1/8	8 *c/s.*	*Textile Machinery* .	36 0 0	£200	*Madras*
				Total Value		

[1] The "f.o.b.," or "free on board," value should be given.

I declare that the particulars set forth above are correctly stated.

Dated__*24th Dec.*, 19__ (Signed)___*J. Brown & Co.*_____
(Address)____ *Manchester*_____
(Countersigned) _____
Officer of Customs.

[1] Adding Exporter, or Agent, as the case may be.
Exportation Code, Para. 360. Secy. Customs $\frac{8246}{10}$.

of goods, and these rates and the classification of the goods may be obtained from the lists published by the Docks Authorities. If the shipping is done through an agent, he will pass these entries, otherwise the shipper himself will have to attend to them.

When a shipper has sufficient cargo to fill a ship, he sometimes hires a vessel for the particular voyage, the agreement between the owner of the vessel and the shipper being contained in a *Charter Party*. In this document, all the conditions are set forth as to the obligations on the part of the charterer and the owner. It also contains the names of the ports of departure and arrival, the amount to be paid for the voyage, and the conditions with respect to return cargo, etc.

With a view to a return cargo (unless the shipowner is agreeable to look after this), the charterer instructs someone at the port of arrival to look out in advance for whatever may be offering for shipment back. This prevents delay after the ship has discharged her cargo.

When goods which are liable for duty, such as tea, coffee, tobacco, wines and spirits, are imported into this country, they are stored in bonded warehouses which are under the control of the Excise officers, whose duty it is to see that the goods are not removed until the duty has been paid, unless they are for exportation, in which case no duty is payable. The goods are said to be in bond, because the owners of the warehouses have entered into a bond for the payment of the duty when the goods are removed for consumption. When such goods have to be exported, the routine is somewhat different from that followed in the shipment of " free " goods. The shipper must present to the Excise officials a bond, which contains particulars of the goods to be shipped. This bond must be signed by the shipper and also by a surety, who bind themselves under a penalty

to see that the goods are shipped, or the duty paid. This bond requires an Inland Revenue stamp, which varies with the amount of the penalty.

In addition to this bond, a " bond note " is required, in which notice is given by the shipper of his intention to export the goods specified. It also contains a certificate to be signed by the Excise official, that bond has been given. On the back of this form, full particulars of the goods are given, together with an order for their delivery. These documents are presented to the proper official, who, if they are in order, signs the bond note and delivery order and returns them to the exporter.

Notice must now be given to the Customs officer at the place where the ship is lying, that the goods are being forwarded, the form on which this notice is given being called a shipping note. All these documents are handed to the person entrusted with the removal of the goods, and are given up by him in exchange for the packages, which are then forwarded for shipment. This matter is also dealt with in the chapter on " The Importation of Goods."

The foregoing is not intended as an exhaustive account of the routine necessary when shipping goods to all countries, as the customs and formalities vary to a considerable extent, but it will serve to give a good general idea of the procedure of shipping.

CHAPTER VII

CLAIMING FOR INSURANCE

It will be of interest to see the proceedings when goods which are insured W.P.A. (with particular average) suffer damage which necessitates a claim on the Insurance Co. We therefore give in this chapter a claim for Particular Average fully worked out.

We receive from the firm of Sebastian & Co., of Buenos Ayres, the following letter :—

26th March, 19..

Messrs. Bradbury, Forbes & Co.

Gentlemen,

We are sorry to inform you that the goods of which you sent us invoice in your favour of the 30th ult. contained some pieces damaged by sea water. These have been surveyed and sold in public auction as per documents enclosed, viz., (1) *Certificate of Survey ;* (2) *Auctioneer's A/S ;* (3) *A/S with charges. Please put this matter in the hands of the Insurance Co., and credit us with the amount adjusted to us in compensation of this claim.*

Yours truly,

Sebastian & Co.

The Certificate of Survey mentioned in the letter runs as follows :—

Buenos Ayres.

We, the undersigned, merchants of this place, having been called upon by Messrs. Sebastian & Co., also merchants of this place, to examine into the state and condition of the following goods landed here by the English steamer " West Indian." Brown, Master, from Liverpool, do hereby certify

that after having carefully and attentively examined the same, we find them as follows:—

Mark.	*No.*	*Packages.*	*Description.*	*Contents as per invoice.*
SCO	107	1 *bale*	*Prints*	69 *pcs.* 1888¾ *yds.*
			Damaged.	
			39 *pcs.* 1052¼ *yds.*	

worth in a sound state 16 *cents per ell,*

and declare it to be our firm opinion and belief that the said damage has been occasioned by sea water on voyage from Liverpool to this port.

We consequently recommended that the above damaged goods be sold at public auction for account of whom it may concern. We furthermore declare that if the said goods had arrived here in a sound and merchantable condition, they would have been worth the price specified above, and the rate of exchange between Liverpool and this place is at present 6 *pesos (dollars)* 30 *cents for £*1 *sterling.*

In witness whereof, we have signed present document in duplicate at Buenos Ayres, 24*th March,* 19..

H. Alphonso
J. Gomez.

The next document is the auctioneer's account sales, showing the amount realised by the damaged goods which were sold at auction.

A/S of 39 *pcs. prints which I have received from Messrs. Sebastian & Co. in order to be sold in public auction.*

21 *pcs. Prints.*	577½ *yds.*=623·70 *ells at* $6	..	37.42
18 ,, ,,	474¼ ,, =512·73 ,, ,, $6¼	..	32.47
			69.89
	10% *Commission*	..	6.99
			$62.90

Buenos Ayres, 27*th March,* 19..

S. Alverez.

We then have the A/S of Sebastian & Co. showing the net amount of the realisation :—

A/S of 39 *pcs. prints landed damaged from the English steamer "West Indian," Brown, Captain, from Liverpool and sold here at public auction for a/c of whom it may concern.*

Net proceeds of Auctioneer's sale, as per enclosed		$62.90
CHARGES		
Sundry expenses at Custom House ..	$2.00	
Fees to Surveyors	5.00	
Commission to Lloyd's agent ..	6.31	
For collecting & making out document ..	2.50	
		15.81
		47.09

Buenos Ayres, March 24th, 19..
Sebastian & Co.
E. & O. E.

On this claim being received, the shipper forwards it, accompanied by the whole of the documents, to the Insurance Co. The latter sends it to the average adjusters who draw up a statement showing the amount to be paid by the Insurance Co. to the assured, *i.e.*, the shipper.

The statement is as shown below :—

STATEMENT OF PARTICULAR AVERAGE ON GOODS SEA DAMAGED, PER "WEST INDIAN," LIVERPOOL TO BUENOS AYRES

INTEREST.—*Sebastian & Co., Buenos Ayres.*

No. 167, 1 *bale Goods valued* ..	£26
other interest	£51
	£77

attached to Policy effected with the Marine Insurance Co.

DAMAGE.—*Per Survey dated Buenos Ayres, March 26th, 19.., S. & C. No.* 167, 1 *bale containing* 69 *pcs. prints, of which* 39 *pcs. damaged by sea water.*

PARTICULAR AVERAGE

SOUND VALUE OF WHOLE BALE.

1 *bale* 69 *pcs.* 1888¾ *yds.*=2039·85 *ells at* 16 *cents per ell*		$326.37
DAMAGED PRODUCED AT AUCTION.		
Sound 30 *pcs.* 836½ *yds.*=903·42 *ells at* 16 *cents per ell*	144.54	
Damaged 39 *pcs.* 1052¼ *yds.* =1146·42 *ells produced*	69.88	
		214.42
	Loss	$111.95

Deterioration 34·3%

Insured value £26 0*s.* 0*d. deterioration* 34·3%=£8 18 4

EXTRA CHARGES

Auction charges 10% ..	$6.98				
Extra labour and Survey ..	2.00				
Surveyors' fees	5.00				
Lloyd's agent's fee ..	6.31				
Collecting and making out document	2.50				
	22.79 at $6.30		3	12	4
			12	10	8
Postages ..				1	0
Statement ..				10	6
			£13	2	2

The foregoing shows that the amount payable by the Insurance Co. in respect of the claim is £13 2s. 2d., which is made up of Loss on goods £8 18s. 4d. and Expenses, £4 3s. 10d.

The most important point to notice is the way in which the amount of deterioration is arrived at. A comparison is made between the value of the goods in a sound condition at destination, and their value in a damaged condition, the difference representing the loss. The percentage of the loss to the sound value is then ascertained, and this percentage of the amount for which the goods were insured is the amount payable by the Insurance Co. in respect of the damage. In the case before us we see that the sound value of the goods at Buenos Ayres as shown by the Survey, is 16 cents per ell, and that the bale contained 1888¾ yds.=2039·85 ells which at 16 cents each=$326.37, but that owing to the damage they are only worth $214.42, the loss being $111.95 which is 34·3% of the sound value. The bale being insured for £26 0s. 0d. the amount to be paid by the Insurance Co. is 34·3% of £26=£8 18s. 4d., plus the charges connected with the survey (these being converted into sterling at the rate of exchange stated in the Survey) and the postages and cost of the average adjuster's statement.

PART II

THE IMPORTATION OF GOODS

CHAPTER VIII

THE shipping routine in connection with the importation of goods is, in most cases, very simple, owing to the fact that the large majority of goods which enter this country are "free goods" (*i.e.*, goods on which no duty is payable).

Entry for Free Goods.—Suppose, for instance, that Johnson & Co., of Manchester, have purchased from Peraldi & Co., of Paris, twenty cases of printing paper, and that these goods have been shipped to Liverpool. Johnson & Co. would receive in due course the Bills of Lading and invoices, and would take steps to obtain possession of the goods. First, they will have to pass the Customs Entry. As the goods in question are free goods, the form headed "Entry for Free Goods" must be filled up and deposited with the Customs officer at the place where the ship is discharging. These free entries must be lodged in duplicate, and each copy must be indelible. Care must be taken to describe the goods in accordance with the official import list, which is obtainable from most legal stationers. If, on examination by the Customs officer, the goods agree with the particulars set forth on the form, the entry is passed.

Delivery Order.—The next step is to obtain a delivery order from the steamship company. This is issued against the Bill of Lading duly endorsed, and the payment of any charges which may be due. It is an instruction to the master porter or the dock authority

ENTRY FOR FREE GOODS.

This space is for the use of the Officers of Customs.	Port of ____*Liverpool*____ Dock or Station____*Queensbury*____ Importer's Name____*Johnson & Co.*__	Collector's No. and Date _____

Examination.	Ship's Name.	Master's Name.	Rotation No.	Date of Report.	Port or Place of Shipment of Goods.
	Bruno	*R. Brown*		16/11/14	*Calais*

	Marks and Numbers.	No. of Packages and Description of Goods in accordance with the Official Import List.	Quantity.	Value. £.[1]	Name of place whence Goods consigned.
	J. & Co.	*Twenty cases Printing Paper, unprinted, not on reels*	40 *cwts.*	38	*France*

I enter the above Goods as free of Duty, and declare the above particulars to be true.

Dated this__17*th*__day of__*Nov.*,__ 19..

(Signed) { *Johnson & Co.* / *S. Smith* } Importer, or his Agent.

[1] (1) In the case of goods which are invoiced at a quoted price, the value to be stated in the Customs Entry should be the prime cost, with the freight and insurance added ("c.i.f." value).
(2) When the goods are consigned for sale, the value to be given should be the latest sale value of such goods.

DELIVERY ORDER.

THE _____ STEAMSHIP CO., LTD.

To the Master Porter ___ *Queensbury Dock, Liverpool* ___

Please deliver to ___ *Messrs. Johnson & Co.* ___ the following Goods, *ex* ___ *s.s.* " *Bruno* " ___ at ___ *Calais* ___

Marks and Nos.		Number and Description of Packages.	CONTENTS.
J. & Co.	1/20	20 *Cases*	*Printing paper*

Please note that all goods whilst lying on the Quay, or in any Quay Shed, are in every respect at the Owners' and/or Consignees' sole risk, as the Shipowner will not be responsible for damage or loss by Fire, Theft, Weather, or however otherwise caused.

THE _____
STEAMSHIP CO., LTD.

Per __ *A. Gregory* __

ENTRY FOR HOME USE EX-SHIP.

Port of Importation_____*London*_____

Dock or Station_____*West India Dock*_____

Name and Address of Merchant paying the Duty } ----*J. Brown & Co.*,_____21 *Mincing Lane, E.C.*_____

(If Post) Prime Entry No._____dated_____, 19__

Ship's Name.	Date of Report.	Master's Name.	Port or Place of Shipment of Goods.
Clarence	16/11/14	*Hall*	*Kingston*

Marks and numbers.	Place and Country of Destination in United Kingdom for Unmanufactured Tobacco and Spirits only.	Number of Packages and Quantity in Words and Description of Goods in accordance with the Official Import List.	Name of Place whence Goods consigned.	Quantity in Figures.	Value.[1] £	£	s.	d.
J. B. & Co. 1/50		*Fifty bags of Coffee sixty-two hundredweights*	*Jamaica*	62 *cwt.*	120	43	8	0

Total amount of Duty payable on this Entry . £-----

I declare the above particulars to be true.

(Signed) { *J. Brown & Co.* / *R. Jones* } *Importer or his agent.*

Date____19*th Nov.*, 19__

[1] (1) In the case of goods which are invoiced at a quoted price, the value to be stated in the Customs Entry should be the prime cost with the freight and insurance added ("c.i.f." value).
(2) When the goods are consigned for sale, the value to be given should be the latest sale value of such goods.

Collector's No. & Date.

to deliver the goods specified in the order. When the order is obtained, it should be presented at the proper quarter, and the goods will be handed over in accordance therewith. It may happen that the importer wishes the goods to be delivered to several persons, each of whom has purchased a portion of the consignment. In this case, the importer endorses his Delivery Order with words to this effect : " Please deliver against my sub-orders." He then forwards it to the Dock Authorities, and at the same time issues sub-orders to his customers for the quantities to be delivered to them. The forms on pp. 44 and 45 show the Customs Entry and the Delivery Order.

Dutiable Goods.—The procedure to be followed when dutiable goods are imported is more complicated than in the case of free goods. For goods which are intended for immediate home consumption, an " Entry for Home Use *ex* Ship " is required in duplicate. The duty must be paid at the time the entry is handed to the collector of customs, otherwise it will not be accepted. When duly passed and stamped by the Customs officer to the effect that the duty has been paid, the entry is forwarded to the officer at the dock where the goods are lying. If, on examination, the goods are found to be in accordance with the particulars on the entry, they are released. (See page 46 for Specimen Form.)

If it should happen that the quantity of goods landed is in excess of that stated on the first or " Prime Entry," and on which duty has been paid, another entry, called a " Post Entry," must be passed. This Post Entry contains particulars of the excess and the amount of the duty payable, and must bear the same date and number as the Prime Entry. On the other hand, if the quantity entered on the Prime Entry is in excess of that landed, an " Over Entry " certificate will be

issued by the authorities, which certificate enables the importer to a refund of the over-paid duty.

Bill of Sight.—Importers are subjected to severe penalties for making false declarations as to the nature of goods imported; and as in some cases it is impossible, owing to lack of particulars, for the importer to declare his goods with certainty, means of dealing with such cases are provided. In the event of an importer not knowing exactly what the packages contain, owing to the non-receipt of the invoices, he uses a document known as a *Bill of Sight.* He fills up the first portion of the document to the best of his ability, and the form, incomplete as it is, is lodged with the Customs officers. It is then forwarded to the officer at the dock where the ship is lying, and the goods are examined, weighed, measured or tested by the Customs officers, who assess the duty thereon. When the amount has been ascertained, the importer attends at the Customs House, pays the duty, and fills in the second part of the form from the particulars supplied by the Customs officer. This latter process is called "Perfecting the Sight." If it is found on examination that the goods are not liable to duty, a free entry is passed in the usual way. (See pages 49 and 50.)

Warehousing Entry.—If the importer does not wish to pay the duty at once and thus release the goods, he can have them stored in a warehouse approved by the Customs authorities, and known as a "bonded warehouse." To enable this to be done, a *Warehousing Entry* in duplicate must be passed at the Customs House. Instructions are given to the officer at the dock to allow the goods to be warehoused, and they are conveyed thither in locked vans or they are accompanied by a Customs' watcher. The expenses in connection with warehousing are payable by the merchant. On arrival, the goods are examined and an account taken. (See Form on page 52)

4—(1340)

BILL OF SIGHT.

Port of_____*Manchester*_____

Importer_____*Brockwell & Co., 29 Cross St., Manchester*_____

Wharf, Dock, or Station.	Ship's Name.	Whether British or Foreign; if Foreign, the Country.	Master's Name.	Port or Place whence Imported.	Name of Importer or of his Agent.
6 *Salford*	*"Sea Bird"*	*British*	*G. Ellis*	*Rotterdam*	*Brockwell & Co.*

Marks.	Numbers.	Name of Place whence the Goods consigned.	Number of Packages, with the best Description of the Goods the Importer is able to give.
B. & Co.	1/10	*Rotterdam*	*Twenty casks Wine*

I,_____*A. Brockwell (Brockwell & Co.)*,_____Importer of the Goods above-mentioned, do hereby declare that I have not (or that to the best of my knowledge he has not) received sufficient Invoice, Bill of Lading, or other advice whence the Quality, Quantity, or Value of the Goods above-mentioned can be ascertained.

Dated this____15*th*____day of_____*April*, 19__ _____

(Signed)_____*A. Brockwell*_____
Importer, or his Agent.

(Signed)_____
Collector.